

NORTH BAY VILLAGE, FLORIDA

Comprehensive Annual Financial Report

Fiscal Year Ending
September 30, 2014



NORTH BAY VILLAGE, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED
September 30, 2014

Prepared By:
Finance Department

Bert Wrains, Finance Director

NORTH BAY VILLAGE, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended September 30, 2014

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INTRODUCTORY SECTION



North Bay Village

Administrative Offices

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

Tel: (305) 756-7171 Fax: (305) 756-7722 Website: www.nbvillage.com

March 24, 2015

Honorable Mayor
Members of the Village Commission
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, 2014.

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

The contents of this report are aimed at compliance with GASB pronouncements, including Statement No. 34, requiring the preparation of government-wide financial statements on a full accrual basis of accounting for all funds and including Management's Discussion and Analysis. Also included are additional and enhanced Statistical Tables required by GASB Statement No. 44.

THE REPORTING ENTITY AND ITS SERVICES

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

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

Mayor
Connie Leon-Kreps

Vice Mayor
Jorge Gonzalez

Commissioner
Dr. Richard Chervony

Commissioner
Wendy Duvall

Commissioner
Eddie Lim

ECONOMIC CONDITIONS AND OUTLOOK

The Village consists of an area of approximately .80 square miles, with a population of 7,851 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 not experienced any major private sector development in the previous 5 years. The projects before 2009 consisted of new condominiums and apartment developments. The Village has had one new upscale apartment project started in early 2014. It will be completed in 2015 but the property tax revenues will partially be realized by the Village in FY 2016 and full tax revenues will be realized in the FY 2017 budget year. Currently there are 8 new mixed use, residential and commercial developments in the Village's review and approval process. Some of these projects are expected to start in 2015. One of the attractions for new development is that North Bay Village is a 3 island paradise surrounded by Biscayne Bay.

Fiscal Year 2014

The Village's combination of a mix of small (older) and newer (larger) condominiums with the facts of 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 \$ 747 million shows an 8.1% improvement since the lowest taxable values in 2011. This is the 4 straight year of increased values. During the past year, we continued to see positive signs that the local economy had improved as the number of building permits and applications for mixed use (commercial and residential) projects increased. An increase in the permits for new and renovated single family homes is another positive sign of an improving economy. Another important factor is that these new projects will be producing jobs for the local economy.

MAJOR INITIATIVES

The Village, in 2014 continued to work on major repairs and improvements to the Village's infrastructure.

- * Completion of the sewer force main to connect into the Miami-Dade County sewer system;
- * Taking the old force main out of service and preparing it to be used for a backup force main in an emergency;
- * Repairing several sewer lift station's and water mains; and
- * Starting major repairs on the Village's stormwater systems.

In addition, the following major capital improvements were in process at the end of fiscal year 2014 and should be completed in 2015 and 2016.

- * Received approval from the Florida Department of Environmental Protections (DEP) for 3 loans to start the design and then major renovations to the Villages aging water and sanitary sewer system. The Village has contracted with Kimley Horn, engineering firm to start the needs assessment and preliminary design.
- * Worked with Florida Department of Transportation (FDOT) for implementing their Triple R project for Kennedy Causeway. This will include the removal of the old asphalt surface, replace with new asphalt and then restripe the full Causeway. In addition, bike lanes will be added to both sides of the Causeway connecting North Bay Village to Miami Beach and the City of Miami. The Causeway will also receive new street lighting.

The Village during FY 2014 has implemented several elements of the new integrated computer system. As of September 30, 2014 the Village staff has installed and are using the building permit, utility billing, cashiering, code enforcement and business tax receipts portions of the INCODE system from Tyler Technology. The financial-budget element is to be implemented by mid-2015.

FINANCIAL INFORMATION

Internal Accounting Control

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

All internal control evaluations occurred within the above framework. We believe that the Village's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary Control

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

Overview of Financial Activity

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

Fund Balances

In fiscal year 2011, the Village implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" for its governmental activities. GASB Statement No. 54 establishes various classifications of fund balance based on a hierarchy which details constraints placed on the use of resources by creditors, grantors, contributors, laws or regulations of other governments and those internally imposed. Fund balances classified as restricted are those with externally enforceable limitations on use. Fund balances classified as committed can only be used for specific purposes determined by formal action of the Village Commission through an ordinance. Commitments can only be changed or lifted by the Village Commission through an ordinance. Assigned fund balances are amounts that the Village intends to use for a specific purpose but are neither restricted nor committed. Unassigned fund balance can be viewed as the net resources available at the end of the year.

Retirement Programs

The Village contributes to the Florida Retirement system (FRS) which is the basic defined benefit pension plan for most Village employees. The FRS contributions are based on employee classifications. The Village also contributes to a defined contribution plan for a few 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 6.95% and 21.14% 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, 2014 were approximately \$ 579,000.

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, 2015. The other union (FOPA) covers the non-managerial and blue collar work force. Their contract expired September 30, 2009. Since negotiations are currently being held, the terms of the 2009 CBA are still in force until a new CBA is negotiated.

Financing Programs and Debt Administration

The Village currently has six outstanding long-term debt issues. The Village has four sewer infrastructure loans through the Florida Department of Environmental Protection (DEP). The four loans are accounted for entirely in the Utility Fund and are paid from customer charges for services. These loans have various interest rates ranging from 1.93% to 3.79%. The last loan will be paid off in August 2031. The principal outstanding on the sewer infrastructure loans as of September 30, 2014 totaled \$ 1,589,861.

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 principal outstanding on the GO bonds as of September 30, 2014 totaled \$ 7,151,429.

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 through the United States and Canada.

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 first certificate.

Acknowledgements

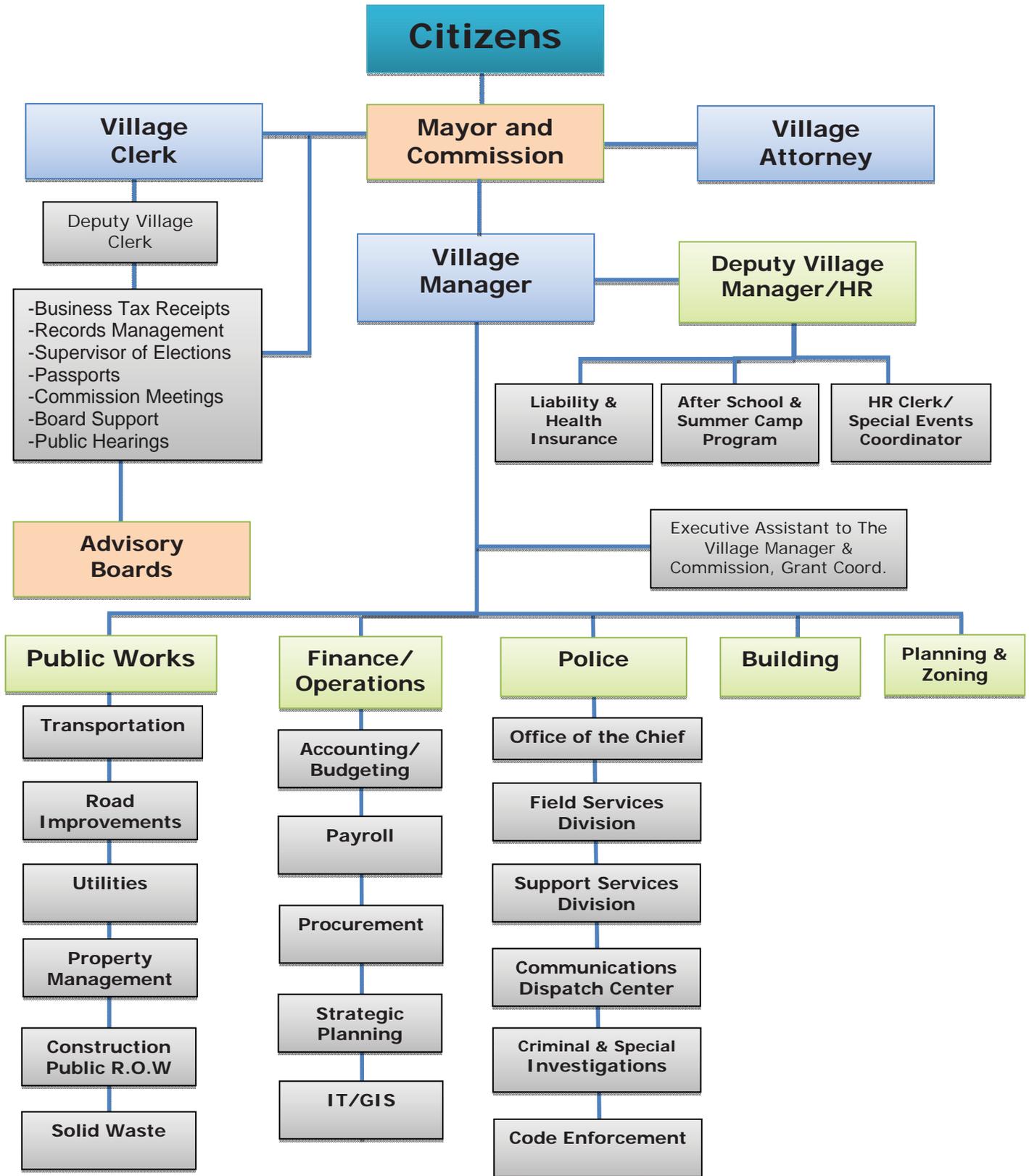
The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire Finance Department. We express our appreciation to all members of the Department who assisted and contributed to its preparation. We also wish to thank the Village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

Respectfully submitted,


Elbert Wrains, Finance Director


Frank Rollason, Village Manager

NORTH BAY VILLAGE ORGANIZATIONAL CHART



LIST OF ELECTED AND PRINCIPAL OFFICIALS

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

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of North Bay Village, Florida, (the "Village") as of and for the year ended September 30, 2014 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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of funding progress, other post-employment benefits on pages 4-9 and 42, 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 federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A- 133, *Audits of States, Local Governments and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and the schedule of expenditures of federal awards 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 the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

North Bay Village, Florida

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2015, 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 24, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS
(MD&A)

NORTH BAY VILLAGE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2014

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, 2014.

FINANCIAL HIGHLIGHTS

The assets of the North Bay Village exceeded its liabilities at the close of the most recent fiscal year by \$ 13,944,139 (net position). Governmental net position amounted to \$ 4,971,754 and business-type net position amount to \$ 8,972,385. Net position increased by \$ 1,049,514 during the current fiscal year.

For the fiscal year ended September 30, 2014, the Village's governmental activities revenues and expenses were \$ 9,001,849 and \$ 7,975,515 respectively. As a result, governmental net position increased by \$ 1,026,334.

For the fiscal year ended September 30, 2014, the Village's business-type activities revenues and expenses were \$ 5,141,737 and \$ 5,118,557 respectively. As a result, business-type net position increased by \$ 23,180.

At the close of the current fiscal year, the Village's governmental funds reported combined fund balances of \$ 4,766,889, an increase of \$ 1,164,585 in comparison with the prior year. Approximately 13.7% of this amount (\$ 653,681) 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 \$ 1,765,881, or approximately 27.6% 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).

NORTH BAY VILLAGE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2014

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 stormwater operations. The government-wide financial statements can be found on pages 10 and 11 of this report.

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

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund 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 Federal Forfeiture Fund, the Capital Projects Fund and Debt Service Fund, which are considered to be major funds. Data from the other five governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor 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 12 through 15 of this report.

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the utility operations, which is considered to be a major fund of the Village and the stormwater operations which is considered to be a nonmajor fund. The proprietary fund financial statements can be found on pages 16 through 19 of this report.

NORTH BAY VILLAGE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2014

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 20 through 37 of this report.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the Village's progress in funding its obligation to provide OPEB benefits to its employees. Required supplementary information can be found on page 42 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on OPEB. Combining and individual fund statements and schedules can be found on pages 43-50 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 \$ 13,944,139 at the close of September 30, 2014. Governmental activities net position totaled \$ 4,971,754, and business-type activities net position totaled \$ 8,972,385. The following table presents a condensed statement of net position as compared to the prior year.

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 5,480,033	\$ 4,305,089	\$ 1,603,657	\$ 1,141,304	\$ 7,083,690	\$ 5,446,393
Restricted assets	-	-	352,118	486,728	352,118	486,728
Capital assets, net	<u>9,117,272</u>	<u>9,459,614</u>	<u>9,672,571</u>	<u>9,801,769</u>	<u>18,789,843</u>	<u>19,261,383</u>
Total assets	<u>14,597,305</u>	<u>13,764,703</u>	<u>11,628,346</u>	<u>11,429,801</u>	<u>26,225,651</u>	<u>25,194,504</u>
Current and other liabilities	1,462,715	1,429,203	1,100,879	1,067,442	2,563,594	2,496,645
Long term liabilities	<u>8,162,836</u>	<u>8,390,080</u>	<u>1,555,082</u>	<u>1,413,154</u>	<u>9,717,918</u>	<u>9,803,234</u>
Total liabilities	<u>9,625,551</u>	<u>9,819,283</u>	<u>2,655,961</u>	<u>2,480,596</u>	<u>12,281,512</u>	<u>12,299,879</u>
Net position:						
Net investment in capital assets	3,161,974	2,956,614	8,082,710	8,316,098	11,244,684	11,272,712
Restricted	1,724,697	1,117,826	-	-	1,724,697	1,117,826
Unrestricted (deficit)	<u>85,083</u>	<u>(129,020)</u>	<u>889,675</u>	<u>633,107</u>	<u>974,758</u>	<u>504,087</u>
Total net position	<u>\$ 4,971,754</u>	<u>\$ 3,945,420</u>	<u>\$ 8,972,385</u>	<u>\$ 8,949,205</u>	<u>\$ 13,944,139</u>	<u>\$ 12,894,625</u>

By far, the largest portion of the Village's net position (80.6%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The Village uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the Village's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

NORTH BAY VILLAGE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2014

An additional portion of the Village's net position (12.4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$ 974,758 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

At the end of the current fiscal year, the Village is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

Changes in net position - Governmental activities and business-type activities increased the Village's net position by \$ 1,049,514 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	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 1,176,191	\$ 1,084,524	\$ 4,760,397	\$ 4,829,619	\$ 5,936,588	\$ 5,914,143
Operating grants and contributions	406,728	411,205	-	-	406,728	411,205
Capital grants and contributions	110,167	196,099	-	-	110,167	196,099
General revenues:						
Property taxes	4,248,100	3,809,173	-	-	4,248,100	3,809,173
Other taxes and fees	2,873,809	2,002,621	381,327	-	3,255,136	2,002,621
Interest income	44,599	37,068	13	14	44,612	37,082
Other general revenues	142,255	203,417	-	-	142,255	203,417
Total revenues	9,001,849	7,744,107	5,141,737	4,829,633	14,143,586	12,573,740
Expenses:						
General government	1,736,545	2,110,915	-	-	1,736,545	2,110,915
Public safety	4,393,099	4,414,222	-	-	4,393,099	4,414,222
Public works	581,419	767,930	-	-	581,419	767,930
Building, planning, and zoning	616,483	411,645	-	-	616,483	411,645
Parks and recreation	393,421	393,656	-	-	393,421	393,656
Interest on long term debt	254,548	287,067	-	-	254,548	287,067
Utility	-	-	5,033,035	4,463,577	5,033,035	4,463,577
Stormwater utility	-	-	85,522	114,344	85,522	114,344
Total expenses	7,975,515	8,385,435	5,118,557	4,577,921	13,094,072	12,963,356
Increase (decrease) in net position	1,026,334	(641,328)	23,180	251,712	1,049,514	(389,616)
Net position, October 1	3,945,420	4,586,748	8,949,205	8,697,493	12,894,625	13,284,241
Net position, September 30	<u>\$ 4,971,754</u>	<u>\$ 3,945,420</u>	<u>\$ 8,972,385</u>	<u>\$ 8,949,205</u>	<u>\$ 13,944,139</u>	<u>\$ 12,894,625</u>

Governmental activities - During the current fiscal year, net position for governmental activities increased \$ 1,026,334 from the prior fiscal year for an ending balance of \$ 4,971,754. The general governmental activities included an increase in the funds received for one new development. This totaled \$ 687,974 in major impact fees.

