



Village of Palmetto Bay
Annual Comprehensive
Audit Report For The
Fiscal Year Ended
September 30, 2023

VILLAGE OF PALMETTO BAY, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Prepared by

The Village of Palmetto Bay Finance Department

VILLAGE OF PALMETTO BAY, FLORIDA

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VILLAGE OF PALMETTO BAY, FLORIDA

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INTRODUCTORY SECTION



March 25, 2024

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, 2023.

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, 2023, 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 unmodified opinions that the Village of Palmetto Bay's financial statements for the fiscal year ended September 30, 2023, 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 33rd incorporated municipality in Miami-Dade County. Its borders are SW 136th street to the north, US 1 to the west, Biscayne Bay to the east, and SW 184th 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. Only the General Fund budget appropriations are legally adopted, the Special Revenue Budget including Capital Projects are presented only as a recommendation for expenditures, as the use of these funds are legally restricted by Florida Statute, third parties or Village ordinances. The legal level of budgetary control is 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 2023 of \$326,075 which is an 11.08% increase from prior year. The average County residential taxable value is \$294,456. Total property values for the Village increased by 10.3%. 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. Since the adoption of the Downtown Code in 2018 and the completion of the Village's Franjo Road Main Street project in 2021, 716 apartments have been completed and 24,000 square feet of commercial space added. Current projects include a medical facility, Audi/Ferrari dealership, 52 apartments and a restaurant/marketplace. There are 15 projects in various stages of review to be completed over the next two to three years. The Village's goal is to have a downtown where the residents can live, work, learn and play. To accomplish this the Village has commissioned a market analysis of the area to recommend an economic development strategic plan so that Village is the premier community to live, work, learn and play.

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, 2022. 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 2023.

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,



Nicholas Marano, Village Manager



Desmond Chin, Finance Director

VILLAGE OF PALMETTO BAY, FLORIDA

ELECTED AND APPOINTED OFFICIALS

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, 2022

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited 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, 2023, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2023, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Village's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control—related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 5 through 14, the Budgetary Comparison Schedule, and the Schedule of Changes in Total OPEB Liability and Related Ratios on pages 51 through 53 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 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 as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2024, 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 Village's internal control over financial reporting and compliance.

Marcum LLP

Miami, FL
March 25, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS
(MD&A)

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, 2023.

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 \$76,587,525 (net position). Of this amount, \$24,898,010 (*unrestricted net position*) may be used to meet the Village's ongoing obligations to citizens and creditors. The balance, \$51,689,515 is comprised of net investment in capital assets of \$45,342,410 and restricted net position of \$6,347,105.
- The Village's net position of governmental activities increased by \$11,209,490. This increase is attributable to changes in the Village's only fund category, the Governmental funds. Detailed changes will be explained later under Governmental Activities.
- As of the close of the current fiscal year, the Village's Governmental funds reported combined ended fund balances of \$32,004,779, an increase of \$11,050,635 in comparison with the prior year. Approximately 72% of year end fund balance or \$23,085,648 is from the General Fund. The General Fund balance has \$4,700,000 in Assigned and \$17,745,923 in Unassigned.
- The General Fund unassigned fund balance of \$17,745,923, is approximately 177% 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 15 and 16 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 three Governmental fund types: General Fund, Special Revenue 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; five Special Revenue Funds which are Stormwater Fund, Law Enforcement Trust Fund, False Alarm Fund, Art in Public Places Fund, and the Palmetto Bay Foundation (the "*Foundation*"). A description of the Foundation is found in the notes to the financial statements on page 22, and the combining financial statements can be found on pages 54 and 55.

The only budget the Village adopts an annual appropriation for is for the General Fund. A budgetary comparison statement has been provided to demonstrate compliance with this budget on pages 51 and 52.

The basic governmental fund financial statements can be found on pages 17 to 20 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 21 to 50 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 \$76,587,525 at the close of the most recent fiscal year.

The largest portion of the Village’s net position, \$45,342,410 or approximately 59%, 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 \$11,302,562, 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 2023 had a balance of \$6,347,105.

The remaining balance of net position (unrestricted), \$24,898,010, may be used to meet the government’s ongoing obligations to citizens and creditors.

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.

Summary of Net Position

	<u>September 30,</u>	
	<u>2023</u>	<u>2022</u>
Current Assets	\$ 37,564,792	\$ 34,643,993
Capital Assets, net	56,644,972	56,942,730
Total Assets	<u>94,209,764</u>	<u>91,586,723</u>
Deferred Outflows of Resources	<u>52,503</u>	<u>56,526</u>
Current and other liabilities	5,217,212	12,860,246
Long-term liabilities	10,848,570	11,618,780
Total Liabilities	<u>16,065,782</u>	<u>24,479,026</u>
Deferred Inflows of Resources	<u>1,608,960</u>	<u>1,786,188</u>
Net Position:		
Net Investment in Capital Assets	45,342,410	44,817,016
Restricted for:		
Public transportation operations and maintenance	3,515,890	2,845,447
Charitable and Educational Projects	6,006	6,681
Police equipment and training	6,957	6,048
Impact Fees	2,447,884	1,489,375
Grants	370,368	141,094
Unrestricted	24,898,010	16,072,374
Total Net Position	<u>\$ 76,587,525</u>	<u>\$ 65,378,035</u>

Governmental Activities. The Village’s Governmental Activities net position increased by a total of \$11,209,490 during the current fiscal year. Current Assets increased \$2,920,799 compared to the prior year, mainly due to increased revenue receipts from Impact Fees \$963,016, Investment Income \$694,274 and Property Taxes \$579,317. Capital Assets decreased \$297,758 mainly due to depreciation. Deferred Outflows decreased \$4,023 because of the amortization of the Loss on Refunding. Liabilities decreased \$8,413,244 mainly due to Other Liabilities decreasing \$7,643,034 due to the recognition of unearned revenues in the American Rescue Plan Act (ARPA) funds.

Summary of Changes in Net Position

	Fiscal Year	
	2023	2022
Revenues:		
Program Revenues:		
Charges for Services	\$ 4,008,611	\$ 3,992,009
Operating Grants and Contributions	7,971,374	3,231,249
Capital Grants and Contributions	1,206,643	758,832
General Revenues:		
Property Taxes	8,391,363	7,812,046
Utility Taxes	3,222,229	2,876,271
Communications Service Tax	869,256	872,421
Franchise Fees	2,238,704	1,991,934
Intergovernmental Revenues	5,421,845	5,296,841
Investment Income	794,138	99,864
Sale of Capital Assets	45,828	--
Impact Fees	1,145,314	182,298
Miscellaneous	225,805	207,877
Total Revenues	35,541,110	27,321,642
Expenses:		
General Government	4,085,013	3,728,190
Building Permitting	2,270,853	2,142,650
Public Safety	2,169,689	6,238,362
Public Assistance	7,904,546	2,842,585
Public Works	3,515,910	3,824,476
Parks and Recreation	3,992,141	3,634,326
Interest on long-term debt	393,468	461,030
Total Expenses	24,331,620	22,871,619
Change in Net Position	11,209,490	4,450,023
Net Position, Beginning	65,378,035	60,928,012
Net Position, Ending	\$ 76,587,525	\$ 65,378,035

Revenues:

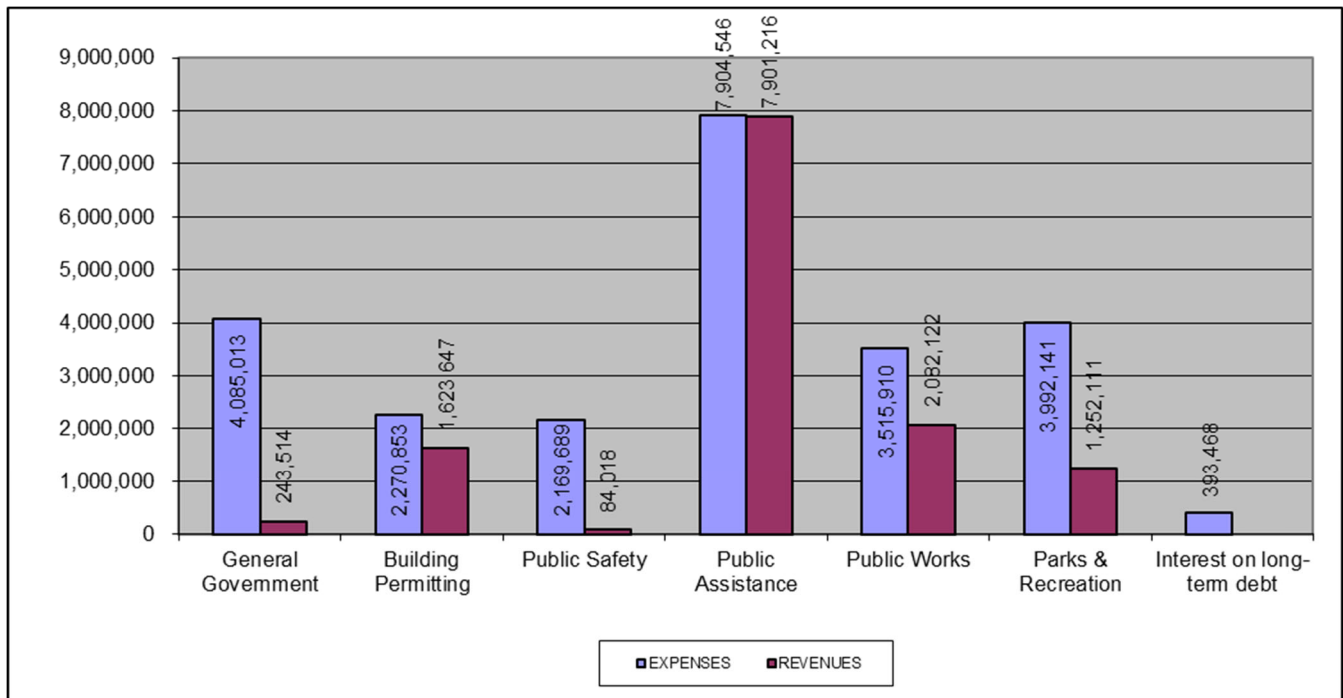
Total revenues increased \$8,219,468 from fiscal year 2022 revenues to a total of \$35,541,110 for fiscal year 2023. The major components are as follows:

- Taxes of \$12,482,848 comprised 35% of total revenues in the current fiscal year. Most of this category is property taxes of \$8,391,363. Property assessed values increased 10.3%. The Village held the millage rate the same at \$2.35 per \$1,000 of assessed taxable value for fiscal year 2023 which resulted in an increase in collections of \$579,317. In total, Taxes increased \$922,110 mainly from Property taxes.
- Grants and Contributions were \$9,178,017 or 26% of total revenues. An increase of \$5,187,936 over prior year is mainly due to the recognition of ARPA revenue.
- Charges for services totaled \$4,008,611 or 11% of total revenues. There was an increase of \$16,602 mainly due to an increase in Building Permitting services as a result of some major development projects starting in fiscal year 2023.
- Franchise fees increased \$246,770 in part to new development and Florida Power and Light (FPL) fee increases.
- General Revenues-Intergovernmental increased \$125,004 mainly due better than expected distribution of State Sales Taxes.

