

VILLAGE OF BISCAYNE PARK, FLORIDA
BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

PREPARED BY
FINANCE DEPARTMENT

VILLAGE OF BISCAYNE PARK, FLORIDA
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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor, Village Commission, and Village Manager
Village of Biscayne Park, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Biscayne Park, Florida, (the "Village") as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village as of September 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-11 and the budgetary comparison information, pension schedules, and OPEB schedules on pages 43-51 to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 7, 2022, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
June 7, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Required Supplementary Information)

VILLAGE OF BISCAYNE PARK, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

As management of the Village of Biscayne Park (the "Village"), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended September 30, 2021. Readers are encouraged to consider the information presented here in conjunction with the auditors' reports, the basic financial statements, the notes to the financial statements, and the supplementary information.

Financial Highlights

- At September 30, 2021, the Governmental Activities of the Village presented total assets and deferred outflows of resources of the Village which exceeded its liabilities and deferred inflows of resources by \$4,194,290 (*net position*). Of this amount, \$2,648,904 was invested in capital assets, net of related debt. Additionally, \$627,060 was restricted by law, agreements, or for capital projects. The Village had an unrestricted net position of \$918,326 in its unrestricted net position, 217% improvement over prior year.
- During the fiscal year 2021, net position increased by a net of \$1,428,427. The increase is attributable to current year results of operations and collection of the IRMA grant reimbursement.
- At September 30, 2021, the Village's general fund reported an ending fund balance of \$2,853,801 an increase of \$1,319,184 as compared with the prior year. Of the total fund balance, \$2,754,834 or 97% of this total amount is available for spending at the government's discretion (*unassigned fund balance*). The unassigned fund balance represents 82% of total general fund operating expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements 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 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 financial activity, in a manner similar to a private-sector business.

- The *Statement of Net Position* presents information on all of the assets plus deferred outflows of resources and liabilities plus deferred inflows of resources of the Village, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.
- The *Statement of Activities* presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Village include general government, public safety, public works, parks and recreation, code enforcement, and building, planning, and zoning. The business-type activities of the Village include sanitation.

The government-wide financial statements can be found on pages 12-13 of this report.

Fund financial statements

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

VILLAGE OF BISCAYNE PARK, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

Overview of the Financial Statements (Continued)

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 cash flow and 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 and the impact on short term cash flow requirements to meet basic on-going operations. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Village maintains eight (8) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for the general fund, the Citizens Independent Transportation Trust (CITT) fund, and the American Rescue Plan Act (ARPA) Fund which are considered major funds. Data from the other five (5) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The basic governmental fund financial statements can be found on pages 14 to 17 of this report. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements on pages 52 to 53 of this report.

Proprietary funds

The Village maintains one proprietary or enterprise fund. *Enterprise Funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Village uses an enterprise fund to account for its sanitation operations. *Proprietary funds* provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found on pages 18 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 may be found on pages 21 to 42 of this report.

Government-wide Financial Analysis

Summary of net position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. There are six basic transactions that will affect the comparability of the Statement of Net Position summary presentation as reflected below:

- Net results of activities will impact (increase/decrease) current assets and unrestricted net position.
- Borrowing for capital will increase current assets and long-term debt.
- Spending borrowed proceeds on new capital will reduce current assets and increase capital assets. There is a second impact, an increase in the amount invested in capital assets and an increase in the related debt, which will not change the net investment in capital assets.
- Spending of non-borrowed current assets on new capital will reduce current assets and increase capital assets and will reduce unrestricted net position and increase net investments in capital assets.

VILLAGE OF BISCAYNE PARK, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

Government-wide Financial Analysis (Continued)

- Principal payment on debt will reduce current assets, reduce long-term debt, and reduce unrestricted net position and increase net investments in capital assets.
- Reduction of capital assets through depreciation will reduce capital assets and reduce net investments in capital assets.

At September 30, 2021, the Village governmental activities' assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$4,194,290. The Village's net position of \$2,648,904 reflects its investment in capital assets (e.g., land and equipment). The Village uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. An additional portion of the Village's net position, \$627,060 represents resources that are subject to restrictions on how they may be used. There is a unrestricted net position of \$918,326 stemming from statutory pension financial representation.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 4,656,327	\$ 2,615,333	\$ 123,902	\$ 27,946	\$ 4,780,229	\$ 2,643,279
Capital assets, net	2,869,012	3,061,912	-	-	2,869,012	3,061,912
Total assets	<u>7,525,339</u>	<u>5,677,245</u>	<u>123,902</u>	<u>27,946</u>	<u>7,649,241</u>	<u>5,705,191</u>
Deferred outflows of resources	<u>513,146</u>	<u>839,702</u>	<u>-</u>	<u>-</u>	<u>513,146</u>	<u>839,702</u>
Current and other liabilities	1,198,338	363,997	121,669	38,551	1,320,007	402,548
Long-term debt	<u>1,124,074</u>	<u>3,107,607</u>	<u>-</u>	<u>-</u>	<u>1,124,074</u>	<u>3,107,607</u>
Total liabilities	<u>2,322,412</u>	<u>3,471,604</u>	<u>121,669</u>	<u>38,551</u>	<u>2,444,081</u>	<u>3,510,155</u>
Deferred inflow of resources	<u>1,521,783</u>	<u>279,480</u>	<u>-</u>	<u>-</u>	<u>1,521,783</u>	<u>279,480</u>
Net investment in capital assets	2,648,904	2,792,710	-	-	2,648,904	2,792,710
Restricted	627,060	760,330	-	-	627,060	760,330
Unrestricted	<u>918,326</u>	<u>(787,177)</u>	<u>2,233</u>	<u>(10,605)</u>	<u>920,559</u>	<u>(797,782)</u>
Total net position	<u>\$ 4,194,290</u>	<u>\$ 2,765,863</u>	<u>\$ 2,233</u>	<u>\$ (10,605)</u>	<u>\$ 4,196,523</u>	<u>\$ 2,755,258</u>

Net investment in capital assets decreased by \$143,806 as compared with prior fiscal year. This decrease relates to depreciation expense and decreases in capital asset additions.

Restricted net position decreased to \$627,060 in fiscal year 2021 from \$760,330 in fiscal year 2021 due to a net loss from operating activities.

VILLAGE OF BISCAYNE PARK, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

Government-wide Financial Analysis (Continued)

Governmental activities

Financial activities for the fiscal year are reported below. Key indicators, including revenues and expenditures by category are presented below:

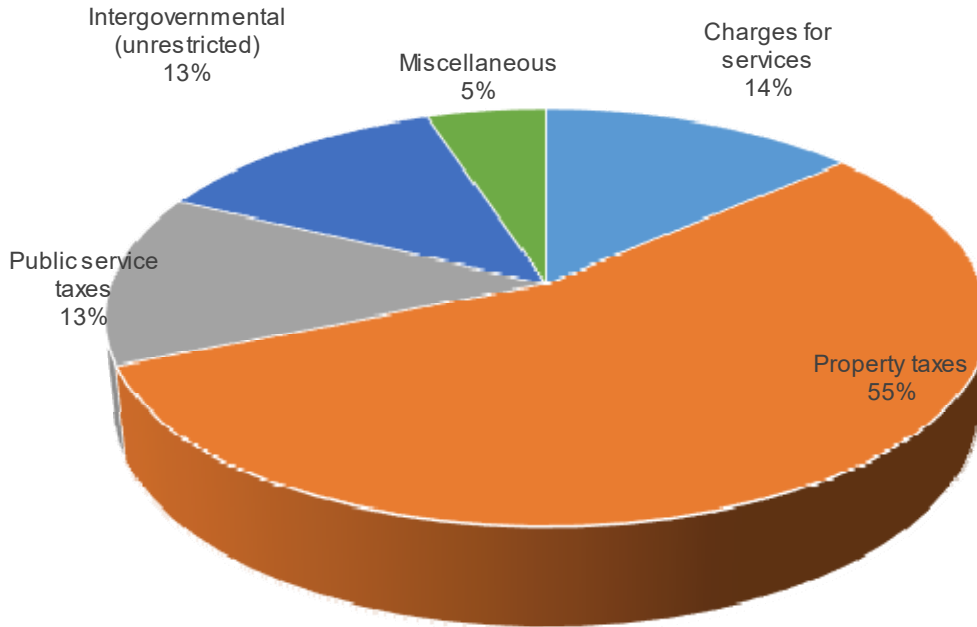
	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 580,193	\$ 242,808	\$ 592,263	\$ 525,840	\$ 1,172,456	\$ 768,648
Operating grants and contributions	864,255	-	-	-	864,255	-
Capital grants and contributions	2,856	12,860	-	-	2,856	12,860
General revenues:						
Property taxes	2,355,772	2,157,472	-	-	2,355,772	2,157,472
Public service taxes	564,143	521,995	-	-	564,143	521,995
Intergovernmental (unrestricted)	546,091	451,313	-	-	546,091	451,313
Miscellaneous	219,383	81,025	-	-	219,383	81,025
Total revenues	<u>5,132,693</u>	<u>3,467,473</u>	<u>592,263</u>	<u>525,840</u>	<u>5,724,956</u>	<u>3,993,313</u>
Expenses:						
General government	937,310	1,101,030	-	-	937,310	1,101,030
Public safety	1,775,021	1,616,601	-	-	1,775,021	1,616,601
Physical environment	771,402	683,186	-	-	771,402	683,186
Culture and recreation	147,791	157,670	-	-	147,791	157,670
Sanitation	-	-	644,209	444,435	644,209	444,435
Interest on long-term debt	7,958	11,519	-	-	7,958	11,519
Total expenses	<u>3,639,482</u>	<u>3,570,006</u>	<u>644,209</u>	<u>444,435</u>	<u>4,283,691</u>	<u>4,014,441</u>
Excess (deficiency) in net position before transfers	1,493,211	(102,533)	(51,946)	81,405	1,441,265	(21,128)
Transfers	(64,784)	86,782	64,784	(86,782)	-	-
Change in net position	<u>1,428,427</u>	<u>(15,751)</u>	<u>12,838</u>	<u>(5,377)</u>	<u>1,441,265</u>	<u>(21,128)</u>
Net position, beginning	2,765,863	2,607,615	(10,605)	(5,228)	2,755,258	2,602,387
Prior period adjustment (See Note 15)	-	173,999	-	-	-	173,999
Net position, as restated	<u>2,765,863</u>	<u>2,781,614</u>	<u>(10,605)</u>	<u>(5,228)</u>	<u>2,755,258</u>	<u>2,776,386</u>
Net position, ending	<u>\$ 4,194,290</u>	<u>\$ 2,765,863</u>	<u>\$ 2,233</u>	<u>\$ (10,605)</u>	<u>\$ 4,196,523</u>	<u>\$ 2,755,258</u>

For fiscal year 2021, total revenues increased by \$1,665,220 or 48% as compared to prior year. The increase in revenues was mainly due to a recovery from prior year pandemic impacts on state revenue sharing General Revenues categories and collection of the IRMA grant reimbursement.

VILLAGE OF BISCAYNE PARK, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

Government-wide Financial Analysis (Continued)

Total expenses increased \$69,476 or 2%.



Business-type activities

The Village has one business-type activity, Sanitation. This enterprise fund was established to account for the service fees and expenses related to weekly trash pickup, weekly bulk waste pickup and special bulk pick-ups.

Financial Analysis of the Government's Funds

As noted earlier, the Village of Biscayne Park 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. In particular, the Unassigned Fund Balance may serve as a useful measure of the government's net resources available for spending at the end of a fiscal year.

As of the end of the current fiscal year, the Governmental Funds for the Village reported combined ending fund balances of \$3,530,411. Of this amount, \$2,734,981 reflects Unassigned Fund Balance, which is available for spending at the government's discretion. The remainder of the fund balance is Non-spendable, Restricted or Assigned Fund Balances indicating that it is not available for new spending as those dollars have already been committed or are not in spendable form. The Non-spendable Fund Balance of \$98,967 is comprised of prepayments of expenses. The Restricted Fund Balance of \$627,060 pertains to remaining balance of funds received from the collection of Gas Taxes, Transportation Surtax usage, Road improvement projects and charitable contributions to the Biscayne Foundation which are restricted for foundation related activities and capital improvements. The total Fund Balances show a net increase of \$1,186,604 as compared to the prior fiscal year.

VILLAGE OF BISCAYNE PARK, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

Financial Analysis of the Government's Funds (Continued)

As a measure of the General Fund's liquidity, it may be useful to compare Unassigned Fund Balance and Total Fund Balance to Total Fund Expenditures. The Unassigned Fund Balance represents 80% of total General Fund expenditures, while total fund balance represents 82% of that same amount.