NORTH BAY VILLAGE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2014

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 to reach an ending balance of \$ 8,972,385. The total increase in net position for business-type activities (Utility and Stormwater Funds) was \$ 23,180. The business type activities received \$ 381,327 in one time impact fees as well as a one-time disbursement from the Florida Revolving Loan Program of \$ 309,518. The Utility Fund experienced an unexpected increase in the cost of major repairs to the water and sewer system components. These major events allowed the Utility Fund to have an increase in net position of \$ 23,180.

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 \$ 4,766,889, an increase of \$ 1,164,585 from the prior year. Approximately 13.7% of this amount (\$ 653,681) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is either *nonspendable, restricted, committed, or assigned* to indicate that it is 1) not in spendable form (\$ 80,180), 2) restricted for particular purposes (\$ 2,920,828), 3) committed for particular purposes, or 4) assigned for particular purposes (\$ 1,112,200).

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 \$ 653,681. 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 10.2% of total General Fund expenditures, while total fund balance represents approximately 30.0% of that same amount. The combination of a property tax increase and the reduction in administrative and police expenditures provided for the increase of \$ 392,678 in unrestricted fund balance over fiscal year 2013.

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 \$ 8,972,385. Reasons for the changes in these funds has been noted earlier in the discussion of business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund revenues increased over the original budget due to increased tax collections, increased fines from code enforcement and a one-time \$ 78,000 administrative charge on the impact fees paid by one new development.

NORTH BAY VILLAGE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2014

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, 2014 amounted to \$ 9,117,272 and \$ 9,672,571 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.

Long-term debt - At the end of the current fiscal, the Village had governmental activities general obligation debt outstanding of \$ 7,151,429. This debt is secured by the Village's ad valorem taxes. The Village's Utility Fund also had State Revolving Fund debt outstanding of \$ 1,589,861. 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	
	2014	2013	2014	2013	2014	2013
Long-term debt:						
General obligation note, Series 2010	\$ 1,851,429	1,954,286	\$ -	-	\$ 1,851,429	1,954,286
General obligation refunding note, Series 2010	5,300,000	\$ 5,590,000	-	-	5,300,000	\$ 5,590,000
Revolving state loans	-	-	1,589,861	1,485,671	1,589,861	1,485,671
Total	<u>\$ 7,151,429</u>	<u>\$ 7,544,286</u>	<u>\$ 1,589,861</u>	<u>\$ 1,485,671</u>	<u>\$ 8,741,290</u>	<u>\$ 9,029,957</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The North Bay Village's main source of revenues are obtained from a combination of tax receipts from ad valorem property taxes, state revenue sharing and other taxes, franchise fees, and receipts from building permit fees. The budget for fiscal year 2015 is based on the Village's best expectations of revenues from these sources and other smaller sources, and expenses are based on historical data and known increases for the 2015 fiscal year. The small improvements in the local economy, along with one major 284 unit rental residential complex being built, was the major change in the general governmental activities.

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, 2014

	Governmental Activities	Business- Type Activities	Total
ASSETS:			
Pooled cash, cash equivalents and investments	\$ 4,981,967	\$ 1,147,447	\$ 6,129,414
Receivables, net	417,886	433,143	851,029
Restricted cash	-	352,118	352,118
Prepaid expenses	80,180	23,067	103,247
Capital assets:			
Non-depreciable	5,245,531	-	5,245,531
Depreciable, net	3,871,741	9,672,571	13,544,312
Total assets	14,597,305	11,628,346	26,225,651
LIABILITIES:			
Accounts payable	564,687	529,185	1,093,872
Accrued liabilities	148,457	15,779	164,236
Accrued interest payable	85,461	8,132	93,593
Customer deposits	-	352,118	352,118
Due within one year:			
Compensated absences payable	261,253	26,814	288,067
Debt	402,857	168,851	571,708
Due in more than one year:			
Compensated absences payable	1,306,264	134,072	1,440,336
Debt	6,748,572	1,421,010	8,169,582
OPEB obligation	108,000	-	108,000
Total liabilities	9,625,551	2,655,961	12,281,512
NET POSITION:			
Net investment in capital assets	3,161,974	8,082,710	11,244,684
Restricted for:			
Transportation projects	510,286	-	510,286
Law enforcement	418,805	-	418,805
Culture and recreation	653,756	-	653,756
Children's services	12,039	-	12,039
Building Fund operations	70,455	-	70,455
Debt service	59,356	-	59,356
Unrestricted net position	85,083	889,675	974,758
Total net position	\$ 4,971,754	\$ 8,972,385	\$ 13,944,139

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, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- type Activities	
Governmental activities:							
General government	\$ 1,736,545	\$ 261,667	\$ -	\$ -	\$ (1,474,878)	\$ -	\$ (1,474,878)
Public safety	4,393,099	253,666	3,409	-	(4,136,024)	-	(4,136,024)
Public works	581,419	-	277,402	-	(304,017)	-	(304,017)
Building, planning and zoning	616,483	660,858	-	-	44,375	-	44,375
Parks and recreation	393,421	-	125,917	110,167	(157,337)	-	(157,337)
Interest on long-term debt	254,548	-	-	-	(254,548)	-	(254,548)
Total governmental activities	7,975,515	1,176,191	406,728	110,167	(6,282,429)	-	(6,282,429)
Business-type activities:							
Utility Fund	5,033,035	4,649,529	-	-	-	(383,506)	(383,506)
Stormwater Utility Fund	85,522	110,868	-	-	-	25,346	25,346
Total business-type activities	5,118,557	4,760,397	-	-	-	(358,160)	(358,160)
Total	\$ 13,094,072	\$ 5,936,588	\$ 406,728	\$ 110,167	(6,282,429)	(358,160)	(6,640,589)
General revenues:							
Taxes:							
Ad valorem taxes					4,248,100	-	4,248,100
Franchise fees on gross receipts					441,194	-	441,194
Utility service taxes					550,901	-	550,901
Sales tax					538,419	-	538,419
Intergovernmental, not restricted for specific purposes					575,123	-	575,123
Impact fees					768,172	381,327	1,149,499
Interest income					44,599	13	44,612
Miscellaneous					142,255	-	142,255
Total general revenues					7,308,763	381,340	7,690,103
Change in net position					1,026,334	23,180	1,049,514
Net position, beginning,					3,945,420	8,949,205	12,894,625
Net position, ending					\$ 4,971,754	\$ 8,972,385	\$ 13,944,139

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

NORTH BAY VILLAGE, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2014

	<u>General Fund</u>	<u>Federal Forfeiture Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS:						
Pooled cash, cash equivalents and investments	\$ 1,880,200	\$ 225,977	\$ 1,456,659	\$ 59,356	\$ 1,359,775	\$ 4,981,967
Receivables	328,078	-	-	-	89,808	417,886
Due from other funds	33,589	-	-	-	-	33,589
Prepaid expenditures	79,594	-	-	-	586	80,180
Total assets	<u>\$ 2,321,461</u>	<u>\$ 225,977</u>	<u>\$ 1,456,659</u>	<u>\$ 59,356</u>	<u>\$ 1,450,169</u>	<u>\$ 5,513,622</u>
LIABILITIES AND FUND BALANCES:						
Liabilities:						
Accounts payable	\$ 274,139	\$ 1,857	\$ 260,528	\$ -	\$ 28,163	\$ 564,687
Accrued liabilities	131,392	12,824	-	-	4,241	148,457
Due to other funds	-	-	-	-	33,589	33,589
Total liabilities	<u>405,531</u>	<u>14,681</u>	<u>260,528</u>	<u>-</u>	<u>65,993</u>	<u>746,733</u>
Fund Balances:						
Nonspendable:						
Prepaid expenditures	79,594	-	-	-	586	80,180
Restricted for:						
Capital projects	-	-	1,196,131	-	-	1,196,131
Transportation projects	-	-	-	-	510,286	510,286
Law enforcement	-	211,296	-	-	207,509	418,805
Culture and recreation	-	-	-	-	653,756	653,756
Debt service	-	-	-	59,356	-	59,356
Children's services	-	-	-	-	12,039	12,039
Building Fund operations	70,455	-	-	-	-	70,455
Assigned to:						
Operating reserves	1,112,200	-	-	-	-	1,112,200
Unassigned	653,681	-	-	-	-	653,681
Total fund balances	<u>1,915,930</u>	<u>211,296</u>	<u>1,196,131</u>	<u>59,356</u>	<u>1,384,176</u>	<u>4,766,889</u>
Total liabilities and fund balances	<u>\$ 2,321,461</u>	<u>\$ 225,977</u>	<u>\$ 1,456,659</u>	<u>\$ 59,356</u>	<u>\$ 1,450,169</u>	<u>\$ 5,513,622</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, 2014

TOTAL FUND BALANCES OF GOVERNMENTAL FUNDS IN THE BALANCE SHEET		\$ 4,766,889
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Amounts reported for governmental activities in the statement of net position are different because:

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

Governmental capital assets	\$ 13,153,353	
Less accumulated depreciation	<u>(4,036,081)</u>	9,117,272

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

Bonds payable	\$ (7,151,429)	
Compensated absences	(1,567,517)	
Accrued interest payable	(85,461)	
Other post employment benefit obligation (OPEB)	<u>(108,000)</u>	<u>(8,912,407)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES		\$ <u><u>4,971,754</u></u>
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The accompanying notes to basic financial statements are an integral part of these statements.

NORTH BAY VILLAGE, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2014

	General Fund	Federal Forfeiture Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:						
Taxes	\$ 4,130,499	\$ -	\$ -	\$ 668,502	\$ 277,402	\$ 5,076,403
Licenses and permits	731,398	-	-	-	-	731,398
Franchise fees	441,194	-	-	-	-	441,194
Intergovernmental revenue	1,127,449	-	110,167	-	125,917	1,363,533
Charges for services	61,071	-	-	-	-	61,071
Fines and forfeitures	135,718	176,233	-	-	-	311,951
Impact fees	80,198	-	-	-	687,974	768,172
Interest income	41,077	2,103	1,339	-	80	44,599
Other	182,023	15,355	-	-	6,150	203,528
Total revenues	6,930,627	193,691	111,506	668,502	1,097,523	9,001,849
EXPENDITURES:						
Current:						
General government	1,632,209	-	-	-	-	1,632,209
Public safety	3,619,915	395,039	-	-	15,100	4,030,054
Public works	292,076	-	-	-	118,905	410,981
Building, planning and zoning	594,293	-	-	-	-	594,293
Parks and recreation	224,655	-	-	-	129,060	353,715
Capital outlay	24,245	917	117,078	-	12,397	154,637
Debt service:						
Principal	-	-	-	392,857	-	392,857
Interest and fiscal charges	-	-	-	268,518	-	268,518
Total expenditures	6,387,393	395,956	117,078	661,375	275,462	7,837,264
Excess (deficiency) of revenues over expenditures	543,234	(202,265)	(5,572)	7,127	822,061	1,164,585
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	160,417	-	78,778	239,195
Transfers out	(78,778)	-	-	-	(160,417)	(239,195)
Total other financing sources (uses)	(78,778)	-	160,417	-	(81,639)	-
Net change in fund balances	464,456	(202,265)	154,845	7,127	740,422	1,164,585
FUND BALANCES, beginning of year	1,451,474	413,561	1,041,286	52,229	643,754	3,602,304
FUND BALANCES end of year	\$ 1,915,930	\$ 211,296	\$ 1,196,131	\$ 59,356	\$ 1,384,176	\$ 4,766,889

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, 2014

NET CHANGES IN FUND BALANCES - TOTAL
GOVERNMENTAL FUNDS \$ 1,164,585

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:

Expenditures for capital assets	\$ 136,325	
Less current year provision for depreciation	<u>(441,167)</u>	(304,842)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long term liabilities in the statement of net position.		392,857
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Certain items reported in the statement of activities do
not require the use of current financial resources and
therefore are not reported as expenditures in the
governmental funds:

Change in accrued interest payable	13,970	
Change in long-term compensated absences	(162,736)	
Change in other post employment benefit obligation (OPEB)	<u>(40,000)</u>	(188,766)

In the statement of activities, only the gains/(losses) on capital assets are reported, whereas in the governmental sale of funds, the entire proceeds from the sale increase financial resources. Thus the change in net position differs from the change in fund balances by the cost of the capital assets, net.		<u>(37,500)</u>
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CHANGES IN NET POSITION OF GOVERNMENTAL
ACTIVITIES \$ 1,026,334

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, 2014

	Business-Type Activities Enterprise Funds		Total
	Major Fund	Nonmajor Fund	
	Utility Fund	Stormwater Utility Fund	
ASSETS:			
Current assets:			
Pooled cash, cash equivalents and investments	\$ 564,193	\$ 583,254	\$ 1,147,447
Restricted cash	352,118	-	352,118
Accounts receivable, net	423,345	9,798	433,143
Prepaid expenses	22,192	875	23,067
Total current assets	1,361,848	593,927	1,955,775
Noncurrent assets:			
Capital assets:			
Depreciable, net	9,368,052	304,519	9,672,571
Total assets	\$ 10,729,900	\$ 898,446	\$ 11,628,346
LIABILITIES:			
Current liabilities:			
Accounts payable	\$ 528,397	\$ 788	\$ 529,185
Accrued liabilities	15,779	-	15,779
Accrued interest payable	8,132	-	8,132
Current portion of compensated absences payable	26,814	-	26,814
Payable from restricted assets:			
Customer deposits	352,118	-	352,118
Current portion of debt	168,851	-	168,851
Total current liabilities	1,100,091	788	1,100,879
Long term liabilities:			
Compensated absences payable	134,072	-	134,072
Debt	1,421,010	-	1,421,010
Total long-term liabilities	1,555,082	-	1,555,082
Total liabilities	2,655,173	788	2,655,961
NET POSITION:			
Net investment in capital assets	7,778,191	304,519	8,082,710
Unrestricted net position	296,536	593,139	889,675
Total net position	8,074,727	897,658	8,972,385
Total liabilities and net position	\$ 10,729,900	\$ 898,446	\$ 11,628,346