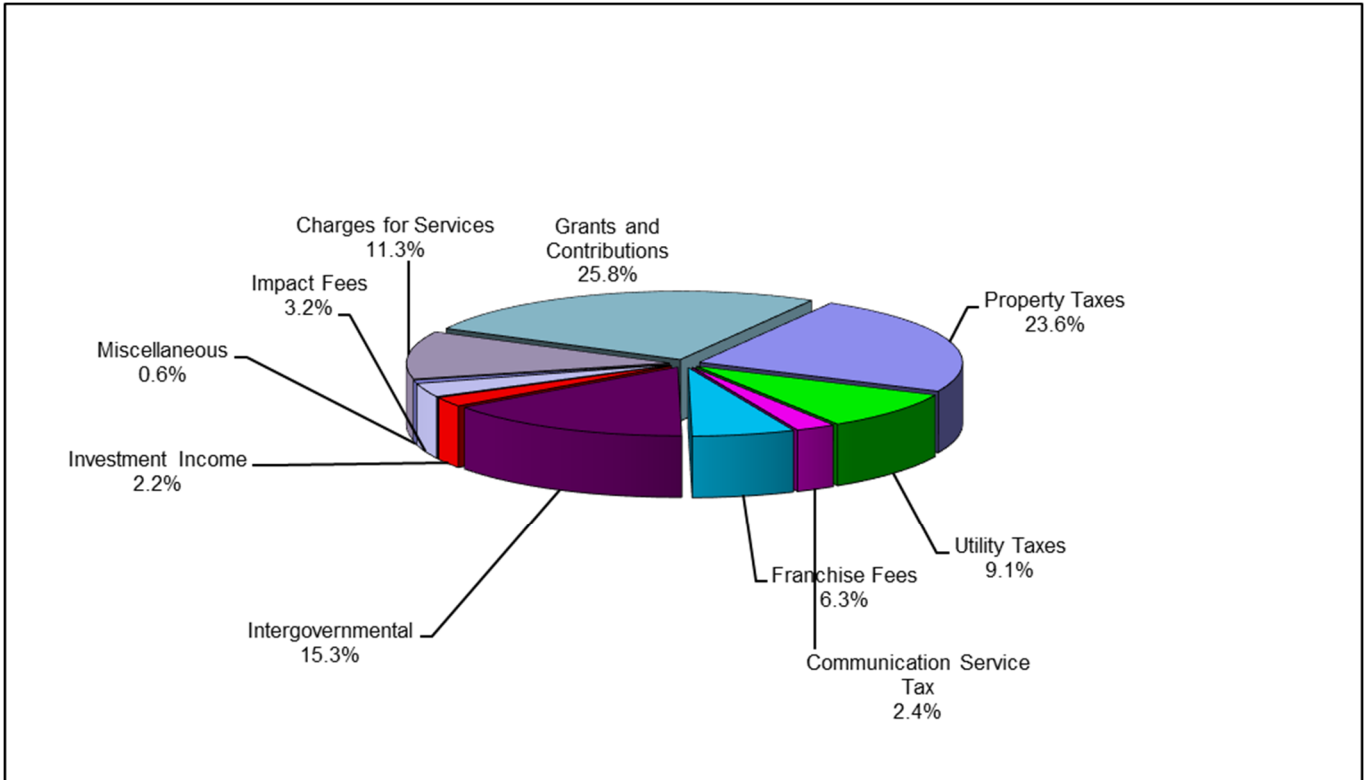
Expenses:

- Village expenses increased a total of \$1,460,000 from fiscal year 2022. The increase is mainly due to the expenditure of Public Assistance funds for ARPA.

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 \$32,004,779, an increase of \$11,050,635. Approximately 53% of the ending fund balance or \$16,880,582 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 \$23,085,648, of which \$17,745,923 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 177% of total general fund expenditures, while total fund balance represents 230% of that same amount. The General Fund had a Net Change in Fund Balance of \$8,309,281. The Net Change in Fund Balance was mainly the result of transferring \$7,130,311 of Public Safety expenditures to the ARPA fund. A description of the detailed changes can be found in General Fund Budgetary Highlights.

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 and Transit. The increase in the ending fund balance of \$281,471 is mainly due to the \$129,385 increase in County Transportation Sales Tax distributions as the economy continues to do well and interest income increasing \$47,400 as rates increased from 1.51% to 3.75%. The ending fund balance is \$2,269,452.

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 \$1,187,783 is mainly due to the collection of impact fees in the amount of \$1,145,314, as a result of new development in the Village. The ending fund balance is \$2,818,252.

The Building Fund is used to account for permit receipts and expenditures according to Florida Statute 553.80. The Building fund balance decreased \$655,178. The ending deficit fund balance is (\$865,341). A department assessment identified some deficiencies which are being addressed.

The Capital Projects Fund is used to account for Village funded capital projects. The increase in fund balance of \$1,539,957 is mainly due to projects funded, but delayed until fiscal year 2024. The ending fund balance is \$2,825,481.

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, and the Palmetto Bay Foundation, which is a component unit. In total, Non-Major fund balance increased \$387,321. 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 \$388,972, due to projects being funded by grants and ARPA. The ending fund balance is \$1,246,438.

Art in Public Places is used to account for fees imposed on new construction to promote art in the Village. The fund balance decreased \$1,670 due to maintenance of the art pieces and there was no new fees for the fiscal year. The ending fund balance is \$539,216.

False Alarm Fund is used to account for the registration and false alarm fines. The fund balance decreased \$215 as false alarm calls continue to decline as intended. The ending fund balance is \$72,670.

General Fund Budgetary Highlights

The total budgetary operating surplus of \$10,259,281 resulted from a surplus of \$1,574,606 in revenues and an under spending of expenditure by \$8,684,675. The net change in Fund Balance was an increase of \$8,319,281. The most significant variances are:

REVENUES:

- Franchise Fees – positive variance of \$738,704 due to new development increasing billing.
- Utility Taxes – positive variance of \$955,712 due to new development increasing billing.
- Half-Cent Sales tax – positive variance of \$667,306 due to a healthy Florida economy, which grew at 3.5% versus 2.0% nationally.
- Interest Income – positive variance of \$321,427 as interest rates increased from 1.51% to 3.75%.

EXPENDITURES:

Total General Fund Expenditures – had total savings from all departments of \$8,684,675. The most significant variances were from:

- Public Safety – positive variance of \$7,499,336, due to funding from ARPA.

OTHER FINANCING SOURCES (USES)

The Village had additional Operational transfers of \$1,950,000 from the General Fund to fund projects in the Capital Projects fund.

Capital Assets and Debt Administration

Capital Assets. The Village’s investment in capital assets as of September 30, 2023, amounted to \$56,644,972 (net of accumulated depreciation/amortization). This investment in capital assets includes land, buildings, street and sidewalk improvements, furniture and equipment, subscription arrangements, and leases (right-of-use assets). The Village’s net investment in capital assets decreased by \$297,758 in the current fiscal year, mainly due depreciation/amortization of \$2,180,540 less new assets of \$1,905,471.

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

- Park improvements - \$449,069
- Storm drain and other infrastructure projects in progress- \$1,117,014

Summary of Capital Assets (Net of Depreciation/Amortization)

	September 30,	
	2023	2022
Governmental activities:		
Land	\$ 26,649,655	\$ 26,649,655
Construction in progress	1,292,496	357,400
Furniture and Equipment	966,997	1,000,243
Building	7,643,384	8,109,566
Improvements Other than Buildings	3,420,049	3,625,152
Infrastructure	16,627,138	17,159,602
Leases (Right-of-use assets)	34,260	41,112
Subscription arrangements	10,993	-
Governmental activities Capital Assets, net	<u>\$ 56,644,972</u>	<u>\$ 56,942,730</u>

Additional information on the Village’s capital assets can be found in Note 5 on page 36.

Long-term Debt. At the end of the current fiscal year, the Village had total debt outstanding of \$8,847,226, leases liabilities \$117,151, subscription agreements \$12,281 and liabilities to Miami-Dade County in the amount of \$704,429. 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, Revenue Bonds, and Leases**

	September 30,	
	2023	2022
Promissory Note	\$ 642,226	\$ 723,654
Revenue Bond	8,205,000	8,540,000
Leases	81,962	124,068
Leases (Right-of-use Assets)	35,189	41,649
Subscription arrangements	12,281	--
Liabilities to Miami-Dade County	704,429	926,475
Total	\$ 9,681,087	\$ 10,355,846

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 6, pages 37-44. 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 2023 was 1.8%, which represents a decrease from 2.6% the previous year. This is lower than the state’s average unemployment rate of 3.0% and the national average rate of 3.8% in September 2023. The unemployment rate of the Village is generally lower than the County. (Source: US Census).
- Inflationary trends in the County at 7.8% are higher than the national average which was 3.7% for August 2023.
- Most municipalities property values continue to increase, the Village fiscal year 2024 property values increased 12.3% while the County had an average increase of 12.7%.
- The National, State and Local economies have rebounded from COVID, with record low unemployment and strong consumer purchasing even though inflation is relatively high.

All these factors were considered in preparing the Village’s budget for the 2024 fiscal year. The fiscal year 2024 estimated ending fund balance in the general fund decreased to \$10,003,832, due to fund \$8,750,000 in new capital projects. The Village used a millage rate of 2.35 for fiscal year 2023, which is more than the roll back rate of 2.1828 mills. For fiscal year 2024 the millage rate was held the same at 2.35 which is greater than the roll back rate of 2.1106 by 11.34%.

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.

BASIC FINANCIAL STATEMENTS

VILLAGE OF PALMETTO BAY, FLORIDA

STATEMENT OF NET POSITION

SEPTEMBER 30, 2023

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 31,921,896
Receivables	639,666
Lease receivable	1,380,565
Due from other governments	2,456,820
Prepaid items	223,297
Restricted assets:	
Cash and cash equivalents	942,548
Capital assets not being depreciated	27,942,151
Capital assets being depreciated/amortized, net	28,702,821
Total Assets	94,209,764
Deferred Outflows of Resources	
Loss on refunding	46,814
OPEB	5,689
Total Deferred Outflows of Resources	52,503
Liabilities	
Accounts payable	2,915,648
Accrued liabilities	256,257
Due to other governments	312,167
Park deposits	169,212
Unearned revenue	942,548
Noncurrent liabilities:	
Due within one year	621,380
Due in more than one year:	
Bonds and Notes	10,719,267
Lease liability (right-of-use asset)	28,581
Subscription arrangements	1,917
Leases	39,856
Total OPEB Liability	58,949
Total Liabilities	16,065,782
Deferred Inflows of Resources	
Leases	1,380,609
Gain on refunding	179,759
OPEB	48,592
Total Deferred Inflows of Resources	1,608,960
Net Position	
Net investment in capital assets	45,342,410
Restricted for:	
Public transportation operations and maintenance	3,515,890
Charitable and educational projects	6,006
Police equipment and training	6,957
Impact fees	2,447,884
Grants	370,368
Unrestricted	24,898,010
Total Net Position	\$ 76,587,525

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, 2023

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
Governmental Activities					
General government	\$ 4,085,013	\$ 243,514	\$ --	\$ --	\$ (3,841,499)
Building permitting	2,270,853	1,623,647	--	--	(647,206)
Public safety	2,169,689	84,018	--	--	(2,085,671)
Public assistance	7,904,546	--	7,901,216	--	(3,330)
Public works	3,515,910	856,630	18,849	1,206,643	(1,433,788)
Parks and recreation	3,992,141	1,200,802	51,309	--	(2,740,030)
Interest on long-term debt	393,468	--	--	--	(393,468)
Total Governmental Activities	\$ 24,331,620	\$ 4,008,611	\$ 7,971,374	\$ 1,206,643	(11,144,992)
			General Revenues		
					8,391,363
					3,222,229
					869,256
					2,238,704
					5,421,845
					794,138
					1,145,314
					45,828
					225,805
					<u>22,354,482</u>
					<u>11,209,490</u>
					<u>65,378,035</u>
					<u>\$ 76,587,525</u>