A summary of the General Fund's condensed balance sheet and statement of revenues, expenditures, and changes in fund balance for September 30, 2021 and 2020 is shown below:

Summary of General Fund Balance Sheet
As of September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>	<u>Change</u>	<u>Percent Change</u>
Total assets	\$ 4,205,040	\$ 1,917,285	\$ 2,287,755	119.32%
Total liabilities and deferred inflows of resources	1,351,239	382,668	968,571	253.11%
Nonspendable and restricted	98,967	68,493	30,474	44.49%
Unassigned fund balance	<u>2,754,834</u>	<u>1,466,124</u>	<u>1,288,710</u>	87.90%
Total fund balance	<u>2,853,801</u>	<u>1,534,617</u>	<u>1,319,184</u>	85.96%
Total liabilities and fund balance	<u>\$ 4,205,040</u>	<u>\$ 1,917,285</u>	<u>\$ 2,287,755</u>	119.32%

Summary of General Fund Statement of Revenues,
Expenditures, and Changes in Fund Balance
As of September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>	<u>Change</u>	<u>Percent Change</u>
Total revenues	\$ 5,037,625	\$ 3,321,534	\$ 1,716,091	51.67%
Total expenditures	<u>3,464,109</u>	<u>3,066,950</u>	<u>397,159</u>	12.95%
Excess of revenues over expenditures	1,573,516	254,584	1,318,932	518.07%
Other financing sources (uses)	<u>(254,332)</u>	<u>127,462</u>	<u>(381,794)</u>	-299.54%
Change in fund balance	1,319,184	382,046	937,138	245.29%
Fund balance, beginning	1,534,617	1,152,571	382,046	33.15%
Fund balance, ending	<u>\$ 2,853,801</u>	<u>\$ 1,534,617</u>	<u>\$ 1,319,184</u>	85.96%

Other major governmental funds

The Village has two other major funds, the CITT Fund and ARPA Fund. The fund balance at September 30, 2021 for the CITT Fund decreased by approximately \$133,976 from 2020 to 2021.

Proprietary funds

The Village's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Total net position of the Sanitation Fund at the end of 2020 totaled a deficit of \$10,605 compared to net position of \$2,233 in 2021, an increase of \$12,838 compared to the prior year. Revenues increased by \$66,423 from \$525,840 in 2020 to \$592,263 in 2021, representing an increase of 13%. Expenses increased from \$444,435 in 2020 to \$644,209 in 2021, an increase of \$199,774 or 45%. Sanitation funds revenues are derived from annual non ad valorem assessment and expenses are incurred from a contract for services. The timing for determining these amounts does not align with the fiscal year and deficits are balanced in the following fiscal year as adopted by the Village Commission.

VILLAGE OF BISCAYNE PARK, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

General Fund Budgetary Highlights

The final budget expenditures and the actual amounts were over in the building and code enforcement, non-departmental and debt service. The excess expenditure in the departments was largely due to increase in buildings permits issued which increase inspection expenditures, the budgetary comparison schedules and notes to the schedule are presented for the General Fund can be found on pages 43-44.

Capital assets

The Village of Biscayne Park's investment in capital assets for its governmental and business-type activities as of September 30, 2021 amounts to \$2,869,012 (net of accumulated depreciation). This investment in capital assets includes Village-owned buildings, land, equipment, and other infrastructure (sidewalks and drainage systems). The following table summarizes the components of the Village's investments in capital assets.

Decreases in capital assets during fiscal year 2021 were due primarily to depreciation. Additional information on the Village's capital assets may be found in Note 6 on page 30 of this report.

Capital Assets as of September 30, 2021 and 2020
(net of depreciation)
Governmental Activities

<u>Classification</u>	<u>2021</u>	<u>2020</u>	<u>Percent Change</u>
Land	\$ 157,490	\$ 157,490	0.00%
Building	2,030,780	2,116,455	-4.05%
Infrastructure	464,030	553,965	-16.23%
Furniture and equipment	216,712	234,002	-7.39%
Total capital assets	<u>\$ 2,869,012</u>	<u>\$ 3,061,912</u>	-6.30%

Long-term debt

At September 30, 2021, the Village had \$220,108 in long-term debt pertaining to the balance of the capital leases. Additional information on the Village's long-term debt may be found in Note 7 on page 31 of this report.

Economic Factors and Next Year's Budgets and Rates

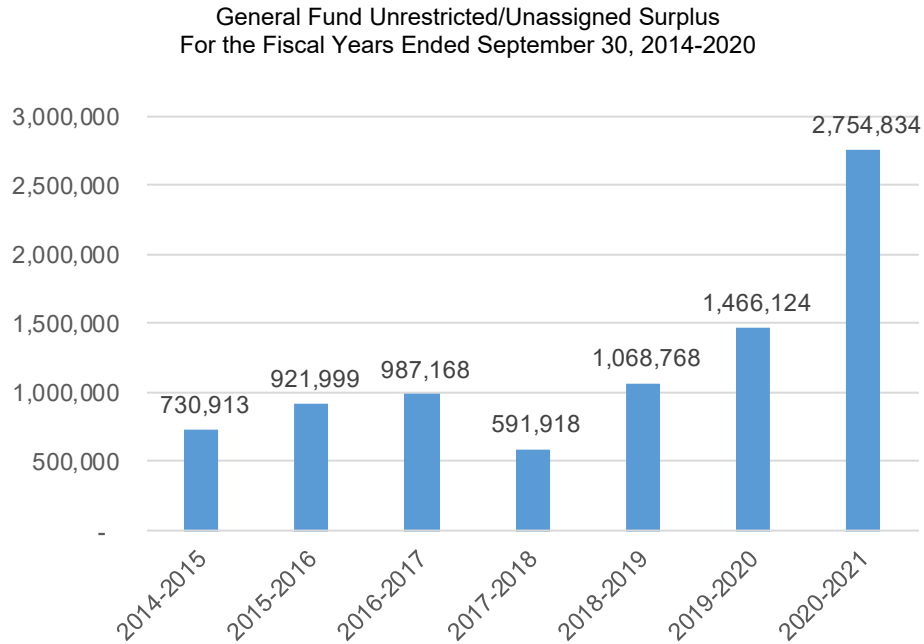
The State of Florida, by constitution, does not have a state personal income tax and therefore, the State operates primarily using sales, gasoline, and corporate income taxes. Local governments (cities, counties and school boards) primarily rely on property and a limited array of permitted other taxes (sales, telecommunication, gasoline, utility services, etc.) and fees (franchise, building permits, etc.) for their governmental activities. There are a limited number of state-shared revenues and recurring and non-recurring (one-time) grants from the county, state, and federal governments.

The Village is a residential, single-family community with no commercial component. Property taxes comprise approximately 47% of total general fund revenues. As such, the Village relies heavily on the property values of single-family homes. Property tax revenues increased by \$198,300.

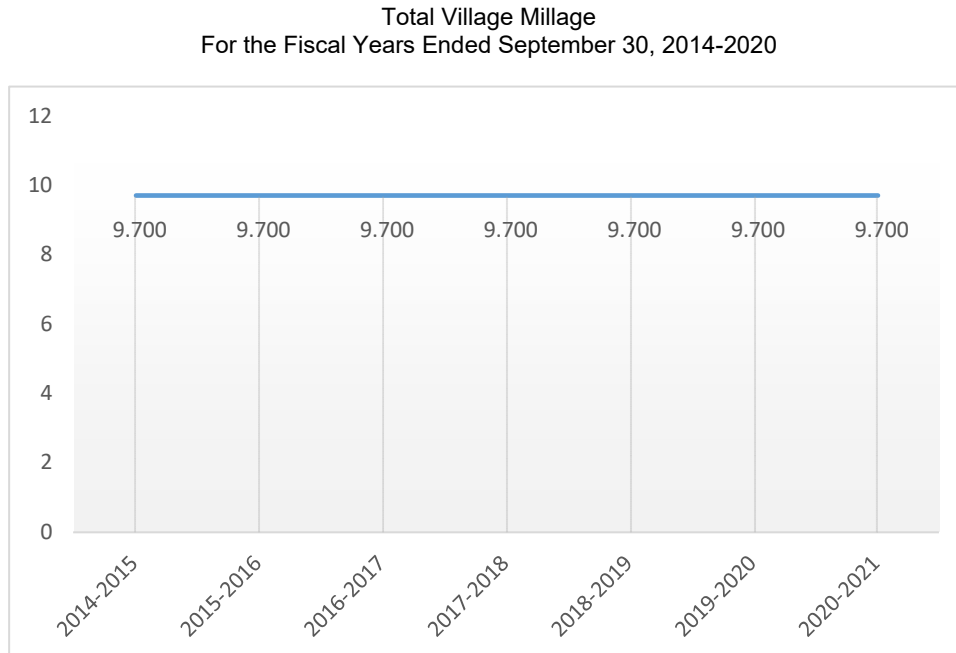
VILLAGE OF BISCAYNE PARK, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

Economic Factors and Next Year's Budgets and Rates (Continued)

At September 30, 2021, unassigned fund balance in the General Fund was \$2,754,834 as compared to unassigned, fund balance of \$1,466,124 in 2020, an increase of \$1,288,710.



Millage rates are limited to 10 mills by state law. The graph below shows the Village of Biscayne Park millage rates from 2014 to 2021. For fiscal year 2020-21, the Village Commission held the millage rate at 9.7 mills, the same rate that was set for the previous fiscal year.



VILLAGE OF BISCAYNE PARK, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

Economic Factors and Next Year's Budgets and Rates (Continued)

The Village faces the challenge of keeping taxes and service charges as low as possible while providing residents with the level of service they have come to expect, while at the same time maintaining both its unrestricted surplus and current millage rate. Due to the growth in the property tax roll, the Village was able to maintain the millage rate at the same level as the previous fiscal year at 9.7 mills. The increase in collection of ad valorem revenues was \$198,300 or 9% over fiscal year 2020. Expenditures increased from \$3,281,235 in 2020 to \$3,464,109 in 2021 an increase of \$182,874 or 6%. Unrestricted surplus is inclusive of the unbudgeted emergency recovery expenses incurred by the 2017 natural the disaster Hurricane Irma.

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 Village's finances. Questions concerning this report or requests for additional financial information should be directed to the Finance Department at:

VILLAGE OF BISCAYNE PARK
Finance Department
640 Northeast 114th Street
Biscayne Park, Florida 33161

BASIC FINANCIAL STATEMENTS

VILLAGE OF BISCAYNE PARK, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 3,675,670	\$ -	\$ 3,675,670
Investments	12,075	-	12,075
Accounts receivables - net	287,904	2,232	290,136
Internal balances	(121,670)	121,670	-
Prepaid items	98,967	-	98,967
Restricted assets:			
Cash and cash equivalents	703,381	-	703,381
Total current assets	<u>4,656,327</u>	<u>123,902</u>	<u>4,780,229</u>
Capital assets:			
Capital assets not being depreciated	157,490	-	157,490
Capital assets being depreciated, net	2,711,522	-	2,711,522
Total capital assets	<u>2,869,012</u>	<u>-</u>	<u>2,869,012</u>
Total assets	<u><u>7,525,339</u></u>	<u><u>123,902</u></u>	<u><u>7,649,241</u></u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension	513,146	-	513,146
Total deferred outflows of resources	<u>513,146</u>	<u>-</u>	<u>513,146</u>
LIABILITIES			
Accounts payable and accrued liabilities	324,858	121,669	446,527
Unearned revenues	767,558	-	767,558
Noncurrent liabilities:			
Due within one year	105,922	-	105,922
Due in more than one year	1,124,074	-	1,124,074
Total liabilities	<u>2,322,412</u>	<u>121,669</u>	<u>2,444,081</u>
DEFERRED INFLOWS OF RESOURCES			
Pension	1,521,783	-	1,521,783
Total deferred inflows of resources	<u>1,521,783</u>	<u>-</u>	<u>1,521,783</u>
NET POSITION			
Net investment in capital assets	2,648,904	-	2,648,904
Restricted for:			
Transportation	460,221	-	460,221
Foundation	126	-	-
Roads	166,713	-	166,713
Unrestricted	918,326	2,233	920,559
Total net position	<u>\$ 4,194,290</u>	<u>\$ 2,233</u>	<u>\$ 4,196,397</u>

See notes to basic financial statements.

