

TOWN OF GOLDEN BEACH, FLORIDA
BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2012

TOWN OF GOLDEN BEACH, FLORIDA
 BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

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TOWN OF GOLDEN BEACH, FLORIDA
BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

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BASIC FINANCIAL STATEMENTS



INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Council Members
Town of Golden Beach, Florida
Golden Beach, Florida

We have audited the accompanying basic financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Town of Golden Beach, Florida (the "Town"), as of and for the year ended September 30, 2012, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic 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 Town as of September 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 17, 2013, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Town of Golden Beach, Florida

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 9 and 56 and 57 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.

KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
May 17, 2013

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**
(NOT COVERED BY
INDEPENDENT AUDITORS' REPORT)

TOWN OF GOLDEN BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2012

Our discussion and analysis of the financial performance of Town of Golden Beach, Florida (the "Town") provides an overview of the Town's financial activities for the fiscal years ended September 30, 2011 and 2010. Please read it in conjunction with the Town's financial statements, which immediately follow this discussion.

FINANCIAL HIGHLIGHTS

The following are highlights of financial activities for the fiscal year ended September 30, 2012:

- The Town's net assets, which total assets less liabilities, were \$ 21,967,689. Governmental net assets totaled \$ 12,789,327 and business-type net assets totaled \$ 9,842,549.
- Governmental activities revenues were \$ 7,908,550. The expenses of governmental activities were \$ 10,287,291.
- Business-type activities revenues were \$ 1,643,242 of which a significant amount were capital grants and business-type expenses amounted to \$ 611,573.
- The total expenses of all Town programs were \$ 10,898,864 including the conveyance loss of infrastructure of \$ 2,524,956.
- The General Fund's expenditures, which accounts for the vast majority of the operations of the government, were under the final budgeted appropriations.

TOWN HIGHLIGHTS

The Town focused most of 2011-2012 in delivering a few projects to further the objective of making Golden Beach one of the most desired places to live in South Florida. To that end, the Town completed its Town Park Master plan, bringing the Town's total park(s)/open spaces to 9; all of which are fully renovated.

The Mayor and Town Council also awarded a contract for the replacement of both the Strand Avenue Bridge and the Navona Avenue Bridge. The Town is 50% complete with the re-construction of the Center Island Bridge, and by late May 2013 we will be 50% complete with the North Island Bridge. This project, which we began working on in 2009, when complete, will be one of the biggest milestones in our Town's history. The Town Council and management have worked tirelessly to secure the necessary funds to minimize the costs to the Town, and although to date we have received over \$6.4 million dollars in local, state and federal funds, we continue to work with our partners to secure even more funding. This project is scheduled to be complete in late December of this year.

The Town fully implemented a Closed Circuit Television System, which added an additional 76 cameras to the Town's existing CCT efforts. The addition of cameras on our Oceanfront, Intercostal, and each pedestrian access gate allows for our Police Department to monitor all points of entry and exit in Town. This project also includes License Plate Recognition software that allows us to monitor vehicles that enter our Town. The new Marine Patrol Dock was constructed in the second quarter of 2012.

TOWN OF GOLDEN BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2012

On security-related matters, the Town pleased to announce two exciting efforts we have undertaken. As of May 1st, 2013 the Day and Afternoon shifts at the Guard House will be staffed by Town of Golden Beach Employees, as part of a Town Council approved pilot project to take on greater responsibility and control of the guard house during these hours. We will also be adding a second Community Service Aide (CSA) in the booth during peak hours 6:30-10:30 am and 4:30-9:30 pm. The CSA will be interacting with individuals utilizing the guest lane. If you have not registered for a transponder, this may be the right time to do so, as most vehicles coming through the visitor lanes will be stopped. The additional personnel at the guard booth during peak hours will provide us with greater flexibility and increase our security.

OVERVIEW OF THE FINANCIAL STATEMENTS

In fiscal year 2012 we generated: Five applications for new homes on empty lots, six applications for the demolition of existing homes for redevelopment, and twenty five applications for renovations.

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

Government-wide financial statements:

The government-wide financial statements, which consist of the following two statements, are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private sector business:

Statement of Net Assets:

The statement of net assets presents information on all the Town's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

Statement of Activities:

The statement of activities presents information showing how the Town's net assets changed during the year. All changes in net assets 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.

The government-wide financial statements can be found on pages 11 through 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 Town categorizes funds into three basic fund types: governmental funds, proprietary funds, and fiduciary funds.

TOWN OF GOLDEN BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2012

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 balances of spendable resources available at the end of the year. Such information may be useful in evaluating the Town's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide reconciliations to facilitate this comparison between governmental funds and governmental activities.

The governmental fund financial statements can be found on pages 13 through 20 of this report.

The *proprietary fund* beginning on page 25 is comprised of an enterprise fund which is the equivalent of the business-type activities in the government-wide statements. The sole enterprise fund is the Stormwater Utility Fund.

The *fiduciary fund* beginning on page 28, which is not included in net assets and the government-wide financial statements, is presented in this section as the statements of fiduciary net assets and changes in fiduciary net assets - Retirement Plan for Employees of the Town of Golden Beach.

The Town cannot use the assets in the pension plan to finance its operations; therefore the activities of the Plan are excluded from the Town's government-wide financial statements. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to basic financial statements:

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found on pages 30 through 52 of this report.

Required and other supplementary information:

In addition to the basic financial statements and accompanying notes, this report also presents certain required and other supplementary information concerning the Town of Golden Beach. Required and other supplementary information can be found on pages 53 through 57 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table presents condensed statements of net assets as of September 30, 2012 and 2011:

**TOWN OF GOLDEN BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2011**

**STATEMENTS OF NET ASSETS
September 30, 2012 and 2011**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
CURRENT AND OTHER ASSETS	\$ 8,003,653	\$ 8,496,393	\$ (1,677,780)	\$ (1,731,891)	\$ 6,325,873	\$ 6,764,502
CAPITAL ASSETS (NET)	22,586,112	22,012,066	13,515,116	13,064,496	36,101,228	35,076,562
Total assets	30,589,765	30,508,459	11,837,336	11,332,605	42,427,101	41,841,064
CURRENT AND OTHER LIABILITIES	2,239,299	2,402,133	189,307	588,825	2,428,606	2,990,958
LONG-TERM LIABILITIES	15,561,139	14,949,517	1,805,480	1,932,900	17,366,619	16,882,417
Total liabilities	17,800,438	17,351,650	1,994,787	2,521,725	19,795,225	19,873,375
NET ASSETS:						
Invested in capital assets net of related debt	8,422,848	7,351,203	11,581,040	11,005,305	20,003,888	18,356,508
Unrestricted (deficit)	4,366,479	5,805,606	(1,738,491)	(2,194,425)	2,627,988	3,611,181
Total net assets	\$ 12,789,327	\$ 13,156,809	\$ 9,842,549	\$ 8,810,880	\$ 22,631,876	\$ 21,967,689

The following table presents condensed statements of activities for the years ended September 30, 2012 and 2011:

**STATEMENTS OF ACTIVITIES
For the Years Ended September 30, 2012 and 2011**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
REVENUES:						
Program revenues:						
Charges for services	\$ 986,503	\$ 1,711,319	\$ 194,959	\$ 164,126	\$ 1,181,462	\$ 1,875,445
Grants	-	-	851,362	2,059,206	851,362	2,059,206
General revenues:						
Property taxes	5,095,983	5,306,108	-	-	5,095,983	5,306,108
Other general revenues	1,667,147	269,710	376,100	4,080	2,043,247	273,790
Other taxes and fees	158,917	175,368	220,821	223,353	379,738	398,721
Total revenues	7,908,550	7,462,505	1,643,242	2,450,765	9,551,792	9,913,270
PROGRAM EXPENSES:						
General government	1,841,570	1,839,189	-	-	1,841,570	1,839,189
Public safety	3,258,718	3,010,597	-	-	3,258,718	3,010,597
Legislative	38,430	-	-	-	38,430	-
Physical environment	1,242,832	1,107,939	-	-	1,242,832	1,107,939
Transportation	74,737	87,044	-	-	74,737	87,044
Cultural and recreation	635,729	351,476	-	-	635,729	351,476
Interest expense	650,053	654,642	-	-	650,053	654,642
Transfers	20,266	-	-	-	20,266	-
Assets conveyed	2,524,956	-	-	-	2,524,956	-
Stormwater drainage	-	-	611,573	480,209	611,573	480,209
Total expenses	10,287,291	7,050,887	611,573	480,209	10,898,864	7,531,096
Change in net assets	\$ (2,378,741)	\$ 411,618	\$ 1,031,669	\$ 1,970,556	\$ (1,347,072)	\$ 2,382,174

TOWN OF GOLDEN BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2012

Tax revenues have been moderately decreasing as property assessed values continue to decrease in most sections of the Town.

Business-type activities net assets increased from \$ 8,810,880 to \$ 9,842,549 primarily due to capital grant revenues for stormwater projects.

General discussion on revenues:

Several areas can be identified which directly impact this current reporting period and the next fiscal year's revenues. Property tax revenue is the major revenue source in the governmental activities, accounting for approximately 51% of all governmental activities revenue during fiscal year 2012. The millage rate established by the Town Council during the budget process determines how much property tax revenue is generated. One mill of tax equals one dollar for each one thousand dollars of assessed property value as determined by the Miami-Dade County Property Assessor. The ad valorem (property tax) rate was at 6.85556 mills during the 2011-2012 fiscal year. Property values have decreased by approximately 2.02% over the previous year. This decrease is a direct reflection of the current economic climate of the United States, which has caused a lot of turmoil and upheaval in the housing market. During prosperous economic periods, property values generally increase, which correspondingly increases property tax revenue.

General discussion on expenses:

Expenses for governmental activities were \$ 9,320,842 and \$ 611,573 for business-type activities. The Town is predominantly a service provider and, therefore, its major expense is salaries and benefits. The salaries are specifically affected by cost of living, merit adjustments, and collective bargaining agreements while benefit costs are closely linked to health insurance rates.

ANALYSIS OF THE GOVERNMENTAL FUNDS

The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds:

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$ 6,138,237, a decrease of \$ 223,818. The decrease was primarily due to the spending of monies collected in the past and used this year for capital outlay projects. The unassigned fund balance reported in the governmental funds is \$ 2,726,663.

The General Fund balance decreased to \$ 8,632,034 during the current fiscal year, an decrease of \$ 275,537.

The deficit of the Debt Service Fund, Town Hall Capital Projects Fund and nonmajor special revenue funds will be covered in the following year by transfers from the General fund. These decreases were due primarily to projects included in the construction in progress.

