

Town of Golden Beach, Florida
Basic Financial Statements
For the Year Ended September 30, 2020

**Keefe
McCullough**
CPA's + Trusted Advisors

Town of Golden Beach, Florida
Basic Financial Statements
For the Year Ended September 30, 2020
Table of Contents

Independent Auditor's Report	1-2
Management's Discussion and Analysis (Not Covered by Independent Auditor's Report)	3-9
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	10
Statement of Activities	11-12
Fund Financial Statements:	
Balance Sheet - Governmental Funds	13
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	14
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	16-16
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
Statement of Revenues, Expenditures and Change in Fund Balance - Budget and Actual - General Fund	18-21
Statement of Net Position - Proprietary Fund	22
Statement of Revenues, Expenses and Change in Net Position - Proprietary Fund	23
Statement of Cash Flows - Proprietary Fund	24
Statement of Fiduciary Net Position - Retirement Plan for Employees of the Town of Golden Beach	25
Statement of Change in Fiduciary Net Position - Retirement Plan for Employees of the Town of Golden Beach	26
Notes to Basic Financial Statements	27-53

Town of Golden Beach, Florida
Basic Financial Statements
For the Year Ended September 30, 2020
Table of Contents (continued)

Required Supplementary Information

Retirement Plan for Employees of the Town of Golden Beach - Schedule of Changes in the Town's Net Pension Liability and Related Ratios (Unaudited)	54
Retirement Plan for Employees of the Town of Golden Beach - Schedule of Town Contributions (Unaudited)	55-56
Retirement Plan for Employees of the Town of Golden Beach - Schedule of Investment Returns (Unaudited)	57
Schedule of Changes in Total OPEB Liability and Related Ratios (Unaudited)	58
Statement of Revenues, Expenditures and Change in Fund Balance - Budget and Actual - Law Enforcement Trust Fund	59

Compliance Section

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	60-61
Independent Auditor's Report to Town Management	62-63
Independent Accountant's Report on Compliance with Section 218.415 Florida Statutes	64

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Town of Golden Beach, Florida (the "Town"), as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

CPA's + Trusted Advisors

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, the schedules related to pensions and other post-employee benefits information and budgetary comparison information on pages 3 through 8 and 53 through 58 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 13, 2021, 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* in considering the Town’s internal control over financial reporting and compliance.

KEEFE McCULLOUGH

Fort Lauderdale, Florida
April 13, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

(NOT COVERED BY
INDEPENDENT AUDITORS' REPORT)

Keefe
McCullough
CPA's + Trusted Advisors

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, 2020 and 2019. 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, 2020:

- The Town's net position, which total assets and deferred outflows less liabilities and deferred inflows, was \$ 20,280,133. Governmental net position totaled \$ 11,193,208 and business-type net position totaled \$ 9,086,925.
- Governmental activities revenues were \$ 11,496,931. The expenses of governmental activities were \$ 12,308,770.
- Business-type activities revenues were \$ 512,433 and business-type expenses amounted to \$ 995,423.

Town Highlights

This year has tested our resolve and our strength as a community, and mine as your Town Manager. The Town faced a situation, the likes of which have not been felt throughout the world for over 100 years. The COVID-19 Pandemic tested the very foundation by which the Town runs its day-to-day operations, how it provides services to the residents, and how it maintains the safety and well-being of all individuals that come to the Town of Golden Beach.

Through adversity and the challenges of the unknown, the Town continues to make strides to overcome the uncertainty of what lies ahead to maintain Golden Beach's standing as a premier residential community in which to visit, live, and raise a family. And to strengthen the Town's relationship with the employees, and commitment to them as it adapts to the changes that lie ahead.

During the last decade, the Town has experienced a re-birth as the Administration has made its top priority to invest in the infrastructure of the Town. In doing so, the Town's assessed values have grown from \$500-million 10 years ago to \$1.179 billion today. Though the Town had to re-shift its focus this year – to concentrate more heavily on safety and protection, the Town was still able to hit milestones and accomplish a number of projects.

Here is what FY 2019/2020, looked like:

- Awarded the Civic Center Master Plan to Gerrits Construction, Inc. A selection committee comprised of residents took the seven proposals the Town received through the RFP process and narrowed them down to the top three. The Mayor and Council later workshopped the top three respondents, ranking them from one to three, with Gerrits Construction, Inc. ranking in at #1. The Town secured financing for the Civic Center Complex Masterplan from City National Bank at a competitive rate. The Town also retained the professional services of Estrada, Hinojosa & Company, Inc. to serve as the Town's financial advisor for this project, and authorized the issuance of Capital Improvement Revenue Note Series 2019.

- The Town is also endeavoring to rebuild and restructure the Public Works/Police Annex Facility to become the Town's new Auxiliary Services Facility, housing the Town's Emergency Operations Center. As part of the project, the Town submitted a grant application to the Florida Department of Economic Opportunity's Rebuild Florida Critical Facility Hardening Program (still awaiting to hear if the Town will be awarded any grant dollars).
- The Town worked aggressively with the state leaders and the House Senate and was able to receive a \$500,000 allocation from the State. Unfortunately, due to the COVID-19 Pandemic the Governor vetoed the allocation.
- The Town Manager was nominated and won the Florida League of Cities Excellence in Management Award, for excellence in city management. This is a very prestigious award. Only one City/Town Manager a year receives this accolade.
- The Town issued an RFP for the Center Island Pump Station and finalized a loan agreement with the Department of Environmental Protection for a State Revolving Loan Agreement for the project.
- In fiscal year 2020, 854 applications for permits were received and processed in the Building and Zoning Department. Within those applications 5 new homes were approved, 14 renovations and additions, 12 seawalls, docks and boat lifts, and 4 variance requests were received. In addition, 426 Building permits were issued and of that 4 were for new homes, 13 were for additions and remodels, and 2 demolition permits for existing homes.

Overview of the Financial Statements

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

Statement of activities:

The statement of activities presents information showing how the Town's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The government-wide financial statements can be found on pages 9 through 11 of this report.

Fund financial statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town categorizes funds into three basic fund types: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as 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 12 through 20 of this report.

The *proprietary fund* beginning on page 21 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 24, which is not included in net position and the government-wide financial statements, is presented in this section as the statements of fiduciary net position and changes in fiduciary net position - 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 26 through 52 of this report.

Required 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 supplementary information can be found on pages 53 through 58 of this report.

**Town of Golden Beach, Florida
Management's Discussion and Analysis
September 30, 2020**

Government-Wide Financial Analysis

The table below presents condensed statements of net position as of September 30, 2020 and 2019:

**Statements of Net Position
September 30, 2020 and 2019**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Current and Other Assets	\$ 5,644,263	\$ 4,644,832	\$ 593,284	\$ 653,436	\$ 6,237,547	\$ 4,624,083
Capital Assets (NET)	<u>25,318,918</u>	<u>25,767,739</u>	<u>11,466,237</u>	<u>11,848,808</u>	<u>36,785,155</u>	<u>38,262,244</u>
Total assets	<u>30,963,181</u>	<u>30,412,571</u>	<u>12,059,521</u>	<u>12,502,244</u>	<u>43,022,702</u>	<u>42,886,327</u>
Total deferred outflows of resources	<u>4,276,434</u>	<u>3,039,695</u>	<u>-</u>	<u>-</u>	<u>4,276,434</u>	<u>3,039,695</u>
Current and Other Liabilities	1,402,733	1,313,379	2,203,058	2,017,319	3,605,791	3,330,698
Long-Term Liabilities	<u>22,361,442</u>	<u>19,745,710</u>	<u>769,538</u>	<u>915,010</u>	<u>23,130,980</u>	<u>20,660,720</u>
Total liabilities	<u>23,764,175</u>	<u>21,059,089</u>	<u>2,972,596</u>	<u>2,932,329</u>	<u>26,736,771</u>	<u>23,991,418</u>
Total deferred inflows of resources	<u>282,232</u>	<u>388,130</u>	<u>-</u>	<u>-</u>	<u>282,232</u>	<u>388,130</u>
Net Position:						
Net investment in capital assets	14,600,048	14,186,392	10,551,227	10,791,018	25,151,275	24,977,410
Unrestricted (deficit)	<u>(3,406,840)</u>	<u>(2,181,345)</u>	<u>(1,464,302)</u>	<u>(1,221,103)</u>	<u>(4,871,142)</u>	<u>(3,402,448)</u>
Total net position	<u>\$ 11,193,208</u>	<u>\$ 12,005,047</u>	<u>\$ 9,086,925</u>	<u>\$ 9,569,915</u>	<u>\$ 20,280,133</u>	<u>\$ 21,574,962</u>

Town of Golden Beach, Florida
Management's Discussion and Analysis
September 30, 2020

The following table presents condensed statements of activities for the years ended September 30, 2020 and 2019:

Statements of Activities For the Years Ended September 30, 2020 and 2019							
	Governmental Activities		Business-Type Activities		Total Primary Government		
	2020	2019	2020	2019	2020	2019	
	Revenues:						
Program revenues:							
Charges for services	\$ 1,094,972	\$ 1,386,496	\$ 221,805	\$ 218,174	\$ 1,316,777	\$ 1,604,670	
Grants	569,950	440,806	-	-	569,950	440,806	
General revenues:							
Property taxes	9,367,925	9,005,289	-	-	9,367,925	9,005,289	
Other general revenues	300,895	374,930	3,840	6,269	304,735	381,199	
Other taxes and fees	163,189	181,465	286,788	283,015	449,977	464,480	
Total revenues	<u>11,496,931</u>	<u>11,388,986</u>	<u>512,433</u>	<u>507,458</u>	<u>12,009,364</u>	<u>11,896,444</u>	
Program Expenses:							
General government	3,749,318	2,343,926	-	-	3,749,318	2,343,926	
Public safety	4,781,332	4,289,007	-	-	4,781,332	4,289,007	
Physical environment	1,261,900	2,418,115	-	-	1,261,900	2,418,115	
Transportation	866,595	928,531	-	-	866,595	928,531	
Cultural and recreation	754,976	750,547	-	-	754,976	750,547	
Special events	414,175	385,390	-	-	414,175	385,390	
Interest expense	480,474	487,951	-	-	480,474	487,951	
Stormwater drainage	-	-	995,423	659,106	995,423	659,106	
Total expenses	<u>12,308,770</u>	<u>11,603,467</u>	<u>995,423</u>	<u>659,106</u>	<u>13,304,193</u>	<u>12,262,573</u>	
Change in net position	<u>\$ (811,839)</u>	<u>\$ (214,481)</u>	<u>\$ (482,990)</u>	<u>\$ (151,648)</u>	<u>\$ (1,294,829)</u>	<u>\$ (366,129)</u>	

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

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 81% of all governmental activities' revenue during fiscal year 2020. 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 7.5780 mills for general government services and \$.8220 for bond debt service during the 2019-2020 fiscal year. Property values have increased by approximately 6% over the previous year. This increase is a direct reflection of the current economic climate of the United States. During prosperous economic periods, property values generally increase, which correspondingly increases property tax revenue.