**VILLAGE OF BISCAYNE PARK, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

Functions/Programs	Expenses	Program Revenue			Net Revenue (Expense) and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	
Primary government							
Governmental activities:							
General government	\$ 937,310	\$ -	\$ -	\$ -	\$ (937,310)	\$ -	\$ (937,310)
Public safety	1,775,021	359,308	-	-	(1,415,713)	-	(1,415,713)
Public works	771,402	-	864,255	2,856	95,709	-	95,709
Culture and recreation	147,791	220,885	-	-	73,094	-	73,094
Interest on long-term debt	7,958	-	-	-	(7,958)	-	(7,958)
Total governmental activities	<u>3,639,482</u>	<u>580,193</u>	<u>864,255</u>	<u>2,856</u>	<u>(2,192,178)</u>	<u>-</u>	<u>(2,192,178)</u>
Business-type activities:							
Stormwater	644,209	592,263	-	-	-	(51,946)	(51,946)
Total business-type activities	<u>644,209</u>	<u>592,263</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(51,946)</u>	<u>(51,946)</u>
Total primary government	<u>\$ 4,283,691</u>	<u>\$ 1,172,456</u>	<u>\$ 864,255</u>	<u>\$ 2,856</u>	<u>(2,192,178)</u>	<u>(51,946)</u>	<u>(2,244,124)</u>
General revenues:							
Property taxes, levied for general purposes					2,355,772	-	2,355,772
Public service taxes					564,143	-	564,143
Intergovernmental (unrestricted)					546,091	-	546,091
Investment income (unrestricted)					10,063	-	10,063
Miscellaneous					218,123	-	218,123
Gain (loss) on sale of capital asset					(8,803)	-	(8,803)
Transfers					(64,784)	64,784	-
Total general revenues, special items, and transfers					<u>3,620,605</u>	<u>64,784</u>	<u>3,685,389</u>
Change in net position					<u>1,428,427</u>	<u>12,838</u>	<u>1,441,265</u>
Net position - beginning					<u>2,765,863</u>	<u>(10,605)</u>	<u>2,755,258</u>
Net position - ending					<u>\$ 4,194,290</u>	<u>\$ 2,233</u>	<u>\$ 4,196,523</u>

See notes to basic financial statements.

**VILLAGE OF BISCAYNE PARK, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

	<u>Major Funds</u>			Other Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	CITT Fund	ARPA Fund		
ASSETS					
Cash and cash equivalents	\$ 3,664,571	\$ 669,645	\$ -	\$ 44,835	\$ 4,379,051
Investments	12,075	-	-	-	12,075
Accounts receivable, net	275,313	-	-	12,591	287,904
Due from other funds	154,114	-	767,558	230,140	1,151,812
Prepaid expenses	98,967	-	-	-	98,967
Total assets	<u>4,205,040</u>	<u>669,645</u>	<u>767,558</u>	<u>287,566</u>	<u>5,929,809</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	256,801	65,997	-	2,060	324,858
Due to other funds	1,060,938	143,427	-	69,117	1,273,482
Unearned revenue	-	-	767,558	-	767,558
Total liabilities	<u>1,317,739</u>	<u>209,424</u>	<u>767,558</u>	<u>71,177</u>	<u>2,365,898</u>
Deferred inflows of resources:					
Unavailable revenues	33,500	-	-	10,973	44,473
Total deferred inflows of resources	<u>33,500</u>	<u>-</u>	<u>-</u>	<u>10,973</u>	<u>44,473</u>
Fund balances:					
Nonspendable					
Prepays	98,967	-	-	-	98,967
Restricted					
Transportation	-	460,221	-	-	460,221
Foundation	-	-	-	126	126
Roads	-	-	-	166,713	166,713
Assigned					
Foundation	-	-	-	10,973	10,973
Capital improvements	-	-	-	58,430	58,430
Unassigned	2,754,834	-	-	(19,853)	2,734,981
Total fund balances	<u>2,853,801</u>	<u>460,221</u>	<u>-</u>	<u>216,389</u>	<u>3,530,411</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,205,040</u>	<u>\$ 669,645</u>	<u>\$ 767,558</u>	<u>\$ 287,566</u>	<u>\$ 5,940,782</u>

See notes to basic financial statements.

VILLAGE OF BISCAYNE PARK, FLORIDA
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

Fund balances - total governmental funds (Page 14)	\$	3,530,411
<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	6,336,014	
Less accumulated depreciation	<u>(3,467,002)</u>	2,869,012
<p>Deferred inflows/outflows of resources in the statement of net position will be recognized in future periods.</p>		
Deferred outflows related to pension	513,146	
Deferred inflows related to pension	<u>(1,521,783)</u>	(1,008,637)
<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>		
Capital Leases	(220,108)	
Compensated absences	(118,770)	
OPEB liability	<u>(75,216)</u>	(414,094)
<p>Net pension liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds</p>		
		(815,902)
<p>Revenue collected outside of the period of availability is not available to pay for current period expenditures and therefore, is a deferred inflow in the funds.</p>		
		<u>33,500</u>
Net position of governmental activities (Page 12)	\$	<u>4,194,290</u>

See notes to basic financial statements.

VILLAGE OF BISCAYNE PARK, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Major Funds			Other Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	CITT Fund	ARPA Fund		
REVENUES					
Property taxes	\$ 2,355,772	\$ -	\$ -	\$ -	\$ 2,355,772
Public services taxes	301,668	-	-	72,062	373,730
Fees and fines	370,056	-	-	-	370,056
Licenses and permits	365,737	-	-	-	365,737
Intergovernmental	362,408	-	-	26,600	389,008
Grants, contributions and donations	1,024,194	-	-	-	1,024,194
Charges for services	220,885	-	-	-	220,885
Investment earnings	8,185	1,793	-	85	10,063
Miscellaneous	28,720	-	-	3,168	31,888
Total revenues	<u>5,037,625</u>	<u>1,793</u>	<u>-</u>	<u>101,915</u>	<u>5,141,333</u>
EXPENDITURES					
Current:					
General government	887,720	-	-	421	888,141
Public safety	1,729,042	-	-	-	1,729,042
Public works	476,085	135,769	-	127,010	738,864
Culture and recreation	143,195	-	-	-	143,195
Debt Service:					
Principal	82,708	-	-	269,202	351,910
Interest	7,554	-	-	7,958	15,512
Capital outlay	137,805	-	-	-	137,805
Total expenditures	<u>3,464,109</u>	<u>135,769</u>	<u>-</u>	<u>404,591</u>	<u>4,004,469</u>
Excess (deficiency) of revenues over expenditures	<u>1,573,516</u>	<u>(133,976)</u>	<u>-</u>	<u>(302,676)</u>	<u>1,136,864</u>
OTHER FINANCING SOURCES (USES)					
Capital lease transaction	114,524	-	-	-	114,524
Transfers in	67,344	-	-	304,072	371,416
Transfers out	(436,200)	-	-	-	(436,200)
Total other financing sources and uses	<u>(254,332)</u>	<u>-</u>	<u>-</u>	<u>304,072</u>	<u>49,740</u>
Net change in fund balances	<u>1,319,184</u>	<u>(133,976)</u>	<u>-</u>	<u>1,396</u>	<u>1,186,604</u>
Fund balances - beginning	1,534,617	594,197	-	214,993	2,343,807
Fund balances - ending	<u>\$ 2,853,801</u>	<u>\$ 460,221</u>	<u>\$ -</u>	<u>\$ 216,389</u>	<u>\$ 3,530,411</u>

See notes to basic financial statements.

**VILLAGE OF BISCAYNE PARK, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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

Net change in fund balances - total government funds (Page 16)	\$	1,186,604
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.		
Expenditures for capital outlay capitalized	\$ 129,018	
Less current year depreciation	<u>(313,115)</u>	
Net adjustment		(184,097)
The net effect of various transactions involving capital assets (i.e., sales, trade-ins and donations) is to increase (decrease) net position.		
Loss on sale of capital assets	<u>(8,803)</u>	
Net adjustments		(8,803)
The issuance of long term debt (e.g., bonds, leases) provides current financial debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. resources to governmental funds, while the repayment of the principal of long term.		
Issuance of debt	(114,524)	
Principal payments	<u>351,910</u>	
		237,386
Under the modified accrual basis of accounting used in the governmental funds, revenues are not recognized until funds are measurable and available to finance current expenditures. In the statement of activities, however, which is presented on the accrual basis, revenues are reported when earned.		
		163
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.		
Change in net pension liability and other deferral amounts	229,854	
Change in compensated absences	(22,412)	
Change in OPEB liability	<u>(10,268)</u>	
		<u>197,174</u>
Change in net position of governmental activities (Page 13)	\$	<u>1,428,427</u>

See notes to basic financial statements.

VILLAGE OF BISCAYNE PARK, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2021

	Business-Type Activity Enterprise Fund Sanitation
ASSETS	
Current assets:	
Accounts receivable, net	\$ 2,232
Due from other funds	293,380
Total current assets	295,612
Total assets	295,612
 LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	121,669
Due to other funds	171,710
Total current liabilities	293,379
Total liabilities	293,379
 NET POSITION	
Unrestricted	2,233
Total net position	\$ 2,233

See notes to basic financial statements.

**VILLAGE OF BISCAYNE PARK, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
FUND NET POSITON
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

	Business-Type Activity Enterprise Fund Sanitation
REVENUES	
Charges for services	\$ 592,263
Total operating revenues	592,263
OPERATING EXPENSES	
Contractual services	644,209
Total operating expenses	644,209
OPERATING INCOME (LOSS)	(51,946)
TRANSFERS	
Transfers in	159,040
Transfers out	(94,256)
Change in net position	12,838
Total net position (deficit)- beginning	(10,605)
Total net position - ending	\$ 2,233

See notes to basic financial statements.

VILLAGE OF BISCAYNE PARK, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Business-Type Activity Enterprise Fund Sanitation
Cash flows from operating activities:	
Cash received from customers, governments and other funds	\$ 595,833
Cash paid to suppliers	(561,091)
Cash paid for interfund services used	(99,526)
Net cash used in operating activities	(64,784)
Cash flows from non-capital financing activities:	
Transfers in	159,040
Transfers out	(94,256)
Net cash provided by (used in) non-capital financing activities	64,784
Net increase (decrease) in cash and cash equivalents	-
Cash and cash equivalents, October 1	-
Cash and cash equivalents, September 30	\$ -
Reconciliation of operating income to net cash provided by operating activities:	
Operating income (loss)	\$ (51,946)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Change in assets and liabilities:	
(Increase) decrease in:	
Accounts receivable	3,570
Due from other funds	(126,438)
Increase (decrease) in:	
Accounts payable and accrued liabilities	83,118
Due to other funds	26,912
Total adjustments	(12,838)
Net cash used in operating activities	\$ (64,784)

See notes to basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

VILLAGE OF BISCAYNE PARK, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of the Village of Biscayne Park, Florida's (the "Village") significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. The policies are considered essential and should be read in conjunction with the accompanying financial statements.

The accounting policies of the Village conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. This report, the accounting systems and classification of accounts conform to standards of the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies:

A. Financial Reporting Entity

The Village is a municipal corporation governed by an elected mayor and four-member commission under a Commission-Manager form of government. The Village is located in Miami-Dade County, Florida and was incorporated in 1933. The Village provides the following services to its residents - general government, public safety, building code enforcement, physical environment and culture and recreation.

The financial statements were prepared in accordance with GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39 and 61, which establishes standards for defining and reporting on the financial reporting entity. The definition of the financial reporting entity is based upon the concept that elected officials are accountable to their constituents for their actions. One of the objectives of financial reporting is to provide users of financial statements with a basis for assessing the accountability of the elected officials. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity to be misleading or incomplete. The Village is financially accountable for a component unit if it appoints a voting majority of the organization's governing board and it is able to impose its will on that organization or there is a potential for the organization to provide financial benefits to or impose specific financial burdens on the Village. Based on the application of these criteria, there was one entity evaluated for inclusion in the Village's reporting entity.

Blended Component Unit - Biscayne Park Foundation, Inc. (the "Foundation") is a non-profit foundation created by the Village through passing of Ordinance 2007-08 on April 10, 2007, as its fundraising arm. The Foundation is intended to enhance the Village's opportunities to raise monies through special events, sponsorship, donation and grants exclusively for charitable, educational, and scientific purposes which include raising the educational and social levels of its residents to foster and promote community-wide interest and concern for the history and preservation of the Village. The Foundation is a separate legal entity and is governed by a separate board consisting of three to five members, nominated and appointed by the Village Commission for a term of five (5) years. Currently, the Village Commission serves as the Foundation's governing board. The activity of the Foundation is included as a special revenue fund in the Village's financial statements.

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

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

VILLAGE OF BISCAYNE PARK, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund financial statements. 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 if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, are recorded only when payment is due.

Property taxes, utility taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items, such as fines and forfeitures and licenses and permits, are considered to be measurable and available only when cash is received by the Village.

The Village reports the following major governmental funds:

General Fund

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.

CITT Fund

This fund accounts for the proceeds of revenues from Citizen Independent Transportation Trust (CITT) of Miami Dade that is legally restricted for transportation and transit related activities.

ARPA Fund

This fund accounts for grant proceeds/expenditures related to the American Rescue Plan Act.

The Village reports the following major proprietary fund:

Sanitation Fund

This fund accounts for solid waste fees charged to customers for solid waste services.

Additionally, the Village reports the following nonmajor funds:

Roads Fund

The Road Fund supplements the work of the Village's Public Works department. The funds are provided by Local Gas Tax revenues. These monies are used in the maintenance and improvement of streets and roads that serve the residents.

