



# Village of Palmetto Bay

## Annual Comprehensive Financial Report For the Fiscal Year Ended September 30, 2021

**VILLAGE OF PALMETTO BAY, FLORIDA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

Prepared by

The Village of Palmetto Bay Finance Department

# VILLAGE OF PALMETTO BAY, FLORIDA

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## **INTRODUCTORY SECTION**

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March 28, 2022

To the Citizens of the Village of Palmetto Bay, Florida  
And Other Interested Parties:

State law requires that all general-purpose local governments publish within nine months of the close of each fiscal year, a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America and government auditing standards by a firm of licensed certified public accountants. Additionally, the Village's charter requires an annual independent audit of the books of accounts, financial records, and transactions of all departments of the Village by independent certified public accountants. Pursuant to these requirements, we hereby issue the Annual Comprehensive Financial Report (Annual Report) of the Village of Palmetto Bay for the fiscal year ended September 30, 2021.

This report consists of management's representations concerning the finances of the Village of Palmetto Bay. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the Village has established a comprehensive internal control framework that is designed both to protect the Village's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the Village of Palmetto Bay's financial statements in conformity with GAAP. The Village's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Village's financial statements have been audited by Marcum LLP, a licensed certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the Village's financial statements for the fiscal year ended September 30, 2021, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon their audit, that there was a reasonable basis for rendering an unmodified opinion that the Village of Palmetto Bay's financial statements for the fiscal year ended September 30, 2021, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Village of Palmetto Bay's MD&A can be found immediately following the report of the independent auditors.

## **Profile of the Government**

The Village of Palmetto Bay is the 33<sup>rd</sup> incorporated municipality in Miami-Dade County. Its borders are SW 136<sup>th</sup> street to the north, US 1 to the west, Biscayne Bay to the east, and SW 184<sup>th</sup> street to the south. The Village is approximately eight square miles, comprised primarily of residential properties, and its business district is concentrated along the US 1 corridor.

The Village of Palmetto Bay was incorporated in 2002 and operates under the Council/Manager form of government. The Village Council is comprised of the Mayor, Vice-Mayor, and three Council Members elected village wide. The Mayor and Council Members term is for four years, as of November 2012, the length of service was extended to three terms, but no person may serve more than two terms in any one position. The Village Council is responsible for enacting laws (resolutions, ordinances, and regulations) governing the Village, as well as appointing the members of various advisory committees, and hiring the Village Manager, Village Clerk and Village Attorney. The Village Manager is responsible for enforcement of all laws, provisions of the Charter and directives of the Council, appointment of department heads with Council approval, and oversight of the operations of the Village.

The Village operates with a small, highly qualified core staff, and outsources several major functions including police protection, public works construction, and building inspections. The Village maintains a close working relationship with Miami-Dade County for such services as refuse collection, debris cleanup, fire protection, and libraries. The Village also works closely with all public and private schools serving Village residents.

The Mayor and Council Members are also the Board of Directors for the Palmetto Bay Foundation, Inc. The purpose of the Foundation is to raise the educational and quality of life concerns of the residents of the Village of Palmetto Bay, and to foster and promote community wide interest and concern for the history and preservation of the Village of Palmetto Bay. The Foundation is presented as a blended component unit in the financial statements as the Village has operational responsibility for the Foundation.

The annual budget serves as the foundation for the Village of Palmetto Bay's financial planning and control. All departments of the Village are required to submit proposed budgets to the Village Manager, who then makes any necessary revisions. The Village Manager then presents to the Village Council for their review, a budget estimate of the revenues and expenditures of all the Village's departments. Two public hearings are conducted, to inform the taxpayers of the proposed budget and to receive their comments. A majority affirmative vote of the quorum is needed to adopt the budget, which is legally enacted prior to October 1 by the passage of an ordinance. The Village's budget is approved at the fund level. The Village Manager may amend the adopted budget for adjustments between departments administratively, but the Village Council must approve all budget adjustments between funds. Supplemental appropriations for expenditures in excess of the adopted budget may be appropriated by the Council by way of an ordinance. Budget-to-actual comparisons are provided in this report for the general fund, the only for which an appropriated annual budget has been adopted.

## **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Village of Palmetto Bay operates.

## **Local Economy**

The Village of Palmetto Bay is a medium-sized municipality serving approximately 24,000 citizens. Most of the Village's ad-valorem taxes are derived from its residential properties with an average taxable value for fiscal year 2021 of \$302,418, which is a 3.3% increase from prior year. The average County residential taxable value is \$240,479. Total property values for the Village increased by 4.8%. The foundation of Palmetto Bay is its low-density residential development that serves as housing for employment centers north of the Village. Commercial and office uses are primarily oriented towards the U.S. 1 corridor and consists of ten major auto dealerships, several large-box retailers, retail shopping plazas, and multiple office buildings. Two other concentrations of commercial uses are in the eastern portion of the Village and include retail service uses and a class A office park development. The latest US Census classifies the Village residents as middle to upper-middle class. The Village residents support the local businesses which results in a stable local economy.

## **Long-Term Financial Planning and Major Initiatives**

The Village has approved a zoning district encompassing 330 acres known as the Downtown Palmetto Bay Zoning District. The mixed-use district includes commercial, office and residential uses. In 2014, Miami Dade County completed a water and sewer infrastructure expansion project along the U.S. 1 corridor which sets the necessary infrastructure to attract development to the area. In 2018, the Village Council approved the new Downtown Code. The new Downtown Code considers the desired Village Scale development of the residents, considers the market trends of development while allowing a well-planned approach to mixed use environments. In summary the new code will allow up to 5-story mixed-use buildings within the Island Sector in the Downtown District and a step-down approach in height and scale towards the residential areas of the Village. The first building of the redevelopment efforts was completed in 2019 with 271 apartments and retail at ground floor. It is within the Main Street Sector and sits along the Village's Main Street, Franjo Road. In 2020 the second development was completed with 210 apartments along US1, the main thoroughfare. Currently another apartment complex is being built next to the Village's largest park and it is expected to be completed early 2022. Project commencement for a car dealership, an assisted living facility and several restaurants have initiated the building permitting process and will be completed by 2023. There are 18 projects in the pipeline to be completed over the next two to three years. The projections for redevelopment are attractive and will continue to rise due to the large opportunity zone the Village's Downtown District encompasses.

The \$10.8 million Downtown Main Street project that was started in 2017 was delayed due to COVID-19 is substantially complete as of September 30, 2021. As mentioned, one development has been completed on Main Street that is 100% occupied and a couple of businesses have opened in the retail spaces and a second has submitted plans. A second apartment complex along U.S. 1 is also complete and is 100% occupied. Hopefully with the full completion of Main Street it will become the "Complete Street" that it was envisioned to be, within a live, walk, play and entertainment area.

## **Financial Policies**

The Village of Palmetto Bay has adopted and enacted financial policies when taken as a whole serves the purpose of timely informing management and the citizens of the financial position of the Village, while safeguarding Village assets and appropriating resources to provide the high level of services the citizens expect.

The Village has adopted Florida Statutes 218.415 for its investment policy. The Village Charter mandates the budget and debt policy. Council enacted the procurement policy. Village Administration implemented the revenue and capitalization policies.

## **Pension Benefits**

The Village of Palmetto Bay maintains a defined contribution pension plan with the International City Managers' Association, Retirement Corporation (ICMA RC) for its full-time employees, created in accordance with Internal Revenue Code Section 401(a). The Village automatically contributes 6% for all full-time employees. In addition, each employee is allowed to contribute up to 6% of their income with an equal match from the Village. The Village also sponsors a 457 deferred compensation plan, of which participation is voluntary.

## **Awards and Acknowledgments**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Palmetto Bay for its Annual Report for the fiscal year ended September 30, 2020. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Report. This report must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for 2021.

The preparation of the Annual Report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in preparation of this report. We also wish to recognize the assistance provided by the firm of Marcum LLP.

In closing, the Mayor, Vice-Mayor, and the Village Council must be credited for their leadership, and for maintaining the highest standards of professionalism in the management of the Village's finances.

Sincerely,



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Nicholas Marano, Village Manager



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Desmond Chin, Finance Director

# **VILLAGE OF PALMETTO BAY, FLORIDA**

## **ELECTED AND APPOINTED OFFICIALS**

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### **VILLAGE COUNCIL**

Mayor	Karyn Cunningham
Vice Mayor	Leanne Tellam
Council Member	Patrick Fiore
Council Member	Steve Cody
Council Member	Marsha Matson

### **VILLAGE MANAGER**

Nicholas Marano

### **VILLAGE ATTORNEY**

John Dellagloria

### **VILLAGE CLERK**

Missel Arocha

### **FINANCE DIRECTOR**

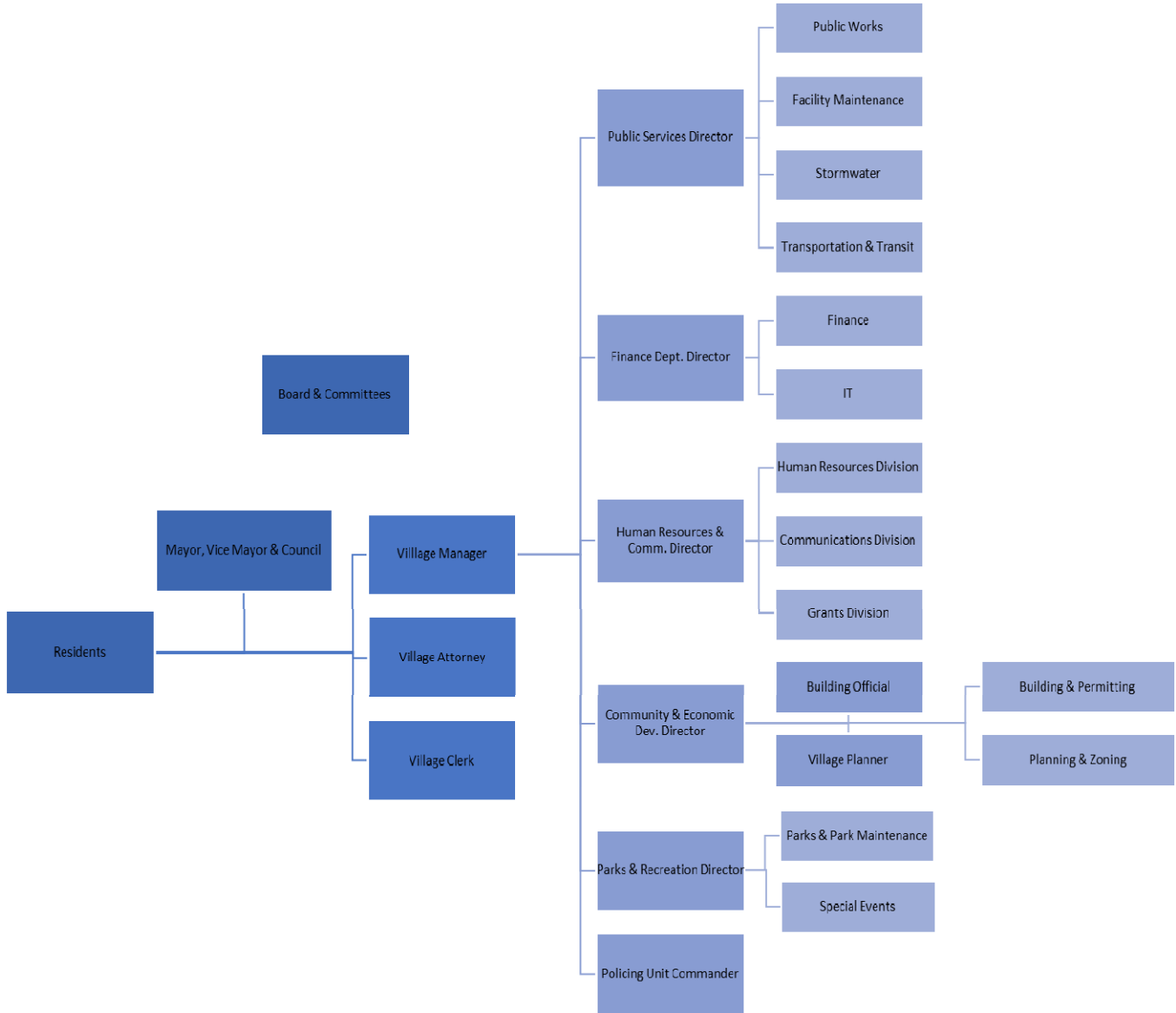
Desmond Chin, CPA

### **VILLAGE AUDITORS**

Marcum LLP

# VILLAGE OF PALMETTO BAY, FLORIDA

## ORGANIZATIONAL CHART





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Village of Palmetto Bay  
Florida**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2020

*Christopher P. Morill*

Executive Director/CEO

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## **FINANCIAL SECTION**

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**INDEPENDENT AUDITORS' REPORT**

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## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor, Village Council and Village Manager  
**Village of Palmetto Bay, Florida**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities each major fund, and the aggregate remaining fund information of the Village of Palmetto Bay, Florida (the "Village"), as of and for the fiscal year ended September 30, 2021, 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.

### ***Auditors' 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 auditors' 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, each major fund, and the aggregate remaining fund information of the Village, as of September 30, 2021, and the respective changes in financial position for the fiscal 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, the Budgetary Comparison Schedule, and the Schedule of Changes in Total OPEB Liability and Related Ratios on pages 4-12, 44-45, and 46, 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.

#### *Supplementary and 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 combining financial statements, and the introductory and statistical sections, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining financial statements 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 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2022, 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 solely 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 the effectiveness of the Village's 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.

*Marcum LLP*

Miami, FL  
March 28, 2022

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

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## Management's Discussion and Analysis

As management of the Village of Palmetto Bay, Florida (the "Village"), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended September 30, 2021.

### Financial Highlights

- The assets plus deferred outflows of the Village exceeded its liabilities plus deferred inflows at the close of the most recent fiscal year by \$60,928,012 (net position). Of this amount, \$11,856,887 (*unrestricted net position*) may be used to meet the Village's ongoing obligations to citizens and creditors. The balance, \$49,071,125 is comprised of net investment in capital assets of \$45,152,296 and restricted net position of \$3,918,829.
- The Village's net position of governmental activities increased by \$1,023,824. This increase is attributable to changes in the Village's only fund category, the Governmental funds. Detailed changes are explained later under Governmental Activities.
- As of the close of the current fiscal year, the Village's Governmental funds reported combined ending fund balances of \$16,187,467, an increase of \$144,959 in comparison with the prior year. Approximately 67% of ending fund balance or \$10,925,660 is from the General Fund. The General Fund balance has \$4,700,000 in Assigned and \$6,057,987 in Unassigned.
- The General Fund unassigned fund balance of \$6,057,987, is approximately 40% of total General Fund expenditures.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances, in a manner like a private sector business.

The statement of net position presents information on all the Village's assets and deferred outflows and liabilities and deferred inflows, 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 government'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 periods (e.g., uncollected taxes and earned but unused vacation leave).

Both 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, economic development, public safety, public works, and parks & recreation. The Village has a blended component unit described in Note 1 and no business-type activities. The government-wide financial statements include the Village itself (known as the *primary government*) and the Palmetto Bay Foundation, Inc. (*a component unit of the Village*) and can be found on pages 13 and 14 of this report.

**Fund financial statements.** A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Village has one fund category: Governmental funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on 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 government'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 four Governmental fund types: General Fund, Special Revenue Fund, Debt Service Fund and Capital Projects Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances.

The Governmental Fund Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances is made up of, the General Fund, Special Revenue Funds, a Capital Projects Fund and Non-Major Funds. The Special Revenue Funds encompasses the Transportation Fund, Grants Fund and Building Fund. The Non-Major Governmental Funds combining statements consists of; four Special Revenue Funds which are Stormwater Fund, Law Enforcement Trust Fund, False Alarm Fund and Art in Public Places Fund, a Debt Service Fund and the Palmetto Bay Foundation (the "*Foundation*"). A description of the Foundation is found in the notes to the financial statements on page 20, and the combining financial statements can be found on pages 47 and 48.

The only budget the Village adopts an annual appropriation for is the General Fund. A budgetary comparison statement has been provided to demonstrate compliance with this budget on page 44.

The basic governmental fund financial statements can be found on pages 15 to 18 of this report.

**Notes to the basic financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19 to 43 of this report.

**Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the Village’s case, assets plus deferred outflows exceeded liabilities plus deferred inflows by \$60,928,012 at the close of the most recent fiscal year.

The largest portion of the Village’s net position, \$45,152,296 or approximately 74%, reflects its net investment in capital assets (e.g., land, buildings, furniture and equipment), less any related debt and deferred inflows/outflows used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The debt related to these assets amounts to \$12,789,252, and it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Village’s net position is restricted, which represents resources that are subject to external restrictions on how they may be used. These resources have been set aside for capital projects, debt service payments and other contractual obligations. The Village’s restricted net position as of the end of fiscal year 2021 had a balance of \$3,918,829.

The remaining balance of net position (unrestricted), \$11,856,887, may be used to meet the government’s ongoing obligations to citizen’s and creditors.