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, 2014

	Business-Type Activities Enterprise Funds		Total
	Major Fund	Nonmajor Fund	
	Utility Fund	Stormwater Utility Fund	
OPERATING REVENUES:			
Sanitation charges	\$ 1,506,823	\$ -	\$ 1,506,823
Sewer charges	1,640,758	-	1,640,758
Metered water charges	1,455,159	-	1,455,159
Service fees and late penalties	46,789	1,034	47,823
Stormwater user fees	-	109,834	109,834
Total operating revenues	<u>4,649,529</u>	<u>110,868</u>	<u>4,760,397</u>
OPERATING EXPENSES:			
Payroll and related expenses	1,511,429	-	1,511,429
Sewage disposal fees	976,440	-	976,440
Materials, supplies, repairs and other	1,088,711	6,725	1,095,436
Water purchases	637,557	-	637,557
Solid waste disposal and recycling services	417,812	-	417,812
Provision for depreciation	366,406	78,797	445,203
Total operating expenses	<u>4,998,355</u>	<u>85,522</u>	<u>5,083,877</u>
Operating income (loss)	<u>(348,826)</u>	<u>25,346</u>	<u>(323,480)</u>
NONOPERATING REVENUES (EXPENSES):			
Impact fees	381,327	-	381,327
Interest income	13	-	13
Interest expense	(34,680)	-	(34,680)
Total nonoperating revenues (expenses)	<u>346,660</u>	<u>-</u>	<u>346,660</u>
Change in net position	(2,166)	25,346	23,180
NET POSITION, beginning of year	<u>8,076,893</u>	<u>872,312</u>	<u>8,949,205</u>
NET POSITION, end of year	<u>\$ 8,074,727</u>	<u>\$ 897,658</u>	<u>\$ 8,972,385</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, 2014

	Business-type Activities Enterprise Funds		Total
	Major Fund	Nonmajor Fund	
	Utility Fund	Stormwater Utility Fund	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 4,639,322	\$ 110,082	\$ 4,749,404
Payments to employees	(1,495,250)	-	(1,495,250)
Payments to suppliers	(3,083,361)	(9,520)	(3,092,881)
Net cash provided by operating activities	60,711	100,562	161,273
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers to other funds	(145,838)	145,838	-
Net cash provided by (used in) noncapital financing activities	(145,838)	145,838	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of capital assets	(316,005)	-	(316,005)
Proceeds from revolving state loans	309,518	-	309,518
Payments of revolving state loans	(205,328)	-	(205,328)
Impact fees	381,327	-	381,327
Interest and other charges	(33,169)	-	(33,169)
Net cash provided by (used in) capital and related financing activities	136,343	-	136,343
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	13	-	13
Net cash provided by investing activities	13	-	13
Net increase in pooled cash, cash equivalents and investments	51,229	246,400	297,629
POOLED CASH, CASH EQUIVALENTS AND INVESTMENTS, beginning	865,082	336,854	1,201,936
POOLED CASH, CASH EQUIVALENTS AND INVESTMENTS, ending	\$ 916,311	\$ 583,254	\$ 1,499,565
POOLED CASH, CASH EQUIVALENTS AND INVESTMENTS REPORTED ON THE STATEMENT OF NET POSITION:			
Pooled cash, cash equivalents and investments	\$ 564,193	\$ 583,254	\$ 1,147,447
Restricted cash	352,118	-	352,118
	\$ 916,311	\$ 583,254	\$ 1,499,565

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

NORTH BAY VILLAGE, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
(continued)
For the Year Ended September 30, 2014

	Business-type Activities Enterprise Funds		Total
	Major Fund	Nonmajor Fund	
	Utility Fund	Stormwater Utility Fund	
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ (348,826)	\$ 25,346	\$ (323,480)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Provision for depreciation	366,406	78,797	445,203
(Increase) decrease in:			
Accounts receivable	(6,261)	(786)	(7,047)
Prepaid expenses	(22,192)	(875)	(23,067)
Increase (decrease) in:			
Accounts payable	59,351	(1,920)	57,431
Accrued liabilities	3,161	-	3,161
Customer deposits	(3,946)	-	(3,946)
Compensated absences	13,018	-	13,018
Total adjustments	409,537	75,216	484,753
Net cash provided by operating activities	\$ 60,711	\$ 100,562	\$ 161,273

NORTH BAY VILLAGE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

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 23427. 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.

NORTH BAY VILLAGE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

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

NORTH BAY VILLAGE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting for reporting its assets and liabilities. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total position. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary fund are charges to customers for sales and services. Operating expenses for proprietary funds include the costs of sales and service, administrative expenses and depreciation on capital assets. All revenues and expenses that do not meet this definition are reported as non-operating revenues or expenses.

The Village reports the following major governmental funds:

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

Federal Forfeitures Fund - This fund accounts for Federal forfeitures restricted for law enforcement purposes.

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

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

The Village reports the following major proprietary fund:

Utility Fund - This fund is used to account for the Village's water, sewer, stormwater 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 its 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, 2014.

NORTH BAY VILLAGE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Interfund transactions:

As the Village does not have any lending/borrowing arrangements between funds, all outstanding balances between funds are reported as "due to/from other funds". All amounts receivable from or payable to other funds are to be settled with expendable, available financial resources. Transactions which are recurring annual transfers between two or more funds are recorded as transfers in and out. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Prepaid items:

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. These costs are accounted for under the consumption method.

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	30-40 years
Buildings	10-30 years
Vehicles	5 years
Machinery and equipment	3-5 years
Equipment and vehicles	3-5 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 does not have any items that qualify for reporting in this category.

NORTH BAY VILLAGE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 does not have any items that qualify for reporting in this category.

Compensated absences:

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

Long-term obligations:

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

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.

NORTH BAY VILLAGE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund balance:

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

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

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. "Not in spendable form" includes items that are not expected to be converted to cash (such as inventories and prepaid amounts) and items such as long-term amount of loans and notes receivable, as well as property acquired for resale.

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

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

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.

NORTH BAY VILLAGE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Net position policy:

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

Use of estimates:

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

Date of management review:

Subsequent events were evaluated by management through March 24, 2015, 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, 2014 was 6.5145 mills. The rate of 6.5145 mills is allocated to the General Fund and Debt Service Fund, with the General Fund receiving 5.4740 and the Debt Service Fund 1.0405.

NORTH BAY VILLAGE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE 2 - PROPERTY TAXES (continued)

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.

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, it's 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.

NORTH BAY VILLAGE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE 3 - DEPOSITS AND INVESTMENTS (continued)

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, 2014, the Village's fair value of its investment in Florida PRIME was \$ 59,933.

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 39 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, 2014, receivables for the Village's individual major funds and nonmajor fund, including applicable allowances for uncollectible accounts, are as follows:

	General Fund	Non-major Special Revenue Funds	Major Enterprise Fund	Non-major Enterprise Fund	Total
Customers billed	\$ -	\$ -	\$ 438,345	\$ 9,798	\$ 448,143
Intergovernmental	175,340	89,808	-	-	265,148
Accounts receivable	<u>152,738</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>152,738</u>
Gross receivables	328,078	89,808	438,345	9,798	866,029
Less allowance for uncollectibles	<u>-</u>	<u>-</u>	<u>(15,000)</u>	<u>-</u>	<u>(15,000)</u>
	<u>\$ 328,078</u>	<u>\$ 89,808</u>	<u>\$ 423,345</u>	<u>\$ 9,798</u>	<u>\$ 851,029</u>

As of September 30, 2014, accounts payable for the Village's individual major and non-major funds are as follows:

	General Fund	Capital Projects Fund	Federal Forfeiture Fund	Non-major Special Revenue Funds	Major Enterprise Fund	Non-major Enterprise Fund	Total
Vendors	\$ 274,139	\$ 18,134	\$ 1,857	\$ 28,163	\$ 528,397	\$ 788	\$ 851,478
Contractor	<u>-</u>	<u>242,394</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>242,394</u>
	<u>\$ 274,139</u>	<u>\$ 260,528</u>	<u>\$ 1,857</u>	<u>\$ 28,163</u>	<u>\$ 528,397</u>	<u>\$ 788</u>	<u>\$ 1,093,872</u>

NORTH BAY VILLAGE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 5,138,008	\$ -	\$ -	\$ 5,138,008
Construction in progress	65,398	42,125	-	107,523
Total capital assets, not being depreciated	<u>5,203,406</u>	<u>42,125</u>	<u>-</u>	<u>5,245,531</u>
Capital assets, being depreciated:				
Buildings and improvements	4,829,461	82,498	-	4,911,959
Vehicles	1,269,838	-	-	1,269,838
Machinery and equipment	1,789,323	11,702	75,000	1,726,025
Total capital assets, being depreciated	<u>7,888,622</u>	<u>94,200</u>	<u>75,000</u>	<u>7,907,822</u>
Less accumulated depreciation for:				
Buildings and improvements	1,109,927	270,905	-	1,380,832
Vehicles	927,327	114,084	-	1,041,411
Machinery and equipment	1,595,160	56,178	37,500	1,613,838
Total accumulated depreciation	<u>3,632,414</u>	<u>441,167</u>	<u>37,500</u>	<u>4,036,081</u>
Total capital assets, being depreciated, net	<u>4,256,208</u>	<u>(346,967)</u>	<u>37,500</u>	<u>3,871,741</u>
Governmental activities capital assets, net	<u>\$ 9,459,614</u>	<u>\$ (304,842)</u>	<u>\$ 37,500</u>	<u>\$ 9,117,272</u>
Business-Type Activities:				
Capital assets, being depreciated:				
Improvements other than buildings	\$ 14,016,677	\$ 312,103	\$ -	\$ 14,328,780
Equipment and vehicles	1,231,622	3,902	-	1,235,524
Total capital assets being depreciated	<u>15,248,299</u>	<u>316,005</u>	<u>-</u>	<u>15,564,304</u>
Less accumulated depreciation for:				
Improvements other than buildings	4,212,096	444,113	-	4,656,209
Equipment and vehicles	1,234,434	1,090	-	1,235,524
Total accumulated depreciation	<u>5,446,530</u>	<u>445,203</u>	<u>-</u>	<u>5,891,733</u>
Total capital assets, being depreciated, net	<u>9,801,769</u>	<u>(129,198)</u>	<u>-</u>	<u>9,672,571</u>
Business-type activities capital assets, net	<u>\$ 9,801,769</u>	<u>\$ (129,198)</u>	<u>\$ -</u>	<u>\$ 9,672,571</u>

NORTH BAY VILLAGE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2014

NOTE 5 - CAPITAL ASSETS (continued)

Depreciation expense for the fiscal year ended September 30, 2014 was charged to functions/programs as follows:

Governmental Activities:	
Public safety	\$ 48,528
Public works	198,525
General government	132,350
Parks and recreation	22,058
Building, planning and zoning	<u>39,706</u>
Total depreciation expense - governmental activities	\$ <u>441,167</u>
Business-Type Activities:	
Water and sewer systems	\$ 366,406
Stormwater Utility	<u>78,797</u>
Total depreciation expense - business-type activities	\$ <u>445,203</u>

NOTE 6 - INTERFUND BALANCES AND TRANSFERS

These 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. At September 30, 2014, the Children's Services Fund has a due to the General Fund for \$ 33,589.

Inter-fund transfers for the year ended September 30, 2014 are summarized as follows:

	Interfund Balances	
	Transfers In	Transfers Out
Transfer In:		
General Fund	\$ -	\$ 78,778
Capital Projects Fund	160,417	-
Nonmajor Governmental Funds	<u>78,778</u>	<u>160,417</u>
	\$ <u>239,195</u>	\$ <u>239,195</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 out from the nonmajor governmental funds to the Capital Projects Fund is to fund 50% of the expenditures for the Florida Inland Navigation District (FIND) grant.

NORTH BAY VILLAGE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE 7 - LONG-TERM LIABILITIES

The following is a summary of changes in debt for the year ended September 30, 2014:

	October 1, 2013	Additions	Reductions	September 30, 2014	Due Within One Year
Governmental Activities:					
General obligation note, Series 2010	\$ 1,954,286	\$ -	\$ 102,857	\$ 1,851,429	\$ 102,857
General obligation refunding note, Series 2010	5,590,000	-	290,000	5,300,000	300,000
Compensated absences	1,404,781	559,215	396,479	1,567,517	261,253
OPEB obligation	68,000	40,000	-	108,000	-
	<u>9,017,067</u>	<u>599,215</u>	<u>789,336</u>	<u>8,826,946</u>	<u>664,110</u>
Total governmental activities long-term liabilities	<u>\$ 9,017,067</u>	<u>\$ 599,215</u>	<u>\$ 789,336</u>	<u>\$ 8,826,946</u>	<u>\$ 664,110</u>
Business-Type Activities:					
Revolving state loans	\$ 1,485,671	\$ 309,518	\$ 205,328	\$ 1,589,861	\$ 168,851
Compensated absences	147,868	53,814	40,796	160,886	26,814
	<u>1,633,539</u>	<u>363,332</u>	<u>246,124</u>	<u>1,750,747</u>	<u>195,665</u>
Total business-type activities long-term liabilities	<u>\$ 1,633,539</u>	<u>\$ 363,332</u>	<u>\$ 246,124</u>	<u>\$ 1,750,747</u>	<u>\$ 195,665</u>

For governmental activities, compensated absences are generally liquidated by the General Fund.

Governmental activities:

In fiscal year ended September 30, 2010, the Village borrowed \$ 2,160,000 relating to a General Obligation Note, Series 2010 for purpose of financing all or a part of the costs of (i) the creation and improvement of parks and recreational opportunities, (ii) the construction of a Public Safety and Village Hall complex, (iii) landscaping and aesthetic improvements to the John F. Kennedy Causeway, and (iv) related capital costs. The note is secured by the proceeds of ad valorem taxes levied on all taxable property in the Village. The note bears interest of 3.80% and is payable semi-annually while principal of \$ 102,857 is payable annually on December 1 of each year through the maturity date of December 1, 2031. The outstanding principal balance as of September 30, 2014 is \$ 1,851,429.

