



North Bay Village, Florida

Comprehensive Annual Financial Audit

Fiscal Year Ended September 30, 2015



North Bay Village, Florida

Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2015

Prepared By:
Finance Department

Bert Wrains, Finance Director

North Bay Village, Florida

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INTRODUCTORY SECTION



North Bay Village

Administrative Offices

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

May 3, 2016

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, 2015.

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

The Village consists of an area of approximately .80 square miles, with a population of 8,178 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 that was started in early 2014. It should be complete in 2015 but the property tax revenues will partially be realized by the Village in FY 2017 and full tax revenues will be realized in the FY 2018 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 2016. One of the attractions for new development is that North Bay Village is a 3 island paradise surrounded by Biscayne Bay and the Village is working on a Bay Walk project to show off the beautiful view of Biscayne Bay.

Fiscal Year 2015

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 2013. This is the second 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 2015 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 2015 and should be completed in 2016 and 2017.

- * 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 permitted design.
- * Worked with Florida Department of Transportation (FDOT) to implement their Triple R project for Kennedy Causeway. The project includes 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 and will have full handicapped assessable sidewalk and curbing.

- * The Village also started initial work on the development of an “Over The Water Boardwalk” project. This project will provide for panoramic views of Biscayne Bay that will be open to the public. The Village has received approval from the regulatory agencies and is applying to the Florida Department of Environmental Protection (DEP) and the Florida Inland Navigation District (FIND) for assistance with funding for this project.

The Village during FY 2015 has all elements of the new integrated computer system. As of September 30, 2015, the Village staff has installed and are using the building permit, utility billing, cashiering, code enforcement, business tax receipts as well the full operation of the financial accounting portions of the INCODE system from Tyler Technology.

FINANCIAL INFORMATION

Internal Accounting Control

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

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

Budgetary Control

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

Overview of Financial Activity

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

Fund Balances

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

Retirement Programs

The Village contributes to the Florida Retirement system (FRS) which is the basic defined benefit pension plan for most Village employees. The FRS contributions are based on employee classifications. The Village also contributes to a defined contribution plan for 5 employees that remained when the Village converted to the FRS. The plans currently cover all full-time and part-time employees of the Village. Under these plans, the Village contributes between 7.26% and 22.04% 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, 2015 were approximately \$ 776,468.

Labor Contracts

The Village has Collective Bargaining Agreements (CBA) with two unions. One union (FOP) is for sworn police officers and their CBA expired 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 both CBA's are still in force until new CBA's are 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, 2015 totaled \$ 1,429,373.

The Village has two General Obligation (GO) bond issues outstanding. They were issued in 2010 and 2011 and will be paid off in December 2031 and June 2028, respectively. The total principal outstanding on the GO bonds as of September 30, 2015 is \$ 6,748,572.

OTHER INFORMATION

Independent Audit

In accordance with Section 11.45(3) (a) (4), Florida Statutes, and 4.1 of the Village Charter, the Village engaged the firm of Keefe McCullough, to perform the independent audit of the Village's accounts and records. The independent auditor's reports are included in the Financial Section.

Certificate of Achievement

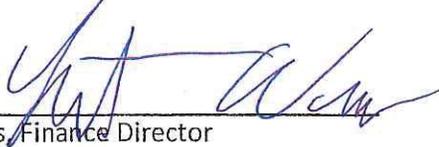
The Government Finance Officers Association of the United States and Canada ("GFOA") awards the Certificate of Achievement for Excellence in Financial Reporting (CAFR) to units of governments whose annual financial reports meet the standards established by GFOA. This report must satisfy both generally accepted accounting principles and applicable legal requirements. It is designed to provide the reader a report that is formatted the same across multi governments throughout the United States and Canada. The Village submitted the FY 2014 financial statements under this program and was awarded the Village's first CAFR award.

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

Acknowledgements

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

Respectfully submitted,

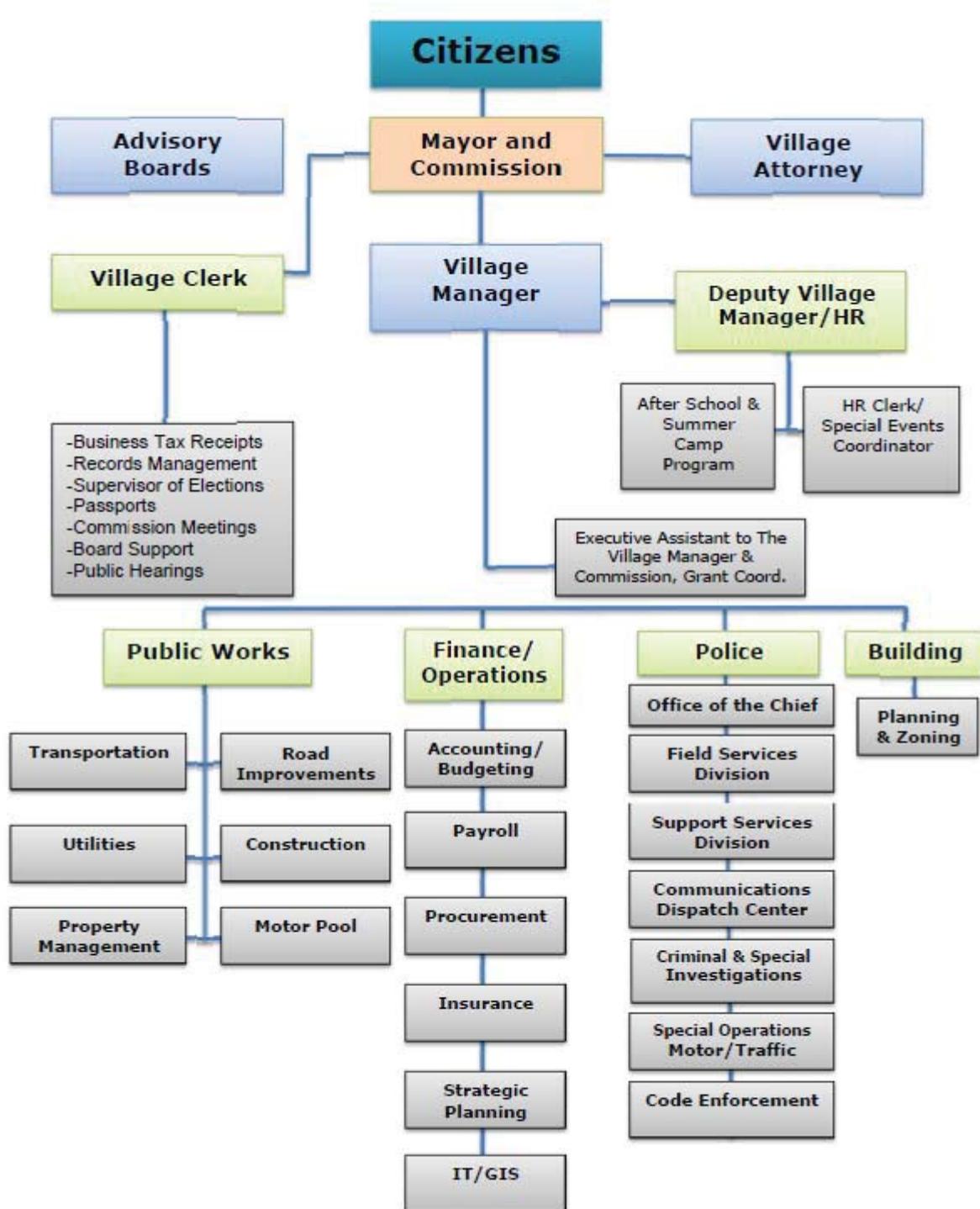


Elbert Wrains, Finance Director



Frank Rollason, Village Manager

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	Brian Collins
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, 2015 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, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules related to post-employment benefits and pensions on pages 4 through 9 and 46 through 52, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's, basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by Chapter 10.550, Rules of the Auditor General, and is 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 state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules, and the schedule of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

North Bay Village, Florida

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 3, 2016, 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
May 3, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS
(MD&A)

As management of the North Bay Village, Florida (the "Village") we offer readers of the accompanying financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended September 30, 2015.

Financial Highlights

The assets of the North Bay Village exceeded its liabilities at the close of the most recent fiscal year by \$ 10,274,178 (net position). Governmental net position amounted to \$ 1,602,145 and business-type net position amount to \$ 8,672,033. Net position increased by \$ 411,700 during the current fiscal year.

For the fiscal year ended September 30, 2015, the Village's governmental activities revenues and expenses were \$ 8,924,449 and \$ 8,498,133 respectively. As a result, governmental net position increased by \$ 426,336.

For the fiscal year ended September 30, 2015, the Village's business-type activities revenues and expenses were \$ 5,715,002 and \$ 5,729,638 respectively. As a result, business-type net position decreased by \$ 14,636.

At the close of the current fiscal year, the Village's governmental funds reported combined fund balances of \$ 4,856,514, an increase of \$ 89,625 in comparison with the prior year. Approximately 20.9% of this amount (\$ 1,014,515) is available for spending at the government's discretion (*unassigned fund balance*).

At the end of the current fiscal year, unrestricted fund balance (the total of the *committed*, *assigned*, and *unassigned* components of *fund balance*) for the General Fund was \$ 2,211,695, or approximately 31.6% 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).

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 and the stormwater operations, which are considered to be major funds of the Village. 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, 2015

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 41 of this report.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the Village's progress in funding its obligation to provide OPEB benefits to its employees and the Village's pension liability and its contributions to fund that liability. Required supplementary information can be found on pages 46-52 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 53-60 of this report.

Government-Wide Financial Analysis

Net position - As noted earlier, net position over time may serve as a useful indicator of the Village's financial position. In the case of the Village, total assets exceeded liabilities by \$ 10,274,178 at the close of September 30, 2015. Governmental activities net position totaled \$ 1,602,145, and business-type activities net position totaled \$ 8,672,033. The following table presents a condensed statement of net position as compared to the prior year.

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 5,877,738	\$ 5,480,033	\$ 1,391,912	\$ 1,603,657	\$ 7,269,650	\$ 7,083,690
Restricted assets	-	-	407,923	352,118	407,923	352,118
Capital assets, net	<u>9,105,647</u>	<u>9,117,272</u>	<u>9,831,396</u>	<u>9,672,571</u>	<u>18,937,043</u>	<u>18,789,843</u>
Total assets	<u>14,983,385</u>	<u>14,597,305</u>	<u>11,631,231</u>	<u>11,628,346</u>	<u>26,614,616</u>	<u>26,225,651</u>
Total deferred outflows of resources	<u>895,184</u>	<u>372,852</u>	<u>67,380</u>	<u>28,064</u>	<u>962,564</u>	<u>400,916</u>
Current and other liabilities	1,780,032	1,462,715	1,289,939	1,100,879	3,069,971	2,563,594
Long term liabilities	<u>11,702,281</u>	<u>10,257,014</u>	<u>1,676,867</u>	<u>1,712,708</u>	<u>13,379,148</u>	<u>11,969,722</u>
Total liabilities	<u>13,482,313</u>	<u>11,719,729</u>	<u>2,966,806</u>	<u>2,813,587</u>	<u>16,449,119</u>	<u>14,533,316</u>
Total deferred inflows of resources	<u>794,111</u>	<u>2,074,619</u>	<u>59,772</u>	<u>156,154</u>	<u>853,883</u>	<u>2,230,773</u>
Net position:						
Net investment in capital assets	3,468,637	3,161,974	8,402,023	8,082,710	11,870,660	11,244,684
Restricted	1,434,461	1,724,697	-	-	1,434,461	1,724,697
Unrestricted (deficit)	<u>(3,300,953)</u>	<u>(3,710,862)</u>	<u>270,010</u>	<u>603,959</u>	<u>(3,030,943)</u>	<u>(3,106,903)</u>
Total net position	\$ <u>1,602,145</u>	\$ <u>1,175,809</u>	\$ <u>8,672,033</u>	\$ <u>8,686,669</u>	\$ <u>10,274,178</u>	\$ <u>9,862,478</u>

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

North Bay Village, Florida
Management's Discussion and Analysis
September 30, 2015

An additional portion of the Village's net position of \$ 1,434,461 represents resources that are subject to external restrictions on how they may be used. The remaining balance of (\$ 3,030,943) is unrestricted (deficit) and was a result of the implementation of GASB 68. The Village is a member of the Florida Retirement System (FRS) and is required to show this year the Village's portion of FRS unfunded liabilities in our government wide statements.

