

*In the opinion of Bond Counsel, assuming continuing compliance by the Town with certain tax covenants, under existing statutes, regulations, rulings and judicial decisions, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. For tax years beginning after December 31, 2022, interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal alternative minimum tax imposed on certain corporations under the Code. See "TAX MATTERS" for a description of certain provisions of the Code that may affect the federal tax treatment of interest on the Bonds for certain owners thereof.*



**\$7,000,000**  
**TOWN OF GOLDEN BEACH, FLORIDA**  
**GENERAL OBLIGATION BONDS,**  
**SERIES 2022**

**Dated: Date of Delivery**

**Due: April 1, as shown on the inside cover page**

The Town of Golden Beach, Florida General Obligation Bonds, Series 2022 (the "Bonds") will be issued only as fully registered bonds, without coupons, in denominations of \$5,000 or integral multiples thereof and will be initially registered only in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. The Bonds will be available to purchasers only under the bookentry system maintained by DTC through brokers and dealers who are, or act through, DTC Participants (as defined herein). Purchasers will not receive delivery of the Bonds. So long as any purchaser is the Beneficial Owner (as defined herein) of the Bonds, such purchaser must maintain an account with a broker or dealer who is, or acts through, a DTC Participant to receive payment of principal of and interest on such Bonds. See "DESCRIPTION OF THE BONDS - Book-Entry Only System" herein. Interest on the Bonds will be payable semi-annually on each April 1 and October 1, commencing April 1, 2023. Truist Bank, will serve as initial Paying Agent and Bond Registrar.

Certain of the Bonds are subject to optional and mandatory redemption prior to maturity, as more fully described herein. See "DESCRIPTION OF THE BONDS - Redemption Provisions" herein.

The Bonds are being issued under the authority of, and in full compliance with, the Constitution and the laws of the State of Florida, including Chapter 166, Florida Statutes, as amended, the Charter of the Town of Golden Beach, Florida (the "Town"), and other provisions of law (the "Act") and pursuant to a bond referendum of the Town held pursuant to Resolution No. 2811.22, adopted on April 28, 2022, by the Town Council of the Town (the "Town Council"), as amended by Resolution No. 2820.22 adopted on May 17, 2022 by the Town Council (collectively, the "Referendum Resolution"), and pursuant to Resolution No. 2836.22, adopted by the Town Council on August 30, 2022 (the "Bond Resolution"). The issuance of the Bonds was approved by a majority of the qualified electors of the Town voting in a bond referendum held on August 23, 2022.

The Bonds are being issued to (i) finance the cost to construct a wellness center, and improve one or more of the following: park(s), lighting, the beach pavilion, signage and fountains (collectively, the "Project") and (ii) pay the costs of issuance of the Bonds. See "PURPOSE OF THE BONDS - Project" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

The Bonds are general obligation bonds of the Town. In each year in which the Bonds are outstanding there shall be assessed, levied and collected an ad valorem tax, without limitation as to rate or amount, on all taxable property within the Town (excluding exemptions as provided by applicable law) sufficient in amount to pay the principal of, redemption premium, if any, and interest on the Bonds as the same become due. Such ad valorem tax shall be assessed, levied and collected in the same manner and at the same time as other Town ad valorem taxes are assessed, levied and collected and the proceeds of said tax shall be applied solely to the payment of principal of and interest on the Bonds. THE FULL FAITH, CREDIT AND AD VALOREM TAXING POWER OF THE TOWN HAVE BEEN PLEDGED FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST AND REDEMPTION PREMIUM, IF ANY, ON THE BONDS. SEE "SECURITY FOR THE BONDS" herein.

The Bonds are offered when, as and if issued and accepted by the Underwriter, subject to the opinion on certain legal matters relating to their issuance by Weiss Serota Helfman Cole & Bierman, P.L., Coral Gables, Florida, Bond Counsel. Certain legal matters will be passed on for the Town by Weiss Serota Helfman Cole & Bierman, P.L., Coral Gables, Florida, Disclosure Counsel and Town Attorney. Certain legal matters will be passed on for the Underwriter by Bryant Miller Olive P.A., Miami, Florida. Estrada Hinojosa & Company, Inc., Miami, Florida is serving as Financial Advisor to the Town with respect to the Bonds. It is expected that settlement for the Bonds will occur through the facilities of DTC in New York, New York, on or about October 21, 2022.

*This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read this entire official statement to obtain information essential to making an informed investment decision.*



**Dated: October 6, 2022**

**\$7,000,000**  
**TOWN OF GOLDEN BEACH, FLORIDA**  
**GENERAL OBLIGATION BONDS,**  
**SERIES 2022**

**MATURITIES, AMOUNTS, INTEREST RATES, YIELDS, PRICES, AND INITIAL CUSIP  
NUMBERS**

<b><u>Maturity</u></b> <b><u>(April 1)</u></b>	<b><u>Principal</u></b> <b><u>Amount</u></b>	<b><u>Interest</u></b> <b><u>Rate</u></b>	<b><u>Yield</u></b>	<b><u>Price</u></b>	<b><u>Initial</u></b> <b><u>CUSIP No.**</u></b>
2039	\$360,000	4.250%	4.460%	97.568	38080NCC4
2040	375,000	4.250	4.500	96.998	38080NCD2
2041	395,000	4.375	4.550	97.828	38080NCE0
2042	410,000	4.500	4.570	99.101	38080NCF7

\$2,380,000\* 5.250% Term Bonds due on April 1, 2047 - Yield 4.410% - Price 106.428\* - Initial CUSIP No. 38080NCG5\*\*

\$3,080,000\* 5.250% Term Bonds due on April 1, 2052 - Yield 4.510% - Price 105.637\* - Initial CUSIP No. 38080NCH3\*\*

\*Priced to first call date of April 1, 2032.

\*\*CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by Standards & Poor's Financial Services LLC on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. CUSIP numbers are included herein solely for the convenience of the purchasers of the Bonds. Neither the Town nor the Underwriter shall be responsible for the selection or correctness of the CUSIP numbers set forth herein.

**TOWN OF GOLDEN BEACH, FLORIDA**

**MAYOR**

Glenn Singer

**COUNCIL MEMBERS**

Jaime Mendal, Vice-Mayor

Judy Lusskin

Kenneth Bernstein

Bernard Einstein

**TOWN MANAGER**

Alexander Diaz

**TOWN CLERK**

Lissette Perez

**FINANCE DIRECTOR**

Maria D. Camacho

**TOWN ATTORNEY**

Weiss Serota Helfman Cole & Bierman, P.L.

Coral Gables, Florida

**BOND COUNSEL AND DISCLOSURE COUNSEL**

Weiss Serota Helfman Cole & Bierman, P.L.

Coral Gables, Florida

**FINANCIAL ADVISOR**

Estrada Hinojosa & Company, Inc.

Miami, Florida

Dallas, Texas

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NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE TOWN OF GOLDEN BEACH, FLORIDA (THE "TOWN") OR THE UNDERWRITER TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS OFFICIAL STATEMENT, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE TOWN OR THE UNDERWRITER. THIS OFFICIAL STATEMENT NEITHER CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, NOR SHALL THERE BE ANY SALE OF THE BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE. THE INFORMATION SET FORTH HEREIN HAS BEEN FURNISHED BY THE TOWN, THE DEPOSITORY TRUST COMPANY (AS TO ITSELF AND THE BOOK-ENTRY ONLY SYSTEM), AND OTHER SOURCES WHICH ARE BELIEVED TO BE RELIABLE, BUT SUCH INFORMATION IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS BY, AND IS NOT TO BE CONSTRUED AS A REPRESENTATION OF, THE UNDERWRITER. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE THE IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE TOWN SINCE THE DATE HEREOF.

THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT PURSUANT TO ITS RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

UPON ISSUANCE, THE BONDS WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, WILL NOT BE LISTED ON ANY STOCK OR OTHER SECURITIES EXCHANGE, AND NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER FEDERAL, STATE, MUNICIPAL OR OTHER GOVERNMENTAL ENTITY, OTHER THAN THE TOWN, WILL HAVE PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT OR APPROVED THE BONDS FOR SALE. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

REFERENCES HEREIN TO LAWS, RULES, REGULATIONS, RESOLUTIONS, AGREEMENTS, REPORTS AND OTHER DOCUMENTS DO NOT PURPORT TO BE COMPREHENSIVE OR DEFINITIVE. ALL REFERENCES TO SUCH DOCUMENTS ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PARTICULAR DOCUMENT, THE FULL TEXT OF WHICH MAY CONTAIN QUALIFICATIONS OF AND EXCEPTIONS TO STATEMENTS MADE HEREIN. WHERE FULL TEXTS HAVE NOT BEEN INCLUDED AS APPENDICES TO THIS OFFICIAL STATEMENT THEY MAY BE OBTAINED FROM LISSETTE PEREZ, TOWN CLERK, 1 GOLDEN BEACH DRIVE, GOLDEN BEACH, FLORIDA 33160, (305) 932-0744, UPON PREPAYMENT OF REPRODUCTION COSTS, POSTAGE AND HANDLING EXPENSES.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY UPON THEIR OWN EXAMINATION OF THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE UNDERWRITER MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS AND OTHERS AT YIELDS HIGHER THAN THE PUBLIC OFFERING YIELDS REFLECTED ON THE INSIDE COVER PAGE OF THIS OFFICIAL STATEMENT, AND SUCH PUBLIC OFFERING YIELDS MAY BE CHANGED FROM TIME TO TIME, AFTER THE INITIAL OFFERING TO THE PUBLIC, BY THE UNDERWRITER.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE CAPTIONS AND HEADINGS IN THIS OFFICIAL STATEMENT ARE FOR CONVENIENCE OF REFERENCE ONLY AND IN NO WAY DEFINE, LIMIT OR DESCRIBE THE SCOPE OR INTENT, OR AFFECT THE MEANING OR CONSTRUCTION, OF ANY PROVISIONS OR SECTIONS IN THIS OFFICIAL STATEMENT. THE OFFERING OF THE BONDS IS MADE ONLY BY MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

THIS OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS EITHER IN BOUND PRINTED FORM (“ORIGINAL BOUND FORMAT”) OR IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITE: [[www.MuniOS.com](http://www.MuniOS.com).] THIS OFFICIAL STATEMENT MAY BE RELIED UPON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT OR AS PRINTED IN ITS ENTIRETY DIRECTLY FROM SUCH WEBSITE.

**TABLE OF CONTENTS**

INTRODUCTION ..... 1

PURPOSE OF THE BONDS..... 2

    General ..... 2

    Project..... 2

ESTIMATED SOURCES AND USES OF FUNDS ..... 3

DEBT SERVICE SCHEDULE..... 4

DESCRIPTION OF THE BONDS ..... 5

    General ..... 5

    Redemption Provisions..... 5

    Book-Entry Only System..... 8

    Registration, Transfer and Exchange..... 10

    Replacement of Bonds Mutilated, Destroyed, Stolen or Lost ..... 11

SECURITY FOR THE BONDS ..... 12

AD VALOREM TAXATION ..... 12

    General ..... 12

    Truth in Millage Bill..... 13

    Property Assessment Procedures..... 13

    Levy and Collection of Ad Valorem Taxes..... 14

    Constitutional Amendments and Property Tax Reform ..... 15

    Setting the Millage Rate ..... 19

    Assessed Valuations ..... 20

    Millage Rates..... 21

    Tax Collection ..... 21

    Tax Deeds..... 22

THE TOWN..... 24

    Background..... 24

    Town Government..... 25

    Administration ..... 25

    Financial Statements and Annual Audit ..... 26

    Budget..... 27

    Investment Policy and Debt Policy..... 27

General Fund .....	27
General Obligation Bonds Debt Service Fund .....	31
LIABILITIES OF THE TOWN .....	31
Insurance Considerations Affecting the Town .....	31
Ability to be Sued, Judgments Enforceable.....	31
Debt of the Town.....	32
INVESTMENT CONSIDERATIONS .....	32
PENSION AND OTHER POST-EMPLOYMENT BENEFIT PLANS .....	34
Pension Plans.....	34
Other Post-Employment Benefits.....	36
FINANCIAL STATEMENTS .....	37
LITIGATION.....	37
LEGAL MATTERS.....	37
TAX MATTERS.....	38
New Corporate Alternative Minimum Tax.....	39
Other Tax Matters.....	39
ORIGINAL ISSUE DISCOUNT .....	40
ORIGINAL ISSUE PREMIUM.....	40
RATING .....	40
ADVISORS AND CONSULTANTS.....	41
UNDERWRITING.....	41
DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATION .....	42
FORWARD LOOKING STATEMENTS .....	42
CONTINUING DISCLOSURE .....	43
MISCELLANEOUS .....	46
APPENDIX A	FINANCIAL STATEMENTS OF THE TOWN OF GOLDEN BEACH, FLORIDA FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021
APPENDIX B	GENERAL INFORMATION PERTAINING TO THE TOWN OF GOLDEN BEACH, FLORIDA
APPENDIX C	BOND RESOLUTION
APPENDIX D	FORM OF APPROVING OPINION OF BOND COUNSEL



**OFFICIAL STATEMENT**  
*relating to the issuance of*  
**\$7,000,000**  
**TOWN OF GOLDEN BEACH, FLORIDA**  
**GENERAL OBLIGATION BONDS,**  
**SERIES 2022**

**INTRODUCTION**

**General**

The purpose of this Official Statement, which includes the cover and inside cover page and the Appendices hereto, is to furnish information with respect to the issuance by the Town of Golden Beach, Florida (the “Town”) of its General Obligation Bonds, Series 2022, in the aggregate principal amount of \$7,000,000 (the “Bonds”). The Bonds are authorized to be issued pursuant to the Constitution and the laws of the State of Florida, including Chapter 166, Florida Statutes, as amended, the Charter of the Town and other applicable provisions of law (the “Act”), and pursuant to the bond referendum of the Town held pursuant to Resolution No. 2811.22, adopted on April 28, 2022, by the Town Council of the Town (the “Town Council”), as amended by Resolution No. 2820.22 adopted on May 17, 2022 by the Town Council (collectively, the “Referendum Resolution”), and pursuant to Resolution No. 2836.22 adopted by the Town Council on August 30, 2022 (the “Bond Resolution”).

The Bonds are being issued to (i) finance the cost to construct a wellness center, and improve one or more of the following: park(s), lighting, the beach pavilion, signage and fountains (collectively, the “Project”) and (ii) pay the costs of issuance of the Bonds. See “PURPOSE OF THE BONDS – Project” and “ESTIMATED SOURCES AND USES OF FUNDS” herein. The issuance of general obligation bonds for the Project was approved by a majority of the qualified electors of the Town voting in a bond referendum held on August 23, 2022 (the “Bond Referendum”). Such referendum was authorized pursuant to the Referendum Resolution.

The Bonds are general obligation bonds of the Town to which the full faith and credit and taxing power of the Town are irrevocably pledged. The Bonds are payable from ad valorem taxes levied without limitation as to rate or amount on all taxable property within the Town (excluding exemptions as provided by law), sufficient in amount to pay the principal of and interest, and redemption premiums, if any, on the Bonds. See “SECURITY FOR THE BONDS” herein.

Capitalized terms used but not defined in this Official Statement shall have the same meaning as when used in the Bond Resolution unless the context would clearly indicate otherwise. The applicable definitions are contained in the Bond Resolution attached as Appendix C hereto. The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is made to the originals of all such documents for full and complete statements of all matters of fact relating to the Bonds, the security for the payment of the Bonds, and the rights and obligations of registered owners thereof. In particular, certain provisions of the Bond Resolution are summarized herein, but these summaries are qualified by the complete provisions of the Bond Resolution, and reference is made to the Bond Resolution for additional provisions not summarized herein. Copies of such documents may be obtained from Lissette Perez, Town Clerk, 1 Golden Beach Drive, Golden Beach, Florida 33160, (305) 932-0744, upon prepayment of reproduction costs, postage and handling expenses.

The assumptions, estimates, projections and matters of opinion contained in this Official Statement, whether or not so expressly stated, are set forth as such and not as matters of fact, and no representation is made that any of the assumptions or matters of opinion herein are valid or that any projections or estimates contained herein will be realized. See “FORWARD LOOKING STATEMENTS” herein. Neither this Official Statement nor any other statement which may have been made verbally or in writing in connection with the Bonds, other than the Bond Resolution, is to be construed as a contract with the registered owners of the Bonds.

## **PURPOSE OF THE BONDS**

### **General**

The Bonds are being issued to (i) finance the Project, and (ii) pay the costs of issuance of the Bonds. See “ESTIMATED SOURCES AND USES OF FUNDS” herein.

### **Project**

The Project consists of the construction of a wellness center, and the improvement to one or more of the following; park(s), lighting, the beach pavilion, signage and fountains.

The Wellness Center will be a brand new state-of-the-art facility with a community exercise gym and recreation spaces. Features would include gym, yoga studio and quiet study/meditative space. The facility would also house youth-designated areas and a multipurpose activity space, which would create a hub for hosting events and guest speakers as a way to foster community engagement.

In addition to the Wellness Center, proceeds of the Bonds will be used for Tweddle Park Improvements (described below), park restrooms, A1A beautification, enhancements to the Beach Pavilion and updated entrance signage and fountains. A new creative Tot-lot complete with accessible restrooms, concession room and stroller track will be included. The proposed Tot-lot would be double the size of the existing Tot-lot and would feature a modern, picturesque design.

The reimagined Tweddle Park would contain:

- (2) Pickleball Courts
- (2) Hard Surface Tennis courts
- (1) Clay Tennis Court
- (1) Full Jr. Basketball Court
- (3) New dog park areas including separate sections for large and small dogs
- New parking layout
- New site lighting, furnishings & landscape design

## ESTIMATED SOURCES AND USES OF FUNDS

The proceeds expected to be received from the sale of the Bonds and their expected applications are as follows:

### Sources of Funds

Par Amount of Bonds	\$7,000,000.00
Net Original Issue Premium	<u>294,328.00</u>
<b>Total Sources</b>	<b><u>\$7,294,328.00</u></b>

### Uses of Funds

Deposit to Project Fund	\$7,108,505.67
Underwriter's Discount	55,822.33
Costs of Issuance <sup>(1)</sup>	<u>130,000.00</u>
<b>Total Uses</b>	<b><u>\$7,294,328.00</u></b>

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<sup>(1)</sup> Includes legal, financial advisor, rating agency, printing and other related fees.

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## DEBT SERVICE SCHEDULE

The following table sets forth the approximate aggregate debt service requirements for the Bonds and the Town's outstanding General Obligation Refunding Bonds, Series 2016 (the "Series 2016 Bonds").

Fiscal Year Ending (September 30)	<u>Series 2016 Bonds</u>			<u>Series 2022 Bonds</u>			Total Debt Service*
	<u>Principal</u>	<u>Interest</u>	<u>Debt Service*</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service*</u>	
2023	485,000	418,056	903,056	--	\$157,164	\$157,164	\$1,060,220
2024	510,000	393,181	903,181	--	353,619	353,619	1,256,800
2025	535,000	367,056	902,056	--	353,619	353,619	1,255,675
2026	560,000	339,681	899,681	--	353,619	353,619	1,253,300
2027	585,000	311,056	896,056	--	353,619	353,619	1,249,675
2028	610,000	287,281	897,281	--	353,619	353,619	1,250,900
2029	625,000	268,366	893,366	--	353,619	353,619	1,246,984
2030	650,000	247,631	897,631	--	353,619	353,619	1,251,250
2031	670,000	224,938	894,938	--	353,619	353,619	1,248,556
2032	690,000	200,706	890,706	--	353,619	353,619	1,244,325
2033	720,000	174,700	894,700	--	353,619	353,619	1,248,319
2034	745,000	146,300	891,300	--	353,619	353,619	1,244,919
2035	775,000	115,900	890,900	--	353,619	353,619	1,244,519
2036	805,000	84,300	889,300	--	353,619	353,619	1,242,919
2037	835,000	51,500	886,500	--	353,619	353,619	1,240,119
2038	870,000	17,400	887,400	--	353,619	353,619	1,241,019
2039	--	--	--	\$360,000	353,619	713,619	713,619
2040	--	--	--	375,000	338,319	713,319	713,319
2041	--	--	--	395,000	322,382	717,381	717,381
2042	--	--	--	410,000	305,100	715,100	715,100
2043	--	--	--	430,000	286,650	716,650	716,650
2044	--	--	--	450,000	264,075	714,075	714,075
2045	--	--	--	475,000	240,450	715,450	715,450
2046	--	--	--	500,000	215,513	715,513	715,513
2047	--	--	--	525,000	189,263	714,263	714,263
2048	--	--	--	555,000	161,700	716,700	716,700
2049	--	--	--	585,000	132,563	717,563	717,563
2050	--	--	--	615,000	101,850	716,850	716,850
2051	--	--	--	645,000	69,563	714,563	714,563
2052	--	--	--	<u>680,000</u>	<u>35,700</u>	<u>715,700</u>	<u>715,700</u>
Total	<u>\$12,390,000</u>	<u>\$6,276,999</u>	<u>\$18,666,999</u>	<u>\$7,000,000</u>	<u>\$8,478,189</u>	<u>\$15,478,189</u>	<u>\$29,796,242</u>

\*Totals may not add due to rounding.

## DESCRIPTION OF THE BONDS

### General

The Bonds will be dated as of their date of delivery, will be issued in fully registered form, without coupons, in denominations of \$5,000 and in integral multiples thereof and will bear interest payable semi-annually on each April 1 and October 1, commencing on April 1, 2023 (each an “Interest Payment Date”) at the interest rates (computed on the basis of a 360-day year consisting of twelve 30-day months), principal shall be payable each April 1, commencing on April 1, 2039, and mature on the dates set forth on the inside cover page of this Official Statement. Certain of the Bonds will be subject to redemption as described under “Redemption Provisions” herein.

The Bonds will be payable in lawful money of the United States of America at the offices of Truist Bank, as Paying Agent (the “Paying Agent”), in North Carolina. Truist Bank is also serving as the initial Bond Registrar for the Bonds (the “Bond Registrar”). Interest on the Bonds shall be paid by check or draft drawn upon the Paying Agent and mailed to the registered owners of the Bonds at the addresses as they appear on the registration books maintained by the Bond Registrar at the close of business on the 15th day (whether or not a business day) of the month next preceding the interest payment date (the “Record Date”), irrespective of any transfer or exchange of such Bonds subsequent to such Record Date and prior to such interest payment date, unless the Town shall be in default in payment of interest due on such interest payment date; provided, however, that (1) if ownership of Bonds is maintained in a book-entry only system by a securities depository, such payment may be made by automatic funds transfer (wire) to such securities depository or its nominee or (2) if such Bonds are not maintained in a book-entry only system by a securities depository, upon written request of the holder of \$1,000,000 or more in principal amount of Bonds, such payments may be made by wire transfer to the bank and bank account specified in writing by such holder on or prior to the Record Date (such bank being a bank within the continental United States), if such holder has advanced to the Paying Agent the amount necessary to pay the cost of such wire transfer or authorized the Paying Agent to deduct the cost of such wire transfer from the payment due such holder. In the event of any default in the payment of interest, such defaulted interest shall be payable to the persons in whose names such Bonds are registered at the close of business on a special record date for the payment of such defaulted interest as established by notice deposited in the U.S. mails, postage prepaid, by the Paying Agent to the registered owners of the Bonds not less than fifteen (15) days preceding such special record date. Such notice shall be mailed to the persons in whose names the Bonds are registered at the close of business on the fifth day (whether or not a business day) preceding the date of mailing.

### Redemption Provisions

*Optional Redemption.* The Bonds shall be subject to redemption prior to their maturity, at the option of the Town on or after April 1, 2032, as a whole or in part at any time, and if in part as selected by the Town among maturities and by lot within a maturity if less than the entire maturity is to be redeemed, at a redemption price of 100% of the principal amount thereof plus accrued interest from the most recent interest payment date to the redemption date.

*Mandatory Redemption.* The Bonds maturing on April 1, 2047 are subject to mandatory sinking fund redemption prior to maturity, in part, to be selected by lot, at a redemption price of 100% of the principal amount thereof, plus accrued interest to the redemption date, in the following years and in the following principal amounts:

<u>Year</u> <u>(April 1)</u>	<u>Principal Amount</u>
2043	\$430,000
2044	450,000
2045	475,000
2046	500,000
2047*	525,000

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\*Final Maturity

The Bonds maturing on April 1, 2052 are subject to mandatory sinking fund redemption prior to maturity, in part, to be selected by lot, at a redemption price of 100% of the principal amount thereof, plus accrued interest to the redemption date, in the following years and in the following principal amounts:

<u>Year</u> <u>(April 1)</u>	<u>Principal Amount</u>
2048	\$555,000
2049	585,000
2050	615,000
2051	645,000
2052*	680,000

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\*Final Maturity

Notice of Redemption. Notice of redemption shall be given by deposit in the U.S. mail of a copy of a redemption notice, postage prepaid, at least thirty (30) and not more than forty-five (45) days before the redemption date to all registered owners of the Bonds or portions of the Bonds to be redeemed at their addresses as they appear on the registration books to be maintained in accordance with the provisions hereof. Failure to mail any such notice to a registered owner of a Bond, or any defect therein, shall not affect the validity of the proceedings for redemption of any Bond or portion thereof with respect to which no failure or defect occurred. Such notice shall set forth the date fixed for redemption, the rate of interest borne by each Bond being redeemed, the name and address of the Bond Registrar and Paying Agent, the redemption price to be paid and, if less than all of the Bonds then outstanding shall be called for redemption, the distinctive numbers and letters, including CUSIP numbers, if any, of such Bonds to be redeemed and, in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. If any Bond is to be redeemed in part only, the notice of redemption which relates to such Bond shall also state that on or after the redemption date, upon surrender of such Bond, a new Bond or Bonds in a principal amount equal to the unredeemed portion of such Bond will be issued.

In the case of an optional redemption, the notice of redemption may state that (1) it is conditioned upon the deposit of moneys with the Paying Agent or with an escrow agent under an escrow deposit agreement, in amounts necessary to effect the redemption, no later than the redemption date or (2) the Town retains the right to rescind such notice on or prior to the scheduled redemption date (in either case, a "Conditional Redemption"), and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded as described in this paragraph. Any such notice of Conditional Redemption shall be captioned "Conditional Notice of Redemption." Any Conditional Redemption may be rescinded at any time prior to the redemption date if the Town delivers a written direction to the Paying Agent directing the Paying Agent to rescind the redemption notice. The Paying Agent shall give prompt notice of such rescission to the affected Bondholders. Any Bonds subject to Conditional Redemption where redemption has been rescinded shall remain Outstanding, and neither the

rescission nor the failure by the Town to make such moneys available shall constitute an event of default under the Bond Resolution. The Town shall give immediate notice to each municipal securities information repository as may be required by law or applicable legislation (each such information repository, a "MSIR") and the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain Outstanding.

Any notice mailed as provided in the Bond Resolution shall be conclusively presumed to have been duly given, whether or not the owner of such Bond receives such notice.