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, 2014 is \$ 5,300,000.

Business-type activities - revolving state loans:

The Village has four separate state revolving loan agreements with the Department of Environmental Protection. The loans provided for funding for various sewer improvement projects on a cost reimbursement basis. Pursuant to the terms of the individual agreements, the Village began making semi-annual principal and interest payments on the loans one year subsequent to the completion of the projects.

NORTH BAY VILLAGE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE 7 - LONG-TERM LIABILITIES (continued)

The Village is required to maintain rates and charges for the services furnished by the water and sewer systems which will be sufficient to provide pledged revenues equal to 1.15 times the sums of the semi-annual payments due in such fiscal year. At September 30, 2014, the Village was in compliance with this covenant. The significant terms of the loans are as follows:

Revolving state loan of \$ 272,370 dated March 17, 1995; interest rate of 3.79%. As an amendment to the original loan, in June 1997 the Village was awarded an additional \$ 1,285,442 at an interest rate of 2.7%. The Village makes semi-annual principal and interest payments of \$ 33,797 on March 15 and September 15. The loan matures on September 15, 2018 and is collateralized by water and sewer revenues.	\$ 253,889
Revolving state loan of \$ 710,626 dated July 17, 1996; interest rate of 2.99%. The Village makes semi-annual principal and interest payments of \$ 23,507 on March 15 and September 15. The loan matures on September 15, 2016 and is collateralized by water and sewer revenues.	90,617
Revolving state loan of \$ 1,079,032 dated December 24, 2009; interest rate of 1.93%. The Village makes semi-annual principal and interest payments of \$ 32,929 on May 15 and November 15. The loan matures on May 15, 2031 and is collateralized by water and sewer revenues.	945,772
Revolving state loan of \$ 309,518 dated June 18, 2014; interest rate of 2.18%. The Village makes semi-annual principal and interest payments of \$ 10,597 on February 15 and August 15. The loan matures on August 15, 2031 and is collateralized by water and sewer revenues.	<u>299,583</u>
	<u>\$ 1,589,861</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
2015	\$ 402,857	\$ 254,430	\$ 657,287	\$ 168,851	\$ 32,807	\$ 201,658
2016	412,857	239,991	652,848	172,397	29,262	201,659
2017	422,857	225,202	648,059	129,480	25,164	154,644
2018	432,857	210,061	642,918	132,622	22,022	154,644
2019	447,857	194,570	642,427	67,770	19,281	87,051
2020-2024	2,424,285	724,154	3,148,439	359,727	75,529	435,256
2025-2029	2,299,285	267,016	2,566,301	397,165	38,090	435,255
2030-2033	308,574	17,589	326,163	161,849	3,891	165,740
	<u>\$ 7,151,429</u>	<u>\$ 2,133,013</u>	<u>\$ 9,284,442</u>	<u>\$ 1,589,861</u>	<u>\$ 246,046</u>	<u>\$ 1,835,907</u>

NORTH BAY VILLAGE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE 8 - FLORIDA RETIREMENT SYSTEM

The Village participates in the Florida Retirement System (the "FRS"), a multiple-employer cost sharing Public Employee Retirement System ("PERS"). The Division of Retirement, State Board of Administration of the State of Florida administers the FRS. All rates, benefits and amendments are established by the State of Florida through its legislative body. Employees of the Village who are employed in a full-time and part-time regularly established position participate in the FRS.

The FRS has various classes of memberships. Village employees fall under Regular Class, Special Risk, or Senior Management Service Classes.

Normal retirement for the Regular and Senior Management Service Class is at age 62 or at 30 years of credited service, if initially enrolled before July 1, 2011 and age 65 or 33 years of credited service if initially enrolled on or after July 1, 2011. Normal retirement for the Special Risk Class (police) is at age 55 or at 25 years of credited service if initially enrolled before July 1, 2011 and age 60 or 30 years of credited service if initially enrolled on or after July 1, 2011. Service retirement benefits are computed on the basis of age and/or years of service, average final compensation (the average of the five highest fiscal years' earnings), and service credit.

Benefits vest after six years of credited service if initially enrolled before July 1, 2011 and after eight years if initially enrolled after July 1, 2011. Early retirement may be taken any time after vesting; however, there is a five percent benefit reduction for each year prior to normal retirement age or date. The FRS also provides disability and survivor benefits. Benefits are established by State statute.

Funding policy:

The Village is required by Florida statutes to contribute 6.95%, 19.06% and 18.31% of salaries through June 2014 and starting July 2014 7.37%, 19.82% and 21.14% for regular, special risk members, and senior management, respectively. In addition to the employer contributions, beginning July 2011, employees are required to contribute 3% of their salary towards the FRS.

Employees within 5 years of retirement may elect to participate in the Deferred Retirement Option Program ("DROP"). The DROP allows an employee to retire while continuing employment, for a maximum of 60 months, and defer their monthly retirement benefit to an interest-bearing account. The Village is also required to contribute 12.84% and 12.28% of salaries for periods prior to and subsequent July 1, 2014, respectively, for participants of the DROP. During 2014 the Village had no employees participating in the DROP.

The contribution requirements of covered payroll and actual contributions made for the fiscal year ending September 30, 2014 and the two preceding years were as follows:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contributions requirements	\$ 643,476	\$ 526,902	\$ 458,113
Contributions made by employer (100%)	\$ 539,718	\$ 425,526	\$ 358,287
Contributions made by employee (100%)	\$ 103,758	\$ 101,376	\$ 99,826
Total covered payroll	\$ 3,592,657	\$ 3,379,195	\$ 3,330,360
Percent of contributions to total covered payroll	17.91%	15.59%	13.76%

NORTH BAY VILLAGE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2014

NOTE 8 - FLORIDA RETIREMENT SYSTEM (continued)

The FRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by contacting the State of Florida Department of Management Services, Division of Retirement, Research, Education and Policy Section, 2639 North Monroe Street, Building C, Tallahassee, Florida 32399-1560 or by calling (850) 488-5706.

NOTE 9 - DEFINED CONTRIBUTION PLAN

The Village also has a defined contribution plan ("Plan") in accordance with Internal Revenue Code Section 401(k). There are five employees that did not transfer their balances to FRS that remain in this Plan. The Plan provides for required employer and employee contributions of 13.5% and 5.5% of employee earnings for the Plan year, respectively. The Village contributed \$ 39,335 and the employees contributed \$ 15,292 for the year ended September 30, 2014. Plan amendments must be approved by the Village Commission. The Plan is administered by ICMA Retirement Corp.

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS

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

Plan Description:

North Bay Village, Florida administers a single-employer defined benefit healthcare plan (the "Plan") that provides medical and dental insurance benefits to its employees and their eligible dependents. In accordance with Section 112.0801 of the Florida Statutes, because the Village provides a medical plan to active employees of the Village and their eligible dependents, the Village is also required to provide retirees with the opportunity to participate in this Plan. The Plan is not accounted for as a trust fund and an irrevocable trust has not been established to fund this Plan. The plan does not issue a separate financial report. Currently, the Village does not have any retirees who are receiving post-employment benefits.

Funding Policy:

The Village is funding the post-employment benefits on a pay-as-you-go basis. For the fiscal year ended September 30, 2014, the annual required contribution was \$ 46,000. The Village made an implied contribution of \$ 3,000 towards this amount. At September 30, 2014, the Village recorded a net OPEB obligation of \$ 108,000 for governmental activities, in its government-wide statement of net position.

Annual OPEB Cost and Net OPEB Obligation:

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

NORTH BAY VILLAGE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2014

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (continued)

Annual Required Contribution (ARC)	\$	46,000
Interest on net pension obligation		3,000
Adjustment to annual required contribution		(6,000)
Total annual OPEB cost		43,000
Employer contributions made	*	(3,000)
Interest on employer obligation		-
Increase in net OPEB obligation		40,000
Net OPEB obligation, beginning of year		68,000
Net OPEB obligation, end of year	\$	108,000

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

The Village's annual OPEB cost, the percentage of annual OPEB costs contributed to the plan, and the net OPEB obligation for 2014 and the preceding two years was as follows:

<u>Year Ending September 30,</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2014	\$ 43,000	7.00%	\$ 108,000
2013	\$ 40,000	15.00%	\$ 68,000
2012	\$ 40,000	15.00%	\$ 34,000

Funded status and funding progress:

As of July 1, 2014, the most recent actuarial valuation date, the funded status of the plan was as follows:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as % of Covered Payroll</u>
7/1/14	\$ -	\$ 279,000	\$ 279,000	0.0%	\$ 3,223,000	8.7%

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

NORTH BAY VILLAGE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2014

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (continued)

Actuarial Methods and Assumptions:

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

The ARC for the plan's year was determined as part of the July 1, 2014 actuarial valuation using the following methods and assumptions:

Actuarial cost method	projected unit credit
Amortization method	15 year open period; level dollar payment
Inflation rate	2.75%
Investment return	4.00%
Healthcare cost trend rate	8.00% for 2014/2015 graded to 5.00% for 2019/2020

NOTE 11 - COMMITMENTS AND CONTINGENCIES

Litigation:

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

Risk management:

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

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.

NORTH BAY VILLAGE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE 11 - COMMITMENTS AND CONTINGENCIES (continued)

Operating lease agreement:

The Village previously entered into a two year operating lease for the rental of the Village City Hall Facility. This lease requires monthly base payments of approximately \$ 15,800 through June 30, 2014 and \$ 16,400, through June 30, 2015 which includes an applicable percentage of operating expenses. This lease contains a renewal option of a one year term at an increase of 4% over the prior year's base rent. A second renewal option for a one year term at the then prevailing market rate is also provided by this lease agreement. Total base payments in connection with this lease were approximately \$ 191,400 for the year ended September 30, 2014.

During the year ended September 30, 2014, the Village entered into a two year and two month operating lease for the rental of an additional unit at the Village City Hall Facility. This lease requires monthly base payments of approximately \$ 7,100 through June 30, 2015 and \$ 7,350, through June 30, 2016 including an applicable percentage of operating expenses. This lease contains a renewal option of a one year term at an increase of 4% over the prior year's base rent. A second renewal option for a one year term at the then prevailing market rate is also provided by this lease agreement. Total base payments in connection with this lease were approximately \$ 21,300 for the year ended September 30, 2014.

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

<u>Year Ended September 30,</u>	<u>Amount</u>
2015	\$ 233,160
2016	\$ 66,150
Thereafter	NONE

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, 2014

	Original Budget	Final Budget	Actual	Variance
REVENUES:				
Taxes:				
Property taxes, including penalties and interest	\$ 3,479,409	\$ 3,579,598	\$ 3,579,598	\$ -
Utility service taxes	486,000	550,901	550,901	-
Total taxes	<u>3,965,409</u>	<u>4,130,499</u>	<u>4,130,499</u>	<u>-</u>
Licenses and permits:				
Village occupational licenses	85,000	69,392	69,436	44
Building and other permits	7,000	1,104	1,104	-
Total licenses and permits	<u>92,000</u>	<u>70,496</u>	<u>70,540</u>	<u>44</u>
Franchise fees:				
Electric	392,596	365,079	408,755	43,676
Gas	20,000	13,474	13,474	-
United States Postal Service	18,500	18,499	18,499	-
Sanitation	1,000	466	466	-
Total franchise fees	<u>432,096</u>	<u>397,518</u>	<u>441,194</u>	<u>43,676</u>
Intergovernmental:				
Local 1/2 cent sales tax	526,487	538,419	538,419	-
Communication service tax	279,030	247,287	247,287	-
State revenue sharing	196,825	152,924	152,924	-
Alcohol beverage licenses	5,000	10,498	10,498	-
Federal grants	-	2,087	3,409	1,322
Total intergovernmental	<u>1,007,342</u>	<u>951,215</u>	<u>952,537</u>	<u>1,322</u>
Charges for services:				
Record research and review	55,000	46,431	46,431	-
Passport fees	7,000	10,350	10,350	-
Advertising/bus stop	4,680	4,290	4,290	-
Total charges for services	<u>66,680</u>	<u>61,071</u>	<u>61,071</u>	<u>-</u>
Fines and forfeitures	<u>202,000</u>	<u>135,718</u>	<u>135,718</u>	<u>-</u>
Impact fees	<u>-</u>	<u>80,198</u>	<u>80,198</u>	<u>-</u>
Interest income	<u>30,000</u>	<u>41,077</u>	<u>41,077</u>	<u>-</u>
Other:				
Miscellaneous	<u>51,000</u>	<u>176,726</u>	<u>178,002</u>	<u>1,276</u>
Total other	<u>51,000</u>	<u>176,726</u>	<u>178,002</u>	<u>1,276</u>
Total revenues	<u>5,846,527</u>	<u>6,044,518</u>	<u>6,090,836</u>	<u>46,318</u>

See notes to budgetary comparison schedule.

NORTH BAY VILLAGE, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL -
GENERAL FUND
(continued)
For the Year Ended September 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:				
General government:				
Village Commission:				
Personal services	35,614	34,779	34,779	-
Operating expenditures	<u>24,680</u>	<u>16,414</u>	<u>16,414</u>	<u>-</u>
Total Village commission	<u>60,294</u>	<u>51,193</u>	<u>51,193</u>	<u>-</u>
Village Manager:				
Personal services	207,798	240,950	240,950	-
Operating expenditures	<u>18,932</u>	<u>12,390</u>	<u>12,390</u>	<u>-</u>
Total Village manager	<u>226,730</u>	<u>253,340</u>	<u>253,340</u>	<u>-</u>
Village Clerk:				
Personal services	157,416	95,949	95,949	-
Operating expenditures	<u>29,640</u>	<u>26,577</u>	<u>26,577</u>	<u>-</u>
Total Village clerk	<u>187,056</u>	<u>122,526</u>	<u>122,526</u>	<u>-</u>
Finance:				
Personal services	141,329	150,666	150,666	-
Operating expenditures	<u>6,910</u>	<u>28,371</u>	<u>28,371</u>	<u>-</u>
Total finance	<u>148,239</u>	<u>179,037</u>	<u>179,037</u>	<u>-</u>
Village Attorney:				
Operating expenditures	<u>262,750</u>	<u>184,975</u>	<u>184,975</u>	<u>-</u>
Total Village attorney	<u>262,750</u>	<u>184,975</u>	<u>184,975</u>	<u>-</u>
Nondepartmental:				
Personal services	59,930	40,586	40,586	-
Operating expenditures	832,986	795,053	800,552	(5,499)
Capital outlay	<u>13,000</u>	<u>19,858</u>	<u>19,858</u>	<u>-</u>
Total nondepartmental	<u>905,916</u>	<u>855,497</u>	<u>860,996</u>	<u>(5,499)</u>
Total general government	<u>1,790,985</u>	<u>1,646,568</u>	<u>1,652,067</u>	<u>(5,499)</u>
Public safety:				
Personal services	3,205,468	3,357,588	3,357,588	-
Operating expenditures	298,300	262,327	262,327	-
Capital outlay	<u>-</u>	<u>3,582</u>	<u>3,582</u>	<u>-</u>
Total public safety	<u>3,503,768</u>	<u>3,623,497</u>	<u>3,623,497</u>	<u>-</u>
Parks and recreation:				
Personal services	21,532	17,420	17,420	-
Operating expenditures	220,000	207,235	207,235	-
Capital outlay	<u>1,000</u>	<u>805</u>	<u>805</u>	<u>-</u>
Total parks and recreation	<u>242,532</u>	<u>225,460</u>	<u>225,460</u>	<u>-</u>
Total expenditures	<u>5,537,285</u>	<u>5,495,525</u>	<u>5,501,024</u>	<u>(5,499)</u>
Excess of revenues over expenditures	<u>309,242</u>	<u>548,993</u>	<u>589,812</u>	<u>40,819</u>
OTHER FINANCING USES:				
Transfers out	<u>(285,525)</u>	<u>(197,134)</u>	<u>(197,134)</u>	<u>-</u>
Net change in fund balance	<u>\$ 23,717</u>	<u>\$ 351,859</u>	<u>\$ 392,678</u>	<u>\$ 40,819</u>

See notes to budgetary comparison schedule.