**TOWN OF GOLDEN BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2012**

Proprietary fund:

The Town's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. Net assets of the Stormwater Utility Fund amounted to \$ 9,842,549 at the end of 2012, an increase of \$ 1,031,669 from the prior fiscal year. Factors concerning the finances of this Fund are covered in more detail in the discussion of the Town of Golden Beach's business-type activities in the Government-wide Financial Analysis section of Management's Discussion and Analysis.

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund revenues were \$ 83,884 more than the final budget projections and total expenditures were \$ 158,405 more than final budget projections. Major variances between budgeted and actual amounts in the General Fund are as follows:

- a. Building permit revenues and other license fee revenues were \$ 366,397 above budgeted amounts due to new construction during the year.
- b. Operating expenditures related to culture and recreation were higher than expected due to additional events and the award of four new park/street maintenance contracts.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets:

The Town had capital assets of \$ 34,546,636 and \$ 35,076,562, net of depreciation, as of September 30, 2012 and 2011, respectively. The following schedule summarizes net capital assets as of those dates:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
	Land	\$ 1,878,598	\$ 1,878,598	\$ -	\$ -	\$ 1,878,598
Buildings	938,880	716,995	-	-	938,880	716,995
Equipment and vehicles	1,048,195	918,582	-	-	1,048,195	918,582
Infrastructure	16,630,362	474,674	-	-	16,630,362	474,674
Improvements other than buildings	437,332	397,978	13,172,353	1,557,506	13,609,685	1,955,484
Construction in progress	1,652,745	17,625,239	342,763	11,506,990	1,995,508	29,132,229
	<u>\$ 22,586,112</u>	<u>\$ 22,012,066</u>	<u>\$ 13,515,116</u>	<u>\$ 13,064,496</u>	<u>\$ 36,101,228</u>	<u>\$ 35,076,562</u>

The Town continues its capital outlay efforts with improvements to the stormwater system. Wastewater line improvements projects are nearing completion and the amount spent on these infrastructure improvements is expected to decrease in coming years.

Debt:

The Town had debt of approximately \$ 17.646 million at September 30, 2012. Total debt outstanding at the end of the prior fiscal year was approximately \$ 16.813 million. The net increase of approximately \$ 833,300 was a result of the addition of \$ 1.5 million of debt in the current year combined with the principal payments on older debt.

**TOWN OF GOLDEN BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2012**

	October 1, 2011	Additions	Deletions	September 30, 2012	Within One Year
Governmental activities:					
Special assessment general obligation bonds, Series 2008 Capital Refunding Revenue Note, Series 2010 (formerly 2009)	\$ 13,848,608	\$ -	\$ 296,736	\$ 13,551,872	\$ 300,000
Special Assessment Improvement Refunding Bonds, Series 1994B	780,000	-	120,000	660,000	660,000
Northern Trust Series 2012B	83,421	-	83,421	-	-
Capital leases	-	1,500,000	-	1,500,000	-
	41,463	-	41,463	-	-
Total governmental activities	14,753,492	1,500,000	541,620	15,711,872	960,000
Business-type activities:					
Department of Environmental Protection, Revolving Loan	2,059,191	-	125,115	1,934,076	128,596
Total business-type activities	2,059,191	-	125,115	1,934,076	128,596
Total governmental and business-type activities	\$ 16,812,683	\$ 1,500,000	\$ 666,735	\$ 17,645,948	\$ 1,088,596

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Economic factors:

The Town's primary sources of revenue are and will continue to be property taxes and enterprise fund charges for services. State shared revenues, which include telecommunication taxes and sales taxes, account for another large source of revenue.

REQUESTS FOR INFORMATION

This entire report has been prepared by the Finance Department of the Town of Golden Beach, Florida with the assistance of the Town's external auditors. Every effort has been made to make this report understandable to the reader. Any questions or comments about this report are welcomed and may be directed to the Finance Director, Town of Golden Beach; 1 Golden Beach Drive; Golden Beach, Florida 33160.

TOWN OF GOLDEN BEACH, FLORIDA
STATEMENT OF NET ASSETS
September 30, 2012

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and cash equivalents	\$ 1,714,480	\$ 178,171	\$ 1,892,651
Investments	2,761,877	90,050	2,851,927
Accounts receivable	777,752	480,799	1,258,551
Prepaid expenses	62,245	-	62,245
Net pension asset	27,553	-	27,553
Other assets	6,831	-	6,831
Capital assets, non-depreciable	3,531,343	342,763	3,874,106
Capital assets, depreciable	19,054,769	13,172,353	32,227,122
Unamortized bond issue costs	226,115	-	226,115
Internal balance	2,426,800	(2,426,800)	-
	<u>30,589,765</u>	<u>11,837,336</u>	<u>42,427,101</u>
Total assets			
LIABILITIES:			
Accounts payable	976,844	54,091	1,030,935
Accrued interest payable	164,701	6,620	171,321
Accrued expenses	137,754	-	137,754
Due within one year:			
Current portion of debt	960,000	128,596	1,088,596
Due in more than one year:			
Builder bond deposits	421,150	-	421,150
Other deposits	76,000	-	76,000
Compensated absences payable	240,517	-	240,517
Long-term debt	14,751,872	1,805,480	16,557,352
Other post-employment benefit liability	71,600	-	71,600
	<u>17,800,438</u>	<u>1,994,787</u>	<u>19,795,225</u>
Total liabilities			
NET ASSETS:			
Invested in capital assets (net of related debt)	8,422,848	11,581,040	20,003,888
Unrestricted (deficit)	4,366,479	(1,738,491)	2,627,988
	<u>4,366,479</u>	<u>(1,738,491)</u>	<u>2,627,988</u>
Total net assets	<u>\$ 12,789,327</u>	<u>\$ 9,842,549</u>	<u>\$ 22,631,876</u>

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

TOWN OF GOLDEN BEACH, FLORIDA
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2012

	Program Revenues		
Expenses	Charges for Services	Capital Grants and Contributions	
FUNCTIONS/PROGRAMS:			
Primary government:			
Governmental activities:			
General government	\$ 1,841,570	\$ 962,864	\$ -
Public safety	3,258,718	-	2,017,489
Physical environment	1,242,832	21,289	-
Legislative	38,430	-	-
Transportation	74,737	-	-
Cultural and recreation	635,729	2,350	-
Transfers	20,266	-	-
Interest expense and other financing costs	650,053	-	-
	<u>7,762,335</u>	<u>986,503</u>	<u>2,017,489</u>
Business-type activities:			
Stormwater drainage	<u>611,573</u>	<u>194,959</u>	<u>851,362</u>
Total business-type activities	<u>611,573</u>	<u>194,959</u>	<u>851,362</u>
Total primary government	<u>\$ 8,373,908</u>	<u>\$ 1,181,462</u>	<u>\$ 2,868,851</u>
General revenues:			
Taxes:			
Ad valorem taxes			
Utility service taxes			
Franchise fees			
Sales, use and fuel taxes			
Special assessments			
Other:			
Intergovernmental revenue			
Investment income			
Miscellaneous			
State shared revenues			
Loss on disposal of fixed assets			
Assets conveyed (Note 4)			
Total general revenues			
Change in net assets			
Net assets at beginning of year			
Net assets at end of year			

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

Net (Expenses) Revenues and
Changes in Net Assets
Primary Government

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (878,706)	\$ -	\$ (878,706)
(1,241,229)	-	(1,241,229)
(1,221,543)	-	(1,221,543)
(38,430)	-	(38,430)
(74,737)	-	(74,737)
(633,379)	-	(633,379)
(20,266)	-	(20,266)
(650,053)	-	(650,053)
<u>(4,758,343)</u>	<u>-</u>	<u>(4,758,343)</u>
<u>-</u>	<u>434,748</u>	<u>434,748</u>
<u>-</u>	<u>434,748</u>	<u>434,748</u>
<u>(4,758,343)</u>	<u>434,748</u>	<u>(4,323,595)</u>
5,095,983	-	5,095,983
31,367	111,945	143,312
7,983	108,876	116,859
115,890	-	115,890
3,677	-	3,677
1,477,226	-	1,477,226
25,772	1,100	26,872
114,722	375,000	489,722
49,427	-	49,427
(6,230)	-	(6,230)
<u>(2,524,956)</u>	<u>-</u>	<u>(2,524,956)</u>
<u>4,390,861</u>	<u>596,921</u>	<u>4,987,782</u>
(367,482)	1,031,669	664,187
<u>13,156,809</u>	<u>8,810,880</u>	<u>21,967,689</u>
<u>\$ 12,789,327</u>	<u>\$ 9,842,549</u>	<u>\$ 22,631,876</u>

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

TOWN OF GOLDEN BEACH, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2012

	Major Governmental Funds			
	General Fund	Town Hall Capital Projects Fund	Bridge Fund	Law Enforcement Trust Fund
ASSETS:				
Cash and cash equivalents	\$ 1,320,822	\$ 81,064	\$ -	\$ 224,038
Investments	1,791,915	-	-	962,380
Accounts receivable	33,356	138,776	605,620	-
Prepaid expenditures	51,136	-	-	11,109
Due from other funds	6,236,408	553	-	2,638
Other assets	3,139	-	-	3,692
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 9,436,776</u>	<u>\$ 220,393</u>	<u>\$ 605,620</u>	<u>\$ 1,203,857</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts payable	\$ 169,839	\$ 340,351	\$ 461,720	\$ 4,934
Accrued liabilities	137,754	-	-	-
Due to other funds	-	1,068,840	595,647	440,428
Builder bond deposits	421,150	-	-	-
Other deposits	76,000	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>804,743</u>	<u>1,409,191</u>	<u>1,057,367</u>	<u>445,362</u>
Fund balances:				
Nonspendable				
Prepaid expenditures	51,136	-	-	-
Unfunded capital and special revenue				
fund deficits due to General Fund	3,274,889	-	-	-
Long-term stormwater interfund receivable	1,679,345	-	-	-
Restricted for:				
Debt service	-	-	-	-
Assigned:				
Surplus appropriated for				
following fiscal year	550,000	-	-	-
Building department	350,000	-	-	-
Unassigned:				
General Fund	2,726,663	-	-	-
Special Revenue Funds (deficit)	-	-	(451,747)	758,495
Debt Service Fund (deficit)	-	-	-	-
Town Hall Capital				
Projects Fund (deficit)	-	(1,188,798)	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances (deficit)	<u>8,632,033</u>	<u>(1,188,798)</u>	<u>(451,747)</u>	<u>758,495</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances (deficits)	<u>\$ 9,436,776</u>	<u>\$ 220,393</u>	<u>\$ 605,620</u>	<u>\$ 1,203,857</u>