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

VILLAGE OF PALMETTO BAY, FLORIDA

**BALANCE SHEET
GOVERNMENTAL FUNDS**

SEPTEMBER 30, 2023

	Major Funds						Total Governmental Funds
	General	Transportation Fund	Grants Fund	Building Fund	Capital Projects Fund	Nonmajor Governmental Funds	
Assets							
Cash and cash equivalents	\$ 17,512,198	\$ 2,358,040	\$ 7,302,448	\$ 3,592	\$ 3,027,488	\$ 1,718,130	\$ 31,921,896
Receivables	608,775	--	--	--	--	30,891	639,666
Lease receivable	1,380,565	--	--	--	--	--	1,380,565
Due from other funds	3,943,486	434	--	128,593	--	3,497	4,076,010
Due from other governments	1,220,232	458,662	598,821	--	--	179,105	2,456,820
Prepaid items	639,725	--	--	--	--	--	639,725
Restricted cash and cash equivalents	--	--	942,548	--	--	--	942,548
Total Assets	<u>\$ 25,304,981</u>	<u>\$ 2,817,136</u>	<u>\$ 8,843,817</u>	<u>\$ 132,185</u>	<u>\$ 3,027,488</u>	<u>\$ 1,931,623</u>	<u>\$ 42,057,230</u>
Liabilities							
Accounts payable	\$ 269,628	\$ 40,177	\$ 2,503,486	\$ 64,348	\$ 21,980	\$ 16,029	\$ 2,915,648
Accrued liabilities	206,981	12,834	9,547	21,217	--	5,678	256,257
Due to other funds	132,524	494,673	2,318,196	911,961	180,027	38,629	4,076,010
Due to other governments	147,863	--	164,304	--	--	--	312,167
Park and permit deposits	81,728	--	87,484	--	--	--	169,212
Unearned revenue	--	--	942,548	--	--	--	942,548
Total Liabilities	<u>838,724</u>	<u>547,684</u>	<u>6,025,565</u>	<u>997,526</u>	<u>202,007</u>	<u>60,336</u>	<u>8,671,842</u>
Deferred Inflows of Resources							
Leases	1,380,609	--	--	--	--	--	1,380,609
Total Liabilities and Deferred Inflows of Resources	<u>2,219,333</u>	<u>547,684</u>	<u>6,025,565</u>	<u>997,526</u>	<u>202,007</u>	<u>60,336</u>	<u>10,052,451</u>
Fund Balances							
Nonspendable:							
Prepaid items	639,725	--	--	--	--	--	639,725
Restricted:							
Public transportation operations and maintenance	--	2,269,452	--	--	--	1,246,438	3,515,890
Charitable and educational projects	--	--	--	--	--	6,006	6,006
Police equipment and training	--	--	--	--	--	6,957	6,957
Impact fees	--	--	2,447,884	--	--	--	2,447,884
Grants	--	--	370,368	--	--	--	370,368
Committed:							
False alarm management	--	--	--	--	--	72,670	72,670
Art in public places	--	--	--	--	--	539,216	539,216
Assigned	4,700,000	--	--	--	2,825,481	--	7,525,481
Unassigned (deficit)	17,745,923	--	--	(865,341)	--	--	16,880,582
Total Fund Balances	<u>23,085,648</u>	<u>2,269,452</u>	<u>2,818,252</u>	<u>(865,341)</u>	<u>2,825,481</u>	<u>1,871,287</u>	<u>32,004,779</u>
Total Liabilities and Fund Balances	<u>\$ 25,304,981</u>	<u>\$ 2,817,136</u>	<u>\$ 8,843,817</u>	<u>\$ 132,185</u>	<u>\$ 3,027,488</u>	<u>\$ 1,931,623</u>	<u>\$ 42,057,230</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, 2023

Fund Balances - Total Government Funds		\$ 32,004,779
<p>Amounts reported for governmental activities in the statement of net position are different as a result of:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds;</p>		
Governmental capital assets	\$ 80,209,829	
Less accumulated depreciation / amortization	<u>(23,564,857)</u>	56,644,972
<p>Revenue is recognized when earned in the government-wide statements regardless of when it is collected. Governmental funds recognize revenue when both measurable and available.</p>		
<p>Deferred outflows and inflows related to other post-employment benefits and debt refundings are not recognized in the governmental funds;</p>		
Deferred outflows of loss on refunding	46,814	
Deferred inflows of gain on refunding	(179,759)	
Deferred outflows of resources related to OPEB	5,689	
Deferred inflows of resources related to OPEB	<u>(48,592)</u>	(175,848)
<p>Prepaid debt service in general fund not considered a prepaid asset for governmental activities</p>		
		(416,428)
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds;</p>		
Bonds payable	(9,693,530)	
QNIP and Stormwater bonds	(704,429)	
Loans payable	(642,226)	
Total OPEB liability	(58,949)	
Leases (direct borrowing)	(81,962)	
Leases (right-of-use asset)	(35,189)	
Subscription arrangements	(12,281)	
Compensated absences	<u>(241,384)</u>	<u>(11,469,950)</u>
Net Position of Governmental Activities		<u>\$ 76,587,525</u>

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, 2023

	Major Funds					Nonmajor Governmental Funds	Total Governmental Funds
	General	Transportation Fund	Grants Fund	Building Fund	Capital Projects Fund		
Revenues							
Property taxes	\$ 8,391,363	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 8,391,363
Utility taxes	3,530,712	--	--	--	--	--	3,530,712
Communication service tax	869,256	--	--	--	--	--	869,256
Franchise fees	2,238,704	--	--	--	--	--	2,238,704
Intergovernmental	3,180,914	2,240,931	9,178,017	--	--	--	14,599,862
Licenses and permits	197,281	--	1,145,314	1,482,017	--	--	2,824,612
Fines and forfeitures	81,707	2,311	--	141,630	--	--	225,648
Charges for services	1,200,802	8,300	--	--	--	894,563	2,103,665
Interest income	371,427	60,523	279,678	95	53,560	28,855	794,138
Miscellaneous	165,489	47,895	10,090	--	--	2,331	225,805
Total Revenues	<u>20,227,655</u>	<u>2,359,960</u>	<u>10,613,099</u>	<u>1,623,742</u>	<u>53,560</u>	<u>925,749</u>	<u>35,803,765</u>
Expenditures							
Current:							
General government	3,678,433	--	--	--	158,702	44,163	3,881,298
Public safety	2,138,164	--	--	--	--	--	2,138,164
Public assistance	--	--	7,904,546	--	--	--	7,904,546
Public works	586,048	1,623,005	65,269	--	13,642	366,728	2,654,692
Building permitting	--	--	--	2,270,531	--	--	2,270,531
Parks and recreation	2,867,220	--	123,858	--	66,882	--	3,057,960
Capital outlay	--	308,761	1,331,643	--	246,363	18,704	1,905,471
Debt service:							
Principal	417,417	135,433	--	7,300	--	77,353	637,503
Interest	349,609	11,290	--	1,089	--	31,480	393,468
Total Expenditures	<u>10,036,891</u>	<u>2,078,489</u>	<u>9,425,316</u>	<u>2,278,920</u>	<u>485,589</u>	<u>538,428</u>	<u>24,843,633</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>10,190,764</u>	<u>281,471</u>	<u>1,187,783</u>	<u>(655,178)</u>	<u>(432,029)</u>	<u>387,321</u>	<u>10,960,132</u>
Other Financing Sources (Uses)							
Transfers in	--	--	--	--	1,950,000	--	1,950,000
Transfers out	(1,950,000)	--	--	--	--	--	(1,950,000)
Proceeds from sale of capital assets	68,517	--	--	--	--	--	68,517
Initiation of Subscription Arrangements	--	--	--	--	21,986	--	21,986
Total Other Financing Sources (Uses)	<u>(1,881,483)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,971,986</u>	<u>--</u>	<u>90,503</u>
Net change in fund balances	8,309,281	281,471	1,187,783	(655,178)	1,539,957	387,321	11,050,635
Fund Balances - Beginning	<u>14,776,367</u>	<u>1,987,981</u>	<u>1,630,469</u>	<u>(210,163)</u>	<u>1,285,524</u>	<u>1,483,966</u>	<u>20,954,144</u>
Fund Balances - Ending	<u>\$ 23,085,648</u>	<u>\$ 2,269,452</u>	<u>\$ 2,818,252</u>	<u>\$ (865,341)</u>	<u>\$ 2,825,481</u>	<u>\$ 1,871,287</u>	<u>\$ 32,004,779</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, 2023

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

Net change in fund balances - total government funds		\$ 11,050,635
--	--	---------------

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated/amortized over their estimated useful lives.

Expenditures for capital outlay	\$ 1,905,471	
Less current year depreciation/amortization	<u>(2,180,540)</u>	(275,069)

In the statement of activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds the proceeds from the sale increases financial resources. The change in net position differs from the change in fund balance by the net book value of the assets retired.

(22,689)

Governmental funds report revenue when earned and available. However, the government-wide statements recognize revenue when earned, regardless of availability.

Utility taxes		(308,483)
---------------	--	-----------

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.

Subscription arrangement acquisitions	(21,986)	
Subscription arrangement payments	9,705	
Leases (Right-of-use asset) payments	6,460	
Lease payments (direct borrowing)	42,106	
Bond principal payments	357,186	
QNIP and Stormwater bond payments	<u>222,046</u>	615,517

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	2,971	
Total OPEB liability	(7,957)	
Deferred outflows of OPEB	(1,097)	
Deferred inflows of OPEB	7,359	
Amortization of premium on bonds issued	87,561	
Amortization of deferred gain on bond refunding	63,668	
Amortization of deferred loss on bond refunding	<u>(2,926)</u>	<u>149,579</u>

Change in Net Position of Governmental Activities		<u>\$ 11,209,490</u>
--	--	-----------------------------

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

NOTES TO BASIC FINANCIAL STATEMENTS

VILLAGE OF PALMETTO BAY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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 as a special revenue fund. 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, 2023

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, 2022. The primary government has operational responsibility for the component unit. Revenues consist primarily of donations and investment income. The Foundation's Articles of Incorporation restrict the use of the funds to charitable, educational or scientific purposes. For the year ended December 31, 2022, 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, impact fees (non-exchange), 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, 2023

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, 2023

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.

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, 2023

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.

LEASE RECEIVABLE

The Village's lease receivable is measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

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, 2023 was 2.3500 mills.

VILLAGE OF PALMETTO BAY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROPERTY TAXES

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, 2023, there were no material delinquent taxes.

CAPITAL ASSETS

Capital assets, which include land, buildings, furniture and equipment, improvements other than buildings, intangibles (i.e. software), right-to-use assets (leases), subscription arrangements (i.e. information technology), 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/amortized 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
Right-to-use assets	Through lease maturity
Subscription arrangement	Through subscription maturity

VILLAGE OF PALMETTO BAY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

LEASES (RIGHT-OF-USE ASSET)

The leases (right-of-use asset) are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The leases (right-of-use asset) are amortized on a straight-line basis over the life of the related lease.

SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (“SBITA”)

The SBITA assets are initially measured at an amount equal to the initial measurement of the related SBITA liability plus any SBITA payments made prior to the subscription term, less SBITA incentives, plus any ancillary charges necessary to place the SBITA into service. The SBITA assets are amortized on a straight-line basis over the life of the related contract.

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.

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 expensed as incurred.

VILLAGE OF PALMETTO BAY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

LONG-TERM OBLIGATIONS (CONTINUED)

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, building 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 assets 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 6).

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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The Village has three items that qualify for reporting in this category. An item related to leases, an item related to OPEB, and an item related to the gain on refunding on bonds with Miami-Dade County (Note 6).

VILLAGE OF PALMETTO BAY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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, 2023

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/amortization, 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.

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.

VILLAGE OF PALMETTO BAY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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/expenses 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. 91, *Conduit Debt Obligations*, provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with 1) commitments extended by issuers, 2) arrangements associated with conduit debt obligations, and 3) related note disclosures. This Statement was implemented by the Village for the fiscal year ended September 30, 2023; however, there was no impact to the Village.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, addresses issues related to public-private and public-public partnerships (“PPP”) and provides guidance for accounting and financial reporting for availability payment arrangements (“APA”). The Statement provides specific guidance on the accounting and financial reporting for PPP and APA transactions. This Statement was implemented by the Village for the fiscal year ended September 30, 2023; however, there was no impact to the Village.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, provides guidance on the accounting and financial reporting for subscription-based information technology arrangements. This Statement was implemented by the Village for the fiscal year ended September 30, 2023.

GASB Statement No. 99, *Omnibus 2022*, addresses certain practice issues identified during implementation and application of certain GASB Statements, including, but not limited to, 1) classification and reporting of derivative instruments within GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*; 2) clarification of provisions in GASB Statement No. 87, *Leases*; 3) clarification of provisions in GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*; and 4) clarification of provisions in GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement was implemented by the Village for the fiscal year ended September 30, 2023.

VILLAGE OF PALMETTO BAY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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, 2023, 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, 2023, the Village’s investment in the Florida PRIME was \$2,076,117. Florida PRIME is presented as a cash equivalent.

VILLAGE OF PALMETTO BAY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 2 – CASH AND CASH EQUIVALENTS (CONTINUED)

INVESTMENTS (CONTINUED)

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.

The dollar weighted average days to maturity (“WAM”) of Florida PRIME at September 30, 2023, is 35 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, 2023, is 75 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.

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, 2023.

VILLAGE OF PALMETTO BAY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 3 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivable and payable balances at September 30, 2023 were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 3,943,486	\$ 132,524
Transportation Fund	434	494,673
Grants Fund	--	2,318,196
Building Fund	128,593	911,961
Nonmajor Governmental Funds	<u>3,497</u>	<u>38,629</u>
	<u>\$ 4,076,010</u>	<u>\$ 4,076,010</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.

TRANSFERS

Transfers during the fiscal year ended September 30, 2023 were as follows:

	<u>Transfers in</u>	<u>Transfers out</u>
General Fund	\$ --	\$ 1,950,000
Capital Projects Fund	<u>1,950,000</u>	<u>--</u>
	<u>\$ 1,950,000</u>	<u>\$ 1,950,000</u>

Transfer activity noted above represent movement of unrestricted revenues to fund Capital Projects Fund activity/projects.

VILLAGE OF PALMETTO BAY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 4 – LEASE RECEIVABLE

On May 2, 2005, the Village, as a lessor, entered into a 28 year lease with Miami-Dade County that commenced during fiscal year 2008 for the use of Ludovici Park Library. Effectively October 1, 2021, the Village implemented GASB 87. An initial lease receivable was recorded in the amount of \$1,593,011. As of September 30, 2023, the value of the lease receivable is \$1,380,565. Miami-Dade County is required to make an annual payment totaling \$108,981. The lease receivable is measured at a discount rate of 4.46%, which is an implicit interest rate. The value of the deferred inflow of resources as of September 30, 2023, was \$1,380,609, and the Village recognized lease revenue of \$106,201 during the fiscal year.

Both Miami-Dade County and the Village have the right to terminate the agreement. In the event the Village terminates this agreement before it expires, it shall provide the County at no additional cost to the County and with no interruption except reasonable time for relocation, a space comparable in size and amenities to the Library and acceptable to the County. The Village shall be responsible for the full cost of such relocation. In the event the County terminates this agreement before it expires, the County shall provide the Village with a balloon payment equal to the balance needed to pay-off the Village's construction cost debt.

The following schedule represents the future principal and interest revenue to be received:

Fiscal Year Ending September 30,	Principal	Interest	Total
2024	\$ 103,850	\$ 5,131	\$ 108,981
2025	104,236	4,745	108,981
2026	104,623	4,358	108,981
2027	105,012	3,969	108,981
2028	105,402	3,578	108,980
2029-2033	532,916	11,987	544,903
2034-2036	<u>324,526</u>	<u>2,415</u>	<u>326,941</u>
Total	<u>\$ 1,380,565</u>	<u>\$ 36,183</u>	<u>\$ 1,416,748</u>

VILLAGE OF PALMETTO BAY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2023 was as follows:

Governmental Activities	Beginning Balance*	Additions	Deletions	Ending Balance
Capital assets not being depreciated/amortized:				
Land	\$ 26,649,655	\$ --	\$ --	\$ 26,649,655
Construction in progress	<u>357,400</u>	<u>935,096</u>	<u>--</u>	<u>1,292,496</u>
Total capital assets not being depreciated/amortized	<u>27,007,055</u>	<u>935,096</u>	<u>--</u>	<u>27,942,151</u>
Capital assets being depreciated/amortized:				
Intangibles	492,153	--	--	492,153
Furniture and equipment	2,839,585	292,403	468,234	2,663,754
Buildings	13,985,470	--	--	13,985,470
Improvements other than buildings	12,534,636	449,069	--	12,983,705
Infrastructure	21,865,729	206,917	--	22,072,646
Leases (Right-of-use asset)	47,964	--	--	47,964
Subscription arrangements	<u>16,602</u>	<u>5,384</u>	<u>--</u>	<u>21,986</u>
Total capital assets being depreciated/amortized	<u>51,782,139</u>	<u>953,773</u>	<u>468,234</u>	<u>52,267,678</u>
Less accumulated depreciation/amortization for:				
Intangibles	492,153	--	--	492,153
Furniture and equipment	1,839,342	302,960	445,545	1,696,757
Buildings	5,875,904	466,182	--	6,342,086
Improvements other than buildings	8,909,484	654,172	--	9,563,656
Infrastructure	4,706,127	739,381	--	5,445,508
Leases (Right-of-use asset)	6,852	6,852	--	13,704
Subscription arrangements	<u>--</u>	<u>10,993</u>	<u>--</u>	<u>10,993</u>
Total accumulated depreciation/amortization	<u>21,829,862</u>	<u>2,180,540</u>	<u>445,545</u>	<u>23,564,857</u>
Total capital assets being depreciated/amortized, net	<u>29,952,277</u>	<u>(1,226,767)</u>	<u>22,689</u>	<u>28,702,821</u>
Governmental Activities Capital Assets, Net	<u>\$ 56,959,332</u>	<u>\$ (291,671)</u>	<u>\$ 22,689</u>	<u>\$ 56,644,972</u>

*Beginning balance was adjusted to consider proper amounts related to the implementation of GASB Statement No.96.

Depreciation/Amortization expense charged to the functions or programs of the Village for the fiscal year ended September 30, 2023 was as follows:

General government	\$ 354,192
Public safety	31,525
Transportation	861,032
Parks and recreation	<u>933,791</u>
Total Depreciation/Amortization Expense	<u>\$ 2,180,540</u>

VILLAGE OF PALMETTO BAY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 6 – LONG-TERM LIABILITIES

Long-term debt activity for the fiscal year ended September 30, 2023 was as follows:

Governmental activities	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds payable:					
FMLC Bonds - Series 2021A	\$ 8,540,000	\$ --	\$ (335,000)	\$ 8,205,000	\$ --
Less deferred amounts:					
Issuance premium - Series 2021A	<u>1,576,091</u>	<u>--</u>	<u>(87,561)</u>	<u>1,488,530</u>	<u>87,561</u>
Total bonds payable (direct borrowing)	<u>10,116,091</u>	<u>--</u>	<u>(422,561)</u>	<u>9,693,530</u>	<u>87,561</u>
Note payable:					
Refunding Revenue Note, Series 2015	<u>723,654</u>	<u>--</u>	<u>(81,428)</u>	<u>642,226</u>	<u>--</u>
Total Note payable (direct borrowing)	<u>723,654</u>	<u>--</u>	<u>(81,428)</u>	<u>642,226</u>	<u>--</u>
Liabilities with Miami-Dade County:					
QNIP bonds (Refinanced)	296,873	--	(144,693)	152,180	152,180
Stormwater bonds (Refinanced)	<u>629,602</u>	<u>--</u>	<u>(77,353)</u>	<u>552,249</u>	<u>81,177</u>
Total liabilities with Miami-Dade County (direct borrowings)	<u>926,475</u>	<u>--</u>	<u>(222,046)</u>	<u>704,429</u>	<u>233,357</u>
Leases (Right-of-use asset)	<u>41,649</u>	<u>--</u>	<u>(6,460)</u>	<u>35,189</u>	<u>6,608</u>
Leases (direct borrowing)	<u>124,068</u>	<u>--</u>	<u>(42,106)</u>	<u>81,962</u>	<u>42,106</u>
Subscription arrangements	<u>16,602</u>	<u>5,384</u>	<u>(9,705)</u>	<u>12,281</u>	<u>10,364</u>
Compensated absences	<u>244,355</u>	<u>241,384</u>	<u>(244,355)</u>	<u>241,384</u>	<u>241,384</u>
Governmental Activities Long-Term Liabilities	<u>\$ 12,192,894</u>	<u>\$ 246,768</u>	<u>\$ (1,028,661)</u>	<u>\$ 11,411,001</u>	<u>\$ 621,380</u>

*Beginning balance was adjusted to consider proper amounts related to the implementation of GASB Statement No. 96.

VILLAGE OF PALMETTO BAY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 6 – 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 (“FMLC”) 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 \$100,000 and \$109,000, respectively. The total principal and interest remaining on the bonds is \$712,782. The refunding reduced total debt service payments by nearly \$357,385. 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:

<u>Fiscal Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024*	\$ --	\$ 16,111	\$ 16,111
2025	86,046	14,135	100,181
2026	85,109	12,116	97,225
2027	89,544	10,056	99,600
2028	94,138	7,890	102,028
2029-2031	<u>287,389</u>	<u>10,248</u>	<u>297,637</u>
Total	<u>\$ 642,226</u>	<u>\$ 70,556</u>	<u>\$ 712,782</u>

* Debt Service Payment due on October 1, 2023 was paid during fiscal year ended September 30, 2023.

VILLAGE OF PALMETTO BAY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 6 – 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. 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.

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. This resulted in a principal balance savings for the Village of \$80,899 during the current year. The principal and interest payment for the fiscal year ended September 30, 2023 was approximately \$157,000. 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
2024	\$ 152,180	\$ 4,774	\$ 156,954
Total	\$ 152,180	\$ 4,774	\$ 156,954

VILLAGE OF PALMETTO BAY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 6 – 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. 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 fiscal year 2029.