In addition to the mailing of the notice described above, each notice of redemption and payment of the redemption price shall meet the requirements set forth in clauses (i) and (ii) below; provided, however, that, notwithstanding any other provision of the Bond Resolution to the contrary, failure to comply with the terms of this paragraph shall not in any manner defeat the effectiveness of a call for redemption if notice thereof is given as otherwise described above.

(i) Each notice of redemption shall be sent at least thirty (30) days before the redemption date by registered or certified mail or overnight delivery service or email to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds and to one or more national information services that disseminate notices of redemption of obligations such as the Bonds.

(ii) Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

The Bond Registrar shall not be required to transfer or exchange any Bond after the publication and mailing of a notice of redemption nor during the period of fifteen (15) days next preceding publication and mailing of a notice of redemption.

Effect of Redemption. Notice having been given in the manner and under the conditions provided in the paragraphs above, the Bonds or portions of Bonds so called for redemption shall, on the redemption date designated in such notice, become and be due and payable at the redemption price provided for redemption for such Bonds or portions of Bonds on such date. On the date so designated for redemption, moneys for payment of the redemption price being held in separate accounts by the Paying Agent or other Authorized Depository in trust for the registered owners of the Bonds or portions thereof to be redeemed, all as provided in the Bond Resolution, interest on the Bonds or portions of Bonds so called for redemption shall cease to accrue, such Bonds and portions of Bonds shall cease to be entitled to any lien, benefit or security under the Bond Resolution and shall be deemed paid thereunder, and the registered owners of such Bonds or portions of Bonds shall have no right in respect thereof except to receive payment of the redemption price thereof and, to the extent provided in the next paragraph, to receive Bonds for any unredeemed portions of the Bonds.

In case part but not all of an outstanding fully registered Bond shall be selected for redemption, the registered owners thereof shall present and surrender such Bond to the Paying Agent for payment of the principal amount thereof so called for redemption, and the Town shall execute and deliver to or upon the order of such registered owner, without charge therefor, for the unredeemed balance of the principal amount of the Bonds so surrendered, a Bond or Bonds fully registered as to principal and interest.

Bonds or portions of Bonds that have been duly called for redemption under the provisions of the Bond Resolution, or as to which irrevocable instructions to call for redemption have been given by the

Town, and with respect to which amounts (including Government Obligations) sufficient to pay the principal of, redemption premium, if any, and interest to the date fixed for redemption shall be delivered to and held in separate trust accounts by any Authorized Depository or the Paying Agent in trust for the registered owners thereof, as provided in the Bond Resolution, shall not be deemed to be Outstanding under the provisions of the Bond Resolution and shall cease to be entitled to any lien, benefit or security under the Bond Resolution, except to receive the payment of the redemption price on or after the designated date of redemption from moneys deposited with or held by the Authorized Depository or Paying Agent, as the case may be, for such redemption of the Bonds and, to the extent provided in the Bond Resolution, to receive Bonds for any unredeemed portion of the Bonds.

If the date for payment of the principal of, redemption premium, if any, or interest on the Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Town where the corporate trust office of the Paying Agent is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such day shall have the same force and effect as if made on the nominal date of payment.

### **Book-Entry Only System**

*The following information concerning The Depository Trust Company (“DTC”) and DTC’s book-entry system is based solely on information furnished by DTC on its website for inclusion in this Official Statement, that the Town and the Underwriter believes to be reliable, but neither the Town nor the Underwriter take responsibility for the accuracy thereof.*

The Depository Trust Company (“DTC”), New York, New York, or its successor, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each interest rate of each maturity in the aggregate principal amount of such maturity of the Bonds, as set forth on the inside cover page of this Official Statement, and will be deposited with DTC. References herein to registered owners of the Bonds, shall mean DTC or Cede & Co., and shall not mean the Beneficial Owners referred to below. Certain portions of the following information have been furnished by DTC. So long as Cede & Co. is the registered owner of the Bonds, payments of the principal of and interest due on the Bonds will be payable directly to DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also



available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of the Bonds (the “Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bonds documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Bonds are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Town as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments (including redemption payments) on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts, upon DTC’s receipt of funds and corresponding detail information from the Town or the Paying Agent on the payable date in accordance with their respective

holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Town or the Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Town or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, bond certificates are required to be printed and delivered.

The Town may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Town believes to be reliable, but the Town takes no responsibility for the accuracy thereof.

SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE SOLE REGISTERED OWNER, THE TOWN AND THE PAYING AGENT SHALL TREAT CEDE & CO. AS THE ONLY OWNER OF THE BONDS FOR ALL PURPOSES UNDER THE BOND RESOLUTION, INCLUDING RECEIPT OF ALL PRINCIPAL OF, REDEMPTION PREMIUM, IF ANY, AND INTEREST ON THE BONDS, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING THE TOWN AND THE PAYING AGENT TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER SUCH BOND RESOLUTION. NEITHER THE TOWN, THE PAYING AGENT, NOR THE UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT; (B) THE PAYMENT BY ANY PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF, OR PREMIUM, IF ANY, OR INTEREST ON, THE BONDS; (C) THE DELIVERY OR TIMELINESS OF DELIVERY BY ANY PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE BOND RESOLUTION TO BE GIVEN TO BONDHOLDERS; (D) THE SELECTION BY DTC OR ANY DTC PARTICIPANT OR INDIRECT PARTICIPANT OF ANY BENEFICIAL OWNER TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE BONDS; OR (E) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC OR CEDE & CO., AS REGISTERED OWNER.

### **Registration, Transfer and Exchange**

The Bonds will be and have all the qualities and incidents of negotiable instruments under the Uniform Commercial Code - Investment Securities Laws of the State of Florida, subject to the DTC book-entry only system and to the provisions for registration, exchange and transfer contained in the Bond Resolution and in the Bonds.

Subject to the DTC book-entry system, any Bond may be transferred upon the registration books maintained by the Bond Registrar upon delivery thereof to the designated corporate trust office of the Bond

Registrar accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Bond Registrar, duly executed by the Bondholder or his attorney-in-fact or legal representative, containing written instructions as to the details of the transfer of such Bond, along with the social security number or federal employer identification number of such transferee. In all cases of a transfer of a Bond, the Bond Registrar shall at the earliest practical time in accordance with the terms hereof enter the transfer of ownership in the registration books and shall deliver in the name of the new transferee or transferees a new fully registered Bond or Bonds of the same maturity and interest rate and of authorized denomination or denominations, for the same aggregate principal amount and payable from the same source of funds. Bonds may be exchanged at the office of the Bond Registrar for a like aggregate principal amount of Bonds, of other authorized denominations of the same, maturity and interest rate. The Town and the Bond Registrar may charge the Bondholder for the registration of every transfer or exchange of a Bond an amount sufficient to reimburse them for any tax, fee or any other governmental charge required (other than by the Town) to be paid with respect to the registration of such transfer or exchange, and may require that such amounts be paid before any such new Bond shall be delivered.

The Town, the Bond Registrar, and the Paying Agent may deem and treat the registered owner of any Bond as the absolute owner of such Bond for the purpose of receiving payment of the principal thereof and the interest and redemption premium, if any, thereon.

#### **Replacement of Bonds Mutilated, Destroyed, Stolen or Lost**

If any Bond is mutilated, destroyed, stolen or lost, the Town or its agent may, in its discretion (i) deliver a duplicate replacement Bond, or (ii) pay a Bond that has matured or is about to mature. A mutilated Bond shall be surrendered to and canceled by the Bond Registrar. The Bondholder must furnish the Town and the Bond Registrar proof of ownership of any destroyed, stolen or lost Bond; post satisfactory indemnity; comply with any reasonable conditions the Town and the Bond Registrar may prescribe; and pay the Town's and the Bond Registrar's reasonable expenses.

Any such duplicate Bond shall constitute an original contractual obligation on the part of the Town whether or not the destroyed, stolen or lost Bond be at any time found by anyone, and such duplicate Bond shall be entitled to equal and proportionate benefits and rights as to lien on, and source of payment of and security for payment from, the funds pledged to the payment of the Bond so mutilated, destroyed, or stolen or lost.

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## **SECURITY FOR THE BONDS**

The Bonds are payable from ad valorem taxes assessed, levied and collected on all taxable property in the Town (excluding exemptions as required by law) without limitation as to rate or amount. The direct annual property tax provided to pay the Bonds is required to be levied upon all taxable property within the corporate limits of the Town, except property of such nature as may be exempt from taxation under the provisions of the Constitution and laws of the State of Florida (the "State"). The ad valorem taxes so levied and collected shall be in addition to all other taxes so collected, shall be in an amount sufficient to pay the principal of and interest and redemption premium, if any, on the Bonds as the same shall become due and shall be assessed, levied and collected in the same manner and at the same time as other ad valorem taxes. The proceeds of such tax shall be applied solely to the payment of the principal of and interest and redemption premium, if any, on the Bonds. See "AD VALOREM TAXATION" herein.

Pursuant to the Bond Resolution, the full faith, credit and ad valorem taxing power of the Town are irrevocably pledged to the punctual payment of the principal of and interest on, and redemption premium, if any, on the Bonds as the same shall become due and payable. The Town has covenanted under the Bond Resolution to diligently enforce its right to assess such taxes and to enforce and collect such taxes. The Town has further covenanted that it will not take any action that would impair or adversely affect its rights to levy, collect and receive such taxes, or impair or adversely affect in any manner the pledge of such taxes made in the Bond Resolution or the rights of the holders of the Bonds.

The tax assessed, levied and collected for the security and payment of the Bonds shall be assessed, levied and collected in the same manner and at the same time as other taxes are assessed, levied and collected and the proceeds of said tax shall be applied solely to the payment of the principal of and interest on the Bonds. On or before each interest or principal payment date of the Bonds, the Town shall transfer to the Paying Agent for deposit in the Debt Service Fund established under the Bond Resolution an amount sufficient to pay the principal of, redemption premium, if any, and interest on the Bonds then due and payable. The Bond Resolution authorizes and directs the Paying Agent to apply such funds to said payment.

## **AD VALOREM TAXATION**

### **General**

Florida law requires that all real and personal property be assessed at its just or fair market value, subject to certain exceptions and exemptions. No ad valorem taxes may be levied by the State upon real estate or tangible personal property. Such taxes may be levied only by counties, school districts, municipalities and certain special districts. Railroad properties are centrally assessed at the State level.

Real property used for the following purposes is generally exempt from ad valorem taxation: religious, educational, charitable, scientific, literary, and governmental. In addition, there are special exemptions for widows, hospitals, homesteads, working waterfronts and homes for the aged and disabled veterans. Agricultural land, non-commercial recreational land, inventory, and livestock are assessed at less than 100% of fair market value.

In 2011, the Florida Legislature created Section 194.014, Florida Statutes, which requires that taxpayers appealing the assessed value or assigned classification of their property must make a required partial payment of taxes (generally equal to 75% of the ad valorem taxes due, less the applicable statutory discount, if any) with respect to properties that will have a petition pending on or after the delinquency date (normally April 1). The statute further provides that a taxpayer's failure to make the required partial payment before the delinquency date (normally April 1) will result in the denial of the taxpayer's petition.

Every person who has the legal title or beneficial title in equity to real property in the State and who resides thereon and in good faith makes the same his or her permanent residence or the permanent residence of others legally or naturally dependent upon such person is entitled to an exemption from ad valorem taxation by counties up to the assessed valuation of \$50,000 on the residence and contiguous real property.

The County Property Appraiser applies the final certified millage of each taxing body to the assessed valuation on each item of real and tangible personal property, and prepares the final tax roll which he certifies to the County Tax Collector by April 1. This permits the printing of tax bills for delivery on or about November 1 of each year. The tax bills contain all of the overlapping and underlying millages set by the various taxing bodies, so that all ad valorem taxes are collected by the County Tax Collector and distributed to the various taxing bodies.

### **Truth in Millage Bill**

The Florida Legislature enacted the Truth in Millage Bill (the “Trim Bill”) requiring that only governing bodies of taxing authorities fix the millage rate and requiring that all non-exempt property be assessed at one hundred percent (100%) of just value, with certain exemptions.

### **Property Assessment Procedures**

Property taxes (ad valorem taxes) are assessed as of January 1 and are billed on or about November 1. They are due March 31 and become delinquent April 1 of the following calendar year in which the taxes were levied. On or before June 1 or the sixtieth (60<sup>th</sup>) day after the date of delinquency, whichever is later, delinquent taxes are offered for sale in the form of tax certificates. Assessed values are established by the County Property Appraiser for all properties in the County at approximately fair market value. The County bills and collects all property taxes for the Town. The assessed value of property within the Town at April 1, 2022, upon which the Town’s 2022-2023 ad valorem tax levy will be based, was approximately \$1,438,422,227.

Under Florida law, the assessment of all properties and the collection of all county, municipal, school district and special district property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The Town is permitted by Article 7, Section 9(b) of the Florida Constitution to levy taxes up to 10 mills (\$10 per \$1,000 of assessed valuation) for general governmental services other than general obligation debt service. To the extent required by voter approved general obligation debt, such as the Bonds, unlimited amounts of ad valorem taxes may be levied to pay debt service on such general obligation debt. The millage rate levied by the Town to finance general governmental services (not including voted debt) for the 2021-2022 fiscal year was 8.1363 mills (\$8.1363 per \$1,000 of assessed valuation). The millage rate to be levied by the Town for general governmental services (not including voted debt) for the 2022-2023 fiscal year is 7.735 mills (\$7.735 per \$1,000 of assessed valuation).

Section 4 of Article VII of the Florida Constitution provides, with certain exceptions: “By general law regulations shall be prescribed which shall secure a just valuation of all real property for ad valorem taxation.” The factors considered in arriving at a just valuation, as set forth in Section 193.011, Florida Statutes, as amended, are summarized as follows:

- (1) the present cash value of the property;
- (2) the highest and best use to which the property can be expected to be put in the immediate future and the present use of the property;
- (3) the location of the property;
- (4) the quantity or size of the property;
- (5) the cost of the property and the present replacement value of any improvements to the property;
- (6) the condition of the property;
- (7) the income from the property; and
- (8) the net proceeds of the sale of the property after deduction of all usual and reasonable fees and costs of sale.

The property owner has the right to file an appeal with the County Value Adjustment Board, which considers petitions relating to assessments and exemptions. The County Value Adjustment Board certifies the assessment roll upon completion of the hearing of all appeals. Millage rates are then computed by the various taxing authorities and certified to the County Property Appraiser, who applies the millage rates to the assessment roll. This procedure creates the tax roll which is then annually turned over to the County Tax Collector on or about the first Monday in October.

### **Levy and Collection of Ad Valorem Taxes**

A notice is mailed to each property owner on the tax roll for the taxes levied by cities, counties, school boards, and other taxing authorities. All taxes are due and payable on November 1 of each year or as soon thereafter as the certified tax roll is received by the County Tax Collector. Taxes may be paid upon receipt of such notice with discounts at the rate of 4% if paid in the month of November; 3% if paid in the month of December; 2% if paid in the month of April; and 1% if paid in the month of February. Taxes paid during the month of March are without discount. Taxes become delinquent on April 1 following the year in which they are assessed or 60 days after mailing of the original tax notice, whichever is later. If the delinquency date for ad valorem taxes is later than April 1 of the year following the year in which taxes are assessed, all dates or time periods specified in the Florida Statutes relative to the collection of, or administrative procedures regarding, delinquent taxes shall be extended a like number of days.

Exemptions from the ad valorem tax include the first \$25,000 of assessed value for a homestead; homestead property of totally and permanently disabled persons; improved real property on which a renewable energy source device is installed and operated; inventory; property used by not-for-profit hospitals, nursing homes and homes for special services; property used by certain not-for-profit homes for the aged; property used exclusively for educational purposes by educational institutions or other exempt organizations, including charter schools; property owned by certain charitable, literary, religious or scientific organizations and used predominately for such purposes; property owned and used for educational purposes by labor organizations; property of certain community centers; certain property used for affordable housing; property owned and used by certain governmental units; property of certain not-for-profit sewer and water companies; and the first \$500 of property of every widow, widower, blind person or disabled person.

In addition to the Save Our Homes Amendment and additional homestead amendment (described below) authorizing exemptions under the Florida Constitution, pursuant to Section 193.703, Florida Statutes, a county may provide a reduction in the assessed value of homestead

property which results from the construction or reconstruction of the property for the purpose of providing living quarters for one or more natural or adoptive parents or grandparents of the owner of the property or of the owner's spouse if at least one of the parents or grandparents for whom living quarters are provided is at least 62 years of age. The reduction may not exceed the lesser of the increase in assessed value relating from such construction or reconstruction or 20% of the total assessed value of the property as improved. Miami-Dade County has not adopted this reduction.

## **Constitutional Amendments and Property Tax Reform**

During recent years, various legislative proposals and constitutional amendments relating to ad valorem taxation and revenue limitation have been introduced in the State. Many of these proposals sought to provide for new or increased exemptions to ad valorem taxation, limit the amount of revenues that local governments could generate or otherwise restrict the ability of local governments in the State to levy ad valorem taxes at recent, historical levels. There can be no assurance that similar or additional legislative proposals or constitutional amendments will not be introduced or enacted in the future that would have a material adverse effect upon the Town's finances.

Several constitutional and legislative amendments affecting ad valorem taxes have been approved by voters in the past, including the following:

*Save our Homes Amendment.* By voter referendum held on November 3, 1992, Article VII, Section 4 of the Florida Constitution was amended by adding thereto a subsection which, in effect, limits the increases in assessed just value of homestead property to the lesser of (a) 3% of the assessment for the prior year or (b) the percentage change in the Consumer Price Index for all urban consumers, U.S. Town Average, All Items 1967=100, or successor reports for the preceding calendar year as initially reported by the United States Department of Labor, Bureau of Labor Statistics (the "Save Our Homes Amendment"). Further, the Save Our Homes Amendment provides that (1) no assessment shall exceed just value; (2) after any change of ownership of homestead property or upon termination of homestead status, such property shall be reassessed at just value as of January 1 of the year following the year of sale or change of status; (3) new homestead property shall be assessed at just value as of January 1 of the year following the establishment of the homestead; and (4) changes, additions, reductions or improvements to homestead property shall initially be assessed as provided by general law, and thereafter as provided in the Save Our Homes Amendment. The effective date of the Save Our Homes Amendment was January 5, 1993, and the base year for determining compliance with the restrictions is 1994. The 1995 tax roll year was the first year such limitations were effective.

*Homestead Exemption Increase for Low Income Seniors and Disabled Veterans.* In the November 7, 2006 general election, the voters of Florida approved amendments to the State Constitution, which provide for an increase in the homestead (ad valorem tax) exemption to \$50,000 from \$25,000 for certain low-income seniors effective January 1, 2007 and provide a discount from the amount of ad valorem taxes for certain permanently disabled veterans effective December 7, 2006, respectively.

*Constitutional Amendments relating to ad valorem exemptions.* On January 29, 2008, in a special election held in conjunction with the State's presidential primary, the requisite number of voters approved amendments to the Florida Constitution exempting certain portions of a property's assessed value from taxation. The following is a brief summary of certain important provisions contained in such amendments:

1. Provides for an additional exemption for the assessed value of homestead property between \$50,000 and \$75,000, thus doubling the existing homestead exemption for property with an assessed value equal to or greater than \$75,000.

2. Permits owners of homestead property to transfer their “Save Our Homes” benefit (up to \$500,000) to a new homestead property purchased within two years of the sale of their previous homestead property to which such benefit applied if the just value of the new homestead is greater than or is equal to the just value of the prior homestead. If the just value of the new homestead is less than the just value of the prior homestead, then owners of homestead property may transfer a proportional amount of their “Save Our Homes” benefit, with such proportional amount equaling the just value of the new homestead divided by the just value of the prior homestead multiplied by the assessed value of the prior homestead. As discussed above, the “Save Our Homes” amendment generally limits annual increases in ad valorem tax assessments for those properties with homestead exemptions to the lesser of three percent (3%) or the annual rate of inflation.

3. Exempts from ad valorem taxation \$25,000 of the assessed value of property subject to tangible personal property tax.

4. Limits increases in the assessed value of non-homestead property to 10% per year, subject to certain adjustments. The cap on increases would be in effect for a 10-year period, subject to extension by an affirmative vote of electors.

*Exemptions for Certain Property Uses.* In the November 4, 2008, general election three new constitutional amendments were approved by the voters, which: (a) allow the Florida Legislature, by general law, to exempt from the assessed value of residential homes, improvements made to protect property from wind damage and installation of a new renewable energy source device; (b) assess specified working waterfront properties based on current use rather than highest and best use; and (c) beginning in 2010, provide property tax exemption for real property perpetually used for conservation; and, for land not so perpetually encumbered, require the Florida Legislature to provide classification and assessment of land use for conservation purposes solely on the basis of character or use. Such exemption applies to property tax assessments made on or after January 1, 2011.

*Exemption for Deployed Military Personnel.* Florida voters approved in the November 2010 general election an additional homestead exemption for deployed military personnel which took effect January 1, 2011. The amount of exemption would equal the percentage of days during the prior calendar year that the military homeowner was deployed outside of the United States in support of military operations designated by the legislature.

*Applications of Exemptions.* The 2012 Florida Legislature enacted Chapter 2012-193, Laws of Florida (HB7097). The statute provides that the base \$25,000 homestead exemption and the additional \$25,000 non-school levy homestead exemption apply before all other homestead exemptions, which shall then be applied in a manner that results in the lowest taxable value. The statute also provides that land, buildings, and other improvements to real property used exclusively for educational purposes shall be deemed owned by an educational institution for the purpose of an ad valorem exemption if the entity owning 100 percent of the land is a nonprofit entity and the land is used, under a ground lease or other contractual arrangement, by an educational institution that owns the buildings and other improvements to the real property, is a nonprofit entity under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and provides education limited to students in prekindergarten through grade 8. The statute grants an exemption to all property of municipalities if used as an essential ancillary function of a facility constructed



with financing obtained in part by pledging proceeds from the convention development tax which is upon exempt or immune federal, state, or county property.

On November 6, 2012, three legislatively-referred Constitutional amendments included on the state ballot in Florida were approved by the voters. These were the Florida Veterans Property Tax, Amendment 2 (2012), the Florida Property Tax Exemption for Surviving Spouses, Amendment 9 (2012) and the Florida Senior Homestead Tax Exemption, Amendment 11 (2012).

*Exemption for Disabled Veterans.* The Florida Veterans Property Tax Amendment, Amendment 2, allows for property tax discounts for disabled veterans and explicitly extends the rights to ad valorem tax discounts made available in 2012 to all veterans who were residents of Florida prior to their service, and to all combat-disabled veterans currently living in Florida, whether they were residents of Florida prior to their service or not. This amendment became effective on January 1, 2013.

*Exemption for Surviving Spouse of Veterans.* The Florida Property Tax Exemption for Surviving Spouses, Amendment 9 (2012), authorizes the legislature to totally or partially exempt surviving spouses of military veterans or first responders who died in the line of duty from paying property taxes. The amount of tax relief, to be defined by general law, can equal the total amount or a portion of the ad valorem tax otherwise owed on the homestead property. This amendment became effective on January 1, 2013.

During the 2020 State Legislative session, a constitutional amendment was proposed by the State legislature which would extend the discount on ad valorem taxes provided to certain honorably discharged veterans to their surviving spouses (the “Surviving Spouse Exemption”). The Surviving Spouse Exemption allows the same ad valorem tax discount on homestead property for combat disabled veterans age 65 or older to transfer to the surviving spouse of a veteran receiving the discount if the surviving spouse holds the legal or beneficial title to the homestead, permanently resides thereon, and does not remarry. The amendment took effect on January 1, 2021.

*Exemption for Low Income Seniors.* The Florida Senior Homestead Tax Exemption, Amendment 11 (2012), enables the State legislature to authorize by general law to permit counties and municipalities by ordinance, to grant additional homestead tax exemptions equal to the assessed value on the homes of low-income seniors. To be eligible, the homestead property must have a just value of less than \$250,000, the owner must have title to the property and maintain his/her permanent residence thereon for at least 25 years, the owner’s age must be 65 years or older and the owner’s annual household income must be less than \$27,300.

On November 16, 1999, the Town Council enacted Ordinance No. 450.99 authorizing an additional \$25,000 homestead exemption to real property within the Town for the owner of real estate who maintains on such property the owner’s permanent residence and who is 65 years of age or older and whose household income does not exceed \$20,000 (subject to calculation and adjustment in accordance with applicable law).

During the 2016 Regular Session, the Legislature also passed Joint Resolution 275 (CS/HJR 275), proposing an amendment to the Florida Constitution. The amendment would change the current law that allows counties and municipalities to grant a full exemption from property taxes to any person who has the legal or equitable title to real estate with a just value less than \$250,000, and who has maintained thereon the permanent residence of the owner for not less than 25 years, and who has attained age 65, and whose household income does not exceed \$20,000. The amendment would allow such person to continue receiving the exemption if the homestead’s just value rises above \$250,000 either due to changes in the market or because of additions or improvements made to the property. The effective date is January 1, 2017. In addition, the legislation operates retroactively to January 1, 2013 to allow individuals who were granted the

exemption in prior years, but became ineligible for the exemption because the just value of the individual's homestead rose above \$250,000, to regain the exemption if they are otherwise still qualified. The amendment to the Constitution was approved by 60% of the voters in the 2016 general election.

*Assessment of Renewable Energy Devices upon Residential Property.* During the Florida Legislature's 2013 Regular Session, House Bill 277 ("HB 277") was passed which provides that certain renewable energy devices are exempt from being considered when calculating the assessed value of residential property. HB 277 only applies to devices installed on or after January 1, 2013. HB 277 took effect on July 1, 2013.

*Exemption and Assessment of Renewable Energy Devices Upon all Real Property.* During the 2016 August Primary Election, voters approved a constitutional amendment (Amendment 4) exempting the assessed value of certain renewable energy devices from the ad valorem tax on tangible personal property and prohibiting certain renewable energy devices from being considered when calculating the assess value of all real property, not just residential as provided above in HB 277. This amendment took effect on January 1, 2018 and expires on December 31, 2037.

During the Florida Legislature's 2017 Regular Session, SB 90 ("SB 90") was passed implementing Amendment 4, which was approved by the voters in August 2016. SB 90 exempts the assessed value of a renewable energy device from tangible personal property tax and the installation of those devices from determining the assessed value of real property, both residential and non-residential, for the purposes of ad valorem taxation. SB 90 also revises the definition of "renewable energy source device" to include power conditioning and storage devices, wiring, structural support and other components used as intergral parts of such systems. The changes made by SB 90 expire on December 31, 2037.

*Exemption for Disabled First Responders.* During the Florida Legislature's 2016 Regular Session, the Legislature passed Joint Resolution 1009 (CS/HJR 1009), and the electors voting in the November general election authorized an amendment to the Florida Constitution to grant a full or partial property tax exemption on homestead property to first responders who are totally and permanently disabled as a result of an injury or injuries sustained in the line of duty. Florida defines "first responders" as law enforcement officers, correctional officers, firefighters, emergency medical technicians and paramedics. The amendment to the Constitution was approved by 60% of the voters in the 2016 general election. The effective date is January 1, 2017.