**Summary of Net Position**

	<b>September 30,</b>	
	<b>2021</b>	<b>2020</b>
Current Assets	\$ 25,432,400	\$ 19,368,727
Capital Assets	57,941,548	58,719,025
Total Assets	<u>83,373,948</u>	<u>78,087,752</u>
Deferred Outflows of Resources	<u>59,055</u>	<u>62,908</u>
Current and Long-Term Liabilities	13,079,525	14,460,262
Other Liabilities	9,413,988	3,773,726
Total Liabilities	<u>22,493,513</u>	<u>18,233,988</u>
Deferred Inflows of Resources	<u>11,478</u>	<u>12,484</u>
Net Position:		
Net Investment in Capital Assets	45,152,296	44,025,420
Restricted for:		
Transportation operations and maintenance	2,343,818	2,133,808
Debt Service	10,269	950,264
Charitable and Educational Projects	6,678	6,672
Police equipment and training	4,453	3,440
Impact Fees	1,444,737	--
Grants	108,874	911,127
Unrestricted	<u>11,856,887</u>	<u>11,873,457</u>
Total Net Position	<u><u>\$ 60,928,012</u></u>	<u><u>\$ 59,904,188</u></u>

At the end of the current fiscal year, the Village can report positive balances in all categories of net position. The same situation held true for the prior fiscal year.

**Governmental Activities.** The Village's Governmental Activities net position increased by a total of \$1,023,824 during the current fiscal year. Current Assets increased \$5,286,196 compared to prior year, mainly due to the receipt of the first tranche of American Rescue Plan Act (ARPA) funds in the amount of \$6,141,217. Capital Assets decreased \$777,477 mainly due to depreciation. Deferred Outflows decreased \$3,853 because of the amortization of the Loss on Refunding. Liabilities increased \$4,259,525 mainly due to Other Liabilities increasing \$5,640,262 due to the unspent ARPA funds.

### Summary of Changes in Net Assets

	Fiscal Year	
	2021	2020
Revenues:		
Program Revenues:		
Charges for Services	\$ 4,861,065	\$ 2,894,698
Operating Grants and Contributions	711,882	2,237,279
Capital Grants and Contributions	649,477	1,926,891
General Revenues:		
Property Taxes	6,816,609	6,449,589
Utility Taxes	2,677,579	2,635,734
Communications Service Tax	797,714	857,722
Franchise Fees	1,222,608	927,087
Intergovernmental Revenues	4,308,499	2,132,145
Investment Income	57,478	167,033
Sale of Capital Assets	58,239	--
Impact Fees	806,448	--
Miscellaneous	445,296	527,798
Total Revenues	<u>23,412,894</u>	<u>20,755,976</u>
Expenses:		
General Government	3,682,397	3,642,459
Building Permitting	2,483,689	2,408,690
Public Safety	7,957,443	8,032,978
Public Assistance	126,225	439,281
Public Works	3,945,055	4,293,464
Parks and Recreation	3,633,125	2,614,193
Interest on long-term debt	561,137	622,416
Total Expenses	<u>22,389,070</u>	<u>22,053,482</u>
Change in Net Position	\$ 1,023,824	\$ (1,297,506)
Net Position, Beginning	59,904,188	60,311,446
Prior Period Adjustment	--	890,248
Net Position, Ending	<u>\$ 60,928,012</u>	<u>\$ 59,904,188</u>

**Revenues:**

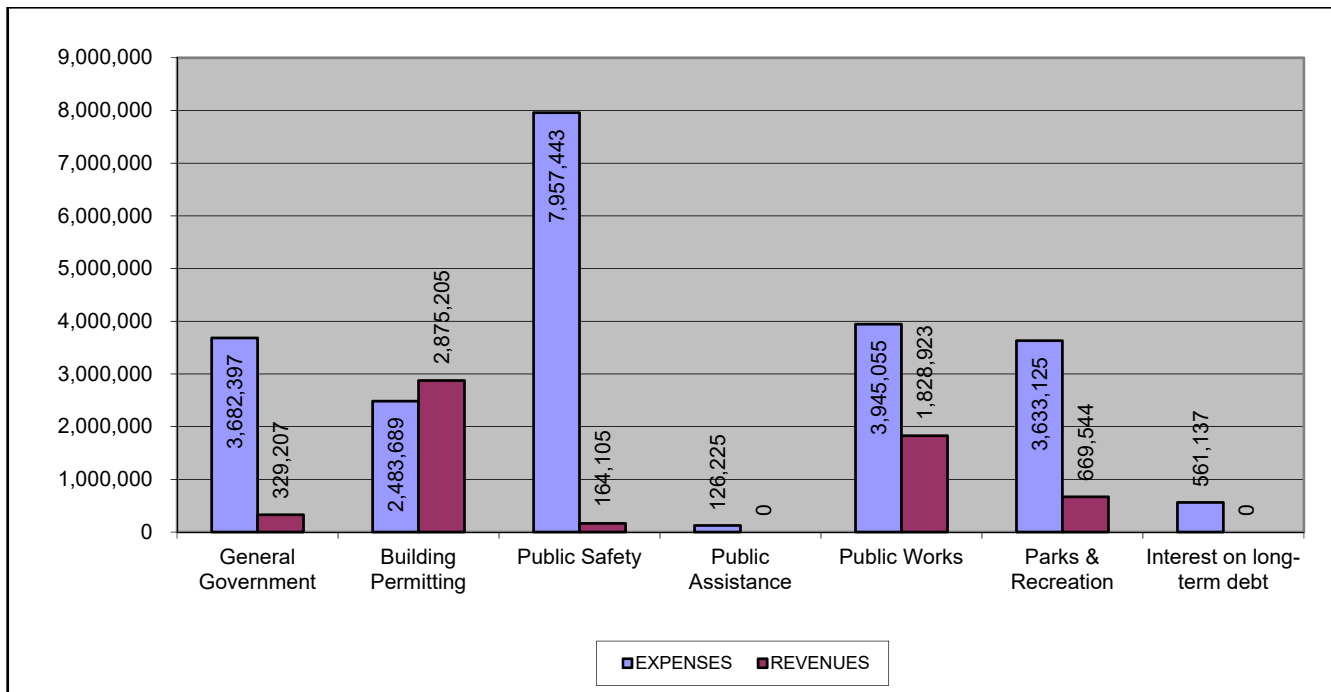
Total revenues increased \$2,656,918 from FY 2020 revenues to a total of \$23,412,894 for FY 2021. The major components are as follows:

- Taxes of \$10,291,902 comprised 44% of total revenues in the current fiscal year. Most of this category is property taxes of \$6,816,609. Property assessed values increased 4.8%. The Village increased the millage rate from 2.2 to 2.235 per \$1,000 of assessed taxable value for fiscal year 2021 which resulted in an increase in collections of \$367,020. In total, Taxes increased \$348,857 mainly from Property taxes.
- Grants and Contributions were \$1,361,359 or 6% of total revenues. A decrease of \$2,802,811 over prior year is mainly due to the reclassification of \$1,783,535 to General Revenues-Intergovernmental.
- Charges for services totaled \$4,861,065 or 21% of total revenues. There was an increase of \$1,966,367 mainly due the re-opening of Village services from COVID-19.
- Franchise fees increased \$295,521 due to an increase in rates from 3.5% to 6%.
- General Revenues-Intergovernmental increased \$2,176,354 mainly due the reclassification of \$1,783,535 from Grants and Contributions.

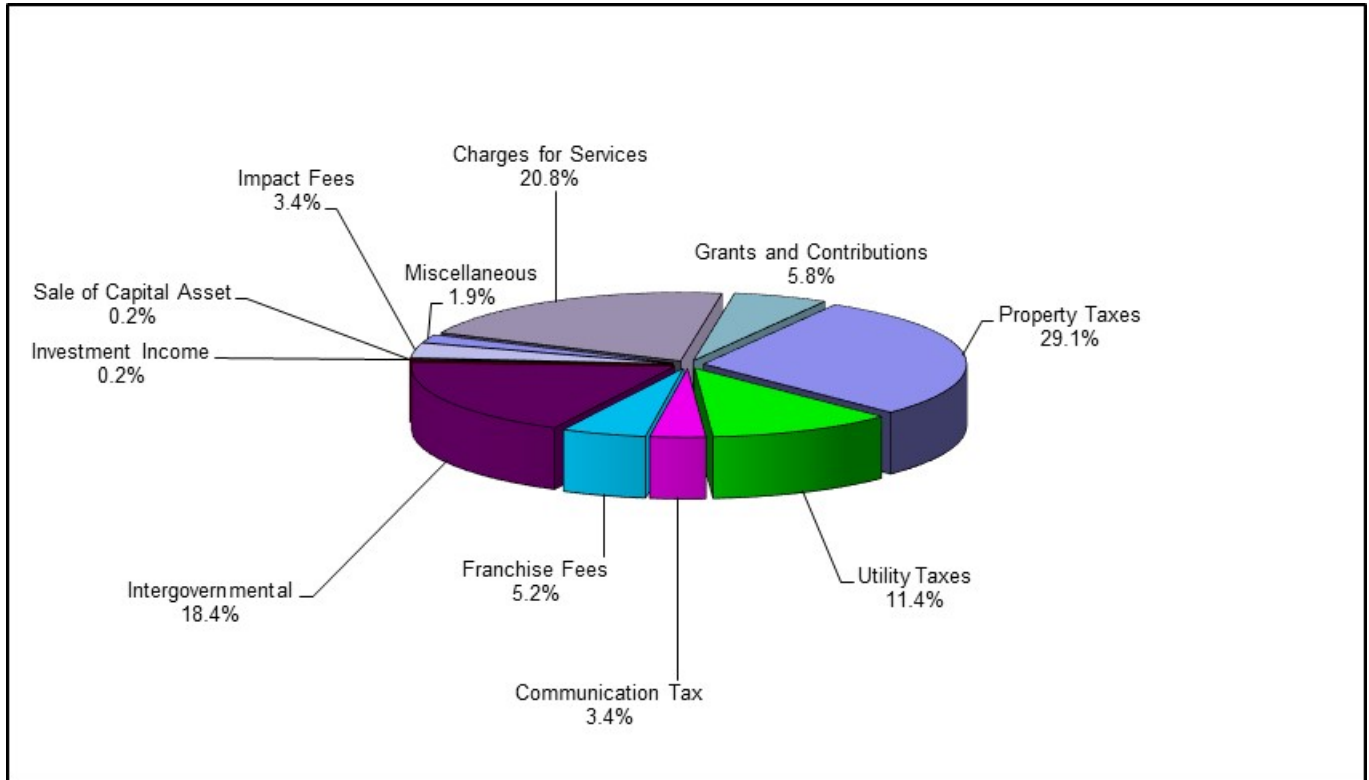
**Expenses:**

- Village expenses increased a total of \$335,588 from FY2020. At the time the FY2021 budget was being adopted where were still a lot of unknowns from COVID-19 and so the budget was kept to a minimum. Parks did reopen to the public, under CDC guidelines, which accounts for the \$1 million increase.

**Expenses and Program Revenues – Governmental Activities**



## Revenues by Source – Governmental Activities



### Financial Analysis of the Government's Funds

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**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. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$16,187,467, an increase of \$144,919. Approximately 34% of the ending fund balance or \$5,520,424 constitutes unassigned fund balance, which is available for spending at the Village's discretion.

**The General Fund** is the chief operating fund of the Village. At the end of the current fiscal year fund balance of the general fund was \$10,925,660, of which \$6,057,987 is unassigned and \$4,700,000 is assigned. As a measure of the general fund's liquidity, it may be useful to compare both the unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 40% of total general fund expenditures, while total fund balance represents 72% of that same amount. The General Fund had a Net Change in Fund Balance of \$306,253. The Net Change in Fund Balance was a result of an operating surplus.

**Special Revenue Funds** are used to account for restricted monies received for a specific purpose. The Village has the following Special Revenue Funds:

**The Transportation Fund** is used to account for the various fuel and transportation taxes that are restricted to the maintenance and improvement of the Village's roadways. The increase in the ending fund balance of \$108,429 is due to the recovery of revenues from the COVID-19 shut down. The ending fund balance is \$1,650,712.

**The Grants Fund** is used to account for and track the expenditures of the approximately 10 grants and impact fees. The increase in fund balance of \$1,205,042 is mainly due to the collection of impact fees in the amount of \$806,448. The ending fund balance is \$1,553,611.

**The Building Fund** is used to account for permit receipts and expenditures according to Florida Statute 553.80. The Building fund balance increased \$378,073 because of increased permitting activity due to developers submitting plans for review. The ending fund balance is (\$537,563). The shortfall is mainly due to projects delayed due to COVID-19.

**The Capital Projects** is used to account for Village funded capital projects. The decrease in fund balance of \$869,740 is mainly due to the match required for the County grant to fund the Village main street project which is now complete. The ending fund balance is \$1,421,016.

**Non-Major Governmental Funds** is the combination of four Special Revenue Funds which are Stormwater, Law Enforcement Trust Fund, False Alarm Fund and Art in Public Places Fund, a Debt Service Fund, and the Palmetto Bay Foundation, which is a component unit. In total, Non-Major fund balance decreased \$891,446. The more significant funds are discussed below:

**The Stormwater Management Fund** is used to account for assessments related to stormwater mitigation. The assessment revenue is committed for drainage projects in accordance with Village ordinance. The Stormwater fund balance increased \$101,581, due to an increase in fees from \$4 to \$5. The ending fund balance is \$693,106.

**Art in Public Places** is used to account for fees imposed on new construction to promote art in the Village. The fund balance decreased \$78,613 due to the installation of a new art piece. The ending fund balance is \$400,140.

**Debt Service** is for debt reserves of the 2010 bonds used for the Village Hall complex. The fund balance decreased \$939,995 due to the refinancing of the 2010 bond. The ending fund balance is \$10,269.

**False Alarm Fund** is used to account for the registration and false alarm fines. The fund balance increased \$24,562 due to a surplus from operations. The ending fund balance is \$59,385

## **General Fund Budgetary Highlights**

The total budgetary operating surplus of \$1,979,131 resulted from a surplus of \$1,313,587 in revenues and an under spending of expenditure by \$665,544. The net change in Fund Balance was an increase of \$214,601. The most significant variances are:

### **REVENUES:**

- Utility Taxes – positive variance of \$347,579 due to increase in electric utility receipts.
- Franchise Fees – positive variance of \$372,608 due to increase in fees.
- Half-Cent Sales tax – positive variance of \$612,213 due to recovery from COVID-19.

**EXPENDITURES:**

Total General Fund Expenditures – had total savings from all departments of \$665,544. The most significant variances were from:

- Public Safety – positive variance of \$587,676, due to the various Federal assistance programs for COVID-19 related costs.
- Public Works – positive variance of \$302,420, due to the various Federal assistance programs for COVID-19 related costs.
- Parks – positive variance of \$303,061 due to COVID-19 closing the parks for part of the year.

**OTHER FINANCING SOURCES (USES)**

The Village had budgeted for an appropriation from fund balance of \$1,634,269 which was not used due to better-than-expected revenues.

**Capital Assets and Debt Administration**

**Capital Assets.** The Village’s investment in capital assets as of September 30, 2021, amounted to \$57,941,548 (net of accumulated depreciation). This investment in capital assets includes land, buildings, street and sidewalk improvements, and furniture and equipment. The Village’s net investment in capital assets decreased by \$777,477 in the current fiscal year, mainly due depreciation of \$2,032,850 and new assets of \$1,255,373.

Major capital asset events during the current fiscal year included the following:

- Completion of Roadway and Infrastructure - \$10,680,431

**Summary of Capital Assets (Net of Depreciation)**

	<b>September 30,</b>	
	<b>2021</b>	<b>2020</b>
Governmental activities:		
Land	\$ 26,649,655	\$ 26,649,655
Construction in progress	--	10,680,431
Furniture and Equipment	646,677	425,264
Building	8,575,748	9,041,930
Improvements Other than Buildings	4,251,092	4,378,061
Infrastructure	17,818,376	7,543,684
	<u>\$ 57,941,548</u>	<u>\$ 58,719,025</u>
Governmental activities Capital Assets, net		

Additional information on the Village’s capital assets can be found in Note on page 31.

**Long-term Debt.** At the end of the current fiscal year, the Village had total debt outstanding of \$9,787,014 and liabilities to Miami-Dade County in the amount of \$1,391,162. The total debt is backed by the full faith and credit of the Village for which the Village is liable in the unlikely event of default.

**Summary of Outstanding Debt  
Promissory Notes and Revenue Bonds**

	<b>September 30,</b>	
	<b>2021</b>	<b>2020</b>
Promissory Note	\$ 805,840	\$ 883,234
Revenue Bond	8,815,000	11,635,000
Capital Leases	166,174	--
Liabilities to Miami-Dade County	1,391,162	1,642,010
Total	<u>\$ 11,178,176</u>	<u>\$ 14,160,244</u>

There were two debt issues outstanding at the end of the fiscal year. This consists of the Florida Municipal Loan Council Revenue Bond Series 2021A issued in the amount of \$8,815,000 which refinanced the 2010B \$14,780,000 bond and the Promissory Note Series 2010 with Hancock Bank for \$1,205,000 which refinanced the Florida Municipal Loan Council Revenue Bond Series 2005D issued for the Village Library in the amount of \$1,495,000. Additional information on the Village’s long-term debt can be found in Note 5, pages 32-37. The Village has contractual liabilities to Miami-Dade County as part of the Village’s incorporation from the County.

**Economic Factors and Next Year’s Budgets and Rates**

- The unemployment rate for Miami-Dade County in September 2021 was 6.3%, which represents an increase of 6.3% from the previous year. This is higher than the state’s average unemployment rate of 4.9% and the national average rate of 4.8% in September 2021. The unemployment rate of the Village is generally lower than the County. (Source: US Census).
- Inflationary trends in the County at 4.2% are lower than the national average which was 5.3% for August 2021.
- Most municipalities property value continue to increase, the Village saw an increase in property values of 4.8% while the County had an average increase of 5.1%.
- COVID-19 has had an impact to the Village’s Park rentals and Sales tax receipts. However, State revenue estimates have improved since the start of the fiscal year and the Village has reopened the Parks for rentals. In addition, the American Rescue Plan Act has a provision to replace lost revenues due to COVID-19.