Changes in net position - Governmental activities and business-type activities increased the Village's net position by \$ 411,700 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	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 1,507,462	\$ 1,944,363	\$ 5,115,431	\$ 5,141,724	\$ 6,622,893	\$ 7,086,087
Operating grants and contributions	428,419	406,728	-	-	428,419	406,728
Capital grants and contributions	-	110,167	599,232	-	599,232	110,167
General revenues:						
Property taxes	4,572,398	4,248,100	-	-	4,572,398	4,248,100
Other taxes and fees	2,154,090	2,105,637	-	-	2,154,090	2,105,637
Interest income	42,624	44,599	339	13	42,963	44,612
Other general revenues	219,456	142,255	-	-	219,456	142,255
Total revenues	8,924,449	9,001,849	5,715,002	5,141,737	14,639,451	14,143,586
Expenses:						
General government	1,645,316	1,736,545	-	-	1,645,316	1,736,545
Public safety	4,754,552	4,393,099	-	-	4,754,552	4,393,099
Public works	595,935	581,419	-	-	595,935	581,419
Building, planning, and zoning	787,048	616,483	-	-	787,048	616,483
Recreation and human services	465,644	393,421	-	-	465,644	393,421
Interest on long term debt	249,618	254,548	-	-	249,618	254,548
Utility	-	-	5,547,846	5,033,035	5,547,846	5,033,035
Stormwater utility	-	-	181,792	85,522	181,792	85,522
Total expenses	8,498,113	7,975,515	5,729,638	5,118,557	14,227,751	13,094,072
Increase (decrease) in net position	\$ 426,336	\$ 1,026,334	\$ (14,636)	\$ 23,180	\$ 411,700	\$ 1,049,514
Net position, October 1	1,175,809	3,945,420	8,686,669	8,949,205	9,862,478	12,894,625
Restatement (Note 12)	-	(3,795,945)	-	(285,716)	-	(4,081,661)
Net position, September 30	1,602,145	1,175,809	8,672,033	8,686,669	10,274,178	9,862,478

Governmental activities - During the current fiscal year, net position for governmental activities increased \$ 426,336 from the prior fiscal year. This increase was a result of increased property and utility taxes, an increase in building permit fees, a onetime refund from ICMA-RC pension fund and proceeds from an insurance claim.

Business-type Activities - For the Village's business-type activities, the results for the current fiscal year were negative in that overall net position decreased to reach an ending balance of \$ 8,672,033. The Utility Fund Water and Sewer Divisions continued to experience major repairs to their infrastructure. The total decrease in net position for business-type activities (Utility and Stormwater Funds) was (\$ 14,636).

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 \$ 4,856,514, an increase of \$ 89,625 from the prior year. Approximately 20.9% of this amount (\$ 1,014,515) 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 (\$ 98,796), 2) restricted for particular purposes (\$ 2,546,023), 3) committed for particular purposes, or 4) assigned for particular purposes (\$ 1,197,180).

The General Fund is the chief operating fund of the Village. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$ 1,014,515. 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 14.5% of total General Fund expenditures, while total fund balance represents approximately 33.1% of that same amount. The combination of increased revenue from property and utility services taxes, building permits and some miscellaneous revenues along with reductions in some administrative, police and streets expenditures along with a reduction in transfers out provided for the increase of \$ 360,834 in unassigned fund balance over fiscal year 2014.

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 \$ 8,672,033. 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 budget due to increased tax, franchise fee collections and permit fees, along with an increase in a onetime refund from the ICMA-RC Pension Fund and proceeds from an insurance claim.

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, 2015 amounted to \$ 9,105,647 and \$ 9,831,396 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 28 and 29 of the notes to the financial statements.

**North Bay Village, Florida
Management's Discussion and Analysis
September 30, 2015**

Long-term debt - At the end of the current fiscal, the Village had governmental activities general obligation debt outstanding of \$ 6,748,572. This debt is secured by the Village's ad valorem taxes. The Village's Utility Fund also had State Revolving Fund debt outstanding of \$ 1,429,373. 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	
	2015	2014	2015	2014	2015	2014
Long-term debt:						
General obligation note, Series 2010	\$ 1,748,572	1,851,429	\$ -	\$ -	\$ 1,748,572	1,851,429
General obligation refunding note, Series 2010	5,000,000	\$ 5,300,000	-	-	5,000,000	\$ 5,300,000
Revolving state loans	-	-	1,429,373	1,589,861	1,429,373	1,589,861
Total	\$ 6,748,572	\$ 7,151,429	\$ 1,429,373	\$ 1,589,861	\$ 8,177,945	\$ 8,741,290

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

Economic Factors and Next Year's Budgets and Rates

The 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 was 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 Village experienced a small increase in the property values along with some improvements in the general economy that provided increased taxes shared by the State. This also resulted in an increase in the building permits issued by the Village.

The one new 285 unit rental apartment building received several partial Temporary Certificates of Occupancy (TCO) during 2015. The Village did not receive much additional revenues in fiscal year 2015 from this action. However, the values of the buildings in the TCO will be on the property tax roll as of January 1, 2016 and will generate additional tax revenues for the fiscal year 2017 budget.

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, 2015**

	Governmental Activities	Business- Type Activities	Total
Assets:			
Pooled cash, cash equivalents and investments	\$ 5,459,622	\$ 270,894	\$ 5,730,516
Receivables, net	319,320	1,121,018	1,440,338
Restricted cash	-	407,923	407,923
Prepaid expenses	98,796	-	98,796
Capital assets:			
Non-depreciable	5,305,789	-	5,305,789
Depreciable, net	<u>3,799,858</u>	<u>9,831,396</u>	<u>13,631,254</u>
Total assets	<u>14,983,385</u>	<u>11,631,231</u>	<u>26,614,616</u>
Deferred Outflows of Resources:			
Deferred outflows related to pensions	<u>895,184</u>	<u>67,380</u>	<u>962,564</u>
Liabilities:			
Accounts payable	774,691	657,461	1,432,152
Accrued liabilities	220,586	15,551	236,137
Accrued interest payable	80,649	7,640	88,289
Unearned revenue	25,947	-	25,947
Customer deposits	-	407,923	407,923
Due within one year:			
Compensated absences payable	265,302	29,150	294,452
Debt	412,857	172,214	585,071
Due in more than one year:			
Claims and judgements	251,310	-	251,310
Compensated absences payable	1,326,510	145,749	1,472,259
Debt	6,335,715	1,257,159	7,592,874
Net pension liability	3,639,746	273,959	3,913,705
OPEB obligation	<u>149,000</u>	<u>-</u>	<u>149,000</u>
Total liabilities	<u>13,482,313</u>	<u>2,966,806</u>	<u>16,449,119</u>
Deferred Inflows of Resources:			
Deferred inflows related to pensions	794,111	59,772	853,883
Net Position:			
Net investment in capital assets	3,468,637	8,402,023	11,870,660
Restricted for:			
Transportation projects	721,711	-	721,711
Law enforcement	212,045	-	212,045
Recreation and human services	486,760	-	486,760
Children's services	13,945	-	13,945
Unrestricted net position (deficit)	<u>(3,300,953)</u>	<u>270,010</u>	<u>(3,030,943)</u>
Total net position	<u>\$ 1,602,145</u>	<u>\$ 8,672,033</u>	<u>\$ 10,274,178</u>

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

North Bay Village, Florida
Balance Sheet - Governmental Funds
September 30, 2015

	<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	\$ 2,545,098	\$ 130,133	\$ 1,353,956	\$ -	\$ 1,430,435	\$ 5,459,622
Receivables	257,859	-	-	-	61,461	319,320
Prepaid expenditures	<u>98,796</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>98,796</u>
Total assets	<u>\$ 2,901,753</u>	<u>\$ 130,133</u>	<u>\$ 1,353,956</u>	<u>\$ -</u>	<u>\$ 1,491,896</u>	<u>\$ 5,877,738</u>
Liabilities:						
Accounts payable	\$ 359,786	\$ 1,452	\$ 242,394	\$ -	\$ 171,059	\$ 774,691
Payroll liabilities	205,529	10,425	-	-	4,632	220,586
Unearned revenue	<u>25,947</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,947</u>
Total liabilities	<u>591,262</u>	<u>11,877</u>	<u>242,394</u>	<u>-</u>	<u>175,691</u>	<u>1,021,224</u>
Fund Balances:						
Nonspendable:						
Prepaid expenditures	98,796	-	-	-	-	98,796
Restricted for:						
Capital projects	-	-	1,111,562	-	-	1,111,562
Transportation projects	-	-	-	-	721,711	721,711
Law enforcement	-	118,256	-	-	93,789	212,045
Recreation and human services	-	-	-	-	486,760	486,760
Children's services	-	-	-	-	13,945	13,945
Assigned to:						
Subsequent years budget	53,407	-	-	-	-	53,407
Operating reserves	1,143,773	-	-	-	-	1,143,773
Unassigned	<u>1,014,515</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,014,515</u>
Total fund balances	<u>2,310,491</u>	<u>118,256</u>	<u>1,111,562</u>	<u>-</u>	<u>1,316,205</u>	<u>4,856,514</u>
Total liabilities and fund balances	<u>\$ 2,901,753</u>	<u>\$ 130,133</u>	<u>\$ 1,353,956</u>	<u>\$ -</u>	<u>\$ 1,491,896</u>	<u>\$ 5,877,738</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, 2015

Total Fund Balances of Governmental Funds
in the Balance Sheet

\$ 4,856,514

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

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

Governmental capital assets	\$ 12,408,662	
Less accumulated depreciation	<u>(3,303,015)</u>	9,105,647

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

Bonds payable	\$ (6,748,572)	
Claims and judgements	(251,310)	
Compensated absences	(1,591,812)	
Accrued interest payable	(80,649)	
Net pension liability	(3,639,746)	
Deferred outflows related to pensions	895,184	
Deferred inflows related to pensions	(794,111)	
Other post employment benefit obligation (OPEB)	<u>(149,000)</u>	<u>(12,360,016)</u>

Net Position of Governmental Activities

\$ 1,602,145

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, 2015

	<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>
Revenues:						
Taxes	\$ 4,534,465	\$ -	\$ -	\$ 597,931	\$ 298,278	\$ 5,430,674
Licenses and permits	947,087	-	-	-	-	947,087
Franchise fees	453,853	-	-	-	-	453,853
Intergovernmental revenue	1,167,946	-	-	-	126,390	1,294,336
Charges for services	61,346	-	-	-	-	61,346
Fines and forfeitures	86,858	276,785	-	-	52,378	416,021
Impact fees	-	-	-	-	2,840	2,840
Interest income	40,903	833	776	-	112	42,624
Other	170,033	105,635	-	-	-	275,668
	<u>7,462,491</u>	<u>383,253</u>	<u>776</u>	<u>597,931</u>	<u>479,998</u>	<u>8,924,449</u>
Total revenues						
Expenditures:						
Current:						
General government	1,602,527	-	-	-	-	1,602,527
Public safety	4,077,723	476,293	-	-	11,849	4,565,865
Public works	300,419	-	-	-	148,496	448,915
Building, planning and zoning	786,817	-	-	-	-	786,817
Recreation and human services	204,568	-	-	-	144,488	349,056
Capital outlay	20,690	-	85,345	-	318,322	424,357
Debt service:						
Principal	-	-	-	402,857	-	402,857
Interest and fiscal charges	-	-	-	254,430	-	254,430
	<u>6,992,744</u>	<u>476,293</u>	<u>85,345</u>	<u>657,287</u>	<u>623,155</u>	<u>8,834,824</u>
Total expenditures						
Excess (deficiency) of revenues over expenditures	<u>469,747</u>	<u>(93,040)</u>	<u>(84,569)</u>	<u>(59,356)</u>	<u>(143,157)</u>	<u>89,625</u>
Other Financing Sources (Uses):						
Transfers in	-	-	-	-	75,186	75,186
Transfers out	(75,186)	-	-	-	-	(75,186)
	<u>(75,186)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,186</u>	<u>-</u>
Total other financing sources (uses)						
Net change in fund balances	394,561	(93,040)	(84,569)	(59,356)	(67,971)	89,625
Fund Balances, beginning of year	<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>
Fund Balances, end of year	<u>\$ 2,310,491</u>	<u>\$ 118,256</u>	<u>\$ 1,111,562</u>	<u>\$ -</u>	<u>\$ 1,316,205</u>	<u>\$ 4,856,514</u>