Police Forfeiture Fund

Police Forfeiture funds are generated when the Village obtains a final judgement regarding property that was used during the commission of a crime. The police department obtains the value of the property through sale or retention. The use of police forfeiture funds is directed by Florida State Revenues and under the authority of the Police Chief and review by the Village Attorney.

Biscayne Foundation Fund

This fund accounts for the operations of the Biscayne Foundation.

Debt Service Fund

This fund is used to account for the accumulation of resources for, and the payment of long-term debt principal and interest.

Capital Improvements Fund

This fund accounts for the capital projects of the Village for designated development areas.

VILLAGE OF BISCAYNE PARK, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements with the exception of administrative expense between the General Fund and Sanitation Fund. Elimination of these charges would distort the direct costs and program revenues for various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the solid waste fund are charges to customers for services. Operating expenses of the enterprise funds include costs of services, administrative expenses, repairs and maintenance and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

1. Deposits and Investments - The Village's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes require all deposits of the Village, including demand deposit accounts, time deposit accounts and money market accounts be held in institutions designated by the Treasurer of the State of Florida as "qualified depositories" and accordingly, are covered by a collateral pool as required by that statute.

Investments for the Village are reported at fair value. The Village's investment in the State Board of Administration Investment Pool is in the Florida Prime. The Florida Prime is considered a SEC 2A-7-like fund, thus reported at its fair value of its position in the pool, which is the same as its value of the pool shares.

2. Receivables and Payables - Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or as "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as a "due to/from other funds".

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide statements as "internal balances".

All other receivables include amounts due for services provided by the Village. Receivables are recorded and revenues are recognized as earned or as specific program expenditures/expenses are incurred based on the accounting basis required for that fund.

All trade receivables are shown net of an allowance for uncollectible accounts. Allowances for uncollectible receivables are based upon historical trend and the aging of the receivables.

3. Inventory and Prepaid Items - Inventories of governmental funds, which consist of expendable supplies held for consumption, are recorded as expenditures when consumed rather than when purchased (consumption method). The inventories of supplies, diesel fuel and gasoline are recorded at cost using the moving average method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

VILLAGE OF BISCAYNE PARK, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (Continued)

4. Restricted Assets - Proceeds from police forfeiture funds, transportation tax, local option gas taxes and debt service are classified as restricted in the government wide financial statements and in the Special Revenue Funds, Capital Improvements Fund, and Debt Service Fund since these resources are specifically earmarked for law enforcement, transportation, capital projects and debt service purposes only.
5. Property Taxes - Property values are assessed as of January 1 of each year, at which time taxes become an enforceable lien on property. Tax bills are mailed for the Village by Miami-Dade County (the County) on or about October 1 of each year and are payable with discounts of up to 4% offered for early payment. Taxes become delinquent on April 1 of the year following the year of assessment and State law provides for enforcement of collection of property taxes by seizure of the personal property or by the sale of interest-bearing tax certificates to satisfy unpaid property taxes.

Assessed values are established by the Miami-Dade County Property Appraiser. In November 1992, a Florida constitutional amendment was approved by the voters which provides for limiting the increases in homestead property valuations for ad valorem tax purposes to a maximum of 3% annually and also provides for reassessment of market values upon changes in ownership. The County bills and collects all property taxes and remits them to the Village.

State statutes permit municipalities to levy property taxes at a rate of up to 10 mills (\$10 per \$1,000 of assessed taxable valuation). The tax levy of the Village is established by the Village commission and the Miami-Dade County Property Appraiser incorporates the Village's millage into the total tax levy, which includes the County and the County School Board tax requirements. The millage rate assessed by the Village for the fiscal year ended September 30, 2021, was 9.7 mills (\$9.70 per \$1,000 of taxable assessed valuation).

6. Capital Assets - Capital assets, which include land, property, equipment, construction in progress and infrastructure assets (e.g., roads, sidewalks, culverts, light poles, and similar items), are reported in the applicable columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$750 for equipment 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 estimated fair market value on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as they are completed.

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

	<u>Years</u>
Buildings	20-40
Improvements other than buildings	5-10
Infrastructure	5-10
Furniture and equipment	5

When capital assets are sold or disposed of, the related cost and accumulated depreciation are removed from the accounts and a resulting gain or loss is recorded in the government-wide financial statements and proprietary fund financial statements.

VILLAGE OF BISCAYNE PARK, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (Continued)

7. Deferred Outflows/Inflows of Resources - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expenditure/expense) until then. The Village has pension amounts that qualify for reporting in this category on the government-wide statement of net position in the amount of \$513,146.

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 represents an acquisition of net position that applies to a future period(s) and so will not be recognized as inflows of resources (revenue) until that time. The Village has pension amounts that qualify for reporting in this category in the amount of \$1,521,783.

8. Compensated Absences - It is the Village's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. The liability for these compensated absences is recorded as a long-term debt in the government-wide financial statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absences that have matured (i.e., unused reimbursable leave still outstanding following an employee's resignation or retirement), while the proprietary funds report the liability as it is incurred. For governmental activities, compensated absences are generally liquidated by the General Fund.
9. Long-Term Obligations - In the government-wide financial statements, long-term debt and long-term obligations are reported as liabilities in the statement of net position.
10. Equity Classifications - Equity is classified as net position and displayed in three components:

- Net investment in capital assets
This classification consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position
This classification consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- Unrestricted net position
This classification consists of all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.

The Village follows GASB Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*". This Statement more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints.

- Nonspendable fund balance
Amounts that cannot be spent either because they are not in spendable form (such as inventory) or because they are legally or contractually required to be maintained intact.
- Restricted fund balance
Amounts constrained to specific purposes by their providers (such as granters, Village Code, and higher levels of government), through constitutional provisions, or by enabling legislation.

VILLAGE OF BISCAYNE PARK, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (Continued)

- Committed fund balance
Amounts constrained to specific purposes by the Village itself, using its highest level of decision-making authority (i.e., Village Commission) through passing of an ordinance. To be reported as committed, amounts cannot be used for any other purpose unless the Village takes the same highest-level action to remove or change the constraint.
- Assigned fund balance
Amounts the Village intends to use for a specific purpose. Intent can be expressed by the management of the Village.
- Unassigned fund balance
This fund balance is the residual classification for the General Fund. The General Fund is the only fund that reports a positive unassigned fund balance amount. This category is also used to report negative fund balances in other governmental funds.

When an expenditure is incurred for the purpose for which both restricted and unrestricted funds are available, the Village considers restricted funds to have been spent first. When expenditures are incurred for which committed, assigned, or unassigned fund balances are available, the Village considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Village Commission or Village Manager has provided otherwise in its commitment or assigned actions.

In any fiscal year where the Village recognizes a deficit unassigned fund balance, the Village manager shall prepare and submit in conjunction with the proposed budget a plan for expenditure reductions and/or revenue increases necessary to restore the minimum requirements. As part of the annual budget process, the Commission will review and if necessary, amend the plan submitted by the Village Manager for restoring the amounts of unassigned fund balance.

11. Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts of assets, liabilities, disclosure of contingent liabilities, revenues, and expenditures/expenses reported in the financial statements and accompanying notes. These estimates include assessing the collectability of receivables and the useful lives of capital assets. Although those estimates are based on management's knowledge of current events and actions it may undertake in the future, the estimates may ultimately differ from actual results.
12. Pensions - For purposes of measuring Net Pension Liability, deferred outflows of resources, and deferred inflows of resources relating to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) and additions to/deductions from FRS' fiduciary net position have been determined on the same basis as they are reported by FRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

By its nature as a local government unit, the Village is subject to various federal, state, and local laws and contractual regulations. Except as reported in the schedule of findings and recommendations, the Village has no material violations of finance-related legal and contractual obligations.

Fund Accounting Requirements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like any other state and local government, uses fund accounting to ensure and demonstrate compliance with finance related requirements, and segregation for management purposes.

VILLAGE OF BISCAYNE PARK, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Revenue Restrictions - The Village has various restrictions placed over certain revenue sources from federal, state, or local requirements. The primary revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Gas tax	Roads, sidewalks, and streets
Transportation tax	Transportation and roads
Federal forfeitures	Law enforcement

Excesses of expenditures over appropriations – For the fiscal year ended September 30, 2021, expenditures exceeded appropriations in the General Fund and CITT Fund for the following departments: Law enforcement \$146,083, Protective inspections \$26,558, Capital Outlay \$111,274, and CITT Fund for \$110,769. These over-expenditures were funded by available fund balance in the General Fund and CITT Fund.

NOTE 3 - DEPOSITS AND INVESTMENTS

Governmental and Proprietary Funds

As of September 30, 2021, the Village's carrying amount of deposits was approximately \$4,379,051. Bank balances before reconciling items were \$4,478,568 at that date, the total of which is collateralized or insured with securities held by the Village or by its agent in the Village's name as discussed below.

Custodial Credit Risk - Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. All of the Village's deposits are entirely insured by federal depository insurance or collateralized by the multiple financial institution collateral pool pursuant to Florida Statutes, Chapter 280, *Florida Security for Public Deposit Act*. Under this Act, all qualified public depositories are required to pledge eligible collateral having a fair value equal to or greater than the average daily or monthly balance of all public deposits, multiplied by the depository's collateral pledging level.

The Village's investment policy allows the following investments: U.S. Government obligations, U.S. agency obligation, U.S. instrumentality obligations, Certificate of Deposits, Savings and Loan Association Deposits, Investment-grade obligation of State, provincial and local governments and public authorities, money market mutual funds regulated by Securities and Exchange Commission and whose portfolios consist only of domestic securities, and Local Government Surplus Funds Trust Fund, or any intergovernmental, investment pool authorized through the Florida Interlocal Cooperation Act of 1969.

As of September 30, 2021, the Village had the following investments:

<u>Investment Type</u>	<u>Amount</u>	<u>Rating</u>
State Board of Administration - Florida PRIME	12,075	AAAm
	<u>\$ 12,075</u>	

The State Board of Administration (SBA) administers the Florida PRIME, which is a governmental investment pool governed by Chapter 19-7 of the Florida Administrative Code and Chapter 215 and 218 of the Florida Statutes. These rules provide guidance and establish the policies and general operating procedures for the administration of the Florida PRIME. The Florida PRIME is not a registrant with the Securities and Exchange Commission (SEC); however, the Board has adopted operating procedures consistent with the requirements for a 2a-7 fund, which permits money market funds to use amortized cost to maintain a constant net asset value (NAV) of \$1 per share. The fair value of the position in the Florida PRIME is equal to the value of the pool shares. The investments in the Florida PRIME are not insured by FDIC or any other governmental agency.

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village does not have a written policy on interest rate risk since it does not have any investments with long term maturity. The dollar weighted average days to maturity (WAM) of SBA-Florida PRIME at fiscal year-end was 49 days. Next interest rate reset dates for floating rate securities are used in the calculation of WAM. The weighted average life (WAL) a Florida PRIME at September 30, 2021 is 64 days.

VILLAGE OF BISCAYNE PARK, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

Governmental and Proprietary Funds (Continued)

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Village's investments in the Florida PRIME (which has the characteristics of a Money Market Fund) are not required to be categorized as these investments are not evidenced by securities that exist in physical or book entry form. The Florida PRIME is administered by the SBA, who provides regulatory oversight. The Village's investment in the Florida PRIME was rated AAAM by Standard and Poor's as of September 30, 2021.

Concentration of Credit Risk - There are no limits on the amount that may be invested in money market funds or with the SBA.

Custodial Credit Risk - For an investment custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investment. The Village's investments in money market funds and the State Board of Administration (SBA) Florida PRIME (which has the characteristics of a Money Market Fund) are not required to be categorized as these investments are not evidenced by securities that exist in physical or book 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 our financial reporting purposes all of its investments at amortized cost and should disclose the presence of any limitations or restrictions on withdrawals. As of September 30, 2021, there were no redemption fees or maximum transaction amounts, or any other requirements to serve to limit a participant's daily access to 100 percent of their account value.