General discussion on expenses: Expenses for governmental activities were \$ 12,308,770 and \$ 995,423 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 \$ 3,694,236 an increase of \$ 833,890.

The General Fund balance increased to \$ 3,627,364 during the current fiscal year, an increase of \$ 1,060,431.

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 position of the Stormwater Utility Fund amounted to \$ 9,086,925 at the end of FY2020, a decrease of \$ 482,990 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 \$ 855,240 favorable to the final budget projections and total expenditures were \$ 205,191 favorable to final budget projections. Major variances between budgeted and actual amounts in the General Fund are as follows:

- a. Building permit revenues were approximately \$ 377,000 above budgeted amounts due to new applications for construction during the year.
- b. Federal grant revenues were approximately \$ 228,000 above budgeted amounts due to such amounts not being budgeted for.
- c. General fund budget was amended for the reclassification of certain expenditures not provided for in the original budget. These amendments did not change the overall budgeted expenditures.

Capital Assets and Debt Administration

Capital assets: The Town had capital assets of \$ 36,785,155 and \$ 37,616,547, net of depreciation, as of September 30, 2020 and 2019, respectively.

**Town of Golden Beach, Florida
Management's Discussion and Analysis
September 30, 2020**

The following schedule summarizes net capital assets as of those dates:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Land	\$ 1,878,598	\$ 1,878,598	\$ -	\$ -	\$ 1,878,598	\$ 1,878,598
Construction in progress	333,269	180,001	196,133	183,580	529,402	363,581
Buildings	983,251	1,033,682	-	-	983,251	1,033,682
Equipment and vehicles	1,145,594	1,231,288	-	-	1,145,594	1,231,288
Infrastructure	19,097,489	19,429,476	-	-	19,097,489	19,429,476
Improvements other than buildings	1,880,717	2,014,694	11,270,104	11,665,228	13,150,821	13,679,922
	<u>\$ 25,318,918</u>	<u>\$ 25,767,739</u>	<u>\$ 11,466,237</u>	<u>\$ 11,848,808</u>	<u>\$ 36,785,155</u>	<u>\$ 37,616,547</u>

Debt: The Town had debt of approximately \$ 13.5 million at September 30, 2020. Total debt outstanding at the end of the prior fiscal year was approximately \$ 13.5 million. The following schedule summarizes long-term debt for the year ended September 30, 2020:

	October 1, 2019	Additions	Deletions	September 30, 2020	Within One Year
Governmental activities:					
General Obligation Refunding Bonds, Series 2016	\$ 12,005,000	\$ -	\$ 430,000	\$ 11,575,000	\$ 445,000
General Obligation Refunding Bonds, Series 2019	-	650,000	-	650,000	-
Bond premium	387,961	-	20,419	367,542	-
Capital lease	58,523	-	58,523	-	-
Total governmental activities	<u>12,451,484</u>	<u>650,000</u>	<u>508,942</u>	<u>12,592,542</u>	<u>445,000</u>
Business-type activities:					
Department of Environmental Protection, Revolving Loan	<u>1,057,790</u>	<u>-</u>	<u>142,780</u>	<u>915,010</u>	<u>145,472</u>
Total business-type activities	<u>1,057,790</u>	<u>-</u>	<u>142,780</u>	<u>915,010</u>	<u>145,472</u>
Total governmental and business-type activities	<u>\$ 13,509,274</u>	<u>\$ 650,000</u>	<u>\$ 651,722</u>	<u>\$ 13,507,552</u>	<u>\$ 590,472</u>

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. Additionally, the Town is due money for the reimbursement of COVID-19 related expenditures in fiscal year ended of approximately \$ 150,000. The Town will also receive approximately \$390,000 through the American Rescue Plan.

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.

BASIC FINANCIAL STATEMENTS

Keefe
McCullough
CPA's + Trusted Advisors

Town of Golden Beach, Florida
Statement of Net Position
September 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and cash equivalents	\$ 2,726,121	\$ 88,623	\$ 2,814,744
Investments	514,041	325,959	840,000
Accounts receivable	319,598	178,702	498,300
Prepaid expenses	1,359	-	1,359
Other assets	68,534	-	68,534
Capital assets, non-depreciable	2,211,867	196,133	2,408,000
Capital assets, depreciable	23,107,051	11,270,104	34,377,155
Internal balance	2,014,610	(2,014,610)	-
Total assets	30,963,181	10,044,911	41,008,092
Deferred Outflows of Resources:			
Deferred charge on refunding	527,466	-	527,466
Deferred outflows relating to pensions	1,937,057	-	1,937,057
Deferred outflows relating to other post employment benefits (OPEB)	1,811,911	-	1,811,911
Total deferred outflows of resources	4,276,434	-	4,276,434
Liabilities:			
Accounts payable	232,222	37,943	270,165
Accrued interest payable	117,765	5,033	122,798
Accrued expenses	536,137	-	536,137
Due within one year:			
Compensated absences payable	71,609	-	71,609
Bonds and capital leases payable	445,000	145,472	590,472
Due in more than one year:			
Builder bond deposits	903,410	-	903,410
Other deposits	278,258	-	278,258
Compensated absences payable	454,714	-	454,714
Net pension liability	3,127,078	-	3,127,078
Bonds and capital leases payable	12,147,542	769,538	12,917,080
Other post-employment benefit liability	5,450,440	-	5,450,440
Total liabilities	23,764,175	957,986	24,722,161
Deferred Inflows of Resources:			
Deferred inflows relating to pensions	282,232	-	282,232
Total deferred inflows of resources	282,232	-	282,232
Net Position:			
Net investment in capital assets	14,600,048	10,551,227	25,151,275
Unrestricted (deficit)	(3,406,840)	(1,464,302)	(4,871,142)
Total net position	\$ 11,193,208	\$ 9,086,925	\$ 20,280,133

Town of Golden Beach, Florida
Statement of Activities
For the Year Ended September 30, 2020

	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Capital Grants and Contributions</u>
Functions/Programs:			
Primary government:			
Governmental activities:			
General government	\$ 3,749,318	\$ 1,089,992	\$ 228,187
Public safety	4,781,332	-	341,763
Physical environment	1,261,900	80	-
Transportation	866,595	-	-
Cultural and recreation	754,976	4,900	-
Special events	414,175	-	-
Interest expense and other financing costs	480,474	-	-
	<u>12,308,770</u>	<u>1,094,972</u>	<u>569,950</u>
Total governmental activities			
Business-type activities:			
Stormwater drainage	995,423	221,805	-
	<u>995,423</u>	<u>221,805</u>	<u>-</u>
Total business-type activities			
Total primary government	\$ <u>13,304,193</u>	\$ <u>1,316,777</u>	\$ <u>569,950</u>
General revenues:			
Taxes:			
Ad valorem taxes			
Utility service taxes			
Franchise fees			
Sales, use and fuel taxes			
Other:			
Miscellaneous			
State shared revenues			
Investment income			
Total general revenues			
Change in net position			
Net position, beginning of year			
Net position, end of year			

**Net (Expenses) Revenues and
Changes in Net Position
Primary Government**

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (2,431,139)	\$ -	\$ (2,431,139)
(4,439,569)	-	(4,439,569)
(1,261,820)	-	(1,261,820)
(866,595)	-	(866,595)
(750,076)	-	(750,076)
(414,175)	-	(414,175)
(480,474)	-	(480,474)
<u>(10,643,848)</u>	<u>-</u>	<u>(10,643,848)</u>
-	(773,618)	(773,618)
-	(773,618)	(773,618)
<u>(10,643,848)</u>	<u>(773,618)</u>	<u>(11,417,466)</u>
9,367,925	-	9,367,925
27,145	129,837	156,982
11,605	156,951	168,556
124,439	-	124,439
232,520	-	232,520
46,919	-	46,919
21,456	3,840	25,296
<u>9,832,009</u>	<u>290,628</u>	<u>10,122,637</u>
(811,839)	(482,990)	(1,294,829)
<u>12,005,047</u>	<u>9,569,915</u>	<u>21,574,962</u>
\$ <u><u>11,193,208</u></u>	\$ <u><u>9,086,925</u></u>	\$ <u><u>20,280,133</u></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, 2020

	Major Governmental Funds				Total Governmental Funds
	General Fund	Capital Improvement Project Fund	Law Enforcement Trust Fund	Debt Service Fund	
Assets:					
Cash and cash equivalents	\$ 2,010,077	\$ 488,588	\$ 227,456	\$ -	\$ 2,726,121
Investments	277,376	-	236,665	-	514,041
Accounts receivable	57,363	170,161	87,003	5,071	319,598
Prepaid expenditures	-	-	1,359	-	1,359
Due from other funds	4,818,946	-	-	1,746,695	6,565,641
Other assets	68,534	-	-	-	68,534
	<u>7,232,296</u>	<u>658,749</u>	<u>552,483</u>	<u>1,751,766</u>	<u>10,195,294</u>
Total assets	<u>\$ 7,232,296</u>	<u>\$ 658,749</u>	<u>\$ 552,483</u>	<u>\$ 1,751,766</u>	<u>\$ 10,195,294</u>
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable	\$ 140,432	\$ 91,176	\$ 614	\$ -	\$ 232,222
Accrued liabilities	536,137	-	-	-	536,137
Due to other funds	1,746,695	990,198	909,157	904,981	4,551,031
Builder bond deposits	903,410	-	-	-	903,410
Other deposits	278,258	-	-	-	278,258
	<u>3,604,932</u>	<u>1,081,374</u>	<u>909,771</u>	<u>904,981</u>	<u>6,501,058</u>
Total liabilities	<u>3,604,932</u>	<u>1,081,374</u>	<u>909,771</u>	<u>904,981</u>	<u>6,501,058</u>
Fund balances:					
Nonspendable					
Prepaid expenditures	-	-	1,359	-	1,359
Long-term stormwater interfund receivable	2,014,710	-	-	-	2,014,710
Restricted for:					
Debt service	-	-	-	846,785	846,785
Assigned:					
Building department	420,000	-	-	-	420,000
Unassigned (deficit)	1,192,654	(422,625)	(358,647)	-	411,382
	<u>3,627,364</u>	<u>(422,625)</u>	<u>(357,288)</u>	<u>846,785</u>	<u>3,694,236</u>
Total fund balances	<u>3,627,364</u>	<u>(422,625)</u>	<u>(357,288)</u>	<u>846,785</u>	<u>3,694,236</u>
Total liabilities and fund balances	<u>\$ 7,232,296</u>	<u>\$ 658,749</u>	<u>\$ 552,483</u>	<u>\$ 1,751,766</u>	<u>\$ 10,195,294</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 - Governmental Funds
to the Statement of Net Position
September 30, 2020