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

North Bay Village, Florida
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended September 30, 2015

Net Changes in Fund Balances - Total Governmental Funds \$ 89,625

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	\$ 417,116	
Less current year provision for depreciation	<u>(418,895)</u>	(1,779)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long term liabilities in the statement of net position. 402,857

Certain items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures or credits in the governmental funds:

Change in accrued interest payable	4,812	
Change in claims and judgements	(251,310)	
Change in long-term compensated absences	(24,295)	
Change in net pension liability	(1,545,568)	
Change in deferred outflows related to pensions	522,332	
Change in deferred inflows related to pensions	1,280,508	
Change in other post employment benefit obligation (OPEB)	<u>(41,000)</u>	(54,521)

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. (9,846)

Changes in Net Position of Governmental Activities **\$ 426,336**

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, 2015**

	Business-Type Activities Enterprise Funds		Total
	Major Fund	Major Fund	
	Utility Fund	Stormwater Utility Fund	
Assets:			
Current assets:			
Pooled cash, cash equivalents and investments	\$ 184,795	\$ 86,099	\$ 270,894
Restricted cash	407,923	-	407,923
Accounts receivable, net	516,903	604,115	1,121,018
Total current assets	1,109,621	690,214	1,799,835
Noncurrent assets:			
Capital assets:			
Depreciable, net	9,040,272	791,124	9,831,396
Total assets	10,149,893	1,481,338	11,631,231
Deferred Outflows of Resources:			
Deferred outflows related to pensions	67,380	-	67,380
Liabilities:			
Current liabilities:			
Accounts payable	598,691	58,770	657,461
Payroll liabilities	15,551	-	15,551
Accrued interest payable	7,640	-	7,640
Current portion of compensated absences payable	29,150	-	29,150
Payable from restricted assets:			
Customer deposits	407,923	-	407,923
Current portion of debt	172,214	-	172,214
Total current liabilities	1,231,169	58,770	1,289,939
Long term liabilities:			
Compensated absences payable	145,749	-	145,749
Net pension liability	273,959	-	273,959
Debt	1,257,159	-	1,257,159
Total long-term liabilities	1,676,867	-	1,676,867
Total liabilities	2,908,036	58,770	2,966,806
Deferred Inflows of Resources:			
Deferred inflows related to pensions	59,772	-	59,772
Net Position:			
Net investment in capital assets	7,610,899	791,124	8,402,023
Unrestricted net position (deficit)	(361,434)	631,444	270,010
Total net position	\$ 7,249,465	\$ 1,422,568	\$ 8,672,033

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, 2015

	Business-Type Activities Enterprise Funds		Total
	Major Fund	Major Fund	
	Utility Fund	Stormwater Utility Fund	
Operating Revenues:			
Sanitation charges	\$ 1,548,049	\$ -	\$ 1,548,049
Sewer charges	1,824,794	-	1,824,794
Metered water charges	1,605,968	-	1,605,968
Service fees and late penalties	23,693	825	24,518
Stormwater user fees	-	112,102	112,102
	<u>5,002,504</u>	<u>112,927</u>	<u>5,115,431</u>
Total operating revenues			
Operating Expenses:			
Payroll and related expenses	1,560,047	13,332	1,573,379
Sewage disposal fees	1,078,490	-	1,078,490
Materials, supplies, repairs and other	1,328,445	137,644	1,466,089
Water purchases	733,239	-	733,239
Solid waste disposal and recycling services	439,332	-	439,332
Provision for depreciation	367,951	30,816	398,767
	<u>5,507,504</u>	<u>181,792</u>	<u>5,689,296</u>
Total operating expenses			
Operating income (loss)	<u>(505,000)</u>	<u>(68,865)</u>	<u>(573,865)</u>
Nonoperating Revenues (Expenses):			
Grant revenue	-	593,775	593,775
Interest income	339	-	339
Interest expense	(40,342)	-	(40,342)
	<u>(40,003)</u>	<u>593,775</u>	<u>553,772</u>
Total nonoperating revenues (expenses)			
Income before contributions	(545,003)	524,910	(20,093)
Capital contributions			
Impact fees	5,457	-	5,457
Change in net position	(539,546)	524,910	(14,636)
Net Position, beginning of year, as restated (Note 12)	<u>7,789,011</u>	<u>897,658</u>	<u>8,686,669</u>
Net Position, end of year	<u>\$ 7,249,465</u>	<u>\$ 1,422,568</u>	<u>\$ 8,672,033</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, 2015

	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	\$ 4,964,751	\$ 112,385	\$ 5,077,136
Payments to employees	(1,565,627)	(13,332)	(1,578,959)
Payments to suppliers	(3,487,020)	(78,787)	(3,565,807)
Net cash provided by (used in) operating activities	(87,896)	20,266	(67,630)
Cash Flows from Capital and Related Financing Activities:			
Acquisition of capital assets	(40,171)	(517,421)	(557,592)
Payments of revolving state loans	(160,488)	-	(160,488)
Impact fees	5,457		5,457
Interest and other charges	(40,834)	-	(40,834)
Net cash used in capital and related financing activities	(236,036)	(517,421)	(753,457)
Cash Flows from Investing Activities:			
Interest received	339	-	339
Net cash provided by investing activities	339	-	339
Net decrease in pooled cash, cash equivalents and investments	(323,593)	(497,155)	(820,748)
Pooled Cash, Cash Equivalents and Investments, beginning	<u>916,311</u>	<u>583,254</u>	<u>1,499,565</u>
Pooled Cash, Cash Equivalents and Investments, ending	<u>\$ 592,718</u>	<u>\$ 86,099</u>	<u>\$ 678,817</u>
Pooled Cash, Cash Equivalents and Investments Reported on the Statement of Net Position:			
Pooled cash, cash equivalents and investments	\$ 184,795	\$ 86,099	\$ 270,894
Restricted cash	407,923	-	407,923
	<u>\$ 592,718</u>	<u>\$ 86,099</u>	<u>\$ 678,817</u>

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

Statement of Cash Flows
Proprietary Funds
(continued)
For the Year Ended September 30, 2015

	Business-type Activities Enterprise Funds		Total
	Major Fund	Major Fund	
	Utility Fund	Stormwater Utility Fund	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Operating income (loss)	\$ (505,000)	\$ (68,865)	\$ (573,865)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Provision for depreciation	367,951	30,816	398,767
(Increase) decrease in:			
Accounts receivable	(93,558)	(542)	(94,100)
Prepaid expenses	22,192	875	23,067
Deferred outflows related to pensions	(39,316)	-	(39,316)
Increase (decrease) in:			
Accounts payable	70,294	57,982	128,276
Payroll liabilities	(228)	-	(228)
Customer deposits	55,805	-	55,805
Compensated absences	14,013	-	14,013
Net pension liability	116,333	-	116,333
Deferred inflows related to pensions	(96,382)	-	(96,382)
Total adjustments	417,104	89,131	506,235
Net cash provided by (used in) operating activities	\$ (87,896)	\$ 20,266	\$ (67,630)

Note 1 - Summary of Significant Accounting Policies

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

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

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

A. Financial Reporting Entity:

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

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

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

B. Government-Wide and Fund Financial Statements:

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

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the Village. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those expenses that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Note 1 - Summary of Significant Accounting Policies (continued)

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

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

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

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (continued)

The Village reports the following major governmental funds:

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

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 funds:

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

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

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

Village administration is authorized to invest in those instruments authorized by the Florida Statutes. Investments include the Local Government Surplus Funds Trust Fund. Investment in the Local Government Surplus Funds Trust Fund administered by the State Board of Administration is reported at 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, 2015.

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

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

Note 1 - Summary of Significant Accounting Policies (continued)

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

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

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

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

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (continued)

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

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

Restricted consists of net position with constraints placed on their use by external parties (creditors, grantors, contributors, or laws and regulations of other governments) or imposed by law through constitutional provisions or enabling legislation. Unrestricted indicates that portion of net position that is available to fund future operations.

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

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

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

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (continued)

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

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

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

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

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

Reclassifications: Prior period financial statement amounts have been reclassified to conform to current period presentation.

Date of management review: Subsequent events were evaluated by management through May 3, 2016, 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, 2015 was 6.3313 mills. The rate of 6.3313 mills is allocated to the General Fund and Debt Service Fund, with the General Fund receiving 5.4740 and the Debt Service Fund .8573.

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

All real and tangible personal property taxes are due and payable on November 1 each year or as soon as practicable thereafter as the assessment roll is certified by the County Property Appraiser. Miami-Dade County mails to each property owner on the assessment roll a notice of the taxes due and Miami-Dade County also collects the taxes for the Village. Taxes may be paid upon receipt of such notice from Miami-Dade County, with discounts at the rate of four percent (4%) if paid in the month of November, three percent (3%) if paid in the month of December, two percent (2%) if paid in the month of January and one percent (1%) if paid in the month of February. Taxes paid during the month of March are without discount, and all unpaid taxes on real and tangible personal property become delinquent and liens are placed on April 1 of the year following the year in which taxes were assessed. Procedures for the collection of delinquent taxes by Miami-Dade County are provided for in the laws of Florida. State law provides for enforcement of collection of personal property taxes by seizure of the property, by the sale of the property, or by the sale of interest bearing tax certificates to satisfy unpaid property taxes. The procedures result in the collection of essentially all taxes prior to July 31 of the year following the year of assessment.

Note 3 - Deposits and Investments

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

Note 3 - Deposits and Investments (continued)

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

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

The Florida PRIME 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, 2015, the Village's fair value of its investment in Florida PRIME was \$ 62,471.

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 29 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, 2015, receivables for the Village's individual major and nonmajor funds, including applicable allowances for uncollectible accounts, are as follows:

	General Fund	Non-major Special Revenue Funds	Utility Fund	Stormwater Utility Fund	Total
Customers billed	\$ -	\$ -	\$ 531,903	\$ 10,340	\$ 542,243
Intergovernmental	99,262	61,461	-	593,775	754,498
Accounts receivable	158,597	-	-	-	158,597
Gross receivables	257,859	61,461	531,903	604,115	1,455,338
Less allowance for uncollectibles	-	-	(15,000)	-	(15,000)
	<u>\$ 257,859</u>	<u>\$ 61,461</u>	<u>\$ 516,903</u>	<u>\$ 604,115</u>	<u>\$ 1,440,338</u>

As of September 30, 2015, 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	Utility Fund	Stormwater Utility Fund	Total
Vendors	\$ 359,786	\$ -	\$ 1,452	\$ 29,309	\$ 598,691	\$ 5,395	\$ 994,633
Contractor	-	242,394	-	141,750	-	53,375	437,519
	<u>\$ 359,786</u>	<u>\$ 242,394</u>	<u>\$ 1,452</u>	<u>\$ 171,059</u>	<u>\$ 598,691</u>	<u>\$ 58,770</u>	<u>\$ 1,432,152</u>