All these factors were considered in preparing the Village’s budget for the 2022 fiscal year. During the current fiscal year, estimated ending fund balance in the general fund increased to \$10,651,377. The Village used a millage rate of 2.235 for fiscal year 2021, which is more than to the roll back rate of 2.1183 mills. For fiscal year 2022 the millage rate was increased to 2.4 which is greater than the roll back rate of 2.1390 by 12.20%.

**Requests for Information**

This financial report is designed to provide a general overview of the Village’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, 9705 E Hibiscus Street, Palmetto Bay, Florida 33157.

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## **BASIC FINANCIAL STATEMENTS**

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# VILLAGE OF PALMETTO BAY, FLORIDA

## STATEMENT OF NET POSITION

SEPTEMBER 30, 2021

	Governmental Activities
<b>Assets</b>	
Cash and cash equivalents	\$ 21,448,761
Receivables	485,778
Due from other governments	3,392,355
Prepaid items	90,279
Restricted assets:	
Cash and cash equivalents	15,227
Capital assets not being depreciated	26,649,655
Capital assets being depreciated, net	31,291,893
<b>Total Assets</b>	<b>83,373,948</b>
<b>Deferred Outflows of Resources</b>	
Loss on refunding	52,666
OPEB	6,389
<b>Total Deferred Outflows of Resources</b>	<b>59,055</b>
<b>Liabilities</b>	
Accounts payable	2,712,020
Accrued liabilities	124,024
Due to other governments	250,652
Park deposits	67,688
Unearned revenue	6,167,943
Noncurrent liabilities:	
Due within one year	629,620
Due in more than one year:	
Bonds and Notes	12,325,837
Capital leases	124,068
Total OPEB Liability	91,661
<b>Total Liabilities</b>	<b>22,493,513</b>
<b>Deferred Inflows of Resources</b>	
OPEB	11,478
<b>Net Position</b>	
Net investment in capital assets	45,152,296
Restricted for:	
Public transportation operations and maintenance	2,343,818
Debt service	10,269
Charitable and educational projects	6,678
Police equipment and training	4,453
Impact Fees	1,444,737
Grants	108,874
Unrestricted	11,856,887
<b>Total Net Position</b>	<b>\$ 60,928,012</b>

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

**VILLAGE OF PALMETTO BAY, FLORIDA**

**STATEMENT OF ACTIVITIES**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>					
General government	\$ 3,682,397	\$ 329,207	\$ --	\$ --	\$ (3,353,190)
Building permitting	2,483,689	2,875,205	--	--	391,516
Public safety	7,957,443	164,105	--	--	(7,793,338)
Public assistance	126,225	--	355,440	--	229,215
Public works	3,945,055	832,264	347,182	649,477	(2,116,132)
Parks and recreation	3,633,125	660,284	9,260	--	(2,963,581)
Interest on long-term debt and issuance costs	561,137	--	--	--	(561,137)
<b>Total Governmental Activities</b>	<b>\$ 22,389,070</b>	<b>\$ 4,861,065</b>	<b>\$ 711,882</b>	<b>\$ 649,477</b>	<b>(16,166,646)</b>
<b>General Revenues</b>					
					6,816,609
					2,677,579
					797,714
					1,222,608
					4,308,499
					57,478
					58,239
					806,448
					445,296
					<u>17,190,470</u>
					Change in net position
					<u>1,023,824</u>
					Net Position - Beginning
					<u>59,904,188</u>
					Net Position - Ending
					<u>\$ 60,928,012</u>

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

VILLAGE OF PALMETTO BAY, FLORIDA

BALANCE SHEET  
GOVERNMENTAL FUNDS

SEPTEMBER 30, 2021

	Major Funds					Nonmajor Governmental Funds	Total Governmental Funds
	General	Transportation Fund	Grants Fund	Building Fund	Capital Projects Fund		
<b>Assets</b>							
Cash and cash equivalents	\$ 9,428,570	\$ 1,505,681	\$ 7,845,126	\$ 3,473	\$ 1,555,405	\$ 1,110,506	\$ 21,448,761
Receivables	452,980	--	--	--	--	32,798	485,778
Due from other funds	2,813,644	20,250	91,049	127,632	--	3,713	3,056,288
Due from other governments	1,006,362	387,419	1,886,954	--	--	111,620	3,392,355
Prepaid items	167,673	--	--	--	--	--	167,673
Restricted cash and cash equivalents	--	--	--	--	--	15,227	15,227
<b>Total Assets</b>	<u>\$ 13,869,229</u>	<u>\$ 1,913,350</u>	<u>\$ 9,823,129</u>	<u>\$ 131,105</u>	<u>\$ 1,555,405</u>	<u>\$ 1,273,864</u>	<u>\$ 28,566,082</u>
<b>Liabilities</b>							
Accounts payable	\$ 2,373,633	\$ 132,972	\$ 52,958	\$ 71,833	\$ 29,784	\$ 50,840	\$ 2,712,020
Accrued liabilities	83,642	9,585	--	26,397	--	4,400	124,024
Due to other funds	242,224	120,081	1,974,347	570,438	104,605	44,593	3,056,288
Due to other governments	86,348	--	164,304	--	--	--	250,652
Park deposits	67,688	--	--	--	--	--	67,688
Unearned revenue	90,034	--	6,077,909	--	--	--	6,167,943
<b>Total Liabilities</b>	<u>2,943,569</u>	<u>262,638</u>	<u>8,269,518</u>	<u>668,668</u>	<u>134,389</u>	<u>99,833</u>	<u>12,378,615</u>
<b>Fund Balances</b>							
Nonspendable:							
Prepaid items	167,673	--	--	--	--	--	167,673
Restricted:							
Public transportation	--	1,650,712	--	--	--	693,106	2,343,818
Debt service	--	--	--	--	--	10,269	10,269
Charitable and educational projects	--	--	--	--	--	6,678	6,678
Police equipment and training	--	--	--	--	--	4,453	4,453
Impact fees	--	--	1,444,737	--	--	--	1,444,737
Grants	--	--	108,874	--	--	--	108,874
Committed:							
False alarm management	--	--	--	--	--	59,385	59,385
Art in public places	--	--	--	--	--	400,140	400,140
Assigned	4,700,000	--	--	--	1,421,016	--	6,121,016
Unassigned	6,057,987	--	--	(537,563)	--	--	5,520,424
<b>Total Fund Balances</b>	<u>10,925,660</u>	<u>1,650,712</u>	<u>1,553,611</u>	<u>(537,563)</u>	<u>1,421,016</u>	<u>1,174,031</u>	<u>16,187,467</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 13,869,229</u>	<u>\$ 1,913,350</u>	<u>\$ 9,823,129</u>	<u>\$ 131,105</u>	<u>\$ 1,555,405</u>	<u>\$ 1,273,864</u>	<u>\$ 28,566,082</u>

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

**VILLAGE OF PALMETTO BAY, FLORIDA**

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF NET POSITION**

**SEPTEMBER 30, 2021**

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**Fund Balances - Total Government Funds** \$ 16,187,467

Amounts reported for governmental activities in the statement  
of net position are different as a result of:

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

Governmental capital assets	\$ 77,664,059	
Less accumulated depreciation	<u>(19,722,511)</u>	57,941,548

Deferred outflows and inflows related to other post-employment benefits  
and debt refundings are not recognized in the governmental funds;

Deferred outflows of loss on refunding	52,666	
Deferred outflows of resources related to OPEB	6,389	
Deferred inflows of resources related to OPEB	<u>(11,478)</u>	47,577

Prepaid debt service in general fund not considered a prepaid asset for governmental activities		(77,394)
--	--	----------

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

Bonds payable	(10,478,652)	
QNIP and Stormwater bonds	(1,391,162)	
Loans payable	(805,840)	
Total OPEB liability	(91,661)	
Capital lease payable	(166,174)	
Compensated absences	<u>(237,697)</u>	<u>(13,171,186)</u>

**Net Position of Governmental Activities** **\$ 60,928,012**

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

VILLAGE OF PALMETTO BAY, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Major Funds						Total Governmental Funds
	General	Transportation Fund	Grants Fund	Building Fund	Capital Projects Fund	Nonmajor Governmental Funds	
<b>Revenues</b>							
Property taxes	\$ 6,816,609	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 6,816,609
Utility taxes	2,677,579	--	--	--	--	--	2,677,579
Communication service tax	797,714	--	--	--	--	--	797,714
Franchise fees	1,222,608	--	--	--	--	--	1,222,608
Intergovernmental	2,516,213	1,783,535	1,361,359	--	--	8,751	5,669,858
Licenses and permits	258,007	--	806,448	2,875,205	--	--	3,939,660
Fines and forfeitures	161,732	2,373	--	--	--	--	164,105
Charges for services	660,284	8,990	--	--	--	894,474	1,563,748
Interest	34,618	7,761	7,289	16	4,155	3,639	57,478
Miscellaneous	338,314	2,238	100,000	--	--	4,744	445,296
<b>Total Revenues</b>	<u>15,483,678</u>	<u>1,804,897</u>	<u>2,275,096</u>	<u>2,875,221</u>	<u>4,155</u>	<u>911,608</u>	<u>23,354,655</u>
<b>Expenditures</b>							
Current:							
General government	3,097,110	--	--	--	4,530	47,032	3,148,672
Public safety	7,949,824	--	--	--	--	--	7,949,824
Public assistance	--	--	126,225	--	--	--	126,225
Public works	482,103	1,524,035	347,182	--	173,488	624,866	3,151,674
Building permitting	--	--	--	2,488,061	--	--	2,488,061
Parks and recreation	2,117,726	--	16,246	--	7,000	--	2,140,972
Capital outlay	--	73,693	844,842	36,499	794,264	94,896	1,844,194
Debt service:							
Principal	865,326	166,911	--	7,908	--	1,047,837	2,087,982
Interest	501,647	25,152	--	1,179	--	33,159	561,137
Issuance cost	163,689	--	--	--	--	--	163,689
<b>Total Expenditures</b>	<u>15,177,425</u>	<u>1,789,791</u>	<u>1,334,495</u>	<u>2,533,647</u>	<u>979,282</u>	<u>1,847,790</u>	<u>23,662,430</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>306,253</u>	<u>15,106</u>	<u>940,601</u>	<u>341,574</u>	<u>(975,127)</u>	<u>(936,182)</u>	<u>(307,775)</u>
<b>Other Financing Sources (Uses)</b>							
Transfers in	--	--	293,950	--	--	29,509	323,459
Transfers out	(293,950)	--	(29,509)	--	--	--	(323,459)
Issuance of refunding bonds	8,799,773	--	--	--	--	15,227	8,815,000
Bond premium on issuance of debt	1,663,652	--	--	--	--	--	1,663,652
Payment to refunded bond escrow agent	(10,299,736)	--	--	--	--	--	(10,299,736)
Proceeds from sale of capital assets	38,609	19,630	--	--	--	--	58,239
Initiation of a capital lease	--	73,693	--	36,499	105,387	--	215,579
<b>Total Other Financing Sources (Uses)</b>	<u>(91,652)</u>	<u>93,323</u>	<u>264,441</u>	<u>36,499</u>	<u>105,387</u>	<u>44,736</u>	<u>452,734</u>
Net change in fund balances	214,601	108,429	1,205,042	378,073	(869,740)	(891,446)	144,959
<b>Fund Balances - Beginning</b>	<u>10,711,059</u>	<u>1,542,283</u>	<u>348,569</u>	<u>(915,636)</u>	<u>2,290,756</u>	<u>2,065,477</u>	<u>16,042,508</u>
<b>Fund Balances - Ending</b>	<u>\$ 10,925,660</u>	<u>\$ 1,650,712</u>	<u>\$ 1,553,611</u>	<u>\$ (537,563)</u>	<u>\$ 1,421,016</u>	<u>\$ 1,174,031</u>	<u>\$ 16,187,467</u>

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

# VILLAGE OF PALMETTO BAY, FLORIDA

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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Amounts reported for governmental activities in the statement of activities are different as a result of:

Net change in fund balances - total government funds \$ 144,959

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 outlay	\$ 1,255,373	
Less current year depreciation	<u>(2,032,850)</u>	(777,477)

The issuance of long term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Initiation of a capital lease	(215,579)	
Capital lease payments	49,405	
Issuance from refunding bonds	(8,815,000)	
Bond premium	(1,663,652)	
Payment to refunded bond escrow agent	10,299,736	
Bond principal payments	1,782,771	
QNIP and Stormwater bond payments	<u>250,848</u>	1,688,529

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences	(10,645)	
Total OPEB liability	21,782	
Deferred outflows of OPEB	(927)	
Deferred inflows of OPEB	1,006	
Amortization of discount on bonds issued	(40,477)	
Amortization of deferred loss on bond refunding	<u>(2,926)</u>	<u>(32,187)</u>

**Change in Net Position of Governmental Activities** \$ 1,023,824

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

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**NOTES TO BASIC FINANCIAL STATEMENTS**

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# VILLAGE OF PALMETTO BAY, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Palmetto Bay, Florida (the “Village”) was incorporated on September 10, 2002. The Village operates under a Council-Manager form of government. In addition to the general government function, the Village provides its residents with public safety (police), public works, parks and recreation, planning and zoning, and building and permitting. The Village does not provide educational, water and sewer, solid waste, fire or hospital facilities; those services are provided by the Miami-Dade County School Board and Miami-Dade County, respectively.

The financial statements of the Village have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the Village are described below:

#### *FINANCIAL REPORTING ENTITY*

As required by GAAP, these financial statements present the Village (the primary government) and its component unit. Component units are legally separate entities for which the primary government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the Village’s financial statements to be misleading or incomplete. The primary government is considered financially accountable if it appoints a voting majority of an organization’s governing body (the Board) and 1) it is able to impose its will on the organization or 2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the Board. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

Component units are included in the reporting entity either as blended or as discretely presented. Blended component units, although legally separate entities are, in substance, part of the Village’s operations. Accordingly, data from these component units are combined with data of the primary government.

Based upon the application of the criteria described above, the financial activity of the blended component unit listed below has been included in the Village’s financial reporting entity. The Board of Directors of the Palmetto Bay Foundation, Inc. (the “Foundation”) are the same individuals as the Village Council.

# VILLAGE OF PALMETTO BAY, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *BLENDING COMPONENT UNIT*

The Foundation was created on December 6, 2004 for the purpose of enhancing and preserving the history of Palmetto Bay. The Foundation is a not-for-profit 501(c)(3) corporation using a calendar year end and, therefore, amounts presented for the Foundation are as of and for the year ended December 31, 2020. The primary government has operational responsibility for the component unit. Revenues consist primarily of donations and investment income. The Foundation's articles restrict the use of the funds to charitable, educational or scientific purposes. For the year ended December 31, 2020, the Foundation had approximately \$7,000 in assets and no revenue or expenditures.

#### *GOVERNMENT-WIDE 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 of the activities of the Village as a whole. For the most part, the effect of interfund activity has been removed from these statements. 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 support. The Village does not have any business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those 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.

Separate financial statements are provided for governmental funds. The major individual governmental funds are reported as separate columns in the fund financial statements. All remaining nonmajor governmental funds are aggregated and reported as nonmajor governmental funds.

# VILLAGE OF PALMETTO BAY, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *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 for which they are levied. Grants and similar items are recognized as revenue 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 to be 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 when they are collected within 60 days of the end of the current fiscal period except for revenues received from Miami-Dade County for the half-penny tax which are collected within 90 days of the end of the current fiscal period due to the nature of the collection cycle. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences are recorded only when payment is due.

Property taxes, franchise fees and other taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and, as such, have been recognized as revenues of the current fiscal period. Revenue for expenditure driven grants are recognized when the qualifying expenditures are incurred. All other revenue items are considered to be measurable and available only when cash is received by the Village.

The Village reports the following major governmental funds:

- **General Fund:** The fund is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- **Transportation Fund:** The fund accounts for the restricted revenues received from the transportation surtax, the local option gas tax, and expenditures for related transportation costs.
- **Grants Fund:** The fund accounts for all restricted grant monies and the related program income from federal, state, and local agency grants. This fund is reported separately for transparency.

# VILLAGE OF PALMETTO BAY, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *MEASUREMENT FOCUS, BASIS, OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)*

- **Building Fund:** The fund accounts for the restricted resources and operations of building permitting and inspections.
- **Capital Projects Fund:** The fund accounts for the activities of the Village’s ongoing capital projects.

Additionally, the Village reports nonmajor funds within the governmental fund types as follows:

- **Special Revenue Funds:** These funds account for restricted monies received which are to be used in accordance with the funds’ stated purposes.
- **Debt Service Fund:** The fund accounts for resources consumed for principal and interest payments applied to the Village’s long-term liabilities.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

#### *DEPOSITS AND INVESTMENTS*

The Village’s cash and cash equivalents include cash on hand, pooled cash, demand deposits, and short-term highly liquid investments with original maturities of three months or less from the date of acquisition.

The nature of investments is governed by the provisions of Florida Statutes Section 218. Under this statute, authorized investments are limited, unless otherwise authorized by law or ordinance, to the local government surplus funds trust fund, money market funds, direct or unconditionally guaranteed obligations of the United States government, obligations of certain governmental agencies, interest bearing time deposits or savings accounts. Income from investments is recorded as earned.

#### *INTERFUND RECEIVABLES AND PAYABLES*

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as “due to/from other funds.”