NORTH BAY VILLAGE, FLORIDA
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL -
 GENERAL FUND
 (continued)
 For the Year Ended September 30, 2014

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 38 \$ 6,090,836

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	664,748
Street Maintenance Fund	<u>175,043</u>

Total revenues, per the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds, page 14 \$ 6,930,627

Total expenditures, page 39 \$ 5,501,024

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	594,293
Street Maintenance Fund	<u>292,076</u>

Total expenditures, per the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds, page 14 \$ 6,387,393

See notes to budgetary comparison schedule.

NORTH BAY VILLAGE, FLORIDA
NOTES TO BUDGETARY COMPARISON SCHEDULES
September 30, 2014

NOTE 1 - BUDGETS AND BUDGETARY ACCOUNTING

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

The budgets are prepared on a basis consistent with accounting principles generally accepted in the United States. At least 60 days prior to the close of the fiscal year, the Village Commission is presented with a proposed budget including proposed expenditures and the means of financing them. After Commission review and public hearings, the budget is adopted prior to October 1. Budgets are approved on a fund-by-fund basis and management may transfer amounts between line items in departments as long as the transfer does not amount to more than 5% of the total budget of each department. All other budgetary transfers must be approved by resolution of the Village Commission. Expenditures may not legally exceed appropriations at the departmental level.

Budgets are considered a management control and planning tool and as such are incorporated into the accounting system of the Village. The Village Commission, by resolution, may make supplemental appropriations for the year up to the amount of revenues in excess of those estimated. Appropriations not encumbered lapse at year-end. The Commission approved amendments to the budget for the current fiscal year.

NOTE 2 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended September 30, 2014, General Fund expenditures exceeded appropriations in the nondepartmental category by \$ 5,499. This unfavorable variance was caused by unbudgeted costs related to unforeseen circumstances and occurrences during the year and was covered by unassigned fund balance.

NORTH BAY VILLAGE, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS
 OTHER POST-EMPLOYMENT BENEFITS (UNAUDITED)

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

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

Police Improvement Trust Fund - This fund is used to account for impact fees and their expenditure for law enforcement purposes.

NORTH BAY VILLAGE, FLORIDA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 September 30, 2014

	Special Revenue Funds					Total Nonmajor Governmental Funds
	State Forfeiture Fund	Transportation Fund	Children's Services Fund	Parks Improvement Fund	Police Improvement Trust Fund	
ASSETS:						
Pooled cash, cash equivalents and investments	\$ 73,855	\$ 498,510	\$ -	\$ 653,756	\$ 133,654	\$ 1,359,775
Receivables	-	40,806	49,002	-	-	89,808
Prepaid expenditures	-	520	66	-	-	586
Total assets	<u>\$ 73,855</u>	<u>\$ 539,836</u>	<u>\$ 49,068</u>	<u>\$ 653,756</u>	<u>\$ 133,654</u>	<u>\$ 1,450,169</u>
LIABILITIES AND FUND BALANCES:						
Liabilities:						
Accounts payable	\$ -	\$ 27,829	\$ 334	\$ -	\$ -	\$ 28,163
Accrued liabilities	-	1,201	3,040	-	-	4,241
Due to other funds	-	-	33,589	-	-	33,589
Total liabilities	<u>-</u>	<u>29,030</u>	<u>36,963</u>	<u>-</u>	<u>-</u>	<u>65,993</u>
Fund balances:						
Nonspendable:						
Prepaid expenditures	-	520	66	-	-	586
Restricted for:						
Transportation projects	-	510,286	-	-	-	510,286
Culture and recreation	-	-	-	653,756	-	653,756
Law enforcement	73,855	-	-	-	133,654	207,509
Children's services	-	-	12,039	-	-	12,039
Total fund balances	<u>73,855</u>	<u>510,806</u>	<u>12,105</u>	<u>653,756</u>	<u>133,654</u>	<u>1,384,176</u>
Total liabilities and fund balances	<u>\$ 73,855</u>	<u>\$ 539,836</u>	<u>\$ 49,068</u>	<u>\$ 653,756</u>	<u>\$ 133,654</u>	<u>\$ 1,450,169</u>

NORTH BAY VILLAGE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2014

	Special Revenue Funds					Total Nonmajor Governmental Funds
	State Forfeiture Fund	Transportation Fund	Children's Services Fund	Parks Improvement Fund	Police Improvement Trust Fund	
REVENUES:						
Taxes	\$ -	\$ 277,402	\$ -	\$ -	\$ -	\$ 277,402
Intergovernmental revenue	-	-	125,917	-	-	125,917
Impact fees	-	-	-	539,220	148,754	687,974
Interest income	80	-	-	-	-	80
Miscellaneous	-	6,150	-	-	-	6,150
Total revenues	80	283,552	125,917	539,220	148,754	1,097,523
EXPENDITURES:						
Current:						
Public safety	-	-	-	-	15,100	15,100
Public works	-	118,905	-	-	-	118,905
Culture and recreation	-	-	129,060	-	-	129,060
Capital outlay	-	12,397	-	-	-	12,397
Total expenditures	-	131,302	129,060	-	15,100	275,462
Excess (deficiency) of revenues over expenditures	80	152,250	(3,143)	539,220	133,654	822,061
OTHER FINANCING SOURCES:						
Transfers in	-	55,248	23,530	-	-	78,778
Transfers out	-	-	-	(160,417)	-	(160,417)
Total other financing sources (uses)	-	55,248	23,530	(160,417)	-	(81,639)
Net change in fund balances	80	207,498	20,387	378,803	133,654	740,422
FUND BALANCES, (DEFICIT), beginning of year	73,775	303,308	(8,282)	274,953	-	643,754
FUND BALANCES, end of year	\$ 73,855	\$ 510,806	\$ 12,105	\$ 653,756	\$ 133,654	\$ 1,384,176

NORTH BAY VILLAGE, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL -
TRANSPORTATION FUND
For the Year Ended September 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:				
Taxes	\$ 225,000	\$ 225,000	\$ 277,402	\$ 52,402
Miscellaneous	<u>-</u>	<u>-</u>	<u>6,150</u>	<u>6,150</u>
Total revenues	<u>225,000</u>	<u>225,000</u>	<u>283,552</u>	<u>58,552</u>
EXPENDITURES:				
Public works	123,059	123,059	118,905	4,154
Capital outlay	<u>280,000</u>	<u>280,000</u>	<u>12,397</u>	<u>267,603</u>
Total expenditures	<u>403,059</u>	<u>403,059</u>	<u>131,302</u>	<u>271,757</u>
Excess (deficiency) of revenues over expenditures	<u>(178,059)</u>	<u>(178,059)</u>	<u>152,250</u>	<u>330,309</u>
OTHER FINANCING USES:				
Transfers in	55,248	55,248	55,248	-
Appropriation of fund balance	<u>122,811</u>	<u>122,811</u>	<u>-</u>	<u>(122,811)</u>
Total other financing sources	<u>178,059</u>	<u>178,059</u>	<u>55,248</u>	<u>(122,811)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 207,498</u>	<u>\$ 207,498</u>

NORTH BAY VILLAGE, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL -
CHILDREN'S SERVICES FUND
For the Year Ended September 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:				
Intergovernmental revenue	\$ <u>134,718</u>	\$ <u>134,718</u>	\$ <u>125,917</u>	\$ <u>(8,801)</u>
Total revenues	<u>134,718</u>	<u>134,718</u>	<u>125,917</u>	<u>(8,801)</u>
 EXPENDITURES:				
Culture and recreation	<u>154,656</u>	<u>154,656</u>	<u>129,060</u>	<u>25,596</u>
Total expenditures	<u>154,656</u>	<u>154,656</u>	<u>129,060</u>	<u>25,596</u>
 Excess (deficiency) of revenues over expenditures	<u>(19,938)</u>	<u>(19,938)</u>	<u>(3,143)</u>	<u>16,795</u>
 OTHER FINANCING USES:				
Transfers in	<u>19,938</u>	<u>19,938</u>	<u>23,530</u>	<u>3,592</u>
Total other financing sources	<u>19,938</u>	<u>19,938</u>	<u>23,530</u>	<u>3,592</u>
Net change in fund balance	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>20,387</u></u>	\$ <u><u>20,387</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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:				
Licenses and permits	\$ 376,370	\$ 673,198	\$ 660,858	\$ (12,340)
Miscellaneous	<u>-</u>	<u>-</u>	<u>3,890</u>	<u>3,890</u>
Total revenues	<u>376,370</u>	<u>673,198</u>	<u>664,748</u>	<u>(8,450)</u>
EXPENDITURES:				
Building, planning and zoning	<u>376,370</u>	<u>605,405</u>	<u>594,293</u>	<u>11,112</u>
Total expenditures	<u>376,370</u>	<u>605,405</u>	<u>594,293</u>	<u>11,112</u>
Excess of revenues over expenditures	<u>-</u>	<u>67,793</u>	<u>70,455</u>	<u>2,662</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 67,793</u>	<u>\$ 70,455</u>	<u>\$ 2,662</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, 2014

	Original Budget	Final Budget	Actual	Variance
REVENUES:				
Intergovernmental revenue	\$ 115,126	\$ 173,720	\$ 174,912	\$ 1,192
Miscellaneous	-	-	131	131
Total revenues	115,126	173,720	175,043	1,323
EXPENDITURES:				
Public works	325,465	292,076	292,076	-
Total expenditures	325,465	292,076	292,076	-
Excess (deficiency) of revenues over expenditures	(210,339)	(118,356)	(117,033)	1,323
OTHER FINANCING USES:				
Transfers in	210,339	118,356	118,356	-
Total other financing sources	210,339	118,356	118,356	-
Net change in fund balance	\$ -	\$ -	\$ 1,323	\$ 1,323

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:				
Property taxes	\$ <u>661,375</u>	\$ <u>661,375</u>	\$ <u>668,502</u>	\$ <u>7,127</u>
Total revenues	<u>661,375</u>	<u>661,375</u>	<u>668,502</u>	<u>7,127</u>
EXPENDITURES:				
Principal	392,857	392,857	392,857	-
Interest and fiscal charges	<u>268,518</u>	<u>268,518</u>	<u>268,518</u>	<u>-</u>
Total expenditures	<u>661,375</u>	<u>661,375</u>	<u>661,375</u>	<u>-</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>7,127</u>	<u>7,127</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,127</u>	<u>\$ 7,127</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, 2014

	Original Budget	Final Budget	Actual	Variance
REVENUES:				
Intergovernmental revenue	\$ -	\$ -	\$ 110,167	\$ 110,167
Interest income	-	-	1,339	1,339
Total revenues	<u>-</u>	<u>-</u>	<u>111,506</u>	<u>111,506</u>
EXPENDITURES:				
Capital outlay	<u>1,310,500</u>	<u>1,310,500</u>	<u>117,078</u>	<u>1,193,422</u>
Total expenditures	<u>1,310,500</u>	<u>1,310,500</u>	<u>117,078</u>	<u>1,193,422</u>
Excess (deficiency) of revenues over expenditures	<u>(1,310,500)</u>	<u>(1,310,500)</u>	<u>(5,572)</u>	<u>1,304,928</u>
OTHER FINANCING USES:				
Transfers in	<u>-</u>	<u>-</u>	<u>160,417</u>	<u>160,417</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>160,417</u>	<u>160,417</u>
Net change in fund balance	<u>\$ (1,310,500)</u>	<u>\$ (1,310,500)</u>	<u>\$ 154,845</u>	<u>\$ 1,465,345</u>

STATISTICAL SECTION

STATISTICAL SECTION

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

Financial Trends

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

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

Revenue Capacity

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

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

Debt Capacity:

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

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

Demographic and Economic Information

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

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

Operating Information

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

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

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

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

Table 1

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
GOVERNMENTAL ACTIVITIES:										
Net investment in capital assets	\$ 1,022,444	\$ 1,630,276	\$ 1,867,282	\$ 1,755,964	\$ 1,230,708	\$ 1,364,245	\$ 1,914,249	\$ 2,675,129	\$ 2,956,614	\$ 3,161,974
Restricted	1,322,097	1,067,322	893,260	954,830	1,707,096	571,581	1,569,472	1,533,377	1,117,826	1,724,697
Unrestricted (deficit)	<u>2,097,526</u>	<u>2,427,019</u>	<u>2,020,305</u>	<u>816,144</u>	<u>707,893</u>	<u>1,710,848</u>	<u>462,524</u>	<u>493,678</u>	<u>(129,020)</u>	<u>85,083</u>
Total governmental activities, net position	<u>\$ 4,442,067</u>	<u>\$ 5,124,617</u>	<u>\$ 4,780,847</u>	<u>\$ 3,526,938</u>	<u>\$ 3,645,697</u>	<u>\$ 3,646,674</u>	<u>\$ 3,946,245</u>	<u>\$ 4,702,184</u>	<u>\$ 3,945,420</u>	<u>\$ 4,971,754</u>
BUSINESS-TYPE ACTIVITIES:										
Net investment in capital assets	\$ 1,729,371	\$ 2,629,406	\$ 2,836,346	\$ 2,886,417	\$ 3,281,007	\$ 5,854,619	8,991,838	\$ 8,261,570	\$ 8,316,098	\$ 8,082,710
Restricted	-	-	87,580	62,929	62,929	-	-	-	-	-
Unrestricted (deficit)	<u>235,588</u>	<u>(891,373)</u>	<u>(1,684,402)</u>	<u>(1,187,909)</u>	<u>(708,672)</u>	<u>(697,460)</u>	<u>(483,988)</u>	<u>438,423</u>	<u>633,107</u>	<u>889,675</u>
Total business-type activities, net position	<u>\$ 1,964,959</u>	<u>\$ 1,738,033</u>	<u>\$ 1,239,524</u>	<u>\$ 1,761,437</u>	<u>\$ 2,635,264</u>	<u>\$ 5,157,159</u>	<u>\$ 8,507,850</u>	<u>\$ 8,699,993</u>	<u>\$ 8,949,205</u>	<u>\$ 8,972,385</u>
PRIMARY GOVERNMENT:										
Net investment in capital assets	\$ 2,751,815	\$ 4,259,682	\$ 4,703,628	\$ 4,642,381	\$ 4,511,715	\$ 7,218,864	\$ 10,906,087	\$ 10,936,699	\$ 11,272,712	\$ 11,244,684
Restricted	1,322,097	1,067,322	980,840	1,017,759	1,770,025	571,581	1,569,472	1,533,377	1,117,826	1,724,697
Unrestricted (deficit)	<u>2,333,114</u>	<u>1,535,646</u>	<u>335,903</u>	<u>(371,765)</u>	<u>(779)</u>	<u>1,013,388</u>	<u>(21,464)</u>	<u>932,101</u>	<u>504,087</u>	<u>974,758</u>
Total primary government, net position	<u>\$ 6,407,026</u>	<u>\$ 6,862,650</u>	<u>\$ 6,020,371</u>	<u>\$ 5,288,375</u>	<u>\$ 6,280,961</u>	<u>\$ 8,803,833</u>	<u>\$ 12,454,095</u>	<u>\$ 13,402,177</u>	<u>\$ 12,894,625</u>	<u>\$ 13,944,139</u>