North Bay Village, Florida
Notes to Financial Statements
September 30, 2015

Note 5 - Capital Assets

Capital asset activity for the year ended September 30, 2015 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	107,523	60,258	-	167,781
Total capital assets, not being depreciated	<u>5,245,531</u>	<u>60,258</u>	<u>-</u>	<u>5,305,789</u>
Capital assets, being depreciated:				
Buildings and improvements	2,574,749	193,482	-	2,768,231
Street improvements	2,337,210	-	-	2,337,210
Vehicles	1,376,457	76,632	287,044	1,166,045
Machinery and equipment	1,619,406	86,744	874,763	831,387
Total capital assets, being depreciated	<u>7,907,822</u>	<u>356,858</u>	<u>1,161,807</u>	<u>7,102,873</u>
Less accumulated depreciation for:				
Buildings and improvements	1,286,038	67,539	-	1,353,577
Street improvements	219,665	75,517	-	295,182
Vehicles	1,041,411	193,233	277,258	957,386
Machinery and equipment	1,488,967	82,606	874,703	696,870
Total accumulated depreciation	<u>4,036,081</u>	<u>418,895</u>	<u>1,151,961</u>	<u>3,303,015</u>
Total capital assets, being depreciated, net	<u>3,871,741</u>	<u>(62,037)</u>	<u>9,846</u>	<u>3,799,858</u>
Governmental activities capital assets, net	<u>\$ 9,117,272</u>	<u>\$ (1,779)</u>	<u>\$ 9,846</u>	<u>\$ 9,105,647</u>
Business-Type Activities:				
Capital assets, being depreciated:				
Improvements other than buildings	\$ 14,328,780	\$ 548,200	\$ -	\$ 14,876,980
Equipment and vehicles	1,235,524	9,392	256,669	988,247
Total capital assets being depreciated	<u>15,564,304</u>	<u>557,592</u>	<u>256,669</u>	<u>15,865,227</u>
Less accumulated depreciation for:				
Improvements other than buildings	4,664,015	393,332	-	5,057,347
Equipment and vehicles	1,227,718	5,435	256,669	976,484
Total accumulated depreciation	<u>5,891,733</u>	<u>398,767</u>	<u>256,669</u>	<u>6,033,831</u>
Business-type activities capital assets, net	<u>\$ 9,672,571</u>	<u>\$ 158,825</u>	<u>\$ -</u>	<u>\$ 9,831,396</u>

Note 5 - Capital Assets (continued)

Depreciation expense for the fiscal year ended September 30, 2015 was charged to functions/programs as follows:

Governmental Activities:	
Public safety	\$ 141,365
Public works	135,776
General government	27,934
Recreation and human services	113,538
Building, planning and zoning	<u>282</u>
Total depreciation expense - governmental activities	<u>\$ 418,895</u>
Business-Type Activities:	
Water and sewer systems	\$ 367,951
Stormwater Utility	<u>30,816</u>
Total depreciation expense - business-type activities	<u>\$ 398,767</u>

Note 6 - Interfund Balances and Transfers

Interfund balances result from the time lag between the dates (1) Inter-fund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments are actually made between funds. There were no interfund balances at September 30, 2015.

Inter-fund transfers for the year ended September 30, 2015 are summarized as follows:

	Interfund Balances	
	Transfers In	Transfers Out
General Fund	\$ -	\$ 75,186
Nonmajor Governmental Funds	<u>75,186</u>	<u>-</u>
	<u>\$ 75,186</u>	<u>\$ 75,186</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.

North Bay Village, Florida
Notes to Financial Statements
September 30, 2015

Note 7 - Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended September 30, 2015:

	October 1, 2014	Additions	Reductions	September 30, 2015	Due Within One Year
Governmental Activities:					
General obligation note, Series 2010	\$ 1,851,429	\$ -	\$ 102,857	\$ 1,748,572	\$ 102,857
General obligation refunding note, Series 2010	5,300,000	-	300,000	5,000,000	310,000
Claims and judgements	-	251,310	-	251,310	-
Compensated absences	1,567,517	529,203	504,908	1,591,812	265,302
Net pension liability	2,094,178	1,545,568	-	3,639,746	-
OPEB obligation	108,000	41,000	-	149,000	-
	<u>\$ 10,921,124</u>	<u>\$ 2,367,081</u>	<u>\$ 907,765</u>	<u>\$ 12,380,440</u>	<u>\$ 678,159</u>
Business-Type Activities:					
Revolving state loans	\$ 1,589,861	\$ -	\$ 160,488	\$ 1,429,373	\$ 172,214
Net pension liability	157,626	116,333	-	273,959	-
Compensated absences	160,886	55,643	41,630	174,899	29,150
	<u>\$ 1,908,373</u>	<u>\$ 171,976</u>	<u>\$ 202,118</u>	<u>\$ 1,878,231</u>	<u>\$ 201,364</u>

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

Governmental activities: In fiscal year ended September 30, 2010, the Village borrowed \$ 2,160,000 relating to a General Obligation Note, Series 2010 for purpose of financing all or a part of the costs of (i) the creation and improvement of parks and recreational opportunities, (ii) the construction of a Public Safety and Village Hall complex, (iii) landscaping and aesthetic improvements to the John F. Kennedy Causeway, and (iv) related capital costs. The note is secured by the proceeds of ad valorem taxes levied on all taxable property in the Village. The note bears interest of 3.80% and is payable semi-annually while principal of \$ 102,857 is payable annually on December 1 of each year through the maturity date of December 1, 2031. The outstanding principal balance as of September 30, 2015 is \$ 1,748,572.

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, 2015 is \$ 5,000,000.

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

Note 7 - Long-Term Liabilities (continued)

The Village is required to maintain rates and charges for the services furnished by the water and sewer systems which will be sufficient to provide pledged revenues equal to 1.15 times the sums of the semi-annual payments due in such fiscal year. At September 30, 2015, the Village was not 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. \$ 193,073

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. 45,981

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. 898,273

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. 292,046

\$ 1,429,373

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
2016	\$ 412,857	\$ 239,991	\$ 652,848	\$ 172,214	\$ 29,445	\$ 201,659
2017	422,857	225,202	648,059	129,293	25,351	154,644
2018	432,857	210,061	642,918	132,431	22,213	154,644
2019	447,857	194,570	642,427	67,575	19,476	87,051
2020	462,857	178,552	641,409	68,926	18,125	87,051
2021-2025	2,484,285	637,570	3,121,855	365,855	69,400	435,255
2026-2030	1,879,285	184,819	2,064,104	403,922	31,333	435,255
2031-2032	205,717	7,817	213,534	89,157	2,052	91,209
	<u>\$ 6,748,572</u>	<u>\$ 1,878,582</u>	<u>\$ 8,627,154</u>	<u>\$ 1,429,373</u>	<u>\$ 217,395</u>	<u>\$ 1,646,768</u>

Note 8 - Florida Retirement System

As provided by Chapters 121 and 112, Florida Statutes, the Florida Retirement System ("FRS") provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan ("Pension Plan") and the Retiree Health Insurance Subsidy ("HIS Plan"). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

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

Pension Plan

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

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

Note 8 - Florida Retirement System (continued)

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

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is three percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

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

Contributions - Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2014 through June 30, 2015 and from July 1, 2015 through September 30, 2015, respectively, were as follows: Regular - 7.37% and 7.26%; Special Risk Administrative Support - 42.07% and 32.95%; Special Risk - 19.82% and 22.04%; Senior Management Service - 21.14% and 21.43%; Elected Officers' - 43.24% and 42.27%; and DROP participants - 12.28% and 12.88%. These employer contribution rates include 1.26% and 1.66% HIS Plan subsidy for the periods October 1, 2014 through June 30, 2015 and from July 1, 2015 through September 30, 2015, respectively.

The Village's contributions, including employee contributions, to the Pension Plan totaled \$ 717,255 for the fiscal year ended September 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2015, the Village reported a liability of \$ 2,636,376 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The Village's proportion of the net pension liability was based on a projection of the Village's 2014-15 fiscal year contributions relative to the 2013-14 fiscal year contributions of all participating members. At June 30, 2015, the Village's proportion was .020411165 percent, which was an increase of .001167767 percentage points from its proportion measured as of June 30, 2014.

Note 8 - Florida Retirement System (continued)

For the year ended September 30, 2015, the Village recognized pension expense of \$ 274,907. At September 30, 2015, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 278,323	\$ (62,527)
Changes of assumptions	174,985	-
Net difference between projected and actual earnings on pension plan investments	-	(629,522)
Changes in proportion and differences between Village contributions and proportionate share of contributions	153,262	(161,834)
Village contributions subsequent to the measurement date	151,123	-
Total	\$ 757,693	\$ (853,883)

The amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30:	
2016	\$ (66,154)
2017	(217,277)
2018	(217,277)
2019	302,099
2020	77,987
Thereafter	24,432

Actuarial Assumptions - The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary increases	3.25%, average, including inflation
Investment rate of return	7.65%, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the July 1, 2015, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013. There were no changes in actuarial assumptions.

Note 8 - Florida Retirement System (continued)

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

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.2%	3.1%	1.7%
Fixed income	18.0%	4.8%	4.7%	4.7%
Global equity	53.0%	8.5%	7.2%	17.7%
Real estate (property)	10.0%	6.8%	6.2%	12.0%
Private equity	6.0%	11.9%	8.2%	30.0%
Strategic investments	12.0%	6.7%	6.1%	11.4%
Total	100.0%			
Assumed Inflation - Mean		2.6%		1.9%

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

Discount Rate - The discount rate used to measure the total pension liability was 7.65%. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the Village's proportion share of the net pension liability to changes in the discount rate - The following presents the Village's proportionate share of the net pension liability calculated using the discount rate of 7.65 percent, as well as what the Village's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.65 percent) or 1-percentage-point higher (8.65 percent) than the current rate:

	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)
Village's proportionate share of the net pension liability (asset) for FRS	\$ 6,831,446	\$ 2,636,376	\$ (854,612)

Note 8 - Florida Retirement System (continued)

HIS Plan:

Plan Description - The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided - For the fiscal year ended September 30, 2015, eligible retirees and beneficiaries received a monthly HIS payment of \$ 5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$ 30 and a maximum HIS payment of \$ 150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions - The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2015, the HIS contribution for the period October 1, 2014 through June 30, 2015 and from July 1, 2015 through September 30, 2015 was 1.26% and 1.66%, respectively. The Village contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The Village's contributions to the HIS Plan totaled \$ 9,487 for the fiscal year ended September 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2015, the Village reported a liability of \$ 1,277,329 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The Village's proportionate share of the net pension liability was based on the Village's 2014-15 fiscal year contributions relative to the 2013-14 fiscal year contributions of all participating members. At June 30, 2015, the Village's proportionate share was .012524760 percent, which was an increase of .000999135 percent from its proportionate share measured as of June 30, 2014.

Note 8 - Florida Retirement System (continued)

For the fiscal year ended September 30, 2015, the Village recognized pension expense of \$ 66,554. In addition the Village reported deferred outflows of resources and deferred in flows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Change of assumptions	\$ 100,492	\$ -
Net difference between projected and actual earnings on HIS Plan investments	691	-
Changes in proportion and differences between Village HIS Plan contributions and proportionate share of contributions	86,010	-
Village HIS Plan contributions subsequent to the measurement date	17,678	-
Total	\$ 204,871	\$ -

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

Year Ended September 30:	
2016	\$ 48,809
2017	31,131
2018	31,131
2019	30,995
2020	30,929
Thereafter	31,876

Actuarial Assumptions - The total pension liability in the July 1, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary increases	3.25%, average, including inflation
Municipal bond rate	3.80%

Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan. The municipal rate used to determine total pension liability was decreased from 4.29% to 3.80%.

The actuarial assumptions used in the July 1, 2015, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

Note 8 - Florida Retirement System (continued)

Discount Rate - The discount rate used to measure the total pension liability was 3.80%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the Village’s Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the Village’s proportionate share of the net pension liability calculated using the discount rate of 3.80%, as well as what the Village’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.80%) or one percentage point higher (4.80%) than the current rate:

	<u>1% Decrease (2.80%)</u>	<u>Current Discount Rate (3.80%)</u>	<u>1% Increase (4.80%)</u>
Village's proportionate share of the net pension liability	\$ 1,455,456	\$ 1,277,329	\$ 1,128,797

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 \$ 40,932 and the employees contributed \$ 15,928 for the year ended September 30, 2015. 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.

Note 10 - Other Post-Employment Benefits (continued)

Funding Policy: The Village is funding the post-employment benefits on a pay-as-you-go basis. For the fiscal year ended September 30, 2015, the annual required contribution was \$ 49,000. The Village made an implied contribution of \$ 3,000 towards this amount. At September 30, 2015, the Village recorded a net OPEB obligation of \$ 149,000 for governmental activities, in its government-wide statement of net position.