Fund balances - total governmental funds \$ 3,694,236

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

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

The cost of capital assets is	\$ 36,779,700	
Accumulated depreciation is	<u>(11,460,782)</u>	25,318,918

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

Deferred charge on refunding	\$ 527,466	
Deferred outflows relating to pensions	1,937,057	
Deferred outflows relating to other post employment benefits (OPEB)	1,811,911	
Deferred inflows relating to pensions	(282,232)	
Accrued interest	(117,765)	
Compensated absences	(526,323)	
Net pension liability	(3,127,078)	
Debt	(12,592,542)	
Other post-employment benefit obligation (OPEB)	<u>(5,450,440)</u>	<u>(17,819,946)</u>

Net position of governmental activities \$ 11,193,208

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, 2020

	Major Governmental Funds				Total Governmental Funds
	General Fund	Capital Improvement Project Fund	Law Enforcement Trust Fund	Debt Service Fund	
Revenues:					
Ad valorem taxes	\$ 8,450,266	\$ -	\$ -	\$ 917,659	\$ 9,367,925
Franchise fees	11,605	-	-	-	11,605
Utility service taxes	27,145	-	-	-	27,145
Licenses and permits	1,089,992	-	-	-	1,089,992
Sales, use and fuel taxes	124,439	-	-	-	124,439
State shared revenues	46,919	-	-	-	46,919
Federal grants	228,187	-	-	-	228,187
Physical environment	80	-	-	-	80
Cultural and recreation	4,900	-	-	-	4,900
Fines and forfeitures	174,262	-	167,501	-	341,763
Investment income	18,626	46	2,784	-	21,456
Miscellaneous	237,630	-	-	-	237,630
Total revenues	10,414,051	46	170,285	917,659	11,502,041
Expenditures:					
Current:					
General government	2,164,882	436	-	-	2,165,318
Public safety	3,812,063	-	175,189	-	3,987,252
Physical environment	1,132,724	-	-	-	1,132,724
Transportation	855,553	-	-	-	855,553
Cultural and recreation	705,371	-	-	-	705,371
Special events	389,137	-	-	-	389,137
Capital outlay	291,960	819,976	-	-	1,111,936
Debt service:					
Principal	58,523	-	-	430,000	488,523
Interest	3,407	3,949	-	474,981	482,337
Total expenditures	9,413,620	824,361	175,189	904,981	11,318,151
Changes in fund balance before other financing sources (uses)	1,000,431	(824,315)	(4,904)	12,678	183,890

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, 2020

	Major Governmental Funds				Total Governmental Funds
	General Fund	Capital Improvement Project Fund	Law Enforcement Trust Fund	Debt Service Fund	
Other Financing Sources (Uses):					
Proceeds from debt	-	650,000	-	-	650,000
Transfers in	60,000	-	-	-	60,000
Transfers out	-	-	(60,000)	-	(60,000)
Total other financing sources (uses)	60,000	650,000	(60,000)	-	650,000
Changes in fund balances	1,060,431	(174,315)	(64,904)	12,678	833,890
Fund Balances (Deficit), Beginning of Year	2,566,933	(248,310)	(292,384)	834,107	2,860,346
Fund Balances (Deficit), End of Year	\$ 3,627,364	\$ (422,625)	\$ (357,288)	\$ 846,785	\$ 3,694,236

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 - Governmental Funds
to the Statement of Activities
For the Year Ended September 30, 2020

Net change in fund balances - total governmental funds \$ 833,890

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	\$ 904,230	
Less current year depreciation	<u>(1,347,941)</u>	(443,711)

The net effect of various miscellaneous transactions involving capital assets (trade-ins, retirements) is to decrease net position. (5,110)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces liabilities in the statement of net position:

Principal payments on debt	\$ 488,523	
Amortization of bond premium	20,419	
Proceeds from debt	<u>(650,000)</u>	(141,058)

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 deferred charge on refunding		(19,536)
Change in net pension liability		(191,151)
Change in accrued interest payable		980
Change in compensated absences payable		(88,734)
Change in other post-employment benefit obligation (OPEB)		(2,119,582)
Change in deferred outflows related to pensions		(501,679)
Change in deferred outflows related to other post employment benefit (OPEB)		1,757,954
Change in deferred inflows related to pensions		<u>105,898</u>

Change in net position of governmental activities \$ (811,839)

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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
Revenues:				
Ad valorem taxes	\$ 8,354,868	\$ 8,354,868	\$ 8,450,266	\$ 95,398
Total ad valorem taxes	<u>8,354,868</u>	<u>8,354,868</u>	<u>8,450,266</u>	<u>95,398</u>
Franchise fees:				
Gas	<u>8,800</u>	<u>8,800</u>	<u>11,605</u>	<u>2,805</u>
Total franchise fees	<u>8,800</u>	<u>8,800</u>	<u>11,605</u>	<u>2,805</u>
Utility service taxes:				
Communication service tax	<u>18,559</u>	<u>18,559</u>	<u>17,768</u>	<u>(791)</u>
Gas service tax	<u>6,000</u>	<u>6,000</u>	<u>9,377</u>	<u>3,377</u>
Total utility service taxes	<u>24,559</u>	<u>24,559</u>	<u>27,145</u>	<u>2,586</u>
Licenses and permits:				
Building permits	<u>446,500</u>	<u>446,500</u>	<u>823,686</u>	<u>377,186</u>
Other licenses and permits	<u>226,800</u>	<u>226,800</u>	<u>264,798</u>	<u>37,998</u>
Occupational licenses	<u>1,000</u>	<u>1,000</u>	<u>1,508</u>	<u>508</u>
Total licenses and permits	<u>674,300</u>	<u>674,300</u>	<u>1,089,992</u>	<u>415,692</u>
Sales, use and fuel taxes:				
State sales tax	<u>75,712</u>	<u>75,712</u>	<u>64,772</u>	<u>(10,940)</u>
Local option gas tax	<u>27,638</u>	<u>27,638</u>	<u>24,706</u>	<u>(2,932)</u>
Local sales tax	<u>35,000</u>	<u>35,000</u>	<u>34,961</u>	<u>(39)</u>
Total sales, use and fuel taxes	<u>138,350</u>	<u>138,350</u>	<u>124,439</u>	<u>(13,911)</u>
State shared revenues:				
State revenue sharing	<u>23,462</u>	<u>23,462</u>	<u>21,189</u>	<u>(2,273)</u>
State grant proceeds	<u>13,972</u>	<u>13,972</u>	<u>25,730</u>	<u>11,758</u>
Motor fuel tax rebate	<u>2,500</u>	<u>2,500</u>	<u>-</u>	<u>(2,500)</u>
Total state shared revenues	<u>39,934</u>	<u>39,934</u>	<u>46,919</u>	<u>6,985</u>
Federal grant revenues:				
Federal grants	<u>-</u>	<u>-</u>	<u>228,187</u>	<u>228,187</u>
Total federal grant revenues	<u>-</u>	<u>-</u>	<u>228,187</u>	<u>228,187</u>
Physical environment:				
Reimbursements	<u>-</u>	<u>-</u>	<u>80</u>	<u>80</u>
Total physical environment	<u>-</u>	<u>-</u>	<u>80</u>	<u>80</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, 2020
(continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
Culture and recreation:				
Recreation fees	5,500	5,500	4,900	(600)
Total culture and recreation	<u>5,500</u>	<u>5,500</u>	<u>4,900</u>	<u>(600)</u>
Stormwater administration fee	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Fines and forfeitures:				
Code enforcement	25,500	25,500	153,680	128,180
Fines and forfeitures	15,000	15,000	19,408	4,408
Law enforcement trust fund	100	100	1,174	1,074
Total fines and forfeitures	<u>40,600</u>	<u>40,600</u>	<u>174,262</u>	<u>133,662</u>
Investment income	<u>13,100</u>	<u>13,100</u>	<u>18,626</u>	<u>5,526</u>
Miscellaneous:				
Miscellaneous revenue	50,100	50,100	4,094	(46,006)
Off duty income	5,000	5,000	26,975	21,975
Tax lien letter income	3,500	3,500	6,065	2,565
Public records requests	200	200	496	296
Total miscellaneous	<u>58,800</u>	<u>58,800</u>	<u>37,630</u>	<u>(21,170)</u>
Allocation of fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>9,558,811</u>	<u>9,558,811</u>	<u>10,414,051</u>	<u>855,240</u>
Expenditures:				
General government:				
General governmental:				
Operating expenditures	1,229,953	978,153	745,505	232,648
Capital outlay	25,000	25,000	17,043	7,957
Total general governmental	<u>1,254,953</u>	<u>1,003,153</u>	<u>762,548</u>	<u>240,605</u>
Legislative:				
Personal services	89,621	89,621	81,704	7,917
Operating expenditures	44,100	48,900	55,060	(6,160)
Capital outlay	6,100	6,100	7,926	(1,826)
Total legislative	<u>139,821</u>	<u>144,621</u>	<u>144,690</u>	<u>(69)</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, 2020
(continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
Executive:				
Personal services	396,337	366,337	334,478	31,859
Operating expenditures	52,900	52,900	63,868	(10,968)
Capital outlay	5,000	5,000	6,497	(1,497)
Total executive	<u>454,237</u>	<u>424,237</u>	<u>404,843</u>	<u>19,394</u>
Town clerk:				
Personal services	190,948	198,948	197,856	1,092
Operating expenditures	32,800	32,800	28,956	3,844
Capital outlay	2,200	2,200	6,064	(3,864)
Total town clerk	<u>225,948</u>	<u>233,948</u>	<u>232,876</u>	<u>1,072</u>
Town legal counsel:				
Operating expenditures	209,500	234,500	270,122	(35,622)
Total town legal counsel	<u>209,500</u>	<u>234,500</u>	<u>270,122</u>	<u>(35,622)</u>
Finance:				
Personal services	249,210	259,210	263,589	(4,379)
Operating expenditures	78,600	105,100	123,744	(18,644)
Capital outlay	3,500	7,000	12,981	(5,981)
Total finance	<u>331,310</u>	<u>371,310</u>	<u>400,314</u>	<u>(29,004)</u>
Total general government	<u>2,615,769</u>	<u>2,411,769</u>	<u>2,215,393</u>	<u>196,376</u>
Public safety:				
Law enforcement:				
Personal services	2,774,465	2,774,465	2,758,222	16,243
Operating expenditures	385,790	441,790	480,841	(39,051)
Capital outlay	205,000	205,000	200,693	4,307
Total law enforcement	<u>3,365,255</u>	<u>3,421,255</u>	<u>3,439,756</u>	<u>(18,501)</u>
Protective inspections:				
Personal services	310,703	310,703	260,113	50,590
Operating expenditures	282,000	282,000	312,887	(30,887)
Capital outlay	5,500	5,500	2,252	3,248
Total protective inspections	<u>598,203</u>	<u>598,203</u>	<u>575,252</u>	<u>22,951</u>
Total public safety	<u>3,963,458</u>	<u>4,019,458</u>	<u>4,015,008</u>	<u>4,450</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, 2020
(continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
Physical environment:				
Personal services	901,838	901,838	818,345	83,493
Operating expenditures	294,000	294,000	314,379	(20,379)
Capital outlay	15,000	15,000	15,273	(273)
Total physical environment	<u>1,210,838</u>	<u>1,210,838</u>	<u>1,147,997</u>	<u>62,841</u>
Transportation:				
Personal services	109,449	109,449	98,231	11,218
Operating expenditures	545,982	708,982	757,322	(48,340)
Capital outlay	-	-	405	(405)
Total transportation	<u>655,431</u>	<u>818,431</u>	<u>855,958</u>	<u>(37,527)</u>
Cultural and recreation:				
Personal services	312,227	312,227	309,639	2,588
Operating expenditures	427,000	392,000	395,732	(3,732)
Capital outlay	20,000	20,000	21,671	(1,671)
Total cultural and recreation	<u>759,227</u>	<u>724,227</u>	<u>727,042</u>	<u>(2,815)</u>
Special events:				
Personal services	207,783	219,783	226,802	(7,019)
Operating expenditures	145,500	153,500	162,335	(8,835)
Capital outlay	-	-	1,155	(1,155)
Total special events	<u>353,283</u>	<u>373,283</u>	<u>390,292</u>	<u>(17,009)</u>
Debt service:				
Principal	54,211	54,211	58,523	(4,312)
Interest	6,594	6,594	3,407	3,187
Total debt service	<u>60,805</u>	<u>60,805</u>	<u>61,930</u>	<u>(1,125)</u>
Total expenditures	<u>9,618,811</u>	<u>9,618,811</u>	<u>9,413,620</u>	<u>205,191</u>
Change in fund balance before other financing sources (uses)	<u>(60,000)</u>	<u>(60,000)</u>	<u>1,000,431</u>	<u>1,060,431</u>
Other Financing Sources (Uses):				
Transfers out	-	-	-	-
Transfers in	60,000	60,000	60,000	-
Total other financing sources	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>-</u>
Change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>1,060,431</u>	<u>\$ 1,060,431</u>
Fund Balance, Beginning of Year			<u>2,566,933</u>	
Fund Balance, End of Year			<u>\$ 3,627,364</u>	