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

Table 2

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
EXPENSES:										
Governmental activities:										
General government	\$ 1,477,844	\$ 1,600,206	\$ 1,958,387	\$ 2,062,461	\$ 1,786,414	\$ 1,933,488	\$ 1,628,104	\$ 2,079,698	\$ 2,110,915	\$ 1,736,545
Public safety	3,531,910	3,647,300	4,082,306	4,541,985	4,253,538	4,279,969	4,300,816	4,138,772	4,414,222	4,393,099
Public works	392,954	947,622	586,212	706,725	661,384	550,599	633,390	588,680	767,930	581,419
Building, planning and zoning	418,467	544,664	705,868	727,554	527,880	263,396	198,747	211,375	411,645	616,483
Parks and recreation	96,911	128,539	143,857	79,993	103,884	73,405	79,365	200,319	393,656	393,421
Interest on long-term debt	44,956	38,062	-	-	185,789	354,340	298,126	316,958	287,067	254,548
Total governmental activities	<u>5,963,042</u>	<u>6,906,393</u>	<u>7,476,630</u>	<u>8,118,718</u>	<u>7,518,889</u>	<u>7,455,197</u>	<u>7,138,548</u>	<u>7,535,802</u>	<u>8,385,435</u>	<u>7,975,515</u>
Business-type activities:										
Utility	3,103,090	4,096,343	3,591,559	3,315,635	3,306,266	4,573,136	3,726,551	4,450,352	4,463,577	5,033,035
Stormwater utility	74,087	74,595	51,194	40,616	54,119	84,772	52,230	80,972	114,344	85,522
Total business-type activities	<u>3,177,177</u>	<u>4,170,938</u>	<u>3,642,753</u>	<u>3,356,251</u>	<u>3,360,385</u>	<u>4,657,908</u>	<u>3,778,781</u>	<u>4,531,324</u>	<u>4,577,921</u>	<u>5,118,557</u>
Total primary government expenses	<u>\$ 9,140,219</u>	<u>\$ 11,077,331</u>	<u>\$ 11,119,383</u>	<u>\$ 11,474,969</u>	<u>\$ 10,879,274</u>	<u>\$ 12,113,105</u>	<u>\$ 10,917,329</u>	<u>\$ 12,067,126</u>	<u>\$ 12,963,356</u>	<u>\$ 13,094,072</u>
PROGRAM REVENUES:										
Governmental activities:										
Charges for services:										
General government	\$ 30,800	\$ 21,079	\$ 21,026	\$ 24,173	\$ 31,755	\$ 43,894	\$ 63,842	\$ 52,928	\$ 64,151	\$ 261,667
Public safety	757,518	289,850	218,924	304,011	771,958	160,245	1,187,213	1,086,703	578,532	253,666
Public works	-	-	-	-	-	-	-	-	-	-
Building, planning and zoning	1,652,437	922,853	486,896	301,022	219,786	243,910	219,419	324,987	441,841	660,858
Parks and recreation	277,194	26,703	-	-	-	-	-	-	-	-
Operating grants and contributions	-	551,733	4,470	23,323	19,005	109,220	302,416	441,042	411,205	406,728
Capital grants and contributions	-	-	-	5,870.00	-	166,254	31,880	279,035	196,099	110,167
Total governmental activities program revenues	<u>2,717,949</u>	<u>1,812,218</u>	<u>731,316</u>	<u>658,399</u>	<u>1,042,504</u>	<u>723,523</u>	<u>1,804,770</u>	<u>2,184,695</u>	<u>1,691,828</u>	<u>1,693,086</u>
Business-type activities:										
Charges for services:										
Utility	3,194,147	3,112,391	2,778,061	3,489,939	3,813,831	4,460,305	4,514,865	4,484,681	4,708,014	4,649,529
Stormwater utility	109,472	110,694	106,422	112,115	117,264	117,114	123,513	115,320	121,605	110,868
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	698,250	237,729	152,349	191,967	2,601,923	2,707,001	122,542	-	-
Total business-type activities program revenues	<u>3,303,619</u>	<u>3,921,335</u>	<u>3,122,212</u>	<u>3,754,403</u>	<u>4,123,062</u>	<u>7,179,342</u>	<u>7,345,379</u>	<u>4,722,543</u>	<u>4,829,619</u>	<u>4,760,397</u>
Total primary government program revenues	<u>\$ 6,021,568</u>	<u>\$ 5,733,553</u>	<u>\$ 3,853,528</u>	<u>\$ 4,412,802</u>	<u>\$ 5,165,566</u>	<u>\$ 7,902,865</u>	<u>\$ 9,150,149</u>	<u>\$ 6,907,238</u>	<u>\$ 6,521,447</u>	<u>\$ 6,453,483</u>

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

Table 2

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
NET EXPENSE/REVENUE:										
Governmental activities	\$ (3,245,093)	\$ (5,094,175)	\$ (6,745,314)	\$ (7,460,319)	\$ (6,476,385)	\$ (6,731,674)	\$ (5,333,778)	\$ (5,351,107)	\$ (6,693,607)	\$ (6,282,429)
Business-type activities	126,442	(249,603)	(520,541)	398,152	762,677	2,521,434	3,566,598	191,219	251,698	(358,160)
Total primary government, net expense	\$ (3,118,651)	\$ (5,343,778)	\$ (7,265,855)	\$ (7,062,167)	\$ (5,713,708)	\$ (4,210,240)	\$ (1,767,180)	\$ (5,159,888)	\$ (6,441,909)	\$ (6,640,589)
GENERAL REVENUES AND OTHER:										
Changes in net position:										
Governmental activities:										
Taxes:										
Ad valorem taxes	\$ 2,986,983	\$ 3,348,938	\$ 4,169,008	\$ 4,192,282	\$ 4,630,604	\$ 4,635,298	\$ 3,420,449	\$ 3,948,913	\$ 3,809,173	\$ 4,248,100
Franchise fees	345,905	461,477	395,585	454,131	452,775	409,810	384,644	397,329	392,198	441,194
Utility service taxes	560,730	368,521	345,008	406,315	409,568	434,715	434,136	474,206	508,687	550,901
Sales tax	409,496	440,731	427,413	367,787	331,275	373,587	421,916	464,315	504,473	538,419
Intergovernmental - unrestricted	536,578	791,910	787,657	749,715	774,664	592,267	574,781	599,389	597,263	575,123
Impact fees	-	-	-	-	-	-	-	-	-	768,172
Interest income	97,767	204,690	187,963	46,652	11,215	9,057	27,422	39,857	37,068	44,599
Miscellaneous revenues	177,120	160,458	88,913	84,540	95,043	310,574	152,737	183,037	203,417	142,255
Transfers	(250,000)	-	-	(95,012)	(110,000)	-	217,264	-	-	-
Total governmental activities	4,864,579	5,776,725	6,401,547	6,206,410	6,595,144	6,765,308	5,633,349	6,107,046	6,052,279	7,308,763
Business-type activities:										
Impact fees	-	-	-	-	-	-	-	-	-	381,327
Interest income	9,209	22,677	22,032	28,749	1,150	461	1,357	924	14	13
Transfers	250,000	-	-	95,012	110,000	-	(217,264)	-	-	-
Total business-type activities	259,209	22,677	22,032	123,761	111,150	461	(215,907)	924	14	381,340
Total primary government	\$ 5,123,788	\$ 5,799,402	\$ 6,423,579	\$ 6,330,171	\$ 6,706,294	\$ 6,765,769	\$ 5,417,442	\$ 6,107,970	\$ 6,052,293	\$ 7,690,103
CHANGE IN NET POSITION:										
Governmental activities	\$ 1,619,486	\$ 682,550	\$ (343,767)	\$ (1,253,909)	\$ 118,759	\$ 33,634	\$ 299,571	\$ 755,939	\$ (641,328)	\$ 1,026,334
Business-type activities	385,651	(226,926)	(498,509)	521,913	873,827	2,521,895	3,350,691	192,143	251,712	23,180
Total primary government	\$ 2,005,137	\$ 455,624	\$ (842,276)	\$ (731,996)	\$ 992,586	\$ 2,555,529	\$ 3,650,262	\$ 948,082	\$ (389,616)	\$ 1,049,514

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

Table 3

Fiscal Year	Tax Roll Year	Ad Valorem Taxes	Utility Taxes	Franchise Fees	Sales Tax	Total
2005	2004	\$ 2,986,983	\$ 560,730	\$ 345,905	\$ 409,496	\$ 3,893,618
2006	2005	3,348,938	368,521	461,477	440,731	4,178,936
2007	2006	4,169,008	345,008	395,585	427,413	4,909,601
2008	2007	4,192,282	406,315	454,131	367,787	5,052,728
2009	2008	4,630,604	409,568	452,775	331,275	5,492,947
2010	2009	4,635,298	434,715	409,810	373,587	5,479,823
2011	2010	3,420,449	434,136	384,644	421,916	4,239,229
2012	2011	3,948,913	474,206	397,329	464,315	4,820,448
2013	2012	3,809,173	508,687	392,198	504,473	4,710,058
2014	2013	4,248,100	550,901	441,194	538,419	5,240,195

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

Table 4

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund:										
Reserved	\$ -	\$ 1,722,379	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	2,826,180	1,649,337	3,027,950	1,908,759	1,920,845	2,688,696	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	79,594
Restricted	-	-	-	-	-	-	-	-	-	70,455
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	55,247	1,544,005	1,066,063	1,112,200
Unassigned	-	-	-	-	-	-	2,003,995	550,117	385,411	653,681
Total General Fund	<u>\$ 2,826,180</u>	<u>\$ 3,371,716</u>	<u>\$ 3,027,950</u>	<u>\$ 1,908,759</u>	<u>\$ 1,920,845</u>	<u>\$ 2,688,696</u>	<u>\$ 2,059,242</u>	<u>\$ 2,094,122</u>	<u>\$ 1,451,474</u>	<u>\$ 1,915,930</u>
All other governmental funds:										
Reserved	\$ 1,361,504	\$ 1,032,957	\$ 893,260	\$ 2,661,337	\$ 2,687,822	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special Revenue Funds	-	-	-	-	-	571,581	-	-	-	-
Debt Service Funds	(7,716)	(14,270)	(17,845)	-	-	(125)	-	-	-	-
Capital Projects Funds	-	-	-	-	-	2,146,707	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	586
Restricted	-	-	-	-	-	-	3,258,164	2,811,299	2,159,112	2,850,373
Unassigned (deficit)	-	-	-	-	-	-	(183,781)	(36,360)	(8,282)	-
Total all other governmental funds	<u>\$ 1,353,788</u>	<u>\$ 1,018,687</u>	<u>\$ 875,415</u>	<u>\$ 2,661,337</u>	<u>\$ 2,687,822</u>	<u>\$ 2,718,163</u>	<u>\$ 3,074,383</u>	<u>\$ 2,774,939</u>	<u>\$ 2,150,830</u>	<u>\$ 2,850,959</u>

(1) Information for fiscal years 2005 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			
	2005	2006	2007	2008
REVENUES:				
Taxes	\$ 3,510,114	\$ 3,941,365	\$ 4,729,937	\$ 4,784,766
Licenses and permits	1,610,424	921,405	486,896	301,022
Franchise fees	345,905	461,477	395,585	454,131
Intergovernmental	983,673	1,525,482	1,038,602	960,526
Charges for services	137,501	63,255	23,766	24,173
Fines and forfeitures	705,478	275,825	218,133	304,011
Impact fees	264,546	-	-	-
Interest income	97,767	204,690	187,963	46,652
Miscellaneous	177,120	160,458	86,964	84,540
Total revenues	<u>7,832,528</u>	<u>7,553,957</u>	<u>7,167,846</u>	<u>6,959,821</u>
EXPENDITURES:				
Current:				
General government	1,410,878	1,537,476	1,877,886	1,976,693
Public safety	3,263,521	3,345,938	3,837,551	4,193,571
Public works	378,783	831,474	459,496	562,267
Building, planning and zoning	300,270	504,822	681,591	698,839
Parks and recreation	84,385	96,767	104,016	37,840
Capital outlay	284,288	911,009	627,469	4,763,141
Debt service:				
Principal	129,179	145,232	176,272	148,053
Interest	44,956	38,061	33,945	32,674
Issuance costs	-	-	-	35,000
Total expenditures	<u>5,896,260</u>	<u>7,410,779</u>	<u>7,798,226</u>	<u>12,448,078</u>
Excess (deficiency of revenues over expenditures)	<u>1,936,268</u>	<u>143,178</u>	<u>(630,380)</u>	<u>(5,488,257)</u>
OTHER FINANCING SOURCES (USES):				
Issuance of debt	-	67,257	143,342.00	6,250,000
Transfers in	-	-	-	57,517
Transfers out	(250,000)	-	-	(152,529)
Total other financing sources (uses)	<u>(250,000)</u>	<u>67,257</u>	<u>143,342</u>	<u>6,154,988</u>
Net change in fund balances	<u>\$ 1,686,268</u>	<u>\$ 210,435</u>	<u>\$ (487,038)</u>	<u>\$ 666,731</u>
Debt service as a percentage of noncapital expenditures	3.10%	2.82%	2.93%	2.81%