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

<u>Nonmajor Governmental Funds</u>			
<u>Water Distribution Fund</u>	<u>Debt Service Fund</u>	<u>Special Assessment II Fund</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ 88,556	\$ 1,714,480
-	-	7,582	2,761,877
-	-	-	777,752
-	-	-	62,245
-	-	-	6,239,599
-	-	-	6,831
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96,138</u>	<u>\$ 11,562,784</u>
\$ -	\$ -	\$ -	\$ 976,844
-	-	-	137,754
1,241,598	392,746	73,540	3,812,799
-	-	-	421,150
-	-	-	76,000
<u>1,241,598</u>	<u>392,746</u>	<u>73,540</u>	<u>5,424,547</u>
-	-	-	51,136
-	-	-	3,274,889
-	-	-	1,679,345
-	-	22,598	22,598
-	-	-	550,000
-	-	-	350,000
-	-	-	2,726,663
(1,241,598)	-	-	(934,850)
-	(392,746)	-	(392,746)
<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,188,798)</u>
<u>(1,241,598)</u>	<u>(392,746)</u>	<u>22,598</u>	<u>6,138,237</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96,138</u>	<u>\$ 11,562,784</u>

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

TOWN OF GOLDEN BEACH, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
September 30, 2012

TOTAL FUND BALANCE OF GOVERNMENTAL FUNDS IN THE BALANCE SHEET, PAGE 14 \$ 6,138,237

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

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

The cost of capital assets is	\$ 25,970,673	
Accumulated depreciation in	<u>(3,384,561)</u>	22,586,112

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

Net pension obligation		27,553
Deferred charge on bond issuance costs (to be amortized over the life of the debt)	261,015	
Less accumulated amortization	<u>(34,900)</u>	226,115

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

Accrued interest	(164,701)	
Compensated absences	(240,517)	
Debt	(15,711,872)	
Other post-employment benefit obligation (OPEB)	<u>(71,600)</u>	<u>(16,188,690)</u>

NET ASSETS OF GOVERNMENTAL ACTIVITIES, PAGE 10 \$ 12,789,327

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

TOWN OF GOLDEN BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2012

	Major Governmental Funds			
	General Fund	Town Hall Capital Projects Fund	Bridge Fund	Law Enforcement Trust Fund
REVENUES:				
Ad valorem taxes	\$ 4,189,969	\$ -	\$ -	\$ -
Franchise fees	7,983.00	-	-	-
Utility service taxes	31,367	-	-	-
Intergovernmental revenues	-	160,000	1,317,226	-
Licenses and permits	762,864	-	-	-
Sales, use and fuel taxes	115,890	-	-	-
State shared revenues	17,185	21,419	-	10,823
Physical environment	21,289	-	-	-
Special assessments	-	-	-	-
Cultural and recreation	2,350	-	-	-
Stormwater administration fees	200,000	-	-	-
Fines and forfeitures	440,081	-	-	1,577,408
Investment income	20,442	322	-	3,202
Miscellaneous	57,117	-	-	26,605
Total revenues	5,866,537	181,741	1,317,226	1,618,038
EXPENDITURES:				
Current:				
General government	1,433,868	4,166	13,507	2,638
Public safety	2,793,958	-	-	120,930
Physical environment	1,052,447	-	364	-
Transportation	78,552	-	-	-
Cultural and recreation	558,485	-	-	-
Legislative	38,430	-	-	-
Capital outlay	166,069	1,913,088	1,554,589	687,533
Debt service:				
Principal	-	-	-	250,000
Interest	-	-	-	1,194
Total expenditures	6,121,809	1,917,254	1,568,460	1,062,295
Changes in fund balance before other financing sources (uses)	<u>(255,272)</u>	<u>(1,735,513)</u>	<u>(251,234)</u>	<u>555,743</u>

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

<u>Nonmajor Governmental Funds</u>			
<u>Water Distribution Fund</u>	<u>Debt Service Fund</u>	<u>Special Assessment II Fund</u>	<u>Total Governmental Funds</u>
\$ -	\$ 906,014	\$ -	\$ 5,095,983
-	-	-	7,983
-	-	-	31,367
-	-	-	1,477,226
-	-	-	762,864
-	-	-	115,890
-	-	-	49,427
-	-	-	21,289
-	-	3,677	3,677
-	-	-	2,350
-	-	-	200,000
-	-	-	2,017,489
-	-	1,806	25,772
31,000	-	-	114,722
<u>31,000</u>	<u>906,014</u>	<u>5,483</u>	<u>9,926,039</u>
-	-	-	1,454,179
-	-	-	2,914,888
-	-	-	1,052,811
-	-	-	78,552
-	-	-	558,485
-	-	-	38,430
32,250	-	-	4,353,529
-	456,461	83,424	789,885
-	633,070	4,568	638,832
<u>32,250</u>	<u>1,089,531</u>	<u>87,992</u>	<u>11,879,591</u>
<u>(1,250)</u>	<u>(183,517)</u>	<u>(82,509)</u>	<u>(1,953,552)</u>

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

TOWN OF GOLDEN BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
 (Continued)
 For the Year Ended September 30, 2012

	Major Governmental Funds			
	General Fund	Town Hall Capital Projects Fund	Bridge Fund	Law Enforcement Trust Fund
OTHER FINANCING SOURCES (USES):				
Proceeds from debt	-	1,500,000	-	250,000
Transfers in (out)	(20,266)	-	-	-
Total other financing sources (uses)	(20,266)	1,500,000	-	250,000
Changes in fund balances	(275,538)	(235,513)	(251,234)	805,743
FUND BALANCES, at beginning of year	8,907,571	(953,285)	(200,513)	(47,248)
FUND BALANCES, at end of year	\$ 8,632,033	\$ (1,188,798)	(451,747)	758,495

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

<u>Water Distribution Fund</u>	<u>Nonmajor Governmental Funds</u>		<u>Total Governmental Funds</u>
	<u>Debt Service Fund</u>	<u>Nonmajor Special Assessment II Fund</u>	
-	-	-	1,750,000
-	-	-	(20,266)
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,729,734</u>
(1,250)	(183,517)	(82,509)	(223,818)
<u>(1,240,348)</u>	<u>(209,229)</u>	<u>105,107</u>	<u>6,362,055</u>
<u><u>(1,241,598)</u></u>	<u><u>\$ (392,746)</u></u>	<u><u>\$ 22,598</u></u>	<u><u>\$ 6,138,237</u></u>

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

TOWN OF GOLDEN BEACH, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2012

NET CHANGE IN FUND BALANCES -
TOTAL GOVERNMENTAL FUNDS, PAGE 19 \$ (223,818)

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

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

Expenditures for capital assets	\$ 3,875,035	
Less current year depreciation	<u>(769,803)</u>	3,105,232
Assets conveyed		(2,524,956)
Loss on disposition of capital assets		(6,230)

The issuance of debt provides current financial resources
to governmental funds and increases liabilities in the
statement of net assets. Repayment of debt and capital lease
principal is an expenditure in the governmental funds, but the
repayment reduces liabilities in the statement of net assets:

Current year proceeds from debt		(1,750,000)
Principal payments on debt		748,421
Capital lease payments		41,463
Amortization of bond premium		1,736

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

Change in net pension obligation/asset		293,476
Change in accrued interest payable		(4,231)
Change in compensated absences payable		(14,350)
Change in other post-employment benefit obligation (OPEB)		(25,500)
Provision for amortization of bond issuance costs		<u>(8,725)</u>

CHANGES IN NET ASSETS OF GOVERNMENTAL
ACTIVITIES, PAGE 12 \$ (367,482)

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

TOWN OF GOLDEN BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL -
GENERAL FUND
For the Year Ended September 30, 2012

	Original Budget	Final Budget	Actual	Variance
REVENUES:				
Ad valorem taxes	\$ 4,181,996	\$ 4,181,996	\$ 4,189,969	\$ 7,973
Total ad valorem taxes	4,181,996	4,181,996	4,189,969	7,973
Franchise fees:				
Gas	5,000	5,000	7,983	2,983
Total franchise fees	5,000	5,000	7,983	2,983
Utility service taxes:				
Communication service tax	26,973	26,973	25,185	(1,788)
Gas service tax	4,500	4,500	6,182	1,682
Total utility service taxes	31,473	31,473	31,367	(106)
Licenses and permits:				
Building permits	285,250	285,250	441,781	156,531
Other licenses and permits	111,200	111,200	309,722	198,522
Occupational licenses	8,000	8,000	11,361	3,361
Total licenses and permits	404,450	404,450	762,864	358,414
Sales, use and fuel taxes:				
State sales tax	56,000	56,000	59,503	3,503
Local option gas tax	24,023	24,023	25,200	1,177
Local sales tax	20,000	20,000	31,187	11,187
Total sales, use and fuel taxes	100,023	100,023	115,890	15,867
State shared revenues:				
State revenue sharing	17,342	17,342	17,185	(157)
Motor fuel tax rebate	-	-	-	-
Total state shared revenues	17,342	17,342	17,185	(157)
Physical environment:				
Reimbursements	14,969	14,969	21,289	6,320
Other charges	-	-	-	-
Total physical environment	14,969	14,969	21,289	6,320

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

TOWN OF GOLDEN BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL -
GENERAL FUND
For the Year Ended September 30, 2012
(continued)

	Original Budget	Final Budget	Actual	Variance
Special assessments	-	-	-	-
Culture and recreation:				
Recreation fees	1,500	1,500	2,350	850
Total culture and recreation	1,500	1,500	2,350	850
Stormwater administration fee	200,000	200,000	200,000	-
Fines and forfeitures:				
Code enforcement	130,000	130,000	404,836	274,836
Fines and forfeits	23,000	23,000	33,389	10,389
Law enforcement trust fund	-	-	1,856	1,856
Total fines and forfeitures	153,000	153,000	440,081	287,081
Investment income	18,100	18,100	20,442	2,342
Miscellaneous:				
Miscellaneous revenue	101,500	101,500	44,112	(57,388)
Transponders	-	-	2,350	2,350
Tax lien letter income	2,500	2,500	8,190	5,690
Public records requests	800	800	2,465	1,665
Total miscellaneous	104,800	104,800	57,117	(47,683)
Allocation of fund balance	550,000	550,000	-	(550,000)
Total revenues	5,782,653	5,782,653	5,866,537	83,884
EXPENDITURES:				
General government:				
General and legislative:				
Operating expenditures	407,200	407,200	578,167	(170,967)
Capital outlay	-	-	36,946	(36,946)
Contingency	285,000	285,000	-	285,000
Total general and legislative	692,200	692,200	615,113	77,087

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

TOWN OF GOLDEN BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL -
GENERAL FUND
For the Year Ended September 30, 2012
(continued)