*Extending the Limitation on Assessed Values of Non-Homestead Property.* In the November 2018 General Election, voters approved a constitutional amendment removing the scheduled January 1, 2022 repeal of the limitations prohibiting the increase in the assessed value of non-homestead property to 10% per year. The limitation to not apply to property taxes levied by school districts. This amendment took effect on January 1, 2019

*Homestead Portability Amendment.* During the 2002 State legislative session, Chapter 2020-175 was adopted which extends the period of a homestead property owner to transfer a prior Save our Homes benefit to a new homestead from two years to three years. Specifically the law allows a homeowner who establishes a new homestead as of January 1 to have the new homestead assessed at less than just value if the homeowner received a prior homestead exemption as of January 1 of any of the immediately preceding three years. This change took effect on January 1, 2021.

The foregoing amendments did not alter any caps on millage rates otherwise set forth in the Florida Constitution. Since the Town has authority to increase the millage levy for general obligation debt to the

amount necessary to satisfy the related debt service requirements, the amendments should not adversely affect the ability of the Town to pay the principal of and interest on the Bonds. There can be no assurance, however, that similar amendments or legislative proposals will not be introduced or enacted in the future that would have a material adverse effect upon the Town's finances.

### **Setting the Millage Rate**

Article VII, Section 9 of the State Constitution provides that, exclusive of taxes levied for the payment of voter-approved general obligation bonds, cities may levy up to ten mills for municipal purposes. Pursuant to the State Constitution, there is no limit on the amount of ad valorem taxes a city may levy for the payment of debt service on voter-approved general obligation bonds.

Each respective millage rate, except as limited by law, is set on the basis of estimates of revenue needs and the total taxable property valuation within the taxing authority's respective jurisdiction. Ad valorem taxes are not levied in excess of actual budget requirements. By law, budget expenditures cannot exceed 95% of estimated revenues except for cash carry forward amounts.

Each year, the Property Appraiser is required to certify to each taxing authority the aggregate taxable value of all non-exempt property within the jurisdiction of the taxing authority, as well as the prior year's tax revenues, for use in connection with the determination of the forthcoming budget and millage levy. The form on which such certification is made by the Property Appraiser is required to include instructions to each taxing authority describing the proper method of computing a millage rate, which, exclusive of new construction, additions to structures, deletions, increases in the value of improvements that have undergone a substantial rehabilitation which increased the assessed value of such improvements by at least 100 percent, property added due to geographic boundary changes, total taxable value of tangible personal property within the jurisdiction in excess of 115 percent of the previous year's total taxable value, and any dedicated increment value, will provide the same ad valorem tax revenue for each taxing authority as was levied during the prior fiscal year. Such millage rate is known as the "rolled-back rate."

In adopting an annual budget, the taxing authority must first adopt proposed millage rates within 35 days of receipt from the Property Appraiser of the preliminary certificate of taxable value. A notice of the impact of the proposed millage rates adopted by each taxing authority on the proposed tax statement for each taxpayer is then mailed to each individual taxpayer. Next, the taxing authority must hold a public hearing to adopt a tentative budget with the proposed millage rate. A second public hearing is held to adopt a final budget and millage rate.

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**Assessed Valuations**

The following table shows the assessed valuations for the Town for Fiscal Years ended September 30, 2013 through September 30, 2022.

**THE TOWN OF GOLDEN BEACH, FLORIDA  
 ASSESSED VALUE AND ESTIMATED VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS AND PROPOSED FISCAL YEAR ENDING SEPTEMBER 30, 2023**

Fiscal Year Ended September 30	Taxable Value of Personal and Real Property for Operating Purposes	Valuation Adjustments	Total Taxable Assessed Value	Operating Millage Rate
2013	\$ 633,839,127	\$ 11,660,318	\$ 622,178,809	6.9950
2014	693,713,276	5,108,412	688,604,864	7.1130
2015	760,202,266	7,729,306	752,472,960	7.2450
2016	848,449,766	22,250,005	826,199,761	7.2748
2017	952,564,565	13,864,127	938,700,438	7.3960
2018	1,035,263,421	5,461,892	1,029,801,530	7.4800
2019	1,095,765,448	17,842,214	1,077,923,234	7.4800
2020	1,160,543,438	49,336,557	1,111,206,881	7.5780
2021	1,179,521,503	16,254,105	1,163,267,398	7.7720
2022	1,195,352,529	3,023,885	1,192,328,644	8.1363
2023	1,438,422,227	N/A	N/A	7.7350

Source: Miami-Dade County Property Appraiser

Notes: The Millage Rate is the rate used in the calculation for property taxes. One mill equals \$1.00 per \$ 1,000 of taxable value.

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## Millage Rates

The following table shows millage rates for the Town, the County, the Miami-Dade County School Board and other taxing authorities within the County for Fiscal Years ended September 30, 2013 through September 30, 2022. The operating millage for the Town for Fiscal Year ending September 30, 2023 is 7.7350.

**THE TOWN OF GOLDEN BEACH, FLORIDA  
PROPERTY TAX RATES  
DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS<sup>1</sup>**

Fiscal Year	Town Operating Millage	Town Debt Service Millage <sup>2</sup>	Total Direct	Miami-Dade County	Miami-Dade County Schools	State Millage	Special Districts Millage	Total Direct and Overlapping
2013	6.9950	1.5050	8.500	4.9885	7.998	0.4634	3.1352	25.0851
2014	7.1130	1.3870	8.500	5.1255	7.977	0.4455	3.1348	25.1828
2015	7.2450	1.2550	8.500	5.1169	7.974	0.4187	3.2161	25.2257
2016	7.2748	1.1252	8.400	5.1169	7.612	0.3871	3.2133	24.7293
2017	7.3960	1.0040	8.400	5.0669	7.322	0.3627	3.2122	24.3638
2018	7.4800	0.9200	8.400	5.0669	6.994	0.3420	3.1795	23.9824
2019	7.4800	0.9200	8.400	5.1313	6.733	0.3256	3.1462	23.7361
2020	7.5780	0.8220	8.400	5.1449	7.148	0.3115	3.1727	24.1771
2021	7.7720	0.6280	8.400	5.1449	7.129	0.2995	3.1554	24.1288
2022	8.1363	0.2637	8.400	5.1744	7.009	0.2892	3.2047	24.0773

Source: Miami-Dade County Property Appraiser

## Tax Collection

It is the County Tax Collector's duty on or before June 1 of each year, or the sixtieth (60<sup>th</sup>) day after the date of delinquency, whichever is later, to advertise and sell tax certificates on real property for which ad valorem taxes are delinquent from the previous April 1. The tax certificates may not be sold at less than the amount of the taxes plus interest from April 1 to the date of sale, together with the cost of advertising and expense of sale. Delinquent real property taxes bear interest at the rate of 18% per year from April 1 until a tax certificate is sold at auction. A landowner may, prior to the sale of a tax certificate, pay delinquent taxes, plus interest, together with a proportionate cost, if any, of advertising, and other costs and expenses. Tax certificates shall be sold to the person who accepts the lowest interest rate to be borne by the certificate, bid at sale, plus pays the delinquent taxes, interest and costs to date of sale. In case there are no bidders, the tax certificate is issued to the County, and the County, in such event, does not pay any consideration for such tax certificate. Proceeds from the sale of tax certificates

<sup>1</sup>The Millage Rate is the rate used in the calculation for property taxes. One mill equals \$1.00 per \$ 1,000 of taxable value. State Millage includes Florida Inland Navigation District, South Florida Water Management District and the Everglades Project. Special Districts millage includes Children's' Trust Authority, Library District and Fire Rescue.

<sup>2</sup> Millage levied by Town in connection with bonds that were refunded by the Series 2016 Bonds.

are required to be used to pay ad valorem taxes, any non-ad valorem assessments included in the tax bill, interest, costs and charges on the land described in the tax certificate.

A tax certificate may be redeemed any time prior to the issuance of a tax deed by paying the County Tax Collector the face value of the tax certificate, interest, costs, charges and omitted taxes, if any, plus a redemption fee of \$6.25. The redeemer must pay the interest rate due on the certificate or 5% of the face amount of the certificate, whichever amount is greater, unless the certificate was bid at no interest.

Florida law provides a different method for the collection of delinquent tangible personal property taxes, which includes the possible seizure and sale of the tangible personal property.

### **Tax Deeds**

Subject to the two (2) year abeyance period described below, any holder, other than a county, of a tax certificate which has not been redeemed has seven (7) years from the date of issuance of the tax certificate during which to act against the land that is the subject of the tax certificate. After an initial period ending two (2) years from April 1 of the year of issuance of a tax certificate, the holder of a tax certificate may apply for a tax deed to the subject land. The applicant is required to pay to the County Tax Collector all amounts required to redeem or purchase all outstanding tax certificates not held by the applicant covering the land, any omitted or delinquent taxes and non-ad valorem assessments, current taxes and non-ad valorem assessments, and interest, if due, covering the land. If the County holds a tax certificate and has not succeeded in selling it, the County must apply for a tax deed on all tax certificates on properties valued at \$5,000 or more two (2) years after April 1 of the year of issuance. The County may apply for tax deeds on county-held tax certificates on property valued at less than \$5,000, but is not required to do so. The County pays costs and fees to the County Tax Collector but not any amount to redeem any other outstanding tax certificates covering the land. Thereafter, the property is advertised for public sale. Any outstanding tax certificates will be satisfied from the proceeds received at such public sale.

In any such public sale, the holder of the tax certificate who is seeking a tax deed for non-homestead property is deemed to submit a minimum bid equal to the amount required to redeem the tax certificate, charges for cost of sale, redemption of other tax certificates issued on the property, and all other amounts paid by such holder to apply for the tax deed, plus interest thereon. In the case of homestead property, the minimum bid must also include an additional amount equal to one-half of the assessed value of the homestead property. If there are no bidders, the holder of the tax certificate receives title to the property; the amounts paid for the tax certificate and for application for the tax deed are credited toward the purchase price. If there are other bidders, the holder of the tax certificate may enter the bidding. The highest bidder is awarded title to the property. Such bidder must pay documentary stamp taxes and recording fees in addition to the bid amount. The portion of the proceeds of such sale needed to redeem the tax certificate (and all other amounts paid by such person in applying for a tax deed) are forwarded to the holder of the tax certificate or credited to such holder if he is the successful bidder. Excess proceeds of the sale are first distributed to satisfy other governmental liens held by governmental units and then to other lienholders of record in the priority that they appear and then to the former title holder of the property, less service charges.

If the County holds a certificate and has not succeeded in selling it, the County must (if the property is worth \$5,000 or more) or may, in its discretion (if the property is worth less than \$5,000), apply for a tax deed after the two year abeyance period. The County pays the costs and fees to the County Tax Collector, but not any amount to redeem other outstanding certificates covering

the property. The public bidding on non-homestead property must start at a minimum bid equal to the value of all outstanding certificates, plus other delinquent taxes and costs. The minimum bid on homestead property must also include an additional amount equal to one-half of the assessed value of the homestead property. If there are no bidders, the County may purchase the property for the minimum bid.

After ninety (90) days have passed, any person or governmental unit may purchase the land by paying the amount of the minimum bid. Seven (7) years from the date of offering for public sale, unsold lands escheat to the County or if within the boundaries of an incorporated municipality, to the municipality, and all tax certificates and liens against the property are canceled.

The following table shows tax levies and tax collections in the Town for the last ten Fiscal Years:

**THE TOWN OF GOLDEN BEACH, FLORIDA  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

Fiscal Year Ended September 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy	
		Amount	Percentage of the Levy
2013	\$4,387,861.00	\$4,326,050.00	98%
2014	4,934,928.00	4,823,157.00	98%
2015	5,469,655.00	5,366,161.00	97%
2016	6,160,770.00	6,104,484.00	99%
2017	7,020,613.00	6,941,907.00	99%
2018	7,740,790.00	7,631,958.00	99%
2019	8,191,363.00	8,015,102.00	99%
2020	8,688,204.00	8,450,266.00	97%
2021	9,157,213.00	9,050,020.00	99%
2022	9,798,564.00	9,546,508.00	97%

Source: Miami-Dade County Property Appraiser

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**TOWN OF GOLDEN BEACH, FLORIDA  
PRINCIPAL PROPERTY TAXPAYERS  
AS OF JULY 1, 2022**

Address	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value
421 OCEAN BLVD	\$ 43,484,947	1	3.02%
605 OCEAN BLVD	20,125,481	2	1.40
451 OCEAN BLVD	19,752,836	3	1.37
317 OCEAN BLVD	19,425,567	4	1.35
115 OCEAN BLVD	19,249,334	5	1.34
577 OCEAN BLVD	19,028,377	6	1.32
263 OCEAN BLVD	17,490,438	7	1.22
667 OCEAN BLVD	16,244,000	8	1.13
521 OCEAN BLVD	16,114,619	9	1.12
615 OCEAN BLVD	16,014,346	10	1.11
<b>Total</b>	<b><u>\$ 206,929,945</u></b>		<b><u>14.39%</u></b>

Source: Miami-Dade County Property Appraiser

**THE TOWN**

**Background**

The Town of Golden Beach was incorporated by a special act of the Legislature of the State of Florida on May 23, 1929 and is among the oldest municipalities in Miami- Dade County. The Town was founded, and has remained, one of purely single family homes. Presently, the Town has a total of 397 single family residences. The Town Charter limits property use within the Town to single family residential lots. Thus, there is no commercial activity within the Town.

The Town is located north of the City of Miami near the border between Miami-Dade County and Broward County. The Town rests on 1.8 miles along the northernmost portion of State Road A1A at the Miami-Dade/Broward County line in South Florida. The Town is bounded by the Atlantic Ocean to the east, the Intercoastal Waterway to the west and the coastal municipalities of Hallandale Beach to the North and Sunny Isles Beach to the South. The population as of the 2020 U.S. Census was 961.

See “APPENDIX B - GENERAL INFORMATION PERTAINING TO THE TOWN OF GOLDEN BEACH, FLORIDA” attached hereto.



## **Town Government**

A Council-Manager form of government governs the Town of Golden Beach, combining the political leadership of elected officials with the managerial experience of a professional town manager. The Town Council sets policy, approves the budget, and sets the tax rate. The current members of the Council and their respective terms of office are as follows:

<u>Council members</u>	<u>Term Expires</u>
Glenn Singer, Mayor	2023
Jaime Mendal, Vice Mayor	2025
Kenneth Bernstein	2023
Bernard Einstein	2023
Judy Lusskin	2025

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.

## **Administration**

The appointed Town Manager is responsible for the day-to-day administration of the Town and serves as the Council's chief advisor. The Town Manager prepares a recommended budget, recruits and hires most of the government's staff, and carries out the Council's policies. While the Town Manager may recommend policy decisions, he or she is bound by the consent of the Council. The Council appoints three additional staff members: the Town Attorney, Town Clerk, and Building Official.

The Finance Department provides internal accounting services to the Town. This includes preparing the annual budget, accounts payables, accounts receivable and payroll.

Resumes of the Town Manger and Finance Director are as follows:

Town Manager. In April of 2007, the Town hired Alexander Diaz as the new Town Manager at the age of 29, the youngest Town Manager in the history of Miami-Dade County. Mr. Diaz spearheaded the Town's first \$42 million capital improvement project, coordinated and implemented the Town's first-ever beach pavilion restoration project and is currently implementing a program to replace and restore the Town's aging bridge infrastructures on two of the Town's three bridges. During his tenure, he has overseen the reduction in the Town's millage rate while at the same time increasing the balance in the General Fund.

He previously served as the Assistant Director for Administration of the Miami-Dade Water and Sewer Department, the fourth largest public utility in the country. As Assistant Director, Mr. Diaz had the responsibility of overseeing the operations of the Human Resource Division, the Support Services Section, the Stores/Procurement Section, Fleet Management and the Communications Center. Mr. Diaz also provided guidance for a staff of 247 and a budget in excess of \$134 million, demonstrating the leadership and expertise required to manage the Department's administrative operations. Through his position at the Department, Mr. Diaz amassed extensive experience with labor bargaining agreements and an in-depth understanding of the workings of procurement, recruiting, fair employment, emergency operations and communications.

Before joining the Miami-Dade Water and Sewer Department, Mr. Diaz worked with the City of Miami Beach as a Development Coordinator for the City Manager. In that role, Mr. Diaz enhanced the City of Miami Beach's grant procurement process, and created a centralized grant-funding program to maximize the City's efforts in securing grant funding. He also implemented policies for a newly created Grants Management Office, and assisted in the preparation of the City's State and National legislative agenda. In addition, Mr. Diaz facilitated strong ties with state and national agencies in an effort to further the City's mission, while monitoring state and national developments to ensure that the City of Miami Beach maintained an active role in the development of state and national objectives. Mr. Diaz's contributions to the City of Miami Beach also included coordinating the City's grant efforts while leveraging funds allocated through a \$96 million bond issuance in 1999, organizing the City's \$58 million grant budget and facilitating the management of over 112 grant funded projects, while working with members of the Dade Delegation to ensure proper funding of City sponsored projects.

Mr. Diaz has served as President, Vice-President, Secretary and Treasurer of the Miami-Dade City and County Manager's Association; Board Director for the Florida City and County Manager's Association; and Board Director for the International Hispanic Network (the leading International Program for Hispanic City and County Managers).

Finance Director. Maria D. Camacho has served as Finance Director for the Town since 2003. She previously worked with the Town of Pembroke Park, Florida for four years where she was responsible for the Customer Service, Accounts Receivables, Accounts Payables and Comptroller functions. Ms. Camacho's most notable accomplishments included the dissolution of the pension for Fire Fighters of Pembroke Park. Prior to working for the Town of Pembroke Park, she worked in Palm Beach County with the City of South Bay. In South Bay, Ms. Camacho was responsible for all Accounts Payables and Accounts Receivables, which included the preparation of annual audits, monitoring payroll, cash receivables, billing, collection and disbursements. The City of South Bay offered her the opportunity to learn all aspects of municipal services since the City had its own Police and Fire Departments. She also managed the Enterprise Account Fund for the City's municipal water plant.

### **Financial Statements and Annual Audit**

Florida Statutes require that an annual post-audit of all Town accounts and records be completed within 180 days following the end of each Fiscal Year by an independent certified public accountant retained by the Town and paid from its public funds. The Town has retained the firm of Keefe McCullough & Co., LLP, Fort Lauderdale, Florida, for such purpose. SEE "FINANCIAL STATEMENTS" herein.

The Town's financial statements are prepared in accordance with Generally Accepted Accounting Principles, which establish standards for defining and reporting on the financial reporting entity. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The Town's audited financial statements are attached as Appendix A to this Official Statement. The financial statements also include, among other information, Management's Discussion and Analysis and Required Supplemental Information of the Town for the Fiscal Year ended September 30, 2021. See "Management's Discussion and Analysis" in Appendix A for a narrative overview and analysis of the financial activities of the Town for Fiscal Year 2021.

## **Budget**

The annual budget serves as the foundation for the Town's financial planning and control. All departments of the Town are required to submit requests for appropriation to the Town Manager each year. The Town Manager uses these requests as the starting point for developing a proposed budget. The Town Manager then presents this proposed budget to the Town Council for review. The Town Council is required to hold two public hearings on the proposed budget and to adopt a final budget no later than September 30, the close of the Town's fiscal year. The appropriated budget is prepared by fund (e.g., general fund), and department (e.g., police). No department may legally expend in excess of amounts appropriated for that department within an individual fund. Department heads may make transfers of appropriations. However, transfers of appropriations between departments require the approval of the Town Council. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is at the fund level, except for the General Fund, for which budgetary control is maintained at the department level.

## **Investment Policy and Debt Policy**

The Town's investments are presently under the day to day control of the Town's Finance Director. The Town Council has established a formal investment policy governing the investment activity of the Town and including all funds in excess of the amounts needed to meet short-term expenses. The investment policy provides that the Town will (i) invest 100% of its idle cash on a continuous basis in conformity with Florida Statutes Section 218.415, (ii) give priority to the safety of principal and liquidity of funds, (iii) make a cash flow analysis of all funds on a regular basis, (iv) schedule disbursement, collection and deposit of all funds to ensure maximum cash availability and (v) pool cash from several different funds for investment purposes when permitted by law. The investment policy does not permit the leveraging of investments.

The Town Council has established a formal debt policy. The debt policy provides that the Town will (i) confine long-term borrowing to capital improvements or projects that cannot be financed from current revenues, (ii) pay back bonds within a period not to exceed the estimated useful life of the project, (iii) strive to have the final maturity of general obligation bonds on or prior to 30 years, (iv) whenever possible, use special assessment, revenue of other self-supporting bonds instead of general obligation bonds, (v) not use long-term debt for current operations, and (vi) maintain good communications with bond rating agencies regarding its financial conditions and follow a policy of full disclosure on every financial report and borrowing prospectus.

## **General Fund**

The General Fund is the Town's primary operating fund. It accounts for all of the financial resources of the general government, except for those required to be accounted for in another fund. Revenue is derived primarily from property taxes, utility taxes, state and federal distributions and other intergovernmental revenue. The general operating expenditures, fixed charges and capital outlay costs that are not paid through other funds are paid from the General Fund. As of September 30, 2021, the General Fund account has a fund balance of \$5,232,215 and the fund balance for all Town funds total \$9,437,365.

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The table set forth below shows information regarding the Town's governmental funds, including the General Fund, for the Fiscal Year ended September 30, 2021.

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

**Town of Golden Beach, Florida  
Statement of Revenues, Expenditures and  
Changes in Fund Balances -  
Governmental Funds  
For the Year Ended September 30, 2021**

	Major Governmental Funds				Total Governmental Funds
	General Fund	Capital Improvement Project Fund	Law Enforcement Trust Fund	Debt Service Fund	
Ad valorem taxes	\$ 8,831,947	\$ --	\$ --	\$ 714,554	\$ 9,546,501
Franchise fees	16,303	--	--	--	16,303
Utility service taxes	31,195	--	--	--	31,195
Licenses and permits	1,953,407	--	--	--	1,953,407
Sales, use and fuel taxes	143,337	--	--	--	143,337
State shared revenues	43,754	--	--	--	43,754
Federal grants	13,969	--	--	--	13,969
Physical environment	500	--	--	--	500
Cultural and recreation	6,005	--	--	--	6,005
Fines and forfeitures	220,043	--	98,618	--	318,661
Investment income	2,287	38	386	--	2,771
Miscellaneous	591,189	--	--	--	591,189
<b>Total revenues</b>	<b><u>\$11,853,663</u></b>	<b><u>\$ 38</u></b>	<b><u>\$ 99,004</u></b>	<b><u>\$ 714,554</u></b>	<b><u>\$12,667,259</u></b>
<b>Expenditures:</b>					
Current:					
General government	\$ 2,403,191	\$ 82,334	\$ --	\$ --	\$ 2,486,253
Public safety	4,000,931	--	99,004	--	4,099,935
Physical environment	1,102,023	--	--	--	1,102,023
Transportation	858,365	--	--	--	858,365
Cultural and recreation	611,406	--	--	--	611,406
Special events	434,858	--	--	--	434,858
Capital outlay	176,577	1,053,609	--	--	1,230,186
Debt service:					
Principal	10,733	--	--	445,000	455,733
Interest	--	16,604	--	457,482	474,086
<b>Total expenditures</b>	<b><u>\$ 9,598,812</u></b>	<b><u>\$ 1,152,547</u></b>	<b><u>\$ 99,004</u></b>	<b><u>\$ 902,482</u></b>	<b><u>\$11,752,845</u></b>
Changes in fund balance before other financing sources (uses)	<u>\$ 2,254,851</u>	<u>(\$1,152,509)</u>	--	<u>(\$187,928)</u>	<u>\$ 914,414</u>

**Changes in Fund Balances -  
Governmental Funds  
(continued)  
For the Year Ended September 30, 2021**

	Major Governmental Funds				
	General Fund	Capital Improvement Project Fund	Law Enforcement Trust Fund	Debt Service Fund	Total Governmental Funds
<b>Other Financing Sources (Uses):</b>					
Bonds issued					
Transfers In	--	\$650,000	--	--	\$650,000
Transfers Out	\$(650,000)	--	--	--	(650,000)
Total other financing sources (uses)	\$(650,000)	\$650,000	--	--	--
Changes in fund balances	\$1,604,851	(502,509)	--	\$(187,928)	914,414
<b>Fund Balances, beginning of year</b>	\$3,627,364	(422,625)	\$(357,288)	846,785	3,694,236
<b>Fund Balances (Deficit), end of year</b>	<b><u>\$5,232,215</u></b>	<b><u>\$(925,134)</u></b>	<b><u>\$(357,288)</u></b>	<b><u>\$658,857</u></b>	<b><u>\$4,608,650</u></b>

The Town expects that the General Fund balance for Fiscal Year ending September 30, 2022 will increase from \$5.2 million to \$5.9 million. The operating millage for Fiscal Year ending September 30, 2023 of 7.735 mills is expected to generate \$10.6 million of ad valorem revenues, which is budgeted at 95%. The total estimated revenues for the Town for Fiscal Year ending September 30, 2023 is expected to be \$13.1 million, of which 81% is derived from ad valorem taxes.

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The table set forth below shows information regarding the Town's statement of Revenue and Expenditures for the last five Fiscal Year ended September 30, 2021.