# VILLAGE OF PALMETTO BAY, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *RECEIVABLES*

Receivables include amounts due from other governments and others for services provided by the Village. Receivables are recorded and revenues are recognized as earned or as specific program expenditures/expenses are incurred. Allowances for uncollectible receivables are based upon historical trends and the periodic aging of receivables. Management has considered outstanding receivables and has deemed them to be fully collectible. As such, an allowance for uncollectible accounts was not considered necessary.

#### *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. In certain instances, prepaid items reported in governmental funds represent debt service payment paid prior to its respective due date. These costs are expensed when used. Amounts reported in the governmental funds are offset by an equal reservation of fund balance in the fund financial statements. This is an indication that these components of current assets do not constitute available spending resources.

#### *PROPERTY TAXES*

Property values are assessed on a county-wide basis by the Miami-Dade County Property Appraiser as of January 1, the lien date, of each year and are due the following November 1. Taxable value of property within the Village is certified by the Property Appraiser and the Village levies a tax millage rate upon the taxable value, which provides revenue required for the fiscal year beginning October 1. The millage rate assessed by the Village for the fiscal year ended September 30, 2021 was 2.2350 mills.

Property taxes levied each November 1, by the Village and all other taxing authorities within Miami-Dade County, are centrally billed and collected by Miami-Dade County, with remittances to the Village of its proportionate share of collected taxes. Taxes for the fiscal year beginning October 1 are billed in the month of November, subject to a 1% per month discount for the period November through February, and are due no later than March 31. On April 1, unpaid amounts become delinquent with interest and penalties added thereafter. Beginning June 1, tax certificates representing delinquent taxes with interest and penalties are sold by Miami-Dade County, with remittance to the Village for its share of those receipts. At September 30, 2021, there were no material delinquent taxes.

# VILLAGE OF PALMETTO BAY, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### *RESTRICTED ASSETS*

Assets of the debt service fund have been classified as restricted because their use is restricted by a bond indenture agreement for the Village’s debt service requirements.

##### *CAPITAL ASSETS*

Capital assets, which include land, buildings, furniture and equipment, improvements other than buildings, intangibles (i.e. software) and infrastructure assets (e.g., roads, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$5,000 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. Donated capital assets are recorded at their acquisition value (the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date).

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are expensed as incurred. Major outlays for capital assets and improvements are capitalized as projects are constructed. The Village maintains a \$750,000 threshold for capitalizing easements and a \$250,000 threshold for capitalizing software.

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

<u>Assets</u>	<u>Years</u>
Furniture and equipment	5-20
Vehicles	7
Buildings	30
Leasehold improvements	10
Infrastructure	30
Software	5

##### *COMPENSATED ABSENCES*

The Village’s policy is to permit employees to accumulate paid time off (“PTO”) benefits. Based on their length of service to the Village, employees may carry over a maximum of 80 unused hours each calendar year, with the exception of the village clerk and village manager, who can carry over a maximum of 720 unused hours each calendar year. Any unused hours in excess of the maximum is paid out. All PTO is accrued when incurred in the government-wide fund financial statements based on current rates of pay. Compensated absences are expected to be used in the following year.

# VILLAGE OF PALMETTO BAY, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *COMPENSATED ABSENCES (CONTINUED)*

A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. For the governmental funds, compensated absences are liquidated from the general fund.

#### *LONG-TERM OBLIGATIONS*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities. Bond premiums, discounts, and deferred amounts on refunding are deferred and amortized over the life of the bonds using the straight-line amortization method. The results of using this method do not differ significantly from the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issue costs are expenses as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts. 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Long-term liabilities of governmental funds are generally liquidated through the general fund with the exception of the debt accounted for in the transportation fund and nonmajor governmental stormwater management fund.

#### *DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES*

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflow 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 two items that qualify for reporting in this category as deferred outflows of resources. An item related to Other Post-Employment Benefits (“OPEB”) and the loss on refunding of Florida Municipal Loan Council Revenue Series 2010B (“FMLC Bonds”) (Note 5).

In addition to liabilities, the statement of net 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 then. The Village has one item that qualifies for reporting in this category, a deferred inflow related to OPEB.

# VILLAGE OF PALMETTO BAY, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *FUND BALANCE*

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based on 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:

**Non-spendable** - 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.

**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 ordinance which is the Village Council's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the Village Council removes or changes the specified use by taking the same type of action or motion that was employed when the funds were initially committed. An ordinance is required to establish, modify, or rescind fund balance commitments. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

**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 Village Council or their designee. The Village Manager has been designated by the Village Council via resolution as authorized to assign fund balances.

**Unassigned** - This classification includes the residual fund balance for the General Fund only and the amount established for minimum funding which represents the portion of the General Fund balance that has been established to be used in emergency situations. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

# VILLAGE OF PALMETTO BAY, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *FUND BALANCE FLOW ASSUMPTIONS*

Sometimes the government 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, unless the Village Council has provided otherwise in its commitment or assignment actions by either ordinance or resolution.

#### *NET POSITION*

Net position in the government-wide financial statements are classified into three components:

**Net Investment in Capital Assets** - This category consists of capital assets, net of accumulated depreciation and reduced by any outstanding debt incurred to acquire, construct or improve those assets, excluding unexpended proceeds, plus the net effect of capital asset related deferred outflow/inflow of resources.

**Restricted Net Position** - This category consists of net position that has been restricted for general use by external parties (creditors, grantors, contributors, or laws or regulations of other governments) or imposed by law through constitutional provisions or enabling legislation.

**Unrestricted Net Position** - This category consists of all net position that does not meet the definition of either of the other two components.

# VILLAGE OF PALMETTO BAY, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *NET POSITION FLOW ASSUMPTION*

Sometimes the Village will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which resources are considered to be applied. When both restricted and unrestricted resources are available for use, it is the Village's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

#### *USE OF ESTIMATES*

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and deferred inflows/outflows, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. These estimates include assessing the collectability of receivables, and the useful lives of capital assets. Actual results could differ from those estimates.

#### *IMPLEMENTATION OF NEW GASB STANDARDS*

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. This Statement was implemented by the Town for the fiscal year ending September 30, 2021.

GASB Statement No. 98, *The Annual Comprehensive Financial Report*, establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in GAAP for state and local governments. This Statement was implemented by the Village for the fiscal year ending September 30, 2021.

# VILLAGE OF PALMETTO BAY, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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### NOTE 2 – CASH AND CASH EQUIVALENTS

In addition to insurance provided by the Federal Depository Insurance Corporation, all deposits 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. Accordingly, all amounts reported as deposits are insured or collateralized.

#### *INVESTMENTS*

The Florida State Board of Administration (“SBA”) Pool, hereinafter referred to as “Florida PRIME”, is not a registrant with the Securities and Exchange Commission (“SEC”); however, its board has adopted operating procedures consistent with the requirements for a 2a-7 fund. In accordance with these requirements, the method used to determine the participants’ shares sold and redeemed is the amortized cost method. Amortized cost includes accrued income and is a method of calculating an investment’s value by adjusting its acquisition cost for the amortization of discount or premium over the period from purchase to maturity.

The SBA is governed by Chapter 19-7 of the Florida Administrative Code and Chapters 218 and 215 of the Florida Statutes. These rules provide guidance and establish the general operating procedures for the administration of the SBA. Additionally, the Office of the Auditor General of the State of Florida performs the operational audit of the activities and investment of the SBA. The SBA accounts are not subject to custodial credit risk as these investments are not evidenced by securities that exist in physical or bank entry form.

In accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, the Village’s investment in the Florida PRIME meets the definition of a qualifying investment pool that measures for financial reporting purposes all of its investments at amortized cost and should disclose the presence of any limitations or restrictions on withdrawals. As of September 30, 2021, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100 percent of their account value. At September 30, 2021, the Village’s investment in the Florida PRIME was \$1,962,126. Florida PRIME is presented as a cash equivalent.

***Interest Rate Risk*** - The Village has an investment policy that limits investment maturities as a means of managing its exposure to market value losses arising from increasing interest rates. To mitigate risk, the Village primarily invests in investments with maturities of twelve months or less.

# VILLAGE OF PALMETTO BAY, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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#### NOTE 2 – CASH AND CASH EQUIVALENTS (CONTINUED)

##### *INVESTMENTS (CONTINUED)*

**Interest Rate Risk (continued)** - The dollar weighted average days to maturity (“WAM”) of Florida PRIME at September 30, 2021, is 49 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average life (“WAL”) of Florida PRIME at September 30, 2021, is 64 days.

**Credit Risk** - The Village has an investment policy that limits investments to the highest ratings by a nationally recognized statistical rating organization (“NRSRO”) (Standard and Poor’s and Moody’s investment services). In order to mitigate credit risk, the Village does limit investments to the highest ratings by a NRSRO. Florida PRIME is rated AAAM by Standard and Poor’s.

The SBA issues a separate financial report. A copy of this financial report can be found on the SBA website at [www.sbafla.com](http://www.sbafla.com).

**Concentration of Credit Risk** - The Village diversifies its portfolio in such a way to control the risk of loss resulting from concentration of assets to a specific maturity, instrument, issue, dealer, or bank through which these securities are bought and sold. The Village only invests in Florida PRIME at September 30, 2021.

#### NOTE 3 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivable and payable balances at September 30, 2021 were as follows:

	Interfund Receivable	Interfund Payable
General Fund	\$ 2,813,644	\$ 242,224
Transportation Fund	20,250	120,081
Grants Fund	91,049	1,974,347
Building Fund	127,632	570,438
Capital Projects Fund	--	104,605
Nonmajor Governmental Funds	3,713	44,593
	<u>\$ 3,056,288</u>	<u>\$ 3,056,288</u>

Outstanding balances between funds result mainly from the time lag between the dates (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

# VILLAGE OF PALMETTO BAY, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

#### NOTE 3 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

##### *TRANSFERS*

Transfers during the fiscal year ended September 30, 2021 were as follows:

	Transfers in	Transfers out
General Fund	\$ --	\$ 293,950
Grants Fund	293,950	29,509
Nonmajor Governmental Funds	29,509	--
	\$ 323,459	\$ 323,459

Transfer activity noted above represent movement of unrestricted revenues to fund grant fund and non-major governmental fund activity/projects.

#### NOTE 4 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2021 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
Capital assets not being depreciated/amortized:				
Land	\$ 26,649,655	\$ --	\$ --	\$ 26,649,655
Construction in progress	10,680,431	--	10,680,431	--
Total capital assets not being depreciated/amortized	37,330,086	--	10,680,431	26,649,655
Capital assets being depreciated/amortized:				
Intangibles	492,153	--	--	492,153
Furniture and equipment	2,181,361	432,114	403,349	2,210,126
Buildings	13,985,470	--	--	13,985,470
Improvements other than buildings	12,035,665	498,971	--	12,534,636
Infrastructure	10,787,300	11,004,719	--	21,792,019
Total capital assets being depreciated/amortized	39,481,949	11,935,804	403,349	51,014,404
Less accumulated depreciation/amortization for:				
Intangibles	492,153	--	--	492,153
Furniture and equipment	1,756,097	210,701	403,349	1,563,449
Buildings	4,943,540	466,182	--	5,409,722
Improvements other than buildings	7,657,604	625,940	--	8,283,544
Infrastructure	3,243,616	730,027	--	3,973,643
Total accumulated depreciation/amortization	18,093,010	2,032,850	403,349	19,722,511
Total capital assets being depreciated/amortized, net	21,388,939	9,902,954	--	31,291,893
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 58,719,025</b>	<b>\$ 9,902,954</b>	<b>\$ 10,680,431</b>	<b>\$ 57,941,548</b>

# VILLAGE OF PALMETTO BAY, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

#### NOTE 4 – CAPITAL ASSETS (CONTINUED)

Depreciation/Amortization expense charged to the functions or programs of the Village for the fiscal year ended September 30, 2021 was as follows:

General government	\$	321,086
Public safety		8,056
Transportation		796,004
Parks and recreation		<u>907,704</u>
<b>Total Depreciation/Amortization Expense</b>	<b>\$</b>	<b><u>2,032,850</u></b>

#### NOTE 5 – LONG-TERM LIABILITIES

Long-term debt activity for the fiscal year ended September 30, 2021 was as follows:

Governmental activities	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds payable:					
FMLC Bonds - Series 2010B	\$ 11,635,000	\$ --	\$(11,635,000)	\$ --	\$ --
FMLC Bonds - Series 2021A	--	8,815,000	--	8,815,000	--
Less deferred amounts:					
Issuance discount - Series 2010B	(40,477)	--	40,477	--	--
Issuance premium - Series 2021A	<u>--</u>	<u>1,663,652</u>	<u>--</u>	<u>1,663,652</u>	<u>87,561</u>
Total bonds payable (direct borrowing)	<u>11,594,523</u>	<u>10,478,652</u>	<u>(11,594,523)</u>	<u>10,478,652</u>	<u>87,561</u>
Loans payable:					
Refunding Revenue Note, Series 2015	<u>883,234</u>	<u>--</u>	<u>(77,394)</u>	<u>805,840</u>	<u>--</u>
Total loans payable (direct borrowing)	<u>883,234</u>	<u>--</u>	<u>(77,394)</u>	<u>805,840</u>	<u>--</u>
Liabilities with Miami-Dade County:					
QNIP bonds	683,649	--	(158,233)	525,416	166,477
Stormwater bonds	<u>958,361</u>	<u>--</u>	<u>(92,615)</u>	<u>865,746</u>	<u>95,779</u>
Total liabilities with Miami-Dade County (direct borrowings)	<u>1,642,010</u>	<u>--</u>	<u>(250,848)</u>	<u>1,391,162</u>	<u>262,256</u>
Capital leases (direct borrowing)	<u>--</u>	<u>215,579</u>	<u>(49,405)</u>	<u>166,174</u>	<u>42,106</u>
Compensated absences	<u>227,052</u>	<u>237,697</u>	<u>(227,052)</u>	<u>237,697</u>	<u>237,697</u>
<b>Governmental Activities Long-Term Liabilities</b>	<b><u>\$ 14,346,819</u></b>	<b><u>\$ 10,931,928</u></b>	<b><u>\$(12,199,222)</u></b>	<b><u>\$ 13,079,525</u></b>	<b><u>\$ 629,620</u></b>

# VILLAGE OF PALMETTO BAY, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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### NOTE 5 – LONG-TERM LIABILITIES (CONTINUED)

#### *REFUNDING REVENUE NOTE, SERIES 2015 (DIRECT BORROWING)*

During fiscal year 2016, the Village issued a Refunding Revenue Note, Series 2015 (“Note”), facilitated by the Florida Municipal Loan Council in the principal amount of \$1,252,148. The refunding was a current refunding. The proceeds were used for the cost of the initial issuance of the Note and to refund the cost of the Florida Municipal Loan Council Bond Series 2005D for the construction of a library building which had an outstanding balance of \$1,205,000. The Note is collateralized by a pledge of the Village’s non-ad valorem revenues. Total pledged amounts over the life of the note are expected to be approximately \$3,000,000. For the current year, debt service and pledged revenues were approximately \$98,000 and \$109,000, respectively. The total principal and interest remaining on the bonds is \$903,941. The refunding reduced total debt service payments by nearly \$357,385. This resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$217,528. The bonds are payable semi-annually through October 2030 with principal amounts ranging from approximately \$69,000 to \$97,000 with an interest of 2.359%. The final maturity date of the bonds is October 1, 2030.

Whenever any event of default as referred to in the Note agreement occurs, the FMLC or the purchaser shall, in addition to any other remedies herein or by law provided, have the right at its or their option without any further demand or notice, except as otherwise provided for in this agreement, to take whatever other action at law or in equity which may appear necessary or desirable to collect amounts then due to it and thereafter to become due hereunder or to enforce any other of its or their rights hereunder; provided, however, the FMLC shall only have the right to take such action as it deems necessary to collect amounts then due or to become due to the FMLC.

Debt service requirements to maturity are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2022*	\$ --	\$ 9,505	\$ 9,505
2023	82,186	18,040	100,226
2024	81,428	16,111	97,539
2025	86,046	14,135	100,181
2026	85,109	12,116	97,225
2027-2031	<u>471,071</u>	<u>28,194</u>	<u>499,265</u>
<b>Total</b>	<b><u>\$ 805,840</u></b>	<b><u>\$ 98,101</u></b>	<b><u>\$ 903,941</u></b>

\* Debt Service Payment due on October 1, 2021 was paid during fiscal year ended September 30, 2021.

# VILLAGE OF PALMETTO BAY, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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### NOTE 5 – LONG-TERM LIABILITIES (CONTINUED)

#### *QUALITY NEIGHBORHOOD IMPROVEMENT PROGRAM (“QNIP”) (DIRECT BORROWING)*

The Village is required to pay Miami-Dade County its allocated share of principal and interest of the Miami-Dade County Public Service Tax Revenue Bonds, Series 1999, that were issued prior to the Village’s incorporation. On September 28, 2011, the Miami-Dade County refunded the outstanding Miami-Dade County Public Service Tax Revenue Bonds, Series 1999, with the issuance of the Miami-Dade County Public Service Tax Revenue Bonds, Series 2011. On July 28, 2021, the Miami-Dade County refunded the outstanding Miami-Dade County Public Service Tax Revenue Bonds, Series 2011, with the issuance of the Miami-Dade County Capital Asset Acquisition Special Obligation Refunding Bonds, Series 2021B. The Series 2021B bonds were issued for the purpose of refunding the Series 2011, along with other bonds, in order to reduce total debt service payments by \$17,747,734. The economic gain on the refunding was \$10,744,161 in net present value savings. The proceeds from the bonds were used for the construction of parks, drainage and roads throughout the Village. The Village’s pro rata share of the Miami-Dade County’s bonds is approximately 3.6% and is payable annually through 2024. The principal and interest payment for the fiscal year ended September 30, 2021 was approximately \$182,000. Payments include interest at approximately 3.7% per annum.