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. This resulted in a principal balance savings for the Village of \$162,528 during the current year. The principal and interest payments for the fiscal year ended September 30, 2023 were approximately \$109,000. 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
2024	\$ 81,177	\$ 27,612	\$ 108,789
2025	85,262	23,554	108,816
2026	89,521	19,290	108,811
2027	93,954	14,814	108,768
2028	98,734	10,117	108,851
2029	<u>103,601</u>	<u>5,180</u>	<u>108,781</u>
Total	<u>\$ 552,249</u>	<u>\$ 100,567</u>	<u>\$ 652,816</u>

VILLAGE OF PALMETTO BAY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 6 – 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. The principal and interest payments for the fiscal year ended September 30, 2023 were approximately \$652,000. The total principal and interest remaining on the bonds is \$11,732,850. 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
2024*	\$ --	\$ 310,700	\$ 310,700
2025	345,000	297,100	642,100
2026	365,000	282,900	647,900
2027	375,000	268,100	643,100
2028	390,000	252,800	642,800
2029-2033	2,205,000	1,011,700	3,216,700
2034-2038	2,685,000	527,000	3,212,000
2039-2041	<u>1,840,000</u>	<u>83,850</u>	<u>1,923,850</u>
Total	<u>\$ 8,205,000</u>	<u>\$ 3,034,150</u>	<u>\$11,239,150</u>

* Debt Service Payment due on October 1, 2023 was paid during fiscal year ended September 30, 2023.

VILLAGE OF PALMETTO BAY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 6 – LONG-TERM LIABILITIES (CONTINUED)

LEASES (RIGHT-OF-USE ASSET)

The Village has entered into an agreement to lease certain property. The lease agreement qualifies as other than a short-term lease under GASB Statement No. 87 and therefore; has been recorded at the present value of the future minimum lease payments as of the date of their inception.

On November 1, 2018, the Village entered into a 10 year lease as Lessee for the use of the Perrine Community House. An initial lease liability was recorded in the amount of \$47,964 as of October 1, 2021. As of September 30, 2023, the value of the lease liability is \$35,189. A total of principal and interest payments made during the fiscal year was \$6,561. The Village is required to make monthly fixed payments of \$537 and will gradually increase annually up to \$605 through fiscal year 2029. The lease liability is measured at a discount rate of 0.26%, which is an implicit interest rate. The value of the right-of-use asset as of September 30, 2023 is \$47,964 net of accumulated amortization of \$13,704.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2023, were as follows:

<u>Fiscal Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 6,608	\$ 84	\$ 6,692
2025	6,759	66	6,825
2026	6,914	49	6,963
2027	7,071	30	7,101
2028	7,232	12	7,244
2029	<u>605</u>	<u>--</u>	<u>605</u>
Total	<u>\$ 35,189</u>	<u>\$ 241</u>	<u>\$ 35,430</u>

VILLAGE OF PALMETTO BAY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 6 – LONG-TERM LIABILITIES (CONTINUED)

SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

The Village has entered into multiple subscription arrangements. The subscription arrangements qualify as other than a short-term lease under GASB Statement No. 96 and therefore; have been recorded at the present value of the future minimum payments as of the date of their inception.

The Village entered into 2 subscription arrangements which are each 36 months in duration. An initial subscription arrangements liability was recorded in the amount of \$21,986 during the fiscal year ended September 30, 2023. As of September 30, 2023, the value of the subscription arrangements liability was \$12,281. Principal and interest payments made during the fiscal year totaled \$9,705. Required annual fixed payments for the 2 subscription arrangements are \$8,025 and \$1,680. The value of the subscription arrangements as of September 30, 2023 is \$21,986 with accumulated amortization of \$10,993.

The future minimum subscription obligations and the net present value of these minimum lease payments as of September 30, 2023, were as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2024	\$ 10,364	\$ 21	\$ 10,385
2025	<u>1,917</u>	<u>6</u>	<u>1,923</u>
Total	<u>\$ 12,281</u>	<u>\$ 27</u>	<u>\$ 12,308</u>

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.

Assets	
Vehicles	\$ 215,579
Accumulated depreciation	<u>(126,671)</u>
Carrying Value	<u>\$ 88,908</u>

VILLAGE OF PALMETTO BAY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 6 – LONG-TERM LIABILITIES (CONTINUED)

LEASES (DIRECT BORROWING) (CONTINUED)

Future minimum lease payments and the present value of net minimum lease payments as of September 30, 2023 are as follows:

<u>Fiscal Year Ending September 30,</u>	
2024	\$ 48,082
2025	44,958
2026	<u>521</u>
Total minimum lease payments	93,561
Less: amount representing interest	<u>11,599</u>
Total principal outstanding amount	<u><u>\$ 81,962</u></u>

NOTE 7 – 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.

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 \$270,000 and the Village contributed approximately \$478,000 to the Plan during the fiscal year ended September 30, 2023.

VILLAGE OF PALMETTO BAY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 8 – 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, 2023

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

EMPLOYEES COVERED BY BENEFIT TERMS

At September 30, 2023, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	--
Inactive employees entitled to but not yet receiving benefit payments	--
Active employees	<u>64</u>
Total Members	<u><u>64</u></u>

TOTAL OPEB LIABILITY AND CHANGES IN TOTAL OPEB LIABILITY

The Village's total OPEB liability of \$58,949 was measured as of September 30, 2022, and was determined by an actuarial valuation dated as of October 1, 2021.

	<u>Total OPEB Liability</u>
Balance at September 30, 2022	<u>\$ 50,992</u>
Changes for the year:	
Service cost	6,723
Interest	2,410
Changes of Benefit Terms	--
Difference between actual and expected experience	--
Assumption changes and other inputs	(219)
Benefit payments	<u>(957)</u>
Net changes	<u>7,957</u>
Balance at September 30, 2023 (Reporting Date)	<u><u>\$ 58,949</u></u>
Covered Employee Payroll	\$4,210,643
Total OPEB liability as a percentage of covered employee payroll	1.40%

VILLAGE OF PALMETTO BAY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

ACTUARIAL ASSUMPTIONS AND OTHER INPUTS

The total OPEB liability in the October 1, 2021 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, 2021
Measurement date	September 30, 2022
Inflation	3.00%
Salary increases	4.00%
Discount rate	4.87%
Healthcare cost trend rates	7.4% for POS Medical Plan and 7.0% for HMO Medical Plan and gradually decreasing to an ultimate rate of 4.5% in 2037
Retirees' share of benefit-related costs	Same as Health Care Trend
Mortality	PubG.H-2010 Mortality Table - General with Mortality Improvement using Scale MP-2020

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, 2023:

	1% Decrease (3.87%)	Current Discount Rate (4.87%)	1% Increase (5.87%)
Total OPEB Liability	\$ 61,196	\$ 58,949	\$ 56,828

VILLAGE OF PALMETTO BAY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 8 – 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 7.4% to 7.0% 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, 2023:

	1% Decrease (6.4% to 6.0%)	Current Trend Rates (7.4% to 7.0%)	1% Increase (8.4% to 8.0%)
Total OPEB Liability	\$ 56,112	\$ 58,949	\$ 62,128

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

For fiscal year ended September 30, 2023, the Village recognized OPEB Expense of \$1,695. At September 30, 2023, 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	\$ --	\$ 43,514
Changes of assumptions	5,689	5,078
Total	\$ 5,689	\$ 48,592

VILLAGE OF PALMETTO BAY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 8 – 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 (income) as follows:

Fiscal Year Ending September 30	Amount
2024	\$ (6,481)
2025	(6,481)
2026	(6,481)
2027	(6,481)
2028	(6,470)
Thereafter	(10,509)
Total	<u><u>\$ (42,903)</u></u>

NOTE 9 – 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, 2023

NOTE 9 – 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 \$9,244,177 during fiscal year ended September 30, 2023.

CONSTRUCTION COMMITMENTS

The Village had construction commitments of approximately \$1,152,937 outstanding at September 30, 2023.

NOTE 10 – DEFICIT IN FUND BALANCE

At September 30, 2023, the Building Fund had a deficit fund balance of \$865,341. The Village expects to fund this deficit with transfers from the General Fund in subsequent years.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF PALMETTO BAY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 8,393,341	\$ 8,393,341	\$ 8,391,363	\$ (1,978)
Utility taxes	2,575,000	2,575,000	3,530,712	955,712
Communication service tax	800,000	800,000	869,256	69,256
Franchise fees	1,500,000	1,500,000	2,238,704	738,704
Intergovernmental	2,513,608	2,513,608	3,180,914	667,306
Licenses and permits	263,870	263,870	197,281	(66,589)
Fines and forfeitures	57,956	57,956	81,707	23,751
Charges for services	939,747	939,747	1,200,802	261,055
Interest	50,000	50,000	371,427	321,427
Miscellaneous	280,686	280,686	234,006	(46,680)
ARPA Funding	1,347,358	1,347,358	--	(1,347,358)
Total Revenues	<u>18,721,566</u>	<u>18,721,566</u>	<u>20,296,172</u>	<u>1,574,606</u>
Expenditures				
Current:				
General government				
Village council	174,951	174,951	176,395	(1,444)
Village manager/clerk	822,800	822,800	697,430	125,370
Finance department	1,317,361	1,290,661	1,017,243	273,418
Village attorney	453,247	453,247	398,595	54,652
Planning and zoning	507,318	507,318	353,078	154,240
Other general government	1,110,700	1,119,400	1,035,692	83,708
Total General Government	<u>4,386,377</u>	<u>4,368,377</u>	<u>3,678,433</u>	<u>689,944</u>
Public safety	9,637,500	9,637,500	2,138,164	7,499,336
Public works	556,763	556,763	586,048	(29,285)
Parks and recreation	3,371,164	3,389,164	2,867,220	521,944
Debt service:				
Principal	425,878	425,878	417,417	8,461
Interest	343,884	343,884	349,609	(5,725)
Total Expenditures	<u>18,721,566</u>	<u>18,721,566</u>	<u>10,036,891</u>	<u>8,684,675</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>--</u>	<u>--</u>	<u>10,259,281</u>	<u>10,259,281</u>
Other Financing Sources (Uses)				
Transfers out	(1,950,000)	(1,950,000)	(1,950,000)	--
Appropriation of prior year's fund balance	1,950,000	1,950,000	--	(1,950,000)
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>(1,950,000)</u>	<u>(1,950,000)</u>
Net Change in Fund Balance	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 8,309,281</u>	<u>\$ 8,309,281</u>

See notes to budgetary comparison schedule.

VILLAGE OF PALMETTO BAY, FLORIDA

NOTE TO BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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 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 \$68,517 more than the revenues reported on the basis of GAAP due to \$68,517 of proceeds from the sale of capital assets reported as an other 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)	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service cost	\$ 6,723	\$ 7,635	\$ 8,582	\$ 7,653	\$ 2,702	\$ 3,035
Interest	2,410	2,227	2,087	686	751	912
Changes of benefit terms	--	--	--	92,330	--	--
Differences between actual and expected experience	--	(46,495)	--	(13,315)	--	(475)
Assumption changes and other inputs	(219)	(4,036)	(644)	6,401	83	93
Benefit payments	(957)	--	(31,807)	--	(9,988)	(12,263)
Other changes	--	--	--	503	27	993
Net Change in Total OPEB Liability	7,957	(40,669)	(21,782)	94,258	(6,425)	(7,705)
Total OPEB Liability - Beginning	<u>50,992</u>	<u>91,661</u>	<u>113,443</u>	<u>19,185</u>	<u>25,610</u>	<u>33,315</u>
Total OPEB Liability - Ending	<u>\$ 58,949</u>	<u>\$ 50,992</u>	<u>\$ 91,661</u>	<u>\$ 113,443</u>	<u>\$ 19,185</u>	<u>\$ 25,610</u>
Covered Employee Payroll	\$4,210,643	\$4,046,789	\$3,718,367	\$3,542,189	\$3,401,757	\$3,210,720
Total OPEB Liability as a Percentage of Covered Employee Payroll	1.40%	1.26%	2.47%	3.20%	0.56%	0.80%

Notes to Schedule:

The Plan is funded on a pay-as-you-go basis and is not administered as a formal qualifying trust. There were no plan assets as of the date of the most recent valuation.