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

Town of Golden Beach, Florida
Statement of Net Position
Proprietary Fund
September 30, 2020

	Stormwater Utility Fund
Assets:	
Current assets:	
Cash and cash equivalents	\$ 88,623
Investments	325,959
Accounts receivable	178,702
Due from other funds	<u>100</u>
Total current assets	<u>593,384</u>
Noncurrent assets:	
Capital assets, net	<u>11,466,237</u>
Total noncurrent assets	<u>11,466,237</u>
Total assets	<u>12,059,621</u>
Liabilities:	
Current liabilities:	
Accounts payable	37,943
Accrued interest payable	5,033
Current portion of debt	145,472
Due to other funds	<u>2,014,710</u>
Total current liabilities	<u>2,203,158</u>
Noncurrent liabilities:	
Long-term debt	<u>769,538</u>
Total noncurrent liabilities	<u>769,538</u>
Total liabilities	<u>2,972,696</u>
Net Position:	
Net investment in capital assets	10,551,227
Unrestricted (deficit)	<u>(1,464,302)</u>
Total net position	<u>\$ 9,086,925</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 Position-
Proprietary Fund
For the Year Ended September 30, 2020

	Stormwater Utility Fund
Operating Revenues:	
Charges for services	\$ 221,805
Tax revenue	156,951
Franchise fees	129,837
	<hr/>
Total operating revenues	508,593
	<hr/>
Operating and General Expenses:	
Repairs and maintenance	284,222
Depreciation expense	395,124
General expenses	89,166
Professional services	8,517
Administrative fee	200,000
	<hr/>
Total operating and general expenses	977,029
	<hr/>
Operating income (loss)	(468,436)
	<hr/>
Nonoperating Revenues (Expenses):	
Investment income	3,840
Interest expense	(18,394)
	<hr/>
Total nonoperating revenues (expenses)	(14,554)
	<hr/>
Change in net position	(482,990)
	<hr/>
Net Position, Beginning of Year	9,569,915
	<hr/>
Net Position, End of Year	\$ <u>9,086,925</u>

Town of Golden Beach, Florida
Statement of Cash Flows -
Proprietary Fund
For the Year Ended September 30, 2020

	Stormwater Utility Fund
Cash Flows From Operating Activities:	
Cash received from customers and users	\$ 554,362
Cash paid for goods and services	<u>(547,698)</u>
Net cash provided by (used in) operating activities	<u>6,664</u>
Cash Flows From Financing Activities:	
Change in due to/from balances	149,625
Interest paid	(19,179)
Principal payments	<u>(142,780)</u>
Net cash provided by (used in) financing activities	<u>(12,334)</u>
Cash Flows From Investing Activities:	
Purchase of property and equipment	(12,553)
Investment income received	3,840
Purchase of investments	<u>(3,821)</u>
Net cash provided by (used in) investing activities	<u>(12,534)</u>
Net decrease in cash and cash equivalents	(18,204)
Cash and Cash Equivalents, Beginning of Year	<u>106,827</u>
Cash and Cash Equivalents, End of Year	<u>\$ 88,623</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating income (loss)	\$ <u>(468,436)</u>
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Provision for depreciation	395,124
(Increase) decrease in accounts receivable	45,769
Increase (decrease) in accounts payable	<u>34,207</u>
Total adjustments	<u>475,100</u>
Net cash provided by (used in) operating activities	<u>\$ 6,664</u>

Town of Golden Beach, Florida
Statement of Fiduciary Net Position
Retirement Plan for Employees of the Town of Golden Beach
September 30, 2020

Assets:

Cash and cash equivalents		\$	762,408
Receivables:			
Employee contribution	\$	6,389	
Interest		21,456	
Security sales receivable		<u>4,975</u>	32,820
Prepaid expenses			41,822
Investments, at fair value:			
Common stock	\$	7,300,507	
Government bonds		1,288,233	
Corporate bonds		1,283,211	
Alternative investments		<u>983,633</u>	<u>10,855,584</u>
Total assets			<u>11,692,634</u>

Liabilities:

Accounts payable			8,324
Security purchases payable			<u>18,471</u>
Total liabilities			<u>26,795</u>

**Net Position Held in Trust
For Pension Benefits**

\$ 11,665,839

Town of Golden Beach, Florida
Statement of Change in Fiduciary Net Position
Retirement Plan for Employees of the Town of Golden Beach
For the Year Ended September 30, 2020

Additions:

Contributions:		
Employer	\$	700,022
Employees		<u>153,944</u>
Total contributions		<u>853,966</u>

Investment income:

Net appreciation in fair value of Plan investments		393,498
Interest and dividend income		<u>222,196</u>
Total investment income		<u>615,694</u>
Total additions		<u>1,469,660</u>

Deductions:

Benefits paid		398,771
Consulting and advisory fees		100,491
Professional fees		47,804
Trustee education		5,458
Trustee fiduciary insurance		2,821
Dues		870
Contribution refunds		720
Office expenses		<u>217</u>
Total deductions		<u>557,152</u>

Net increase		912,508
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**Net Position Held in Trust for Pension Benefits,
Beginning of Year**

10,753,331

**Net Position Held in Trust for Pension Benefits,
End of Year**

\$ 11,665,839

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 position 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 position, revenues and expenditures. An emphasis is placed on major funds within the governmental category.

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

The Town reports the following major proprietary fund:

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

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.

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.

Note 2 - Summary of Significant Accounting Policies (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 revenues as available if they are collected within sixty days after year end. 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.

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.

Note 2 - Summary of Significant Accounting Policies (continued)

- 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, Capital Improvement Project Fund and the Debt Service Fund. Budget appropriations lapse at year end.
- g. The budgets for the General, Special Revenue, Capital Improvement Project 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 2020 include amendments to the budget originally adopted by the Town Council.

During the year, departmental expenditures exceeded the legally authorized budget as follows:

<u>General Fund</u>	
Transportation	\$ (37,527)
Town legal counsel	\$ (35,622)
Finance	\$ (29,004)
Law enforcement	\$ (18,501)
Special events	\$ (17,009)
Culture and recreation	\$ (2,815)
Debt service	\$ (1,125)
Legislative	\$ (69)

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.