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

Annual Required Contribution (ARC)	\$	49,000
Interest on net pension obligation		4,000
Adjustment to annual required contribution		<u>(9,000)</u>
Total annual OPEB cost		44,000
Employer contributions made	*	(3,000)
Interest on employer obligation		<u>-</u>
Increase in net OPEB obligation		41,000
Net OPEB obligation, beginning of year		<u>108,000</u>
Net OPEB obligation, end of year	\$	<u><u>149,000</u></u>

**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 2015 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>
2015	\$ 44,000	7.00%	\$ 149,000
2014	\$ 43,000	7.00%	\$ 108,000
2013	\$ 40,000	15.00%	\$ 68,000

Note 10 - Other Post-Employment Benefits (continued)

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:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as % of Covered Payroll
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.

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.

Note 11 - Commitments and Contingencies (continued)

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

Operating lease agreement: The Village previously entered into a two year operating lease for the rental of the Village City Hall Facility. This lease requires monthly base payments of approximately \$ 16,400 through June 30, 2015 and \$ 17,000, through June 30, 2016 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 \$ 198,600 for the year ended September 30, 2015.

The Village previously entered into a two year and two month operating lease for the rental of an additional unit at the Village City Hall Facility. This lease 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 \$ 86,000 for the year ended September 30, 2015.

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

<u>Year Ended September 30,</u>	<u>Amount</u>
2016	\$ 219,530
Thereafter	NONE

Note 12 – Restatement of Beginning Net Position

During the year ended September 30, 2015, the Village adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. This pronouncement requires the restatement of the September 30, 2014, net position of the governmental activities, business-type activities and Utility Fund as shown as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Utility Fund</u>
Net Position, September 30, 2014, as previously reported	\$ 4,971,754	\$ 8,972,385	\$ 8,074,727
Cumulative Affect of Application of GASB 68, Net Pension Liability	<u>(3,795,945)</u>	<u>(285,716)</u>	<u>(285,716)</u>
Net Position, September 30, 2014, as restated	<u>\$ 1,175,809</u>	<u>\$ 8,686,669</u>	<u>\$ 7,789,011</u>

REQUIRED SUPPLEMENTARY INFORMATION
(OTHER THAN MD &A)

North Bay Village, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended September 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Taxes:				
Property taxes, including penalties and interest	\$ 3,889,534	\$ 3,889,534	\$ 3,974,467	\$ 84,933
Utility service taxes	516,000	516,000	559,998	43,998
Total taxes	<u>4,405,534</u>	<u>4,405,534</u>	<u>4,534,465</u>	<u>128,931</u>
Licenses and permits:				
Village occupational licenses	85,000	85,000	53,427	(31,573)
Building and other permits	22,000	22,000	1,676	(20,324)
Total licenses and permits	<u>107,000</u>	<u>107,000</u>	<u>55,103</u>	<u>(51,897)</u>
Franchise fees:				
Electric	408,000	408,000	420,796	12,796
Gas	20,000	20,000	13,286	(6,714)
United States Postal Service	18,500	18,500	18,499	(1)
Sanitation	1,000	1,000	1,272	272
Total franchise fees	<u>447,500</u>	<u>447,500</u>	<u>453,853</u>	<u>6,353</u>
Intergovernmental:				
Local 1/2 cent sales tax	570,000	570,000	574,061	4,061
Communication service tax	280,000	280,000	239,984	(40,016)
State revenue sharing	140,000	140,000	167,787	27,787
Alcohol beverage licenses	10,000	10,000	5,457	(4,543)
Federal grants	-	-	3,751	3,751
Total intergovernmental	<u>1,000,000</u>	<u>1,000,000</u>	<u>991,040</u>	<u>(8,960)</u>
Charges for services:				
Record research and review	50,000	50,000	42,066	(7,934)
Passport fees	7,000	7,000	14,600	7,600
Advertising/bus stop	4,680	4,680	4,680	-
Total charges for services	<u>61,680</u>	<u>61,680</u>	<u>61,346</u>	<u>(334)</u>
Fines and forfeitures	82,000	82,000	86,858	4,858
Interest income	42,000	42,000	40,903	(1,097)
Miscellaneous	49,000	49,000	151,292	102,292
Total revenues	<u>6,194,714</u>	<u>6,194,714</u>	<u>6,374,860</u>	<u>180,146</u>

See notes to budgetary comparison schedule.

North Bay Village, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended September 30, 2015
(continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Expenditures:				
General government:				
Village Commission:				
Personal services	35,611	35,611	20,308	15,303
Operating expenditures	<u>14,083</u>	<u>14,083</u>	<u>19,747</u>	<u>(5,664)</u>
Total Village commission	<u>49,694</u>	<u>49,694</u>	<u>40,055</u>	<u>9,639</u>
Village Manager:				
Personal services	193,929	193,929	197,611	(3,682)
Operating expenditures	<u>7,512</u>	<u>7,512</u>	<u>6,116</u>	<u>1,396</u>
Total Village manager	<u>201,441</u>	<u>201,441</u>	<u>203,727</u>	<u>(2,286)</u>
Village Clerk:				
Personal services	162,627	162,627	160,975	1,652
Operating expenditures	<u>36,640</u>	<u>36,640</u>	<u>56,281</u>	<u>(19,641)</u>
Total Village clerk	<u>199,267</u>	<u>199,267</u>	<u>217,256</u>	<u>(17,989)</u>
Finance:				
Personal services	150,514	150,514	140,712	9,802
Operating expenditures	<u>5,770</u>	<u>5,770</u>	<u>6,604</u>	<u>(834)</u>
Total finance	<u>156,284</u>	<u>156,284</u>	<u>147,316</u>	<u>8,968</u>
Village Attorney:				
Operating expenditures	<u>166,750</u>	<u>166,750</u>	<u>146,637</u>	<u>20,113</u>
Total Village attorney	<u>166,750</u>	<u>166,750</u>	<u>146,637</u>	<u>20,113</u>
Nondepartmental:				
Personal services	31,098	31,098	84,634	(53,536)
Operating expenditures	770,071	770,071	762,902	7,169
Capital outlay	<u>9,500</u>	<u>9,500</u>	<u>7,987</u>	<u>1,513</u>
Total nondepartmental	<u>810,669</u>	<u>810,669</u>	<u>855,523</u>	<u>(44,854)</u>
Total general government	<u>1,584,105</u>	<u>1,584,105</u>	<u>1,610,514</u>	<u>(26,409)</u>
Public safety:				
Personal services	3,564,412	3,691,885	3,823,946	(132,061)
Operating expenditures	348,533	398,533	253,777	144,756
Capital outlay	<u>8,515</u>	<u>8,515</u>	<u>11,690</u>	<u>(3,175)</u>
Total public safety	<u>3,921,460</u>	<u>4,098,933</u>	<u>4,089,413</u>	<u>9,520</u>
Parks and recreation:				
Personal services	-	-	-	-
Operating expenditures	<u>213,300</u>	<u>218,300</u>	<u>204,568</u>	<u>13,732</u>
Total parks and recreation	<u>213,300</u>	<u>218,300</u>	<u>204,568</u>	<u>13,732</u>
Total expenditures	<u>5,718,865</u>	<u>5,901,338</u>	<u>5,904,495</u>	<u>(3,157)</u>
Excess of revenues over expenditures	<u>475,849</u>	<u>293,376</u>	<u>470,365</u>	<u>176,989</u>
Other Financing Sources (Uses):				
Appropriation of fund balance	-	80,000	-	(80,000)
Transfers out	<u>(285,206)</u>	<u>(310,206)</u>	<u>(197,057)</u>	<u>113,149</u>
Total other financial sources (uses)	<u>(285,206)</u>	<u>(230,206)</u>	<u>(197,057)</u>	<u>33,149</u>
Net change in fund balance	<u>\$ 190,643</u>	<u>\$ 63,170</u>	<u>\$ 273,308</u>	<u>\$ 210,138</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, 2015

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

Total revenues, page 42 \$ 6,374,860

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	908,070
Street Maintenance Fund	<u>179,561</u>

Total revenues, per the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds, page 14 \$ 7,462,491

Total expenditures, page 43 \$ 5,904,495

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	786,817
Street Maintenance Fund	<u>301,432</u>

Total expenditures, per the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds, page 14 \$ 6,992,744

See notes to budgetary comparison schedule.

Note 1 - Budgets and Budgetary Accounting

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

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

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

Note 2 - Excess of Expenditures Over Appropriations

For the year ended September 30, 2015, General Fund expenditures exceeded appropriations in the following departments:

Village Manager	\$ 2,286
Village Clerk	\$ 17,989
Nondepartmental	\$ 44,854

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

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

<u>Actuarial Valuation Date</u>	<u>(a) Actuarial Value of Assets</u>	<u>(b) Actuarial Accrued Liability (AAL)-</u>	<u>Unfunded AAL (UAAL) (b)-(a)</u>	<u>Funded Ratio (a)/(b)</u>	<u>(c) Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll (b-a)/(c)</u>
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%

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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, 2015

	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	\$ 90,927	\$ 686,180	\$ 1,224	\$ 648,643	\$ 3,461	\$ 1,430,435
Receivables	-	45,095	16,366	-	-	61,461
Total assets	<u>\$ 90,927</u>	<u>\$ 731,275</u>	<u>\$ 17,590</u>	<u>\$ 648,643</u>	<u>\$ 3,461</u>	<u>\$ 1,491,896</u>
Liabilities and Fund Balances:						
Liabilities:						
Accounts payable	\$ 599	\$ 7,679	\$ 898	\$ 161,883	\$ -	\$ 171,059
Payroll liabilities	-	1,885	2,747	-	-	4,632
Total liabilities	<u>599</u>	<u>9,564</u>	<u>3,645</u>	<u>161,883</u>	<u>-</u>	<u>175,691</u>
Fund balances:						
Restricted for:						
Transportation projects	-	721,711	-	-	-	721,711
Recreation and human services	-	-	-	486,760	-	486,760
Law enforcement	90,328	-	-	-	3,461	93,789
Children's services	-	-	13,945	-	-	13,945
Total fund balances	<u>90,328</u>	<u>721,711</u>	<u>13,945</u>	<u>486,760</u>	<u>3,461</u>	<u>1,316,205</u>
Total liabilities and fund balances	<u>\$ 90,927</u>	<u>\$ 731,275</u>	<u>\$ 17,590</u>	<u>\$ 648,643</u>	<u>\$ 3,461</u>	<u>\$ 1,491,896</u>

North Bay Village, Florida
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2015

	<u>Special Revenue Funds</u>					<u>Total Nonmajor Governmental Funds</u>
	<u>State Forfeiture Fund</u>	<u>Transportation Fund</u>	<u>Children's Services Fund</u>	<u>Parks Improvement Fund</u>	<u>Police Improvement Trust Fund</u>	
Revenues:						
Taxes	\$ -	\$ 298,278	\$ -	\$ -	\$ -	\$ 298,278
Intergovernmental revenue	-	-	126,390	-	-	126,390
Fines and forfeitures	46,503	5,875	-	-	-	52,378
Impact fees	-	-	-	2,034	806	2,840
Interest income	112	-	-	-	-	112
	<u>46,615</u>	<u>304,153</u>	<u>126,390</u>	<u>2,034</u>	<u>806</u>	<u>479,998</u>
Total revenues						
	<u>46,615</u>	<u>304,153</u>	<u>126,390</u>	<u>2,034</u>	<u>806</u>	<u>479,998</u>
Expenditures:						
Current:						
Public safety	7,787	-	-	-	4,062	11,849
Public works	-	148,496	-	-	-	148,496
Recreation and human services	-	-	144,488	-	-	144,488
Capital outlay	22,355	-	-	169,030	126,937	318,322
	<u>30,142</u>	<u>148,496</u>	<u>144,488</u>	<u>169,030</u>	<u>130,999</u>	<u>623,155</u>
Total expenditures						
	<u>30,142</u>	<u>148,496</u>	<u>144,488</u>	<u>169,030</u>	<u>130,999</u>	<u>623,155</u>
Excess (deficiency) of revenues over expenditures	16,473	155,657	(18,098)	(166,996)	(130,193)	(143,157)
Other Financing Sources:						
Transfers in	-	55,248	19,938	-	-	75,186
	<u>-</u>	<u>55,248</u>	<u>19,938</u>	<u>-</u>	<u>-</u>	<u>75,186</u>
Net change in fund balances						
	16,473	210,905	1,840	(166,996)	(130,193)	(67,971)
Fund Balances, beginning of year	<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>
Fund Balances, end of year	<u>\$ 90,328</u>	<u>\$ 721,711</u>	<u>\$ 13,945</u>	<u>\$ 486,760</u>	<u>\$ 3,461</u>	<u>\$ 1,316,205</u>