NOTE 4 - RECEIVABLES/PAYABLES

Receivables

Receivables at September 30, 2021, consisted of franchise fees and other receivables. The Village's receivables at September 30, 2021, were as follows:

	Franchise Fees and Other Taxes	Other	Total
Governmental Funds:			
General Fund	\$ 275,313	\$ -	\$ 275,313
Road Fund	-	12,591	12,591
Total Governmental Funds	<u>\$ 275,313</u>	<u>\$ 12,591</u>	<u>\$ 287,904</u>
Proprietary Funds:			
Sanitation Fund	2,232	-	2,232
Total Proprietary Funds	<u>\$ 2,232</u>	<u>\$ -</u>	<u>\$ 2,232</u>

Payables

Accounts payable and other liabilities at September 30, 2021 were as follows:

	Vendor	Others	Total
Governmental Funds:			
General Fund	\$ 136,303	\$ 120,498	\$ 256,801
CITT Fund	-	65,997	65,997
Roads Fund	-	2,060	2,060
Total Governmental Funds	<u>\$ 136,303</u>	<u>\$ 188,555</u>	<u>\$ 324,858</u>
Proprietary Funds:			
Sanitation Fund	121,669	-	-
Total Proprietary Funds	<u>\$ 121,669</u>	<u>\$ -</u>	<u>\$ -</u>

VILLAGE OF BISCAYNE PARK, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 5 - INTERFUND RECEIVABLES/PAYABLES/TRANSFERS

Interfund balances as of September 30, 2021, were as follows:

	Payable Fund					Total
	General Fund	Road Fund	Forfeiture Fund	CITT Fund	Sanitation Fund	
<u>Receivable Fund</u>						
General Fund	\$ -	\$ 15,528	\$ 53,589	\$ 84,997	\$ -	\$ 154,114
ARPA Fund	767,558	-	-	-	-	767,558
Sanitation Fund	293,380	-	-	-	-	293,380
Nonmajor Funds	-	-	-	58,430	171,710	230,140
	<u>\$ 1,060,938</u>	<u>\$ 15,528</u>	<u>\$ 53,589</u>	<u>\$ 143,427</u>	<u>\$ 171,710</u>	<u>\$ 1,445,192</u>

The outstanding balances between funds result mainly from the time lags between the dates that (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.

Interfund transfers for fiscal year ended September 30, 2021 were as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental Funds:		
General Fund	67,344	436,200
Roads Fund	26,912	-
Debt Service Fund	277,160	-
Total Governmental Funds	<u>371,416</u>	<u>436,200</u>
Proprietary Funds:		
Sanitation Fund	159,040	94,256
Total Proprietary Funds	<u>159,040</u>	<u>94,256</u>
Total Governmental and Proprietary Funds	<u>\$ 530,456</u>	<u>\$ 530,456</u>

Interfund transfers allow for appropriate allocation of resources when one fund is providing resources for another or a project calls for multiple sources of funds. Interfund transfers are used to move unrestricted revenues collected to finance various programs accounted for in the other funds in accordance with budgetary authorizations.

VILLAGE OF BISCAYNE PARK, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 6 - CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Governmental activities:</u>				
Capital assets not being depreciated:				
Land	\$ 157,490	\$ -	\$ -	\$ 157,490
Total capital assets not being depreciated	<u>157,490</u>	<u>-</u>	<u>-</u>	<u>157,490</u>
Capital assets being depreciated:				
Building	2,771,622	-	-	2,771,622
Infrastructure	1,286,184	-	-	1,286,184
Furniture and equipment	2,006,170	129,018	(14,470)	2,120,718
Total capital assets being depreciated	<u>6,063,976</u>	<u>129,018</u>	<u>(14,470)</u>	<u>6,178,524</u>
Less accumulated depreciation for:				
Building	(655,167)	(85,675)	-	(740,842)
Infrastructure	(732,219)	(95,602)	5,667	(822,154)
Furniture and equipment	(1,772,168)	(131,838)	-	(1,904,006)
Total accumulated depreciation	<u>(3,159,554)</u>	<u>(313,115)</u>	<u>5,667</u>	<u>(3,467,002)</u>
Total capital assets being depreciated, net	<u>2,904,422</u>	<u>(184,097)</u>	<u>(8,803)</u>	<u>2,711,522</u>
Governmental activities capital assets, net	<u>\$ 3,061,912</u>	<u>\$ (184,097)</u>	<u>\$ (8,803)</u>	<u>\$ 2,869,012</u>

Depreciation expense for the governmental funds was charged to functions/programs of the Village as follows:

General Government	\$ 167,207
Public Safety	109,807
Physical Environment	25,117
Culture and Recreation	10,985
Total Depreciation Expense - Governmental Activities	<u>\$ 313,115</u>

NOTE 7 - CAPITAL LEASES/LONG-TERM DEBT

Capital leases are those which are determined to have passed substantially all of the risks and benefits of ownership to the lessee. The Village entered into various lease agreements to finance the acquisition of vehicles.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2021, were as follows:

Fiscal Year End	Governmental Activities
2021	\$ 80,136
2022	50,058
2023	46,015
2024	38,039
2025	26,664
Total minimum lease payments	<u>240,912</u>
Less: amount representing interest	<u>(20,804)</u>
Present value of minimum lease payments	<u>\$ 220,108</u>

VILLAGE OF BISCAYNE PARK, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 7 - CAPITAL LEASES/LONG-TERM DEBT (CONTINUED)

The following schedule shows the leased assets capitalized as of September 30, 2021, by major asset class:

	<u>Capital Assets</u>
Equipment	\$ 672,433
Less: accumulated depreciation for entity-wide	461,130
	<u>\$ 211,303</u>

On May 11, 2015, the Village entered into a bank loan in the amount of \$350,000 for the construction of the Public Safety and Administration Annex and the restoration of the historic Village Hall log cabin. This loan was refinanced on September 21, 2019 with Florida Community Bank. The loan bears interest at a rate of 4.05% and principal and interest payments of \$15,747 are due semi-annually for 12 years. The loan matures on November 1, 2030. The loan is secured by a portion of the Village's Half Cent Sales Tax Revenue from the State of Florida. The loan contains a provision that in an event of default, outstanding amounts including accrued interest are due immediately. In addition, if any event of default shall have occurred and be continuing, the holder may proceed to protect and enforce its rights by a suit, action or special proceeding in equity or at law.

The bank loan requires the Village to maintain a Debt Service Fund account to have sufficient funds to pay the semi-annual payments of principal and interest due in connection with the loan.

On March 3, 2021, the Village elected to pay-off the remaining balances on the bank loan in the amount of \$269,202.

Changes in general long-term debt during the year were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Capital leases	\$ 188,292	\$ 114,524	\$ (82,708)	\$ 220,108	\$ 73,857
Loan payable	269,202	-	(269,202)	-	-
Compensated absences	96,358	109,935	(87,523)	118,770	29,692
OPEB liability	64,948	10,268	-	75,216	-
Net pension liability	2,614,615	1,637	(1,800,350)	815,902	2,373
Total governmental activities	<u>\$3,233,415</u>	<u>\$ 236,364</u>	<u>\$ (2,239,783)</u>	<u>\$ 1,229,996</u>	<u>\$ 105,922</u>

NOTE 8 - RESTRICTED ASSETS

The balances of the restricted cash account in the governmental activities at September 30, 2021 pertain to the following:

Fund	Restricted for	Amount
CITT Fund	Transportation and transit	\$ 669,645
Police Forfeitures Fund	Public safety	33,736
		<u>\$ 703,381</u>

VILLAGE OF BISCAYNE PARK, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 9 - FLORIDA RETIREMENT SYSTEM

All new hire full-time or part-time employees working in a regularly established position for the Village are automatically enrolled in the statewide Florida Retirement System (FRS), a multiple-employer, cost-sharing defined benefit plan. The FRS is totally administered by the State of Florida. The Village previously made an irrevocable election to participate in the FRS, a state-administered retirement system. All rates, benefits and amendments are established by the State of Florida through its legislative body.

Plan Description

Membership in the FRS is required for all full-time and part-time employees working in regularly established positions for state agencies, county governments, district school boards, state universities, and state community colleges; or cities, independent special districts, metropolitan planning districts, and public charter schools that make an irrevocable election to participate. Most Pension Plan members (including renewed members), and State Community College Optional Retirement Program participants may elect to participate in the FRS Investment Plan. Florida Retirement System Pension Plan members who retired and chose to participate in the Deferred Retirement Option Program (DROP) are not eligible to become members of the FRS Investment Plan.

Type of Benefit

The Florida Retirement System Pension Plan (FRS) is a cost-sharing, multiple-employer qualified defined benefit plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state community college, or district school board, unless restricted from FRS membership under sections 121.053 and 121.122, Florida Statutes, or allowed to participate in a nonintegrated defined contribution plan in lieu of FRS membership. Participation by municipalities, special districts, charter schools, and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy (HIS) Program is a non-qualified, cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes. The Florida Legislature establishes and amends the contribution requirements and benefit terms of the HIS Program. The benefit is a monthly payment to assist eligible retirees and surviving beneficiaries of state-administered retirement systems in paying their health insurance costs. The Department of Management Services, Division of Retirement administers the HIS program. For the fiscal year ended June 30, 2021, retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$5. The payments are at least \$30 but not more than \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

Average Final Compensation (AFC)

For members initially enrolled in the FRS before July 1, 2011, average final compensation (AFC) is the average of the five highest fiscal years of salary earned during covered employment. For members initially enrolled in the FRS on or after July 1, 2011, AFC is the average of the eight highest fiscal years of salary earned during covered employment. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

VILLAGE OF BISCAYNE PARK, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 9 - FLORIDA RETIREMENT SYSTEM (CONTINUED)

Average Final Compensation (AFC) (Continued)

The following chart shows the percentage value for each year of service credit earned in relation to the general classes of membership that the Village participates in.

<u>Class, Initial Enrollment, and Retirement Age / Years of Service</u>	<u>% Value</u>
Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement up to age 63 or with 31 years of service	1.63
Retirement up to age 64 or with 32 years of service	1.65
Retirement up to age 65 or with 33 or more years of service	1.68
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement up to age 66 or with 34 years of service	1.63
Retirement up to age 67 or with 35 years of service	1.65
Retirement up to age 68 or with 36 or more years of service	1.68
Special Risk Class	
Service from December 1, 1970 through September 30, 197	2.00
Service on or after October 1, 1974	3.00
Elected Officers	
Service as Supreme Court Justice, district court of appeal judge, circuit court judge, or county court judge	3.33
Service as Governor, Lt. Governor, Cabinet Officer, Legislator, state attorney, public defender, elected county official, or elected official of a city or special district that chose EOC membership for its elected officials	3.00
Senior Management Service Class	2.00

Vesting

The system provides for vesting of benefits, regardless of membership class, after six years of creditable service for members who are enrolled on or after July 1, 2001 through June 30, 2011 and eight years of creditable service for members who are enrolled on or after July 1, 2011. Vesting for the FRS Investment Plan occurs when an employee completes one year of service in the FRS Investment Plan.

Service Retirement

Normal retirement age in the regular, senior management service and elected officers' classes is 62 with six or more years of creditable service, the age after completing six years of creditable service if after age 62, or thirty years of creditable service regardless of age for members enrolled before July 1, 2011. For members initially enrolled in the FRS on or after July 1, 2011, the normal retirement age is 65 with eight or more years of creditable service, the age after completing eight years of creditable service if after age 65, or thirty-three years of creditable service regardless of age before age 65. In the special risk service class, normal retirement age is 55 for members enrolled before July 1, 2011 and 60 for members enrolled on or after July 1, 2011. Early retirement may be taken any time after vesting within twenty (20) years of normal retirement age. The amount of the retirement benefit will be reduced 5% for each year prior to normal retirement.

VILLAGE OF BISCAYNE PARK, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 9 - FLORIDA RETIREMENT SYSTEM (CONTINUED)

Benefit Calculation

Benefits are computed on the basis of age and/or years of service, average final compensation and service credit. The system also provides for death and disability benefits.

State law provides for all eligible FRS members to elect to participate in the Deferred Retirement Option Program (DROP). The DROP allows an employee to retire and defer their monthly retirement benefit to an interest-bearing account, for up to sixty (60) months, and to continue employment with the Village. When the DROP period ends, the employee must terminate employment. At that time, the employee will receive payment of the accumulated DROP benefits, and direct receipt, thereafter, of the FRS monthly retirement benefit.

Funding Policy

Contributions to the FRS are made by the Village as a percentage of covered payrolls. Effective July 1, 2011, state law instituted a requirement that employees in all classes make a contribution to the FRS of 3.00% of their covered payroll, in addition to the employer's contribution. The required contribution rates in effect at year end for the Village were 8.28% for regular class employees, 25.57% for senior management service class employees, 22.73% for special risk class employees, and 47.46% for elected officers' class. Additionally, the Village was required to contribute 15.32% for all DROP participants. These rates include the normal cost and unfunded actuarial liability contributions but do not include the 1.66 percent contribution for the Retiree Health Insurance Subsidy and the fee of 0.06% for administration of the FRS Investment Plan and provision of educational tools for both plans.