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

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 \$ 1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at 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.

Note 2 - Summary of Significant Accounting Policies (continued)

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.

Deferred outflows/inflows of resources: In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has two items that qualify for reporting in this category. It is the deferred outflows relating to pension plans and other post-employment benefits, discussed in further detail in Note 7 and Note 8.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has one item that qualifies for reporting in this category. It is the deferred inflows relating to pension plans and discussed in further detail in Note 7.

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.

Note 2 - Summary of Significant Accounting Policies (continued)

Equity classifications:

Government-wide statements

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

- a. Net investment in capital assets - 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 position - Consists of net position 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 position - All other net position that do not meet the definition of "restricted" or "invested in capital assets net of related debt."

Fund statements

The Town 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 Town 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 Town 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.

Note 2 - Summary of Significant Accounting Policies (continued)

- Assigned: This classification includes amounts that are constrained by the Town'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 Town 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.

The Town uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the Town would first use committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

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, 2019, upon which the 2019-2020 levy was based, was approximately \$ 1,160,543,438. 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, 2020 was \$ 7.5780 per \$ 1,000 and \$.8220 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.

Note 2 - Summary of Significant Accounting Policies (continued)

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.

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 position, 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 April 13, 2021, 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, 2020, 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. As of September 30, 2020, the carrying amount of the Town’s deposits was \$ 2,814,744 with a bank balance of \$ 3,108,572.

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 (“Florida PRIME”). Florida PRIME is administered by the Florida State Board of Administration (“SBA”), who provides regulatory oversight.

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

Note 3 - Deposits and Investments (continued)

Total governmental and proprietary investments at September 30, 2020 were as follows:

	Fair Value	Investment Maturities (in years)		
		Less than 1	1 to 5	6 to 10
Florida PRIME	\$ 840,000	\$ 840,000	\$ -	\$ -
	<u>\$ 840,000</u>	<u>\$ 840,000</u>	<u>\$ -</u>	<u>\$ -</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.

The dollar weighted average days to maturity (WAM) of Florida PRIME at September 30, 2020, is 48 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average like (WAL) of Florida PRIME at September 30, 2020, is 63 days.

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 Florida PRIME is rated AAAM by Standard and Poor's.

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.

The table below summarizes the Plan's investment balances and scheduled maturities (in years):

Investment Type	Fair Value	Investment Maturities (in years)		
		Less than 1	1 to 5	6 to 10
Common stock	\$ 7,300,507	\$ 7,300,507	\$ -	\$ -
U.S. Treasuries and agencies	1,288,233	278,328	789,968	219,937
Corporate bonds	1,283,211	76,069	833,286	373,856
Alternative investments	<u>983,633</u>	<u>983,633</u>	<u>-</u>	<u>-</u>
	<u>\$ 10,855,584</u>	<u>\$ 8,638,537</u>	<u>\$ 1,623,254</u>	<u>\$ 593,793</u>

Note 3 - Deposits and Investments (continued)

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.

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, 2020, the Plan's corporate bonds were rated between AA and BBB+ 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, 2020, investments held in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total investments are as follows:

Issuer	Reported Amount	Percentage
Renaissance	\$ 1,661,593	14%
Blackrock/Lord Abbet	\$ 1,323,518	11%
Madison	\$ 1,283,211	11%
Connors	\$ 1,138,647	10%
American Core	\$ 983,632	8%
MDT	\$ 736,939	6%

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.

Fair value hierarchy: GASB Statement No. 72, *Fair Value Measurement and Application*, establishes a hierarchy disclosure framework which prioritizes and ranks the level of market price observability used in measuring investment at fair value. Various inputs are used in determining the fair value of investments. These inputs are categorized into a fair value hierarchy consisting of three broad levels for financial statement purposes as follows:

- Level 1 - inputs are quoted prices (unadjusted) in active markets for identical investments that the Plan has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included with Level 1 that are observable for the investments, either directly or indirectly. (e.g., quoted prices in active markets for similar securities, securities valuations based on commonly quoted benchmarks, interest rates and yield curves, and/or securities indices.)
- Level 3 inputs are unobservable inputs for the investments. (e.g., information about assumptions, including risk, market participants would use in pricing a security.)

Note 3 - Deposits and Investments (continued)

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk.

The Town categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. Investments are recorded at fair value, and primarily uses the market approach to valuing each security. Security pricing is provided by a third-party, and is reported daily to the Plan of the Town by its custodians.

Fair values of investments held by the Town's Fiduciary Investment Funds are classified at September 30, 2020 as follows:

Investments	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Common stock	\$ 7,300,507	\$ 7,300,507	\$ -	\$ -
U.S. government securities	1,288,233	-	1,288,233	-
Corporate bonds	1,283,211	-	1,283,211	-
Alternative investments	<u>983,633</u>	<u>-</u>	<u>-</u>	<u>983,633</u>
Total investments measured at fair value	<u>\$ 10,855,584</u>	<u>\$ 7,300,507</u>	<u>\$ 2,571,444</u>	<u>\$ 983,633</u>

Given the inherent nature of the investments, it is reasonably possible that changes in the value of those investments will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Investment balances and activity of Level 3 investments for the year were as follows:

Beginning balance	\$ 978,684
Net purchases, sales, issuances and settlements	-
Net realized and unrealized gains (losses) on investments	<u>4,949</u>
Ending balance	<u>\$ 983,633</u>

Town of Golden Beach, Florida
Notes to Basic Financial Statements
September 30, 2020

Note 4 - Capital Assets

Capital asset activity of governmental activities for the year ended September 30, 2020 was as follows:

	Balance October 1, 2019	Additions and Transfers	Retirements and Transfers	Balance September 30, 2020
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 1,878,598	\$ -	\$ -	\$ 1,878,598
Construction in progress	180,001	659,610	506,342	333,269
 Total capital assets, not being depreciated	 2,058,599	 659,610	 506,342	 2,211,867
Capital assets, being depreciated:				
Equipment and vehicles	3,858,748	244,620	44,594	4,058,774
Buildings	1,556,971	-	1,992	1,554,979
Infrastructure	25,618,008	506,342	-	26,124,350
Improvements other than buildings	2,829,730	-	-	2,829,730
 Total capital assets, being depreciated	 33,863,457	 750,962	 46,586	 34,567,833
 Total capital assets	 35,922,056	 1,410,572	 552,928	 36,779,700
Less accumulated depreciation for:				
Equipment and vehicles	2,627,460	325,228	39,508	2,913,180
Buildings	523,289	50,407	1,968	571,728
Infrastructure	6,188,532	838,329	-	7,026,861
Improvements other than buildings	815,036	133,977	-	949,013
 Total accumulated depreciation	 10,154,317	 1,347,941	 41,476	 11,460,782
 Total capital assets, being depreciated, net	 23,709,140	 (596,979)	 5,110	 23,107,051
 Governmental activities capital assets, net	 \$ 25,767,739	 \$ 62,631	 \$ 511,452	 \$ 25,318,918

Town of Golden Beach, Florida
Notes to Basic Financial Statements
September 30, 2020

Note 4 - Capital Assets (continued)

	Balance October 1, 2019	Additions and Transfers	Retirements and Transfers	Balance September 30, 2020
Business-type activities:				
Capital assets, not being depreciated				
Construction in progress	\$ 183,580	\$ 31,993	\$ 19,440	\$ 196,133
Total capital assets, not being depreciated	<u>183,580</u>	<u>31,993</u>	<u>19,440</u>	<u>196,133</u>
Capital assets, being depreciated:				
Equipment and vehicles	47,000	-	-	47,000
Improvements other than buildings	15,238,512	-	-	15,238,512
Total capital assets, being depreciated	<u>15,285,512</u>	<u>-</u>	<u>-</u>	<u>15,285,512</u>
Total capital assets	<u>15,469,092</u>	<u>31,993</u>	<u>19,440</u>	<u>15,481,645</u>
Less accumulated depreciation for:				
Equipment and vehicles	25,064	3,133	-	28,197
Improvements other than buildings	3,595,220	391,991	-	3,987,211
Total accumulated depreciation	<u>3,620,284</u>	<u>395,124</u>	<u>-</u>	<u>4,015,408</u>
Total capital assets, being depreciated, net	<u>11,665,228</u>	<u>(395,124)</u>	<u>-</u>	<u>11,270,104</u>
Business-type activities capital assets, net	<u>\$ 11,848,808</u>	<u>\$ (363,131)</u>	<u>\$ 19,440</u>	<u>\$ 11,466,237</u>

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

Governmental activities:	
General government	\$ 957,038
Public safety	350,465
Physical environment	26,959
Cultural and recreation	<u>13,479</u>
Total depreciation expense - governmental activities	<u>\$ 1,347,941</u>
Business-type activities:	
Stormwater drainage	<u>\$ 395,124</u>

Town of Golden Beach, Florida
Notes to Basic Financial Statements
September 30, 2020

Note 5 - Long-Term Liabilities

Governmental activities:

The following is a summary of changes in the long-term liabilities for the year ended September 30, 2020:

	Balance October 1, 2019	Additions	Deletions	Balance September 30, 2020	Due Within One Year
Governmental activities:					
General Obligation Refunding Bonds, Series 2016	\$ 12,005,000	\$ -	\$ 430,000	\$ 11,575,000	\$ 445,000
General Obligation Refunding Bonds, Series 2019	-	650,000	-	650,000	-
Bond premium	387,961	-	20,419	367,542	-
Capital lease	58,523	-	58,523	-	-
Compensated absences payable	437,589	88,734	-	526,323	71,609
Total governmental activities	\$ 12,889,073	\$ 738,734	\$ 508,942	\$ 13,118,865	\$ 516,609

General Obligation Refunding Bonds, Series 2016 – Previously, the Town issued \$ 12,390,000 of General Obligation Refunding Bonds, Series 2016, maturing January 1, 2038, with interest rates ranging from 3.00% to 5.00%. The Bonds refunded the Town's then outstanding Special Assessment General Obligation Bonds, Series 2008. 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.

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.