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.

COMBINING FINANCIAL STATEMENTS

VILLAGE OF PALMETTO BAY, FLORIDA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2023

	Special Revenue					Total
	Stormwater Management	Law	False	Art in	Palmetto	
		Enforcement Trust Fund	Alarm Fund	Public Places Fund	Bay Foundation	
Assets						
Cash and cash equivalents	\$1,093,213	\$ 6,636	\$ 71,922	\$ 539,674	\$ 6,685	\$1,718,130
Receivables	30,891	--	--	--	--	30,891
Due from other funds	--	166	3,331	--	--	3,497
Due from other governments	178,950	155	--	--	--	179,105
Total Assets	<u>\$1,303,054</u>	<u>\$ 6,957</u>	<u>\$ 75,253</u>	<u>\$ 539,674</u>	<u>\$ 6,685</u>	<u>\$1,931,623</u>
Liabilities						
Accounts payable	\$ 15,867	\$ --	\$ 133	\$ 29	\$ --	\$ 16,029
Accrued liabilities	5,678	--	--	--	--	5,678
Due to other funds	35,071	--	2,450	429	679	38,629
Total Liabilities	<u>56,616</u>	<u>--</u>	<u>2,583</u>	<u>458</u>	<u>679</u>	<u>60,336</u>
Fund Balances						
Restricted:						
Public transportation operations and maintenance	1,246,438	--	--	--	--	1,246,438
Charitable and educational projects	--	--	--	--	6,006	6,006
Police equipment and training	--	6,957	--	--	--	6,957
Committed:						
False alarm management	--	--	72,670	--	--	72,670
Art in public places	--	--	--	539,216	--	539,216
Total Fund Balances	<u>1,246,438</u>	<u>6,957</u>	<u>72,670</u>	<u>539,216</u>	<u>6,006</u>	<u>1,871,287</u>
Total Liabilities and Fund Balances	<u>\$1,303,054</u>	<u>\$ 6,957</u>	<u>\$ 75,253</u>	<u>\$ 539,674</u>	<u>\$ 6,685</u>	<u>\$1,931,623</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, 2023**

	Special Revenue					Total
	Stormwater Management	Law Enforcement Trust Fund	False Alarm Fund	Art in Public Places Fund	Palmetto Bay Foundation	
Revenues						
Charges for services	\$ 856,630	\$ --	\$ 37,933	\$ --	\$ --	\$ 894,563
Interest income	26,499	162	1,921	270	3	28,855
Miscellaneous	108	1,719	504	--	--	2,331
Total Revenues	<u>883,237</u>	<u>1,881</u>	<u>40,358</u>	<u>270</u>	<u>3</u>	<u>925,749</u>
Expenditures						
Current:						
General government	--	972	40,573	1,940	678	44,163
Public works	366,728	--	--	--	--	366,728
Capital outlay	18,704	--	--	--	--	18,704
Debt service:						
Principal	77,353	--	--	--	--	77,353
Interest	31,480	--	--	--	--	31,480
Total Expenditures	<u>494,265</u>	<u>972</u>	<u>40,573</u>	<u>1,940</u>	<u>678</u>	<u>538,428</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>388,972</u>	<u>909</u>	<u>(215)</u>	<u>(1,670)</u>	<u>(675)</u>	<u>387,321</u>
Net Change in Fund Balances	388,972	909	(215)	(1,670)	(675)	387,321
Fund Balances - Beginning	<u>857,466</u>	<u>6,048</u>	<u>72,885</u>	<u>540,886</u>	<u>6,681</u>	<u>1,483,966</u>
Fund Balances - Ending	<u>\$ 1,246,438</u>	<u>\$ 6,957</u>	<u>\$ 72,670</u>	<u>\$ 539,216</u>	<u>\$ 6,006</u>	<u>\$ 1,871,287</u>

STATISTICAL SECTION

Statistical Section

This part of the Village of Palmetto Bay's annual comprehensive 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

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Financial Trends

57-60

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

61-64

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

Debt Capacity

65-68

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

69

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

Operating Information

70-73

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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Investment in capital assets, net of related debt	\$ 33,862,202	\$ 33,588,474	\$ 33,134,812	\$ 33,124,927	\$ 37,879,325	\$ 41,339,531	\$ 44,025,420	\$ 45,152,296	\$ 44,817,016	\$ 45,342,410
Restricted	5,028,591	5,523,082	5,806,975	4,695,709	5,584,081	3,908,588	4,005,311	3,918,829	4,488,645	6,347,105
Unrestricted	12,660,148	14,224,072	15,597,402	16,651,125	13,926,428	15,044,142	11,873,457	11,856,887	16,072,374	24,898,010
Total governmental activities net asset	<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>	<u>\$ 65,378,035</u>	<u>\$ 76,587,525</u>

VILLAGE OF PALMETTO BAY
STATEMENT OF ACTIVITIES
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General Government	\$ 4,883,138	\$ 5,451,964	\$ 6,571,452	\$ 7,047,743	\$ 5,518,997	\$ 6,339,575	\$ 6,326,017	\$ 6,166,085	\$ 3,728,190	\$ 4,085,013
Building permitting	212,328	115,794	-	-	-	-	-	-	2,142,650	2,270,853
Public safety	6,638,112	7,006,463	6,759,037	7,401,124	7,640,492	8,089,316	8,032,978	7,957,443	6,238,362	2,169,689
Public Assistance	-	-	-	-	1,765,431	16,473	439,281	126,225	2,842,585	7,904,546
Public Works	975,188	854,938	978,242	939,841	2,108,425	3,138,825	4,018,596	3,945,055	3,824,476	3,515,910
Parks & Recreation	2,820,743	2,920,756	2,387,359	2,459,021	2,685,465	3,409,247	2,614,193	3,633,125	3,634,326	3,992,141
Interest on long-term debt	837,207	807,485	734,187	693,749	667,295	711,044	622,416	561,137	461,030	393,468
Total governmental activities expenses	\$ 16,366,716	\$ 17,157,400	\$ 17,430,277	\$ 18,541,478	\$ 20,386,105	\$ 21,704,480	\$ 22,053,481	\$ 22,389,070	\$ 22,871,619	\$ 24,331,620
Program Revenue										
Governmental activities:										
Charge for services:										
General Government	\$ 1,509,505	\$ 1,606,244	\$ 1,791,654	\$ 1,663,744	\$ 2,753,482	\$ 2,352,134	\$ 1,477,058	\$ 3,204,412	\$ 1,802,819	\$ 1,867,161
Public Safety	298,121	241,096	259,831	258,500	160,236	365,105	251,311	164,105	171,873	84,018
Public Works	729,259	712,742	680,536	694,083	1,218,923	711,738	674,453	832,264	857,995	856,630
Park & Recreation	774,676	1,049,133	841,359	1,039,950	1,039,437	1,089,978	491,876	660,284	1,159,322	1,200,802
Operating Grants and Contributions	1,617,420	1,925,957	2,002,049	1,938,471	2,055,984	2,538,460	2,237,279	711,882	3,231,249	7,971,374
Capital Grants and Contributions	2,526	-	-	-	1,886,616	3,617,708	1,926,891	649,477	758,832	1,206,643
Total governmental activities programs revenues	\$ 4,931,507	\$ 5,535,172	\$ 5,575,429	\$ 5,594,748	\$ 9,114,678	\$ 10,675,123	\$ 7,058,868	\$ 6,222,424	\$ 7,982,090	\$ 13,186,628
Net (Expense)/Revenue										
Governmental activities	\$ (11,435,209)	\$ (11,622,228)	\$ (11,854,848)	\$ (12,946,730)	\$ (11,271,427)	\$ (11,029,357)	\$ (14,994,613)	\$ (16,166,646)	\$ (14,889,529)	\$ (11,144,992)
General Revenues and Other changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 5,555,032	\$ 5,788,016	\$ 5,967,015	\$ 5,949,675	\$ 6,280,596	\$ 6,311,243	\$ 6,449,589	\$ 6,816,609	\$ 7,812,046	\$ 8,391,363
Utility Taxes	2,360,864	2,336,472	2,371,602	2,449,906	2,476,087	2,504,675	2,635,734	2,677,579	2,876,271	3,222,229
Communication Taxes	1,434,739	1,326,446	1,268,751	1,268,588	1,122,791	903,794	857,722	797,714	872,421	869,256
Franchise taxes	829,882	787,126	800,852	599,893	816,239	795,525	927,087	1,222,608	1,991,934	2,238,704
Intergovernmental revenue	2,180,210	2,255,791	2,303,566	2,291,919	2,482,841	2,418,059	2,132,145	4,308,499	5,296,841	5,421,845
Investment income	134,833	155,623	149,951	163,920	202,985	227,869	167,033	57,478	99,864	794,138
Impact fees	-	-	-	-	-	-	-	806,448	182,298	1,145,314
Sale of capital assets	-	-	-	-	-	-	-	-	-	45,828
Miscellaneous	343,369	157,441	196,672	155,401	807,961	1,333,963	527,798	503,535	207,877	225,805
Total governmental activities	\$ 12,838,929	\$ 12,806,915	\$ 13,058,409	\$ 12,879,302	\$ 14,189,500	\$ 14,495,128	\$ 13,697,108	\$ 17,190,470	\$ 19,339,552	\$ 22,354,482
Extraordinary Items										
Adjustment to beginning net position	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (544,159)	\$ 890,248	\$ -	\$ -	\$ -
Change in Net Position										
Governmental activities	1,403,720	1,184,687	1,203,561	(67,428)	2,918,073	2,921,612	(407,257)	1,023,824	4,450,023	11,209,490
Total Primary Government	\$ 1,403,720	\$ 1,184,687	\$ 1,203,561	\$ (67,428)	\$ 2,918,073	\$ 2,921,612	\$ (407,257)	\$ 1,023,824	\$ 4,450,023	\$ 11,209,490

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Non-Spendable	\$ 125,402	\$ 676,220	\$ 82,883	\$ 82,332	\$ 85,383	\$ 96,067	\$ 448,671	\$ 167,673	\$ 462,239	\$ 639,725
Restricted	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	4,700,000	4,700,000	4,700,000	4,700,000
Unassigned	12,945,499	13,181,246	11,442,147	10,638,696	11,017,071	10,570,072	5,562,388	6,057,987	9,614,128	17,745,923
Total General Fund	<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>	<u>\$ 14,776,367</u>	<u>\$ 23,085,648</u>
All Other Governmental Funds										
Restricted:										
Special Revenue Funds	\$ 4,126,942	\$ 4,621,251	\$ 4,903,311	\$ 3,787,024	\$ 4,662,974	\$ 2,967,090	\$ 3,055,047	\$ 3,908,560	\$ 4,488,645	\$ 6,347,105
Debt Service Fund	901,649	901,831	903,664	908,685	921,107	941,498	950,264	10,269	-	-
Capital Projects Funds	-	-	-	-	-	-	-	-	-	-
Committed/Assigned:										
Special Revenue Funds	800,887	1,120,149	970,526	1,482,058	447,902	447,276	513,576	459,525	613,771	611,886
Capital Projects Funds	2,316,605	1,986,638	4,864,924	6,297,720	4,848,583	3,058,195	2,290,756	1,421,016	1,285,524	2,825,481
Unassigned	-	-	-	(91,305)	(1,296,560)	(27,217)	(1,478,194)	(537,563)	(210,163)	(865,341)
Total All Other Governmental Funds	<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>	<u>\$ 6,177,777</u>	<u>\$ 8,919,131</u>
Total All Funds	<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>	<u>\$ 20,954,144</u>	<u>\$ 32,004,779</u>