The contribution requirements of covered payroll and actual contributions made for fiscal year 2021 and the three preceding years were as follows:

	FY 2021	FY 2020	FY 2019
Contribution requirements:			
Employer	\$ 244,217	221,308	\$ 214,907
Employee	38,395	34,913	35,171
Total contribution requirements	<u>\$ 282,612</u>	<u>256,221</u>	<u>\$ 250,078</u>
Contributions made (100%)	282,612	256,221	250,078
Total covered payroll	1,324,853	1,258,851	1,293,633
Percent of contributions to total covered payroll	21.3%	20.4%	19.3%

The FRS issues a comprehensive annual financial report including a statement of financial condition, historical and statistical information and an actuarial report. A copy can be obtained from the State of Florida, Division of Retirement at:

Department of Management Services
Division of Retirement
Bureau of Research and Member Communications
P.O. Box 9000
Tallahassee, FL 32315-9000
850-488-5706 or toll free at 877 -377 -1737
<http://www.dms.myflorida.com>

VILLAGE OF BISCAYNE PARK, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 9 - FLORIDA RETIREMENT SYSTEM (CONTINUED)

Net Pension Liability

The components of the collective net pension liability of all of the participating employers for each defined benefit plan for the measurement date of June 30, 2021, are shown below (in thousands):

	FRS	HIS
Total pension liability (A)	\$ 209,636,046	\$ 12,719,121
Plan fiduciary net position (B)	(202,082,183)	(452,618)
Net pension liability (A-B)	\$ 7,553,863	\$ 12,266,503
 Plan fiduciary net position as percentage of total pension liability	 96.40%	 3.56%

The total pension liability for each plan was determined by the Plan's actuary and reported in the Plan's valuations as of June 30, 2021. The fiduciary net position used by the actuary to determine the net pension liability (as shown above) was determined on the same basis used by the Plan. Each Plan's fiduciary net position is reported in the financial statements and the net pension liability is disclosed in the notes to the financial statements. Update procedures were not used.

The Village reported a liability of \$370,665 and \$445,237 for FRS and HIS, respectively, for its proportionate share of the net pension liability. The details of the proportionate shares are as follows:

FRS Pension Plan:

Employer Contribution for Pension Plan Funding		Proportion at Measurement Date		Employer Proportionate Share of Net Pension Liability/(Asset)	
Prior Period	Current Period	Prior Period	Current Period	Prior Period	Current Period
\$ 166,430	\$ 186,934	0.005009094%	0.004906961%	\$ 2,171,015	\$ 370,665

FRS Retiree Health Insurance Subsidy (HIS) Program:

Employer Contribution for Pension Plan Funding		Proportion at Measurement Date		Employer Proportionate Share of Net Pension Liability/(Asset)	
Prior Period	Current Period	Prior Period	Current Period	Prior Period	Current Period
\$ 20,936	\$ 21,335	0.003633138%	0.003629700%	\$ 443,600	\$ 445,237

Basis of Allocation

The employer's proportionate share reported in the pension allocation schedules was calculated using accrued retirement contributions for employers that were members of the FRS and HIS during fiscal years 2019/2020 and 2020/2021. Although GASB 68 encourages the use of the employers' projected long-term contribution effort to the retirement plan, allocating on the basis of historical employer contributions is acceptable. The aggregate employer contribution amounts for each fiscal year agree to the employer contribution amounts reported in the system's Comprehensive Annual Financial Report for that fiscal year.

VILLAGE OF BISCAYNE PARK, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 9 - FLORIDA RETIREMENT SYSTEM (CONTINUED)

Basis of Allocation (Continued)

The proportion calculated based on contributions for each of the fiscal years presented in the pension allocation schedules was applied to the net pension liability and other pension amounts applicable to that fiscal year to determine each employer's proportionate share of the liability, deferred outflows of resources, deferred inflows of resources and associated pension expense. For the purposes of the pension allocation schedules, pension amounts are allocated to reporting employers. The pension amounts of participating employers whose payrolls are reported, and contributions are remitted by another entity are included in the reporting employer's amounts and will be allocated to the participating employer by the reporting employer.

Actuarial Methods and Assumptions

Actuarial assumptions for both defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS Pension Plan has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed in 2019 for the period July 1, 2013 through June 30, 2018. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for this program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

The total pension liability for each of the defined benefit plans was determined by an actuarial valuation as of June 30, 2021, using the individual entry age normal actuarial cost method. Inflation increases for both plans is assumed at 2.40%. Payroll growth for both plans, including inflation, is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 6.80%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 2.16% was used to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index). Mortality assumptions for both plans were based on the PUB-2010 base table.

The following changes in actuarial assumptions occurred in 2021:

- FRS – Decreasing the maximum amortization period to 20 years for all current and future amortization bases
- HIS – The municipal bond rate used to determine total pension liability was decreased from 2.21% to 2.16%

In general, the discount rate for calculating the total pension liability under GASB 67 is equivalent to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go-basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The discount rates used at the two dates differ due to changes in the applicable municipal bond rate.

The benefits received by retirees and beneficiaries are increased by a cost-of-living adjustment (COLA) each July based on their June benefit amount (excluding the Retiree Health Insurance Subsidy benefit). For retirees who have been retired for less than 12 months on July 1, the first COLA increase is prorated. The COLA applies to all continuing monthly retirement benefits paid under the FRS Pension Plan (i.e., normal and early service retirement benefits and benefits accruing in participant accounts under the DROP, disability retirement benefits, and survivor benefits). The COLA for retirements or DROP participation effective before Aug. 1, 2011, is 3 percent per year. The COLA formula for retirees with an effective retirement date or DROP begin date on or after Aug. 1, 2011, will be the sum of the pre-July 2011 service credit divided by the total service credit at retirement multiplied by 3 percent. Each Pension Plan member with an effective retirement date of Aug. 1, 2011, or after will have an individual COLA factor for retirement. FRS Pension Plan members initially enrolled on or after July 1, 2011, will not have a COLA after retirement.

VILLAGE OF BISCAYNE PARK, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 9 - FLORIDA RETIREMENT SYSTEM (CONTINUED)

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in October 2020, the FRS Actuarial Assumption Conference reviewed long-term assumptions developed by both Milliman's capital market assumptions team and by a capital market assumptions team from Aon Hewitt Investment Consulting, which provides consulting for the Florida State Board of Administration. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation ¹	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.1%	2.1%	1.1%
Fixed income	20.0%	3.8%	3.7%	3.3%
Global equity	54.2%	8.2%	6.7%	17.8%
Real estate	10.3%	7.1%	6.2%	13.8%
Private equity	10.8%	11.7%	8.4%	26.4%
Strategic investments	3.7%	5.7%	5.4%	8.4%
	<u>100%</u>			
Assumed inflation-Mean			2.4%	1.2%

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

Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the collective net pension liability of the participating employers if the discount rate was 1.00% higher or 1.00% lower than the current discount rate at June 30, 2020.

FRS Pension Plan:

	FRS		
	1% Decrease 5.80%	Current Discount Rate 6.80%	1% Increase 7.80%
Total pension liability	\$ 11,573,733	\$ 10,286,758	\$ 9,210,992
Less: fiduciary net position	9,916,093	9,916,093	9,916,093
Net pension liability	<u>\$ 1,657,639</u>	<u>\$ 370,665</u>	<u>\$ (705,101)</u>

Retiree Health Insurance Subsidy (HIS) Program:

	HIS		
	1% Decrease 1.16%	Current Discount Rate 2.16%	1% Increase 3.16%
Total pension liability	\$ 531,166	\$ 461,666	\$ 404,726
Less: fiduciary net position	16,429	16,429	16,429
Net pension liability	<u>\$ 514,737</u>	<u>\$ 445,237</u>	<u>\$ 388,297</u>

VILLAGE OF BISCAYNE PARK, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 9 - FLORIDA RETIREMENT SYSTEM (CONTINUED)

Pension Expense and Deferred Outflows/(Inflows) of Resources

In accordance with GASB 68, paragraphs 54 and 71, changes in the net pension liability are recognized as pension expense in the current measurement period, except as indicated below. For each of the following, a portion is recognized in pension expense in the current measurement period, and the balance is amortized as deferred outflows or deferred inflows of resources using a systematic and rational method over a closed period, as defined below:

- Differences between expected and actual experience with regard to economic and demographic factors - amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees).
- Changes of assumptions or other inputs - amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees).
- Changes in proportion and differences between contributions and proportionate share of contributions - amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees).
- Differences between expected and actual earnings on pension plan investments - amortized over five years. Contributions to the pension plans from employers are not included in collective pension expense.

The average expected remaining service life of all employees provided with pensions through the pension plans at June 30, 2021, was 5.7 years for FRS and 6.4 years for HIS. The pension expense recognized during the year by the Village amounted to \$(1,091,548) and \$19,149 for FRS and HIS respectively.

The components of deferred outflows and inflows of resources schedules for the fiscal year ended September 30, 2021, are presented below for each plan.

FRS Pension Plan		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in:		
Contributions, subsequent to measurement date	\$ 63,533	\$ -
Assumptions/inputs	253,627	-
Projected/actual earnings	-	(1,293,157)
Experience expected/actual	46,043	(161,594)
Employer contribution subsequent to the measurement date	57,493	-
	\$ 420,696	\$ (1,454,751)
HIS Program		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in:		
Contributions, subsequent to measurement date	\$ 14,899	\$ (186)
Assumptions/inputs	34,986	(18,345)
Projected/actual earnings	464	-
Experience expected/actual	35,832	(48,501)
Employer contribution subsequent to the measurement date	6,269	-
	\$ 92,450	\$ (67,032)
Total Deferred outflows and inflows of resources FRS & HIS:	\$ 513,146	\$ (1,521,783)

VILLAGE OF BISCAYNE PARK, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 9 - FLORIDA RETIREMENT SYSTEM (CONTINUED)

Pension Expense and Deferred Outflows/(Inflows) of Resources

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension expense will be recognized as follows:

Fiscal Year End	FRS Expense	HIS Expense
2021	\$ (210,675)	\$ 1,889
2022	(226,742)	(1,999)
2023	(286,382)	9,099
2024	(365,936)	8,146
2025	(1,813)	1,827
Thereafter	-	187
Total	\$ (1,091,548)	\$ 19,149

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan Description

The Village of Biscayne Park provides health insurance benefits to its retired employees through a single-employer plan administered by the Village. Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees who retire from the Village or its major component unit and eligible dependents, may continue to participate in the Village's fully-insured benefit plan for medical and prescription drug insurance coverage. The Village subsidizes the premium rates paid by retirees by allowing them to participate in the plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. The benefits provided under this defined benefit plan are provided for a retiree's lifetime (or until such time at which retiree discontinues coverage under the Village sponsored plans, if earlier).

Membership

As of September 30, 2019 (the date of the latest actuarial valuations) participants in the plan consisted of:

Active participants	20
Inactive participants	-
Total participants	20

Funding Policy

Currently, the Village's Other Post-Employment Benefits are unfunded. That is, the Village Council has not determined if a separate Trust Fund or equivalent arrangement will be established into which the Village would make contributions to advance-fund the obligation. For the fiscal year ending September 30, 2021, there were no retirees or dependents receiving other postemployment benefits. Consequently, the Village made no actual contributions towards the annual OPEB cost. Current and future retirees are required to pay 100% of the blended premium to continue coverage under the Village's group health insurance program.

VILLAGE OF BISCAYNE PARK, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Total OPEB Liability

The Village's total OPEB liability of \$75,216 was measured as of September 30, 2020 and was determined by an actuarial valuation as of that date.

	Total OPEB Liability
Balance at 9/30/2019	\$ 64,948
Changes for the year:	
Service cost	6,873
Interest on the total OPEB liability	1,975
Changes in assumptions and other inputs	1,420
Net change in total OPEB liability	10,268
Balance at 9/30/2020	\$ 75,216

Sensitivity of Total OPEB Liability

The following presents the plan's total OPEB liability, calculated using a discount rate of 2.41%, as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

1% Decrease	Current Discount Rate Assumption	1% Increase
1.41%	2.41%	3.41%
\$ 79,282	\$ 75,216	\$ 71,004

The following presents the plan's total OPEB liability, calculated using the assumed trend rates of 6.25% as well as what the plan's total OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
5.25%	6.25%	7.25%
\$ 68,378	\$ 75,216	\$ 83,156

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

GASB Statement No. 75 requires state and local government employers to recognize the net OPEB liability and the OPEB expense on their financial statements, along with the related deferred outflows and inflows of resources. The net OPEB liability is the difference between the total OPEB liability and the plan's fiduciary net position. In traditional actuarial terms, this is analogous to the accrued liability less the market value of assets. Since the plan is currently unfunded, the net OPEB liability is equal to the total OPEB liability.

The OPEB expense recognized each fiscal year is equal to the change in the total OPEB liability from the beginning of the year to the end of the year, not including the impact of employer contributions, adjusted for deferred recognition of the liability.

VILLAGE OF BISCAYNE PARK, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Methods and Assumptions

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

As authorized by GASB Statement No. 75, the Alternative Measurement Method allows the employer to use simplifications of certain assumptions in measuring the costs and liabilities.