The annual debt service requirements for the General Obligation Refunding Bonds, Series 2016 is as follows:

Year Ending September 30,	Principal	Interest	Total
2021	\$ 445,000	\$ 457,481	\$ 902,481
2022	460,000	439,381	899,381
2023	485,000	418,056	903,056
2024	510,000	393,181	903,181
2025	535,000	367,056	902,056
2026-2030	3,030,000	1,454,016	4,484,016
2031-2035	3,600,000	862,544	4,462,544
2036-2038	2,510,000	153,200	2,663,200
	\$ 11,575,000	\$ 4,544,915	\$ 16,119,915

Note 5 - Long-Term Liabilities (continued)

In the event the Town fails to pay principal and interest when due on the loan or any other loan or obligation for the repayment of money; declare bankruptcy or insolvency; fails to correct any covenants, conditions or arrangements of this note and such default continues for 30 days after written notice requiring to be remedied; the holder of the note may proceed to protect and enforce its rights as allowed by law.

Capital Improvement Revenue Note, Series 2019 – In fiscal year 2020, the Town issued a Capital Improvement Revenue Note, Series 2019 in the amount of up to \$ 4,000,000 for the purpose of financing the costs of construction, installation and furnishing of a new civic center complex masterplan. The Note shall mature on December 1, 2039 and the first draw shall be made on the date of delivery in the amount of \$ 250,000. The principal of the Note shall be subject to mandatory prepayment in annual installments on each December 1, commencing on December 1, 2022, the date of the final draw. The Note shall bear interest initially at a fixed rate for the first 10 years calculated based on the amount drawn from time to time, and outstanding principal balance from the date of such draw at a rate of 2.94%, payable semiannually beginning June 1, 2020 through December 1, 2029. Thereafter the Note will bear interest at a floating rate equal to the 10 years US Treasury Rate plus 2%. The Note is secured exclusively by legally available non-ad valorem revenue of the Town. As of September 30, 2020, the Town total outstanding balance is \$ 650,000.

The indenture contains a provision that in each fiscal year in which the Note is outstanding hereunder, Legally Available Non-Ad Valorem Revenues shall be at least 125% of the maximum annual debt service on the Note, assuming the Note has been drawn for the full amount of \$ 4,000,000.

The annual debt service requirements for the Capital Improvement Revenue Note, Series 2019 is as follows:

Year Ending September 30,	Principal	Interest	Total
2021	\$ -	\$ 16,367	\$ 16,367
2022	-	19,156	19,156
2023	28,862	18,944	47,806
2024	29,720	18,088	47,808
2025	30,602	17,205	47,807
2026-2030	167,189	71,847	239,036
2031-2035	193,524	45,513	239,037
2036-2040	200,103	15,030	215,133
	\$ 650,000	\$ 222,150	\$ 872,150

In the event the Town fails to pay principal and interest within ten days of when due, the Town shall pay a late charge of 5% of the late payment. In addition, during the period in which an event of default shall have occurred or be continuing hereunder, the Note shall bear interest at a rate of 3% in excess of the interest rate immediately prior to the occurrence of such Event of Default.

Town of Golden Beach, Florida
Notes to Basic Financial Statements
September 30, 2020

Note 5 - Long-Term Liabilities (continued)

Business-type activities:

The following is a summary of changes in the long-term debt for the year ended September 30, 2020:

	Balance October 1, 2019	Additions	Deletions	Balance September 30, 2020	Due Within One Year
Business-type activities:					
Department of Environmental Protection, Revolving Loans	\$ 1,057,790	\$ -	\$ 142,780	\$ 915,010	\$ 145,472
Total business-type activities	<u>\$ 1,057,790</u>	<u>\$ -</u>	<u>\$ 142,780</u>	<u>\$ 915,010</u>	<u>\$ 145,472</u>

Department of Environmental Protection, Revolving Loan – The Town previously entered into a revolving loan agreement with the State of Florida Department of Environmental Protection. This loan is payable in semiannual installments of \$ 81,578 including interest at 1.81%, on June 15 and on December 15, until June 2026, when all remaining principal and interest is due. Loan payments are collateralized by electric franchise fees.

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

Year Ending September 30,	Principal	Interest	Total
2021	\$ 145,472	\$ 16,488	\$ 161,960
2022	148,214	13,746	161,960
2023	151,007	10,953	161,960
2024	153,854	8,106	161,960
2025	156,754	5,206	161,960
2026	<u>159,709</u>	<u>2,251</u>	<u>161,960</u>
	<u>\$ 915,010</u>	<u>\$ 56,750</u>	<u>\$ 971,760</u>

The State Revolving Fund Loan arrangement discussed above include other financial provisions for events of defaults such as failure to make monthly deposits and semiannual loan payments, violation of covenants or actions required by the arrangement with such failure continuing for a period of sixty days after written notice, insolvency-bankruptcy, and false representations. Non-payment may result in acceleration of the repayment schedule or increasing the financing rate on the unpaid principal balance to as much as 1.667 times the financing rate. The lender may also seek enforcement of and exercise all remedies available and allowed by law.

Additionally, in July 2020, the Town entered into a revolving loan agreement with the State of Florida Department of Environmental Protection to borrow \$ 951,414 for the construction of the Town’s stormwater facilities, specifically a center island drainage system. The loan will be secured by the net revenues of the Town’s Stormwater Utility Fees based upon authorization of the Town Council. As of September 30, 2020, no amount has been withdrawn.

Town of Golden Beach, Florida
Notes to Basic Financial Statements
September 30, 2020

Note 6 - Accounts Receivable/Accounts Payable

Receivables at September 30, 2020 were as follows:

	<u>Taxes Receivable</u>	<u>Inter- Governmental</u>	<u>Accounts</u>	<u>Other</u>	<u>Total</u>
Governmental activities:					
General Fund	\$ 57,363	\$ -	\$ -	\$ -	\$ 57,363
Capital Improvement Project Fund	-	-	170,161	-	170,161
Debt Service Fund	5,071	-	-	-	5,071
Law Enforcement Fund	-	87,003	-	-	87,003
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total governmental activities	\$ <u>62,434</u>	\$ <u>87,003</u>	\$ <u>170,161</u>	\$ <u>-</u>	\$ <u>319,598</u>
	<u>Taxes Receivable</u>	<u>Inter- Governmental</u>	<u>Accounts</u>	<u>Other</u>	<u>Total</u>
Business-type activities:					
Stormwater Utility Fund	\$ <u>42,244</u>	\$ <u>-</u>	\$ <u>136,458</u>	\$ <u>-</u>	\$ <u>178,702</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total business-type activities	\$ <u>42,244</u>	\$ <u>-</u>	\$ <u>136,458</u>	\$ <u>-</u>	\$ <u>178,702</u>

Accounts payable at September 30, 2020 were as follows:

	<u>Vendors</u>	<u>Subcontractors</u>	<u>Total Accounts Payable</u>
Governmental activities:			
General Fund	\$ 140,432	\$ -	\$ 140,432
Capital Improvement Project Fund	91,176	-	91,176
Law Enforcement Trust Fund	614	-	614
	<u> </u>	<u> </u>	<u> </u>
Total governmental activities	\$ <u>232,222</u>	\$ <u>-</u>	\$ <u>232,222</u>
	<u>Vendors</u>	<u>Subcontractors</u>	<u>Total Accounts Payable</u>
Business-type activities:			
Stormwater Utility Fund	\$ <u>37,943</u>	\$ <u>-</u>	\$ <u>37,943</u>
	<u> </u>	<u> </u>	<u> </u>
Total business-type activities	\$ <u>37,943</u>	\$ <u>-</u>	\$ <u>37,943</u>

Note 7 - Retirement Plans

Summary of Significant Accounting Policies:

Basis of Accounting

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”) are accounted for on the accrual basis of accounting. Plan member contributions are recognized as revenues in the period in which the contributions are due. Town contributions are recognized when due pursuant to actuarial valuations. State contributions are recognized as revenue in the period in which they are approved by the State of Florida. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plans.

For purposes of measuring the net pension (asset) liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from Plan’s fiduciary net position have been determined on the same basis as they are reported by the Plan.

General Information about the Plan and the Fund: The Plan and the Fund are both single employer defined benefit plans. The 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.

Plan Membership: Employee membership consisted of the following at October 1, 2019:

	<u>General Employees</u>	<u>Police Officers</u>
Retirees and beneficiaries receiving benefits and terminated members entitled to benefits, but not yet receiving them	10	16
Active plan members	<u>29</u>	<u>18</u>
	<u><u>39</u></u>	<u><u>34</u></u>

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.

Note 7 - Retirement Plans (continued)

Net Pension Liability

The Town's net pension liability was determined based on a measurement date of September 30, 2020.

The components of the pension liability of the Town at September 30, 2020 were as follows:

Total pension liability	\$ 14,792,917
Plan fiduciary net position	<u>(11,665,839)</u>
Town net pension liability	<u>\$ 3,127,078</u>
Plan fiduciary net position as a percentage of total pension liability	78.86%

Actuarial Assumptions: The total pension liability at September 30, 2020 was determined by using actuarial assumptions as of October 1, 2019, with update procedures used to roll forward the total pension liability to September 30, 2020. The actuarial valuations used the following actuarial assumptions:

Inflation	1.90%
Projected salary increases	5.00%, average, including inflation
Investment rate of return	4.74%, net of pension plan investment expense, including inflation
Mortality	RP-2000 Combined Mortality Table

Long-term expected rate of return: The long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates (expected returns, net of pension Trust investment expense and inflation) for each major asset class as well as historical investment data and Trust performance.

The target allocation and best estimates of arithmetic real rates for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	65.00%	5.58% - 6.90%
Fixed income	25.00%	1.17%
Alternative investments	<u>10.00%</u>	4.68%
Total	<u>100.00%</u>	

Rate of return: For the year ended September 30, 2020, the annual money weighted rate of return on pension plan investments, net of pension plan investment expense was 4.75%. The money weighted rate of return expresses investment performance adjusted for the changing amounts actually invested.