**SUMMARY STATEMENT OF GENERAL FUND REVENUES, EXPENDITURES AND FUND  
BALANCES  
FISCAL YEARS 2017-2021**

<b>REVENUES:</b>	2017	2018	2019	2020	2021
Ad Valorem Taxes	\$ 6,736,941	7,402,229	8,015,102	8,450,266	8,831,947
Franchise Fees	10,512	11,343	11,103	11,605	16,030
Utility Service Taxes	24,697	26,826	26,857	27,145	31,195
Licenses and Permits	946,907	1,241,071	1,359,616	1,089,992	1,953,407
Sales, Use and Fuel Taxes	135,117	135,693	143,505	124,439	143,337
State Shared Revenues	25,762	140,477	63,505	46,919	43,754
Federal Grants	-	-	159,720	228,187	13,969
Physical Environment	50	9,350	380	80	500
Cultural and Recreation	10,620	2,275	26,500	4,900	6,005
Fines and Forfeitures	192,085	36,590	51,028	174,262	220,043
Investment Income	5,810	19,284	60,715	18,626	2,287
Miscellaneous	<u>251,296</u>	<u>358,598</u>	<u>267,808</u>	<u>237,630</u>	<u>591,189</u>
Total Revenues	\$ 8,339,797	\$ 9,383,736	\$10,185,839	\$10,414,051	\$11,853,663
<b>EXPENDITURES:</b>					
Current:					
General Government	\$ 2,315,839	\$ 2,213,268	\$ 2,086,623	\$ 2,164,882	\$ 2,403,919
Public Safety	3,300,784	3,611,008	3,605,838	3,812,063	4,000,931
Physical Environment	993,788	1,096,378	1,297,403	1,132,724	1,102,023
Transportation	539,194	673,320	916,768	855,553	858,365
Cultural and Recreation	588,527	674,127	681,357	705,371	611,406
Special Events	116,772	238,370	375,848	389,137	434,858
Capital Outlay	226,115	350,533	605,594	291,960	176,577
Debt Service:					
Principal	52,176	54,211	56,326	58,523	10,733
Interest	<u>8,264</u>	<u>6,593</u>	<u>4,478</u>	<u>3,407</u>	<u>-</u>
Total Expenditures	\$ 8,141,459	\$ 8,917,808	\$ 9,630,235	\$ 9,413,620	\$ 9,598,812
Change in Fund Balance before other financing sources (uses)	\$ 198,338	\$ 465,928	\$ 555,604	\$ 1,000,431	\$ 2,254,851
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers In	60,000	60,000	60,000	60,000	-
Transfers Out	(500,000)	-	(3,150,718)	-	(650,000)
Total other financing sources (uses)	(440,000)	60,000	(3,090,718)	60,000	(650,000)
Changes in Fund Balances	(241,662)	525,928	(2,535,114)	1,060,431	1,604,851
Fund Balance, Beginning of Year	4,817,781	4,576,119	5,102,047	2,566,933	3,627,364
Fund Balance, End of Year	\$4,576,119	\$5,102,047	\$2,566,933	\$3,627,364	\$5,232,215

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## **General Obligation Bonds Debt Service Fund**

Pursuant to the Bond Resolution, the Town will establish a separate General Obligation Bonds Debt Service Fund to account for the ad valorem taxes levied and collected for the annual payment of principal and interest on the Bonds, separate and apart from the Series 2016 Bonds. The Town will transfer all such ad valorem taxes levied and collected to the Paying Agent as provided in the Bond Resolution for the payment of the principal of and interest on the Bonds. See “APPENDIX C – BOND RESOLUTION.”

## **LIABILITIES OF THE TOWN**

### **Insurance Considerations Affecting the Town**

Section 768.28, Florida Statutes, provides limits on the tort liability of the State and its subdivisions of \$200,000 to any one person, or \$300,000 for any single incident or occurrence. See “Ability to be Sued, Judgments Enforceable” below. For the year ended September 30, 2021, 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. The total insured value of Town property covered by property insurance in Fiscal Year 2021 is approximately \$4,425,126.

Health Insurance. The Town offers all full-time employees and council members health benefits provided by private insurance (in Fiscal Years 2021 and 2022 Avmed of Florida served as the Town’s health insurance carrier). For Fiscal Year 2021, the Town paid \$676,857.25 for employee and dependent coverage.

### **Ability to be Sued, Judgments Enforceable**

Notwithstanding the liability limits described below, the laws of the State provide that each city has waived sovereign immunity for liability in tort to the extent provided in Section 768.28, Florida Statutes. Therefore, the Town is liable for tort claims in the same manner and, subject to limits stated below, to the same extent as a private individual under like circumstances, except that the Town is not liable for punitive damages or interest for the period prior to judgment. Such legislation also limits the liability of a city to pay a judgment in excess of \$200,000 to any one person or in excess of \$300,000 because of any single incident or occurrence. Judgments in excess of \$200,000 and \$300,000 may be rendered, but may be paid from Town funds only pursuant to further action of the Florida Legislature. See “Insurance Considerations Affecting the Town” herein. Notwithstanding the foregoing, the Town may agree, within the limits of insurance coverage provided, to settle a claim made or judgment rendered against it without further action by the Legislature, but the Town shall not be deemed to have waived any defense or insurance coverage for acts in excess of the \$200,000 or \$300,000 waiver provided by Florida Statutes. See “LITIGATION” herein.

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## Debt of the Town

The Town had debt of \$12.1 million at September 30, 2021. Total debt outstanding at the end of the prior fiscal year was approximately \$12.6 million. The net decrease of approximately \$0.5 million was a result of the principal payments on other debt of approximately \$465,419. The following schedule summarizes long-term debt for the year ended September 30, 2021:

	October 1, 2020	Additions	Deletions	September 30, 2021	Within One Year
<b>Governmental activities:</b>					
General Obligation Refunding Bonds, Series 2016	\$ 11,575,000	\$ --	\$ 445,000	\$ 11,130,000	\$ 460,000
Capital Improvement Revenue Note, Series 2019	\$ 650,000	\$ --	--	\$ 650,000	\$ --
Bond Premium	\$ 367,542	\$ --	\$ 20,419	\$ 347,123	\$ --
Total governmental activities	\$ 12,592,542	--	\$ 465,419	\$ 12,127,123	\$ 460,000
<b>Business-type activities:</b>					
Department of Environmental Protection, Revolving Loan	\$ 915,010	\$ 648,125	\$ 145,472	\$ 1,417,663	\$ 170,523
Total business-type activities	\$ 915,010	\$ 648,125	\$ 145,472	\$ 1,417,663	\$ 170,523
Total governmental and business-type activities	<u>\$ 16,671,437</u>	<u>\$ 253,730</u>	<u>\$ 2,451,790</u>	<u>\$ 14,455,377</u>	<u>\$ 698,235</u>

## INVESTMENT CONSIDERATIONS

This section provides a general overview of certain investment considerations that should be taken into account, in addition to the other matters set forth in this Official Statement, in evaluating an investment in the Bonds. This section is not meant to be a comprehensive or definitive discussion of the risks associated with an investment in the Bonds, and the order in which this information is presented does not necessarily reflect the relative importance of the investment considerations. Potential investors in the Bonds are advised to consider the following factors, among others, and to review this entire Official Statement to obtain information essential to the making of an informed investment decision. Any one or more of the investment considerations discussed below, among others, could lead to a decrease in the market value and/or the marketability of the Bonds. There can be no assurance that other investment considerations not discussed herein will not become material in the future.

1. The outbreak of the highly contagious COVID-19 pandemic in the United States in March 2020 has generally had a negative financial impact on local, state and national economies around the country, including significantly increased unemployment in certain sectors including especially travel, hospitality and restaurants. This led to quarantine, remote work and other "social distancing" measures throughout the United States which resulted in a period of less travel resulting in declines in revenues, such as those received from fuel taxes. While many of the effects of COVID-19 were temporary, it has altered the behavior of businesses and people in a manner resulting in negative impacts on global and local economies, including supply chain issues and rising inflation. There can be no guarantee that another outbreak of a highly contagious disease will not have negative impacts on the Town. The Town was fortunate not to have experienced these negative effects. The Town was proactive in providing to its



residents at home testing and vaccinations by healthcare professionals. The Town did not experience revenue losses, but due to the federal aid had an increase in overall revenues.

2. Currently, the United States is experiencing high levels of inflation which is having an impact on the cost of goods and services, including construction materials and products and installations thereof needed by the Town, and could have an effect on discretionary spending of consumers. Additionally, the Town has encountered adverse effects resulting from the current supply chain crises, specifically related to the delivery of goods and construction materials. Deliveries have been delayed, which has a potential to impact the completion of projects as well as a labor shortage. As a result, the Town may experience delays and increased costs that might be incurred as a result of supply chain issues. Therefore, for new projects that have not yet started, the Town is taking these factors into account in budgeting and scheduling. It is possible the United States, including the State, may continue to experience supply chain issues, inflation and labor issues which will impact State and local government finances.

3. The State is naturally susceptible to the effects of extreme weather events and natural disasters including floods, droughts, and hurricanes, which could result in negative economic impacts on coastal communities such as the Town. Such effects can be exacerbated by change in climate. The occurrence of such extreme weather events could damage the local infrastructure that provides essential services to the Town. The economic impacts resulting from such extreme weather events could include a loss of property values, a decline in revenue base, and escalated recovery costs. No assurance can be given as to whether future extreme weather events will occur that could materially impair the financial condition of the Town. However, to mitigate against such impacts, the Town has implemented the following:

The Town has done the following to assist in mitigating against any climate-related risks:

- a. created a resilience team under the direction of the Capital Projects Director, and is comprised of the Town's Structural Engineers, Building and Zoning, Environmental consultants and Civil Engineers.
- b. constructing a new civic center which includes a hurricane- ready emergency operations center and land-fall team bunker, with an elevation that exceeds all national standards for projected sea-level rise.
- c. submitted a grant application to the Florida Department of Economic Opportunity's Rebuild Florida Critical Facility Hardening Program.
- d. Expanded its comprehensive ground water inundation and Stormwater System, including an additional pump station on the center island to alleviate flooding, which brings the number of pumps to address water related issues to eight.
- e. all of the Town's utilities (light, cable and phone lines) are underground.
- f. renovations and reconstruction of Town bridges to insure integrity and durability.
- g. Awarded funding for new portable pumps, updating of an existing pump station, and providing for a vulnerability study to prepare for sea-level rise and tidal flooding.

On September 28, 2022, the State was impacted by Hurricane Ian as it made landfall at Cayo Costa on the southwest coast of the State, as a Category 4 hurricane with wind speeds of up to 150 miles per hour, according to the National Weather Service. In addition to rain and wind, the southwest coast of the State experienced record breaking storm surge which caused significant damage in certain areas. Since the Town is located in the southeast part of the State, it did not receive any damage, although the Town activated its emergency plan in preparation for the storm.

4. Computer networks and systems used for data transmission and collection are vital to the efficient operations of the Town. Town systems provide support to departmental operations and constituent services by collecting and storing sensitive data, including intellectual property, security information, proprietary business process information, information applying to suppliers and business partners, and personally identifiable information of customers, constituents and employees. The secure processing, maintenance and transmission of this information is critical to Town operations and the provision of citizen services. Increasingly, entities in every sector are being targeted by cyberattacks seeking to obtain confidential data or disrupt critical services. A rapidly changing cyber risk landscape may introduce new vulnerabilities that attackers/hackers can exploit in attempts to effect breaches or service disruptions. Employee error and/or malfeasance may also contribute to data loss or other system disruptions. Any such breach could compromise networks and the confidentiality, integrity and availability of systems and the information stored there. The Town maintains a cybersecurity insurance policy, engages an edge device that blocks incoming data that is not explicitly allowed which is continuously monitored and anti-virus software that is centrally managed and updated using enhanced cybersecurity services and protection mechanisms. The Town installs all system and security updates that are pushed out by software vendors to ensure that known vulnerabilities are fixed. Employees are trained on measures to identify potential cybersecurity threats including advising about phishing emails and malicious email links.

Additionally, during the 2022 Florida Legislative session, CS/HB 7055 was passed which requires State agencies and local governments, such as the Town, to report all ransomware incidents and high severity level cybersecurity incidents to the Cybersecurity Operations Center ("CSOC") and the Cybercrime Office within the Florida Department of Law Enforcement as soon as possible but no later than 48 hours after discovery of the cybersecurity incident and no later than 12 hours after discovery of a ransomware incident. Local governments must also report such incidents to their respective sheriff's office. CS/HB 7055 requires state agencies to report low level cybersecurity incidents and provides that local governments may report such incidents. It also requires state agencies and local governments to submit after-action reports to Florida Digital Services following a cybersecurity or ransomware incident. The State of Florida created the Florida Digital Service to deliver better government services and transparency to Floridians through design and technology and was established in 2020. CS/HB 7055 requires the CSOC to notify the Legislature of high severity level cybersecurity incidents. State agency and local government employees are required to undergo certain cybersecurity training within 30 days of employment and annually thereafter. Further, local governments are required to adopt cybersecurity standards that safeguard the local government's data, information technology ("IT"), and IT resources and it will be illegal for any local government in the State to pay ransoms when attacked. The effective date of CS/HB 7055 was July 1, 2022.

This section does not purport to summarize all risks that may be associated with purchasing or owning the Bonds and prospective purchasers are advised to read this Official Statement in its entirety for a more complete description of investment considerations relating to the Bonds.

## **PENSION AND OTHER POST-EMPLOYMENT BENEFIT PLANS**

### **Pension Plans**

The Town is the sponsor of two single-employer public employee retirement systems that are administered by the Town to provide pension benefits to its employees. The Town contributes to the Retirement Plan for Employees of the Town of Golden Beach (the "Employees Plan") and the Town of Golden Beach Police Officers Retirement Fund (the "Police Fund"), which are both defined benefit pension plans (collectively, the "Plans").

A more detailed description of Police Fund and its provisions is available from the Town. A separate financial statement for the Police Fund may be obtained by contacting the Board of Trustees for the Plan, c/o the Town. The General Employees Plan does not issue a stand-alone financial report and is not included in the report of a public employee retirement system or a report of another entity. The Plan financial statements can be found within the Required Supplementary Information contained in Appendix A.

For additional information regarding the Plans, see “Note 7– Retirement Plans” in Appendix A hereto.

*Basis of Accounting.* The financial statements of each Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Town contributions to the Plan are recognized when due pursuant to actuarial valuations. State contributions are recognized 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.

The Employees Plan was established by Town Ordinance No. 343-87 enacted April 20, 1987, as amended. The Police Fund was established by Town Ordinance No. 344-87 enacted April 20, 1987, as amended. 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 or Fund, as applicable, on their start of service. The Plans provides retirement, death, and disability benefits. The Plans do not currently provide for post-retirement benefit increases.

As of October 1, 2021, the Plans had 46 active participants, and 26 retirees/beneficiaries participants and terminated members entitled to benefits but no yet receiving them. The annual covered payroll for eligible employees covered by the Plans was \$2,708,702.

Upon normal retirement, a participant in the General Employees Plan will receive a monthly pension of 2.25% of Average Monthly Earnings times years of service for their first 10 years of service and 2.5% for each year thereafter. Upon normal retirement, a participant in the Police Fund will receive a monthly pension of 2.75% of Average Monthly Earnings times years of service prior to October 1, 2006 and 3.00% of Average Monthly Earnings times years of service after October 1, 2006. “Average Monthly Earnings” means the average of the earnings of a member; from the highest three years of service.

The normal retirement date is the earlier of (i) age 65 for employees other than police officers and the Town Manager or (ii) age 55 with 10 years of credited service or age 52 with 25 years of credited service for police officers and the Town Manager; provided that effective October 1, 2006 police officers and the Town Manager are eligible for normal retirement upon attainment of age 52 and completion of 20 years of credited service.

A member may retire early after (i) attaining age 55 and completing 10 years of credited service for employees other than police officers and the Town Manager or (ii) age 50 with 10 years of credited service for police officers and the Town Manager. Benefits are reduced by 5% for each year prior to normal retirement date.

A member who becomes totally and permanently disabled and who qualifies for Social Security disability benefits as a result, from an act occurring in the performance of service for the Town, is immediately eligible for a disability benefit. Disability benefits are 42% (70% for police officers and the

Town Manager) of current salary on the date of disability less Worker’s Compensation benefits received for the same disability; provided, however, that such benefits shall be no less than the accrued benefit.

A member who becomes totally and permanently disabled from a non-service connected injury is immediately eligible for a disability benefit. The benefit is 25% of current salary on the date of disability the member’s accrued normal retirement benefit taking into account compensation earned and service credited until the date of disability; provided, however, that such benefits shall be no less than the accrued benefit.

Members are required to contribute 3.5% (6.0% for police officers) of their annual covered salary. Additionally, the Town is required to contribute any annual unfunded amount as actuarially determined. The funding policy can only be amended by authorization of the Town Council. The Town contribution for the year ended September 30, 2021 was \$708,853.

The Town’s net pension liability was determined based on a measurement date of September 30, 2021.

The components of the Net Pension Liability at September 30, 2021, are as follows:

Total Pension Liability	\$15,171,097
Plan Fiduciary Net Position	\$(14,167,197)
Net Pension Liability	\$1,003,900
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	93.38%

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Source: GASB 67 Actuarial Valuation Report as of September 30, 2021 prepared by Stanley, Hunt, DuPree & Rhine

### **Other Post-Employment Benefits**

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.

As of October 1, 2019, the date of the latest actuarial valuation, the OPEB Plan had 49 active participants.

The contribution requirements of OPEB Plan members and the Town are established by 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 Town’s annual obligation for OPEB Plan for the fiscal year ended September 30, 2021, based on the latest actuarial valuation as of October 1, 2019, is as follows:

Total OPEB Liability:	
Service Cost	\$ 142,083
Interest on total OPEB Liability	134,948
Benefit payments	<u>(78,675)</u>
Assumption Changes	<u>(307,589)</u>
Net Change in total OPEB Liability	\$(109,233)
Total OPEB Liability, beginning	\$5,450,440
Total OPEB Liability, ending	<u>\$5,341,207</u>

Source: Town of Golden Beach Basic Financial Statements for the Fiscal Year Ended September 30, 2021

## FINANCIAL STATEMENTS

The financial statements of the Town for the Fiscal Year ended September 30, 2021 have been audited by Keefe McCullough & Co., LLP, Fort Lauderdale, Florida, (“Keefe McCullough”), independent certified public accountants, as stated in their report, which is included in Appendix A. Keefe McCullough has not been engaged to perform, and has not performed, since the date of its report included in Appendix A, any procedures on the financial statements addressed in that report. Keefe McCullough also has not performed any procedures relating to this Official Statement. The financial statements are attached hereto as a matter of public record. Such financial statements speak only as of September 30, 2021. The consent of Keefe McCullough for use of the financial statements in this Official Statement has not been sought. SEE “APPENDIX A – TOWN OF GOLDEN BEACH, FLORIDA BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2021.

## LITIGATION

**The Bonds.** There is no pending or, to the knowledge of the Town, threatened litigation against the Town which in any way questions or affects (i) the validity of the Bonds, or any proceedings or transactions relating to their issuance, sale, delivery or payment, (ii) the levy of the ad valorem taxes to secure payment of the Bonds, or (iii) the collection and application of the ad valorem taxes in accordance with the provisions of the Bond Resolution.

**General.** The Town is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Town management and the Town Attorney resolution of these matters will not have a material adverse effect on the financial condition of the Town.

## LEGAL MATTERS

Legal matters incident to the issuance of the Bonds and with regard to the tax-exempt status of the interest on the Bonds (see “TAX MATTERS”) are subject to the legal opinion of Weiss Serota Helfman Cole & Bierman, P.L., Coral Gables, Florida. The signed legal opinion, dated and premised on law in effect as of the date of original delivery of the Bonds, will be delivered to the Underwriter at the time of original delivery of the Bonds.

The proposed text of Bond Counsel's legal opinion is set forth as Appendix D. The legal opinion to be delivered may vary from that text if necessary to reflect facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution of the opinion by recirculation of the Official Statement or otherwise shall create no implication that Bond Counsel has reviewed or expressed any opinion concerning any of the matters referenced in the opinion subsequent to its date.

Bond Counsel has not been engaged to, nor has it undertaken to, review (1) the accuracy, completeness or sufficiency of this Official Statement or any other offering material relating to the Bonds; provided, however, that Bond Counsel will render an opinion to the Underwriter of the Bonds (upon which opinion only the Underwriter may rely) relating to the fairness of the presentation of certain statements contained herein under the heading "TAX MATTERS" and certain statements which summarize provisions of the Bond Resolution, the Bonds, and federal tax law, and (2) the compliance with any federal or state law with regard to the sale or distribution of the Bonds.

Certain legal matters incident to the issuance of the Bonds will be passed upon for the Town by Weiss Serota Helfman Cole & Bierman, P.L., Coral Gables, Florida, Disclosure Counsel and Town Attorney.

The fees to be paid to all counsel, other than the Town Attorney, described under "LEGAL MATTERS" are contingent upon the issuance of the Bonds and the receipt of the proceeds thereof.

### **TAX MATTERS**

The Internal Revenue Code of 1986, as amended (the "Code") includes requirements which the Town must continue to meet after the issuance of the Bonds in order that interest on the Bonds not be included in gross income for federal income tax purposes. The Town's failure to meet these requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to their date of issuance. The Town has covenanted in the Bond Resolution to take all actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds. The opinion of Bond Counsel will be based upon and assume the accuracy of certain representations and certifications and compliance with certain covenants of the Town to be contained in the transcript of proceedings which are intended to evidence and assure that interest on the Bonds is and will continue to be excluded from gross income for federal income tax purposes.

In the opinion of Bond Counsel, assuming continuing compliance by the Town with the tax covenants referred to above, under existing statutes, regulations, rulings and judicial decisions, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. For tax years beginning after December 31, 2022, interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal alternative minimum tax imposed on certain corporations under the Code.

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of the Bonds. Prospective purchasers of Bonds should be aware that the ownership of Bonds may result in other collateral federal tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry Bonds or, in the case of a financial institution, that portion of the owner's interest expenses allocable to interest on the Bonds, (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by 15 percent of certain items, including interest on the Bonds, (iii) the inclusion of interest on Bonds in the earnings of certain foreign

corporations doing business in the United States for purposes of a branch profits tax, (iv) the inclusion of interest on Bonds in the passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year and (v) interest on the Bonds is taken into account in determining whether recipients of Social Security and Railroad Retirement benefits must include a portion of those benefits in gross income.

Prospective purchasers of the Bonds upon their original issuance at yields other than the respective yields indicated on the inside cover of this Official Statement, and prospective purchasers of the Bonds at other than their original issuance, should consult their own tax advisers regarding the tax considerations resulting from such purchase.

### **New Corporate Alternative Minimum Tax**

On August 12, 2022, Congress passed the Inflation Reduction Act of 2022, H.R. 5376 (the “IRA”), and sent such legislation on to President Biden; the President signed the IRA into law on Tuesday, August 16, 2022. Among the law’s various provisions is a new corporate alternative minimum tax. Corporations (other than S corporations, Regulated Investment Companies and Real Estate Investment Trusts) which report “adjusted financial statement income” averaging at least \$1,000,000,000 over a preceding three tax year period will face an alternative minimum federal tax liability of 15% of current adjusted financial statement income. Interest on tax-exempt obligations, such as the Bonds, is included within the calculation of “adjusted financial statement income” for purposes of the new alternative minimum tax. The IRA applies to tax years beginning after December 31, 2022. The IRA is new law and few specifics are known or available about its eventual application by the United States Treasury Department or the Internal Revenue Service.

### **Other Tax Matters**

From time to time, there are legislative proposals in Congress which, if enacted, could alter or amend one or more of the Federal income tax matters referred to herein or adversely affect the market value of the Bonds. In addition, judicial proceedings may be filed, the outcome of which could modify the tax treatment of obligations such as the Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Bonds, will not have an adverse effect on the tax status of interest on the Bonds or the market value or marketability of the Bonds.

Recent legislative proposals would eliminate, reduce or otherwise alter the tax benefits currently provided to certain owners of state and local government bonds, including proposals that would result in additional federal income tax on taxpayers that own tax-exempt obligations if their incomes exceed certain thresholds. Investors in the Bonds should be aware that any such future legislative actions may retroactively change the treatment of all or a portion of the interest on the Bonds for federal income tax purposes for all or certain taxpayers. In such event, the market value of the Bonds may be adversely affected and the ability of holders to sell their Bonds in the secondary market may be reduced. The Bonds are not subject to special mandatory redemption, and the interest rates on the Bonds are not subject to adjustment, in the event of any such change.

Prospective purchasers of the Bonds should consult their own tax advisers regarding their particular tax status or other tax considerations resulting from ownership of the Bonds.

## **ORIGINAL ISSUE DISCOUNT**

The initial offering price of the Bonds maturing on April 1 in the years 2039 through and including 2042 (the “Discount Bonds”) is less than the stated principal amounts thereof. The difference between the principal amount of the Discount Bonds and the initial offering price to the public, excluding bond houses and brokers, at which price a substantial amount of such Discount Bonds of the same maturity was sold, is “original issue discount.” Original issue discount represents interest which is excluded from gross income for federal income tax purposes; however, such interest is taken into account for purposes of determining the alternative minimum tax imposed on corporations and may result in the collateral federal tax consequences described above under “TAX MATTERS” in the year of accrual. Consequently, prospective purchasers of Discount Bonds should be aware that the accrual of original issue discount in each year may result in alternative minimum tax liability or other collateral tax consequences although the owner of such Discount Bonds may not have received cash in such year. Original issue discount will accrue over the term of a Discount Bond at a constant interest rate compounded on interest payment dates. A purchaser who acquires a Discount Bond in the initial offering at a price equal to the initial offering price thereof will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes equal to the original issue discount accruing during the period such purchaser holds such Discount Bond and will increase its adjusted basis in such Discount Bond by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or other disposition of such Discount Bond. The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. Prospective purchasers of Discount Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, redemption or other disposition of Discount Bonds and with respect to the state and local tax consequences of owning and disposing of Discount Bonds.

## **ORIGINAL ISSUE PREMIUM**

The Bonds maturing on April 1 in the years 2047 and 2052 (the “Premium Bonds”) were offered and sold to the public at an issue price in excess of their stated redemption price (the par amount) at maturity. The difference between the amount payable at maturity of the Premium Bonds and the tax basis to the purchaser (other than a purchaser who holds a Premium Bond as inventory, stock in trade or for sale to customers in the ordinary course of business) is “bond premium.” Bond premium is amortized for federal income tax purposes over the term of a Premium Bond. A purchaser of Premium Bond is required to decrease his adjusted basis in the Premium Bond by the amount of amortizable bond premium attributable to each taxable year he holds the Premium Bond. The amount of amortizable bond premium attributable to each taxable year is determined at a constant interest rate compounded actuarially. The amortizable bond premium attributable to a taxable year is not deductible for federal income tax purposes. Prospective purchasers of Premium Bonds should consult their own tax advisors as to the determination for federal income tax purposes of the amount of amortizable bond premium properly accruable each year with respect to the Premium Bonds and as to other federal tax consequences and the treatment of amortizable bond premium for state and local tax purpose.

## **RATING**

Moody’s Investors Service, Inc. has assigned a rating of “Aa2” to the Bonds. Certain information was supplied by the Town to the rating agency to be considered in evaluating the Bonds. Such ratings express only the views of the rating agency and are not a recommendation to buy, sell or hold the Bonds.



Any desired explanation of the significance of such rating should be obtained from the rating agency at the following addresses: Moody's Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such rating will not be revised downward or withdrawn entirely by the rating agency, if in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

**Neither the Town nor the Underwriter has undertaken any responsibility to maintain any particular rating on the Bonds. The Town has agreed, as part of its continuing disclosure covenant contained in the Bond Resolution, to report actual rating changes on the Bonds.** See "CONTINUING DISCLOSURE" herein. Any downward change in or withdrawal of a credit rating may have an adverse effect on the marketability or market price of the Bonds.

### ADVISORS AND CONSULTANTS

The Town has retained certain advisors and consultants in connection with the issuance of the Bonds. These advisors and consultants are compensated from a portion of the proceeds of the Bonds, identified as "Costs of Issuance" under the heading "ESTIMATED SOURCES AND USES OF FUNDS" herein; their compensation is, in some instances, contingent upon the issuance of the Bonds and the receipt of the proceeds thereof.