Upon an event of default in the Master Ordinance of Miami-Dade County, a trustee or Bondholder acting for the Holders of all Bonds made by suit, action, mandamus or other judicial proceedings, protect and enforce any and all rights, including the right to the appointment of a receiver, existing under and to the extent permitted by the laws of the State of Florida, or granted and contained in the Master Ordinance, and may enforce and compel the performance of all duties required in the Master Ordinance or by any applicable statutes to be performed by the County or by an officer thereof.

Debt service requirements to maturity are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2022	\$ 166,477	\$ 17,687	\$ 184,164
2023	174,899	10,860	185,759
2024	184,040	3,681	187,721
<b>Total</b>	<b>\$ 525,416</b>	<b>\$ 32,228</b>	<b>\$ 557,644</b>

# VILLAGE OF PALMETTO BAY, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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### NOTE 5 – LONG-TERM LIABILITIES (CONTINUED)

#### *STORMWATER UTILITY REVENUE BONDS (DIRECT BORROWING)*

The Village is required to pay Miami-Dade County its pro rata share of principal and interest of the Miami-Dade County Stormwater Utility Revenue Bonds, Series 1999 and 2004 issued and outstanding since the exemption date of the Village. On September 16, 2013 the Miami-Dade County refunded all of the outstanding Stormwater Utility Revenue Bonds, Series 1999 and Series 2004, except for the Stormwater Utility Revenue Bonds, Series 2004, which matured on April 1, 2014 and April 1, 2015. On September 9, 2020, the Miami-Dade County refunded the outstanding Stormwater Utility Revenues Series 2013 with the issuance of the Stormwater Utility Revenue Refunding Bonds, Series 2020. The Series 2020 bonds were issued for the purpose of refunding the Series 2013 in order to reduce total debt service payments by \$8,338,998. The economic gain on the refunding was \$7,150,138 in net present value savings. The proceeds from the bonds were used for the installation of drainage throughout the Village. The Village's pro-rata share of the bonds is approximately 1.7% and is payable annually through 2029. The principal and interest payments for the fiscal year ended September 30, 2021 were approximately \$126,000. Payments include interest at approximately 3.5% per annum.

Upon an event of default in the Master Ordinance of Miami-Dade County, a trustee or Bondholder acting for the Holders of all Bonds made by suit, action, mandamus or other judicial proceedings, protect and enforce any and all rights, including the right to the appointment of a receiver, existing under and to the extent permitted by the laws of the State of Florida, or granted and contained in the Master Ordinance, and may enforce and compel the performance of all duties required in the Master Ordinance or by any applicable statutes to be performed by the County or by an officer thereof.

Debt service requirements to maturity are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2022	\$ 95,779	\$ 29,955	\$ 125,734
2023	99,116	26,641	125,757
2024	102,523	23,211	125,734
2025	106,069	19,664	125,733
2026	109,737	15,994	125,731
2027-2029	352,522	24,670	377,192
<b>Total</b>	<b>\$ 865,746</b>	<b>\$ 140,135</b>	<b>\$ 1,005,881</b>

# VILLAGE OF PALMETTO BAY, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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### NOTE 5 – LONG-TERM LIABILITIES (CONTINUED)

#### *FLORIDA MUNICIPAL LOAN COUNCIL REFUNDING REVENUE BONDS, SERIES 2021A (DIRECT BORROWING)*

In August 2021, the Village issued FMLC Refunding Revenue Bonds, Series 2021A in the principal amount of \$8,815,000 with a bond premium of \$1,663,652. The Series 2021A bonds were issued for the purpose of refunding the Series 2010B in order to reduce total debt service payments by \$4,647,661. The economic gain on the refunding was \$3,156,171 in net present value savings. The reacquisition price exceeded the net carrying amount of the old debt by \$34,784, which was deemed insignificant. The bonds are secured by a pledge of the Village's non-ad valorem revenues. During the fiscal year ended September 30, 2021, there were no debt service payments required. The total principal and interest remaining on the bonds is \$12,385,061. The bonds are payable semi-annually over 20 years with principal amounts ranging from \$649,000 to \$655,000 and interest payments ranging from 3% to 4%. The final maturity date of the bonds is October 1, 2040. S&P Global Ratings (S&P) has assigned a rating to the Bonds of "AAA" (stable outlook).

Whenever any event of default referred to in the bond agreement hereof shall have happened and be continuing, the Council or the trustee shall, in addition to any other remedies herein or by law provided, have the right, at its or their option without any further demand or notice, to take such steps and exercise such remedies as provided in the Agreement, and, without limitation, to take whatever other action at law or in equity which may appear necessary or desirable to collect amounts then due and thereafter to become due hereunder or to enforce any other of its or their rights hereunder.

Debt service requirements to maturity are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2022	\$ --	\$ 214,386	\$ 214,386
2023	275,000	321,525	596,525
2024	335,000	310,700	645,700
2025	345,000	297,100	642,100
2026	365,000	282,900	647,900
2027-2031	2,035,000	1,181,100	3,216,100
2032-2036	2,480,000	730,800	3,210,800
2037-2041	2,980,000	231,550	3,211,550
<b>Total</b>	<b>\$ 8,815,000</b>	<b>\$ 3,570,061</b>	<b>\$ 12,385,061</b>

# VILLAGE OF PALMETTO BAY, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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### NOTE 5 – LONG-TERM LIABILITIES (CONTINUED)

#### *CAPITAL LEASES (DIRECT BORROWING)*

The Village has entered into lease purchase agreements for financing the acquisition of vehicles in the Transportation Fund, Building Fund, and Capital Projects fund. The lease agreements qualify as capital leases for accounting purposes and have been recorded at the present value of the future minimum lease payments as of the inception date.

<b>Assets</b>	
Vehicles	\$ 215,579
Accumulated depreciation	<u>(42,224)</u>
<b>Carrying Value</b>	<b><u>\$ 173,355</u></b>

Future minimum lease payments and the present value of net minimum lease payments as of September 30, 2021 are as follows:

<b>Fiscal Year Ending September 30</b>	
2022	\$ 48,082
2023	48,082
2024	48,082
2025	44,958
2026	<u>521</u>
Total minimum lease payments	189,725
Less: amount representing interest	<u>23,551</u>
Total principal outstanding amount	<b><u>\$ 166,174</u></b>

### NOTE 6 – DEFINED CONTRIBUTION PLAN

The Village provides retirement benefits for full time employees through a money purchase plan (a defined contribution plan) (the “Plan”). The Plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of the employees are tax deferred until the time of withdrawal. The Plan is administered by International City Managers’ Association Retirement Corporation. Amendments to the Plan are authorized by the Village Council. The Plan was established pursuant to Resolution 03-82 adopted on October 7, 2003 by the Village Council.

# VILLAGE OF PALMETTO BAY, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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### NOTE 6 – DEFINED CONTRIBUTION PLAN (CONTINUED)

Plan benefits depend solely on amounts contributed to the Plan, plus investment earnings, less administrative expenses. The Village's minimum contribution for participating employees is 6% of the employees' gross salary. Plan members may contribute up to 6% of the Plan member's gross salary and receive an additional equal match from the Village for a total Village contribution of up to 12% of the member's salary. Employees are fully vested after 5 years of service. Employees contributed approximately \$242,000 and the Village contributed approximately \$460,000 to the Plan during the fiscal year ended September 30, 2021.

### NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (OPEB)

#### *PLAN DESCRIPTION*

The Village, in compliance with Florida Statute 112.0801, shall allow all former personnel who retire, and their eligible dependents, the option to continue to participate in the group insurance plan or self-insurance plan. Retirees and their eligible dependents shall be offered the same health and hospitalization insurance coverage as is offered to active employees at a premium cost no more than the premium cost applicable to active employees. For retired employees and their eligible dependents, the cost of continued participation shall be paid by the retired employees. The benefits of the OPEB Plan conform to Florida Statutes, which is the legal authority for the OPEB Plan. The OPEB Plan is not accounted for as a trust fund since an irrevocable trust has not been established to fund the OPEB Plan. The OPEB Plan has no assets and does not issue a separate financial report. The OPEB Plan is a single-employer defined benefit plan.

#### *FUNDING POLICY*

The Village provides no funding for any portion of the premiums after retirement. However, the Village recognizes that there is an "implicit subsidy" arising as a result of the blended rate premium since retiree health care costs, on average, are higher than active employee healthcare costs. It is the Village's current policy to fund the plan on a "pay-as-you-go" basis. The OPEB liability is liquidated through the funds from the General Fund.

The Village requires that retirees must pay the monthly premium as determined by the insurance carrier for single coverage, spousal coverage, children coverage, or family coverage, as applicable.

# VILLAGE OF PALMETTO BAY, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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#### NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

##### *EMPLOYEES COVERED BY BENEFIT TERMS*

At September 30, 2021, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	1
Inactive employees entitled to but not yet receiving benefit payments	--
Active employees	<u>60</u>
<b>Total Members</b>	<u><u>61</u></u>

##### *TOTAL OPEB LIABILITY AND CHANGES IN TOTAL OPEB LIABILITY*

The Village's total OPEB liability of \$91,661 was measured as of September 30, 2020, and was determined by an actuarial valuation date as of October 1, 2019.

	Total OPEB Liability
<b>Balance at September 30, 2020</b>	<u>\$ 113,443</u>
Changes for the year:	
Service cost	8,582
Interest	2,087
Changes of Benefit Terms	--
Difference between actual and expected experience	--
Assumption changes and other inputs	(644)
Benefit payments	(31,807)
Other changes	<u>--</u>
Net changes	<u>(21,782)</u>
<b>Balance at September 30, 2021 (Reporting Date)</b>	<u><u>\$ 91,661</u></u>
Covered Employee Payroll	\$3,718,367
Total OPEB liability as a percentage of covered payroll	2.47%

# VILLAGE OF PALMETTO BAY, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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#### NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

##### *ACTUARIAL ASSUMPTIONS AND OTHER INPUTS*

The total OPEB liability in the October 1, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	October 1, 2019
Measurement date	September 30, 2020
Inflation	3.0%
Salary increases	4.0%
Discount rate	2.43%
Healthcare cost trend rates	7.7% for POS Medical Plan and 6.6% for HMO Medical Plan and gradually decreasing to an ultimate rate of 4.5% in 2036
Retirees' share of benefit-related costs	Same as Health Care Trend
Mortality	PubG.H-2010 Mortality Table - General

##### *SENSITIVITY OF THE TOTAL OPEB LIABILITY TO CHANGES IN THE DISCOUNT RATE*

The following presents the sensitivity of the Village's total OPEB liability to changes in the discount rate. The sensitivity analysis shows the impact on the Village's total OPEB liability if the discount rate was 1.00% lower or 1.00% higher than the current discount rate at September 30, 2021:

	1% Decrease (1.43%)	Current Discount Rate (2.43%)	1% Increase (3.43%)
Total OPEB Liability	\$ 115,960	\$ 91,661	\$ 111,037

**VILLAGE OF PALMETTO BAY, FLORIDA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**SENSITIVITY OF THE TOTAL OPEB LIABILITY TO CHANGES IN THE HEALTHCARE COST TREND RATES**

The following presents the sensitivity of the Village’s total OPEB liability, calculated using the 7.7% to 6.6% healthcare trend rate. The sensitivity analysis shows the impact on the Village’s total OPEB liability if the healthcare trend rate were 1.00% lower or 1.00% higher than the healthcare trend rate at September 30, 2021:

	1% Decrease (6.7% to 5.6%)	Current Trend Rates (7.7% to 6.6%)	1% Increase (8.7% to 7.6%)
Total OPEB Liability	\$ 110,358	\$ 91,661	\$ 116,881

***OPEB EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB***

For fiscal year ended September 30, 2021, the Village recognized OPEB Expense of \$21,782. At September 30, 2021, the Village reports deferred outflows and inflows of resources related to the OPEB Plan as follows:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ --	\$ 10,633
Changes of assumptions	6,389	845
<b>Total</b>	<b>\$ 6,389</b>	<b>\$ 11,478</b>

VILLAGE OF PALMETTO BAY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

*OPEB EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB (CONTINUED)*

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending September 30	Amount
2022	\$ 723
2023	723
2024	723
2025	723
2026	723
Thereafter	<u>1,474</u>
<b>Total</b>	<u><u>\$ 5,089</u></u>

NOTE 8 – COMMITMENTS AND CONTINGENCIES

*GRANTS*

Grant monies received and disbursed by the Village are for specific purposes and may be subject to audit by the grantor agencies. Such audits may result in requests for reimbursements due to disallowed expenditures or other actions by grantor agencies. Based upon prior experience, the Village does not believe that such disallowances or other actions taken by the grantor agencies, if any, would have a material effect on the financial position of the Village.

*LITIGATION*

The Village is also subject to various claims that arise in the normal course of business. Management believes that, although the outcome of the litigation cannot be predicted with certainty, the ultimate liability, if any, will not have a material adverse effect on the Village's financial statements.

# VILLAGE OF PALMETTO BAY, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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### NOTE 8 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

#### *RISK MANAGEMENT*

The Village is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions and natural disasters for which the Village carries commercial insurance. There was no reduction 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.

#### *AGREEMENT WITH MIAMI-DADE COUNTY FOR LOCAL POLICE PATROL SERVICES*

On May 5, 2003, the Village executed an agreement with Miami-Dade County for local police patrol services. The Village makes regular monthly payments to Miami-Dade County. Payments are adjusted to accrue for labor costs incurred and deducted from the gross revenues due to the Village from Miami-Dade County. Payments for the services provided by Miami-Dade County are based on the level of staffing services requested by the Village utilizing the actual personnel costs of officers and equipment. This agreement was modified in July 2019 and expires in September 2024. Payments for patrol services totaled approximately \$7,859,000 during fiscal year ended September 30, 2021.

#### *CONSTRUCTION COMMITMENTS*

The Village had construction commitments of approximately \$442,000 outstanding at September 30, 2021.

### NOTE 9 – DEFICIT IN FUND BALANCE

At September 30, 2021, the Building Fund had a deficit of \$537,563. The Village expects to fund this deficit with transfers from the General Fund in subsequent years.

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**REQUIRED SUPPLEMENTARY INFORMATION**

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**VILLAGE OF PALMETTO BAY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE: GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 6,894,470	\$ 6,894,470	\$ 6,816,609	\$ (77,861)
Utility taxes	2,330,000	2,330,000	2,677,579	347,579
Communication service tax	800,000	800,000	797,714	(2,286)
Franchise fees	850,000	850,000	1,222,608	372,608
Intergovernmental	1,904,000	1,904,000	2,516,213	612,213
Licenses and permits	315,000	315,000	258,007	(56,993)
Fines and forfeitures	108,500	108,500	161,732	53,232
Charges for services	592,750	592,750	660,284	67,534
Interest	50,000	50,000	34,618	(15,382)
Miscellaneous	363,980	363,980	376,923	12,943
<b>Total Revenues</b>	<u>14,208,700</u>	<u>14,208,700</u>	<u>15,522,287</u>	<u>1,313,587</u>
<b>Expenditures</b>				
Current:				
General government				
Village council	160,885	160,885	163,809	(2,924)
Village manager/clerk	690,693	690,693	671,476	19,217
Finance department	885,189	885,189	798,086	87,103
Village attorney	292,676	292,676	376,544	(83,868)
Planning and zoning	435,761	435,761	360,112	75,649
Other general government	818,500	818,500	727,083	91,417
<b>Total General Government</b>	<u>3,283,704</u>	<u>3,283,704</u>	<u>3,097,110</u>	<u>186,594</u>
Public safety	8,537,500	8,537,500	7,949,824	587,676
Public works	821,023	784,523	482,103	302,420
Parks and recreation	2,384,287	2,420,787	2,117,726	303,061
Debt service:				
Principal	337,521	337,521	865,326	(527,805)
Interest	478,934	478,934	501,647	(22,713)
Issuance cost	--	--	163,689	(163,689)
<b>Total Expenditures</b>	<u>15,842,969</u>	<u>15,842,969</u>	<u>15,177,425</u>	<u>665,544</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(1,634,269)</u>	<u>(1,634,269)</u>	<u>344,862</u>	<u>1,979,131</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	--	--	(293,950)	(293,950)
Proceeds of refunding bonds	--	--	8,799,773	8,799,773
Bond premium	--	--	1,663,652	1,663,652
Payment to refunded bond escrow agent	--	--	(10,299,736)	(10,299,736)
Appropriation of prior year's fund balance	1,634,269	1,634,269	--	(1,634,269)
<b>Total Other Financing Sources (Uses)</b>	<u>1,634,269</u>	<u>1,634,269</u>	<u>(130,261)</u>	<u>(1,764,530)</u>
<b>Net Change in Fund Balance</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 214,601</u>	<u>\$ 214,601</u>

*See notes to budgetary comparison schedule.*

**VILLAGE OF PALMETTO BAY, FLORIDA**  
**NOTES TO BUDGETARY COMPARISON SCHEDULE**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 1 – BUDGETARY COMPARISON SCHEDULES**

The General Fund annual appropriated budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. Special Revenue, Debt Service and Capital Projects Funds do not have annual appropriated adopted budgets.