Table 5

	2009	2010	2011	2012	2013	2014
\$	5,207,646	\$ 5,270,398	\$ 4,069,323	\$ 4,643,163	\$ 4,579,336	\$ 5,076,403
	219,786	243,910	219,419	324,987	441,841	731,398
	452,775	409,810	384,646	397,329	392,198	441,194
	957,470	1,040,943	1,107,351	1,563,737	1,447,564	1,363,533
	31,755	43,894	63,842	52,928	64,151	61,071
	771,958	407,433	1,187,943	1,086,703	578,532	311,951
	-	-	-	-	-	768,172
	11,215	9,057	27,420	39,857	37,068	44,599
	86,178	63,386	160,908	183,037	203,417	203,528
	<u>7,738,783</u>	<u>7,488,831</u>	<u>7,220,852</u>	<u>8,291,741</u>	<u>7,744,107</u>	<u>9,001,849</u>
	1,725,442	1,708,244	1,509,407	1,655,882	2,039,426	1,632,209
	3,952,196	4,105,308	4,194,676	3,884,086	4,214,414	4,030,054
	532,154	510,267	602,869	546,368	394,222	410,981
	502,220	230,397	175,007	176,756	389,832	594,293
	53,685	55,072	66,176	181,086	354,393	353,715
	483,527	1,833,754	574,302	1,443,455	948,290	154,637
	155,199	167,567	6,460,285	372,857	387,857	392,857
	185,789	367,998	453,628	295,815	282,430	268,518
	-	-	-	-	-	-
	<u>7,590,212</u>	<u>8,978,607</u>	<u>14,036,350</u>	<u>8,556,305</u>	<u>9,010,864</u>	<u>7,837,264</u>
	<u>148,571</u>	<u>(1,489,776)</u>	<u>(6,815,498)</u>	<u>(264,564)</u>	<u>(1,266,757)</u>	<u>1,164,585</u>
	-	2,160,000	6,325,000	-	-	-
	707,175	560,644	272,512	69,320	345,011	239,195
	<u>(817,175)</u>	<u>(560,644)</u>	<u>(55,248)</u>	<u>(69,320)</u>	<u>(345,011)</u>	<u>(239,195)</u>
	<u>(110,000)</u>	<u>2,160,000</u>	<u>6,542,264</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$	<u><u>38,571</u></u>	<u><u>670,224</u></u>	<u><u>(273,234)</u></u>	<u><u>(264,564)</u></u>	<u><u>(1,266,757)</u></u>	<u><u>1,164,585</u></u>
	4.80%	7.50%	51.36%	9.40%	8.05%	8.59%

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
2005	\$ 3,856,019	\$ 983,673	\$ 1,610,424	\$ 137,501	\$ 705,478	\$ 97,767	\$ 441,666	\$ 7,832,528
2006	4,402,842	1,525,482	921,405	63,255	275,825	204,690	160,458	7,553,957
2007	5,125,522	1,038,602	486,896	23,766	218,133	187,963	86,964	7,167,846
2008	5,238,897	960,526	301,022	24,173	304,011	46,652	84,540	6,959,821
2009	5,660,421	957,470	219,786	31,755	771,958	11,215	86,178	7,738,783
2010	5,680,208	1,040,943	243,910	43,894	407,433	9,057	63,386	7,488,831
2011	4,453,969	1,107,351	219,419	63,842	1,187,943	27,420	160,908	7,220,852
2012	5,040,492	1,563,737	324,987	52,928	1,086,703	39,857	183,037	8,291,741
2013	4,971,534	1,447,564	441,841	64,151	578,532	37,068	203,417	7,744,107
2014	5,517,597	1,363,533	731,398	61,071	311,951	44,599	971,700	9,001,849

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

Table 7

Fiscal Year	Tax Roll Year	Real Property		Personal Property	Less: Exemptions		Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value (1)	Assessed Value as a Percentage of Actual Taxable Value
		Residential	Commercial		Real Property	Personal Property				
2005	2004	\$ 364,580,692	\$ 185,128,589	\$ 19,358,797	\$ 28,888,755	\$ 115,145	\$ 540,064,178	6.2123	\$ 471,875,290	114%
2006	2005	461,911,594	227,940,757	22,657,152	34,105,999	104,360	678,299,144	6.2123	574,019,379	118%
2007	2006	623,183,827	254,686,247	20,955,991	40,038,227	13,533	858,774,305	6.0980	709,433,266	121%
2008	2007	859,125,678	278,170,718	21,736,526	42,824,061	13,533	1,116,195,328	4.7987	914,915,136	122%
2009	2008	1,038,181,126	252,643,416	23,535,774	70,617,696	1,579,268	1,242,163,352	4.7987	1,090,712,260	114%
2010	2009	795,203,169	235,035,711	22,507,343	68,917,254	1,555,567	982,273,402	4.7987	875,011,323	112%
2011	2010	597,251,775	163,717,636	19,794,490	64,983,326	1,288,163	714,492,412	5.2780	672,307,016	106%
2012	2011	534,874,316	178,761,231	18,291,667	61,009,404	1,282,440	669,635,370	6.0127	629,836,974	106%
2013	2012	531,354,039	178,964,256	20,766,472	62,828,916	1,278,892	666,976,959	6.0127	623,053,803	107%
2014	2013	616,068,498	178,700,999	23,938,803	60,363,438	1,712,888	756,631,974	6.5145	669,219,086	113%

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

(2) Numbers provided by Miami-Dade County Property Appraiser from the first certified tax roll for fiscal year 2014 and the final certified tax rolls for all prior years.

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

Fiscal Year	Tax Roll Year	North Bay Village			School District			Overlapping Rates			
		Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total School Millage	Everglades Project	South Florida Water Management District	Florida Inland Navigational District	Total State Millage
2005	2004	5.9250	0.2873	6.2123	8.0900	0.5970	8.6870	0.1000	0.5970	0.0385	0.7355
2006	2005	5.9783	0.2340	6.2123	7.9470	0.4910	8.4380	0.1000	0.5970	0.0385	0.7355
2007	2006	5.9000	0.1980	6.0980	7.6910	0.4140	8.1050	0.1000	0.5970	0.0385	0.7355
2008	2007	4.6697	0.1290	4.7987	7.5700	0.3780	7.9480	0.0894	0.5346	0.0345	0.6585
2009	2008	4.6697	0.1290	4.7987	7.5330	0.2640	7.7970	0.0894	0.5346	0.0345	0.6585
2010	2009	4.2772	0.5215	4.7987	7.6980	0.2970	7.9950	0.0894	0.5346	0.0345	0.6585
2011	2010	4.7772	0.5008	5.2780	7.8640	0.3850	8.2490	0.0894	0.5346	0.0345	0.6585
2012	2011	4.7772	1.2355	6.0127	7.7650	0.2400	8.0050	0.0624	0.3739	0.0345	0.4708
2013	2012	4.7772	1.2355	6.0127	7.7650	0.2330	7.9980	0.0613	0.3676	0.0345	0.4634
2014	2013	5.4740	1.0405	6.5145	7.6440	0.3330	7.9770	0.0587	0.3523	0.0345	0.4455

Source: Miami-Dade County Appraiser's Office.

Table 8

Miami-Dade County			Overlapping Rates				Special Districts	Total Direct and Overlapping Rates
Operating Millage	Debt Service Millage	Total County Millage	Children's Trust	Fire and Rescue	Fire Debt	Library	Total District's Millage	
5.9350	0.2850	6.2200	0.4442	2.5920	0.0690	0.4860	3.5912	25.4460
5.8350	0.2850	6.1200	0.4288	2.6090	0.0520	0.4860	3.5758	25.0816
5.6150	0.2850	5.9000	0.4223	2.6090	0.0420	0.4860	3.5593	24.3978
4.5796	0.2850	4.8646	0.4223	2.2067	0.0420	0.3842	3.0552	21.3250
4.8379	0.2850	5.1229	0.4212	2.1851	0.0420	0.3822	3.0305	21.4076
4.8379	0.2850	5.1229	0.5000	2.1851	0.0420	0.3822	3.1093	21.6844
5.4275	0.4450	5.8725	0.5000	2.5753	0.0200	0.2840	3.3793	23.4373
4.8050	0.2850	5.0900	0.5000	2.4496	0.0131	0.1795	3.1422	22.7207
4.7035	0.2850	4.9885	0.5000	2.4496	0.0131	0.1725	3.1352	22.5978
4.7035	0.4220	5.1255	0.5000	2.4496	0.0127	0.1725	3.1348	23.1973

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

Table 9

Taxpayer	Type of Use	Fiscal Year					
		2014			2005		
		Taxable Assessed Value	Rank	Percentage Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage Total Taxable Assessed Value
TOTB Miami LLC	Condominium	\$ 26,562,063	1	3.51%	\$ N/A	N/A	N/A
CLPF NBV LP	Rental apartments	11,787,360	2	1.56%	N/A	N/A	N/A
WSVN Channel 7	TV News Station	11,530,466	3	1.52%	N/A	N/A	N/A
Victory Consulting Group LTD	Condominium	8,790,140	4	1.16%	N/A	N/A	N/A
The Inn on the Bay LTD	Hotel	7,089,846	5	0.94%	N/A	N/A	N/A
Isle of Dreams LLC	Residential - Vacant	7,010,775	6	0.93%	N/A	N/A	N/A
Florida Power and Light Company	Utility	6,753,718	7	0.89%	N/A	N/A	N/A
BMS North Bay Village LLC	Commercial storage	6,700,000	8	0.89%	N/A	N/A	N/A
Causeway Tower LLC	Office building	6,654,363	9	0.88%	N/A	N/A	N/A
Novalis LLC	Condominium	6,599,580	10	0.87%	N/A	N/A	N/A
Totals		\$ 99,478,311		13.15%	\$ -		-

Source: Miami-Dade County - Office of the Property Appraiser.
 N/A: Information is not available

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

Table 10

Fiscal Year	Tax Roll Year	Property Tax Levy	(1) Property Tax Discount	Net Tax Levy	Current Tax Collection	Percentage of Current Tax Collections to Net Tax Levy	Delinquent Tax Collection	Total Tax Collection	Percentage of Total Tax Collection to Property Tax Levy
2005	2004	\$ 3,355,041	\$ 134,202	\$ 3,220,839	\$ 2,986,983	92.74%	*	\$ 2,986,983	92.74%
2006	2005	4,213,798	168,552	4,045,246	3,348,938	82.79%	*	3,348,938	82.79%
2007	2006	5,236,806	209,472	5,027,333	4,169,008	82.93%	*	4,169,008	82.93%
2008	2007	5,356,287	214,251	5,142,035	4,192,282	81.53%	*	4,192,282	81.53%
2009	2008	5,960,769	238,431	5,722,339	4,630,604	80.92%	*	4,630,604	80.92%
2010	2009	4,713,635	188,545	4,525,090	4,635,298	102.44%	*	4,635,298	102.44%
2011	2010	3,771,091	150,844	3,620,247	3,420,449	94.48%	*	3,420,449	94.48%
2012	2011	4,026,317	161,053	3,865,264	3,948,913	102.16%	*	3,948,913	102.16%
2013	2012	4,010,332	160,413	3,849,919	3,809,173	98.94%	*	3,809,173	98.94%
2014	2013	4,358,650	174,346	4,184,304	4,248,100	101.52%	*	4,248,100	101.52%

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

Notes: (1) Florida Law allows up to a 4% discount for timely payment of property taxes.

* Information is not available

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

Table 11

Fiscal Year	Governmental Activities			Business-Type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Revenue Bonds	Capital Leases	State Revolving Loans	Capital Leases and Loan Payable			
2005	\$ 550,000	\$ -	\$ 62,012	\$ 1,597,422	\$ 154,451	\$ 2,209,434	1.03%	\$ 340
2006	455,000	-	79,037	1,432,118	109,274	1,966,155	0.95%	339
2007	350,000	-	151,107	1,262,041	56,496	1,763,148	0.84%	307
2008	6,490,000	-	113,054	1,116,632	23,563	7,719,686	3.05%	1,133
2009	6,375,000	-	72,855	997,006	12,073	7,444,861	3.06%	1,089
2010	8,410,000	-	30,285	1,019,137	-	9,459,422	3.62%	1,325
2011	8,305,000	-	-	1,737,495	-	10,042,495	3.57%	1,367
2012	7,932,143	-	-	1,687,531	-	9,619,674	3.24%	1,279
2013	7,544,286	-	-	1,485,671	-	9,029,957	2.95%	1,178
2014	7,151,429	-	-	1,589,861	-	8,741,290	*	1,113

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 not available.

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

Table 12

Fiscal Year	Gross Bonded Debt	Less: Amounts Available in Debt Service Funds	Net Bonded Debt	Assessed Value of Taxable Property	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita (1)
2005	\$ 550,000	\$ -	\$ 550,000	\$ 502,503,719	0.11%	\$ 84.64
2006	455,000	-	455,000	606,687,342	0.07%	78.53
2007	350,000	-	350,000	726,025,509	0.05%	61.02
2008	6,490,000	-	6,490,000	979,310,707	0.66%	952.45
2009	6,375,000	484,111	5,890,889	1,162,487,427	0.51%	861.75
2010	8,410,000	-	8,410,000	939,526,353	0.90%	1,178.37
2011	8,305,000	-	8,305,000	691,801,219	1.20%	1,130.09
2012	7,932,143	-	7,932,143	644,791,383	1.23%	1,054.25
2013	7,544,286	52,229	7,492,057	636,142,982	1.18%	977.18
2014	7,151,429	59,356	7,092,073	669,073,746	1.06%	903.33

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, 2014

Table 13

<u>Jurisdiction</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to North Bay Village (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Overlapping debt:			
Miami-Dade Board of County Commissioners (2)	\$ 3,887,694,000	0.341%	\$ 13,250,598
Miami-Dade County School Board (2)	<u>3,320,711,000</u>	0.341%	<u>11,318,125</u>
Subtotal overlapping debt	<u>7,208,405,000</u>		<u>24,568,722</u>
Direct debt:			
North Bay Village	<u>7,151,429</u>	100.000%	<u>7,151,429</u>
Subtotal direct debt	<u>7,151,429</u>		<u>7,151,429</u>
Total direct and overlapping debt	<u>\$ 7,215,556,429</u>		<u>\$ 31,720,151</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 Public Schools, Finance Department.