	Original Budget	Final Budget	Actual	Variance
Executive:				
Personal services	275,218	275,218	244,062	31,156
Operating expenditures	45,600	45,600	69,202	(23,602)
Capital outlay	2,000	2,000	5,102	(3,102)
Total executive	<u>322,818</u>	<u>322,818</u>	<u>318,366</u>	<u>4,452</u>
Town clerk				
Personal services	110,979	110,979	104,878	6,101
Operating expenditures	35,400	35,400	37,150	(1,750)
Capital outlay	1,600	1,600	1,787	(187)
Total town clerk	<u>147,979</u>	<u>147,979</u>	<u>143,815</u>	<u>4,164</u>
Town legal counsel:				
Operating expenditures	279,500	279,500	153,872	125,628
Total Town legal counsel	<u>279,500</u>	<u>279,500</u>	<u>153,872</u>	<u>125,628</u>
Finance:				
Personal services	163,192	163,192	166,213	(3,021)
Operating expenditures	56,900	56,900	80,324	(23,424)
Capital outlay	1,000	1,000	1,088	(88)
Total finance	<u>221,092</u>	<u>221,092</u>	<u>247,625</u>	<u>(26,533)</u>
Total general government	<u>1,663,589</u>	<u>1,663,589</u>	<u>1,478,791</u>	<u>184,798</u>
Public safety:				
Law enforcement:				
Personal services	2,148,827	2,148,827	1,928,715	220,112
Operating expenditures	338,200	338,200	535,173	(196,973)
Capital outlay	43,066	43,066	31,030	12,036
Total law enforcement	<u>2,530,093</u>	<u>2,530,093</u>	<u>2,494,918</u>	<u>35,175</u>
Protective inspections:				
Personal services	217,527	217,527	227,670	(10,143)
Operating expenditures	100,920	100,920	102,400	(1,480)
Capital outlay	-	-	9,771	(9,771)
Total protective inspections	<u>318,447</u>	<u>318,447</u>	<u>339,841</u>	<u>(21,394)</u>
Total public safety	<u>2,848,540</u>	<u>2,848,540</u>	<u>2,834,759</u>	<u>13,781</u>

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

TOWN OF GOLDEN BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL -
GENERAL FUND
For the Year Ended September 30, 2012
(continued)

	Original Budget	Final Budget	Actual	Variance
Physical environment:				
Personal services	675,904	675,904	665,363	10,541
Operating expenditures	371,500	371,500	387,084	(15,584)
Capital outlay	-	-	9,086	(9,086)
Total physical environment	<u>1,047,404</u>	<u>1,047,404</u>	<u>1,061,533</u>	<u>(14,129)</u>
Transportation:				
Personal services	34,956	34,956	34,549	407
Operating expenditures	44,074	44,074	44,003	71
Total transportation	<u>79,030</u>	<u>79,030</u>	<u>78,552</u>	<u>478</u>
Legislative				
Personal services	5	5	-	5
Operating expenditures	24,000	24,000	38,430	(14,430)
Capital outlay	8,100	8,100	5,322	2,778
Total legislative	<u>32,105</u>	<u>32,105</u>	<u>43,752</u>	<u>(11,647)</u>
Cultural and recreation:				
Personal services	130,485	130,485	152,777	(22,292)
Operating expenditures	160,500	160,500	405,708	(245,208)
Capital outlay	11,000	11,000	65,937	(54,937)
Total cultural and recreation	<u>301,985</u>	<u>301,985</u>	<u>624,422</u>	<u>(322,437)</u>
Total expenditures	<u>5,972,653</u>	<u>5,972,653</u>	<u>6,121,809</u>	<u>(149,156)</u>
Change in fund balance before other financing sources (uses)	<u>(190,000)</u>	<u>(190,000)</u>	<u>(255,272)</u>	<u>(65,272)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in/out	190,000	190,000	(20,266)	(210,266)
Total other financing sources (uses)	<u>190,000</u>	<u>190,000</u>	<u>(20,266)</u>	<u>(210,266)</u>
Change in fund balance	-	-	(275,538)	(275,538)
FUND BALANCE, at beginning of year	<u>8,907,571</u>	<u>8,907,571</u>	<u>8,907,571</u>	-
FUND BALANCE, at end of year	<u>\$ 8,907,571</u>	<u>\$ 8,907,571</u>	<u>\$ 8,632,033</u>	<u>\$ (275,538)</u>

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

TOWN OF GOLDEN BEACH, FLORIDA
STATEMENT OF NET ASSETS -
PROPRIETARY FUND
September 30, 2012

	<u>Stormwater Utility Fund</u>
ASSETS:	
Current assets:	
Cash and cash equivalents	\$ 178,171
Investments	90,050
Due from other funds	1,565
Accounts receivable	<u>480,799</u>
Total current assets	<u>750,585</u>
Noncurrent assets:	
Capital assets, net	<u>13,515,116</u>
Total noncurrent assets	<u>13,515,116</u>
Total assets	<u>14,265,701</u>
 LIABILITIES:	
Current liabilities:	
Accounts payable	54,091
Accrued interest payable	6,620
Current portion of debt	128,596
Due to other funds	<u>2,428,365</u>
Total current liabilities	<u>2,617,672</u>
Noncurrent liabilities:	
Long-term debt	<u>1,805,480</u>
Total noncurrent liabilities	<u>1,805,480</u>
Total liabilities	<u>4,423,152</u>
 NET ASSETS:	
Invested in capital assets, net of related debt	11,581,040
Unrestricted (deficit)	<u>(1,738,491)</u>
Total net assets	<u>\$ 9,842,549</u>

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

TOWN OF GOLDEN BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET ASSETS -
PROPRIETARY FUND
September 30, 2012

	<u>Stormwater Utility Fund</u>
OPERATING REVENUES:	
Charges for services	\$ 194,959
Franchise fees	108,876
Tax revenue	<u>111,945</u>
Total operating revenues	<u>415,780</u>
 OPERATING AND GENERAL EXPENSES:	
Administration fee	200,000
Professional fees	2,201
Depreciation expense	347,210
General expenses	23,238
Maintenance and repair	<u>883</u>
Total operating and general expenses	<u>573,532</u>
Operating loss	<u>(157,752)</u>
 NONOPERATING REVENUES (EXPENSES):	
Grant revenues	851,362
Other revenues	375,000
Investment income	1,100
Interest expense	<u>(38,041)</u>
Total nonoperating revenues (expenses)	<u>1,189,421</u>
Change in net assets	1,031,669
 NET ASSETS, at beginning of year	 <u>8,810,880</u>
 NET ASSETS, at end of year	 \$ <u><u>9,842,549</u></u>

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

TOWN OF GOLDEN BEACH, FLORIDA
STATEMENT OF CASH FLOWS -
PROPRIETARY FUND
September 30, 2012

	<u>Stormwater Utility Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers and users	\$ 382,806
Cash paid for goods and services	<u>(628,145)</u>
Net cash used in operating activities	<u>(245,339)</u>
CASH FLOWS FROM NONOPERATING ACTIVITIES:	
Cash received from settlement	375,000
Cash received from grants	<u>1,052,468</u>
Net cash provided by nonoperating activities	<u>1,427,468</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Change in due to/from balances	(543,049)
Interest paid	(38,041)
Bond principal payments	<u>(125,115)</u>
Net cash used in financing activities	<u>(706,205)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Investment income received	1,100
Purchase of investments	(597)
Purchase of capital assets	<u>(797,830)</u>
Net cash used in investing activities	<u>(797,327)</u>
Net decrease in cash and cash equivalents	(321,403)
CASH AND CASH EQUIVALENTS, at beginning of year	<u>499,574</u>
CASH AND CASH EQUIVALENTS, at end of year	<u>\$ 178,171</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:	
Operating loss	\$ <u>(157,752)</u>
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Provision for depreciation	347,210
(Increase) decrease in accounts receivable	(32,974)
Increase (decrease) in accounts payable	<u>(401,823)</u>
Total adjustments	<u>(87,587)</u>
Net cash used in operating activities	<u>\$ (245,339)</u>

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

TOWN OF GOLDEN BEACH, FLORIDA
STATEMENT OF FIDUCIARY NET ASSETS -
RETIREMENT PLAN FOR EMPLOYEES OF THE TOWN OF GOLDEN BEACH
September 30, 2012

ASSETS:		
Cash and cash equivalents		\$ 261,061
Receivables:		
Employee contribution	\$ 12,545	
Interest	3,529	
Other	<u>14,586</u>	30,660
Investments, at fair value:		
Common stock	3,230,674	
Government bonds	994,511	
Corporate bonds	<u>934,900</u>	<u>5,160,085</u>
Total assets		<u>5,451,806</u>
LIABILITIES:		
Accounts payable		<u>11,234</u>
Total liabilities		<u>11,234</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS		\$ <u><u>5,440,572</u></u>

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

TOWN OF GOLDEN BEACH, FLORIDA
STATEMENT OF CHANGE IN FIDUCIARY NET ASSETS -
RETIREMENT PLAN FOR EMPLOYEES OF THE TOWN OF GOLDEN BEACH
September 30, 2012

ADDITIONS:	
Contributions:	
Employer	\$ 383,769
Employees	<u>94,268</u>
Total contributions	<u>478,037</u>
Investment income:	
Net depreciation in fair value of Plan investments	548,340
Interest and dividend income	<u>265,023</u>
Total investment income	<u>813,363</u>
Total additions	<u>1,291,400</u>
DEDUCTIONS:	
Benefits paid	213,914
Consulting and advisory fees	46,097
Professional fees	30,733
Other	<u>6,230</u>
Total deductions	<u>296,974</u>
Net increase	994,426
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS, at beginning of year	<u>4,446,146</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS, at end of year	<u>\$ 5,440,572</u>

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

TOWN OF GOLDEN BEACH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2012

NOTE 1 - ORGANIZATION AND OPERATIONS

The Town of Golden Beach, Florida (the "Town") was incorporated in 1929 under the provisions of the State of Florida. The Town operates under a council/manager form of government. The Town provides or contracts for the following services as authorized by its Charter and Town ordinances: public safety (police and fire), streets, sanitation, stormwater utility, social services, culture and recreation, public improvements, planning and zoning and general administrative services.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town have been prepared in accordance with generally accepted accounting principles ("GAAP") applicable to governmental units. GAAP includes all relevant Governmental Accounting Standards Board ("GASB") pronouncements. The following is a summary of the more significant accounting policies of the Town:

Reporting entity:

The financial reporting entity consists of the Town, organizations for which the Town is financially accountable, and other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Town 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 specific financial benefits to, or impose specific financial burdens on the Town. Based upon the application of these criteria, there were no component units or related organizations of the Town.

Basis of presentation:

Government-wide financial statements

The government-wide financial statements (i.e. the statement of net assets and the statement of activities) report information on all activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services.

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

Fund financial statements

The accounts of the Town are organized on the basis of funds, each of which is considered and accounted for as a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance/net assets, revenues and expenditures. An emphasis is placed on major funds within the governmental category.