The total OPEB liability in the September 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	September 30, 2019
Measurement Date	September 30, 2020
Actuarial Cost Method	
Inflation	2.25%
Discount Rate	2.41%
Salary Increases	5.00%
Retirement Age	Earliest age eligible for normal retirement under the Florida Retirement System for Regular Class Members. If the employees had already attained their normal retirement age as of the time this calculation was performed, they were assumed to retire one year after the valuation date.
Mortality	RP-2000 Generational Combined Healthy Participant mortality tables, projected from the year 2000 using Projection Scale AA.
Healthcare Cost Trend Rates	6.50% for FY beginning 2020, 6.25% for FY beginning 2021 and then gradually decreasing to an ultimate trend rate of 4.00%.
Other Information:	
Notes	Changes in assumptions and other inputs include the change in the discount rate from 2.75% as of the beginning of the measurement period to 2.41% as of September 30, 2020. This change is reflected in the Schedule of Changes in Total OPEB Liability.

There were no benefit changes during the year.

NOTE 11 - 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; injuries to employees; and natural disasters.

The Village has joined with other municipalities in the State participating in the Florida League of Cities Municipal Self Insurance Program, (the Program) a public entity risk pool currently operating as a common risk management and insurance program. The inter-local agreement with the Florida League of Cities Municipal Self Insurance Program provides that the Program will be self-sustaining through member premiums and will reinsure through commercial companies. During the past three years, the Village has not incurred any significant claims nor have there been any significant reductions in coverage.

VILLAGE OF BISCAYNE PARK, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 12 - CONTINGENCIES

Grants

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the Village. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Village expects such amounts, if any, to be immaterial.

Lawsuits

As of September 30, 2021, the Village was not involved in any claims/lawsuits.

NOTE 13 - COMMITMENTS

On June 2, 2014, the Village entered into an agreement with Waste Pro of Florida, Inc. for solid waste and recycling collection services to be provided to the Village. The initial term of the agreement is five years, and the term may be extended for up to two additional five-year terms. The terms of the agreement grant Waste Pro exclusive franchise and the sole obligation to operate and maintain comprehensive garbage, trash and other refuse collection including roll-off and removal system and service as well as recycling collection systems for residential customers in and for the Village. In exchange, Waste Pro agrees to pay the Village an 11 % franchise fee, which was adjusted on October 1, 2016 and each subsequent year based on Consumer Price Index changes and the Fuel Index as specified in the agreement. The total rate increase in a given year shall be capped at 5%. Waste pro will also share 20% of recycling rebates derived from the sale of recyclables with the Village.

On June 10, 2021, the Village entered into an agreement with Great Waste and Recycling Service, LLC, for solid waste and recycling collection services to be provided to the Village. The initial term of the agreement is seven (7) years, and the term may be extended for up to three (3) additional one (1) year renewal terms. The terms of the agreement grant Great Waste exclusive franchise and the sole obligation to operate and maintain comprehensive garbage, trash and other refuse collection including roll-off and removal system and service as well as recycling collection systems for residential customers in and for the Village. In exchange, Great Waste agrees to pay the Village an 11 % franchise fee. The total rate increase shall be no greater than the Unadjusted Percent Change of the Garbage and Trash Collection expenditure category in the table for the Consumer Price Index for All Urban Consumers (CPI-U) for the prior 12 months from U.S. Bureau of Labor Statistics.

NOTE 14 - DEFICITS IN FUND BALANCE

At September 30, 2021, the Police Forfeiture Fund had a deficit fund balance of \$19,853. The Village expects to fund the deficit in the Police Forfeiture Fund with transfers from the General Fund in subsequent years.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF BISCAYNE PARK
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Property taxes	\$ 2,418,095	\$ 2,418,095	\$ 2,355,772	\$ (62,323)
Utility service taxes	199,000	199,000	233,766	34,766
Communications service taxes	80,000	80,000	67,902	(12,098)
Local business taxes	5,500	5,500	9,285	3,785
Total taxes	<u>2,702,595</u>	<u>2,702,595</u>	<u>2,666,725</u>	<u>(35,870)</u>
Permits, fees and special assessments:				
Permits	79,800	79,800	259,876	180,076
Franchise fees	159,668	159,668	187,776	28,108
Other	35,450	35,450	96,576	61,126
Total permits, fees and special assessments	<u>274,918</u>	<u>274,918</u>	<u>544,228</u>	<u>269,310</u>
Intergovernmental revenues:				
Federal grants	-	-	1,024,194	1,024,194
State shared revenues	169,354	169,354	361,425	192,071
Other	1,200	1,200	983	(217)
Total intergovernmental revenues	<u>170,554</u>	<u>170,554</u>	<u>1,386,602</u>	<u>1,216,048</u>
Charges for services:				
Public safety	-	-	208,306	208,306
Culture and recreation	7,350	7,350	3,938	(3,412)
Other	3,000	3,000	8,641	5,641
Total charges for services	<u>10,350</u>	<u>10,350</u>	<u>220,885</u>	<u>210,535</u>
Fines and forfeitures:				
Local ordinance violations	15,000	15,000	164,973	149,973
Other	-	-	17,307	17,307
Total fines and forfeitures	<u>15,000</u>	<u>15,000</u>	<u>182,280</u>	<u>167,280</u>
Miscellaneous:				
Interest and other earnings	5,000	5,000	8,185	3,185
Other	5,000	5,000	28,720	23,720
Total miscellaneous	<u>10,000</u>	<u>10,000</u>	<u>36,905</u>	<u>26,905</u>
Total revenues	<u>3,183,417</u>	<u>3,183,417</u>	<u>5,037,625</u>	<u>1,854,208</u>

See notes to basic financial statements.

VILLAGE OF BISCAYNE PARK
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES				
Current:				
General government:				
Legislative	\$ 25,668	\$ 25,668	\$ 14,270	\$ 11,398
Financial administrative	869,473	878,172	873,450	4,722
Total general government	<u>895,141</u>	<u>903,840</u>	<u>887,720</u>	<u>16,120</u>
Public Safety:				
Law enforcement	1,311,401	1,346,700	1,492,783	(146,083)
Protective inspections	257,596	261,583	288,141	(26,558)
Total public safety	<u>1,568,997</u>	<u>1,608,283</u>	<u>1,780,924</u>	<u>(172,641)</u>
Public works:				
Physical environment	545,869	553,639	514,465	39,174
Total public works	<u>545,869</u>	<u>553,639</u>	<u>514,465</u>	<u>39,174</u>
Culture and recreation:				
Cultural Services	202,024	205,542	143,195	62,347
Total culture and recreation	<u>202,024</u>	<u>205,542</u>	<u>143,195</u>	<u>62,347</u>
Capital outlay				
Total expenditures	<u>6,500</u>	<u>26,500</u>	<u>137,805</u>	<u>(111,305)</u>
Excess (deficiency) of revenues over expenditures	<u>3,218,531</u>	<u>3,297,804</u>	<u>3,464,109</u>	<u>(166,305)</u>
	<u>(35,114)</u>	<u>(114,387)</u>	<u>1,573,516</u>	<u>1,687,903</u>
OTHER FINANCING SOURCES (USES)				
Other source	-	-	114,524	(114,524)
Transfers in	67,344	67,344	67,344	-
Transfers out	-	-	(436,200)	436,200
Total other financing sources and uses	<u>67,344</u>	<u>67,344</u>	<u>(254,332)</u>	<u>321,676</u>
Net change in fund balances			1,319,184	
Fund balances - beginning			<u>1,534,617</u>	
Fund balances - ending			<u>\$ 2,853,801</u>	

See notes to basic financial statements.

**VILLAGE OF BISCAYNE PARK
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - CITT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 114,000	\$ 114,000	\$ -	\$ (114,000)
Total revenues	<u>115,000</u>	<u>115,000</u>	<u>1,793</u>	<u>(113,207)</u>
EXPENDITURES				
Current:				
Public works	25,000	25,000	135,769	(110,769)
Total expenditures	<u>25,000</u>	<u>25,000</u>	<u>135,769</u>	<u>(110,769)</u>
Excess (deficiency) of revenues over expenditures	<u>90,000</u>	<u>90,000</u>	<u>(133,976)</u>	<u>(223,976)</u>
Net change in fund balances			<u>(133,976)</u>	
Fund balances - beginning			<u>594,197</u>	
Fund balances - ending			<u>\$ 460,221</u>	

See notes to basic financial statements.

VILLAGE OF BISCAYNE PARK, FLORIDA
NOTES TO BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 1 - BUDGETS AND BUDGETARY ACCOUNTING

Annual budgets are adopted for all of the Village's governmental funds and the enterprise fund on a basis consistent with generally accepted accounting principles. Annual appropriations lapse at fiscal year-end.

The Village follows the State of Florida Statutes and its charter in establishing the budgetary data reflected in the financial statements. The budget process is as follows:

- a. The Village Manager prepares a budget showing the cost of each department for each budget year. Prior to the Commission's first public hearing on the proposed budget required by state law, the Village Manager issues a budget summary setting forth the proposed cost of each individual department and reflecting the personnel for each department, the purposes therefore, and the amount of any contingency and carryover funds. The Commission shall by ordinance adopt the annual budget on or before the last day of September.
- b. *Supplemental appropriations.* If, during any fiscal year, revenues in excess of those estimated in the annual budget are available for appropriation, the Commission may by ordinance make supplemental appropriations for the fiscal year up to the amount of such excess.
- c. *Reduction of appropriations.* If, at any time during the fiscal year, it appears probable to the Village Manager that the revenues available will be insufficient to meet the amounts appropriated, she/he shall report to the Commission in writing without delay, indicating the estimated amount of the deficit, and his/her recommendations as to the remedial action to be taken. The Village Commission shall then take such action, as it deems appropriate, to prevent any deficit spending not covered by adequate unappropriated financial resources including reserves.
- d. The Village's department heads recommend transfers of appropriations within a department with approval of the Village Manager and Finance Director.
- e. Transfers of appropriations between departments require the additional approval of the Commission. The legal level of budgetary control (i.e., the level at which expenditures may not exceed appropriations) is the department level for the general fund and the fund level for all other funds.

See Note 2 of the financial statements for an explanation of expenditures exceeding appropriations.

**VILLAGE OF BISCAYNE PARK, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE VILLAGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM PENSION PLAN
SEPTEMBER 30, 2021**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
The Village's proportion of the net pension liability	0.004906961%	0.005009094%	0.005594699%	0.005383150%	0.005081407%	0.006162631%	0.005796350%	0.00590023%
The Village's proportionate share of the net pension liability	\$ 370,665	\$ 2,171,015	\$ 1,926,737	\$ 1,621,433	\$ 1,503,046	\$ 1,556,069	\$ 748,676	\$ 360,001
The Village's covered payroll	1,324,853	1,258,851	1,293,633	1,390,050	1,034,429	1,226,479	1,232,576	1,287,457
The Village's proportionate share of the net pension liability as a percentage of its covered payroll	27.98%	172.46%	148.94%	116.65%	145.30%	126.87%	60.74%	27.96%
Plan fiduciary net position as a percentage of the total pension liability	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

'Note: The schedule is intended to show information for the last ten (10) fiscal years. Additional years will be displayed as they become available.

**VILLAGE OF BISCAYNE PARK, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE VILLAGE'S CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM PENSION PLAN
SEPTEMBER 30, 2021**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 186,934	\$ 166,430	\$ 173,476	\$ 153,415	\$ 132,282	\$ 173,554	\$ 170,111	\$ 154,243
Contributions in relation to the contractually required contribution	<u>(186,934)</u>	<u>(166,430)</u>	<u>(173,476)</u>	<u>(153,415)</u>	<u>(132,282)</u>	<u>(173,554)</u>	<u>(170,111)</u>	<u>(154,243)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
The Village's covered payroll	1,324,853	1,258,851	1,293,633	1,390,050	\$ 1,034,429	\$ 1,226,479	\$ 1,232,576	\$ 1,287,457
Contributions as a percentage of covered payroll	14.11%	13.22%	13.41%	11.04%	12.79%	14.15%	13.80%	11.98%

Note: The schedule is intended to show information for the last ten (10) fiscal years. Additional years will be displayed as they become available.

**VILLAGE OF BISCAYNE PARK, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE VILLAGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
HEALTH INSURANCE SUBSIDY PENSION PLAN
SEPTEMBER 30, 2021**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
The Village's proportion of the net pension liability	0.003629700%	0.003633138%	0.003945467%	0.003667674%	0.003245270%	0.003945825%	0.004124158%	0.004213250%
The Village's proportionate share of the net pension liability	\$ 445,237	\$ 443,600	\$ 441,458	\$ 388,191	\$ 346,999	\$ 459,870	\$ 748,676	\$ 360,001
The Village's covered payroll	1,324,853	1,258,851	1,293,633	1,390,050	1,034,429	1,226,479	1,232,576	1,287,457
The Village's proportionate share of the net pension liability as a percentage of its covered payroll	33.61%	35.24%	34.13%	27.93%	33.54%	37.50%	60.74%	27.96%
Plan fiduciary net position as a percentage of the total pension liability	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

Note: The schedule is intended to show information for the last ten (10) fiscal years. Additional years will be displayed as they become available.