The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

- (1) Prior to fiscal year end, the Village Manager submits to the Village Council a proposed operating budget for the fiscal year commencing the following October 1st. The operating budget is restricted to proposed expenditures and the means of financing them by means of appropriated revenues, other financing sources and appropriations of fund balances. Budgetary control over expenditures, including capital outlay and transfers in the General Fund is legally maintained at the fund level.
- (2) Two public hearings are conducted to obtain taxpayer comments as required by Truth in Millage (“TRIM”) legislation.
- (3) Prior to October 1st (unless preempted by TRIM) as stated in the Village’s Charter, the budget is legally enacted through passage of an ordinance.
- (4) The Village Manager may amend the adopted budget for adjustments within departments administratively in the General Fund, but the Village Council must approve all budget adjustments between funds. Supplemental appropriations of revenues in excess of the adopted budget may be appropriated by the Council by way of an ordinance. There were no supplemental appropriations for the fiscal year.
- (5) Unencumbered appropriations lapse at year-end.

**NOTE 2 – BUDGET AND ACTUAL COMPARISON**

The budgetary comparison schedule is prepared on the basis of accounting used in preparing the appropriated budget. For budgetary purposes, proceeds from the sale of capital assets are included in budgeted revenues, but are considered “other financing sources” for GAAP. As a result, the General Fund revenues reported in the budgetary comparison schedule are \$38,609 more than the revenues reported on the basis of GAAP due to \$38,609 of proceeds from the sale of capital assets reported as another financing source under GAAP.

**VILLAGE OF PALMETTO BAY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN THE TOTAL OPEB  
LIABILITY AND RELATED RATIOS**

September 30, (Measurement Date)	2021	2020	2019	2018
<b>Total OPEB Liability</b>				
Service cost	\$ 8,582	\$ 7,653	\$ 2,702	\$ 3,035
Interest	2,087	686	751	912
Changes of benefit terms	--	92,330	--	--
Differences between actual and expected experience	--	(13,315)	--	(475)
Assumption changes and other inputs	(644)	6,401	83	93
Benefit payments	(31,807)	--	(9,988)	(12,263)
Other changes	--	503	27	993
<b>Net Change in Total OPEB Liability</b>	(21,782)	94,258	(6,425)	(7,705)
<b>Total OPEB Liability - Beginning</b>	<u>113,443</u>	<u>19,185</u>	<u>25,610</u>	<u>33,315</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 91,661</u>	<u>\$ 113,443</u>	<u>\$ 19,185</u>	<u>\$ 25,610</u>
<b>Covered Employee Payroll</b>	\$3,718,367	\$3,542,189	\$3,401,757	\$ 3,210,720
<b>Total OPEB Liability as a Percentage of Covered Employee Payroll</b>	2.47%	3.20%	0.56%	0.80%

*This schedule is presented as required by accounting principles generally accepted in the United States of America, however, until a full 10-year trend is compiled, information is presented for those years available.*

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**COMBINING FINANCIAL STATEMENTS**

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**VILLAGE OF PALMETTO BAY, FLORIDA**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2021**

	Special Revenue					Palmetto Bay Foundation	Total
	Stormwater Management	Law Enforcement Trust Fund	False Alarm Fund	Art in Public Places Fund	Debt Service Fund		
<b>Assets</b>							
Cash and cash equivalents	\$ 632,944	\$ 4,093	\$ 62,662	\$ 404,129	\$ --	\$ 6,678	\$ 1,110,506
Receivables	32,798	--	--	--	--	--	32,798
Due from other funds	222	113	3,378	--	--	--	3,713
Due from other governments	111,373	247	--	--	--	--	111,620
Restricted cash and cash equivalents	--	--	--	--	15,227	--	15,227
<b>Total Assets</b>	<u>\$ 777,337</u>	<u>\$ 4,453</u>	<u>\$ 66,040</u>	<u>\$ 404,129</u>	<u>\$ 15,227</u>	<u>\$ 6,678</u>	<u>\$ 1,273,864</u>
<b>Liabilities</b>							
Accounts payable	\$ 39,430	\$ --	\$ 2,695	\$ 3,757	\$ 4,958	\$ --	\$ 50,840
Accrued liabilities	4,400	--	--	--	--	--	4,400
Due to other funds	40,401	--	3,960	232	--	--	44,593
<b>Total Liabilities</b>	<u>84,231</u>	<u>--</u>	<u>6,655</u>	<u>3,989</u>	<u>4,958</u>	<u>--</u>	<u>99,833</u>
<b>Fund Balances</b>							
Restricted:							
Public transportation operations and maintenance	693,106	--	--	--	--	--	693,106
Debt service	--	--	--	--	10,269	--	10,269
Charitable and educational	--	--	--	--	--	6,678	6,678
Police equipment and training	--	4,453	--	--	--	--	4,453
Committed:							
False alarm management	--	--	59,385	--	--	--	59,385
Art in public places	--	--	--	400,140	--	--	400,140
<b>Total Fund Balances</b>	<u>693,106</u>	<u>4,453</u>	<u>59,385</u>	<u>400,140</u>	<u>10,269</u>	<u>6,678</u>	<u>1,174,031</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 777,337</u>	<u>\$ 4,453</u>	<u>\$ 66,040</u>	<u>\$ 404,129</u>	<u>\$ 15,227</u>	<u>\$ 6,678</u>	<u>\$ 1,273,864</u>

**VILLAGE OF PALMETTO BAY, FLORIDA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

	Special Revenue						Total	
	Law		False Alarm Fund	Art in Public Places Fund		Debt Service Fund		Palmetto Bay Foundation
	Stormwater Management	Enforcement Trust Fund		Stormwater Management	Enforcement Trust Fund			
<b>Revenues</b>								
Intergovernmental	\$ --	\$ --	\$ --	\$ 8,751	\$ --	\$ --	\$ 8,751	
Charges for services	832,264	--	62,210	--	--	--	894,474	
Interest	3,000	15	169	449	--	6	3,639	
Miscellaneous	344	1,157	3,243	--	--	--	4,744	
<b>Total Revenues</b>	<u>835,608</u>	<u>1,172</u>	<u>65,622</u>	<u>9,200</u>	<u>--</u>	<u>6</u>	<u>911,608</u>	
<b>Expenditures</b>								
Current:								
General government	--	159	41,060	5,813	--	--	47,032	
Public works	624,866	--	--	--	--	--	624,866	
Capital outlay	12,896	--	--	82,000	--	--	94,896	
Debt service:								
Principal	92,615	--	--	--	955,222	--	1,047,837	
Interest	33,159	--	--	--	--	--	33,159	
Issuance cost	--	--	--	--	--	--	--	
<b>Total Expenditures</b>	<u>763,536</u>	<u>159</u>	<u>41,060</u>	<u>87,813</u>	<u>955,222</u>	<u>--</u>	<u>1,847,790</u>	
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>72,072</u>	<u>1,013</u>	<u>24,562</u>	<u>(78,613)</u>	<u>(955,222)</u>	<u>6</u>	<u>(936,182)</u>	
<b>Other Financing Sources</b>								
Transfers in	29,509	--	--	--	--	--	29,509	
Issuance of refunding bonds	--	--	--	--	15,227	--	15,227	
<b>Total Other Financing Sources</b>	<u>29,509</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>15,227</u>	<u>--</u>	<u>44,736</u>	
<b>Net Change in Fund Balances</b>	101,581	1,013	24,562	(78,613)	(939,995)	6	(891,446)	
<b>Fund Balances - Beginning</b>	<u>591,525</u>	<u>3,440</u>	<u>34,823</u>	<u>478,753</u>	<u>950,264</u>	<u>6,672</u>	<u>2,065,477</u>	
<b>Fund Balances - Ending</b>	<u>\$ 693,106</u>	<u>\$ 4,453</u>	<u>\$ 59,385</u>	<u>\$ 400,140</u>	<u>\$ 10,269</u>	<u>\$ 6,678</u>	<u>\$ 1,174,031</u>	

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## **STATISTICAL SECTION**

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## Statistical Section

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

### **Contents**

**Page**

#### **Financial Trends**

**50 - 53**

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

#### **Revenue Capacity**

**54 - 57**

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

#### **Debt Capacity**

**58 - 61**

These schedules represent 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.

#### **Demographic and Economic Information**

**62**

This schedule offers demographic and economic indicators to help the reader understand the environment within which the Village financial activities take place.

#### **Operating Information**

**63 - 66**

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

**VILLAGE OF PALMETTO BAY**  
**NET POSITION BY COMPONENT**  
*LAST TEN FISCAL YEARS*  
*(ACCRUAL BASIS OF ACCOUNTING)*

	Fiscal Year									
	2012 <sup>1</sup>	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Investment in capital assets, net of related debt	\$ 34,403,772	\$ 34,455,529	\$ 33,862,202	\$ 33,588,474	\$ 33,134,812	\$ 33,124,927	\$ 37,879,325	\$ 41,339,531	\$ 44,025,420	\$ 45,152,296
Restricted	4,777,407	4,658,334	5,028,591	5,523,082	5,806,975	4,695,709	5,584,081	3,908,588	4,005,311	3,918,829
Unrestricted	10,152,507	11,033,358	12,660,148	14,224,072	15,597,402	16,651,125	13,926,428	15,044,142	11,873,457	11,856,887
Total governmental activities net asset	<u>\$ 49,333,686</u>	<u>\$ 50,147,221</u>	<u>\$ 51,550,941</u>	<u>\$ 53,335,628</u>	<u>\$ 54,539,189</u>	<u>\$ 54,471,761</u>	<u>\$ 57,389,834</u>	<u>\$ 60,292,261</u>	<u>\$ 59,904,188</u>	<u>\$ 60,928,012</u>

NOTE: There are no Business-type activities  
1. 2012 net assets were restated (\$349,379) to implement GASB 65

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

	Fiscal Year									
	2012 <sup>1</sup>	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses</b>										
Governmental activities:										
General Government	\$ 4,941,661	\$ 5,743,583	\$ 4,883,138	\$ 5,451,964	\$ 6,571,452	\$ 7,047,743	\$ 5,518,997	\$ 6,339,575	\$ 6,326,017	\$ 6,166,085
Economic Development	-	-	212,328	115,794	-	-	-	-	-	-
Public safety	5,964,055	5,982,271	6,638,112	7,006,463	6,759,037	7,401,124	7,640,492	8,089,316	8,032,978	7,957,443
Public Assistance	-	-	-	-	-	-	1,765,431	16,473	439,281	126,225
Public Works	949,063	956,794	975,188	854,938	978,242	939,841	2,108,425	3,138,825	4,018,596	3,945,055
Parks & Recreation	2,574,210	2,611,721	2,820,743	2,920,756	2,387,359	2,459,021	2,685,465	3,409,247	2,614,193	3,633,125
Interest on long-term debt	757,437	872,105	837,207	807,485	734,187	693,749	667,295	711,044	622,416	561,137
Total governmental activities expenses	\$ 15,186,426	\$ 16,166,474	\$ 16,366,716	\$ 17,157,400	\$ 17,430,277	\$ 18,541,478	\$ 20,386,105	\$ 21,704,480	\$ 22,053,481	\$ 22,389,070
<b>Program Revenue</b>										
Governmental activities:										
Charge for services:										
General Government	\$ 1,090,789	\$ 1,162,707	\$ 1,509,505	\$ 1,606,244	\$ 1,791,654	\$ 1,663,744	\$ 2,753,482	\$ 2,352,134	\$ 1,477,058	\$ 3,204,412
Public Safety	269,662	306,074	298,121	241,096	259,831	258,500	160,236	365,105	251,311	164,105
Public Works	715,634	726,818	729,259	712,742	680,536	694,083	1,218,923	711,738	674,453	832,264
Park & Recreation	773,020	841,724	774,676	1,049,133	841,359	1,039,950	1,039,437	1,089,978	491,876	660,284
Operating Grants and Contributions	1,522,549	1,507,892	1,617,420	1,925,957	2,002,049	1,938,471	2,055,984	2,538,460	2,237,279	711,882
Capital Grants and Contributions	192,604	14,948	2,526	-	-	-	1,886,616	3,617,708	1,926,891	649,477
Total governmental activities programs revenues	\$ 4,564,258	\$ 4,560,163	\$ 4,931,507	\$ 5,535,172	\$ 5,575,429	\$ 5,594,748	\$ 9,114,678	\$ 10,675,123	\$ 7,058,868	\$ 6,222,424
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (10,622,168)	\$ (11,606,311)	\$ (11,435,209)	\$ (11,622,228)	\$ (11,854,848)	\$ (12,946,730)	\$ (11,271,427)	\$ (11,029,357)	\$ (14,994,613)	\$ (16,166,646)
<b>General Revenues and Other changes in Net Assets</b>										
Governmental activities:										
Taxes										
Property taxes	\$ 5,446,837	\$ 5,528,940	\$ 5,555,032	\$ 5,788,016	\$ 5,967,015	\$ 5,949,675	\$ 6,280,596	\$ 6,311,243	\$ 6,449,589	\$ 6,816,609
Utility Taxes	2,093,849	2,188,566	2,360,864	2,336,472	2,371,602	2,449,906	2,476,087	2,504,675	2,635,734	2,677,579
Communication Taxes	1,375,239	1,310,324	1,434,739	1,326,446	1,268,751	1,268,588	1,122,791	903,794	857,722	797,714
Franchise taxes	1,101,516	1,016,281	829,882	787,126	800,852	599,893	816,239	795,525	927,087	1,222,608
Intergovernmental revenue	1,975,588	2,091,722	2,180,210	2,255,791	2,303,566	2,291,919	2,482,841	2,418,059	2,132,145	4,308,499
Investment earnings	149,253	139,668	134,833	155,623	149,951	163,920	202,985	227,869	167,033	57,478
Impact Fees	-	-	-	-	-	-	-	-	-	806,448
Miscellaneous	191,226	144,345	343,369	157,441	196,672	155,401	807,961	1,333,963	527,798	503,535
Total governmental activities	\$ 12,333,508	\$ 12,419,846	\$ 12,838,929	\$ 12,806,915	\$ 13,058,409	\$ 12,879,302	\$ 14,189,500	\$ 14,495,128	\$ 13,697,108	\$ 17,190,470
<b>Extraordinary Items</b>										
Settlements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
GASB 65 Expense of debt issuance costs	\$ (349,379)				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjustment to beginning net position							\$ (544,159)	\$ 890,248	\$ -	\$ -
<b>Change in Net Asset</b>										
Governmental activities	\$ 1,361,961	\$ 813,535	\$ 1,403,720	\$ 1,184,687	\$ 1,203,561	\$ (67,428)	\$ 2,918,073	\$ 2,921,612	\$ (407,257)	\$ 1,023,824
Total Primary Government	\$ 1,361,961	\$ 813,535	\$ 1,403,720	\$ 1,184,687	\$ 1,203,561	\$ (67,428)	\$ 2,918,073	\$ 2,921,612	\$ (407,257)	\$ 1,023,824

1. 2012 restated to include implementation of GASB 65 expenditure of debt issuance costs.

**VILLAGE OF PALMETTO BAY**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
*LAST TEN FISCAL YEARS*  
*(MODIFIED ACCRUAL BASIS OF ACCOUNTING)*

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Non-Spendable	\$ 106,594	\$ 80,185	\$ 125,402	\$ 676,220	\$ 82,883	\$ 82,332	\$ 85,383	\$ 96,067	\$ 448,671	\$ 167,673
Restricted	-	-	-	-	-	-	-	-	-	-
Assigned	103,728	125,231	-	-	-	-	-	-	4,700,000	4,700,000
Unassigned	12,235,109	12,933,169	12,945,499	13,181,246	11,442,147	10,638,696	11,017,071	10,570,072	5,562,388	6,057,987
Total General Fund	<u>\$ 12,445,431</u>	<u>\$ 13,138,585</u>	<u>\$ 13,070,901</u>	<u>\$ 13,857,466</u>	<u>\$ 11,525,030</u>	<u>\$ 10,721,028</u>	<u>\$ 11,102,454</u>	<u>\$ 10,666,139</u>	<u>\$ 10,711,059</u>	<u>\$ 10,925,660</u>
All Other Governmental Funds										
Restricted:										
Special Revenue Funds	\$ 3,139,924	\$ 3,399,620	\$ 4,126,942	\$ 4,621,251	\$ 4,903,311	\$ 3,787,024	\$ 4,662,974	\$ 2,967,090	\$ 3,055,047	\$ 3,908,560
Debt Service Fund	901,092	901,505	901,649	901,831	903,664	908,685	921,107	941,498	950,264	10,269
Capital Projects Funds	1,306,121	357,209	-	-	-	-	-	-	-	-
Committed:										
Special Revenue Funds	990,419	743,588	800,887	1,120,149	970,526	1,482,058	447,902	447,276	513,576	459,525
Capital Projects Funds	98,639	993,799	2,316,605	1,986,638	4,864,924	6,297,720	4,848,583	3,058,195	2,290,756	1,421,016
Unassigned	-	-	-	-	-	(91,305)	(1,296,560)	(27,217)	(1,478,194)	(537,563)
Total All Other Governmental Funds	<u>\$ 6,436,195</u>	<u>\$ 6,395,721</u>	<u>\$ 8,146,083</u>	<u>\$ 8,629,869</u>	<u>\$ 11,642,425</u>	<u>\$ 12,384,182</u>	<u>\$ 9,584,006</u>	<u>\$ 7,386,842</u>	<u>\$ 5,331,449</u>	<u>\$ 5,261,807</u>
Total All Funds	<u>\$ 18,881,626</u>	<u>\$ 19,534,306</u>	<u>\$ 21,216,984</u>	<u>\$ 22,487,335</u>	<u>\$ 23,167,455</u>	<u>\$ 23,105,210</u>	<u>\$ 20,686,460</u>	<u>\$ 18,052,981</u>	<u>\$ 16,042,508</u>	<u>\$ 16,187,467</u>