NORTH BAY VILLAGE, FLORIDA
LEGAL DEBT MARGIN INFORMATION
 September 30, 2014

Table 14

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt limit	\$ N/A	\$ 1,265,266	\$ 2,317,393	\$ 1,499,610	\$ 2,743,245	\$ 1,924,921	\$ 2,960,705	\$ 1,803,889	\$ 1,585,830	\$ 1,751,798
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ <u>N/A</u>	\$ <u>1,265,266</u>	\$ <u>2,317,393</u>	\$ <u>1,499,610</u>	\$ <u>2,743,245</u>	\$ <u>1,924,921</u>	\$ <u>2,960,705</u>	\$ <u>1,803,889</u>	\$ <u>1,585,830</u>	\$ <u>1,751,798</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2014

Current annual governmental funds fiscal budget	\$ 8,758,990
Bonded debt limit - 20% of above	\$ 1,751,798
Amount of debt applicable to debt limit:	
Total bonded debt:	-
Less revenue bonds	-
Total net debt applicable to limit	-
Legal Debt Margin (1)	<u>\$ 1,751,798</u>

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

NORTH BAY VILLAGE, FLORIDA
 PLEDGED REVENUE COVERAGE
 September 30, 2014

Table 15

Fiscal Year	State Revolving Fund Loans					Coverage
	Gross Revenue	Operating Expenses *	Net Available Revenue	Principal	Interest	
2005	\$ 3,453,356	\$ 2,812,866	\$ 640,490	\$ 161,818	\$ 48,374	3.05
2006	3,833,189	3,423,987	409,202	165,304	44,480	1.95
2007	3,037,822	3,089,978	(52,156)	170,077	39,695	(0.25)
2008	3,671,037	3,050,381	620,656	145,409	34,769	3.44
2009	4,006,948	3,028,137	978,811	119,626	31,183	6.49
2010	7,062,689	4,131,976	2,930,713	123,110	25,260	19.75
2011	7,177,066	3,538,860	3,638,206	126,698	34,427	22.58
2012	4,554,304	3,931,927	622,377	187,445	40,578	2.73
2013	4,708,028	3,991,640	716,388	201,860	37,133	3.00
2014	5,030,869	4,631,949	398,907	168,850	32,807	1.98

* Total expenses exclude depreciation

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

Table 16

Fiscal Year	Population (1)	Personal Income (Amounts Expressed in Thousands)	Per Capita Personal Income (2)	Unemployment Rate (3)
2005	6,498	\$ 214,479	\$ 33,007	3.7%
2006	5,794	208,022	35,903	3.4%
2007	5,736	210,592	36,714	3.5%
2008	6,814	252,745	37,092	4.3%
2009	6,836	243,245	35,583	8.5%
2010	7,137	261,600	36,654	9.2%
2011	7,349	281,040	38,242	8.7%
2012	7,524	296,950	39,467	6.8%
2013	7,667	305,760	39,880	6.3%
2014	7,851	*	*	5.0%

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					
	2014			2005		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Office and administrative support	202,270	1	19.75%	N/A	N/A	N/A
Sales and related	142,730	2	13.95%	N/A	N/A	N/A
Food preparation and service related	98,620	3	9.64%	N/A	N/A	N/A
Transportation and material moving	72,510	4	7.09%	N/A	N/A	N/A
Healthcare practitioners and technical	63,810	5	6.24%	N/A	N/A	N/A
Business and financial operations	56,090	6	5.48%	N/A	N/A	N/A
Education, training and library	50,480	7	4.93%	N/A	N/A	N/A
Protective service	41,500	8	4.06%	N/A	N/A	N/A
Production	37,420	9	3.66%	N/A	N/A	N/A
Installation, maintenance and repair	37,250	10	3.64%	N/A	N/A	N/A
Building and grounds cleaning and maintenance	35,070	11	3.43%	N/A	N/A	N/A
Management	34,320	12	3.35%	N/A	N/A	N/A
Personal care and service	30,190	13	2.95%	N/A	N/A	N/A
Healthcare support	25,620	14	2.50%	N/A	N/A	N/A
Construction and extraction	22,510	15	2.20%	N/A	N/A	N/A
Computer and mathematical science	16,600	16	1.62%	N/A	N/A	N/A
Legal	14,640	17	1.43%	N/A	N/A	N/A
Arts, design, entertainment, sports and media	13,750	18	1.34%	N/A	N/A	N/A
Community and social services	11,660	19	1.14%	N/A	N/A	N/A
Architecture and engineering	9,810	20	0.96%	N/A	N/A	N/A
Life, physical and social sciences	3,950	21	0.39%	N/A	N/A	N/A
Farming, fishing and forestry	2,560	22	0.25%	N/A	N/A	N/A
Total	1,023,360		100.00%	N/A		N/A

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 2013. Estimates do not include self-employed workers.

N/A: Information not available.

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

Table 18

FUNCTION:	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government and public safety:										
Sworn officers	-	33.0	32.5	30.0	30.0	25.5	25.5	24.5	24.5	24.0
Civilians	-	11.0	11.0	9.0	6.0	8.0	7.0	7.0	7.0	8.0
Administration	-	7.0	9.5	21.0	20.5	11.5	14.5	15.0	16.0	16.5
Culture and recreation	-	-	-	0.5	0.5	0.5	4.5	4.5	4.5	4.5
Public works:										
Administration	5.0	5.0	5.0	3.0	4.0	4.0				
Sanitation	5.0	8.0	8.0	8.0	6.0	7.5	5.0	4.0	4.0	4.0
Water	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Sewer	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Streets	3.0	3.0	3.0	3.0	3.0	3.0	3.5	2.5	2.5	3.0
Transit	1.0	2.0	2.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0
Total	17.0	72.0	74.0	78.5	74.0	64.0	64.0	61.5	63.5	65.0

Source: Various City departments.

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

Table 19

FUNCTION:	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government:										
Building permits issued	880	1,353	670	390	293	426	540	507	645	686
Public safety:										
Number of calls for service **	3,745	3,910	3,890	6,386	9,049	9,941	19,775	33,400	34,506	30,977
Number of arrests	161	172	144	189	125	94	117	167	112	78
Number of traffic violations	N/A	N/A	924	924	N/A	765	1,360	1,953	1,497	1,630
Number of parking violations	N/A	N/A	757	713	N/A	584	799	1,188	1,598	1,301
Number of school crossing guards	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4	4
Public works:										
Garbage tons collected and disposed*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4,729	4,637	4,578
Catch basins cleaned	-	-	-	-	-	-	-	-	53	28
Water average daily consumption (gallons)	N/A	824,070	735,261	679,769	756,452	778,312	833,668	1,069,939	1,137,815	1,092,706
Sewer average daily flow	N/A	N/A	N/A	N/A	N/A	N/A	N/A	968,157	1,118,656	1,145,298
Number of metered accounts	N/A	N/A	581	604	612	613	613	613	613	615
Fire hydrants	N/A	56	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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public safety:										
Number of police stations	1	1	1	-	-	-	-	-	-	-
Number of fire stations	1	1	1	1	1	1	1	1	1	1
Number of general government buildings	2	2	2	2	2	2	2	2	2	1
Public works:										
Miles of water mains	8	8	8	8	8	8	8	8	8	8
Miles of sewer lines	5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.7
Miles of storm water drains	2.84	2.84	2.84	2.84	2.84	2.84	2.84	2.84	2.84	2.84
Number of lift stations	4	4	4	4	4	4	4	4	4	4
Number of fire hydrants	62	62	62	62	62	62	62	62	62	62
Number of public works buildings	1	1	1	1	1	1	1	1	1	1
Recreation and parks:										
Number of parks and recreation facilities	1	1	1	1	1	1	1	2	2	2
Acres of park	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	1	1
Acres of water	281	281	281	281	281	281	281	281	281	281

Source: Various City Departments

COMPLIANCE SECTION

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the North Bay Village, Florida (the "Village"), as of and for the year ended September 30, 2014, 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 24, 2015.

Internal Control over Financial Reporting

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

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

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item number 2009-001 to be a material weakness.

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.

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 but the results of our tests did disclose another matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item number 2006-01.

Village Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 24, 2015

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133

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

Report on Compliance for Each Major Federal Program

We have audited North Bay Village, Florida's (the "Village") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Village's major federal programs for the year ended September 30, 2014. The Village's major federal programs 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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Village's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 federal program 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 federal program. However, our audit does not provide a legal determination of the Village's compliance.

Opinion on Each Major Federal Program

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 federal programs for the year ended September 30, 2014.

Report on Internal Control Over Compliance

Management of the Village, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Village's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 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 federal program 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 federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.


KEEFE McCULLOUGH

Fort Lauderdale, Florida
March 24, 2015

INDEPENDENT AUDITOR'S REPORT TO THE VILLAGE MANAGEMENT

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

We have audited the financial statements of North Bay Village, Florida (the "Village"), as of and for the year ended September 30, 2014, and have issued our report thereon dated March 24, 2015.

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, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 10.550, Rules of the Auditor General.

Other Reports

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 24, 2015, 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. The status of findings and recommendations made in the previous audit report are noted in the accompanying Schedule of Findings and Questioned Costs Part E.

Official Title and Legal Authority

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

Financial Condition

Section 10.554(1)(i)5.a., Rules of the Auditor General, requires that we report the results of our determination as to whether or not the Village has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific conditions met. In connection with our audit, we determined that the Village did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

North Bay Village, Florida

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

Annual Financial Report

Section 10.554(1)(i)5.b., Rules of the Auditor General, requires that we report the results of our determination as to whether the annual financial report for the Village, for the fiscal year ended September 30, 2014, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2014. In connection with our audit, we determined that these two reports were in agreement.

Other Matters

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, our recommendations can be found in the attached Schedule of Findings and Questioned Costs, Section E.

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

Purpose of this Letter

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



KEEFE McCULLOUGH

Fort Lauderdale, Florida
March 24, 2015

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

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

We have examined North Bay Village, Florida's (the "Village") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2014. Management is responsible for the Village's compliance with those requirements. Our responsibility is to express an opinion on the Village's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Village's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Village's compliance with specified requirements.

In our opinion, the Village complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

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

Keefe McCullough

KEEFE McCULLOUGH

Fort Lauderdale, Florida
March 24, 2015

NORTH BAY VILLAGE, FLORIDA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended September 30, 2014

Federal Agency, Pass-through Entity Federal Program	CFDA Number	Contract/Grant Number	Expenditures	Transfers to Subrecipients
FEDERAL AGENCY NAME:				
Direct Programs:				
United States Department of Justice - Equitable Sharing Program	16.922	---	\$ 395,956	\$ -
Indirect Programs:				
United States Department of Environmental Protection Agency - Passed through the State of Florida Department of Enviromental Protection - Capitalization Grants for Clean Water State Revolving Funds	66.458	WW803061	309,518	-
United States Department of Justice - Passed through Miami Dade County Edward Byrne Memorial Justice Assistance Grant -	16.738	---	2,087	-
Edward Byrne Memorial Justice Assistance Grant -	16.738	2014-JAGD-DADE-10-E6-101	1,322	-
Total Expenditures of Federal Awards			\$ <u>708,883</u>	\$ <u>-</u>

NORTH BAY VILLAGE, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2014

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the grant activity of the Village and is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

NOTE 2 - CONTINGENCY

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

NORTH BAY VILLAGE, FLORIDA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Year Ended September 30, 2014

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on the basic financial statements of North Bay Village, Florida.
2. A material weakness relating to the audit of the basic financial statements is 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 federal award program is reported in the Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal program for North Bay Village, Florida expresses an unmodified opinion.
6. There are no findings relative to the major federal program for North Bay Village, Florida, reported in Part C of this schedule.
7. The program tested as a major program is as follows:

Federal Program	Federal CFDA Number
Department of Environmental Protection Capitalization Grants for Clean Water State Revolving Funds	66.458

8. The threshold for distinguishing Type A and Type B programs was \$ 300,000 for major Federal programs.
9. North Bay Village, Florida was determined to be a low risk auditee pursuant to OMB Circular A-133.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

The status of findings and recommendations made are noted in the accompanying Schedule of Findings and Questioned Costs Part E.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL PROGRAMS

No matters to be reported.

NORTH BAY VILLAGE, FLORIDA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Year Ended September 30, 2014

D. OTHER ISSUES

1. No summary schedule of prior audit findings is required because there were no prior audit findings related to federal programs.
2. No corrective action plan is required because there were no findings required to be reported under the Federal Single Audit Act.

E. INTERNAL CONTROL COMMENTS AND RECOMMENDATIONS

		STILL APPLICABLE	IMPLEMENTED OR NO LONGER RELEVANT
2006-01	Capital asset subsidy ledger software, reconciliation and maintenance	X	
2009-01	Bank reconciliations	X	
2010-03	Document significant operational and accounting processes		X
2010-07	Consider implementing an enterprise risk management (ERM) program		X

PRIOR YEAR INTERNAL CONTROL COMMENTS AND RECOMMENDATIONS

Material Weakness:

2009-01 Bank Reconciliations

During our audit, we noted that reconciliations of the Village's operating cash accounts had been performed but not reconciled to the general ledger for a significant portion of the fiscal year. We recommend that the Village reconcile its cash accounts within two weeks of the end of a monthly period. In addition to the preparation of bank reconciliations by a designated individual, there should be another individual charged with the review and approval of the reconciliation once it is prepared to verify the reconciliation process is complete.

Management's Response/Status:

The Finance Department continued to perform the monthly bank reconciliations, but continued to have difficulty due to the software handling of bank postings. It was a very tedious process and not always achievable on a timely basis. The Village continued with a time consuming bank reconciliation system because we had contracted with Tyler Technology to replace the accounting system rather than rewrite the old MAINSTREET software. The financial system conversion was scheduled for mid to late 2014, however, that time table was moved to February 2015. The conversion was completed in February 2015 and all bank accounts were balanced and reconciled 100% for the month of February 2015. Going forward the new procedures will resolve this finding.

NORTH BAY VILLAGE, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2014

E. INTERNAL CONTROL COMMENTS AND RECOMMENDATIONS (continued)

Other Matters:

2006-01 Capital Assets Subsidiary Detail Ledger Software, Reconciliation and Maintenance

The Village maintains a manually prepared schedule in Microsoft Office Excel for tracking its capital assets. The Village should look into a new software program designed to maintain fixed schedules to assist in this process. Benefits included in such programs include the ability to calculate gains and losses upon asset disposition, generation of reports by location for inventory observation and automatic calculation of depreciation expense depending on preprogrammed generally accepted methods of depreciation. The existing subsidiary ledger maintained on the spreadsheet requires constant maintenance and formula manipulation which lends itself to the possibility of errors being made along with additional time and effort to maintain.

We also noted that the fixed asset schedule was not timely updated during the year. We recommend that the Village maintain its subsidiary ledger of capital asset detail on a periodic basis including reconciling to the inventory observation completed in order to properly track, record and maintain custody of fixed assets.

Management's Response/Status:

The Village continued to maintain the manual spreadsheet until we could implement the INCODE fixed asset system. This INCODE system is tied into the purchasing and accounting system. The implementation is scheduled for April-June 2015. When this system is implemented in 2015 the Village will have resolved this finding.