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues:										
Property Taxes	\$ 5,555,032	\$ 5,788,016	\$ 5,967,015	\$ 5,949,675	\$ 6,280,596	\$ 6,311,243	\$ 6,449,589	\$ 6,816,609	\$ 7,812,046	\$ 8,391,363
Utility Taxes	2,360,864	2,336,472	2,371,602	2,449,906	2,476,087	2,504,675	2,635,734	2,677,579	2,567,788	3,530,712
Communication Taxes	1,434,739	1,326,446	1,268,751	1,268,588	1,122,791	903,794	857,722	797,714	872,421	869,256
Franchise Fees	829,882	787,126	800,852	599,893	816,239	795,525	927,087	1,222,608	1,991,934	2,238,704
Intergovernmental	3,800,156	4,181,748	4,305,615	4,230,390	6,425,441	8,574,227	6,296,315	5,669,858	9,286,922	14,599,862
Licenses and permits	1,434,834	1,542,529	1,707,230	1,590,432	2,684,316	2,301,515	1,419,684	3,939,660	1,907,150	2,824,612
Fines and Forfeitures	298,121	241,096	259,831	258,500	160,236	365,105	251,311	164,105	191,149	225,648
Charges for services	1,578,606	1,825,590	1,606,319	1,807,345	2,327,526	1,852,335	1,223,703	1,563,748	2,076,008	2,103,665
Interest	134,833	155,623	149,951	163,920	202,985	227,869	167,033	57,478	99,864	794,138
Miscellaneous fees	343,369	157,441	196,672	155,401	807,961	1,333,963	527,798	445,296	207,877	225,805
Total revenues	\$ 17,770,436	\$ 18,342,087	\$ 18,633,838	\$ 18,474,050	\$ 23,304,178	\$ 25,170,251	\$ 20,755,976	\$ 23,354,655	\$ 27,013,159	\$ 35,803,765
Expenditures:										
General Government	\$ 4,536,099	\$ 3,215,109	\$ 3,621,256	\$ 3,384,761	\$ 3,056,414	\$ 3,127,029	\$ 3,429,864	\$ 3,148,672	\$ 3,484,964	\$ 3,881,298
Economic Development	212,328	115,708	-	-	-	-	-	-	-	-
Public Safety	6,570,600	8,067,338	8,146,706	9,278,628	7,636,086	8,079,196	8,022,549	7,949,824	6,178,259	2,138,164
Public Assistance	-	-	-	-	1,765,431	16,473	439,281	126,225	2,842,585	7,904,546
Public works	703,360	1,422,213	1,470,397	1,375,596	1,733,355	2,745,584	3,607,160	3,151,674	2,961,417	2,654,692
Building and Permitting	-	-	-	-	2,101,149	2,848,634	2,384,968	2,488,061	2,142,003	2,270,531
Parks & Recreation	1,901,354	2,012,989	1,472,640	1,523,791	1,742,948	2,151,271	1,762,901	2,729,793	2,727,335	3,057,960
Capital outlay	604,506	690,087	1,704,949	1,445,354	6,125,156	6,725,241	3,147,526	1,255,373	1,149,778	1,905,471
Debt service										
Principal Payments	729,299	724,968	810,577	841,411	895,094	855,099	240,032	2,087,982	347,075	637,503
Interest Expense	830,212	823,324	727,192	686,754	667,295	711,044	622,416	561,137	461,030	393,468
Bond Issuance Cost	-	-	-	-	-	-	-	163,689	-	-
Total Expenditures	\$ 16,087,758	\$ 17,071,736	\$ 17,953,717	\$ 18,536,295	\$ 25,722,928	\$ 27,259,571	\$ 23,656,697	\$ 23,662,430	\$ 22,294,446	\$ 24,843,633
Excess of revenues over (under) expenditures	\$ 1,682,678	\$ 1,270,351	\$ 680,121	\$ (62,245)	\$ (2,418,750)	\$ (2,089,320)	\$ (2,900,721)	\$ (307,775)	\$ 4,718,713	\$ 10,960,132
Other Financing Sources (Uses):										
Transfer In	\$ 1,480,000	\$ 121,000	\$ 3,200,000	\$ 1,550,000	\$ 1,114,057	\$ 151,285	\$ 650,286	\$ 323,459	\$ 1,219,655	\$ 1,950,000
Transfer Out	(1,480,000)	(121,000)	(3,200,000)	(1,550,000)	(1,114,057)	(151,285)	(650,286)	(323,459)	(1,219,655)	(1,950,000)
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 sale of capital assets	-	-	-	-	-	-	-	-	-	68,517
Proceeds from Leases	-	-	-	-	-	-	-	273,818	-	-
Initiation of Subscription Arrangement	-	-	-	-	-	-	-	-	-	21,986
Lease (right-of-use asset) acquired	-	-	-	-	-	-	-	-	47,964	-
Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 153,157	\$ 452,734	\$ 47,964	\$ 90,503
Extraordinary Items:										
Adjustment to beginning net position	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (544,159)	\$ 890,248	\$ -	\$ -	\$ -
Net change in fund balances	\$ 1,682,678	\$ 1,270,351	\$ 680,121	\$ (62,245)	\$ (2,418,750)	\$ (2,633,479)	\$ (1,857,316)	\$ 144,959	\$ 4,766,677	\$ 11,050,635
Debt services as a percentage of noncapital expenditures	10.0722%	9.4514%	9.4639%	8.9414%	7.9723%	7.6269%	4.2052%	11.8227%	3.8218%	4.4946%

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

Fiscal Year	Real Property		Personal Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total ¹ Direct Tax Rate	Estimated ² Actual Value	Assessed Value as a % of Actual Value
	Residential	Commercial						
2014	\$ 2,591,982	\$ 2,591,982	\$ 76,327	\$ 766,243	\$ 4,494,048	2.4470	\$ 3,343,102	134.43%
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	3,520,608	1,017,756	82,259	1,421,062	3,199,562	2.2350	4,620,624	69.25%
2022	3,812,779	1,082,494	88,730	1,617,023	3,366,980	2.4000	4,984,003	67.56%
2023	4,875,694	1,226,017	88,731	2,476,068	3,714,374	2.3500	6,190,442	60.00%

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

Fiscal Year	Village of Palmetto Bay Direct Rates		Overlapping Rates			Special District Millage	Total Millage
	Basic Rate	Total Direct	School District	State Rate	Miami-Dade County		
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
2022	2.4000	2.4000	7.0090	0.2892	4.6669	3.7122	18.0773
2023	2.3500	2.3500	6.5890	0.2621	4.6202	3.6630	17.4843

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	2023				2014			
	Type of Business	Taxable Value	Rank	Percentage of Total Village Taxable Value	Type of Business	Taxable Value	Rank	Percentage of Total Village Taxable Value
FCI Palmetto Bay LLC	Multi Family	\$ 51,772,665	1	1.42%				
Westdate Bay Village LLC	Retail Outlet	47,400,000	2	1.30%				
Metropolitan Life Insurance	Retail Outlet	36,800,000	3	1.01%	Retail Outlet	\$ 23,086,437	2	0.96%
Brandsmart USA	Retail Outlet	34,000,000	4	0.93%	Retail Outlet	27,300,000	1	1.14%
17777 Old Cutler RD LLC	Office Building	28,050,000	5	0.77%	Office Building	20,350,000	3	0.85%
South Motor Company of Dade Co	Automotive	27,879,680	6	0.77%	Automotive	7,890,531	10	0.33%
H Greg Nissan Kendall LLC	Automotive	26,452,835	7	0.73%	Automotive	13,200,000	4	0.55%
Gus Machado Kendall Inc.	Automotive	14,088,659	8	0.39%	Retail Outlet	8,200,000	9	0.34%
Publix Super Markets Inc	Retail Outlet	14,000,000	9	0.38%	Automotive	11,500,000	6	0.48%
South Dade Propco LLC (Gramery Park Nursing)	Health Care	11,656,769	10	0.32%	Health Care	8,258,232	8	0.34%
Equity One					Retail Outlet	11,500,000	5	0.48%
Fla Power & Light					Utility	10,058,844	7	0.42%
Total		<u>\$ 292,100,608</u>		<u>8.02%</u>		<u>\$ 141,344,044</u>		<u>5.89%</u>
Total Taxable Value		\$ 3,643,143,967				\$ 2,400,102,401		

Source: Miami-Dade tax assessor's office.

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

Fiscal Year	Total Tax Levy¹	Current Tax Collections²	Percent of Current Taxes Collected	Delinquent Tax Collections²	Total Tax Collections	Ratio of Total Tax Collection to Total Tax Levy	Outstanding Delinquent Taxes³	Ratio of Delinquent Taxes to Total Tax Levy
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
2022	8,080,753	7,678,522	95.0	132,923	7,811,445	96.7	580,970	7.2
2023	8,914,498	8,262,520	92.7	121,151	8,383,671	94.0	159,660	1.8

- 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	Leases	Leases (Right-of-use asset)	Subscription Arrangements	Liabilities to Miami-Dade¹	Total	Percentage of Personal Income³	Per Capita²
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	585
2021	11,284,492	166,174	-	-	1,391,162	12,841,828	0.88	528
2022	10,839,745	124,068	41,649	-	926,475	11,931,937	0.67	480
2023	10,335,756	81,962	35,189	12,281	704,429	11,169,617	N/A	449

Note: Details regarding the Village's outstanding debt can be found in Note 6 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 69 for Demographic and Economic Statistics.

3: See page 69 for Personal Income

N/A - Information not available

VILLAGE OF PALMETTO BAY
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2023

<u>Governmental Unit</u>	<u>Bonded Debt Outstanding</u>	<u>Percentage Applicable to Village of Palmetto Bay¹</u>	<u>Amount Applicable to Village of Palmetto Bay</u>	<u>Amount Per Capita Village of Palmetto Bay¹</u>
County Debt				
Miami-Dade County ²	\$ 4,987,281,000	0.92%	\$ 45,882,985	\$ 1,873
School Board ³	1,082,277	0.92%	9,957	-
Total Overlapping Debt	<u>\$ 4,988,363,277</u>		<u>\$ 45,892,942</u>	<u>\$ 1,873</u>
Contractual Debt ⁴	\$ 704,429	100.00%	\$ 704,429	\$ 29
Leases	81,962	100.00%	81,962	3
Leases (Right-of-use asset)	35,189	100.00%	35,189	1
Subscription arrangements	12,281	100.00%	12,281	1
Village Direct Debt	10,335,756	100.00%	10,335,756	422
Total Village Debt	<u>\$ 11,169,617</u>		<u>\$ 11,169,617</u>	<u>\$ 456</u>
Total Direct and Overlapping Debt	<u>\$ 4,999,532,894</u>		<u>\$ 57,062,559</u>	<u>\$ 2,329</u>

1: Based upon population; information obtained from Bureau of Economic and Business Research, as of April 2021 used for fiscal year 2023; Village of Palmetto Bay - 24,499 and Miami-Dade County - 2,673,837

2: Information obtained from Miami-Dade County Finance Department as of September 30, 2022.