**VILLAGE OF PALMETTO BAY**  
**CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
*LAST TEN FISCAL YEARS*  
*(MODIFIED ACCRUAL BASIS OF ACCOUNTING)*

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues:</b>										
Property Taxes	\$ 5,446,837	\$ 5,528,940	\$ 5,555,032	\$ 5,788,016	\$ 5,967,015	\$ 5,949,675	\$ 6,280,596	\$ 6,311,243	\$ 6,449,589	\$ 6,816,609
Utility Taxes	2,093,849	2,188,566	2,360,864	2,336,472	2,371,602	2,449,906	2,476,087	2,504,675	2,635,734	2,677,579
Communication Taxes	1,375,239	1,310,324	1,434,739	1,326,446	1,268,751	1,268,588	1,122,791	903,794	857,722	797,714
Franchise Fees	1,101,516	1,016,281	829,882	787,126	800,852	599,893	816,239	795,525	927,087	1,222,608
Intergovernmental	3,690,741	3,614,562	3,800,156	4,181,748	4,305,615	4,230,390	6,425,441	8,574,227	6,296,315	5,669,858
Licenses and permits	1,028,694	1,089,455	1,434,834	1,542,529	1,707,230	1,590,432	2,684,316	2,301,515	1,419,684	3,939,660
Fines and Forfeitures	269,662	306,074	298,121	241,096	259,831	258,500	160,236	365,105	251,311	164,105
Charges for services	1,550,749	1,641,794	1,578,606	1,825,590	1,606,319	1,807,345	2,327,526	1,852,335	1,223,703	1,563,748
Interest	149,253	139,668	134,833	155,623	149,951	163,920	202,985	227,869	167,033	57,478
Miscellaneous fees	191,226	144,345	343,369	157,441	196,672	155,401	807,961	1,333,963	527,798	445,296
Total revenues	\$ 16,897,766	\$ 16,980,009	\$ 17,770,436	\$ 18,342,087	\$ 18,633,838	\$ 18,474,050	\$ 23,304,178	\$ 25,170,251	\$ 20,755,976	\$ 23,354,655
<b>Expenditures:</b>										
General Government <sup>1</sup>	\$ 4,701,490	\$ 4,713,967	\$ 4,536,099	\$ 3,215,109	\$ 3,621,256	\$ 3,384,761	\$ 3,056,414	\$ 3,127,029	\$ 3,429,864	\$ 3,148,672
Economic Development	-	-	212,328	115,708	-	-	-	-	-	-
Public Safety	5,960,192	5,972,399	6,570,600	8,067,338	8,146,706	9,278,628	7,636,086	8,079,196	8,022,549	7,949,824
Public Assistance	-	-	-	-	-	-	1,765,431	16,473	439,281	126,225
Public works	676,414	701,135	703,360	1,422,213	1,470,397	1,375,596	1,733,355	2,745,584	3,607,160	3,151,674
Building and Permitting	-	-	-	-	-	-	2,101,149	2,848,634	2,384,968	2,488,061
Parks & Recreation	1,721,369	1,749,626	1,901,354	2,012,989	1,472,640	1,523,791	1,742,948	2,151,271	1,762,901	2,729,793
Capital outlay	801,920	1,628,022	604,506	690,087	1,704,949	1,445,354	6,125,156	6,725,241	3,147,526	1,255,373
Debt service										
Principal Payments	519,798	698,834	729,299	724,968	810,577	841,411	895,094	855,099	240,032	2,087,982
Interest Expense	737,951	863,346	830,212	823,324	727,192	686,754	667,295	711,044	622,416	561,137
	-	-	-	-	-	-	-	-	-	163,689
Total Expenditures	\$ 15,119,134	\$ 16,327,329	\$ 16,087,758	\$ 17,071,736	\$ 17,953,717	\$ 18,536,295	\$ 25,722,928	\$ 27,259,571	\$ 23,656,697	\$ 23,662,430
Excess of revenues over (under) expenditures	\$ 1,778,632	\$ 652,680	\$ 1,682,678	\$ 1,270,351	\$ 680,121	\$ (62,245)	\$ (2,418,750)	\$ (2,089,320)	\$ (2,900,721)	\$ (307,775)
<b>Other Financing Sources (Uses):</b>										
Transfer In	\$ 682,691	\$ 897,000	\$ 1,480,000	\$ 121,000	\$ 3,200,000	\$ 1,550,000	\$ 1,114,057	\$ 151,285	\$ 650,286	\$ 323,459
Transfer Out	(682,691)	(897,000)	(1,480,000)	(121,000)	(3,200,000)	(1,550,000)	(1,114,057)	(151,285)	(650,286)	(323,459)
CARES Act	-	-	-	-	-	-	-	-	153,157	-
Refinanced Debt	-	-	-	-	(1,209,840)	-	-	-	-	(10,299,736)
Discount/Issuance Cost on debt issue	-	-	-	-	(42,308)	-	-	-	-	1,663,652
Proceeds from issuance of debt	-	-	-	-	1,252,148	-	-	-	-	8,815,000
Proceeds from Capital Leases	-	-	-	-	-	-	-	-	-	273,818
Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 153,157	\$ 452,734
<b>Extraordinary Items:</b>										
Mitigation/Litigation Settlement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjustment to beginning net position	-	-	-	-	-	-	-	(544,159)	890,248	-
<b>Net change in fund balances</b>	<b>\$ 1,778,632</b>	<b>\$ 652,680</b>	<b>\$ 1,682,678</b>	<b>\$ 1,270,351</b>	<b>\$ 680,121</b>	<b>\$ (62,245)</b>	<b>\$ (2,418,750)</b>	<b>\$ (2,633,479)</b>	<b>\$ (1,857,316)</b>	<b>\$ 144,959</b>
Debt services as a percentage of noncapital expenditures	8.7849%	10.6276%	10.0722%	9.4514%	9.4639%	8.9414%	7.9723%	7.6269%	4.2052%	12.5532%

**VILLAGE OF PALMETTO BAY**  
**NET ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY**  
*LAST TEN FISCAL YEARS*  
*(DOLLARS EXPRESSED IN THOUSANDS)*

<b>Fiscal Year</b>	<b>Real Property</b>		<b>Personal Property</b>		<b>less: Tax-Exempt Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total<sup>1</sup> Direct Tax Rate</b>	<b>Estimated<sup>2</sup> Actual Value</b>	<b>Assessed Value as a % of Actual Value</b>
	<b>Residential</b>	<b>Commercial</b>							
2012	\$ 2,550,693	\$ 506,154	\$ 90,003	\$ 788,174	\$ 2,358,676	2.4470	\$ 3,312,269	71.21%	
2013	2,641,678	517,040	89,089	832,846	2,414,961	2.4470	3,423,310	70.54%	
2014	2,591,982	498,036	76,327	766,243	2,400,102	2.4470	3,343,102	71.79%	
2015	2,834,094	487,906	75,767	935,530	2,462,237	2.4470	3,574,274	68.89%	
2016	3,044,310	489,506	78,598	1,061,101	2,551,313	2.4470	3,788,921	67.34%	
2017	3,327,991	526,672	80,748	1,275,694	2,659,717	3.3292	4,118,692	64.58%	
2018	3,511,675	579,694	79,439	1,361,809	2,808,999	2.3292	4,358,279	64.45%	
2019	3,555,946	834,994	81,027	1,541,254	2,930,713	2.2387	4,471,967	65.54%	
2020	3,553,811	902,682	80,616	1,483,458	3,053,651	2.2000	4,537,109	67.30%	
2021	3,613,741	924,623	82,259	1,421,062	3,199,562	2.2350	4,620,624	69.25%	

Information obtained from Miami-Dade County Department of Property Appraisal.

N/A - Information not available

1: Tax rates are per \$1,000 of assessed value.

2: Includes tax-exempt property.

**VILLAGE OF PALMETTO BAY**  
**PROPERTY TAX RATES**  
**DIRECT AND OVERLAPPING GOVERNMENTS**  
*LAST TEN FISCAL YEARS*

<b>Fiscal Year</b>	<b>Village of Palmetto Bay Direct Rates</b>		<b>Overlapping Rates</b>				<b>Total Millage</b>
	<b>Basic Rate</b>	<b>Total Direct</b>	<b>School District</b>	<b>State Rate</b>	<b>Miami-Dade County</b>	<b>Special District Millage</b>	
2012	2.4470	2.4470	8.0050	0.4708	5.0900	3.1422	19.1550
2013	2.4470	2.4470	7.9980	0.4634	4.9885	3.1352	19.0321
2014	2.4470	2.4470	7.9770	0.4455	5.1255	3.1348	19.1298
2015	2.4470	2.4470	7.9740	0.4187	5.1169	3.2161	19.1727
2016	2.4470	2.4470	7.6120	0.3871	5.1169	3.2133	18.7763
2017	2.3292	2.3292	7.3220	0.3627	5.0669	3.2122	18.2930
2018	2.3292	2.3292	6.9940	0.3420	5.0669	3.1795	17.9116
2019	2.2387	2.2387	6.7330	0.3256	5.1313	3.1462	17.5748
2020	2.2000	2.2000	7.1480	0.3115	5.1449	3.1727	17.9771
2021	2.2350	2.2350	7.1290	0.2995	5.1449	3.1554	17.9638

Information Obtained from Miami-Dade County Department of Property Appraisal

**VILLAGE OF PALMETTO BAY**  
**PRINCIPAL PROPERTY TAX PAYERS**

*Current Year and Nine Years Ago*

Taxpayer	2021				2012			
	Type of Business	Taxable Value	Rank	Percentage of Total City Taxable Value	Type of Business	Taxable Value	Rank	Percentage of Total City Taxable Value
FCI Palmetto Bay LLC	Multi Family	\$ 46,785,137	1	1.46%				
Metropolitan Life Insurance	Retail Outlet	31,790,000	2	0.99%	Retail Outlet	\$ 19,100,000	3	0.84%
Brandsmart USA	Retail Outlet	30,576,700	3	0.96%	Retail Outlet	27,800,000	2	1.22%
H Greg Nissan Kendall LLC	Automotive	25,926,985	4	0.81%	Automotive	13,800,000	4	0.60%
Yatch Club By Luxcom LLC	Vacant Land	25,031,279	5	0.78%				
17777 Old Cutler RD LLC	Office Building	24,750,000	6	0.77%	Office Building	28,257,436	1	1.24%
South Motors Company Of Dade County	Automotive	13,000,000	7	0.41%	Automotive	9,300,000	8	0.41%
Publix Super Markets Inc.	Retail Outlet	12,925,218	8	0.40%	Retail Outlet	9,414,375	7	0.41%
Gus Machado Kendall Inc.	Automotive	11,643,520	9	0.36%	Automotive	8,400,363	9	0.37%
South Dade Propco LLC	Health Care	10,890,640	10	0.34%				
Equity One	Retail Outlet			0.00%	Retail Outlet	13,100,000	5	0.57%
Fla Power & Light	Utility				Utility	10,058,844	6	0.44%
Gramercy Park Nursing Care Ctr	Health Care				Health Care	8,258,232	10	0.36%
Total		<u>\$ 233,319,479</u>		<u>5.82%</u>		<u>\$ 147,489,250</u>		<u>6.46%</u>
<b>Total Taxable Value</b>		\$ 3,199,561,967				\$ 2,282,097,722		

Source: Miami-Dade tax assessor's office.

**VILLAGE OF PALMETTO BAY**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
*LAST TEN FISCAL YEARS*

<b>Fiscal Year</b>	<b>Total Tax Levy<sup>1</sup></b>	<b>Current Tax Collections<sup>2</sup></b>	<b>Percent of Current Taxes Collected</b>	<b>Delinquent Tax Collections<sup>2</sup></b>	<b>Total Tax Collections</b>	<b>Ratio of Total Tax Collection to Total Tax Levy</b>	<b>Outstanding Delinquent Taxes<sup>3</sup></b>	<b>Ratio of Delinquent Taxes to Total Tax Levy</b>
2012	\$ 5,771,680	\$ 5,390,428	93.4%	\$ 55,584	\$ 5,446,012	94.4%	\$ 31,896	0.6%
2013	5,909,411	5,492,139	92.9%	36,801	5,528,940	93.6%	32,700	0.6%
2014	5,873,051	5,522,319	94.0%	32,713	5,555,032	94.6%	185,246	3.2%
2015	6,025,091	5,671,041	94.1%	116,975	5,788,016	96.1%	312,186	5.2%
2016	6,243,063	5,864,698	93.9%	102,317	5,967,015	95.6%	668,042	10.7%
2017	6,195,014	5,794,653	93.5%	154,179	5,948,832	96.0%	723,080	11.7%
2018	6,542,719	6,123,394	93.6%	157,202	6,280,596	96.0%	587,301	9.0%
2019	6,560,986	6,169,601	94.0%	141,642	6,311,243	96.2%	133,210	2.0%
2020	6,718,032	6,271,130	93.3%	178,459	6,449,589	96.0%	405,418	6.0%
2021	7,151,021	6,685,657	93.5%	130,952	6,816,609	95.3%	769,262	10.8%

- 1: Information taken from Certification of Taxable Value.  
2: Information obtained from Village of Palmetto Bay's financial statements.  
3: Information obtained from Miami-Dade County Tax Collector confirmation.  
New reporting system as of 2014.

**VILLAGE OF PALMETTO BAY**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
*LAST TEN FISCAL YEARS*

Fiscal Year	Special Revenue Bonds	Capital Leases	Liabilities to Miami-Dade <sup>1</sup>	Total	Percentage of Personal Income <sup>3</sup>	Per Capita <sup>2</sup>
2012	\$ 17,116,117	\$ -	\$ 3,206,356	\$ 20,322,473	2.12%	\$ 868
2013	16,585,585	-	3,040,029	19,625,614	2.04%	837
2014	16,037,039	-	2,903,930	18,940,969	1.89%	801
2015	15,475,162	-	2,677,301	18,152,463	1.75%	773
2016	14,907,496	-	2,483,513	17,391,009	1.63%	732
2017	14,270,687	-	2,280,886	16,551,573	1.52%	694
2018	13,609,539	-	2,048,916	15,658,455	1.27%	653
2019	12,923,289	-	1,882,042	14,805,331	1.16%	613
2020	12,477,757	-	1,642,010	14,119,767	1.09%	580
2021	11,284,492	166,174	1,391,162	12,841,828	N/A	N/A

Note: Details regarding the Village's outstanding debt can be found in Note 5 of the financial statements.

Note: The Village has no General Obligation Bonds.

1: The Village of Palmetto Bay was allocated a portion of Miami-Dade's Stormwater (as of 2007) and Quality Neighborhood Improvement (as of 2003) bonds as part of incorporation.

2: See the page 62 for Demographic and Economic Statistics.

3: See page 62 for Personal Income

N/A - Information not available

**VILLAGE OF PALMETTO BAY**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
*AS OF SEPTEMBER 30, 2021*

<u>Governmental Unit</u>	<u>Bonded Debt Outstanding</u>	<u>Percentage Applicable to Village of Palmetto Bay<sup>1</sup></u>	<u>Amount Applicable to Village of Palmetto Bay</u>	<u>Amount Per Capita Village of Palmetto Bay<sup>1</sup></u>
<b>County Debt</b>				
Miami-Dade County <sup>2</sup>	\$ 2,216,000,000	0.87%	\$ 19,279,200	\$ 792
School Board <sup>3</sup>	912,173,000	0.87%	7,935,905	326
Total Overlapping Debt	<u>\$ 3,128,173,000</u>		<u>\$ 27,215,105</u>	<u>\$ 1,118</u>
Contractual Debt <sup>4</sup>	\$ 1,391,162	100.00%	\$ 1,391,162	\$ 57
Capital Leases	166,174	100.00%	166,174	7
Village Direct Debt	11,284,492	100.00%	11,284,492	464
Total Village Debt	<u>12,841,828</u>		<u>12,841,828</u>	<u>528</u>
Total Direct and Overlapping Debt	<u>\$ 3,141,014,828</u>		<u>\$ 40,056,933</u>	<u>\$ 1,646</u>

1: Based upon population; information obtained from Bureau of Economic and Business Research, as of April 2019 used for FY2021; Village of Palmetto Bay - 24,341 and Miami-Dade County - 2,802,426

2: Information obtained from Miami-Dade County Finance Department.

3: Information obtain from Miami-Dade School Board.

4. Debt issued by Miami-Dade county but a proportionate share was agreed to be paid by the Village as part of incorporation. See Note 5.

**VILLAGE OF PALMETTO BAY**  
**LEGAL DEBT SERVICE MARGIN INFORMATION**  
*LAST TEN FISCAL YEARS*

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Legal Debt Service Margin Calculation</b>										
Total General Fund Revenues <sup>1</sup>	\$ 16,897,766	\$ 16,980,009	\$ 17,770,436	\$ 18,342,087	\$ 18,633,838	\$ 18,474,050	\$ 23,305,809	\$ 25,170,251	\$ 20,755,976	\$ 23,354,655
Debt Service Limit (20% of General Fund Revenues) <sup>2</sup>	3,446,902	3,387,778	3,475,045	3,611,252	3,697,593	3,710,789	4,177,986	4,847,606	4,592,623	4,411,063
Debt Service applicable to limit	<u>1,257,749</u>	<u>1,562,180</u>	<u>1,559,511</u>	<u>1,548,292</u>	<u>1,537,769</u>	<u>1,528,165</u>	<u>1,562,389</u>	<u>1,566,143</u>	<u>862,448</u>	<u>2,812,808</u>
Legal debt service margin	<u>\$ 2,189,153</u>	<u>\$ 1,825,598</u>	<u>\$ 1,915,534</u>	<u>\$ 2,062,960</u>	<u>\$ 2,159,824</u>	<u>\$ 2,182,624</u>	<u>\$ 2,615,597</u>	<u>\$ 3,281,463</u>	<u>\$ 3,730,175</u>	<u>\$ 1,598,255</u>
Total debt service applicable to the limit as a percentage of debt service limit	36.49%	46.11%	44.88%	42.87%	41.59%	41.18%	37.40%	32.31%	18.78%	63.77%

1: General Fund Revenues is defined as revenues from General Fund, Special Revenue Funds, Debt Service Funds and Capital Project Funds exclusive of (i) ad valorem revenues restricted to payment of debt service on any debt and (ii) any debt proceeds, and based on the Village's audited financial statements (average of actual receipts of the prior two years).