North Bay Village, Florida
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual - Transportation Fund
 For the Year Ended September 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Taxes	\$ 225,000	\$ 225,000	\$ 304,153	\$ 79,153
Total revenues	<u>225,000</u>	<u>225,000</u>	<u>304,153</u>	<u>79,153</u>
Expenditures:				
Public works	124,942	124,942	148,496	(23,554)
Capital outlay	<u>347,307</u>	<u>347,307</u>	<u>-</u>	<u>347,307</u>
Total expenditures	<u>472,249</u>	<u>472,249</u>	<u>148,496</u>	<u>323,753</u>
Excess (deficiency) of revenues over expenditures	<u>(247,249)</u>	<u>(247,249)</u>	<u>155,657</u>	<u>402,906</u>
Other Financing Uses:				
Transfers in	55,248	55,248	55,248	-
Appropriation of fund balance	<u>192,001</u>	<u>192,001</u>	<u>-</u>	<u>(192,001)</u>
Total other financing sources	<u>247,249</u>	<u>247,249</u>	<u>55,248</u>	<u>(192,001)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 210,905</u>	<u>\$ 210,905</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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Intergovernmental revenue	\$ 134,708	\$ 134,708	\$ 126,390	\$ (8,318)
Total revenues	<u>134,708</u>	<u>134,708</u>	<u>126,390</u>	<u>(8,318)</u>
Expenditures:				
Culture and recreation	<u>154,647</u>	<u>154,647</u>	<u>144,488</u>	<u>10,159</u>
Total expenditures	<u>154,647</u>	<u>154,647</u>	<u>144,488</u>	<u>10,159</u>
Excess (deficiency) of revenues over expenditures	<u>(19,939)</u>	<u>(19,939)</u>	<u>(18,098)</u>	<u>1,841</u>
Other Financing Uses:				
Transfers in	<u>19,938</u>	<u>19,938</u>	<u>19,938</u>	<u>-</u>
Net change in fund balance	<u>\$ (1)</u>	<u>\$ (1)</u>	<u>\$ 1,840</u>	<u>\$ 1,841</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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Licenses and permits	\$ 506,943	\$ 506,943	\$ 891,984	\$ 385,041
Miscellaneous	<u>36,000</u>	<u>36,000</u>	<u>16,086</u>	<u>(19,914)</u>
Total revenues	<u>542,943</u>	<u>542,943</u>	<u>908,070</u>	<u>365,127</u>
Expenditures:				
Building, planning and zoning	<u>578,381</u>	<u>585,381</u>	<u>786,817</u>	<u>(201,436)</u>
Total expenditures	<u>578,381</u>	<u>585,381</u>	<u>786,817</u>	<u>(201,436)</u>
Excess of revenues over expenditures	<u>(35,438)</u>	<u>(42,438)</u>	<u>121,253</u>	<u>163,691</u>
Other Financing Uses:				
Appropriation of fund balance	<u>63,921</u>	<u>70,456</u>	<u>-</u>	<u>(70,456)</u>
Net change in fund balance	<u>\$ 28,483</u>	<u>\$ 28,018</u>	<u>\$ 121,253</u>	<u>\$ 93,235</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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Intergovernmental revenue	\$ 168,748	\$ 168,748	\$ 176,906	\$ 8,158
Miscellaneous	<u>-</u>	<u>-</u>	<u>2,655</u>	<u>2,655</u>
Total revenues	<u>168,748</u>	<u>168,748</u>	<u>179,561</u>	<u>10,813</u>
Expenditures:				
Public works	<u>378,768</u>	<u>403,768</u>	<u>301,432</u>	<u>102,336</u>
Total expenditures	<u>378,768</u>	<u>403,768</u>	<u>301,432</u>	<u>102,336</u>
Excess (deficiency) of revenues over expenditures	<u>(210,020)</u>	<u>(235,020)</u>	<u>(121,871)</u>	<u>113,149</u>
Other Financing Uses:				
Transfers in	<u>210,020</u>	<u>235,020</u>	<u>121,871</u>	<u>(113,149)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

North Bay Village, Florida
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual - Debt Service Fund
 For the Year Ended September 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Property taxes	\$ 609,152	\$ 609,152	\$ 597,931	\$ (11,221)
Total revenues	<u>609,152</u>	<u>609,152</u>	<u>597,931</u>	<u>(11,221)</u>
Expenditures:				
Principal	402,857	402,857	402,857	-
Interest and fiscal charges	<u>254,430</u>	<u>254,430</u>	<u>254,430</u>	<u>-</u>
Total expenditures	<u>657,287</u>	<u>657,287</u>	<u>657,287</u>	<u>-</u>
Other Financing Uses:				
Appropriation of fund balance	<u>48,135</u>	<u>48,135</u>	<u>-</u>	<u>(48,135)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (59,356)</u>	<u>\$ (59,356)</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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -
Interest income	-	-	776	776
	<u>-</u>	<u>-</u>	<u>776</u>	<u>776</u>
Total revenues	<u>-</u>	<u>-</u>	<u>776</u>	<u>776</u>
Expenditures:				
Capital outlay	<u>1,106,403</u>	<u>1,106,403</u>	<u>85,345</u>	<u>1,021,058</u>
Total expenditures	<u>1,106,403</u>	<u>1,106,403</u>	<u>85,345</u>	<u>1,021,058</u>
Excess (deficiency) of revenues over expenditures	<u>(1,106,403)</u>	<u>(1,106,403)</u>	<u>(84,569)</u>	<u>1,021,834</u>
Other Financing Uses:				
Appropriation of fund balance	<u>1,106,403</u>	<u>1,106,403</u>	<u>-</u>	<u>(1,106,403)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (84,569)</u>	<u>\$ (84,569)</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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
GOVERNMENTAL ACTIVITIES:										
Net investment in capital assets	\$ 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	\$ 3,468,637
Restricted	1,067,322	893,260	954,830	1,707,096	571,581	1,569,472	1,533,377	1,117,826	1,724,697	1,434,461
Unrestricted (deficit)	2,427,019	2,020,305	816,144	707,893	1,710,848	462,524	493,678	(129,020)	85,083	(3,300,953)
Total governmental activities, net position	\$ 5,124,617	\$ 4,780,847	\$ 3,526,938	\$ 3,645,697	\$ 3,646,674	\$ 3,946,245	\$ 4,702,184	\$ 3,945,420	\$ 4,971,754	\$ 1,602,145
BUSINESS-TYPE ACTIVITIES:										
Net investment in capital assets	\$ 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	\$ 8,402,023
Restricted	-	87,580	62,929	62,929	-	-	-	-	-	-
Unrestricted (deficit)	(891,373)	(1,684,402)	(1,187,909)	(708,672)	(697,460)	(483,988)	438,423	633,107	889,675	270,010
Total business-type activities, net position	\$ 1,738,033	\$ 1,239,524	\$ 1,761,437	\$ 2,635,264	\$ 5,157,159	\$ 8,507,850	\$ 8,699,993	\$ 8,949,205	\$ 8,972,385	\$ 8,672,033
PRIMARY GOVERNMENT:										
Net investment in capital assets	\$ 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	\$ 11,870,660
Restricted	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	1,434,461
Unrestricted (deficit)	1,535,646	335,903	(371,765)	(779)	1,013,388	(21,464)	932,101	504,087	974,758	(3,030,943)
Total primary government, net position	\$ 6,862,650	\$ 6,020,371	\$ 5,288,375	\$ 6,280,961	\$ 8,803,833	\$ 12,454,095	\$ 13,402,177	\$ 12,894,625	\$ 13,944,139	\$ 10,274,178

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

Table 2

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
EXPENSES:										
Governmental activities:										
General government	\$ 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	\$ 1,645,316
Public safety	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	4,754,552
Public works	947,622	586,212	706,725	661,384	550,599	633,390	588,680	767,930	581,419	595,935
Building, planning and zoning	544,664	705,868	727,554	527,880	263,396	198,747	211,375	411,645	616,483	787,048
Recreation and human services	128,539	143,857	79,993	103,884	73,405	79,365	200,319	393,656	393,421	465,644
Interest on long-term debt	38,062	-	-	185,789	354,340	298,126	316,958	287,067	254,548	249,618
Total governmental activities	6,906,393	7,476,630	8,118,718	7,518,889	7,455,197	7,138,548	7,535,802	8,385,435	7,975,515	8,498,113
Business-type activities:										
Utility	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	5,547,846
Stormwater utility	74,595	51,194	40,616	54,119	84,772	52,230	80,972	114,344	85,522	181,792
Total business-type activities	4,170,938	3,642,753	3,356,251	3,360,385	4,657,908	3,778,781	4,531,324	4,577,921	5,118,557	5,729,638
Total primary government expenses	\$ 11,077,331	\$ 11,119,383	\$ 11,474,969	\$ 10,879,274	\$ 12,113,105	\$ 10,917,329	\$ 12,067,126	\$ 12,963,356	\$ 13,094,072	\$ 14,227,751
PROGRAM REVENUES:										
Governmental activities:										
Charges for services:										
General government	\$ 21,079	\$ 21,026	\$ 24,173	\$ 31,755	\$ 43,894	\$ 63,842	\$ 52,928	\$ 64,151	\$ 335,664	\$ 241,624
Public safety	289,850	218,924	304,011	771,958	160,245	1,187,213	1,086,703	578,532	408,621	371,820
Building, planning and zoning	922,853	486,896	301,022	219,786	243,910	219,419	324,987	441,841	660,858	891,984
Parks and recreation	26,703	-	-	-	-	-	-	-	539,220	-
Operating grants and contributions	551,733	4,470	23,323	19,005	109,220	302,416	441,042	411,205	406,728	2,034
Capital grants and contributions	-	-	5,870.00	-	166,254	31,880	279,035	196,099	110,167	428,419
Total governmental activities program revenues	1,812,218	731,316	658,399	1,042,504	723,523	1,804,770	2,184,695	1,691,828	2,461,258	1,935,881
Business-type activities:										
Charges for services:										
Utility	3,112,391	2,778,061	3,489,939	3,813,831	4,460,305	4,514,865	4,484,681	4,708,014	5,030,856	5,002,504
Stormwater utility	110,694	106,422	112,115	117,264	117,114	123,513	115,320	121,605	110,868	112,927
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	698,250	237,729	152,349	191,967	2,601,923	2,707,001	122,542	-	-	599,232
Total business-type activities program revenues	3,921,335	3,122,212	3,754,403	4,123,062	7,179,342	7,345,379	4,722,543	4,829,619	5,141,724	5,714,663
Total primary government program revenues	\$ 5,733,553	\$ 3,853,528	\$ 4,412,802	\$ 5,165,566	\$ 7,902,865	\$ 9,150,149	\$ 6,907,238	\$ 6,521,447	\$ 7,602,982	\$ 7,650,544