***Bond Counsel and Disclosure Counsel.*** Weiss Serota Helfman Cole & Bierman, P.L., Coral Gables, Florida, represents the Town as Bond Counsel and Disclosure Counsel with respect to the issuance of the Bonds. As Bond Counsel and Disclosure Counsel, Weiss Serota Helfman Cole & Bierman, P.L. is not obligated to undertake and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement. Attorneys for the Town may from time to time serve as counsel to the Underwriter. The Underwriter has identified no additional potential conflicts that require disclosure.

***Financial Advisor.*** Estrada Hinojosa & Company, Inc., Miami, Florida serves as Financial Advisor to the Town. The Financial Advisor assisted the Town in the preparation of this Official Statement and in other matters relating to the planning, structure and issuance of the Bonds, and provided other advice. However, the Financial Advisor has not been engaged and is not obligated to undertake and has not undertaken to make, independent verification of the accuracy, completeness, or fairness of the information contained in this Official Statement.

### UNDERWRITING

RBC Capital Markets, LLC (the "Underwriter") has agreed, subject to certain conditions precedent set forth in a Bond Purchase Agreement with the Town, to purchase the Bonds from the Town, at a price of \$7,238,505.67 (\$7,000,000 par amount less an Underwriter's discount of \$55,822.33 plus a net original issue premium of \$294,328.00). The Underwriter has furnished the information on the inside cover page of this Official Statement pertaining to the public offering prices of the Bonds. The public offering prices of the Bonds may be changed from time to time by the Underwriter, and the Underwriter may allow a concession from the public offering prices to certain dealers. None of the Bonds will be delivered by the Town to the Underwriter unless all of the Bonds are so delivered.

The Underwriter and its respective affiliates are full-service financial institutions engaged in various activities that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, the Underwriter and its respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriter and its respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of the Town. The Underwriter and its respective affiliates may make a market in credit default swaps with respect to municipal securities in the future. The Underwriter and its respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the Town.

In the ordinary course of its various business activities, the Underwriter and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Town.

The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

#### **DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATION**

Florida law requires the Town to make a full and fair disclosure of any bonds or other debt obligations which it has issued or guaranteed and which are or have been in default as to principal or interest at any time after December 31, 1975 (including bonds or other debt obligations for which it has served as a conduit issuer). The applicable rule provides, however, that if the Town in good faith believes that such disclosure would not be considered material by reasonable investors, such disclosure may be omitted. The Town is not and has not been in default as to principal of and interest on bonds or other debt obligations to which revenues of the Town are pledged. The Town has not served as a conduit issuer.

#### **FORWARD LOOKING STATEMENTS**

This Official Statement contains certain “forward-looking statements” concerning the Town’s operations, performance and financial condition, including its future economic performance, plans and objectives and the likelihood of success in developing and expanding. These statements are based upon a number of assumptions and estimates which are subject to significant uncertainties, many of which are beyond the control of the Town. The words “may,” “could,” “will,” “expect,” “anticipate,” “believe,” “intend,” “plan,” “estimate,” “budget” and similar expressions are meant to identify these forward-looking statements. Actual results may differ materially from those expressed or implied by these forward-looking statements. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Other than the

customary financial reporting activities of the Town or reporting activities necessary to comply with legal or contractual requirements, the Town does not plan to issue any updates or revisions to such forward-looking statements if or when (i) the expectations of the Town change, or (ii) the events, conditions or circumstances on which such forward-looking statements are based actually occur or fail to occur.

### CONTINUING DISCLOSURE

The Town has covenanted and agreed in the Bond Resolution, in accordance with the provisions of, and to the degree necessary to comply with, Securities and Exchange Commission Rule 15c2-12 (the “Rule”), to provide or cause to be provided for the benefit of the beneficial owners of the Bonds (the “Beneficial Owners”) to the Municipal Securities Rulemaking Board (“MSRB”) (currently through its Electronic Municipal Market Access (“EMMA”) web portal) in an electronic format prescribed by the MSRB and such other municipal securities information repository as may hereafter be required by law or applicable legislation, from time to time (each such information repository, a “MSIR”), the following annual financial information (the “Annual Information”), commencing with the Fiscal Year ended September 30, 2022:

- (1) Updates of the information in the Official Statement pertaining to the Town in the tables titled “ASSESSED VALUE AND ESTIMATED VALUE OF TAXABLE PROPERTY”, “PROPERTY TAX RATES, DIRECT AND OVERLAPPING GOVERNMENTS”, and “PROPERTY TAX LEVIES AND COLLECTIONS”, in a form which is generally consistent with the presentation of such information in the Official Statement, to the extent not included in the audited financial statements of the Town referred to in (2) below.
- (2) Audited financial statements with respect to the Town utilizing generally accepted accounting principles applicable to local governments.
- (3) Disclosure of any material litigation that would have been disclosed in the Official Statement if it had been pending as of the date of the Official Statement.

The information in paragraphs (1) and (2) above is expected to be available on or prior to October 1 of each year for the preceding Fiscal Year, commencing October 1, 2023. The financial statements referred to in clause (2) above are expected to be available separately from the information in clause (1) above and shall be provided by the Town as soon as practical after acceptance of such statements from the auditors by the Town. If not available by October 1 after the end of the Fiscal Year, unaudited information will be provided in accordance with the time frame set forth above and audited financial statements will be provided as soon after such time as they become available.

(b) The Town has agreed to provide or cause to be provided to each MSIR and to the MSRB via EMMA, in the appropriate format required by law or applicable regulation, in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the Bonds:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed

- or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) modifications to rights of Bondholders or Beneficial Owners of the Bonds, if material;
  - (8) Bond calls, if material, and tender offers;
  - (9) defeasances;
  - (10) release; substitution or sale of any property securing repayment of the Bonds, if material;
  - (11) rating changes;
  - (12) bankruptcy, insolvency, receivership or similar event of the Town (which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Town in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Town, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Town);
  - (13) the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
  - (14) the appointment of a successor or additional trustee or paying agent or the change of name of a trustee or paying agent, if material;
  - (15) incurrence of a financial obligation of the Town, if material, or agreement to covenants, events of default, remedies, property rights, or other similar terms of a financial obligation of the Town, any of which affect Holders or security holders, if material;
  - (16) default, event of acceleration, termination event, modification of terms or other similar events under the terms of a financial obligation of the Town, any of which reflect financial difficulties; and
  - (17) failure to provide any Annual Report as required hereunder that contains, in all material respects, the information required to be included therein under Section 15 (a)(1) of this Resolution, which failure shall, in all cases, be deemed material under federal securities laws.

(c) The Town has also agreed to provide or cause to be provided, in a timely manner, to the MSRB via EMMA and each MSIR, in the appropriate format required by law or applicable regulation, notice of its failure to provide the Annual Information with respect to itself on or prior to October 1 following the end of the preceding Fiscal Year.

(d) The continuing disclosure obligations of the Town shall remain in effect only so long as the Bonds are Outstanding. The Town reserves the right to terminate its obligations to provide the Annual Information and notices of material events, as set forth above, if and when the Town no longer remains an “obligated person” with respect to the Bonds within the meaning of the Rule.

(e) The Town agrees that its undertaking pursuant to the Rule set forth in Section 14 of the Bond Resolution is intended to be for the benefit of the Beneficial Owners of the Bonds and shall be enforceable by such Beneficial Owners if the Town fails to cure a breach within a reasonable time after receipt of written notice from a Beneficial Owner that a breach exists; provided that any such Beneficial Owner's right to enforce the provisions of this undertaking shall be on behalf of all Beneficial Owners and shall be limited to a right to obtain specific performance of the Town's continuing disclosure obligations in a federal or state court located within the County and any failure by the Town to comply with the provisions of this undertaking shall not be a default with respect to the Bonds.

(f) Notwithstanding the foregoing, each MSIR to which information shall be provided shall include each MSIR approved by the Securities and Exchange Commission prior to the issuance of the Bonds. In the event that the Securities and Exchange Commission approves any additional MSIRs after the date of issuance of the Bonds, the Town shall, if the Town is notified of such additional MSIRs, provide such information to the additional MSIRs. Failure to provide information to any new MSIR whose status as a MSIR is unknown to the Town shall not constitute a breach of this covenant.

(g) The requirements of subsection (a) above do not necessitate the preparation of any separate annual report addressing only the Bonds. The requirements of subsection (a) may be met by the filing of an annual information statement or the Town's Comprehensive Annual Financial Report, if any, provided such report includes all of the required Annual Information and is available for each Fiscal Year on or prior to October 1 of each year for the preceding Fiscal Year. Additionally, the Town may incorporate any information in any prior filing with each MSIR, or included in any final official statement of the Town, provided such final official statement is filed with the MSRB via EMMA.

(h) The Town reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Town; provided that the Town agrees that any such modification will be done in a manner consistent with the Rule.

(i) Except to cure any ambiguity, inconsistency or formal defect or omission in the continuing disclosure provisions of the Bond Resolution, the Town's covenants as to continuing disclosure (the "Covenants") may only be amended if: (1) the amendment is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law or a change in the identity, nature or status of the Town or type of business conducted; the Covenants, as amended, would have complied with the requirements of the Rule at the time of award of the Bonds, after taking into account any amendments or change in circumstances; and the amendment does not materially impair the interests of the Beneficial Owners, as determined by Disclosure Counsel, Bond Counsel or other independent counsel knowledgeable in the area of federal securities laws and regulations; or (2) all or any part of the Rule, as interpreted by the staff of the Securities and Exchange Commission at the date of the adoption of the Bond Resolution, ceases to be in effect for any reason, and the Town elects that the covenants shall be deemed amended accordingly.

(j) Any assertion of beneficial ownership must be filed with the Town, along with full documentary support, as part of the written request described above.

(k) The Town Manager or the Finance Director are authorized and directed under the Bond Resolution to cause all other agreements to be made or action to be taken as required in connection with meeting the Town's obligations as to the Covenants, including entering into an agreement with a dissemination agent to provide continuing disclosure services to the Town. The Town Manager or the

Finance Director are further authorized to make such additions, deletions and modifications to the Covenants deemed necessary or desirable after consultation with the Town Attorney, Bond Counsel and Disclosure Counsel.

With respect to the Bonds, no party other than the Town is obligated to provide, nor is expected to provide, any continuing disclosure information with respect to the aforementioned Rule. The Town has entered into a contract with Digital Assurance Certification, LLC to provide continuing disclosure dissemination agent services for all of its outstanding bond issues. The Town has been in compliance with its continuing disclosure undertakings for the last five years.

### **MISCELLANEOUS**

The references, excerpts and summaries of all documents, resolutions and ordinances referenced herein do not purport to be complete statements of the provisions of such documents, resolutions and ordinances, and reference is directed to all such documents, resolutions and ordinances for full and complete statements of all matters of fact relating to the Bonds, the security for and the repayment of the Bonds and the rights and obligations of the holders thereof.

Concurrently with the delivery of the Bonds, the Town will furnish a certificate to the effect that, to the best of its knowledge, this Official Statement (other than the information herein related to DTC, the book-entry only system of registration maintained by DTC and the information contained under the captions "TAX MATTERS," "ORIGINAL ISSUE DISCOUNT," "ORIGINAL ISSUE PREMIUM" AND "UNDERWRITING," as to which no opinion by the Town need be expressed), as of its date and as of the date of delivery of the Bonds, does not contain any untrue statement of material fact and does not omit any material fact that should be included herein for the purpose for which the Official Statement is to be used, or which is necessary to make the statements contained herein, in light of the circumstances under which they were made, not misleading.

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The execution and delivery of this Official Statement has been duly authorized by the Town.

TOWN OF GOLDEN BEACH, FLORIDA

By: /s/Alexander Diaz  
Name: Alexander Diaz  
Title: Town Manager

By: /s/ Glenn Singer  
Name: Glenn Singer  
Title: Mayor

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**APPENDIX A**

**FINANCIAL STATEMENTS OF  
THE TOWN OF GOLDEN BEACH, FLORIDA  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

Set forth in this Appendix A are the audited basic financial statements of the Town for the Fiscal Year ended September 30, 2021 (the "Audit"). The Audit is included in this Official Statement as a public document.

THE CONSENT OF KEEFE MCCULLOUGH & CO., LLP FOR USE OF THE FINANCIAL STATEMENTS OF THE TOWN WAS NOT REQUESTED. KEEFE MCCULLOUGH & CO., LLP WAS NOT REQUESTED TO PERFORM AND HAS NOT PERFORMED ANY SERVICE IN CONNECTION WITH THE OFFERING OF THE BONDS, AND IS THEREFORE NOT ASSOCIATED WITH THE OFFERING OF THE BONDS.

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**Town of Golden Beach, Florida**  
Basic Financial Statements  
For the Year Ended September 30, 2021

**Town of Golden Beach, Florida**  
**Basic Financial Statements**  
**For the Year Ended September 30, 2021**  
**Table of Contents**

---

Independent Auditor's Report	1-2
Management's Discussion and Analysis (Not Covered by Independent Auditor's Report)	3-9
<b>Basic Financial Statements</b>	
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	15-16
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, 2021**  
**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)	54-55
Retirement Plan for Employees of the Town of Golden Beach - Schedule of Town Contributions (Unaudited)	56-57
Retirement Plan for Employees of the Town of Golden Beach - Schedule of Investment Returns (Unaudited)	58
Schedule of Changes in Total OPEB Liability and Related Ratios (Unaudited)	59
Statement of Revenues, Expenditures and Change in Fund Balance - Budget and Actual - Law Enforcement Trust Fund (Unaudited)	60

**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>	61-62
Independent Auditor's Report to Town Management	63-64
Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes	65

## 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, 2021, 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

SOUTH FLORIDA BUSINESS JOURNAL

**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, 2021, 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 9 and 54 through 60 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 May 11, 2022, 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  
May 11, 2022



# MANAGEMENT'S DISCUSSION AND ANALYSIS

(NOT COVERED BY  
INDEPENDENT AUDITORS' REPORT)



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, 2021 and 2020. 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, 2021:

- The Town's net position, which total assets and deferred outflows less liabilities and deferred inflows, was \$20,827,905. Governmental net position totaled \$11,936,445 and business-type net position totaled \$8,891,460.
- Governmental activities revenues were \$12,667,259. The expenses of governmental activities were \$11,924,022.
- Business-type activities revenues were \$506,274 and business-type expenses amounted to \$701,739.

### **Town Highlights**

As we look back at the 2020-2021 Fiscal Year, the Town faced a number of obstacles and challenges in the rebuilding of our community following the COVID-19 Pandemic. The pandemic did a number of things – halted the world economy, tested our resolve, brought us all together, while keeping us apart, and changed the way the world conducts business. As we dive into uncharted territory of remote meetings and digital archives, we continue to make strides to overcome the uncertainty of what lies ahead, to maintain the Town's standing as a premier residential community in which to visit, live, and raise a family. This year has tested our resolve and our strength as a community. The Town looks forward to what lies ahead with optimism and hope for a better tomorrow. The Town continues to realize our mission of becoming a community that provides more customer-centric services with more beautiful and vibrant open spaces, at the epicenter of South Florida's high society. By staying focused on our mission, vision and strategic priorities, the Town has achieved a great deal.

In attaining these achievements, the Town has had to be **Forward Thinking** in the way business is conducted and be **Future Focused** to meet the demands of the labor market. And as the Administration has taken a concerted effort to invest in the infrastructure of the Town, so too now the Administration is making a concerted effort to invest in the workforce that has aided in making the Town-wide improvements a reality.

Once again, the Town's assessed values grew this year to a very healthy \$1,194 billion. And even with the unexpected obstacles of social distancing and added safety protocols, the Administration was able to overcome the challenges and get the job done.

As we moved forward focused on the future, FY 2020/2021 provided the foundation and framework for the Town to continue to grow and meet the demands of tomorrow.

Demands such as becoming the first municipal community in the nation to offer managed in-home WiFi with dedicated fiber to each home, and breaking ground on the highly anticipated Civic Center Complex Masterplan. Here is more of what FY 2020/2021 looked like:

- During the past year the Town Manager, spend 6 hours each evening attending the Miami-Dade School of Justice Police Academy. The training and experience gained is invaluable to the Town. As a Certified Law Enforcement Officer, the Manager will now apply the knowledge gained to strengthen our security efforts and developing our Police Staff.
- Awarded a contract to Hotwire Communications, Inc. to provide bulk internet managed in-home WiFi with dedicated fiber to each home in Town. This is a momentous accomplishment, making the Town the first municipal community in the nation to offer this service. In addition, Hotwire Communications will also be offering cable services to residents, for an additional fee for those residents who wish to receive those services from Hotwire.
- Held a ground-breaking ceremony for the new Civic Center on October 20, 2020. The COVID-19 safe ceremony was well attended and met with praise from the community. The event was made into a video and posted onto the Town's website.
- After breaking ground, the Administration began the initial construction phase of the Civic Center Complex Masterplan. Due to issues with supply, demand and escalating labor costs caused by the COVID-19 pandemic this fiscal year, Gerrits Construction, Inc. requested the addition of \$ 1.4-million to the original contract to the Town. After a considerable amount of negotiations and meetings, the Administration was able to decrease these costs to \$ 400 thousand. Ultimately, the Town had to amend its design-build agreement with Gerrits Construction, Inc. However, the Administration was able to secure the required additional funding without posing any assessments or millage increases to residents.
- As of July 2021, the Town has officially begun construction efforts on the new Civic Center Complex at an expeditious rate, with the goal of completion sometime in late-2022 to early-2023.
- The Town successfully entered into an agreement with the Florida Department of Health to provided vaccinations to our staff and residents as part of a closed POD site. We hosted a COVID-19 vaccination day that resulted in over 150 vaccinations.
- Creation of the Golden Beach Resilience Team comprised of the Town's engineers and in-house CIP and Building & Zoning staff. The Resilience Team has been tasked with research and identification of the proper methodology to prepare the Town for Sea Level Rise and tidal flooding in the coming years. The team held its first meeting June 22, 2021.
- The Town negotiated with the Miami-Dade Water and Sewer Department (WASD) for the Town's Forcemain Replacement on Golden Beach Drive. Not only is WASD covering the costs of the forcemain replacement, they are also installing brand new asphalt, pavers and geo-grid on Golden Beach Drive from Navona Avenue to Terracina Drive – a savings to the Town of an estimated \$ 1.2-million.

### **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 10 through 12 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 13 through 21 of this report.

The *proprietary fund* beginning on page 22 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 25, 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 27 through 53 of this report.

**Town of Golden Beach, Florida  
Management's Discussion and Analysis  
September 30, 2021**

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**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 54 through 60 of this report.

**Government-Wide Financial Analysis**

The table below presents condensed statements of net position as of September 30, 2021 and 2020:

**Statements of Net Position  
September 30, 2021 and 2020**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
<b>Current and Other Assets</b>	\$ 6,964,652	\$ 5,644,263	\$ 859,194	\$ 593,284	\$ 7,823,846	\$ 4,624,083
<b>Capital Assets (NET)</b>	<u>24,989,819</u>	<u>25,318,918</u>	<u>11,943,685</u>	<u>11,466,237</u>	<u>36,933,504</u>	<u>38,262,244</u>
Total assets	<u>31,954,471</u>	<u>30,963,181</u>	<u>12,802,879</u>	<u>12,059,521</u>	<u>44,757,350</u>	<u>42,886,327</u>
<b>Total Deferred Outflows of Resources</b>	<u>3,631,051</u>	<u>4,276,434</u>	<u>-</u>	<u>-</u>	<u>3,631,051</u>	<u>4,276,434</u>
<b>Current and Other Liabilities</b>	1,688,087	1,402,733	2,664,279	2,203,058	4,352,366	3,605,791
<b>Long-Term Liabilities</b>	<u>19,731,422</u>	<u>22,361,442</u>	<u>1,247,140</u>	<u>769,538</u>	<u>20,978,562</u>	<u>23,130,980</u>
Total liabilities	<u>21,419,509</u>	<u>23,764,175</u>	<u>3,911,419</u>	<u>2,972,596</u>	<u>25,330,928</u>	<u>26,736,771</u>
<b>Total Deferred Inflows of Resources</b>	<u>2,229,568</u>	<u>282,232</u>	<u>-</u>	<u>-</u>	<u>2,229,568</u>	<u>282,232</u>
<b>Net Position:</b>						
Net investment in capital assets	14,317,089	14,600,048	10,526,022	10,551,227	24,843,111	25,151,275
Unrestricted (deficit)	<u>(2,380,644)</u>	<u>(3,406,840)</u>	<u>(1,634,562)</u>	<u>(1,464,302)</u>	<u>(4,015,206)</u>	<u>(4,871,142)</u>
Total net position	<u>\$ 11,936,445</u>	<u>\$ 11,193,208</u>	<u>\$ 8,891,460</u>	<u>\$ 9,086,925</u>	<u>\$ 20,827,905</u>	<u>\$ 20,280,133</u>

**Town of Golden Beach, Florida  
Management's Discussion and Analysis  
September 30, 2021**

The following table presents condensed statements of activities for the years ended September 30, 2021 and 2020:

**Statements of Activities  
For the Years Ended September 30, 2021 and 2020**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 1,959,912	\$ 1,094,972	\$ 213,835	\$ 221,805	\$ 2,173,747	\$ 1,316,777
Grants	332,630	569,950	-	-	332,630	569,950
General revenues:						
Property taxes	9,546,501	9,367,925	-	-	9,546,501	9,367,925
Other general revenues	637,654	300,895	334	3,840	637,988	304,735
Other taxes and fees	190,562	163,189	292,105	286,788	482,667	449,977
<b>Total revenues</b>	<b>12,667,259</b>	<b>11,496,931</b>	<b>506,274</b>	<b>512,433</b>	<b>13,173,533</b>	<b>12,009,364</b>
<b>Program Expenses:</b>						
General government	3,943,123	3,749,318	-	-	3,943,123	3,749,318
Public safety	4,461,054	4,781,332	-	-	4,461,054	4,781,332
Physical environment	1,120,321	1,261,900	-	-	1,120,321	1,261,900
Transportation	857,880	866,595	-	-	857,880	866,595
Cultural and recreation	625,401	754,976	-	-	625,401	754,976
Special events	433,841	414,175	-	-	433,841	414,175
Interest expense	482,401	480,474	-	-	482,401	480,474
Stormwater drainage	-	-	701,739	995,423	701,739	995,423
<b>Total expenses</b>	<b>11,924,022</b>	<b>12,308,770</b>	<b>701,739</b>	<b>995,423</b>	<b>12,625,761</b>	<b>13,304,193</b>
Change in net position	\$ <u>743,237</u>	\$ <u>(811,839)</u>	\$ <u>(195,465)</u>	\$ <u>(482,990)</u>	\$ <u>547,772</u>	\$ <u>(1,294,829)</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 75% of all governmental activities' revenue during fiscal year 2021. 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 7.7720 mills for general government services and \$ .6280 for bond debt service during the 2020-2021 fiscal year. Property values have increased by approximately 2% 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 \$ 11,924,022 and \$ 701,739 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 \$ 4,608,650 an increase of \$ 914,414.

The General Fund balance increased to \$ 5,232,215 during the current fiscal year, an increase of \$ 1,604,851.

**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 \$ 8,849,236 at the end of FY2021, a decrease of \$ 237,689 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 \$ 1,935,922 favorable to the final budget projections and total expenditures were \$ 191,071 unfavorable to final budget projections. Major variances between budgeted and actual amounts in the General Fund are as follows:

- a. License and permit revenues were approximately \$ 1,274,000 above budgeted amounts due to new applications for construction during the year.
- b. Public safety expenditures were approximately \$ 200,000 over budget due to expenditures caused to cover back fill law enforcement personnel hired to fill vacancies created when our law enforcement agency assigned personnel to a federal task force.

### Capital Assets and Debt Administration

**Capital assets:** The Town had capital assets of \$ 36,933,504 and \$ 36,785,155, net of depreciation, as of September 30, 2021 and 2020, respectively.

**Town of Golden Beach, Florida  
Management's Discussion and Analysis  
September 30, 2021**

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
	Land	\$ 1,878,598	\$ 1,878,598	\$ -	\$ -	\$ 1,878,598
Construction in progress	1,320,559	333,269	1,084,375	196,133	2,404,934	529,402
Buildings	933,738	983,251	-	-	933,738	983,251
Equipment and vehicles	902,403	1,145,594	-	-	902,403	1,145,594
Infrastructure	18,207,781	19,097,489	-	-	18,207,781	19,097,489
Improvements other than buildings	1,746,740	1,880,717	10,859,310	11,270,104	12,606,050	13,150,821
	<u>\$ 24,989,819</u>	<u>\$ 25,318,918</u>	<u>\$ 11,943,685</u>	<u>\$ 11,466,237</u>	<u>\$ 36,933,504</u>	<u>\$ 36,785,155</u>

**Debt:** The Town had debt of approximately \$ 13.5 million at September 30, 2021. Total debt outstanding at the end of the prior fiscal year was also approximately \$ 13.5 million. The following schedule summarizes long-term debt for the year ended September 30, 2021:

	Balance October 1, 2020	Additions	Deletions	Balance September 30, 2021	Due Within One Year
<b>Governmental Activities:</b>					
General Obligation Refunding Bonds, Series 2016	\$ 11,575,000	\$ -	\$ 445,000	\$ 11,130,000	\$ 460,000
General Obligation Refunding Bonds, Series 2019	650,000	-	-	650,000	-
Bond premium	367,542	-	20,419	347,123	-
Total governmental activities	<u>12,592,542</u>	<u>-</u>	<u>465,419</u>	<u>12,127,123</u>	<u>460,000</u>
<b>Business-Type Activities:</b>					
Department of Environmental Protection, Revolving Loans	915,010	648,125	145,472	1,417,663	170,523
Total business-type activities	<u>915,010</u>	<u>648,125</u>	<u>145,472</u>	<u>1,417,663</u>	<u>170,523</u>
Total governmental and business-type activities	<u>\$ 13,507,552</u>	<u>\$ 648,125</u>	<u>\$ 610,891</u>	<u>\$ 13,544,786</u>	<u>\$ 630,523</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.

The Town executed an agreement for the funds that President Biden and the Democratically controlled congress approved for the Town this past year. The Town has been slated to receive a Recovery Funds allocation for Recipient under this Agreement of \$ 467,297, which is \$ 117,297 more than what are requested and anticipated.