**VILLAGE OF BISCAYNE PARK, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE VILLAGE'S CONTRIBUTIONS
HEALTH INSURANCE SUBSIDY PENSION PLAN
SEPTEMBER 30, 2021**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 21,335	\$ 20,936	\$ 21,909	\$ 19,890	\$ 17,175	\$ 33,638	\$ 35,805	\$ 35,991
Contributions in relation to the contractually required contribution	<u>(21,335)</u>	<u>(20,936)</u>	<u>(21,909)</u>	<u>(19,890)</u>	<u>(17,175)</u>	<u>(33,638)</u>	<u>(35,805)</u>	<u>(35,991)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
The Village's covered payroll	\$ 1,324,853	\$ 1,258,851	\$ 1,293,633	\$ 1,390,050	\$ 1,034,429	\$ 1,226,479	\$ 1,232,576	\$ 1,287,457
Contributions as a percentage of covered payroll	1.61%	1.66%	1.69%	1.43%	1.66%	2.74%	2.90%	2.80%

Note: The schedule is intended to show information for the last ten (10) fiscal years. Additional years will be displayed as they become available.

VILLAGE OF BISCAYNE PARK, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POST-EMPLOYMENT BENEFITS (OPEB)
SEPTEMBER 30, 2021

Measurement year ended September 30, Total OPEB liability	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Service cost	\$ 6,873	\$ 6,796	\$ 6,943	\$ 7,209
Interest	1,975	3,505	2,929	2,470
Differences between expected and actual experience	-	(34,497)	-	-
Changes of assumptions or other inputs	1,420	4,418	(1,887)	(2,121)
Benefit payments	-	-	-	(6,577)
Net change in total OPEB liability	\$ 10,268	\$ (19,778)	\$ 7,985	\$ 981
Total OPEB liability-beginning	64,948	84,726	76,741	75,760
Total OPEB liability-ending	\$ 75,216	\$ 64,948	\$ 84,726	\$ 76,741
Covered employee payroll	\$ 1,182,941	\$ 1,292,255	\$ 1,242,553	\$ 1,172,631
Total OPEB liability as a percentage of covered employee payroll	6.36%	5.03%	6.82%	6.54%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

SUPPLEMENTARY INFORMATION

**VILLAGE OF BISCAYNE PARK
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

Special Revenue Funds

	Road Fund	Police Forfeiture Fund	Biscayne Foundation Fund	Debt Service Fund	Capital Improvements Fund	Total Nonmajor Governmental Funds
ASSETS						
Cash and cash equivalents	\$ -	\$ 33,736	\$ 11,099	\$ -	\$ -	44,835
Accounts receivable, net	12,591	-	-	-	-	12,591
Due from other funds	171,710	-	-	-	58,430	230,140
Total assets	<u>\$ 184,301</u>	<u>\$ 33,736</u>	<u>\$ 11,099</u>	<u>\$ -</u>	<u>\$ 58,430</u>	<u>\$ 287,566</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	2,060	-	-	-	-	2,060
Due to other funds	15,528	53,589	-	-	-	69,117
Total liabilities	<u>17,588</u>	<u>53,589</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,177</u>
Fund balances:						
Restricted						
Foundation	-	-	126	-	-	126
Roads	166,713	-	-	-	-	166,713
Assigned						
Foundation	-	-	10,973	-	-	10,973
Capital improvements	-	-	-	-	58,430	58,430
Unassigned	-	(19,853)	-	-	-	(19,853)
Total fund balances	<u>166,713</u>	<u>(19,853)</u>	<u>11,099</u>	<u>-</u>	<u>58,430</u>	<u>216,389</u>
Total liabilities and fund balances	<u>\$ 184,301</u>	<u>\$ 33,736</u>	<u>\$ 11,099</u>	<u>\$ -</u>	<u>\$ 58,430</u>	<u>\$ 287,566</u>

See notes to basic financial statements.

**VILLAGE OF BISCAYNE PARK
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

Special Revenue Funds

	Road Fund	Police Forfeiture Fund	Biscayne Foundation Fund	Debt Service Fund	Capital Improvements Fund	Total Nonmajor Governmental Funds
REVENUES						
Public services taxes	\$ 72,062	\$ -	\$ -	\$ -	\$ -	\$ 72,062
Intergovernmental	26,600	-	-	-	-	26,600
Investment earnings	-	85	-	-	-	85
Miscellaneous	-	-	3,168	-	-	3,168
Total revenues	<u>98,662</u>	<u>85</u>	<u>3,168</u>	<u>-</u>	<u>-</u>	<u>101,915</u>
EXPENDITURES						
Current:						
General government	-	-	421	-	-	421
Public works	127,010	-	-	-	-	127,010
Debt Service						
Principal	-	-	-	269,202	-	269,202
Interest and other charges	-	-	-	7,958	-	7,958
Total expenditures	<u>127,010</u>	<u>-</u>	<u>421</u>	<u>277,160</u>	<u>-</u>	<u>404,591</u>
Excess (deficiency) of revenues over expenditures	<u>(28,348)</u>	<u>85</u>	<u>2,747</u>	<u>(277,160)</u>	<u>-</u>	<u>(302,676)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	26,912	-	-	277,160	-	304,072
Total other financing sources and uses	<u>26,912</u>	<u>-</u>	<u>-</u>	<u>277,160</u>	<u>-</u>	<u>304,072</u>
Net change in fund balances	<u>(1,436)</u>	<u>85</u>	<u>2,747</u>	<u>-</u>	<u>-</u>	<u>1,396</u>
Fund balances - beginning	168,149	(19,938)	8,352	-	58,430	214,993
Fund balances - ending	<u>\$ 166,713</u>	<u>\$ (19,853)</u>	<u>\$ 11,099</u>	<u>\$ -</u>	<u>\$ 58,430</u>	<u>\$ 216,389</u>

See notes to basic financial statements.

VILLAGE OF BISCAYNE PARK
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - ROADS FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Public services taxes	\$ 40,748	\$ 40,748	\$ 72,062	\$ 31,314
Intergovernmental	14,196	14,196	26,600	12,404
Total revenues	<u>54,944</u>	<u>54,944</u>	<u>98,662</u>	<u>43,718</u>
EXPENDITURES				
Current:				
Public works	146,100	148,721	127,010	21,711
Total expenditures	<u>146,100</u>	<u>148,721</u>	<u>127,010</u>	<u>21,711</u>
Excess (deficiency) of revenues over expenditures	<u>(91,156)</u>	<u>(93,777)</u>	<u>(28,348)</u>	<u>65,429</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	24,399	27,020	26,912	108
Total other financing sources and uses	<u>24,399</u>	<u>27,020</u>	<u>26,912</u>	<u>108</u>
Net change in fund balances			<u>(1,436)</u>	
Fund balances - beginning			<u>168,149</u>	
Fund balances - ending			<u>\$ 166,713</u>	

See notes to basic financial statements.

COMPLIANCE SECTION



**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 Commission, and Village Manager
Village of Biscayne Park, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Biscayne Park, Florida (the "Village"), as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Villages basic financial statements and have issued our report thereon dated June 7, 2022.

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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2019-02.

The Village's Response to Findings

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

Purpose of this Report

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

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
June 7, 2022



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable Mayor, Village Commission, and Village Manager
Village of Biscayne Park, Florida

Report on Compliance for the Major Federal Program

We have audited the Village of Biscayne Park's (the "Village") compliance with the types of compliance requirements described 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, 2021. The Village's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

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

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

Opinion on the Major Federal Program

In our opinion, the Village, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the fiscal year ended September 30, 2021.

Report on Internal Control over Compliance

Management of the Village is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Village's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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.

Report on Internal Control over Compliance (Continued)

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

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

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
June 7, 2022

VILLAGE OF BISCAYNE PARK, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Total Federal Expenditures</u>
<i>Other Programs</i>			
United States Department of Homeland Security			
Passed through the State of Florida Division of Emergency Management			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Florida Division of Emergency Management--Z1143	\$ 783,261
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	N/A	20,479
<i>Total Department of Homeland Security</i>			<u>803,740</u>
United States Department of Justice			
Passed through Miami-Dade County			
COVID 19 - Coronavirus Emergency Supplemental Funding Program	16.034	N/A	159,939
<i>Total United States Department of Justice</i>			<u>159,939</u>
<i>Total expenditures of federal awards</i>			<u><u>\$ 963,679</u></u>

See accompanying notes to schedule of expenditures of federal awards.

VILLAGE OF BISCAYNE PARK, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Village of Biscayne Park (the "Village") for the fiscal year ended September 30, 2021. 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 or cash flows of the Village.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting for grants which are accounted for in the governmental fund types and on the accrual basis of accounting for grants which are accounted for in the proprietary fund types. 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. Pass-through entity identifying numbers are presented where available.

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 BISCAYNE PARK, FLORIDA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

PRIOR YEAR FINDINGS AND STATUS

FINANCIAL STATEMENTS

The following addresses the status of financial statement findings reported in the fiscal year ended September 30, 2020 schedule of findings and responses:

Matters that are repeated in the accompanying schedule of findings and questioned costs:

2019-02 CITT

VILLAGE OF BISCAYNE PARK, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: *Unmodified*
 Internal control over financial reporting:
 Material weakness(es) identified? _____ Yes X No
 Significant deficiencies identified? _____ Yes X None reported
 Noncompliance material to financial statements noted? X Yes _____ No

Federal Awards

Internal control over major federal awards:
 Material weakness(es) identified? _____ Yes X No
 Significant deficiencies identified? _____ Yes X None reported
 Type of auditors' report issued on compliance for major federal programs: *Unmodified*
 Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ Yes X No

Identification of major federal program:

<u>Assistance Listing No.</u>	<u>Federal Program or Cluster</u>
97.036	United States Department of Homeland Security Disaster Grants - Public Assistance (Presidentially Declared Disasters)

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

Auditee qualified as low risk auditee? _____ Yes X No

VILLAGE OF BISCAYNE PARK, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

Section II – CURRENT YEAR FINANCIAL STATEMENT FINDINGS AND RECOMMENDATIONS

Noncompliance and other matters

2019-02 CITT

Criteria:

Surtax Proceeds must be used in accordance with the Interlocal Agreement for Distribution, Use and Reporting of Charter County Transit System Surtax Proceeds Levied by Miami-Dade County (Interlocal Agreement) executed July 10, 2007.

Condition:

The Village received an external monitoring report expressing various concerns regarding the Village's use of Charter County Transportation System Surtax (Surtax) Proceeds remitted by Miami-Dade County for the two-year period ended September 30, 2019.

Cause:

Insufficient review, supervision and approval of the use of Surtax proceeds.

Effect:

The Village may be required to return \$65,997 in cash proceeds that are currently not supported by claimed expenditures and not included as cash available in the CITT fund. CITT has decided to withhold Transit-related funds until the unspent amounts are reduced.

Recommendation:

We recommend the Village implement proper internal controls over the completion, review and approval of the compliance reports required to support the use of Surtax Proceeds including but not limited to the required quarterly reports as well as the Five (5) year Transportation plan.

Views of Responsible Officials and Planned Corrective Action:

The Village Manager has worked with the CITT senior staff to submit an accepted five-year transportation and transit plan (surtax Proceeds) and any pending quarterly reports for future CITT funds. The Village has outsourced its accounting and financial reporting functions and is also moving various transportation and transit service-related projects forward with CITT prior approval.

All future projects must be presented to the CITT prior to ensuring the Village project shall be approved before spending any CITT funds.

VILLAGE OF BISCAYNE PARK, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None.



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

To the Honorable Mayor, Members of the Village Commission, and Village Manager
Village of Biscayne Park, Florida

Report on the Financial Statements

We have audited the basic financial statements of the Village of Biscayne Park, Florida (the "Village"), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated June 7, 2022.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditors' Report on Compliance for the Major Federal Program and Report on Internal Control over Compliance; 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 June 7, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. Corrective actions have been taken to address the recommendations made in the preceding financial audit report, except as described in the accompanying summary schedule of prior audit findings.

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 to the notes 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 has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In 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 the review of financial information provided by same. This assessment has been performed as of the fiscal year end.

Financial Condition and Management (Continued)

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

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but 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, Village Commission and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
June 7, 2022



CABALLERO FIERMAN
LLERENA + GARCIA LLP
accountants | advisors

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

To the Honorable Mayor, Members of the Village Commission, and Village Manager
Village of Biscayne Park, Florida

We have examined Village of Biscayne Park, Florida's (the "Village") compliance with the requirements of Section 218.415 Florida Statutes during the period of October 1, 2020, to September 30, 2021. Management of the Village is responsible for the Village's compliance with the specified requirements. Our responsibility is to express an opinion on the Village's compliance with the specified requirements based on our examination.

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

Our examination does not provide a legal determination on the Village's compliance with specified requirements. In our opinion, the Village complied, in all material respects, with the requirements of Section 218.415 Florida Statutes during the period of October 1, 2020, to September 30, 2021.

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

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
June 7, 2022