TOWN OF GOLDEN BEACH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund financial statements (continued)

The Town reports the following major governmental funds:

The General Fund is the principal operating fund of the Town. All general tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund.

The Town Hall Capital Projects Fund is used to account for financial resources segregated for the acquisition or construction of major capital facilities other than those financed by enterprise operations.

The Bridge Fund is used to account for the proceeds and expenditures of the bridge projects that the Town is currently undertaking. The Fund requires separate accounting due to legal or regulatory provisions or administrative action.

The Law Enforcement Trust Fund is a special revenue fund used to keep track of proceeds related to specific sources. The Fund requires separate accounting due to legal or regulatory provisions or administrative action.

The Water Distribution Fund is used to account for the proceeds and costs of the watermain project the town underwent for the last several years. The Fund requires separate accounting due to legal or regulatory provisions or administrative action.

The Town reports the following major proprietary fund:

The Stormwater Utility Fund accounts for the operation of the Town's stormwater drainage system.

Additionally, the government reports the following non-major funds:

The Debt Service Fund is used to account for the payment of principal, interest and other expenditures on long-term debt.

The Special Assessment II Fund is a special revenue fund used to keep track of proceeds related to specific sources. The Fund requires separate accounting due to legal or regulatory provisions or administrative action.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement focus, basis of accounting:

Government-wide financial statements

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenses/expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

TOWN OF GOLDEN BEACH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. This differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliations with a brief explanation to better identify the relationship between the government-wide statements and the fund financial statements. The proprietary fund financial statements are prepared on the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Measurement focus, basis of accounting (continued):

Fund financial statements

All governmental fund types use the modified accrual basis of accounting under which revenue is recognized in the accounting period in which it becomes susceptible to accrual (i.e., when it becomes both measurable and available). "Measurable" means the amount of the transaction which can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Town considers property taxes as available if they are collected within sixty days after year end. Other taxes, intergovernmental revenues, and interest associated with the current fiscal period are all considered to be susceptible to accrual and are 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 Town. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) fines and forfeitures, 3) operating grants and contributions, and 4) 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 nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary fund are from charges to customers for services. Operating expenses for proprietary funds include the costs of services, administrative expenses, and depreciation expense on capital assets. All revenues and expenses that do not meet this definition are reported as nonoperating revenues or expenses.

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

The private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The Town has elected not to follow subsequent private sector guidance.

TOWN OF GOLDEN BEACH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Budgets:

The Town is required to develop an approved annual budget. Annual budgets are adopted for most governmental funds.

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

- a. Prior to July 1, the Town Manager submits to the Town Council, the budget estimates of expenditures and revenues of all Town departments for the fiscal year commencing the following October 1.
- b. Upon receipt of the annual budget estimates, the Town Council prepares an appropriation ordinance using the Town Manager's estimates as a basis.
- c. Public hearings are conducted at the Town Hall to obtain taxpayer's comments.
- d. Prior to October 1, the budget is legally enacted through passage of a resolution.
- e. The Town may not legally expend or contract to expend amounts in excess of the total amount of appropriated expenditures of any of the funds for the year. The Town Manager can transfer funds among departmental expenditure categories, but may not increase total departmental expenditures without Council approval. Therefore, the legal level of control is at the departmental level.
- f. Formal budgetary integration is employed as a control device during the year for the General Fund, Special Revenue Funds, Town Hall Capital Projects Fund and the Debt Service Fund. Budget appropriations lapse at year end.
- g. The budgets for the General, Special Revenue, Town Hall Capital Projects and the Debt Service Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
- h. Budgeted amounts presented for fiscal year 2012 include amendments to the budget originally adopted by the Town Council.
- i. During the year, departmental expenditures exceeded the legally authorized budget as follows:

General Fund

Executive	\$ 4,452
Finance	(26,533)
Protective inspections	(21,394)
Physical environment	(14,129)
Legislative	(11,647)
Culture and recreation	(322,437)

TOWN OF GOLDEN BEACH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents:

In connection with the statement of cash flows, the Town considers cash on hand, demand deposits and bank repurchase agreements as cash and cash equivalents.

Investments:

Investments are stated at their fair value, which is based on quoted market prices. Certain investments are stated at amortized cost if they have a remaining maturity of one year or less when purchased.

Capital assets:

Capital assets, which include land, buildings, improvements other than buildings, infrastructure, equipment and vehicles, and construction in progress are reported in the governmental activities column in the government-wide financial statements. The government defines capital assets as assets with an initial, individual cost of more than \$ 750 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Depreciation on all capital assets is charged to operations using the straight-line method over the assets' estimated service lives, ranging from 5-50 years.

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.

GASB 34 encourages but does not require certain governments to retroactively report infrastructure assets. The Town has elected not to retroactively report any unrecorded infrastructure that may exist.

Improvements other than buildings of the Proprietary Fund are stated at cost or, if donated, at fair value at the date of donation. Costs, which materially extend the useful life of existing assets, are capitalized. Depreciation has been provided over an estimated useful life of 40 years using the straight-line method.

The cost of property sold or retired, together with the related accumulated depreciation, is removed from the appropriate accounts and any resulting gain or loss is included in income.

Compensated absences:

Full-time employees of the Town are entitled to be paid for twelve days of sick leave in each calendar year after six months of employment. Unused hours can be carried over to the following year, subject to limitations established by Town ordinance. In the event of termination, each qualifying employee is entitled to receive payment equal to 50% of the value of total accumulated unused sick days.

Each full-time employee is entitled to between ten and twenty days annual paid vacation leave. Unused hours can be carried over to the following year, subject to limitations established by Town ordinance. In the event of termination, each qualifying employee is entitled to receive payment equal to 100% of the value of the total accumulated unused vacation days.

Accumulated compensated absences are recorded as expenses in the government-wide and proprietary fund financial statements when earned. Expenditures for accumulated compensated absences have been recorded in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

TOWN OF GOLDEN BEACH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts receivable:

The accounts receivable consists of amounts owed for property taxes, stormwater utility fees, other miscellaneous taxes, and fines.

Equity classifications:

Government-wide statements

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets - Consists of net assets with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or 2) laws through constitutional provisions or enabling legislation.
- c. Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets net of related debt."

Fund statements

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

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. "Not in spendable form" includes items that are not expected to be converted to cash (such as inventories and prepaid amounts) and items such as long-term amount of loans and notes receivable, as well as property acquired for resale. The corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the City Commission. These amounts cannot be used for any other purpose unless the Commission removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

TOWN OF GOLDEN BEACH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- Assigned: This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Commission or through the Commission delegating this responsibility to City management.
- Unassigned: This classification includes the residual fund balance for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes.

Property taxes:

Real and personal property values are assessed on a county-wide basis by the Miami-Dade County Property Appraiser as of January 1 of each year (the lien date). Taxable value of property within the Town is certified by the Property Appraiser and the Town levies a tax upon the taxable value, which will provide revenue required for the next fiscal year beginning October 1.

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

Assessed values are established by the Miami-Dade County Property Appraiser at just values. The assessed value of property at January 1, 2011, upon which the 2011-2012 levy was based, was approximately \$ 631,200,000. The Miami-Dade County Tax Collector bills and collects all property taxes for the Town.

The Town is permitted by Article 7, Section 8 of the Florida Constitution to levy taxes up to \$ 10 per \$ 1,000 of assessed valuation (10 mills) for general governmental services. In addition, unlimited amounts may be levied for the payment of principal and interest for debt service if approved by the voters. The operating tax rate to finance general government services for the year ended September 30, 2011 was \$ 6.8556 per \$ 1,000 and \$ 1.5201 per \$ 1,000 for bond debt service.

The Town accrues property tax receivables based on the County's allocation of the Town's portion of County-held certificates for prior years.

Retirement systems:

The Town sponsors and administers a retirement system covering substantially all full-time general employees and police officers. Annual costs of the pension plan are actuarially computed and the Town funds annual pension costs as incurred. Investments are stated at their fair value.

TOWN OF GOLDEN BEACH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Internal balances:

Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the government-wide governmental and business-type activities columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Use of estimates:

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

Date of management review:

Subsequent events have been evaluated by management through May 17, 2013, which is the date the financial statements were available for issuance.

NOTE 3 - DEPOSITS AND INVESTMENTS

Governmental and Proprietary Funds

Deposits:

As required by Chapter 280.03, Florida Statutes, all deposits of the Town during the year ended September 30, 2012, including time deposit accounts, demand deposit accounts and money market accounts, were held in institutions designated by the Treasurer of the State of Florida as “qualified public depositories” and were accordingly covered by a collateral pool as required by that Statute. Therefore, in accordance with GASB Codification I50.110, the deposits are treated as insured or collateralized with securities held by the entity or its agent in the entity’s name.

Investments:

Florida Statutes and Town Ordinances authorize Town officials to invest pooled funds in United States bonds and obligations, guaranteed United States agency issues, Florida county, municipal and district general, excise and revenue obligations, Florida bank certificates of deposit, bankers acceptances, reverse repurchase agreements and prime commercial paper issues. Investments in the proprietary fund are allowed to be comprised of United States Treasury state and local government series securities. In addition, the Fiduciary Fund is authorized to invest in corporate and government bonds, stocks, mutual funds, money market funds, mortgages, and notes.

The Town’s governmental and proprietary portfolios were placed in an external investment pool, the Local Government Surplus Funds Trust Fund (the “State Pool”). The State Pool is administered by the Florida State Board of Administration (“SBA”), who provides regulatory oversight. Previously, the SBA reported that the State Pool was exposed to potential risks due to indirect exposure in the sub-prime mortgage financial market. Consequently, the SBA placed some restrictions on how participants could access portions of their surplus funds and ultimately restructured the State Pool into two separate pools (“LGIP” and “Fund B”).

TOWN OF GOLDEN BEACH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2012

NOTE 3 - DEPOSITS AND INVESTMENTS (continued)

The LGIP has adopted operating procedures consistent with the requirement for a 2a7-like fund. The Town's investment in the LGIP is reported at amortized cost. The fair value of the position in the pool is equal to the value of the pool shares.

The Fund B is reported at fair value, determined by the fair value per share of the pool's underlying portfolio.

Total governmental and proprietary investments at September 30, 2012 were as follows:

	Fair Value	Investment Maturities (in years)		
		Less than 1	1 to 5	6 to 10
LGIP	\$ 54,607	\$ -	\$ -	\$ 54,607
LGIP - Fund B	41,580	-	-	41,580
Non-negotiable certificates of deposit	<u>2,755,740</u>	<u>2,755,740</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,851,927</u>	<u>\$ 2,755,740</u>	<u>\$ -</u>	<u>\$ 96,187</u>

Interest rate risk: The Town's investment policy is designed to minimize the risk that change in the market value of securities in the portfolio caused by changes in general interest rates will result in any losses by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations and by investing operating funds primarily in shorter-term securities, money market funds, or similar investment pools.