2: The Village of Palmetto Bay is required by debt covenants not to exceed 20% of General Fund Revenues

**VILLAGE OF PALMETTO BAY**  
**PLEDGED-REVENUE COVERAGE**  
*LAST TEN FISCAL YEARS*

Fiscal Year	Library Bonds					Special Revenue Bonds				
	Rent <sup>1</sup> Revenue	Debt Service Requirements			Coverage	Non-Ad Valorem Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total			Principal	Interest	Total	
2012	\$ 108,981	\$ 35,000	\$ 61,410	\$ 96,410	1.13	\$ 8,048,999	\$ 290,000	\$ 610,814	\$ 900,814	8.94
2013	108,981	35,000	60,244	95,244	1.14	8,175,721	295,000	604,792	899,792	9.09
2014	108,981	35,000	59,019	94,019	1.16	8,414,930	305,000	595,666	900,666	9.34
2015	108,981	35,000	58,759	93,759	1.16	8,675,285	310,000	589,019	899,019	9.65
2016	108,981	69,276 <sup>2</sup>	32,299	101,575	1.07	8,155,563	320,000	581,493	901,493	9.05
2017	108,981	72,267	27,904	100,171	1.09	8,341,768	330,000	568,462	898,462	9.28
2018	108,981	72,246	26,199	98,445	1.11	8,432,621	353,729	557,394	911,123	9.26
2019	108,981	77,618	24,495	102,113	1.07	8,714,563	355,000	543,688	898,688	9.70
2020	108,891	77,507	22,664	100,171	1.09	8,067,753	370,000	533,139	903,139	8.93
2021	108,891	77,394	20,835	98,229	1.11	8,667,069	385,000	475,947	860,947	10.07

1: The Village has a contract with the County to rent the facility for the life of the debt.

2: The Village refinanced the debt see NOTE 5

**VILLAGE OF PALMETTO BAY**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
*LAST TEN FISCAL YEARS*

<b>Fiscal Year</b>	<b>Population<sup>1</sup></b>	<b>Personal Income</b>	<b>Per Capita Income<sup>2</sup></b>	<b>Median Age<sup>2</sup></b>	<b>School Enrollment<sup>4</sup></b>	<b>Public School Enrollment<sup>3</sup></b>	<b>Unemployment Rate<sup>2</sup></b>
2012	23,410	\$ 959,294,980	\$ 40,978	41.0	7,797	3,728	5.9%
2013	23,447	963,695,147	41,101	40.9	8,298	3,617	6.1%
2014	23,643	1,001,588,409	42,363	40.5	8,166	3,614	5.6%
2015	23,784	1,038,980,256	43,684	41.1	7,901	3,713	7.7%
2016	23,767	1,067,043,232	44,896	41.8	7,552	3,617	6.8%
2017	23,843	1,091,341,796	45,772	40.8	7,680	3,376	7.7%
2018	23,962	1,232,916,786	51,453	41.1	7,366	2,528	4.8%
2019	24,138	1,277,141,580	52,910	41.5	7,401	3,166	6.2%
2020	24,144	1,297,643,424	53,746	40.4	7,023	3,281	6.5%
2021	24,341	N/A	N/A	N/A	N/A	N/A	N/A

N/A Information not available for year indicated

1: Population for Village of Palmetto Bay obtained from Bureau of Economic and Business Research  
University of Florida.

2: Amounts obtained from the U.S. Census Bureau.

3: Enrollment numbers obtained from Miami-Dade Public Schools. <http://oada.dadeschools.net/StudentMembership/Membership.aspx>

**VILLAGE OF PALMETTO BAY**  
**PRINCIPAL EMPLOYERS**  
*CURRENT YEAR AND NINE YEARS AGO*

<b>Employer</b>	<b>2021</b>			<b>2012</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total Village Population<sup>1</sup></b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total Village Population<sup>1</sup></b>
BUPA	450	1	1.85%	-		0.00%
Dade County Schools	432	2	1.77%	419	2	1.79%
Brandsmart	200	3	0.82%	200	4	0.85%
BCA Financial Services	184	4	0.76%	-		0.00%
South Motors	157	5	0.65%	592	1	2.53%
Publix Supermarket	138	6	0.57%	350	3	1.50%
Marshall's Department Store	134	7	0.55%	119	8	0.51%
Miller's Ale House Restaurant	100	8	0.41%	-		0.00%
Progressive	91	9	0.37%			0.00%
Dade Jeep Chrysler Plymouth	70	10	0.29%	100	10	0.43%
Palmer Trinity Christian School			0.00%	120	7	0.51%
Westminster Christian School			0.00%	135	6	0.58%
Maroone Nissan of Kendall			0.00%	110	9	0.47%
World Ford Kendall/Gus Machado			0.00%	140	5	0.60%
	1,956		8.04%	2,285		7.13%

1: Population information available on page 62 Demographic and Economic statistics.

NOTE: Information obtained from Village business license data.

**VILLAGE OF PALMETTO BAY**  
**EMPLOYEES BY FUNCTION/PROGRAMS**  
*LAST TEN FISCAL YEARS*

	<u>2012</u>		<u>2013</u>		<u>2014</u>		<u>2015</u>		<u>2016</u>		<u>2017</u>		<u>2018</u>		<u>2019</u>		<u>2020</u>		<u>2021</u>	
	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT
Village Manager	5	1	4	0	4	0	4	1	6	0	6	0	6	0	6	0	5	0	4	0
Village Clerk	2	0	2	0	2	0	2	0	2	0	2	0	2	0	3	0	3	0	3	0
Village Attorney	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0
Human Resources	2	0	2	0	2	0	2	1	4	2	4	1	4	0	4	0	4	1	4	1
Finance	4	0	6	0	6	0	6	0	6	0	6	0	6	0	6	1	7	0	7	0
Planning and Zoning	7	0	8	0	7	0	3	0	2	0	2	0	3	0	3	0	3	0	2	0
Building and Permitting	7	0	7	2	8	2	12	1	13	0	13	0	13	0	13	0	13	0	13	0
Parks & Recreation	9	22	11	33	11	28	9	21	8	23	8	23	8	23	8	24	7	23	11	25
Public Work	9	2	9	3	9	3	15	6	18	7	17	6	18	7	19	6	28	0	14	0
<b>Total Employees</b>	<u>45</u>	<u>25</u>	<u>49</u>	<u>38</u>	<u>49</u>	<u>33</u>	<u>53</u>	<u>30</u>	<u>59</u>	<u>32</u>	<u>58</u>	<u>30</u>	<u>60</u>	<u>30</u>	<u>62</u>	<u>31</u>	<u>70</u>	<u>24</u>	<u>59</u>	<u>26</u>

FT - Full Time

PT - Part Time

NOTE: Information obtained from Village of Palmetto Bay Human Resources.

**VILLAGE OF PALMETTO BAY**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
*LAST TEN FISCAL YEARS*

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
Arrests	324	375	341	340	308	283	235	221	142	167
Targeted Crimes <sup>1</sup>	431	442	345	363	313	295	258	206	156	168
False Alarms	1,756	1,685	1,714	1,790	1,689	1,470	1,237	1,256	1,011	930
Culture and Recreation										
Tennis Court Rentals	8,765	11,322	9,557	9,687	5,898	6,595	5,972	7,709	6,909	9,099
Wedding Rentals	135	57	97	167	240	145	101	89	21	23
Park rentals	496	589	431	697	992	817	632	468	331	177
Summer Camp Registrants	1,070	762	1,095	1,480	1,346	1,337	1,254	1,371	112	85
Planning & Zoning										
Code Violation	599	566	496	396	734	377	1,040	1,002	826	1,076
Zoning Hearing Applications	7	5	9	13	8	19	7	12	15	8
Building Permits										
Residential	2,237	2,661	3,808	2,151	4,158	3,747	4,434	3,727	1,167	3,960
Commercial	487	676	607	424	593	616	671	565	131	730
Inspections	8,810	9,750	11,602	10,709	17,519	15,224	21,128	20,040	15,633	18,383
Manager/Clerk										
Ordinances	29	18	6	17	25	21	15	24	18	23
Resolutions	96	91	80	116	133	127	118	165	123	120
Public Works										
Transit Passengers	8,428	8,301	5,650	7,190	5,941	5,276	7,109	16,589	9,246	N/A
Roads Resurfaced (miles)	3	7	3	7	3	2.41	0	2	2	2
Finance										
Journal Entries	572	504	519	525	747	764	722	789	791	816
Deposits	1,299	1,318	1,296	1,355	1,233	1,135	1,204	1,229	1,185	1,355
Checks	2,196	2,540	2,614	2,583	2,725	2,531	2,375	2,618	2,471	2,338
Facilities Maintenance										
Solar Energy Produced (Kwh)	46,064	83,703	90,770	90,520	85,670	78,910	N/A	8,740	N/A	11,220

N/A Information not available

1: Targeted Crimes: Homicide, Sex Offenses, Robbery, Larceny, Auto Theft, Burglary Commercial/Residential, Aggravated Assault/Battery

NOTE: Information obtained from Village of Palmetto Bay department records.

N/A Information not available

**VILLAGE OF PALMETTO BAY**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
*LAST TEN FISCAL YEARS*

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government										
Municipal Center	1	1	1	1	1	1	1	1	1	1
Police										
Station	1	1	1	1	1	1	1	1	1	1
Patrol Units	41	42	42	45	46	46	44	44	44	44
Public Works										
Streets (miles)	122	122	122	122	122	125	125	125	125	125
Traffic signals	29	29	29	29	29	28	28	28	28	28
Traffic Circles	2	2	2	2	2	3	3	3	4	4
Park and Recreation										
Acreage	82	82	82	82	82	82	82	82	82	82
Parks	5	5	5	5	5	5	5	5	5	5
Playgrounds	2	2	2	2	2	2	2	2	2	2
Tennis court	8	8	8	8	8	8	8	8	8	8
Racquetball courts	4	4	4	4	4	4	4	4	4	4
Basketball courts	2	2	2	2	2	2	2	2	2	2
Football fields	2	2	2	2	2	2	2	2	2	2
Baseball fields	5	5	5	5	5	5	5	5	5	5
Softball fields	6	6	6	6	6	6	6	6	6	6
Community centers	3	3	3	3	3	3	3	3	3	3
Skate parks	1	1	1	1	1	1	1	1	1	1
Dog Park	1	1	1	1	1	1	1	1	1	1

NOTE: Information obtained from Village of Palmetto Bay department records.

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## **COMPLIANCE REPORTS**

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

To the Honorable Mayor, Village Council and Village Manager  
**Village of Palmetto Bay, 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, each major fund, and the aggregate remaining fund information of the Village of Palmetto Bay, Florida (the "Village") as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated March 28, 2022.

***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) as a basis for designing 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 financial statements. 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 Village'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 Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Marcum LLP*

Miami, FL  
March 28, 2022

**VILLAGE OF PALMETTO BAY, FLORIDA**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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**I. CURRENT YEAR FINDING AND RECOMMENDATION**

None.

**II. PRIOR YEAR FINDING AND RECOMMENDATION**

SD2020-001 - Restatement of Prior Period related to Grant Revenue Recognition finding was addressed and not repeated in the current year.

**MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE AUDITOR  
GENERAL OF THE STATE OF FLORIDA**

To the Honorable Mayor, Village Council and Village Manager  
**Village of Palmetto Bay, Florida**

***Report on the Financial Statements***

We have audited the financial statements of the Village of Palmetto Bay, Florida (the “Village”), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated March 28, 2022.

***Auditors’ Responsibility***

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

***Other Reporting Requirements***

We have issued our Independent Auditors’ 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*, Schedule of Findings and Responses, and Independent Accountants’ Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 28, 2022, 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 finding and recommendation made in the preceding financial audit report. The status of the audit finding and recommendation made in the preceding annual financial audit report has been addressed and identified in the Schedule of Findings and Responses.

### ***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. This information is disclosed in Note 1 of the financial statements.

### ***Financial Condition and Management***

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

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Village. 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 review of financial information provided by same. This assessment has been performed as of fiscal year end.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations other than a repeated prior year recommendation which is included in Appendix A.

### ***Additional Matters***

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that has occurred, or is likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note 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 Honorable Mayor, Village Council, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*Marcum LLP*

Miami, FL  
March 28, 2022

# VILLAGE OF PALMETTO BAY, FLORIDA

## APPENDIX A – CURRENT AND PRIOR YEAR RECOMMENDATIONS TO IMPROVE FINANCIAL MANAGEMENT

### FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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No.	Current and Prior Year's Observations	Observation Is Still Relevant	Observation Addressed or No Longer Relevant
MLC 2020-001	Information Technology Policy	In progress	

# VILLAGE OF PALMETTO BAY, FLORIDA

## APPENDIX A – CURRENT AND PRIOR YEAR RECOMMENDATIONS TO IMPROVE FINANCIAL MANAGEMENT (CONTINUED)

### FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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#### MLC 2020-001 – INFORMATION TECHNOLOGY POLICY

##### *Criteria/Condition*

It is best practice for the Village to have a formal written Information Technology (IT) Policy that documents and encompasses various areas such as: General IT procedural manual, disaster recovery plan, IT Risk Assessment, data back-up schedules, cybersecurity incident response plan, etc. The Village's computerized information systems are vital to its daily operations. Currently, the Village does not have a written IT policy. Without proper documentation, management is not assured that its desired policies and procedures are being carried out. In addition, documentation is an effective tool for training new personnel, providing operations instructions, and assisting in system revisions and development of IT needs.

##### *Cause*

The Village currently does not have a formal written IT policy.

##### *Effect*

In the event of personnel turnover or emergency, the Village does not have a formal written IT policy document to use for immediate reference.

##### *Prior Year's Recommendation*

We recommend the Village to produce a formal written IT policy and to continuously update the policy on an annual basis as considered necessary. As a component of the policy, the document should include an up-to-date disaster recovery plan to provide continued operations and to ensure electronic files are not lost because of a major computer hardware or software failure or other potential external interruptions (e.g. natural disasters and cybersecurity attacks).

##### *Prior Year's Management's Response*

Management concurs with the auditor's recommendation. Although, IT policies and procedures are established and followed by staff, a written IT policy document would be of benefit to the Village. The Village's IT Department is currently in the process of evaluating its options (using internal resources or considering the use of an external vendor) in order to proceed with the completion of a written IT policy.

**VILLAGE OF PALMETTO BAY, FLORIDA**

**APPENDIX A – CURRENT AND PRIOR YEAR RECOMMENDATIONS  
TO IMPROVE FINANCIAL MANAGEMENT (CONTINUED)**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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**MLC 2020-001 – INFORMATION TECHNOLOGY POLICY (CONTINUED)**

*Current Year's Status*

Recommendation remains the same as prior year noted above.

*Current Year's Management's Response*

Management concurs that the following recommendation is still in progress to be resolved. Management is currently engaged with a third party in order to remediate the recommendation.

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE PURSUANT TO  
SECTION 218.415, FLORIDA STATUTES**

To the Honorable Mayor, Village Council and Village Manager  
**Village of Palmetto Bay, Florida**

We have examined the Village of Palmetto Bay, Florida (the "Village") compliance with Section 218.415, Florida Statutes, Local Government Investment Policies, for the fiscal year ended September 30, 2021. Management of the Village is responsible for the Village's compliance with the specified 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Village complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Village complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error.

We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

In our opinion, the Village complied, in all material respects, with Section 218.415, Florida Statutes for the fiscal year ended September 30, 2021.

This report is intended to describe our testing of compliance with Section 218.415, Florida Statutes and it is not suitable for any other purpose.

*Marcum LLP*

Miami, FL  
March 28, 2022



AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared Desmond Chin who being duly sworn, deposes and says on oath that:

- 1. I am the Chief Financial Officer of Village of Palmetto Bay which is a local governmental entity of the State of Florida;
2. The governing body of Village of Palmetto Bay adopted (Ordinance No. 2016-02 and 2018-14 or Resolution No. 2003-59) implementing an impact fee or authorized Village of Palmetto Bay to receive and expend proceeds of an impact fee implemented by Miami Dade County; and
3. Village of Palmetto Bay has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

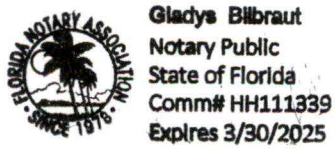
[Signature]
Desmond Chin, Finance Director
Village of Palmetto Bay

STATE OF FLORIDA
COUNTY OF MIAMI DADE

SWORN TO AND SUBSCRIBED before me this 9 day of March, 2021

[Signature]
NOTARY PUBLIC
Print Name Gladys Bilbraut

Personally known [check] or produced identification
Type of identification produced:



My Commission Expires:
3/30/2025