**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



**Town of Golden Beach, Florida**  
**Statement of Net Position**  
**September 30, 2021**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Cash and cash equivalents	\$ 3,759,036	\$ 706,126	\$ 4,465,162
Investments	514,843	26,273	541,116
Accounts receivable	296,406	126,795	423,201
Prepaid expenses	1,567	-	1,567
Other assets	68,542	-	68,542
Capital assets, non-depreciable	3,199,157	1,084,375	4,283,532
Capital assets, depreciable	21,790,662	10,859,310	32,649,972
Internal balance	2,324,258	(2,324,258)	-
<b>Total assets</b>	<b>31,954,471</b>	<b>10,478,621</b>	<b>42,433,092</b>
<b>Deferred Outflows of Resources:</b>			
Deferred charge on refunding	507,930	-	507,930
Deferred outflows relating to pensions	1,511,221	-	1,511,221
Deferred outflows relating to other post employment benefits (OPEB)	1,611,900	-	1,611,900
<b>Total deferred outflows of resources</b>	<b>3,631,051</b>	<b>-</b>	<b>3,631,051</b>
<b>Liabilities:</b>			
Accounts payable	581,264	165,265	746,529
Accrued interest payable	116,230	4,233	120,463
Accrued expenses	488,606	-	488,606
Due within one year:			
Compensated absences payable	41,987	-	41,987
Bonds and capital leases payable	460,000	170,523	630,523
Due in more than one year:			
Builder bond deposits	1,012,910	-	1,012,910
Other deposits	273,222	-	273,222
Compensated absences payable	433,060	-	433,060
Net pension liability	1,003,900	-	1,003,900
Bonds and capital leases payable	11,667,123	1,247,140	12,914,263
Other post-employment benefit liability	5,341,207	-	5,341,207
<b>Total liabilities</b>	<b>21,419,509</b>	<b>1,587,161</b>	<b>23,006,670</b>
<b>Deferred Inflows of Resources:</b>			
Deferred inflows relating to pensions	1,955,669	-	1,955,669
Deferred inflows relating to other post employment benefits (OPEB)	273,899	-	273,899
<b>Total deferred inflows of resources</b>	<b>2,229,568</b>	<b>-</b>	<b>2,229,568</b>
<b>Net Position:</b>			
Net investment in capital assets	14,317,089	10,526,022	24,843,111
Unrestricted (deficit)	(2,380,644)	(1,634,562)	(4,015,206)
<b>Total net position</b>	<b>\$ 11,936,445</b>	<b>\$ 8,891,460</b>	<b>\$ 20,827,905</b>

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

Town of Golden Beach, Florida  
Statement of Activities  
For the Year Ended September 30, 2021

	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Capital Grants and Contributions</u>
<b>Functions/Programs:</b>			
Primary government:			
Governmental activities:			
General government	\$ 3,943,123	\$ 1,953,407	\$ 13,969
Public safety	4,461,054	-	318,661
Physical environment	1,120,321	500	-
Transportation	857,880	-	-
Cultural and recreation	625,401	6,005	-
Special events	433,841	-	-
Interest expense and other financing costs	482,401	-	-
	<u>11,924,022</u>	<u>1,959,912</u>	<u>332,630</u>
Total governmental activities			
Business-type activities:			
Stormwater drainage	701,739	213,835	-
	<u>701,739</u>	<u>213,835</u>	<u>-</u>
Total business-type activities			
	<u>701,739</u>	<u>213,835</u>	<u>-</u>
Total primary government	\$ <u>12,625,761</u>	\$ <u>2,173,747</u>	\$ <u>332,630</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			

<b>Net (Expenses) Revenues and Changes in Net Position Primary Government</b>		
<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (1,975,747)	\$ -	\$ (1,975,747)
(4,142,393)	-	(4,142,393)
(1,119,821)	-	(1,119,821)
(857,880)	-	(857,880)
(619,396)	-	(619,396)
(433,841)	-	(433,841)
(482,401)	-	(482,401)
(9,631,480)	-	(9,631,480)
-	(487,904)	(487,904)
-	(487,904)	(487,904)
(9,631,480)	(487,904)	(10,119,384)
9,546,501	-	9,546,501
31,195	133,242	164,437
16,030	158,863	174,893
143,337	-	143,337
591,189	-	591,189
43,754	-	43,754
2,711	334	3,045
10,374,717	292,439	10,667,156
743,237	(195,465)	547,772
11,193,208	9,086,925	20,280,133
\$ 11,936,445	\$ 8,891,460	\$ 20,827,905

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, 2021**

	<b>Major Governmental Funds</b>				<b>Total Governmental Funds</b>
	<b>General Fund</b>	<b>Capital Improvement Project Fund</b>	<b>Law Enforcement Trust Fund</b>	<b>Debt Service Fund</b>	
<b>Assets:</b>					
Cash and cash equivalents	\$ 3,403,099	\$ 110,147	\$ 245,790	\$ -	\$ 3,759,036
Investments	277,810	-	237,033	-	514,843
Accounts receivable	28,993	167,789	98,247	1,377	296,406
Prepaid expenditures	-	-	1,567	-	1,567
Due from other funds	4,139,491	-	-	657,480	4,796,971
Other assets	68,542	-	-	-	68,542
Total assets	<u>\$ 7,917,935</u>	<u>\$ 277,936</u>	<u>\$ 582,637</u>	<u>\$ 658,857</u>	<u>\$ 9,437,365</u>
<b>Liabilities and Fund Balances:</b>					
Liabilities:					
Accounts payable	\$ 253,502	\$ 327,762	\$ -	\$ -	\$ 581,264
Accrued liabilities	488,606	-	-	-	488,606
Due to other funds	657,480	875,308	939,925	-	2,472,713
Builder bond deposits	1,012,910	-	-	-	1,012,910
Other deposits	273,222	-	-	-	273,222
Total liabilities	<u>2,685,720</u>	<u>1,203,070</u>	<u>939,925</u>	<u>-</u>	<u>4,828,715</u>
Fund balances:					
Nonspendable					
Prepaid expenditures	-	-	1,567	-	1,567
Long-term stormwater interfund receivable	2,331,316	-	-	-	2,331,316
Restricted for:					
Capital projects funding	1,120,250	-	-	-	1,120,250
Building department	330,000	-	-	-	330,000
Debt service	-	-	-	658,857	658,857
Committed for:					
Pension reserves	210,581	-	-	-	210,581
Health insurance	135,177	-	-	-	135,177
Assigned for:					
Building department	90,000	-	-	-	90,000
Unassigned (deficit)	<u>1,014,891</u>	<u>(925,134)</u>	<u>(358,855)</u>	<u>-</u>	<u>(269,098)</u>
Total fund balances	<u>5,232,215</u>	<u>(925,134)</u>	<u>(357,288)</u>	<u>658,857</u>	<u>4,608,650</u>
Total liabilities and fund balances	<u>\$ 7,917,935</u>	<u>\$ 277,936</u>	<u>\$ 582,637</u>	<u>\$ 658,857</u>	<u>\$ 9,437,365</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, 2021**

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**Fund Balances - Total Governmental Funds** \$ 4,608,650

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:

Cost of capital assets	\$ 37,806,797	
Accumulated depreciation	<u>(12,816,978)</u>	24,989,819

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	\$ 507,930	
Deferred outflows relating to pensions	1,511,221	
Deferred outflows relating to other post employment benefits (OPEB)	1,611,900	
Deferred inflows relating to pensions	(2,229,568)	
Accrued interest	(116,230)	
Compensated absences	(475,047)	
Net pension liability	(1,003,900)	
Debt	(12,127,123)	
Other post-employment benefit obligation (OPEB)	<u>(5,341,207)</u>	<u>(17,662,024)</u>

**Net Position of Governmental Activities** \$ 11,936,445

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, 2021**

	Major Governmental Funds				Total Governmental Funds
	General Fund	Capital Improvement Project Fund	Law Enforcement Trust Fund	Debt Service Fund	
<b>Revenues:</b>					
Ad valorem taxes	\$ 8,831,947	\$ -	\$ -	\$ 714,554	\$ 9,546,501
Franchise fees	16,030	-	-	-	16,030
Utility service taxes	31,195	-	-	-	31,195
Licenses and permits	1,953,407	-	-	-	1,953,407
Sales, use and fuel taxes	143,337	-	-	-	143,337
State shared revenues	43,754	-	-	-	43,754
Federal grants	13,969	-	-	-	13,969
Physical environment	500	-	-	-	500
Cultural and recreation	6,005	-	-	-	6,005
Fines and forfeitures	220,043	-	98,618	-	318,661
Investment income	2,287	38	386	-	2,711
Miscellaneous	591,189	-	-	-	591,189
	<u>11,853,663</u>	<u>38</u>	<u>99,004</u>	<u>714,554</u>	<u>12,667,259</u>
Total revenues					
<b>Expenditures:</b>					
Current:					
General government	2,403,919	82,334	-	-	2,486,253
Public safety	4,000,931	-	99,004	-	4,099,935
Physical environment	1,102,023	-	-	-	1,102,023
Transportation	858,365	-	-	-	858,365
Cultural and recreation	611,406	-	-	-	611,406
Special events	434,858	-	-	-	434,858
Capital outlay	176,577	1,053,609	-	-	1,230,186
Debt service:					
Principal	10,733	-	-	445,000	455,733
Interest	-	16,604	-	457,482	474,086
	<u>9,598,812</u>	<u>1,152,547</u>	<u>99,004</u>	<u>902,482</u>	<u>11,752,845</u>
Total expenditures					
Changes in fund balance before other financing sources (uses)	<u>2,254,851</u>	<u>(1,152,509)</u>	<u>-</u>	<u>(187,928)</u>	<u>914,414</u>

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

**Town of Golden Beach, Florida**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balances -**  
**Governmental Funds**  
**(Continued)**  
**For the Year Ended September 30, 2021**

	<b>Major Governmental Funds</b>				<b>Total Governmental Funds</b>
	<b>General Fund</b>	<b>Capital Improvement Project Fund</b>	<b>Law Enforcement Trust Fund</b>	<b>Debt Service Fund</b>	
<b>Other Financing Sources (Uses):</b>					
Transfers in	-	650,000	-	-	650,000
Transfers out	<u>(650,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(650,000)</u>
Total other financing sources (uses)	<u>(650,000)</u>	<u>650,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Changes in fund balances	1,604,851	(502,509)	-	(187,928)	914,414
<b>Fund Balances (Deficit), Beginning of Year</b>	<u>3,627,364</u>	<u>(422,625)</u>	<u>(357,288)</u>	<u>846,785</u>	<u>3,694,236</u>
<b>Fund Balances (Deficit), End of Year</b>	<u>\$ 5,232,215</u>	<u>\$ (925,134)</u>	<u>\$ (357,288)</u>	<u>\$ 658,857</u>	<u>\$ 4,608,650</u>

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

**Town of Golden Beach, Florida**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Changes in Fund Balances - Governmental Funds**  
**to the Statement of Activities**  
**For the Year Ended September 30, 2021**

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**Net Change in Fund Balances - Total Governmental Funds** \$ 914,414

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	\$ 1,087,942	
Less current year depreciation	<u>(1,394,372)</u>	(306,430)

The net effect of various miscellaneous transactions involving capital assets (trade-ins, retirements) is to decrease net position.		(22,669)
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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	\$ 445,000	
Amortization of bond premium	<u>20,419</u>	465,419

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		2,123,178
Change in accrued interest payable		1,535
Change in compensated absences payable		51,276
Change in other post-employment benefit obligation (OPEB)		109,233
Change in deferred outflows related to pensions		(425,836)
Change in deferred outflows related to other post employment benefit (OPEB)		(200,011)
Change in deferred inflows related to pensions		(1,673,437)
Change in deferred inflows related to other post employment benefit (OPEB)		<u>(273,899)</u>

**Change in Net Position of Governmental Activities** \$ 743,237

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, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
<b>Revenues:</b>				
Ad valorem taxes	\$ 8,708,879	\$ 8,708,879	\$ 8,831,947	\$ 123,068
Total ad valorem taxes	<u>8,708,879</u>	<u>8,708,879</u>	<u>8,831,947</u>	<u>123,068</u>
Franchise fees:				
Gas	8,800	8,800	16,030	7,230
Total franchise fees	<u>8,800</u>	<u>8,800</u>	<u>16,030</u>	<u>7,230</u>
Utility service taxes:				
Communication service tax	16,728	16,728	19,522	2,794
Gas service tax	6,000	6,000	11,673	5,673
Total utility service taxes	<u>22,728</u>	<u>22,728</u>	<u>31,195</u>	<u>8,467</u>
Licenses and permits:				
Building permits	453,700	453,700	1,150,399	696,699
Other licenses and permits	225,000	225,000	801,624	576,624
Occupational licenses	1,000	1,000	1,384	384
Total licenses and permits	<u>679,700</u>	<u>679,700</u>	<u>1,953,407</u>	<u>1,273,707</u>
Sales, use and fuel taxes:				
State sales tax	63,171	63,171	75,700	12,529
Local option gas tax	23,811	23,811	24,649	838
Local sales tax	41,290	41,290	42,988	1,698
Total sales, use and fuel taxes	<u>128,272</u>	<u>128,272</u>	<u>143,337</u>	<u>15,065</u>
State shared revenues:				
State revenue sharing	19,026	19,026	24,006	4,980
State grant proceeds	13,972	13,972	19,748	5,776
Motor fuel tax rebate	2,500	2,500	-	(2,500)
Total state shared revenues	<u>35,498</u>	<u>35,498</u>	<u>43,754</u>	<u>8,256</u>
Federal grant revenues:				
Federal grants	-	-	13,969	13,969
Total federal grant revenues	<u>-</u>	<u>-</u>	<u>13,969</u>	<u>13,969</u>
Physical environment:				
Reimbursements	-	-	500	500
Total physical environment	<u>-</u>	<u>-</u>	<u>500</u>	<u>500</u>
Culture and recreation:				
Recreation fees	-	-	6,005	6,005
Total culture and recreation	<u>-</u>	<u>-</u>	<u>6,005</u>	<u>6,005</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**  
**(Continued)**  
**For the Year Ended September 30, 2021**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Favorable (Unfavorable) Variance</b>
Stormwater administration fee	150,000	150,000	150,000	-
Fines and forfeitures:				
Code enforcement	20,500	20,500	214,200	193,700
Fines and forfeitures	20,000	20,000	5,292	(14,708)
Law enforcement trust fund	100	100	551	451
Total fines and forfeitures	40,600	40,600	220,043	179,443
Investment income	14,500	14,500	2,287	(12,213)
Miscellaneous:				
Miscellaneous revenue	117,864	117,864	406,276	288,412
Off duty income	6,500	6,500	29,364	22,864
Tax lien letter income	4,200	4,200	5,534	1,334
Public records requests	200	200	15	(185)
Total miscellaneous	128,764	128,764	441,189	312,425
Allocation of fund balance	-	-	-	-
Total revenues	9,917,741	9,917,741	11,853,663	1,935,922
<b>Expenditures:</b>				
General government:				
General governmental:				
Operating expenditures	1,061,400	1,061,400	1,026,940	34,460
Capital outlay	10,000	10,000	36,269	(26,269)
Total general governmental	1,071,400	1,071,400	1,063,209	8,191
Legislative:				
Personal services	90,746	90,746	85,184	5,562
Operating expenditures	40,050	40,050	46,946	(6,896)
Capital outlay	10,500	10,500	6,665	3,835
Total legislative	141,296	141,296	138,795	2,501
Executive:				
Personal services	326,736	326,736	387,909	(61,173)
Operating expenditures	137,860	137,860	46,564	91,296
Capital outlay	5,000	5,000	2,377	2,623
Total executive	469,596	469,596	436,850	32,746

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**  
**(Continued)**  
**For the Year Ended September 30, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
Town clerk:				
Personal services	199,025	199,025	191,393	7,632
Operating expenditures	87,495	87,495	59,581	27,914
Capital outlay	2,200	2,200	4,302	(2,102)
Total town clerk	<u>288,720</u>	<u>288,720</u>	<u>255,276</u>	<u>33,444</u>
Town legal counsel:				
Operating expenditures	209,500	209,500	189,328	20,172
Total town legal counsel	<u>209,500</u>	<u>209,500</u>	<u>189,328</u>	<u>20,172</u>
Finance:				
Personal services	200,244	200,244	217,533	(17,289)
Operating expenditures	86,550	86,550	152,541	(65,991)
Capital outlay	3,500	3,500	-	3,500
Total finance	<u>290,294</u>	<u>290,294</u>	<u>370,074</u>	<u>(79,780)</u>
Total general government	<u>2,470,806</u>	<u>2,470,806</u>	<u>2,453,532</u>	<u>17,274</u>
Public safety:				
Law enforcement:				
Personal services	2,759,379	2,759,379	2,747,948	11,431
Operating expenditures	437,710	437,710	609,719	(172,009)
Capital outlay	85,000	85,000	106,705	(21,705)
Total law enforcement	<u>3,282,089</u>	<u>3,282,089</u>	<u>3,464,372</u>	<u>(182,283)</u>
Protective inspections:				
Personal services	342,001	342,001	330,877	11,124
Operating expenditures	282,000	282,000	312,387	(30,387)
Capital outlay	5,500	5,500	749	4,751
Total protective inspections	<u>629,501</u>	<u>629,501</u>	<u>644,013</u>	<u>(14,512)</u>
Total public safety	<u>3,911,590</u>	<u>3,911,590</u>	<u>4,108,385</u>	<u>(196,795)</u>
Physical environment:				
Personal services	816,965	816,965	792,055	24,910
Operating expenditures	258,248	258,248	309,968	(51,720)
Capital outlay	70,000	70,000	2,600	67,400
Total physical environment	<u>1,145,213</u>	<u>1,145,213</u>	<u>1,104,623</u>	<u>40,590</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**  
**(Continued)**  
**For the Year Ended September 30, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
Transportation:				
Personal services	109,450	109,450	111,140	(1,690)
Operating expenditures	566,182	566,182	747,225	(181,043)
Capital outlay	-	-	7,760	(7,760)
Total transportation	<u>675,632</u>	<u>675,632</u>	<u>866,125</u>	<u>(190,493)</u>
Cultural and recreation:				
Personal services	314,514	314,514	312,931	1,583
Operating expenditures	472,000	472,000	298,475	173,525
Capital outlay	20,000	20,000	9,150	10,850
Total cultural and recreation	<u>806,514</u>	<u>806,514</u>	<u>620,556</u>	<u>185,958</u>
Special events:				
Personal services	219,287	219,287	221,781	(2,494)
Operating expenditures	178,500	178,500	213,077	(34,577)
Capital outlay	-	-	-	-
Total special events	<u>397,787</u>	<u>397,787</u>	<u>434,858</u>	<u>(37,071)</u>
Debt service:				
Principal	99	99	10,733	(10,634)
Interest	100	100	-	100
Total debt service	<u>199</u>	<u>199</u>	<u>10,733</u>	<u>(10,534)</u>
Total expenditures	<u>9,407,741</u>	<u>9,407,741</u>	<u>9,598,812</u>	<u>(191,071)</u>
Change in fund balance before other financing sources (uses)	<u>510,000</u>	<u>510,000</u>	<u>2,254,851</u>	<u>1,744,851</u>
<b>Other Financing Sources (Uses):</b>				
Transfers out	(650,000)	(650,000)	(650,000)	-
Transfers in	140,000	140,000	-	(140,000)
Total other financing sources	<u>(510,000)</u>	<u>(510,000)</u>	<u>(650,000)</u>	<u>(140,000)</u>
Change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>1,604,851</u>	<u>\$ 1,604,851</u>
<b>Fund Balance, Beginning of Year</b>			<u>3,627,364</u>	
<b>Fund Balance, End of Year</b>			<u>\$ 5,232,215</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, 2021**

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	<b>Stormwater Utility Fund</b>
	<u>                    </u>
<b>Assets:</b>	
Current assets:	
Cash and cash equivalents	\$ 706,126
Investments	26,273
Accounts receivable	126,795
Due from other funds	7,058
	<u>                    </u>
Total current assets	<u>866,252</u>
<b>Noncurrent assets:</b>	
Capital assets, net	<u>11,943,685</u>
	<u>                    </u>
Total noncurrent assets	<u>11,943,685</u>
	<u>                    </u>
Total assets	<u>12,809,937</u>
<b>Liabilities:</b>	
Current liabilities:	
Accounts payable	165,265
Accrued interest payable	4,233
Current portion of debt	170,523
Due to other funds	2,331,316
	<u>                    </u>
Total current liabilities	<u>2,671,337</u>
Noncurrent liabilities:	
Long-term debt	<u>1,247,140</u>
	<u>                    </u>
Total noncurrent liabilities	<u>1,247,140</u>
	<u>                    </u>
Total liabilities	<u>3,918,477</u>
<b>Net Position:</b>	
Net investment in capital assets	10,526,022
Unrestricted (deficit)	<u>(1,634,562)</u>
	<u>                    </u>
Total net position	<u>\$ 8,891,460</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, 2021**

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	<b>Stormwater Utility Fund</b>
<b>Operating Revenues:</b>	
Charges for services	\$ 213,835
Tax revenue	158,863
Franchise fees	133,242
	<hr/>
Total operating revenues	505,940
	<hr/>
<b>Operating and General Expenses:</b>	
Repairs and maintenance	31,223
Depreciation expense	391,991
General expenses	88,434
Professional services	5,600
Administrative fee	150,000
	<hr/>
Total operating and general expenses	667,248
	<hr/>
Operating income (loss)	(161,308)
	<hr/>
<b>Nonoperating Revenues (Expenses):</b>	
Investment income	334
Loss on disposition of property and equipment	(18,803)
Interest expense	(15,688)
	<hr/>
Total nonoperating revenues (expenses)	(34,157)
	<hr/>
Change in net position	(195,465)
	<hr/>
<b>Net Position, Beginning of Year</b>	9,086,925
	<hr/>
<b>Net Position, End of Year</b>	\$ <u>8,891,460</u>

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

**Town of Golden Beach, Florida**  
**Statement of Cash Flows -**  
**Proprietary Fund**  
**For the Year Ended September 30, 2021**

	<b>Stormwater Utility Fund</b>
<b>Cash Flows From Operating Activities:</b>	
Cash received from customers and users	\$ 557,847
Cash paid for goods and services	<u>(147,935)</u>
Net cash provided by (used in) operating activities	<u>409,912</u>
<b>Cash Flows From Financing Activities:</b>	
Proceeds from the issuance of debt	648,125
Change in due to/from balances	309,648
Interest paid	(16,488)
Principal payments	<u>(145,472)</u>
Net cash provided by (used in) financing activities	<u>795,813</u>
<b>Cash Flows From Investing Activities:</b>	
Purchase of property and equipment	(888,242)
Investment income received	334
Sales (purchase) of investments	<u>299,686</u>
Net cash provided by (used in) investing activities	<u>(588,222)</u>
Net decrease in cash and cash equivalents	617,503
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>88,623</u>
<b>Cash and Cash Equivalents, End of Year</b>	\$ <u><u>706,126</u></u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>	
Operating income (loss)	\$ <u>(161,308)</u>
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Provision for depreciation	391,991
(Increase) decrease in accounts receivable	51,907
Increase (decrease) in accounts payable	<u>127,322</u>
Total adjustments	<u>571,220</u>
Net cash provided by (used in) operating activities	\$ <u><u>409,912</u></u>

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

**Town of Golden Beach, Florida**  
**Statement of Fiduciary Net Position**  
**Retirement Plan for Employees of the Town of Golden Beach**  
**September 30, 2021**

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**Assets:**

Cash and cash equivalents		\$ 1,337,201
Receivables:		
Interest	\$ 19,074	
Security sales receivable	<u>8,918</u>	27,992
Prepaid expenses		45,593
Investments, at fair value:		
Common stock	\$ 8,862,414	
Government bonds	1,742,469	
Corporate bonds	1,104,332	
Alternative investments	<u>1,084,706</u>	<u>12,793,921</u>
Total assets		<u>14,204,707</u>

**Liabilities:**

Accounts payable		476
Prepaid Town contributions		17,338
Security purchases payable		<u>19,696</u>
Total liabilities		<u>37,510</u>

**Net Position Held in Trust For Pension Benefits** \$ 14,167,197

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



**Town of Golden Beach, Florida**  
**Statement of Change in Fiduciary Net Position**  
**Retirement Plan for Employees of the Town of Golden Beach**  
**For the Year Ended September 30, 2021**

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**Additions:**

Contributions:		
Employer	\$	708,853
Employees		<u>159,195</u>
Total contributions		<u>868,048</u>
Investment income:		
Net appreciation in fair value of Plan investments		2,068,069
Interest and dividend income		238,246
Other investment income		<u>474</u>
Total investment income		<u>2,306,789</u>
Total additions		<u>3,174,837</u>

**Deductions:**

Benefits paid		472,335
Consulting and advisory fees		106,810
Professional fees		49,213
Refunds of participant contributions		33,415
Trustee education		7,721
Trustee fiduciary insurance		2,643
Dues		620
Office expenses		<u>722</u>
Total deductions		<u>673,479</u>
Net increase		2,501,358

**Net Position Held in Trust for Pension Benefits, Beginning of Year** 11,665,839

**Net Position Held in Trust for Pension Benefits, End of Year** \$ 14,167,197

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

### 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.
- d. Prior to October 1, the budget is legally enacted through passage of a resolution.

**Note 2 - Summary of Significant Accounting Policies (continued)**

- 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 2021 include amendments to the budget originally adopted by the Town Council.

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

General Fund

Transportation	\$ (190,493)
Law enforcement	\$ (182,283)
Finance	\$ (79,780)
Special events	\$ (37,071)
Protective inspections	\$ (14,512)
Debt service	\$ (10,534)

**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. In fiscal year 2021, this category represents \$ 2,332,883.
- **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. In fiscal year 2021, this category represents \$ 2,109,107.
- **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. In fiscal year 2021, this category represents \$ 345,758.

**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. In fiscal year 2021, this category represents \$ 90,000.
- 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. In fiscal year 2021, this category represents \$ (269,098).

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, 2020, upon which the 2020-2021 levy was based, was approximately \$ 1,179,521,503. 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, 2021 was \$ 7.7720 per \$ 1,000 and \$ .6280 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 May 11, 2022, 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, 2021, 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 150.110, 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, 2021, 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, 2021 were as follows:

	Fair Value	Investment Maturities (in years)		
		Less than 1	1 to 5	6 to 10
Florida PRIME	\$ 541,116	\$ 541,116	\$ -	\$ -
	\$ <u>541,116</u>	\$ <u>541,116</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	\$ 8,862,414	\$ 8,862,414	\$ -	\$ -
U.S. Treasuries and agencies	1,742,469	166,634	1,142,240	433,595
Corporate bonds	1,084,706	257,965	533,250	293,491
Alternative investments	<u>1,104,332</u>	<u>1,104,332</u>	<u>-</u>	<u>-</u>
	\$ <u>12,793,921</u>	\$ <u>10,391,345</u>	\$ <u>1,675,490</u>	\$ <u>727,086</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, 2021, 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, 2021, 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
Blackrock/Lord Abbet	\$ 1,963,339	14%
Renaissance	\$ 1,953,518	14%
American Core	\$ 1,104,329	8%
Madison	\$ 1,084,706	8%
MDT	\$ 857,160	6%
Thompson	\$ 831,478	6%
Kayne	\$ 830,083	6%
RBC	\$ 779,149	6%
Lazard	\$ 701,352	5%

**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.)

**Note 3 - Deposits and Investments (continued)**

- Level 3 inputs are unobservable inputs for the investments. (e.g., information about assumptions, including risk, market participants would use in pricing a security.)