Credit risk: State law limits investments in bonds, stocks or other evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia, unless the corporation is listed on any one or more of the recognized national stock exchanges or on the National Market System of the NASDAQ Stock Market and in the case of bonds only, hold a rating in one of the three highest classifications by a major rating service. The LGIP is rated AAAM by Standard and Poor's and Fund B is not rated by any nationally recognized statistical rating agency.

Fiduciary Funds

The Retirement Plan for the Employees of the Town of Golden Beach (the "Plan") maintains an agreement whereby the investment securities are held in the Plan's name by a financial institution acting as the Plan's custodian. The custodian also assists Plan management in securing one or more investment managers to invest in securities at the manager's discretion.

TOWN OF GOLDEN BEACH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2012

NOTE 3 - DEPOSITS AND INVESTMENTS (continued)

At year end, the Plan's investment balances were as follows:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Common stock	Not applicable	\$ 3,230,674
Corporate bonds	October 1, 2012 through September 30, 2013	28,399
Corporate bonds	October 1, 2013 through September 30, 2014	120,407
Corporate bonds	October 1, 2014 through September 30, 2015	264,176
Corporate bonds	October 1, 2016 through September 30, 2017	272,798
Corporate bonds	October 1, 2017 through September 30, 2018	249,120
Government bonds	October 1, 2012 through September 30, 2013	414,346
Government bonds	October 2013 through September 30, 2014	160,224
Government bonds	October 1, 2014 through September 30, 2015	149,418
Government bonds	October 1, 2015 through September 30, 2016	66,395
Government bonds	October 1, 2016 through September 30, 2017	71,780
Government bonds	October 1, 2018 through September 30, 2019	27,641
Government bonds	October 1, 2020 through September 30, 2021	<u>104,707</u>
	Total investments	<u>\$ 5,160,085</u>

Interest rate risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Plan does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Plan does, however, limit its exposure to interest rate risk by diversifying its investments by security type and institution, and limits holdings in any one type of investment with any one issuer with various durations of maturities.

TOWN OF GOLDEN BEACH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2012

NOTE 3 - DEPOSITS AND INVESTMENTS (continued)

Credit risk: Credit risk is the risk that a security or portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. This risk is generally measured by the assignment of a rating by a nationally recognized statistical rating organization. As of September 30, 2012, the Plan's corporate bonds were rated between A3 and AA2 by Moody's Investor Services and between A- and AA+ by Standard & Poor's. The Plan has no investment policy that would further limit its investment choices.

Concentration of credit risk: GASB Statement No. 40 requires disclosure when the percent is 5% or more in any one issuer. As of September 30, 2012, investments held in one fund consisting of United States Treasury notes in the amount of \$ 772,099 exceeded 5% of Plan net assets.

Custodial credit risk: This is the risk that, upon failure of a counterparty or collateral securities held by the Plan, it would not be able to recover the value thereof. The Plan assets are held by their custodial bank and registered in the Plan's name.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2012 was as follows:

	Balance October 1, 2011	Additions	Deletions	Balance September 30, 2012
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 1,878,598	\$ -	\$ -	\$ 1,878,598
Construction in progress	<u>17,625,239</u>	<u>1,660,499</u>	<u>17,632,993</u>	<u>1,652,745</u>
Total capital assets, not being depreciated	<u>19,503,837</u>	<u>1,660,499</u>	<u>17,632,993</u>	<u>3,531,343</u>
Capital assets, being depreciated:				
Equipment and vehicles	2,684,884	350,019	132,278	2,902,625
Buildings	946,301	246,054	-	1,192,355
Infrastructure	916,538	16,652,565	-	17,569,103
Improvements other than buildings	<u>701,312</u>	<u>73,935</u>	<u>-</u>	<u>775,247</u>
Total capital assets, being depreciated	<u>5,249,035</u>	<u>17,322,573</u>	<u>132,278</u>	<u>22,439,330</u>
Total capital assets	<u>24,752,872</u>	<u>18,983,072</u>	<u>17,765,271</u>	<u>25,970,673</u>
Less accumulated depreciation for:				
Equipment and vehicles	1,766,302	214,176	126,048	1,854,430
Buildings	229,306	24,169	-	253,475
Infrastructure	441,864	496,877	-	938,741
Improvements other than buildings	<u>303,334</u>	<u>34,581</u>	<u>-</u>	<u>337,915</u>
Total accumulated depreciation	<u>2,740,806</u>	<u>769,803</u>	<u>126,048</u>	<u>3,384,561</u>

TOWN OF GOLDEN BEACH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2012

NOTE 4 - CAPITAL ASSETS (continued)

	Balance October 1, 2011	Additions	Deletions	Balance September 30, 2012
Total capital assets, being depreciated, net	<u>2,508,229</u>	<u>16,552,770</u>	<u>6,230</u>	<u>19,054,769</u>
Governmental activities capital assets, net	\$ <u>22,012,066</u>	\$ <u>18,213,269</u>	\$ <u>17,639,223</u>	\$ <u>22,586,112</u>
Business-type activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ <u>11,506,990</u>	\$ <u>342,761</u>	\$ <u>11,506,988</u>	\$ <u>342,763</u>
Total capital assets, not being depreciated	<u>11,506,990</u>	<u>342,761</u>	<u>11,506,988</u>	<u>342,763</u>
Capital assets, being depreciated:				
Equipment and vehicles	47,000	-	-	47,000
Improvements other than buildings	<u>2,104,814</u>	<u>11,962,057</u>	<u>-</u>	<u>14,066,871</u>
Total capital assets, being depreciated	<u>2,151,814</u>	<u>11,962,057</u>	<u>-</u>	<u>14,113,871</u>
Total capital assets	<u>13,611,804</u>	<u>12,304,818</u>	<u>11,506,988</u>	<u>14,409,634</u>
Less accumulated depreciation for:				
Equipment and vehicles	-	3,133	-	3,133
Improvements other than buildings	<u>594,308</u>	<u>344,077</u>	<u>-</u>	<u>938,385</u>
Total accumulated depreciation	<u>594,308</u>	<u>347,210</u>	<u>-</u>	<u>941,518</u>
Total capital assets, being depreciated, net	<u>1,557,506</u>	<u>11,614,847</u>	<u>-</u>	<u>13,172,353</u>
Business-type activities capital assets, net	\$ <u>13,064,496</u>	\$ <u>11,957,608</u>	\$ <u>11,506,988</u>	\$ <u>13,515,116</u>

Depreciation expense was charged to function/programs of the primary government as follows:

Governmental activities:	
General government	\$ 200,149
Public safety	295,604
Physical environment	203,998
Cultural and recreation	<u>70,052</u>
Total depreciation expense - governmental activities	\$ <u>769,803</u>
Business-type activities:	
Stormwater drainage	\$ <u>347,210</u>

TOWN OF GOLDEN BEACH, FLORIDA
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2012

NOTE 4 - CAPITAL ASSETS (continued)

During the current year, the Town completed upgrades to its water infrastructure. These upgrades were part of an agreement with the City of Miami Beach who has taken possession of infrastructure as part of their water system in conjunction with providing the Town's water. The total amount conveyed to the City was approximately \$ 2,525,000.

NOTE 5 - LONG-TERM DEBT

a. Summary of long-term debt

Long-term debt at September 30, 2012 is comprised of the following:

Governmental activities:

\$ 14,445,000 Special Assessment General Obligation Bonds, Series 2008; due in annual installments through January 2038; interest payable semi-annually at rates ranging from 3.0% to 5.0% (net of unamortized premium of \$ 46,872).	\$ 13,551,872
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Capital Improvement Refunding Revenue Note, Series 2010 (formerly 2009); interest payable in quarterly installments at 2.00%. The note is collateralized by non-ad valorem taxes. Total principal amount is due and payable at October 13, 2012.	660,000
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\$ 2,000,000 Grant Anticipation Note to bank, due in quarterly interest installments at the prime rate less 1.25% but not less than 2.00%. At year end, the Town had taken out \$ 1,500,000 of the total allowed amount. All principal and interest is due May 2015. Secured by certain future grant revenues from the Florida Department of Transportation.	<u>1,500,000</u>
--	------------------

	\$ <u><u>15,711,872</u></u>
--	-----------------------------

Business-type activities:

Department of Environmental Protection, Revolving Loan, payable in semiannual installments of \$ 81,578 including interest at 1.81%, every June 15th and December 15th, until June 2026, when all remaining principal and interest is due. Loan payments are collateralized by electric franchise fees.	\$ <u>1,934,076</u>
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	\$ <u><u>1,934,076</u></u>
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TOWN OF GOLDEN BEACH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2012

NOTE 5 - LONG-TERM DEBT (continued)

The following is a summary of changes in long-term debt for the year ended September 30, 2012:

	Balance October 1, 2011	Additions	Deletions	Balance September 30, 2012	Due Within One Year
Governmental activities:					
Special Assessment General Obligation Bonds, Series 2008	\$ 13,848,608	\$ -	\$ 296,736	\$ 13,551,872	\$ 300,000
Capital Refunding Revenue Note, Series 2010	780,000	-	120,000	660,000	660,000
Special Assessment Improvement Refunding Bonds, Series 1994B	83,421	-	83,421	-	-
Grant Anticipation Note Series 2012B	-	1,500,000	-	1,500,000	-
Grant Anticipation Note Series 2012A	-	250,000	250,000	-	-
Capital leases: Five vehicles	41,463	-	41,463	-	-
Total governmental activities	<u>14,753,492</u>	<u>1,750,000</u>	<u>791,620</u>	<u>15,711,872</u>	<u>960,000</u>
Business-type activities:					
Department of Environmental Protection, Revolving Loans	2,059,191	-	125,115	1,934,076	128,596
Total business-type activities	<u>2,059,191</u>	<u>-</u>	<u>125,115</u>	<u>1,934,076</u>	<u>128,596</u>
Total governmental and business-type activities	<u>\$ 16,812,683</u>	<u>\$ 1,750,000</u>	<u>\$ 916,735</u>	<u>\$ 17,645,948</u>	<u>\$ 1,088,596</u>

b. Summary of significant debt terms:

Governmental activities:

\$ 14,445,000 Special Assessment General Obligation Bonds, Series 2008 - In August 2008, the Town issued \$ 14,445,000 in Special Assessment General Obligation Bonds, Series 2008 for the purpose of funding certain capital projects within the boundaries of the Town. The Bonds bear interest at rates ranging from 3.00% to 5.00% and mature January 2038. Interest is payable semi-annually on the first day of each January and July. The Bonds are secured by the pledge of revenues derived from the collection of non-ad valorem special assessments.