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 6.

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Legal Debt Service Margin Calculation										
Total General Fund Revenues ¹	\$ 17,770,436	\$ 18,342,087	\$ 18,633,838	\$ 18,474,050	\$ 23,305,809	\$ 25,170,251	\$ 20,755,976	\$ 23,354,655	\$ 27,013,159	\$ 35,803,765
Debt Service Limit (20% of General Fund Revenues) ²	3,475,045	3,611,252	3,697,593	3,710,789	4,177,986	4,847,606	4,592,623	4,411,063	5,036,781	6,281,692
Debt Service applicable to limit	<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>	<u>808,105</u>	<u>1,030,971</u>
Legal debt service margin	<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>	<u>\$ 4,228,676</u>	<u>\$ 5,250,721</u>
Total debt service applicable to the limit as a percentage of debt service limit	44.88%	42.87%	41.59%	41.18%	37.40%	32.31%	18.78%	63.77%	16.04%	16.41%

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
PLEGDED-REVENUE COVERAGE**

LAST TEN FISCAL YEARS

Fiscal Year	Library Bonds					Special Revenue Bonds				
	Rent ¹ Revenue	Debt Service Requirements			Coverage	Non-Ad Valorem Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total			Principal	Interest	Total	
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 (2)	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
2022	108,891	82,186	19,010	101,196	1.08	10,307,356	275,000	378,402	653,402	15.77
2023	108,891	81,428	17,071	98,499	1.11	11,836,292	335,000	317,400	652,400	18.14

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

2: The Village refinanced the debt see Note 6.

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

Fiscal Year	Population¹	Personal Income	Per Capita Income²	Median Age²	School Enrollment⁴	Public School Enrollment³	Unemployment Rate²
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	1,463,405,261	60,121	41.8	6,962	N/A ⁵	5.2
2022	24,870	1,778,055,780	71,494	41.6	6733	1,984	3.6
2023	24,499	N/A	N.A	N/A	N/A	5,325	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.asp>

4: Information obtained from U.S. Census Bureau. Enrollment is for population 3 years and over enrolled in school.

5: Accurate figures are not available due to COVID.

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

Employer	2023			2014		
	Employees	Rank	Percentage of Total Village Population¹	Employees	Rank	Percentage of Total Village Population¹
BUPA	450	1	1.81%			
Miami-Dade County Schools	432	2	1.74%	339	2	1.45%
Brandsmart	200	3	0.80%	200	6	0.85%
BCA Financial Services	184	4	0.74%			
South Motors	157	5	0.63%	418	1	1.78%
Publix Supermarket	138	6	0.55%	152	8	0.65%
Marshall's Department Store	134	7	0.54%	256	4	1.09%
Miller's Ale House Restaurant	100	8	0.40%			
Progressive	91	9	0.37%			
Dade Jeep Chrysler Plymouth	70	10	0.28%			0.00%
Palmer Trinity Christian School				132	9	0.56%
Westminster Christian School				57	11	0.24%
Maroone Nissan of Kendall				248	5	1.06%
World Ford Kendall/Gus Machado				78	10	0.33%
Walgreens				291	3	1.24%
Variety Children Hospital				185	7	0.79%
	1,956		7.86%	2,356		10.04%

1: Population information available on page 69 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>2014</u>		<u>2015</u>		<u>2016</u>		<u>2017</u>		<u>2018</u>		<u>2019</u>		<u>2020</u>		<u>2021</u>		<u>2022</u>		<u>2023</u>	
	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT
Village Manager	4	-	4	1	6	-	6	-	6	-	6	-	5	-	4	-	4	-	4	-
Village Clerk	2	-	2	-	2	-	2	-	2	-	3	-	3	-	3	-	4	-	4	-
Village Attorney	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	1	-	1	-
Human Resources	2	-	2	1	4	2	4	1	4	-	4	-	4	1	4	1	6	1	6	-
Finance	6	-	6	-	6	-	6	-	6	-	6	1	7	-	7	-	6	1	6	-
Planning and Zoning	7	-	3	-	2	-	2	-	3	-	3	-	3	-	2	-	3	-	7	-
Building and Permitting	8	2	12	1	13	-	13	-	13	-	13	-	13	-	13	-	14	-	13	-
Parks & Recreation	11	28	9	21	8	23	8	23	8	23	8	24	7	23	11	25	16	19	16	19
Public Work	9	3	15	6	18	7	17	6	18	7	19	6	28	-	14	-	16	-	17	-
Total Employees	<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>	<u>70</u>	<u>21</u>	<u>74</u>	<u>19</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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Targeted Crimes ¹	345	363	313	295	258	206	156			
Homicide								-	1	-
Sex Offenses								5	2	2
Robbery								11	5	9
Larceny								56	47	49
Auto Theft								37	26	31
Burglary								31	30	32
Aggravated Assault/Battery								22	20	17
False Alarms	1,714	1,790	1,689	1,470	1,237	1,256	1,011	930	864	698
Culture and Recreation										
Tennis Court Rentals	9,557	9,687	5,898	6,595	5,972	7,709	6,909	9,099	9,875	7,761
Wedding Rentals	97	167	240	145	101	89	21	23	37	71
Park rentals	431	697	992	817	632	468	331	177	486	469
Summer Camp Registrants	1,095	1,480	1,346	1,337	1,254	1,371	112	85	511	328
Planning & Zoning										
Code Violation	496	396	734	377	1,040	1,002	826	1,076	1,124	801
Zoning Hearing Applications	9	13	8	19	7	12	15	8	8	11
Building Permits										
Residential	3,808	2,151	4,158	3,747	4,434	3,727	1,167	3,960	3,523	3,086
Commercial	607	424	593	616	671	565	131	730	468	461
Inspections	251	321	345	329	776	954	954	1822	2,957	13,965
Manager/Clerk										
Ordinances	6	17	25	21	15	24	18	23	10	26
Resolutions	80	116	133	127	118	165	123	120	106	106
Public Works										
Transit Passengers	5,650	7,190	5,941	5,276	7,109	16,589	9,246	N/A	11,151	13,030
Roads Resurfaced (miles)	3	7	3	2.41	0	2	2	2	3.55	0.00
Finance										
Journal Entries	519	525	747	764	722	789	791	816	808	733
Deposits	1,296	1,355	1,233	1,135	1,204	1,229	1,185	1,355	1,349	1,336
Checks	2,614	2,583	2,725	2,531	2,375	2,618	2,471	2,338	2,647	2,448

1: Targeted Crimes new format as of 2021

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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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	42	45	46	46	44	46	46	46	47	49
Public Works										
Streets (miles)	122	122	122	125	125	125	125	125	125	125
Traffic signals	29	29	29	28	28	28	28	28	28	28
Traffic Circles	2	2	2	3	3	3	4	4	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
Pickle Ball	-	-	-	-	-	-	-	-	2	2
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.

COMPLIANCE REPORTS

**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 (*Government Auditing Standards*), 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, 2023, 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 25, 2024.

Report on 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 Village'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 or significant deficiencies may exist that were not identified.

Report on 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 25, 2024

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR
FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE;
AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the Village of Palmetto Bay, Florida (the "Village") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Village's major federal program for the fiscal year ended September 30, 2023. The Village's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Village complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the fiscal year ended September 30, 2023.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Village's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Village's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Village's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Village's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Village's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Village's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village, as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements. We issued our report thereon dated March 25, 2024, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Marcum LLP

Miami, FL
March 25, 2024

VILLAGE OF PALMETTO BAY, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Federal Agency, Pass-through Entity Federal Program	ALN	Contract/ Grant No.	Total Expenditures
<u>U.S. Department of Department of Justice</u>			
Indirect Programs:			
Pass through Miami-Dade County			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-21-GG-00241-MUMU	\$ 3,102
Total U.S. Department of Department of Justice			<u>3,102</u>
<u>U.S. Department of Department of Treasury</u>			
Indirect Program:			
Pass through Florida Division of Emergency Management			
Coronavirus State and Local Fiscal Recovery Funds	21.027	Y5255	7,958,791
Total U.S. Department of Department of Treasury			<u>7,958,791</u>
<u>U.S. Department of Homeland Security</u>			
Indirect Programs:			
Pass through Florida Division of Emergency Management			
Hazard Mitigation Grant	97.039	4337-370-R	344,230
Total U.S. Department of Homeland Security			<u>344,230</u>
<u>U.S. Department of Transportation</u>			
Indirect Programs:			
Pass through Florida Department of Transportation			
Highway Planning and Construction - Safe Routes to School	20.205	G0M00	197,609
Highway Planning and Construction - Safe Routes to School	20.205	G0L99	115,435
Pass through Florida Executive Office of the Governor			
Highway Planning and Construction - FEMA Hurricane Irma	20.205	4337	16,539
Total Highway Planning and Construction			<u>329,583</u>
Total U.S. Department of Transportation			<u>329,583</u>
Total of Expenditures of Federal Awards			<u><u>\$ 8,635,706</u></u>

Notes: No amounts provided to subrecipients.

See notes to schedule of expenditures of federal awards.

VILLAGE OF PALMETTO BAY, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) presents the expenditures activity of all federal awards of the Village of Palmetto Bay, Florida (the “Village”) for the fiscal year ended September 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Village, it is not intended to and does not present the financial position, changes in net position/fund balance or cash flows of the Village.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 – INDIRECT COST RATE

The Village has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

VILLAGE OF PALMETTO BAY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of auditors’ report issued on whether the financial statements audited were prepared in accordance with GAAP: *Unmodified Opinion*

Internal control over financial reporting:

Material weakness(es) identified? Yes No
 Significant deficiency(ies) identified? Yes None reported

Non-compliance material to financial statements noted? Yes No

Federal Awards

Internal control over the major program:

Material weakness(es) identified? Yes No
 Significant deficiency(ies) identified? Yes None reported

Type of auditors’ report issued on compliance for the major program: *Unmodified Opinion*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of Major Federal Program:

<u>ALN</u>	<u>Federal Program:</u>
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B federal programs: \$750,000

Auditee qualified as low-risk auditee pursuant to the Uniform Guidance? Yes No

VILLAGE OF PALMETTO BAY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None.

SECTION IV – SUMMARY SCHEULE OF PRIOR AUDIT FINDINGS

There were no findings reported in the prior fiscal 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, 2023, and have issued our report thereon dated March 25, 2024.

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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); 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*; Independent Auditors’ Report on Compliance for the Major Federal Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance; Schedule of Findings and Questioned Costs; 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 25, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. There were no findings or recommendations made in the prior year that required corrective actions.

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

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

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures 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. The financial condition assessment was 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.

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 are 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 25, 2024

**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, 2023. 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

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, 2023.

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 25, 2024



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.

Desmond Chin, Finance Director
Village of Palmetto Bay

STATE OF FLORIDA
COUNTY OF MIAMI DADE

SWORN TO AND SUBSCRIBED before me this 8 day of March, 2024.

NOTARY PUBLIC
Print Name Maria Jacqueline Villegas Rodriguez

Personally known or produced identification _____

Type of identification produced: _____

My Commission Expires: _____