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, 2021 as follows:

<u>Investments</u>	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Common stock	\$ 8,862,414	\$ 8,862,414	\$ -	\$ -
U.S. government securities	1,742,469	-	1,742,469	-
Corporate bonds	1,084,706	-	1,084,706	-
Alternative investments	<u>1,104,332</u>	<u>-</u>	<u>-</u>	<u>1,104,332</u>
Total investments measured at fair value	<u>\$ 12,793,921</u>	<u>\$ 8,862,414</u>	<u>\$ 2,827,175</u>	<u>\$ 1,104,332</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	\$ 983,633
Net purchases, sales, issuances and settlements	-
Net realized and unrealized gains (losses) on investments	<u>120,699</u>
Ending balance	<u>\$ 1,104,332</u>

**Town of Golden Beach, Florida**  
**Notes to Basic Financial Statements**  
**September 30, 2021**

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**Note 4 - Capital Assets**

Capital asset activity of governmental activities for the year ended September 30, 2021 was as follows:

	Balance October 1, 2020	Additions and Transfers	Retirements and Transfers	Balance September 30, 2021
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 1,878,598	\$ -	\$ -	\$ 1,878,598
Construction in progress	333,269	987,290	-	1,320,559
	<u>2,211,867</u>	<u>987,290</u>	<u>-</u>	<u>3,199,157</u>
Capital assets, being depreciated:				
Equipment and vehicles	4,058,774	100,652	60,845	4,098,581
Buildings	1,554,979	-	-	1,554,979
Infrastructure	26,124,350	-	-	26,124,350
Improvements other than buildings	2,829,730	-	-	2,829,730
	<u>34,567,833</u>	<u>100,652</u>	<u>60,845</u>	<u>34,607,640</u>
Total capital assets	<u>36,779,700</u>	<u>1,087,942</u>	<u>60,845</u>	<u>37,806,797</u>
Less accumulated depreciation for:				
Equipment and vehicles	2,913,180	321,174	38,176	3,196,178
Buildings	571,728	49,513	-	621,241
Infrastructure	7,026,861	889,708	-	7,916,569
Improvements other than buildings	949,013	133,977	-	1,082,990
	<u>11,460,782</u>	<u>1,394,372</u>	<u>38,176</u>	<u>12,816,978</u>
Total capital assets, being depreciated, net	<u>23,107,051</u>	<u>(1,293,720)</u>	<u>22,669</u>	<u>21,790,662</u>
Governmental activities capital assets, net	<u>\$ 25,318,918</u>	<u>\$ (306,430)</u>	<u>\$ 22,669</u>	<u>\$ 24,989,819</u>

**Town of Golden Beach, Florida**  
**Notes to Basic Financial Statements**  
**September 30, 2021**

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**Note 4 - Capital Assets (continued)**

	Balance October 1, 2020	Additions and Transfers	Retirements and Transfers	Balance September 30, 2021
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Business-type activities:				
Capital assets, not being depreciated				
Construction in progress	\$ 196,133	\$ 888,242	\$ -	\$ 1,084,375
	<u>196,133</u>	<u>888,242</u>	<u>-</u>	<u>1,084,375</u>
Total capital assets, not being depreciated	<u>196,133</u>	<u>888,242</u>	<u>-</u>	<u>1,084,375</u>
Capital assets, being depreciated:				
Equipment and vehicles	47,000	-	47,000	-
Improvements other than buildings	15,238,512	-	-	15,238,512
	<u>15,285,512</u>	<u>-</u>	<u>47,000</u>	<u>15,238,512</u>
Total capital assets, being depreciated	<u>15,285,512</u>	<u>-</u>	<u>47,000</u>	<u>15,238,512</u>
Total capital assets	<u>15,481,645</u>	<u>888,242</u>	<u>-</u>	<u>16,322,887</u>
Less accumulated depreciation for:				
Equipment and vehicles	28,197	-	28,197	-
Improvements other than buildings	3,987,211	391,991	-	4,379,202
	<u>4,015,408</u>	<u>391,991</u>	<u>28,197</u>	<u>4,379,202</u>
Total accumulated depreciation	<u>4,015,408</u>	<u>391,991</u>	<u>28,197</u>	<u>4,379,202</u>
Total capital assets, being depreciated, net	<u>11,270,104</u>	<u>(391,991)</u>	<u>18,803</u>	<u>10,859,310</u>
Business-type activities capital assets, net	<u>\$ 11,466,237</u>	<u>\$ 496,251</u>	<u>\$ 18,803</u>	<u>\$ 11,943,685</u>

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

Governmental activities:	
General government	\$ 990,004
Public safety	362,537
Physical environment	27,887
Cultural and recreation	<u>13,944</u>
Total depreciation expense - governmental activities	<u>\$ 1,394,372</u>
Business-type activities:	
Stormwater drainage	<u>\$ 391,991</u>

Commitments: The Town has entered into various agreements related to construction projects. Outstanding commitments at September 30, 2021 amounted to approximately \$ 5,530,000.

**Town of Golden Beach, Florida**  
**Notes to Basic Financial Statements**  
**September 30, 2021**

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**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, 2021:

	Balance October 1, 2020	Additions	Deletions	Balance September 30, 2021	Due Within One Year
Governmental activities:					
General Obligation Refunding Bonds, Series 2016	\$ 11,575,000	\$ -	\$ 445,000	\$ 11,130,000	\$ 460,000
General Obligation Refunding Bonds, Series 2019	650,000	-	-	650,000	-
Bond premium	367,542	-	20,419	347,123	-
Compensated absences payable	526,323	-	51,276	475,047	41,987
<b>Total governmental activities</b>	<b>\$ 13,118,865</b>	<b>\$ -</b>	<b>\$ 516,695</b>	<b>\$ 12,602,170</b>	<b>\$ 501,987</b>

**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. At September 30, 2021, the total outstanding balance is \$ 11,130,000.

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
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	560,000	339,681	899,681
2027-2031	3,140,000	1,339,272	4,479,272
2032-2036	3,735,000	721,906	4,456,906
2037-2038	1,705,000	68,900	1,773,900
	<b>\$ 11,130,000</b>	<b>\$ 4,087,433</b>	<b>\$ 15,217,433</b>

**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. At September 30, 2021, the 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:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	31,511	16,297	47,808
2027-2031	172,152	66,884	239,036
2032-2036	199,269	44,103	243,372
2037-2040	157,884	5,107	162,991
	<u>\$ 650,000</u>	<u>\$ 205,784</u>	<u>\$ 855,784</u>

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, 2021**

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**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, 2021:

	Balance October 1, 2020	Additions	Deletions	Balance September 30, 2021	Due Within One Year
Business-type activities:					
Department of Environmental Protection, Revolving Loans	\$ 915,010	\$ 648,125	\$ 145,472	\$ 1,417,663	\$ 170,523
Total business-type activities	<u>\$ 915,010</u>	<u>\$ 648,125</u>	<u>\$ 145,472</u>	<u>\$ 1,417,663</u>	<u>\$ 170,523</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. At September 30, 2021, the total outstanding balance is \$ 769,538.

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. During the year ended September 30, 2021, the Town drew \$ 648,125 of this amount. This loan is payable in semiannual installments of \$ 24,416, including interest at 6.00%, on April 15 and on October 15, until April 2035, when all remaining principal and interest is due. At September 30, 2021, the total outstanding balance is \$ 648,125.

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

Year Ending September 30,	Principal	Interest	Total
2022	\$ 170,523	\$ 15,853	\$ 186,376
2023	196,147	14,645	210,792
2024	199,266	11,526	210,792
2025	202,439	8,353	210,792
2026	205,669	5,123	210,792
2027-2031	233,980	10,180	
2032-2035	209,639	3,025	212,664
	<u>\$ 1,417,663</u>	<u>\$ 68,705</u>	<u>\$ 1,242,208</u>

The State Revolving Fund Loan arrangements 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.

**Town of Golden Beach, Florida**  
**Notes to Basic Financial Statements**  
**September 30, 2021**

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**Note 6 - Accounts Receivable/Accounts Payable**

Receivables at September 30, 2021 were as follows:

	<u>Taxes Receivable</u>	<u>Inter- Governmental</u>	<u>Accounts</u>	<u>Other</u>	<u>Total</u>
Governmental activities:					
General Fund	\$ 28,993	\$ -	\$ -	\$ -	\$ 28,993
Capital Improvement Project Fund	-	-	167,789	-	167,789
Debt Service Fund	1,377	-	-	-	1,377
Law Enforcement Fund	-	98,247	-	-	98,247
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total governmental activities	<u>\$ 30,370</u>	<u>\$ 98,247</u>	<u>\$ 167,789</u>	<u>\$ -</u>	<u>\$ 296,406</u>
				<u>Allowance for Uncollectible</u>	
	<u>Taxes Receivable</u>	<u>Inter- Governmental</u>	<u>Accounts</u>		<u>Total</u>
Business-type activities:					
Stormwater Utility Fund	\$ 42,934	\$ -	\$ 125,614	\$ (41,753)	\$ 126,795
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total business-type activities	<u>\$ 42,934</u>	<u>\$ -</u>	<u>\$ 125,614</u>	<u>\$ (41,753)</u>	<u>\$ 126,795</u>

Accounts payable at September 30, 2021 were as follows:

	<u>Vendors</u>	<u>Subcontractors</u>	<u>Total Accounts Payable</u>
Governmental activities:			
General Fund	\$ 253,502	\$ -	\$ 253,502
Capital Improvement Project Fund	-	327,762	327,762
	<u>          </u>	<u>          </u>	<u>          </u>
Total governmental activities	<u>\$ 253,502</u>	<u>\$ 327,762</u>	<u>\$ 581,264</u>
			<u>Total Accounts Payable</u>
	<u>Vendors</u>	<u>Subcontractors</u>	
Business-type activities:			
Stormwater Utility Fund	\$ 165,265	\$ 18,734	\$ 183,999
	<u>          </u>	<u>          </u>	<u>          </u>
Total business-type activities	<u>\$ 165,265</u>	<u>\$ 18,734</u>	<u>\$ 183,999</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, 2020:

	<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	17
Active plan members	<u>31</u>	<u>19</u>
	<u><u>41</u></u>	<u><u>36</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, 2021.

The components of the pension liability of the Town at September 30, 2021 were as follows:

Total pension liability	\$ 15,171,097
Plan fiduciary net position	<u>(14,167,197)</u>
Town net pension liability	<u>\$ 1,003,900</u>
Plan fiduciary net position as a percentage of total pension liability	93.38%

**Actuarial Assumptions:** The total pension liability at September 30, 2021 was determined by using actuarial assumptions as of October 1, 2020, with update procedures used to roll forward the total pension liability to September 30, 2021. 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:	
General Employees	RP-2000 Combined Mortality Table
Police Officers	RP-2000 Blue Collar 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%	5.80% - 6.12%
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, 2021, the annual money weighted rate of return on pension plan investments, net of pension plan investment expense was 18.73%. 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, 2020, Measurement Date	\$ 14,792,917	\$ 11,665,839	\$ 3,127,078
Changes for the year:			
Service cost	604,947	-	604,947
Expected interest growth	997,034	780,968	216,066
Demographic experience	(329,942)	-	(329,942)
Investment income	-	1,525,821	(1,525,821)
Contributions - employer	-	708,853	(708,853)
Contributions - members	-	159,195	(159,195)
Changes in benefit terms	-	-	-
Benefit payments, including refunds of member contributions	(505,750)	(505,750)	-
Assumption changes	(388,109)	-	(388,109)
Administrative expense	-	(167,729)	167,729
Net changes	<u>378,180</u>	<u>2,501,358</u>	<u>(2,123,178)</u>
Balances, as of September 30, 2021, Measurement Date	\$ <u>15,171,097</u>	\$ <u>14,167,197</u>	\$ <u>1,003,900</u>

**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:

	<u>1% Decrease (5.64%)</u>	<u>Current Discount Rate (6.64%)</u>	<u>1% Increase (7.64%)</u>
Total pension liability	\$ 17,043,523	\$ 15,171,097	\$ 13,616,919
Plan fiduciary net position	<u>(14,167,197)</u>	<u>(14,167,197)</u>	<u>(14,167,197)</u>
Net pension liability (asset)	<u>\$ 2,876,326</u>	<u>\$ 1,003,900</u>	<u>\$ (550,278)</u>

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:** For the year ended September 30, 2021, the Town recognized pension expense of \$ 1,286,954. At September 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ 295,269	\$ 1,232,173
Demographic changes	239,289	313,247
Changes in assumptions	<u>976,663</u>	<u>410,249</u>
Total	<u>\$ 1,511,221</u>	<u>\$ 1,955,669</u>

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

<u>Year Ending September 30,</u>	<u>Amount</u>
2022	\$ 4,205
2023	1,159
2024	(86,257)
2025	(182,164)
2026	(107,332)
Thereafter	<u>(74,059)</u>
	<u>\$ (444,448)</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, 2021 was based on an actuarial valuation dated October 1, 2019 with a measurement date of September 30, 2021, using the following actuarial assumptions:

**Note 8 - Other Post-Employment Benefits (continued)**

Actuarial Cost Method	Entry Age Normal.
Discount Rate	2.43 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 increased from 2.14% per annum to 2.43% per annum.

**Discount Rate:** The discount rate used to measure the total OPEB liability at September 30, 2021 was 2.43%. 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, 2021, are as follows:

Total OPEB liability	\$ 5,341,207
OPEB Plan fiduciary net position	<u>-</u>
Town's net OPEB liability	<u>\$ 5,341,207</u>
OPEB Plan fiduciary net position as a percentage of total OPEB liability	<u>0%</u>

Measurement Year Ended September 30, 2021

Total OPEB liability:	
Service cost	\$ 142,083
Interest on total OPEB liability	134,948
Benefit payments	(78,675)
Assumption changes	<u>(307,589)</u>
Net change in total OPEB liability	(109,233)
Total OPEB liability, beginning	<u>5,450,440</u>
Total OPEB liability, ending	<u>\$ 5,341,207</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 2.43%, 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 (1.43%)	Current Discount Rate (2.43%)	1% Increase (3.43%)
Total OPEB Liability	\$ <u>6,489,709</u>	\$ <u>5,341,207</u>	\$ <u>4,463,575</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>4,386,803</u>	\$ <u>5,341,207</u>	\$ <u>6,576,772</u>

**OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB:** For the year ended September 30, 2021, the Town recognized OPEB expense of \$ 364,677. At September 30, 2021, the Town reported deferred outflows of resources related to OPEB in the amount of \$ 1,611,900 and deferred inflows of resources related to OPEB in the amount of \$ 273,899.

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

Year Ending September 30,	Amount
2022	\$ 166,321
2023	166,321
2024	166,321
2025	166,321
2026	166,321
Thereafter	<u>506,396</u>
	<u>\$ 1,338,001</u>

**Town of Golden Beach, Florida**  
**Notes to Basic Financial Statements**  
**September 30, 2021**

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**Note 9 - Interfund Balances and Transfers**

Interfund receivables and payables at September 30, 2021 were as follows:

Due From	Due To			Total
	General Fund	Debt Service Fund	Capital Stormwater Fund	
Law Enforcement Trust Fund	\$ 939,925	\$ -	\$ -	\$ 939,925
Capital Improvement Project Fund	868,250	-	-	868,250
Stormwater Fund	2,331,316	-	7,058	2,338,374
General Fund	-	657,480	-	657,480
<b>Total</b>	<b>\$ 4,139,491</b>	<b>\$ 657,480</b>	<b>\$ 7,058</b>	<b>\$ 4,804,029</b>

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 Capital Improvement Project Fund
General Fund	\$ 650,000
<b>Total</b>	<b>\$ 650,000</b>

During the year ended September 30, 2021, the Capital Improvement Fund received \$ 650,000 from the General Fund for to help reduce the deficit fund balance.

**Note 10 - Risk Management**

For the year ended September 30, 2021, 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, 2021, the Capital Improvement Project Fund and Law Enforcement Trust Fund have deficit fund balances of \$ 925,134 and \$ 357,288 respectively. The Town expects to fund these deficits with budgeted transfers and other advances from the General Fund in Fiscal Year 2021-2022.

**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

**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>2021</u>	<u>2020</u>	<u>2019</u>
<b>Total pension liability</b>			
Service cost	\$ 604,947	\$ 626,710	\$ 646,789
Expected interest growth	997,034	928,482	725,127
Differences between expected and actual experience	(329,942)	(52,042)	164,367
Changes in assumptions	(388,109)	-	1,739,683
Changes in benefit terms	-	-	209,462
Benefit payments, including refunds of member contributions	<u>(505,750)</u>	<u>(399,491)</u>	<u>(373,621)</u>
<b>Net change in total pension liability</b>	378,180	1,103,659	3,111,807
<b>Total pension liability - beginning</b>	<u>14,792,917</u>	<u>13,689,258</u>	<u>10,577,451</u>
<b>Total pension liability - ending (A)</b>	<u>\$ 15,171,097</u>	<u>\$ 14,792,917</u>	<u>\$ 13,689,258</u>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 708,853	\$ 700,022	\$ 637,382
Contributions - member	159,195	153,944	156,672
Expected interest growth	780,968	723,717	684,358
Unexpected investment income	1,525,821	(108,023)	(420,472)
Benefit payments, including refunds of member contributions	(505,750)	(399,491)	(373,621)
Administrative expenses	<u>(167,729)</u>	<u>(157,661)</u>	<u>(60,517)</u>
<b>Net change in plan fiduciary net position</b>	2,501,358	912,508	623,802
<b>Plan fiduciary net position - beginning</b>	<u>11,665,839</u>	<u>10,753,331</u>	<u>10,129,529</u>
<b>Plan fiduciary net position - ending (B)</b>	<u>\$ 14,167,197</u>	<u>\$ 11,665,839</u>	<u>\$ 10,753,331</u>
<b>Town's net pension liability (asset) - ending (A) - (B)</b>	<u>\$ 1,003,900</u>	<u>\$ 3,127,078</u>	<u>\$ 2,935,927</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	93.38%	78.86%	78.55%
<b>Covered-employee payroll</b>	\$ 2,453,333	\$ 2,391,820	\$ 2,474,969
<b>Town's net pension liability (asset) as percentage of covered-employee payroll</b>	40.92%	130.74%	118.62%

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$	372,701	\$ 355,307	\$ 410,000	\$ 412,000	\$ 406,000
	767,653	702,846	649,000	540,000	540,000
	113,395	537,419	(21,000)	(13,000)	(132,000)
		(434,803)	48,778	-	-
	<u>(324,318)</u>	<u>(329,527)</u>	<u>(308,000)</u>	<u>(347,000)</u>	<u>(315,000)</u>
	929,431	831,242	778,778	592,000	499,000
	<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>
\$	<u><u>10,577,451</u></u>	<u><u>9,648,020</u></u>	<u><u>8,816,778</u></u>	<u><u>8,038,000</u></u>	<u><u>7,446,000</u></u>
\$	588,601	\$ 513,696	\$ 457,855	\$ 428,000	\$ 428,000
	152,113	120,499	110,543	102,000	100,000
	719,791	618,943	-	-	-
	57,584	373,099	438,000	(50,000)	535,000
	<u>(324,318)</u>	<u>(329,527)</u>	<u>(308,000)</u>	<u>(347,000)</u>	<u>(315,000)</u>
	<u>(57,496)</u>	<u>(129,160)</u>	<u>(60,694)</u>	<u>(40,000)</u>	<u>(60,000)</u>
	1,136,275	1,167,550	637,704	93,000	688,000
	<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>
\$	<u><u>10,129,529</u></u>	<u><u>8,993,254</u></u>	<u><u>7,825,704</u></u>	<u><u>7,188,000</u></u>	<u><u>7,095,000</u></u>
\$	<u><u>447,922</u></u>	<u><u>654,766</u></u>	<u><u>991,074</u></u>	<u><u>850,000</u></u>	<u><u>351,000</u></u>
	95.77%	93.21%	88.76%	89.43%	95.29%
\$	2,080,445	\$ 1,911,580	\$ 2,258,192	\$ 2,159,806	\$ 2,027,000
	21.53%	34.25%	43.89%	39.36%	17.32%

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 708,853	\$ 700,022	\$ 637,382	\$ 588,601
Contributions in relation to the actuarially determined contribution	<u>708,853</u>	<u>700,022</u>	<u>637,382</u>	<u>588,601</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 2,453,333	\$ 2,391,820	\$ 2,474,969	\$ 2,080,445
Contributions as a percentage of covered-employee payroll	28.89%	29.27%	25.75%	28.29%



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<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 458,294	\$ 457,855	\$ 427,817	\$ 427,817	\$ 391,306	\$ 376,825
<u>513,696</u>	<u>457,855</u>	<u>427,817</u>	<u>427,817</u>	<u>383,769</u>	<u>383,769</u>
\$ <u>(55,402)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>7,537</u>	\$ <u>(6,944)</u>
\$ 1,911,580	\$ 2,258,192	\$ 2,159,806	\$ 2,027,209	\$ 2,019,940	\$ 1,820,735
26.87%	20.28%	19.81%	21.10%	19.00%	21.08%

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

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	<u>2021</u>	<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	18.73%	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)**

<b>Fiscal Year:</b>	2021	2020	2019	2018
<b>Measurement Date:</b>	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>
<b>Total OPEB liability</b>				
Service cost	\$ 142,083	\$ 151,600	\$ 11,908	\$ 11,778
Interest	134,948	73,845	114,195	113,716
Demographic experience	-	751,802	-	-
Benefits payments	(78,675)	(63,828)	(67,042)	(52,853)
Assumption changes	<u>(307,589)</u>	<u>1,206,163</u>	<u>60,685</u>	<u>-</u>
<b>Net change in total OPEB liability</b>	(109,233)	2,119,582	119,746	72,641
<b>Total OPEB liability - beginning</b>	<u>5,450,440</u>	<u>3,330,858</u>	<u>3,211,112</u>	<u>3,138,471</u>
<b>Total OPEB liability - ending</b>	<u>\$ 5,341,207</u>	<u>\$ 5,450,440</u>	<u>\$ 3,330,858</u>	<u>\$ 3,211,112</u>
<b>Covered payroll</b>	\$ 2,708,702	\$ 2,708,702	\$ 2,373,485	\$ 2,373,485
<b>Total OPEB liability as a percentage of covered payroll</b>	197.19%	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 (Unaudited)**  
**For the Year Ended September 30, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
<b>Revenues:</b>				
Fines and forfeitures	\$ 196,634	\$ 196,634	\$ 98,618	\$ (98,016)
Interest income	3,020	3,020	386	(2,634)
Total revenues	<u>199,654</u>	<u>199,654</u>	<u>99,004</u>	<u>(100,650)</u>
<b>Expenditures:</b>				
Public safety	187,154	187,154	99,004	88,150
Capital outlay	2,500	2,500	-	2,500
Total expenditures	<u>189,654</u>	<u>189,654</u>	<u>99,004</u>	<u>90,650</u>
Excess of revenues over expenditures	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in (out)	<u>(60,000)</u>	<u>(60,000)</u>	<u>-</u>	<u>60,000</u>
Change in fund balance	<u>\$ (50,000)</u>	<u>\$ (50,000)</u>	<u>-</u>	<u>\$ 50,000</u>
<b>Fund Balance (Deficit), Beginning of Year</b>			<u>(357,288)</u>	
<b>Fund Balance (Deficit), End of Year</b>			<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, 2021, and the related notes to the financial statements which collectively comprise the Town's basic financial statements and have issued our report thereon dated May 11, 2022.

**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.

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Town of Golden Beach, Florida

### **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  
May 11, 2022

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## 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, 2021, and have issued our report thereon dated May 11, 2022.

### 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 May 11, 2022, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding 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.

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SOUTH FLORIDA BUSINESS JOURNAL



**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  
May 11, 2022

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, 2021. 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, 2021.

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*

KEEFE McCULLOUGH

Fort Lauderdale, Florida  
May 11, 2022

CPA's + Trusted Advisors

## **APPENDIX B**

### **GENERAL INFORMATION PERTAINING TO THE TOWN OF GOLDEN BEACH, FLORIDA**

THE FOLLOWING INFORMATION CONCERNING THE TOWN OF GOLDEN BEACH, FLORIDA, IS INCLUDED ONLY FOR THE PURPOSE OF PROVIDING GENERAL BACKGROUND INFORMATION. THE BONDS ARE PAYABLE SOLELY FROM THE SOURCES DESCRIBED IN THE OFFICIAL STATEMENT TO WHICH THIS INFORMATION IS APPENDED.

#### **GENERAL**

In the early 1920's, two brothers, R.W. and Henry G. Ralston, had a vision of creating a community like that of Miami Beach, without all the hustle and bustle of nightlife living. Their dream was not of a large city with hotels and businesses. Instead they pictured a small, quiet community along the coast, devoted entirely to family life close enough to large centers, yet far enough away to insure the peace and quiet of suburban life. They looked around for such a site and finally purchased a strip of beach less than a mile long at the extreme north-eastern end of Miami-Dade County.

The Ralston brothers founded their dream town, now referred to as Golden Beach. The Ralston brothers and their associates of the "Golden Beach Corporation" spent millions of dollars cleaning out the mangrove swamps, pumping and hauling infill to build up the swamps, forming three islands and peninsulas between, building bridges, laying pipelines, water mains, underground electrical conduits, and building streets.

The Town of Golden Beach was incorporated by a special act of the Legislature of the State of Florida on May 23rd, 1929 and is among the oldest municipalities in Miami- Dade County. The Town was founded, and has remained, one of purely single family homes. Presently, the Town has a total of 397 single family residences. The Town Charter limits property use within the Town to single family residential lots. Thus, there is no commercial activity within the Town.

The Town is located north of the City of Miami near the border between Miami-Dade County and Broward County. The Town rests on 1.8 miles along the northernmost portion of State Road A1A at the Miami-Dade/Broward County line in South Florida. The Town is bounded by the Atlantic Ocean to the east, the Intercoastal Waterway to the west and the coastal municipalities of Hallandale Beach to the North and Sunny Isles Beach to the South.

#### **POPULATION**

The following table sets forth the Town's, the County's and the State's population for the years 2010 (U.S. census), 2015 (estimate) and 2020 (U.S. census).

## Population

	<u>Town</u>	<u>Miami-Dade County</u>	<u>State of Florida</u>
2010	919*	2,496,457**	18,801,332**
2015	972*	2,653,934**	19,815,183**
2020	961*	2,701,767**	21,569,932**

\*Source: US Census Bureau

\*\* Source: Office of Economic & Demographic Research University of Florida, Bureau of Economic and Business Research

The following tables set forth certain demographic information regarding the Town.

## Demographics

Median Age	46
Median Household Income	250,000+
Average Owner-Occupied Housing Value	1,000,001+
Total Housing Units	362
Percent High School Graduate or Higher	97%

Source: US Census Bureau, 2020 estimated

## Population Distribution by Age

	<u>Percentage</u>
14 Years of Age and Younger	19.1
15-17 Years of Age	9.0
18-65 Years of Age	71.8
65-74 Years of Age	8.4
75 Years of Age and Older	3.4

Source: US Census Bureau, 2020 census

## Ethnic Breakdown

	<u>Number</u>	<u>Percentage</u>
White	608	63.3%
Black or African American	0	0.0%
American Indian & Alaska Native	0	0.0%
Asian	3	0.3%
Native Hawaiian & Other	0	0.0%
Some other race	7	0.7%
Two or More Races	18	1.9%
Hispanic or Latino	325	33.8%
Total	961	100%

Source: US Census Bureau, 2020 census

## **CLIMATE**

The Town's climate is sub-tropical-marine, characterized by long summers with abundant rain fall and mild, dry winters. The average temperature in the summer is 81.4 degrees Fahrenheit and 69.1 degrees Fahrenheit in the winter, with an average annual temperature of 75.4 degrees.