TOWN OF GOLDEN BEACH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2012

NOTE 5 - LONG-TERM DEBT (continued)

The Town is required by the Bond Indenture to levy and collect special assessments pursuant to Florida Statutes, Section 190.022. The collection of these assessments are restricted and applied to the debt service requirements of the Bond issue. Further, the Town covenants to levy special assessments in annual amounts adequate to provide for the payment of principal and interest on the Bonds as it becomes due.

\$ 1,339,912 Capital Improvement Refunding Revenue Note Series 2010 previously known as Capital Refunding Revenue Note, Series 2009 – In 2009 the Town obtained \$ 1,339,912 from a Capital Refunding Revenue Note, Series 2009 at a stated interest rate of 3.75% per annum. During the year ended September 30, 2011, the note was renewed and the renewed note calls for quarterly installments of interest only payments at 2.00% through October 2012 with principal due October 2011 of \$ 120,000 and all remaining principal due October 2012. The notes are secured by non-ad valorem tax revenues.

\$ 1,018,400 Special Assessment Improvement Refunding Bonds, Series 1994B - The Town previously issued \$ 1,018,400 of Special Assessment Improvement Refunding Bonds, Series 1994B. The bonds have a stated interest rate of 5.25%. The Series 1994 Bonds were issued to provide funds, together with other funds of the Town, to 1) refund and retire the Town's then outstanding Special Assessment Improvement Bonds, Series 1989, 2) refund and retire the Town's then obligation under the loan made pursuant to an interlocal agreement between the Town and Miami-Dade County, Florida, 3) fund the reserve account, and 4) pay certain costs incidental to the issuance of the Series 1994 Bonds. The payment of the principal and interest on the Series 1994 Bonds are secured equally and ratably by a lien on and pledge of special assessments.

The special assessment collections are recorded as revenue in the Special Revenue Fund. Funds are transferred to the Debt Service Fund to cover the required principal and interest payments. Because the Town is obligated in some manner under the 1994 Bonds, the bonds are identified as "Special Assessment Debt with Governmental Commitment" and are recorded as long-term debt of the Town.

\$ 2,000,000 Grant Anticipation Note, Series 2012B – In May 2012, the Town obtained a grant anticipation note not to exceed \$ 2,000,000, of which they had taken \$ 1,500,000 as of September 30, 2012. The Town obtained this note to fund the renovation of two island bridges. The note terms provide that the interest rate will be Prime Rate less 1.25%, provided that it cannot be less than 2.00% at any time. At the time of the audit, Prime Rate was 3.25%, resulting in an interest rate of 2.00%. The terms provide that quarterly interest only payments will be due from the town, with the full balance of principal due and payable in May 2015. The note is secured by a pledge of proceeds from the Department of Transportation bridge capital improvement reimbursement contract. If such pledged revenues are not sufficient to pay the Loan when due, the note shall be secured by non-ad valorem tax revenues.

\$ 500,000 Grant Anticipation Note, Series 2012A – In March 2012, the Town obtained a grant anticipation note not to exceed \$ 500,000, of which they had taken \$ 250,000 as of September 30, 2012. The Town obtained this note to fund the purchase and installation of an integrated security camera system. The note terms provide that the interest rate will be Prime Rate less 1.25%, provided that it cannot be less than 2.00% at any time. At the time of the audit, Prime Rate was 3.25%, resulting in an interest rate of 2.00%. The terms provide that quarterly interest only payments will be due from the town, with the full balance of principal due and payable at the date of the receipt of grant funds from the United States Department of Justice or one year from issuance. The note was paid in full before year end.

TOWN OF GOLDEN BEACH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2012

NOTE 5 - LONG-TERM DEBT (continued)

c. Annual debt service requirements:

Governmental activities:

The aggregate annual debt service requirements for the Special Assessment Bond, Series 2008 is as follows:

<u>Year Ending September 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 300,000	\$ 610,324	\$ 910,324
2014	310,000	601,324	911,324
2015	320,000	591,249	911,249
2016	330,000	580,849	910,849
2017	345,000	569,299	914,299
2018-2022	1,925,000	2,635,786	4,560,786
2023-2027	2,375,000	2,186,954	4,561,954
2028-2032	2,970,000	1,586,649	4,556,649
2033-2037	3,760,000	794,464	4,554,464
2038	870,000	43,500	913,500
	<u>\$ 13,505,000</u>	<u>\$ 10,200,398</u>	<u>\$ 23,705,398</u>

For the Capital Refunding Revenue Note, Series 2010 all debt is due in the fiscal year ended September 30, 2013 which is \$ 660,000.

The annual debt service requirements for the Grant Anticipation Note, Series 2012B are as follows:

<u>Year Ending September 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ -	\$ 29,851	\$ 29,851
2014	-	29,851	29,851
2015	1,500,000	14,925	1,514,925
	<u>\$ 1,500,000</u>	<u>\$ 74,627</u>	<u>\$ 1,574,627</u>

TOWN OF GOLDEN BEACH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2012

NOTE 5 - LONG-TERM DEBT (continued)

Business-type activities:

The annual debt service requirements for the revolving loans are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 128,596	\$ 34,560	\$ 163,156
2014	130,942	32,214	163,156
2015	133,332	29,824	163,156
2016	135,766	27,390	163,156
2017	138,244	24,912	163,156
2018-2022	729,998	85,782	815,780
2023-2026	537,198	19,315	556,513
	<u>\$ 1,934,076</u>	<u>\$ 253,997</u>	<u>\$ 2,188,073</u>

NOTE 6 - ACCOUNTS RECEIVABLE/ACCOUNTS PAYABLE

Accounts payable at September 30, 2012 were as follows:

	<u>Vendors</u>	<u>Subcontractors</u>	<u>Accounts Payable</u>
Governmental activities:			
General Fund	\$ 169,839	\$ -	\$ 169,839
Town Hall Capital Projects Fund	18,904	321,447	340,351
Law Enforcement Fund	4,934	-	4,934
Bridge Fund	5,125	456,595	461,720
Total governmental activities	<u>\$ 198,802</u>	<u>\$ 778,042</u>	<u>\$ 976,844</u>
Proprietary Fund	<u>\$ 622</u>	<u>\$ 53,469</u>	<u>\$ 54,091</u>

Receivables at September 30, 2012 were as follows:

	<u>Taxes Receivable</u>	<u>Inter- Governmental</u>	<u>Accounts</u>	<u>Contractors</u>	<u>Other</u>	<u>Total</u>
Governmental activities:						
General Fund	\$ 32,056	\$ -	\$ -	\$ -	\$ 1,300	\$ 33,356
Town Hall Capital Projects Fund	-	-	-	138,776	-	138,776
Bridge Fund	-	564,389	-	41,231	-	605,620
Total governmental activities	<u>\$ 32,056</u>	<u>\$ 564,389</u>	<u>\$ -</u>	<u>\$ 180,007</u>	<u>\$ 1,300</u>	<u>\$ 777,752</u>
Proprietary Fund	<u>\$ 31,135</u>	<u>\$ 378,417</u>	<u>\$ 71,247</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 480,799</u>

TOWN OF GOLDEN BEACH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2012

NOTE 7 - RETIREMENT PLANS

Description:

The Town has two defined benefit plans: The Retirement Plan for Employees of the Town of Golden Beach (the "Plan") and the Town of Golden Beach Police Officers Retirement Fund (the "Fund"). Both the Plan and the Fund are single-employer defined benefit plans. The Town of Golden Beach Police Officer's Retirement Fund is not required to be included as a fiduciary fund and, thus, is not included in the Town's basic financial statements.

All full-time employees (excluding elected officials, persons appointed to fulfill elected positions, and retained professionals and consultants for the Town) and police officers become participants in the Plan on their start of service. The Plan provides retirement, death, and disability benefits. The Plan does not currently provide for post-retirement benefit increases.

Assets:

Plan membership consisted of the following at September 30, 2012:

	General	Police
Retirees and beneficiaries receiving benefits and terminated members entitled to benefits, but not yet receiving them	6	10
Active plan members	18	17
	24	27

Plan members are required to contribute 3.5% (6.0% for police officers) of their annual covered salary to the Plan. Contribution requirements of the Plan members and the Town are established and may be amended by the Pension Board. The Town is required to fund any annual unfunded amount as actuarially determined.

Administrative costs of the Plan are financed through current or prior investment earnings. The contribution requirements for the Plan for the covered payroll and actual contributions made for the fiscal year ended September 30, 2012 and the two preceding years were as follows:

	FY 2012	FY 2011	FY 2010
Annual required contributions	\$ 376,825	\$ 383,027	\$ 367,275
Interest on net pension obligation	(1,643)	(1,437)	(1,437)
Adjustment to annual required contribution	2,938	3,251	3,114
Annual pension cost	378,120	384,841	368,952
Contribution made	383,769	383,769	372,769
Increase (decrease) in net pension obligation	(5,649)	1,072	(3,817)
Net pension obligation (asset) beginning	(21,904)	(22,976)	(19,159)
Net pension obligation (asset) ending	(27,553)	(21,904)	(22,976)

TOWN OF GOLDEN BEACH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2012

NOTE 7 - RETIREMENT PLANS (continued)

Three-Year Trend Information

<u>Year Ending September 30,</u>	<u>Annual Pension Cost (APC)</u>	<u>Percent of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
2010	\$ 368,952	101 %	\$ (22,976)
2011	384,841	100%	(21,904)
2012	378,120	102 %	(27,553)

Schedule of Funding Progress:

The funded status of the Plan as of the most recent actuarial valuation was as follows:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Frozen Actuarial Accrued Liability</u>	<u>Unfunded (Overfunded) Frozen Actuarial Accrued Liability</u>	<u>Funded Ratio %</u>	<u>Annual Covered Payroll</u>	<u>Unfunded (Overfunded) Frozen Actuarial Accrued Liability as % of Annual Covered Payroll</u>
10/01/11	\$ 4,443,079	\$ 5,731,743	\$ 1,288,664	77.5	\$ 1,820,735	70.8

The actuarial accrued liability is determined using a frozen entry age actuarial cost method. The actuarial value of Plan assets was determined using the market value less unrecognized capital appreciation at the rate of 20% per year. The amortization method is level dollar – closed, with a remaining amortization period of 30 years. Actuarial assumptions include (a) 7.5% investment rate of return, and (b) projected salary increases of 5.0% per year.

The schedule of funding progress presented as required supplementary information (RSI) immediately following the notes to the basic financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the frozen actuarial accrued liability for benefits.

Financial Report:

The Town has issued stand-alone financial statements for the Plan, which may be obtained from the Town of Golden Beach Finance Department.