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

Table 2

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
NET EXPENSE/REVENUE:										
Governmental activities	\$ (5,094,175)	\$ (6,745,314)	\$ (7,460,319)	\$ (6,476,385)	\$ (6,731,674)	\$ (5,333,778)	\$ (5,351,107)	\$ (6,693,607)	\$ (5,514,257)	\$ (6,562,232)
Business-type activities	(249,603)	(520,541)	398,152	762,677	2,521,434	3,566,598	191,219	251,698	23,167	(14,975)
	<u>\$ (5,343,778)</u>	<u>\$ (7,265,855)</u>	<u>\$ (7,062,167)</u>	<u>\$ (5,713,708)</u>	<u>\$ (4,210,240)</u>	<u>\$ (1,767,180)</u>	<u>\$ (5,159,888)</u>	<u>\$ (6,441,909)</u>	<u>\$ (5,491,090)</u>	<u>\$ (6,577,207)</u>
Total primary government, net expense										
GENERAL REVENUES AND OTHER:										
Changes in net position:										
Governmental activities:										
Taxes:										
Ad valorem taxes	\$ 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	\$ 4,572,398
Franchise fees	461,477	395,585	454,131	452,775	409,810	384,644	397,329	392,198	441,194	435,354
Utility service taxes	368,521	345,008	406,315	409,568	434,715	434,136	474,206	508,687	550,901	559,998
Sales tax	440,731	427,413	367,787	331,275	373,587	421,916	464,315	504,473	538,419	574,061
Intergovernmental - unrestricted	791,910	787,657	749,715	774,664	592,267	574,781	599,389	597,263	575,123	584,677
Interest income	204,690	187,963	46,652	11,215	9,057	27,422	39,857	37,068	44,599	42,624
Miscellaneous revenues	160,458	88,913	84,540	95,043	310,574	152,737	183,037	203,417	142,255	219,456
Transfers	-	-	(95,012)	(110,000)	-	217,264	-	-	-	-
Total governmental activities	<u>5,776,725</u>	<u>6,401,547</u>	<u>6,206,410</u>	<u>6,595,144</u>	<u>6,765,308</u>	<u>5,633,349</u>	<u>6,107,046</u>	<u>6,052,279</u>	<u>6,540,591</u>	<u>6,988,568</u>
Business-type activities:										
Interest income	22,677	22,032	28,749	1,150	461	1,357	924	14	13	339
Transfers	-	-	95,012	110,000	-	(217,264)	-	-	-	-
Total business-type activities	<u>22,677</u>	<u>22,032</u>	<u>123,761</u>	<u>111,150</u>	<u>461</u>	<u>(215,907)</u>	<u>924</u>	<u>14</u>	<u>13</u>	<u>339</u>
Total primary government	<u>\$ 5,799,402</u>	<u>\$ 6,423,579</u>	<u>\$ 6,330,171</u>	<u>\$ 6,706,294</u>	<u>\$ 6,765,769</u>	<u>\$ 5,417,442</u>	<u>\$ 6,107,970</u>	<u>\$ 6,052,293</u>	<u>\$ 6,540,604</u>	<u>\$ 6,988,907</u>
CHANGE IN NET POSITION:										
Governmental activities	\$ 682,550	\$ (343,767)	\$ (1,253,909)	\$ 118,759	\$ 33,634	\$ 299,571	\$ 755,939	\$ (641,328)	\$ 1,026,334	\$ 426,336
Business-type activities	(226,926)	(498,509)	521,913	873,827	2,521,895	3,350,691	192,143	251,712	23,180	(14,636)
Total primary government	<u>\$ 455,624</u>	<u>\$ (842,276)</u>	<u>\$ (731,996)</u>	<u>\$ 992,586</u>	<u>\$ 2,555,529</u>	<u>\$ 3,650,262</u>	<u>\$ 948,082</u>	<u>\$ (389,616)</u>	<u>\$ 1,049,514</u>	<u>\$ 411,700</u>

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
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
2015	2014	4,572,398	559,998	435,354	574,061	5,567,750

Table 4

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund:										
Reserved	\$ 1,722,379	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	1,649,337	3,027,950	1,908,759	1,920,845	2,688,696	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	79,594	98,796
Restricted	-	-	-	-	-	-	-	-	70,455	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	55,247	1,544,005	1,066,063	1,112,200	1,197,180
Unassigned	-	-	-	-	-	2,003,995	550,117	385,411	653,681	1,014,515
Total General Fund	\$ 3,371,716	\$ 3,027,950	\$ 1,908,759	\$ 1,920,845	\$ 2,688,696	\$ 2,059,242	\$ 2,094,122	\$ 1,451,474	\$ 1,915,930	\$ 2,310,491
All other governmental funds:										
Reserved	\$ 1,032,957	\$ 893,260	\$ 2,661,337	\$ 2,687,822	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special Revenue Funds	-	-	-	-	571,581	-	-	-	-	-
Debt Service Funds	(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	2,546,023
Unassigned (deficit)	-	-	-	-	-	(183,781)	(36,360)	(8,282)	-	-
Total all other governmental funds	\$ 1,018,687	\$ 875,415	\$ 2,661,337	\$ 2,687,822	\$ 2,718,163	\$ 3,074,383	\$ 2,774,939	\$ 2,150,830	\$ 2,850,959	\$ 2,546,023

(1) Information for fiscal years 2006 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			
	2006	2007	2008	2009
REVENUES:				
Taxes	\$ 3,941,365	\$ 4,729,937	\$ 4,784,766	\$ 5,207,646
Licenses and permits	921,405	486,896	301,022	219,786
Franchise fees	461,477	395,585	454,131	452,775
Intergovernmental	1,525,482	1,038,602	960,526	957,470
Charges for services	63,255	23,766	24,173	31,755
Fines and forfeitures	275,825	218,133	304,011	771,958
Impact fees	-	-	-	-
Interest income	204,690	187,963	46,652	11,215
Miscellaneous	160,458	86,964	84,540	86,178
Total revenues	<u>7,553,957</u>	<u>7,167,846</u>	<u>6,959,821</u>	<u>7,738,783</u>
EXPENDITURES:				
Current:				
General government	1,537,476	1,877,886	1,976,693	1,725,442
Public safety	3,345,938	3,837,551	4,193,571	3,952,196
Public works	831,474	459,496	562,267	532,154
Building, planning and zoning	504,822	681,591	698,839	502,220
Recreation and human services	96,767	104,016	37,840	53,685
Capital outlay	911,009	627,469	4,763,141	483,527
Debt service:				
Principal	145,232	176,272	148,053	155,199
Interest	38,061	33,945	32,674	185,789
Issuance costs	-	-	35,000	-
Total expenditures	<u>7,410,779</u>	<u>7,798,226</u>	<u>12,448,078</u>	<u>7,590,212</u>
Excess (deficiency of revenues over expenditures)	<u>143,178</u>	<u>(630,380)</u>	<u>(5,488,257)</u>	<u>148,571</u>
OTHER FINANCING SOURCES (USES):				
Issuance of debt	67,257	143,342.00	6,250,000	-
Transfers in	-	-	57,517	707,175
Transfers out	-	-	(152,529)	(817,175)
Total other financing sources (uses)	<u>67,257</u>	<u>143,342</u>	<u>6,154,988</u>	<u>(110,000)</u>
Net change in fund balances	<u>\$ 210,435</u>	<u>\$ (487,038)</u>	<u>\$ 666,731</u>	<u>\$ 38,571</u>
Debt service as a percentage of noncapital expenditures	2.82%	2.93%	2.81%	4.80%

Table 5

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$	5,270,398	\$ 4,069,323	\$ 4,643,163	\$ 4,579,336	\$ 5,076,403	\$ 5,430,674
	243,910	219,419	324,987	441,841	731,398	947,087
	409,810	384,646	397,329	392,198	441,194	453,853
	1,040,943	1,107,351	1,563,737	1,447,564	1,363,533	1,294,336
	43,894	63,842	52,928	64,151	61,071	61,346
	407,433	1,187,943	1,086,703	578,532	311,951	416,021
	-	-	-	-	768,172	2,840
	9,057	27,420	39,857	37,068	44,599	42,624
	63,386	160,908	183,037	203,417	203,528	275,668
	<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>	<u>8,924,449</u>
	1,708,244	1,509,407	1,655,882	2,039,426	1,632,209	1,602,527
	4,105,308	4,194,676	3,884,086	4,214,414	4,030,054	4,565,865
	510,267	602,869	546,368	394,222	410,981	448,915
	230,397	175,007	176,756	389,832	594,293	786,817
	55,072	66,176	181,086	354,393	353,715	349,056
	1,833,754	574,302	1,443,455	948,290	154,637	424,357
	167,567	6,460,285	372,857	387,857	392,857	402,857
	367,998	453,628	295,815	282,430	268,518	254,430
	-	-	-	-	-	-
	<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>8,834,824</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>	<u>89,625</u>
	2,160,000	6,325,000	-	-	-	-
	560,644	272,512	69,320	345,011	239,195	75,186
	<u>(560,644)</u>	<u>(55,248)</u>	<u>(69,320)</u>	<u>(345,011)</u>	<u>(239,195)</u>	<u>(75,186)</u>
	<u>2,160,000</u>	<u>6,542,264</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$	<u>670,224</u>	<u>(273,234)</u>	<u>(264,564)</u>	<u>(1,266,757)</u>	<u>1,164,585</u>	<u>89,625</u>
	7.50%	51.36%	9.40%	8.05%	8.59%	7.81%

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

Fiscal Year	Taxes	Inter-Governmental	Licenses and Permits	Charges for Services	Fines and Forfeitures	Interest Income	Other	Total
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
2015	5,884,527	1,294,336	947,087	61,346	416,021	42,624	278,508	8,924,449

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				
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%
2015	2014	817,311,168	165,057,893	21,208,043	61,936,768	1,691,161	939,949,175	6.3313	811,803,640	116%

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

(2) Numbers provided by Miami-Dade County Property Appraiser from the first certified tax roll for fiscal year 2015 and the final certified tax rolls for all 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	South Florida Water Management District	Everglades Project	Okeechobee Basin	Florida Inland Navigational District	Total State Millage
2006	2005	5.9783	0.2340	6.2123	7.9470	0.4910	8.4380	0.5970	0.1000	-	0.0385	0.7355
2007	2006	5.9000	0.1980	6.0980	7.6910	0.4140	8.1050	0.5970	0.1000	-	0.0385	0.7355
2008	2007	4.6697	0.1290	4.7987	7.5700	0.3780	7.9480	0.5346	0.0894	-	0.0345	0.6585
2009	2008	4.6697	0.1290	4.7987	7.5330	0.2640	7.7970	0.5346	0.0894	-	0.0345	0.6585
2010	2009	4.2772	0.5215	4.7987	7.6980	0.2970	7.9950	0.5346	0.0894	-	0.0345	0.6585
2011	2010	4.7772	0.5008	5.2780	7.8640	0.3850	8.2490	0.5346	0.0894	-	0.0345	0.6585
2012	2011	4.7772	1.2355	6.0127	7.7650	0.2400	8.0050	0.3739	0.0624	-	0.0345	0.4708
2013	2012	4.7772	1.2355	6.0127	7.7650	0.2330	7.9980	0.3676	0.0613	-	0.0345	0.4634
2014	2013	5.4740	1.0405	6.5145	7.6440	0.3330	7.9770	0.3523	0.0587	-	0.0345	0.4455
2015	2014	5.4740	0.8573	6.3313	7.7750	0.1990	7.9740	0.1577	0.0548	0.1717	0.0345	0.4187

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	
5.8350	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
4.6669	0.4500	5.1169	0.5000	2.4207	0.0114	0.2840	3.2161	23.0570

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

Table 9

Taxpayer	Fiscal Year									
	2015					2006				
	Taxable Assessed Value	Rank	Percentage Taxable Assessed Value	Taxable Assessed Value	Rank	Taxable Assessed Value	Rank	Percentage Taxable Assessed Value	Taxable Assessed Value	Rank
TOTB Miami LLC	\$ 17,416,262	1	1.85%	\$	N/A	N/A	N/A	N/A	N/A	N/A
CLPF NBV LP	11,787,360	2	1.25%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
WSVN Channel 7	11,480,463	3	1.22%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
TOTB North LLC	11,300,000	4	1.20%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Coastal Condos LLC	9,642,322	5	1.03%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Isle of Dreams LLC	7,711,852	6	0.82%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
C & D Mia Real Est LLC	7,705,648	7	0.82%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
The Inn on the Bay LTD	7,447,430	8	0.79%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Causeway Tower LLC	7,311,383	9	0.78%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
BMS North Bay Village LLC	6,700,000	10	0.71%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Totals	\$ 98,502,720		10.48%	\$		-		-		-