Note 7 - Retirement Plans (continued)

Discount rate: The discount rate used to measure the total pension liability was 6.64%. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rates and that contributions from the Town will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long term expected rate on pension Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) Liability (a) - (b)
Balances, as of September 30, 2019, Measurement Date	\$ 13,689,258	\$ 10,753,331	\$ 2,935,927
Changes for the year:			
Service cost	626,710	-	626,710
Expected interest growth	928,482	723,717	204,765
Demographic experience	(52,042)	-	(52,042)
Unexpected investment income	-	(108,023)	108,023
Contributions - employer	-	700,022	(700,022)
Contributions - members	-	153,944	(153,944)
Changes in benefit terms	-	-	-
Benefit payments, including refunds of member contributions	(399,491)	(399,491)	-
Assumption changes	-	-	-
Administrative expense	-	(157,661)	157,661
Net changes	1,103,659	912,508	191,151
Balances, as of September 30, 2020, Measurement Date	\$ 14,792,917	\$ 11,665,839	\$ 3,127,078

Note 7 - Retirement Plans (continued)

Sensitivity of the Net Pension Liability to Changes on the Discount Rate: The following presents the net pension liability of the Town using the discount rate of 6.64%, as well as what the employer net pension liability would be if it were calculated using a discount rate that is 1- percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (5.64%)	Current Discount Rate (6.64%)	1% Increase (7.64%)
Total pension liability	\$ 16,680,451	\$ 14,792,917	\$ 13,231,328
Plan fiduciary net position	<u>(11,665,839)</u>	<u>(11,665,839)</u>	<u>(11,665,839)</u>
Net pension liability (asset)	<u>\$ 5,014,612</u>	<u>\$ 3,127,078</u>	<u>\$ 1,565,489</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2020, the Town recognized pension expense of \$ 1,286,954. At September 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 338,702	\$ 88,816
Demographic changes	367,352	42,333
Changes in assumptions	<u>1,231,003</u>	<u>151,083</u>
Total	<u>\$ 1,937,057</u>	<u>\$ 282,232</u>

Amounts reported as deferred outflows/inflows of resources will be recognized as pension expense as follows:

Year ending September 30,	Amount
2021	\$ 330,163
2022	395,947
2023	392,901
2024	305,481
2025	230,333
Thereafter	<u>-</u>
	<u>\$ 1,654,825</u>

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.

Note 8 - Other Post-Employment Benefits

The Town previously implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. GASB Statement No. 75 specifies that governments must recognize their total OPEB liability and related deferred outflows of resources, deferred inflows of resources, and OPEB expense in the financial statements based on the actuarial present value of projected benefit payments, rather than the smaller net OPEB obligation based on contribution requirements, under GASB Statement No. 45.

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 Town. This cost is then reimbursed to the Town by the retiree. 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 Plan also covers Town Council members who retire with at least ten years of service. 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.

The following table provides a summary of the number of participants in the plan as of the measurement date:

Inactive plan members or beneficiaries currently receiving benefits	1
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>49</u>
Total plan members	<u><u>50</u></u>

Actuarial Methods and Assumptions: The actuarial valuation of the calculation of OPEB involves estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the Town and plan members) and include the types of benefits in force at the valuation date and the historical pattern of sharing benefit costs between the Town and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The total OPEB liability at September 30, 2020 was based on an actuarial valuation dated October 1, 2019 with a measurement date of September 30, 2020, using the following actuarial assumptions:

Note 8 - Other Post-Employment Benefits (continued)

Actuarial Cost Method	Entry Age Normal.
Discount Rate	2.14 per annum.
Salary Increases	3.00% per annum.
Cost-of-living Increases	Retiree contributions, health insurance premiums, and the implied subsidy have been assumed to increase in accordance with the healthcare cost trend rates.
Healthcare Cost Trend Rates	Increases in healthcare costs are assumed to be 7.00% for the 2019/20 fiscal year graded down by 0.50% per year to 5.00% for the 2023/2024 and later fiscal years.
Age-related Morbidity	Healthcare costs are assumed to increase at the rate of 3.50% for each year of age.
Implied Subsidy	Because the insurance carrier charges the same monthly rate for health insurance regardless of age, for the 2019/20 fiscal year, an implied monthly subsidy was assumed at age 62 of \$ 600.00 for the retiree and \$ 700.00 for the retiree's spouse; at other ages, the implied subsidy was developed based on the age-related morbidity assumption and, for other fiscal years, the implied subsidy was increased in accordance with the healthcare cost trend rates; the implied subsidy is assumed to disappear at age 65.
Mortality Basis	Sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Below Median Healthy Retiree Mortality table for general employees, with male ages set back one year (general employees); sex-distinct rate set forth in the PUB-2010 Headcount-Weighted Healthy Retiree Mortality table for public safety employees (Below Median table for males), with ages set forward one year (police officers).
Retirement	With respect to general employees, retirement is assumed to occur at the rate of 5% at each of ages 55 through 64, 60% at age 65, 40% at each of ages 66 through 69, and 100% at age 70; with respect to police officers who have earned less than 20 years of service, retirement is assumed to occur at the rate of 5% at each of ages 50 through 54, 70% at age 55, 40% at each of ages 56 through 59, and 100% at age 60; with respect officers who have earned at least 20 years of service, retirement is assumed to police to occur at the rate of 5% at each of ages 50 and 51, 70% at age 52, 40% at each of ages 53 through 56, and 100% at age 57.
Other Decrements	Assumed employment termination is based on the Scale 155 table; assumed disability is based on the Wyatt 1985 Disability Study (Class 2).
Coverage Election	20% of eligible employees are assumed to elect medical coverage until age 65 upon retirement or disability in accordance with their current election as to coverage status, except that 100% of individuals who are eligible for an explicit subsidy are assumed to elect medical coverage for life upon retirement or disability in accordance with their current election as to coverage status but with no assumed dependent children after age 55.

Note 8 - Other Post-Employment Benefits (continued)

Spousal age:	Husbands are assumed to be three years older than wives.
COBRA	Future healthcare coverage provided solely pursuant to COBRA was not included in the OPEB valuation; because the COBRA premium is determined periodically based on plan experience, the COBRA premium to be paid by the participant is assumed to fully cover the cost of providing healthcare coverage during the relevant period.
Changes	Since the prior measurement date, the discount rate was decreased from 3.58% per annum to 2.14% per annum; the monthly implied subsidy at age 62 for the 2019-20 fiscal year was changed from \$609.52 for the retiree and \$696.60 for the retiree's spouse to \$600 and \$700, respectively; and the mortality basis was changed from the RP-2000 Combined and Blue Collar Mortality Tables with generational improvements using Scale BB to selected PUB-2010 Mortality Tables with generational improvements using Scale MP-2018.

Discount Rate: The discount rate used to measure the total OPEB liability at September 30, 2020 was 2.14%. Because the Town’s OPEB costs are funded on a pay-as-you-go funding structure, a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date was used to determine the total OPEB liability.

Total OPEB Liability of the Town: The components of the Town’s net OPEB liability at September 30, 2020, are as follows:

Total OPEB liability	\$ 5,450,440
OPEB Plan fiduciary net position	<u>-</u>
Town's net OPEB liability	<u><u>\$ 5,450,440</u></u>
OPEB Plan fiduciary net position as a percentage of total OPEB liability	<u><u>0%</u></u>
Measurement year ended September 30, 2020	
Total OPEB liability:	
Service cost	\$ 151,600
Interest on total OPEB liability	73,845
Demographic experience	751,802
Benefit payments	(63,828)
Assumption changes	<u>1,206,163</u>
Net change in total OPEB liability	2,119,582
Total OPEB liability, beginning	<u>3,330,858</u>
Total OPEB liability, ending	<u><u>\$ 5,450,440</u></u>

Note 8 - Other Post-Employment Benefits (continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate: The following table presents the total OPEB liability, calculated using the discount rate of 2.14%, as well as what the Town’s total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than current discount rate:

	1% Decrease (1.14%)	Current Discount Rate (2.14%)	1% Increase (3.14%)
Total OPEB Liability	\$ <u>6,697,376</u>	\$ <u>5,450,440</u>	\$ <u>4,507,913</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following table presents the total OPEB liability of the Town, as well as what the Town’s total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage- point lower or one percentage-point higher than the current trend rate:

	1% Trend Decrease 6.00% Decreasing to 4.00%	Trend Rate Assumption 7.00% Decreasing to 5.00%	1% Trend Increase 8.00% Decreasing to 6.00%
Total OPEB Liability	\$ <u>4,476,364</u>	\$ <u>5,450,440</u>	\$ <u>6,715,660</u>

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB: For the year ended September 30, 2020, the Town recognized OPEB expense of \$ 361,628. At September 30, 2020, the Town reported deferred outflows of resources related to OPEB in the amount of \$ 1,811,911. There were no deferred inflows of resources related to OPEB for the fiscal year ended September 30, 2020.

Amounts reported as deferred outflows of resources will be recognized in OPEB expense as follows:

Year ending September 30,	Amount
2021	\$ 200,011
2022	200,011
2023	200,011
2024	200,011
2025	200,011
Thereafter	<u>811,856</u>
	\$ <u>1,811,911</u>

Town of Golden Beach, Florida
Notes to Basic Financial Statements
September 30, 2020

Note 9 - Interfund Balances and Transfers

Interfund receivables and payables at September 30, 2020 were as follows:

Due from:	Due to:			Total
	General Fund	Debt Service Fund	Stormwater Fund	
Law Enforcement Trust Fund	\$ 909,157	\$ -	\$ -	\$ 909,157
Bridge Fund	-	-	-	-
Capital Improvement Project Fund	990,098	-	100	990,198
Debt Service Fund	904,981	-	-	904,981
Stormwater Fund	2,014,710	-	-	2,014,710
General Fund	-	1,746,695	-	1,746,695
Total	\$ 4,818,946	\$ 1,746,695	\$ 100	\$ 6,565,741

Interfund balances are typically due to project deficit funding that will be supplied by the general fund at or near the end of project.

Transfers to and from individual funds were as follows:

Transfers out:	Transfers in:	
	General Fund	Total
General Fund	\$ -	\$ -
Law Enforcement Trust Fund	60,000	60,000
Total	\$ 60,000	\$ 60,000

During the year ended September 30, 2020, the General Fund received \$ 60,000 from the Law Enforcement Trust Fund as an administrative fee.

Note 10 - Risk Management

For the year ended September 30, 2020, 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 11 - 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.

Note 12 - Individual Fund Disclosures

At September 30, 2020, the Capital Improvement Project Fund and Law Enforcement Trust Fund have deficit fund balances of \$ 422,625 and \$ 357,288 respectively. The Town expects to reduce two of these deficits through transfers from the General Fund in Fiscal Year 2020-2021. The Town expects to fund these deficits with budgeted transfers and other advances from the General Fund in subsequent years.