TOWN OF GOLDEN BEACH, FLORIDA
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2012

NOTE 8 – OTHER POST EMPLOYMENT BENEFITS

Plan Description:

The Town’s Other Post-Employment Benefits Plan (the “OPEB Plan”) is a single employer healthcare plan administered by the Town. Pursuant to Section 112.0801, Florida Statutes, the Town is required to permit participation in the OPEB Plan to retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. Eligible individuals include all regular employees of the Town who retire from active service under one of the pension plans sponsored by the Town. Under certain conditions, eligible individuals also include spouses and dependent children. The OPEB Plan does not issue a publicly available financial report.

Funding Policy:

The contribution requirements of OPEB plan members and the Town are established by the state statutes and may be amended by the state legislature. The required contribution is based on projected pay-as-you-go financing requirements and is subject to constant revision. The Town has opted to not fund the net OPEB obligation of the resulting unfunded actuarial accrued liability on an annual basis.

Annual OPEB and Net OPEB Obligation:

The Town’s annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Town’s annual OPEB for the year, the amount actually contributed to the OPEB Plan, and changes in the Town’s OPEB obligation to the OPEB Plan based on the most recent actuarial valuation dated October 1, 2011:

Annual required contribution	\$	25,600
Interest on prior net OPEB obligation		1,800
Prior net OPEB obligation adjustment		<u>(1,900)</u>
Annual OPEB cost		25,500
Contribution made		<u>-</u>
Increase in net OPEB obligation		25,500
Net OPEB obligation, beginning of year		<u>46,100</u>
Net OPEB obligation, end of year	\$	<u><u>71,600</u></u>

The Town’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of September 30, 2012 was as follows:

Annual OPEB cost	\$	25,500
Contribution made	\$	-
Percentage of OPEB cost contributed		-
Net OPEB obligation	\$	71,600

TOWN OF GOLDEN BEACH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2012

NOTE 8 – OTHER POST EMPLOYMENT BENEFITS (continued)

Funded Status and Funding Progress:

<u>Actuarial Valuation Date</u>	<u>Plan Assets</u>	<u>Accrued Liability</u>	<u>Unfunded Liability</u>	<u>Funded Ratio %</u>	<u>Expected Covered Payroll</u>	<u>Unfunded % of Payroll</u>
10/01/09	\$ -	\$ 105,900	\$ 105,900	0.0	\$ 1,813,000	5.8

Actuarial Methods and Assumptions:

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Projections of benefits are based on the types of benefits provided under the substantive plan at the time of each valuation and on the pattern of sharing of benefit costs between the Town and plan members to that point.

The schedule of funding progress presented as required supplementary information (RSI) immediately following the notes to the basic financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The actuarial liabilities and cost are determined using the projected unit credit cost method. There are no assets held in trust for this plan. Items subject to deferred recognition are amortized with a 2.5 annual increase over a period of 30 years.

NOTE 9 - INDIVIDUAL FUND DISCLOSURES

At September 30, 2012, the following funds had a deficit fund balance. The Town expects to reduce these deficits through funding by the General Fund.

	<u>Deficit Fund Balance</u>
Town Hall Capital Projects Fund	\$ (1,188,798)
Bridge Fund	(451,747)
Water Distribution Fund	(1,241,598)
Debt Service Fund	(392,746)

TOWN OF GOLDEN BEACH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2012

NOTE 10 - INTERFUND BALANCES AND TRANSFERS

Interfund receivables and payables at September 30, 2012 were as follows:

Due from:	Due to:				Total
	General	Town Hall Capital Projects Fund	Stormwater Fund	Law Enforcement Trust Fund	
Town Hall Capital					
Projects Fund	\$ 1,068,840	\$ -	\$ -	\$ -	\$ 1,068,840
Law Enforcement Trust Fund	439,875	553	-	-	440,428
Bridge Fund	591,444	-	1,565	2,638	595,647
Special Assessment II Fund	73,540	-	-	-	73,540
Stormwater Fund	2,428,365	-	-	-	2,428,365
Water Distribution Fund	1,241,598	-	-	-	1,241,598
Debt Service Fund	392,746	-	-	-	392,746
Total	\$ 6,236,408	\$ 553	\$ 1,565	\$ 2,638	\$ 6,241,164

One of the major reasons for the interfund balances is the fact that the Town’s vendors may send one invoice that includes work for more than one project and the projects are assigned in more than one fund. For example, a check is cut from the General Fund and the items billed may include Stormwater Fund project costs therefore increasing the interfund balances.

NOTE 11 - RISK MANAGEMENT

For the year ended September 30, 2012, the Town participated in the Florida League of Cities (“FLC”) risk pool. This is a statewide pool with several hundred governmental members. FLC provided the Town with general liability and property coverages. The FLC pool is nonassessable. There is no self-insured retention for the Town excluding a \$ 250 per occurrence deductible. FLC also provided the Town with \$ 2,000,000 in general liability coverage.

NOTE 12 - CONTINGENCIES

The Town is subject to various claims and legal proceedings covering a wide range of matters that arise in the ordinary course of its business activities, including employee discrimination claims. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the financial condition or results of operations of the Town.

TOWN OF GOLDEN BEACH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2012

NOTE 13 - COMMITMENTS

The Town has active construction projects as September 30, 2012. The project is for the building of bridges in the Town. On April 7, 2010 two contracts were entered into for the completion of these bridges. At year end the Town's commitment with the contractor is as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
The Strand Bridge	\$ 725,811	\$ 2,462,537
Navona Avenue Bridge	471,333	2,683,316

**REQUIRED SUPPLEMENTARY
INFORMATION**

**TOWN OF GOLDEN BEACH, FLORIDA
RETIREMENT PLAN FOR EMPLOYEES
OF THE TOWN OF GOLDEN BEACH-
SCHEDULE OF FUNDING PROGRESS
For the Last Six Fiscal Years**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Frozen Actuarial Accrued Liability</u>	<u>Unfunded (Overfunded) Frozen Actuarial Accrued Liability</u>	<u>Funded Ratio %</u>	<u>Annual Covered Payroll</u>	<u>Unfunded (Overfunded) Frozen Actuarial Accrued Liability as % of Annual Covered Payroll</u>
10/01/05	\$ 2,539,972	\$ 3,558,590	\$ 1,018,618	71.4	\$ 1,661,440	61.3
10/01/07	\$ 3,287,528	\$ 4,220,357	\$ 932,829	77.9	\$ 1,878,920	49.6
10/01/08	\$ 3,531,854	\$ 4,490,321	\$ 958,467	78.7	\$ 1,811,913	52.9
10/01/09	\$ 3,855,187	\$ 5,183,295	\$ 1,328,108	74.4	\$ 1,813,079	73.3
10/01/10	\$ 4,188,963	\$ 5,521,326	\$ 1,332,363	75.9	\$ 1,920,856	69.4
10/01/11	\$ 4,443,079	\$ 5,731,743	\$ 1,288,664	77.5	\$ 1,820,735	70.8

NOTE: The most recent actuarial valuation available is as of October 1, 2011.

TOWN OF GOLDEN BEACH, FLORIDA
RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF GOLDEN BEACH -
SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER
 For The Last Six Fiscal Years

<u>Year Year Ended September 30.</u>	<u>Annual Required Contribution</u>	<u>Actual Contribution</u>	<u>Percentage Contributed</u>
2007	\$ 343,970	\$ 343,970	100%
2008	365,538	357,389	98%
2009	345,017	360,753	105%
2010	367,275	372,769	101%
2011	383,027	383,769	100%
2012	376,825	383,769	102%

**TOWN OF GOLDEN BEACH, FLORIDA
SCHEDULE OF FUNDING PROGRESS
OTHER POST EMPLOYMENT BENEFITS**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Plan Assets</u>	<u>Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio %</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
10/01/09	\$ -	\$ 105,900	\$ 105,900	0.0	\$ 1,813,000	5.8

NOTE: The most recent actuarial valuation available is as of October 1, 2009.

TOWN OF GOLDEN BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL -
BRIDGE FUND
For the Year Ended September 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:				
Intergovernmental revenue	\$ 4,387,200	\$ 4,387,200	\$ 1,317,226	\$ (3,069,974)
Total revenues	<u>4,387,200</u>	<u>4,387,200</u>	<u>1,317,226</u>	<u>(3,069,974)</u>
EXPENDITURES:				
General government	50,000	50,000	13,507	36,493
Maintenance	-	-	364	(364)
Capital Outlay	4,337,200	4,337,200	1,554,589	2,782,611
Total expenditures	<u>4,387,200</u>	<u>4,387,200</u>	<u>1,568,460</u>	<u>2,818,740</u>
Change in fund balance (deficit)	-	-	(251,234)	(251,234)
FUND BALANCE (DEFICIT), at beginning of year	<u>(200,513)</u>	<u>(200,513)</u>	<u>(200,513)</u>	<u>-</u>
FUND BALANCE (DEFICIT), at end of year	<u>\$ (200,513)</u>	<u>\$ (200,513)</u>	<u>\$ (451,747)</u>	<u>\$ (251,234)</u>

TOWN OF GOLDEN BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL -
LAW ENFORCEMENT TRUST FUND
For the Year Ended September 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:				
Fines and forfeitures	\$ 350,000	\$ 350,000	\$ 1,577,408	\$ 1,227,408
Interest income	650	650	3,202	2,552
Shared revenues	100,000	100,000	10,823	(89,177)
Other revenues	<u>1,500</u>	<u>1,500</u>	<u>26,605</u>	<u>25,105</u>
Total revenues	<u>452,150</u>	<u>452,150</u>	<u>1,618,038</u>	<u>1,165,888</u>
EXPENDITURES:				
General government	-	-	2,638	(2,638)
Public safety	262,150	262,150	120,930	141,220
Debt service:				
Principal	-	-	250,000	(250,000)
Interest	-	-	1,194	(1,194)
Capital outlay	<u>-</u>	<u>-</u>	<u>687,533</u>	<u>(687,533)</u>
Total expenditures	<u>262,150</u>	<u>262,150</u>	<u>1,062,295</u>	<u>(800,145)</u>
Excess of revenues over expenditures before other financing sources (uses)	<u>190,000</u>	<u>190,000</u>	<u>555,743</u>	<u>365,743</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from debt	-	-	250,000	250,000
Transfers in (out)	<u>(190,000)</u>	<u>(190,000)</u>	<u>-</u>	<u>190,000</u>
Total other financing sources (uses)	<u>(190,000)</u>	<u>(190,000)</u>	<u>250,000</u>	<u>440,000</u>
Change in fund balance	-	-	805,743	805,743
FUND BALANCE (DEFICIT), at beginning of year	<u>(47,248)</u>	<u>(47,248)</u>	<u>(47,248)</u>	<u>-</u>
FUND BALANCE, at end of year	<u><u>\$ (47,248)</u></u>	<u><u>\$ (47,248)</u></u>	<u><u>\$ 758,495</u></u>	<u><u>\$ 805,743</u></u>