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	Delinquent Tax Collection	Total Tax Collection	Percentage of Current Tax		Percentage of Total Tax	
								Collections to Net Tax Levy	Delinquent Tax Collection	Collection to Property Tax Levy	Collection to Property Tax Levy
2006	2005	\$ 4,213,798	\$ 168,552	\$ 4,045,246	\$ 3,348,938	*	\$ 3,348,938	82.79%	*	82.79%	
2007	2006	5,236,806	209,472	5,027,333	4,169,008	*	4,169,008	82.93%	*	82.93%	
2008	2007	5,356,287	214,251	5,142,035	4,192,282	*	4,192,282	81.53%	*	81.53%	
2009	2008	5,960,769	238,431	5,722,339	4,630,604	*	4,630,604	80.92%	*	80.92%	
2010	2009	4,713,635	188,545	4,525,090	4,635,298	*	4,635,298	102.44%	*	102.44%	
2011	2010	3,771,091	150,844	3,620,247	3,420,449	*	3,420,449	94.48%	*	94.48%	
2012	2011	4,026,317	161,053	3,865,264	3,948,913	*	3,948,913	102.16%	*	102.16%	
2013	2012	4,010,332	160,413	3,849,919	3,809,173	*	3,809,173	98.94%	*	98.94%	
2014	2013	4,358,650	174,346	4,184,304	4,248,100	*	4,248,100	101.52%	*	101.52%	
2015	2014	4,094,246	163,770	3,930,476	3,974,467	*	3,974,467	101.12%	*	101.12%	

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				
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	2.66%	1,113	
2015	6,748,572	-	-	1,429,373	-	8,177,945	*	1,000	

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)
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
2015	6,748,572	-	6,748,572	747,944,185	0.90%	825.21

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, 2015

Table 13

Jurisdiction	Debt Outstanding	Estimated Percentage Applicable to North Bay Village (1)	Estimated Share of Overlapping Debt
Overlapping debt:			
Miami-Dade Board of County Commissioners (2)	\$ 3,887,694,000	0.325%	\$ 12,618,966
Miami-Dade County School Board (2)	<u>3,157,004,000</u>	0.325%	<u>10,247,238</u>
Subtotal overlapping debt	<u>7,044,698,000</u>		<u>22,866,204</u>
Direct debt:			
North Bay Village	<u>6,748,572</u>	100.000%	<u>6,748,572</u>
Subtotal direct debt	<u>6,748,572</u>		<u>6,748,572</u>
Total direct and overlapping debt	<u>\$ 7,051,446,572</u>		<u>\$ 29,614,776</u>

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

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

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

(2) Source: Miami-Dade County & Miami-Dade County Public Schools, Finance Department.

NORTH BAY VILLAGE, FLORIDA
LEGAL DEBT MARGIN INFORMATION
September 30, 2015

Table 14

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 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	\$ 1,813,321
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 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	\$ 1,813,321

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 2015

Current annual governmental funds fiscal budget	\$ 9,066,603
Bonded debt limit - 20% of above	\$ 1,813,321
Amount of debt applicable to debt limit:	
Total bonded debt:	-
Less revenue bonds	-
Total net debt applicable to limit	-
Legal Debt Margin (1)	\$ 1,813,321

(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, 2015

Table 15

State Revolving Fund Loans						
Fiscal Year	Gross Revenue	Operating Expenses *	Net			Coverage
			Available Revenue	Principal	Interest	
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	-
2008	3,671,037	3,050,381	620,656	145,409	34,769	3.44
2009	4,006,948	3,028,137	978,811	119,626	31,183	6.49
2010	7,062,689	4,131,976	2,930,713	123,110	25,260	19.75
2011	7,177,066	3,538,860	3,638,206	126,698	34,427	22.58
2012	4,554,304	3,931,927	622,377	187,445	40,578	2.73
2013	4,708,028	3,991,640	716,388	201,860	37,133	3.00
2014	5,030,869	4,631,949	398,907	168,850	32,807	1.98
2015	5,008,300	5,158,918	(150,618)	160,488	40,342	-

* 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)
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	328,823	41,883	5.0%
2015	8,178	*	*	

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					
	2015			2006		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Office and administrative support	202,100	1	19.27%	211,360	1	22.32%
Sales and related	145,320	2	13.87%	131,030	2	13.84%
Food preparation and service related	100,010	3	9.55%	77,860	4	8.22%
Transportation and material moving	78,940	4	7.54%	83,890	3	8.86%
Healthcare practitioners and technical	65,240	5	6.23%	54,790	5	5.79%
Business and financial operations	56,980	6	5.44%	44,390	7	4.69%
Education, training and library	50,000	7	4.77%	*	*	*
Protective service	42,830	8	4.09%	39,130	8	4.13%
Installation, maintenance and repair	39,380	9	3.76%	35,740	10	3.77%
Production	38,730	10	3.70%	44,680	6	4.72%
Management	36,490	11	3.48%	30,370	12	3.21%
Building and grounds cleaning and maintenance	35,120	12	3.35%	34,460	11	3.64%
Personal care and service	31,010	13	2.96%	26,080	13	2.75%
Healthcare support	25,920	14	2.47%	21,590	14	2.28%
Construction and extraction	25,620	15	2.45%	36,800	9	3.89%
Computer and mathematical science	17,590	16	1.68%	16,280	15	1.72%
Legal	14,930	17	1.43%	12,460	18	1.32%
Arts, design, entertainment, sports and media	13,330	18	1.27%	15,280	16	1.61%
Community and social services	12,250	19	1.17%	12,690	17	1.34%
Architecture and engineering	9,680	20	0.92%	12,230	19	1.29%
Life, physical and social sciences	3,790	21	0.36%	5,870	20	0.62%
Farming, fishing and forestry	2,310	22	0.22%	*	*	*
Total	1,047,570		100.00%	946,980		100.00%

Source: Represents Metropolitan and Nonmetropolitan Area Occupational Employment for the entire Miami-Miami Beach-Kendall, Florida Metropolitan Division as provided by the U.S. Department of Labor, Bureau of Labor Statistics as of May 2014. Estimates do not include self-employed workers.

* Information not available.

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

Table 18

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
FUNCTION:										
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	26.0
Civilians	11.0	11.0	9.0	6.0	8.0	7.0	7.0	7.0	8.0	8.0
Administration	7.0	9.5	21.0	20.5	11.5	14.5	15.0	16.0	16.5	17.0
Culture and recreation	-	-	0.5	0.5	0.5	4.5	4.5	4.5	4.5	4.5
Public works:										
Administration	5.0	5.0	3.0	4.0	4.0	-	-	-	-	-
Sanitation	8.0	8.0	8.0	6.0	7.5	5.0	4.0	4.0	4.0	4.0
Water	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Sewer	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Streets	3.0	3.0	3.0	3.0	3.0	3.5	2.5	2.5	3.0	3.0
Transit	2.0	2.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0
Total	72.0	74.0	78.5	74.0	64.0	64.0	61.5	63.5	65.0	67.5

Source: Various City departments.

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

Table 19

FUNCTION:	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government:										
Building permits issued	1,353	670	390	293	426	540	507	645	686	740
Public safety:										
Number of calls for service **	3,910	3,890	6,386	9,049	9,941	19,775	33,400	34,506	30,977	27,515
Number of arrests	172	144	189	125	94	117	167	112	78	141
Number of traffic violations	N/A	924	924	N/A	765	1,360	1,953	1,497	1,630	1,041
Number of parking violations	N/A	757	713	N/A	584	799	1,188	1,598	1,301	1,230
Number of school crossing guards	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4	4	4
Public works:										
Garbage tons collected and disposed*	N/A	N/A	N/A	N/A	N/A	N/A	4,729	4,637	4,578	4,800
Catch basins cleaned	-	-	-	-	-	-	-	53	28	12
Water average daily consumption (gallons)	824,070	735,261	679,769	756,452	778,312	833,668	1,069,939	1,137,815	1,092,706	1,176,752
Sewer average daily flow	N/A	N/A	N/A	N/A	N/A	N/A	968,157	1,118,656	1,145,298	1,186,282
Number of metered accounts	N/A	581	604	612	613	613	613	613	615	617
Fire hydrants	56	57	57	57	57	57	57	57	57	57

Source: Various City departments.

* Includes white goods

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

N/A: Information not available.

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

Table 20

FUNCTION:	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public safety:										
Number of police stations	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	1	1
Public works:										
Miles of water mains	8	8	8	8	8	8	8	8	8	8
Miles of sewer lines	5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.7
Miles of storm water drains	2.84	2.84	2.84	2.84	2.84	2.84	2.84	2.84	2.84	2.84
Number of lift stations	4	4	4	4	4	4	4	4	4	4
Number of fire hydrants	62	62	62	62	62	62	62	62	62	62
Number of public works buildings	1	1	1	1	1	1	1	1	1	1
Recreation and parks:										
Number of parks and recreation facilities	1	1	1	1	1	1	2	2	2	2
Acres of park	0.5	0.5	0.5	0.5	0.5	0.5	0.5	1	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, 2015, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated May 3, 2016.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



KEEFE McCULLOUGH

Fort Lauderdale, Florida
May 3, 2016

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

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

Report on Compliance for Each Major State Project

We have audited North Bay Village, Florida's (the "Village") compliance with the types of compliance requirements described in the *Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on each of the Village's major state projects for the year ended September 30, 2015. The Village's major State Projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its State projects.

Auditor's Responsibility

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

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

Opinion on Each Major State Project

In our opinion, the Village, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State projects for the year ended September 30, 2015.

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 State project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major State project and to test and report on internal control over compliance in accordance with Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Village's internal control over compliance.

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

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

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



KEEFE McCULLOUGH

Fort Lauderdale, Florida
May 3, 2016

INDEPENDENT AUDITOR'S REPORT TO THE VILLAGE MANAGEMENT

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

Report on Financial Statements

We have audited the financial statements of North Bay Village, Florida (the "Village"), as of and for the year ended September 30, 2015, and have issued our report thereon dated May 3, 2016.

Auditor's Responsibility

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

Other Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.55, Rules of the Auditor General. Disclosures in those reports and schedules, which are dated May 3, 2016, 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. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

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

Financial Condition

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

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

Annual Financial Report

Section 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether the annual financial report for the Village, for the fiscal year ended September 30, 2015, 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, 2015. In connection with our audit, we determined that these two reports were in agreement.

Other Matters

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

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

Purpose of this Letter

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



KEEFE McCULLOUGH

Fort Lauderdale, Florida
May 3, 2016

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, 2015. 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, 2015.

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
May 3, 2016

**North Bay Village, Florida
 Schedule of Expenditures of State Financial Assistance
 For the Year Ended September 30, 2015**

State Agency, Pass-through Entity State Project	CSFA Number	Contract/Grant Number	Expenditures	Transfers to Subrecipients
State Agency Name:				
Indirect Projects:				
United States Department of Environmental Protection Agency - Passed through the State of Florida	37.039	LP13043	\$ 593,775	\$ -
Department of Environmental Protection - Storm Water Quality Improvements			\$ 593,775	\$ -
Total Expenditures of State Financial Assistance			\$ 593,775	\$ -

North Bay Village, Florida
Notes to Schedule of Expenditures of State Financial Assistance
For the Year Ended September 30, 2015

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of State Financial Assistance includes the grant activity of the Village and is presented in accordance with the requirements of Chapter 10.550, Rules of the Auditor General. 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, 2015**

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 State project is reported in the Independent Auditor’s Report on Compliance for Each Major State Project and on Internal Control over Compliance in Accordance with Chapter 10.550, Rules of the Auditor General.
5. The auditor’s report on compliance for the major State project for North Bay Village, Florida expresses an unmodified opinion.
6. There are no findings relative to the major State project for North Bay Village, Florida, reported in Part C of this schedule.
7. The program tested as a major project is as follows:

State Project	State CSFA Number
Department of Environmental Protection Storm Water Quality Improvements	37.039

8. The threshold for distinguishing Type A and Type B projects was \$ 178,132 for major State projects.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

No matters to be reported.

C. FINDINGS AND QUESTIONED COSTS - MAJOR STATE PROJECTS

No matters to be reported.

D. OTHER ISSUES

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

North Bay Village, Florida
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2015

E. PRIOR INTERNAL CONTROL COMMENTS AND RECOMMENDATIONS

		STILL APPLICABLE	IMPLEMENTED
2006-01	Capital asset subsidy ledger software, reconciliation and maintenance		X
2009-01	Bank reconciliations		X