Note 13 - Risks and Uncertainties

The coronavirus (COVID-19) outbreak has caused disruption in international and U.S. economies and markets. The coronavirus and fear of further spread has caused quarantines, cancellation of events, and overall reduction in business and economic activity. On March 11, 2020, the *World Health Organization* designated the coronavirus outbreak a pandemic. Management and the Town Commission continue to evaluate and monitor the potential adverse effect that this event may have on the Town's financial position, operations and cash flows. The full impact of COVID-19 is unknown at this time and cannot be reasonably estimated as these events are still developing.

REQUIRED SUPPLEMENTARY INFORMATION

**Keefe
McCullough**
CPA's + Trusted Advisors

**Retirement Plan for Employees of the Town of Golden Beach
Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios (Unaudited)**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability							
Service cost	\$ 626,710	\$ 646,789	\$ 372,701	\$ 355,307	\$ 410,000	\$ 412,000	\$ 406,000
Expected interest growth	928,482	725,127	767,653	702,846	649,000	540,000	540,000
Differences between expected and actual experience	(52,042)	164,367	113,395	537,419	(21,000)	(13,000)	(132,000)
Changes in assumptions	-	1,739,683		(434,803)	48,778	-	-
Changes in benefit terms	-	209,462					
Benefit payments, including refunds of member contributions	<u>(399,491)</u>	<u>(373,621)</u>	<u>(324,318)</u>	<u>(329,527)</u>	<u>(308,000)</u>	<u>(347,000)</u>	<u>(315,000)</u>
Net change in total pension liability	1,103,659	3,111,807	929,431	831,242	778,778	592,000	499,000
Total pension liability - beginning	<u>13,689,258</u>	<u>10,577,451</u>	<u>9,648,020</u>	<u>8,816,778</u>	<u>8,038,000</u>	<u>7,446,000</u>	<u>6,947,000</u>
Total pension liability - ending (A)	<u>\$ 14,792,917</u>	<u>\$ 13,689,258</u>	<u>\$ 10,577,451</u>	<u>\$ 9,648,020</u>	<u>\$ 8,816,778</u>	<u>\$ 8,038,000</u>	<u>\$ 7,446,000</u>
Plan fiduciary net position							
Contributions - employer	\$ 700,022	\$ 637,382	\$ 588,601	\$ 513,696	\$ 457,855	\$ 428,000	\$ 428,000
Contributions - member	153,944	156,672	152,113	120,499	110,543	102,000	100,000
Expected interest growth	723,717	684,358	719,791	618,943	-	-	-
Unexpected investment income	(108,023)	(420,472)	57,584	373,099	438,000	(50,000)	535,000
Benefit payments, including refunds of member contributions	(399,491)	(373,621)	(324,318)	(329,527)	(308,000)	(347,000)	(315,000)
Administrative expenses	<u>(157,661)</u>	<u>(60,517)</u>	<u>(57,496)</u>	<u>(129,160)</u>	<u>(60,694)</u>	<u>(40,000)</u>	<u>(60,000)</u>
Net change in plan fiduciary net position	912,508	623,802	1,136,275	1,167,550	637,704	93,000	688,000
Plan fiduciary net position - beginning	<u>10,753,331</u>	<u>10,129,529</u>	<u>8,993,254</u>	<u>7,825,704</u>	<u>7,188,000</u>	<u>7,095,000</u>	<u>6,407,000</u>
Plan fiduciary net position - ending (B)	<u>\$ 11,665,839</u>	<u>\$ 10,753,331</u>	<u>\$ 10,129,529</u>	<u>\$ 8,993,254</u>	<u>\$ 7,825,704</u>	<u>\$ 7,188,000</u>	<u>\$ 7,095,000</u>
Town's net pension liability (asset) - ending (A) - (B)	<u>\$ 3,127,078</u>	<u>\$ 2,935,927</u>	<u>\$ 447,922</u>	<u>\$ 654,766</u>	<u>\$ 991,074</u>	<u>\$ 850,000</u>	<u>\$ 351,000</u>
Plan fiduciary net position as a percentage of the total pension liability	78.86%	78.55%	95.77%	93.21%	88.76%	89.43%	95.29%
Covered-employee payroll	\$ 2,391,820	\$ 2,474,969	\$ 2,080,445	\$ 1,911,580	\$ 2,258,192	\$ 2,159,806	\$ 2,027,000
Town's net pension liability (asset) as percentage of covered-employee payroll	130.74%	118.62%	21.53%	34.25%	43.89%	39.36%	17.32%

* Schedule is intended to show information for 10 years.
Additional years will be displayed as they become available.

**Retirement Plan for Employees of the Town of Golden Beach
 Required Supplementary Information
 Schedule of Town Contributions (Unaudited)**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 700,022	\$ 637,382	\$ 588,601	\$ 458,294	\$ 457,855	\$ 427,817
Contributions in relation to the actuarially determined contribution	<u>700,022</u>	<u>637,382</u>	<u>588,601</u>	<u>513,696</u>	<u>457,855</u>	<u>427,817</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(55,402)</u>	\$ <u>-</u>	\$ <u>-</u>
Covered-employee payroll	\$ 2,391,820	\$ 2,474,969	\$ 2,080,445	\$ 1,911,580	\$ 2,258,192	\$ 2,159,806
Contributions as a percentage of covered-employee payroll	29.27%	25.75%	28.29%	26.87%	20.28%	19.81%

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 427,817	\$ 391,306	\$ 376,825	\$ 383,027	\$ 367,275
<u>427,817</u>	<u>383,769</u>	<u>383,769</u>	<u>383,769</u>	<u>372,769</u>
\$ <u>-</u>	\$ <u>7,537</u>	\$ <u>(6,944)</u>	\$ <u>(742)</u>	\$ <u>(5,494)</u>
\$ 2,027,209	\$ 2,019,940	\$ 1,820,735	\$ 1,920,856	\$ 1,813,079
21.10%	19.00%	21.08%	19.98%	20.56%

**Retirement Plan for Employees of the Town of Golden Beach
 Required Supplementary Information
 Schedule of Investment Returns (Unaudited)**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	4.75%	2.62%	8.93%	5.35%	6.96%	-0.80%	9.20%

* Schedule is intended to show information for 10 years.
 Additional years will be displayed as they become available.

Town of Golden Beach, Florida
Required Supplementary Information
Schedule of Changes in Total OPEB Liability and Related Ratios (Unaudited)

Fiscal Year:	2020	2019	2018
Measurement Date:	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>
Total OPEB liability			
Service cost	\$ 151,600	\$ 11,908	\$ 11,778
Interest	73,845	114,195	113,716
Demographic experience	751,802	-	-
Benefits payments	(63,828)	(67,042)	(52,853)
Assumption changes	<u>1,206,163</u>	<u>60,685</u>	<u>-</u>
Net change in total OPEB liability	2,119,582	119,746	72,641
Total OPEB liability - beginning	<u>3,330,858</u>	<u>3,211,112</u>	<u>3,138,471</u>
Total OPEB liability - ending	\$ <u>5,450,440</u>	\$ <u>3,330,858</u>	\$ <u>3,211,112</u>
Covered payroll	\$ 2,708,702	\$ 2,373,485	\$ 2,373,485
Total OPEB liability as a percentage of covered payroll	201.22%	140.34%	135.29%

Notes to Schedule:

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

Plan Assets. No assets are accumulated in a trust that meets all of the criteria of GASB No. 75, paragraph 4, to pay benefits.

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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
Revenues:				
Fines and forfeitures	\$ 230,000	\$ 230,000	\$ 167,501	\$ (62,499)
Interest income	4,100	4,100	2,784	(1,316)
Total revenues	<u>234,100</u>	<u>234,100</u>	<u>170,285</u>	<u>(63,815)</u>
Expenditures:				
Public safety	186,992	186,992	175,189	11,803
Capital outlay	1,040	1,040	-	1,040
Total expenditures	<u>188,032</u>	<u>188,032</u>	<u>175,189</u>	<u>12,843</u>
Excess of revenues over expenditures before other financing sources (uses)	<u>46,068</u>	<u>46,068</u>	<u>(4,904)</u>	<u>(50,972)</u>
Other Financing Sources (Uses):				
Transfers in (out)	<u>(46,068)</u>	<u>(46,068)</u>	<u>(60,000)</u>	<u>(13,932)</u>
Total other financing sources (uses)	<u>(46,068)</u>	<u>(46,068)</u>	<u>(60,000)</u>	<u>(13,932)</u>
Change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(64,904)	<u>\$ (64,904)</u>
Fund Balance, Beginning of Year			<u>(292,384)</u>	
Fund Balance (Deficit), End of Year			<u>\$ (357,288)</u>	

COMPLIANCE SECTION

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Golden Beach, Florida (the "Town") as of and for the year ended September 30, 2020, and the related notes to the financial statements which collectively comprise the Town's basic financial statements and have issued our report thereon dated April 13, 2021.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

KEEFE McCULLOUGH

Fort Lauderdale, Florida
April 13, 2021

INDEPENDENT AUDITOR'S REPORT TO TOWN MANAGEMENT

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

Report on the Financial Statements

We have audited the financial statements of the Town of Golden Beach, Florida (the "Town"), as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated April 13, 2021.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with AICPA *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated April 13, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the basic financial statements. The Town of Golden Beach, Florida was established by the Board of Miami-Dade County Commissioners with the adoption of Ordinance 97-7. The Town does not have any component units.

CPA's + Trusted Advisors

Financial Condition and Management

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

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

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

Additional Matters

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

Purpose of the Letter

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

KEEFE McCULLOUGH

Fort Lauderdale, Florida
April 13, 2021

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH
SECTION 218.415, FLORIDA STATUTES

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

We have examined the Town of Golden Beach, Florida's (the "Town") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2020. Management is responsible for the Town's compliance with the specific requirements. Our responsibility is to express an opinion on the Town's compliance with the specific requirements based on our examination.

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

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

In our opinion, the Town complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.

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

KEEFE McCULLOUGH

Fort Lauderdale, Florida
April 13, 2021

CPA's + Trusted Advisors