## **PARKS AND RECREATION**

The Town has nine parks and a one mile private beach with a historic Beach Pavilion. The Town owns and maintains the Beach Pavilion facility, the John Tweddle Park with two tennis courts, one basketball court, children's playground, picnic shelter and restrooms, a ball field at North Park and a passive recreation area at South Park.

## **EDUCATION**

The Town's educational needs are provided by three schools of the Miami-Dade County Public School System: Norman S. Edelcup/Sunny Isles Beach K-8, Highland Oaks Middle School and Alonzo and Tracy Mourning Senior High Biscayne Bay Campus. All students attending these schools are provided with free bus transportation to and from school by Miami-Dade County.

## **FIRE AND POLICE**

The Town utilizes Fire Station number 8 located in Aventura, Florida, approximately 1.2 miles from the Town. The Town has its own police department. The Town's police department currently employs 19 police officers and 5 non-sworn personnel, which are all located in one police station.

## **COMMERCIAL**

The Town is a purely residential community, as its Charter protects the Town from commercial activity of any kind and forbids the construction of high rise condominiums.

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**APPENDIX C**  
**BOND RESOLUTION**

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TOWN OF GOLDEN BEACH, FLORIDA

RESOLUTION NO. 2835.22

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF GOLDEN BEACH, FLORIDA, AUTHORIZING THE ISSUANCE IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$7,000,000 GENERAL OBLIGATION BONDS, SERIES 2022, FOR THE PURPOSE OF FINANCING THE COSTS OF CONSTRUCTION OF A WELLNESS CENTER, AND ONE OR MORE OF THE FOLLOWING: IMPROVEMENTS TO PARK(S), LIGHTING, THE BEACH PAVILION, SIGNAGE AND FOUNTAINS, AND PAYING COSTS OF ISSUANCE OF THE BONDS; PROVIDING THAT SUCH BONDS SHALL CONSTITUTE A GENERAL OBLIGATION OF THE TOWN AND THAT THE FULL FAITH, CREDIT AND TAXING POWER OF THE TOWN SHALL BE IRREVOCABLY PLEDGED FOR THE PAYMENT OF THE PRINCIPAL OF AND THE INTEREST ON SUCH BONDS; AWARDING THE SALE OF THE BONDS TO THE UNDERWRITER NAMED HEREIN; PROVIDING FOR SECURITY FOR THE BONDS; PROVIDING THAT SUCH GENERAL OBLIGATION BONDS SHALL CONSTITUTE GENERAL OBLIGATIONS OF THE TOWN AND THAT THE FULL FAITH, CREDIT AND TAXING POWER OF THE TOWN SHALL BE IRREVOCABLY PLEDGED FOR THE PAYMENT OF THE PRINCIPAL OF AND THE INTEREST ON SUCH GENERAL OBLIGATION BONDS; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; PROVIDING CERTAIN DETAILS OF THE BONDS; DELEGATING CERTAIN MATTERS IN CONNECTION WITH THE ISSUANCE OF THE BONDS TO THE MAYOR AND/OR TOWN MANAGER; AUTHORIZING THE NEGOTIATED SALE OF THE BONDS TO THE UNDERWRITER; APPOINTING A PAYING AGENT AND A BOND REGISTRAR; APPROVING THE FORM AND EXECUTION OF A BOND PURCHASE AGREEMENT; PROVIDING FOR A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING THE EXECUTION OF AN OFFICIAL STATEMENT; AUTHORIZING OBTAINING A BOND INSURANCE POLICY AND ANY NECESSARY COVENANTS WITH RESPECT THERETO; COVENANTING TO PROVIDE CONTINUING DISCLOSURE IN CONNECTION WITH THE BONDS IN ACCORDANCE WITH SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12; AUTHORIZING A BOOK-ENTRY REGISTRATION SYSTEM FOR THE BONDS; AUTHORIZING CERTAIN OFFICIALS AND EMPLOYEES OF THE TOWN TO TAKE ALL ACTIONS REQUIRED IN CONNECTION WITH THE ISSUANCE OF THE BONDS; PROVIDING FOR THE ADOPTION OF REPRESENTATIONS; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

**WHEREAS**, April 26, 2022, the Town Council (the "Council") of the Town of Golden Beach, Florida (the "Town") adopted Resolution No. 2811.22, as amended by Resolution No. 2820.22 adopted on May 17, 2022 (collectively, the "Referendum Resolution") calling for a referendum in conjunction with a primary election on August 23, 2022 to submit to the electorate of the Town a bond referendum to decide whether the Town should be authorized to issue general obligation bonds in an amount not to exceed \$7,000,000 (the "Bond Referendum") to finance the cost to construct a wellness center, and improve one or more of the following: park(s), lighting, the beach pavilion, signage and fountains (collectively, the "Project"); and

**WHEREAS**, at such special election held on August 23, 2022, the Bond Referendum was approved by the qualified electors of the Town in accordance with the applicable laws of the State of Florida (the "State"); and

**WHEREAS**, on August 30, 2022, pursuant to a resolution, the Council accepted the certification by the Town Clerk in coordination with the Supervisor of Elections of Miami-Dade County, Florida of the results of such Bond Referendum approving the issuance of the bonds; and

**WHEREAS**, the Council desires to authorize the issuance of not exceeding \$7,000,000 General Obligation Bonds, Series 2022 (the "Bonds") for the purpose of (i) financing the cost of the Project, and (ii) paying costs of issuance of the Bonds; and

**WHEREAS**, pursuant to the Constitution and laws of the State, including, without limitation, Article VII, Section 12 of the Constitution, Chapter 166, Florida Statutes, as amended, the Town of Golden Beach Charter (collectively, the "Act"), and the Bond

Referendum, the Town is duly authorized to issue the Bonds and pledge the ad valorem taxes levied by the Town to the payment of the Bonds; and

**WHEREAS**, the Council desires to set forth the terms and details of the Bonds in this Resolution; and

**WHEREAS**, the Council has determined that it is in the best interest of the Town to delegate as provided herein the determination of various terms of the Bonds, the final award of the Bonds, including execution of a Bond Purchase Agreement, whether to obtain bond insurance with respect to the Bonds and all other actions necessary or desirable in connection with the issuance of the Bonds, subject to the limitations contained herein; and

**WHEREAS**, the Bonds shall not be issued until such time as the Town Manager shall have filed a certificate with the Council setting forth the details of the Bonds within the parameters set forth herein; and

**WHEREAS**, for the reasons more fully set forth herein, the Council finds and determines it to be in the best interest of the Town to authorize the sale of the Bonds on the basis of a negotiated sale rather than a public sale by competitive bid.

**NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF GOLDEN BEACH, FLORIDA:**

**SECTION 1. Adoption of Representations.** The foregoing Whereas paragraphs are hereby ratified and confirmed as being true, and the same are hereby made a specific part of this Resolution.

**SECTION 2. Definitions.** In addition to the terms elsewhere defined in this Resolution, unless the context otherwise requires, the following terms as used in this Resolution shall have the following meaning:

"Authorized Depository" means any bank, trust company, national banking association, savings and loan association, savings bank or other banking association selected by the Town as a depository, which is authorized under Florida law to be a depository of municipal funds and which has complied with all applicable state and federal requirements concerning the receipt of Town funds.

"Bond Insurance Policy" means, as and if provided by the Town Manager in the Town Manager's Certificate, the municipal bond insurance policy issued by a municipal bond insurance company in respect of the Bonds.

"Bond Insurer" means, if any, the issuer of a municipal bond insurance policy in respect of the Bonds.

"Bond Purchase Agreement" means the Bond Purchase Agreement substantially in the form attached hereto as Exhibit "B" to be entered into between the Town and the Underwriter of the Bonds providing for the terms of the sale of the Bonds to such Underwriter.

"Bond Registrar" means Truist Bank, and any other agent designated from time to time by the Town, by resolution, to maintain the registration books for the Bonds issued hereunder or to perform other duties with respect to registering the transfer of the Bonds.

"Bondholder", "Holder" or "Registered Owner" means the person in whose name any Bond is registered on the registration books maintained by the Bond Registrar.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, and all temporary, proposed or permanent implementing regulations promulgated or applicable thereunder.

"Cost" or "Costs," as the same relates to the Project, to the extent permitted by the Act, shall mean (1) the cost of physical construction, reconstruction or completion, (2) the cost of acquisition or purchase, (3) the cost of all labor, materials, machinery and equipment, (4) the cost of land and interests therein, property rights, easements and franchises of any nature whatsoever, (5) the cost of any indemnity and surety bonds and premiums for insurance during construction, (6) all interest due to be paid on the Bonds and other obligations relating to the Project during the period of construction and for such period of time subsequent to completion of acquisition, construction and equipping as the Town Council deems appropriate and Bond Counsel approves, (7) architectural, environmental, engineering, financial, legal and other planning and consultant fees and expenses, (8) the cost of plans and specifications, construction plans, surveys and estimates of costs, (9) costs and expenses of audits,

fees and expenses of the Paying Agent and Registrar, (10) payments, when due (whether at the maturity of principal, or the due date of interest, or upon redemption) on any interim or temporary indebtedness incurred for any portion of the Project, (11) costs and expenses related to the issuance of the Bonds or other indebtedness related to the Project, and (12) any other costs and expenses properly attributable to acquisition, construction, equipping or installing of the Project, and such other costs or expenses as may be necessary or incidental to the issuance of the Bonds; and shall include reimbursement to the Town or any other Person, for any moneys advanced for any costs incurred by the Town or such Person, in connection with any such items of cost. Any Supplemental Resolution may provide for additional items to be included in the aforesaid Costs.

"DTC" means The Depository Trust Company, New York, New York, its successors and assigns.

"Finance Director" means the Finance Director of the Town or his or her designee or the officer succeeding to his or her principal functions.

"Financial Advisor" means Estrada Hinojosa & Company, Inc., its successors and assigns, the financial advisor to the Town in connection with the issuance of the Bonds.

"Fiscal Year" means the period commencing on October 1 of each year and ending on the succeeding September 30, or such other consecutive 12-month period as may hereafter be designated as the fiscal year of the Town.

“Government Obligations” means:

(a) direct obligations of, or obligations unconditionally guaranteed as to timely payment of principal and interest by, the United States of America;

(b) any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state (i) which are not callable prior to maturity or as to which irrevocable instructions have been given to the trustee of such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds for redemption on the date or dates specified in such instructions, (ii) which are secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or obligations of the character described in clause (a) hereof which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the redemption date or dates specified in the irrevocable instructions referred to in subclause (i) of this clause (b), as appropriate, and (iii) as to which the principal of and interest on the obligations of the character described in clause (a) hereof which have been deposited in such fund along with any cash on deposit in such fund are sufficient to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this clause (iii) on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (i) of this clause (iii), as appropriate;

(c) evidences of indebtedness issued by the Federal Home Loan Banks, Federal Home Loan Mortgage Corporation (including participation certificates), Federal Financing Banks, or any other agency or instrumentality of the United States of America created by an act of Congress provided that the obligations of such agency or instrumentality are unconditionally guaranteed as to timely payment of principal and interest by the United States of America or any other agency or instrumentality of the United States of America or of any corporation wholly-owned by the United States of America; and

(d) evidences of ownership of proportionate interests in future interest and principal payments on obligations described in (a) held by a bank or trust company as custodian.

“Mayor” means the Mayor of the Town or in his absence or inability to perform, the Vice Mayor of the Town.

“Official Statement” means that certain Official Statement with respect to the issuance of the Bonds, as such Official Statement shall be approved by the Mayor and the Town Manager in accordance with the provisions of this Resolution.

“Outstanding” or “Bonds Outstanding” means all Bonds which have been issued pursuant to this Resolution except:

(a) Bonds canceled after purchase in the open market or because of payment at, or redemption prior to, maturity;

(b) Bonds which are deemed paid pursuant to Section 6.G hereof or which are deemed paid, satisfied and discharged pursuant to Section 19 hereof; and

(c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered pursuant to this Resolution.

"Paying Agent" means Truist Bank, and any other agent which is an Authorized Depository, designated from time to time by the Town, by resolution, to serve as a Paying Agent for the Bonds issued hereunder that shall have agreed to arrange for the timely payment of the principal of, interest on and redemption premium, if any, with respect to the Bonds to the Registered Owners thereof, from funds made available therefor by the Town.

"Preliminary Official Statement" means the Preliminary Official Statement with respect to the issuance of the Bonds substantially in the form attached hereto as Exhibit "D".

"Resolution" means this resolution authorizing the issuance of the Bonds, as amended from time to time to the extent permitted hereby.

"Town Attorney" means Weiss Serota Helfman Cole & Bierman, P.L., or such other firm as appointed by the Town to serve as Town Attorney.

"Town Clerk" means the Town Clerk or his or her designee or the officer succeeding to his or her principal functions.

"Town Manager" means the Town Manager or his or her designee or the officer succeeding to his or her principal functions.

"Town Manager's Certificate" means the Certificate to be executed by the Town Manager prior to or at the time of the execution of the Bond Purchase Agreement, which certificate shall provide certain details of the Bonds as required under this Resolution.

"Underwriter" means RBC Capital Markets, Inc., the Underwriter of the Bonds.

Words in this Resolution importing singular numbers shall include the plural number in each case and vice versa, and words importing persons shall include firms, corporations or other entities including governments or governmental bodies. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.

**SECTION 3. Findings and Determinations.** It is hereby ascertained, determined and declared that:

A. The Project consists solely of "capital projects" as such term is used in Article VII, Section 12 of the Constitution of the State and such improvements as authorized by the Referendum.

B. Due to the Town's limited historical activity in the capital markets and the potential need for additional investor pre-marketing, and the recommendation of the Financial Advisor that the sale of the Bonds be by negotiation, a negotiated sale of

the Bonds is found to be in the best interest of the Town and is hereby authorized in order to permit the Town to enter the market at the most advantageous time and obtain the best possible price and interest rates for the Bonds.

**SECTION 4. Contract.** In consideration of the acceptance of the Bonds authorized to be issued hereunder by those who shall hold the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between the Town, the Bondholders, the Bond Registrar, the Paying Agent and the provider of any Bond Insurance Policy. The covenants and agreements herein set forth to be performed by the Town shall be for the equal benefit, protection and security of the Bondholders and the provider of any Bond Insurance Policy, if any, and all Bonds shall be of equal rank and without preference, priority or distinction over any other thereof, except as expressly provided herein.

**SECTION 5. Authorization of the Bonds; Sale and Award of the Bonds.**

A. Subject and pursuant to the provisions hereof, Bonds of the Town to be known as "Town of Golden Beach, Florida, General Obligation Bonds, Series 2022" are hereby authorized to be issued at one time or as needed in the aggregate principal amount of not exceeding \$7,000,000, for the purpose of (i) financing the cost to construct the Project and (ii) and paying costs of issuance of the Bonds, including any premium for a Bond Insurance Policy. The Town Manager, upon the recommendations of the Finance Director and the Financial Advisor, and subject to the above limitations, shall determine the aggregate principal amount of the Bonds to be issued and may

determine to issue the Bonds at one time or as needed, such determinations to be evidenced in the Town Manager's Certificate.

B. The Council hereby approves the form of the Bond Purchase Agreement for the purchase of the Bonds by the Underwriter. Upon compliance by the Underwriter with the requirements of Florida Statutes, Section 218.385, the Mayor and the Town Manager are hereby authorized, subject to (i) the parameters set forth herein, and (ii) the recommendation of the Financial Advisor, to award the Bonds to the Underwriter and, together with the Town Clerk, to execute the Bond Purchase Agreement, in substantially the form presented at the meeting at which this Resolution was considered, subject to such changes, insertions and omissions and such filling-in of blanks therein as may be necessary to evidence the terms of the Bonds and such additional changes as may be approved by the Mayor and the Town Manager, after consultation with Weiss Serota Helfman Cole & Bierman, P.L., Bond Counsel for the Town ("Bond Counsel") and the Town Attorney. The underwriting discount (which does not include original issue discount or costs of issuance) for the Bonds shall be determined by the Mayor and the Town Manager upon the recommendations of the Financial Advisor, but shall not be more than 0.80% of the principal amount of the Bonds. The execution and delivery by the Mayor, the Town Manager and the Town Clerk of the Bond Purchase Agreement for and on behalf of the Town shall be conclusive evidence of the approval of such officers and the Town of any such changes, insertions, omissions or filling-in of blanks.

**SECTION 6. Terms, Redemption and Form of Bonds.**

A. The Bonds shall be issued as fully registered bonds in denominations of \$5,000 each or any integral multiple thereof and shall be numbered consecutively from 1 upward preceded by the letter "R". Interest on the Bonds shall be computed on the basis of a 360-day year consisting of twelve 30-day months. The principal of and redemption premium, if any, on the Bonds shall be payable upon presentation and surrender at the designated corporate trust office of the Paying Agent. Interest on the Bonds shall be paid by check or draft drawn upon the Paying Agent and mailed to the Registered Owners of the Bonds at the addresses as they appear on the registration books maintained by the Bond Registrar at the close of business on the 15th day (whether or not a business day) of the month next preceding the interest payment date (the "Record Date"), irrespective of any transfer or exchange of such Bonds subsequent to such Record Date and prior to such interest payment date, unless the Town shall be in default in payment of interest due on such interest payment date; provided, however, that (1) if ownership of Bonds is maintained in a book-entry only system by a securities depository, such payment may be made by automatic funds transfer (wire) to such securities depository or its nominee or (ii) if such Bonds are not maintained in a book-entry only system by a securities depository, upon written request of the Holder of \$1,000,000 or more in principal amount of Bonds, such payments may be made by wire transfer to the bank and bank account specified in writing by such Holder on or prior to the Record Date (such bank being a bank within the continental United States), if such Holder has advanced to the Paying Agent the amount necessary to pay the cost of such wire transfer or authorized the Paying Agent to deduct the cost of such wire transfer from the payment due such Holder. In the event of any default in

the payment of interest, such defaulted interest shall be payable to the persons in whose names such Bonds are registered at the close of business on a special record date for the payment of such defaulted interest as established by notice deposited in the U.S. mails, postage prepaid, by the Paying Agent to the Registered Owners of the Bonds not less than fifteen (15) days preceding such special record date. Such notice shall be mailed to the persons in whose names the Bonds are registered at the close of business on the fifth day (whether or not a business day) preceding the date of mailing.

B. Prior to or at the time of the execution of the Bond Purchase Agreement, the Town Manager shall execute the Town Manager's Certificate, upon the recommendations of Bond Counsel and the Financial Advisor, setting forth certain terms of the Bonds including, but not limited to: the dated date of the Bonds, interest payment dates, interest rates, but not to exceed an aggregate true interest cost rate on the Bonds of 5.5% maturities, but not later than April 1, 2052, sinking fund installments, if any, and any redemption provisions, provided that any redemption premium does not exceed 1.00% of the principal amount to be redeemed. The Town Manager's Certificate may also provide for any Bond Insurance Policy to be procured in connection with the issuance of the Bonds, based upon the recommendations of the Financial Advisor, and covenants of the Town in connection therewith, which covenants shall be contained in an agreement with such Bond Insurer and have the same effect as if included in this Resolution.

C. The Bonds shall be executed in the name of the Town by the Mayor and the official seal of the Town shall be imprinted, reproduced or lithographed on the Bonds and attested to by the Town Clerk. The signatures of the Mayor and the Town

Clerk on the Bonds may be by facsimile. If any officer whose signature appears on the Bonds ceases to hold office before the delivery of the Bonds, his signature shall nevertheless be valid and sufficient for all purposes. In addition, any Bond may bear the signature of, or may be signed by, such persons as at the actual time of execution of such Bond shall be the proper officers to sign such Bond although at the date of such Bond or the date of delivery thereof such persons may not have been such officers.

Only such of the Bonds as shall have endorsed thereon a certificate of authentication substantially in the form hereinafter set forth in Exhibit "A" hereto, duly manually executed by the Bond Registrar, shall be entitled to any right, benefit or security under this Resolution. No Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the Bond Registrar, and such certificate of the Bond Registrar upon any such Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Resolution. The Bond Registrar's certificate of authentication on any Bond shall be deemed to have been duly executed if signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds that may be issued hereunder at any one time.

D. Except when the Bonds are held in book-entry form, any Bond may be transferred upon the registration books maintained by the Bond Registrar upon delivery thereof to the designated corporate trust office of the Bond Registrar accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Bond Registrar, duly executed by the Bondholder or his attorney-in-fact or legal representative, containing written instructions

as to the details of the transfer of such Bond, along with the social security number or federal employer identification number of such transferee. In all cases of a transfer of a Bond, the Bond Registrar shall at the earliest practical time in accordance with the terms hereof enter the transfer of ownership in the registration books and shall deliver in the name of the new transferee or transferees a new fully registered Bond or Bonds of the same maturity and interest rate and of authorized denomination or denominations, for the same aggregate principal amount and payable from the same source of funds. Bonds may be exchanged at the office of the Bond Registrar for a like aggregate principal amount of Bonds, of other authorized denominations of the same maturity and interest rate. The Town and the Bond Registrar may charge the Bondholder for the registration of every transfer or exchange of a Bond an amount sufficient to reimburse them for any tax, fee or any other governmental charge required (other than by the Town) to be paid with respect to the registration of such transfer or exchange, and may require that such amounts be paid before any such new Bond shall be delivered.

The Town, the Bond Registrar, and the Paying Agent may deem and treat the Registered Owner of any Bond as the absolute owner of such Bond for the purpose of receiving payment of the principal thereof and the interest and redemption premium, if any, thereon.

E. If any Bond is mutilated, destroyed, stolen or lost, the Town or its agent may, in its discretion (i) deliver a duplicate replacement Bond, or (ii) pay a Bond that has matured or is about to mature. A mutilated Bond shall be surrendered to and canceled by the Bond Registrar. The Bondholder must furnish the Town and the Bond Registrar proof of ownership of any destroyed, stolen or lost Bond; post satisfactory



indemnity; comply with any reasonable conditions the Town and the Bond Registrar may prescribe; and pay the Town's and the Bond Registrar's reasonable expenses.

Any such duplicate Bond shall constitute an original contractual obligation on the part of the Town whether or not the destroyed, stolen or lost Bond be at any time found by anyone, and such duplicate Bond shall be entitled to equal and proportionate benefits and rights as to lien on, and source of payment of and security for payment from, the funds pledged to the payment of the Bond so mutilated, destroyed, or stolen or lost.

F. The Bonds shall be subject to redemption prior to their maturity at such times and in such manner as may be set forth in the Town Manager's Certificate and the Bond Purchase Agreement, based upon the recommendations of the Financial Advisor. Notice of redemption shall be given by deposit in the U.S. mails of a copy of a redemption notice, postage prepaid, at least thirty (30) and not more than forty-five (45) days before the redemption date to all Registered Owners of the Bonds or portions of the Bonds to be redeemed at their addresses as they appear on the registration books to be maintained in accordance with the provisions hereof. Failure to mail any such notice to a Registered Owner of a Bond, or any defect therein, shall not affect the validity of the proceedings for redemption of any Bond or portion thereof with respect to which no failure or defect occurred.

Such notice shall set forth the date fixed for redemption, the rate of interest borne by each Bond being redeemed, the name and address of the Bond Registrar and Paying Agent, the redemption price to be paid and, if less than all of the Bonds then

Outstanding shall be called for redemption, the distinctive numbers and letters, including CUSIP numbers, if any, of such Bonds to be redeemed and, in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. If any Bond is to be redeemed in part only, the notice of redemption which relates to such Bond shall also state that on or after the redemption date, upon surrender of such Bond, a new Bond or Bonds in a principal amount equal to the unredeemed portion of such Bond will be issued.

In the case of an optional redemption, the notice of redemption may state that (1) it is conditioned upon the deposit of moneys with the Paying Agent or with an escrow agent under an escrow deposit agreement, in amounts necessary to effect the redemption, no later than the redemption date or (2) the Town retains the right to rescind such notice on or prior to the scheduled redemption date (in either case, a "Conditional Redemption"), and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded as described in this paragraph. Any such notice of Conditional Redemption shall be captioned "Conditional Notice of Redemption." Any Conditional Redemption may be rescinded at any time prior to the redemption date if the Town delivers a written direction to the Paying Agent directing the Paying Agent to rescind the redemption notice. The Paying Agent shall give prompt notice of such rescission to the affected Bondholders. Any Bonds subject to Conditional Redemption where redemption has been rescinded shall remain Outstanding, and neither the rescission nor the failure by the Town to make such moneys available shall constitute an event of default hereunder. The Town shall give immediate notice to each MSIR (as hereinafter defined) and the affected

Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain Outstanding.

Any notice mailed as provided in this section shall be conclusively presumed to have been duly given, whether or not the owner of such Bond receives such notice.

In addition to the mailing of the notice described above, each notice of redemption and payment of the redemption price shall meet the requirements set forth in subparagraphs (i) and (ii) below; provided, however, that, notwithstanding any other provision of this Resolution to the contrary, failure to comply with the terms of this paragraph shall not in any manner defeat the effectiveness of a call for redemption if notice thereof is given as otherwise prescribed above in this Section 6.F.

(i) Each notice of redemption shall be sent at least thirty (30) days before the redemption date by registered or certified mail or overnight delivery service or email to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds and to one or more national information services that disseminate notices of redemption of obligations such as the Bonds.

(ii) Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

The Bond Registrar shall not be required to transfer or exchange any Bond after the publication and mailing of a notice of redemption nor during the period of fifteen (15) days next preceding publication and mailing of a notice of redemption.

G. Notice having been given in the manner and under the conditions provided in the first three paragraphs of Section 6.F above, the Bonds or portions of Bonds so called for redemption shall, on the redemption date designated in such notice, become and be due and payable at the redemption price provided for redemption for such Bonds or portions of Bonds on such date. On the date so designated for redemption, moneys for payment of the redemption price being held in separate accounts by the Paying Agent or other Authorized Depository in trust for the Registered Owners of the Bonds or portions thereof to be redeemed, all as provided in this Resolution, interest on the Bonds or portions of Bonds so called for redemption shall cease to accrue, such Bonds and portions of Bonds shall cease to be entitled to any lien, benefit or security under this Resolution and shall be deemed paid hereunder, and the Registered Owners of such Bonds or portions of Bonds shall have no right in respect thereof except to receive payment of the redemption price thereof and, to the extent provided in the next subsection, to receive Bonds for any unredeemed portions of the Bonds.

H. In case part but not all of an Outstanding fully registered Bond shall be selected for redemption, the Registered Owners thereof shall present and surrender such Bond to the Paying Agent for payment of the principal amount thereof so called for redemption, and the Town shall execute and deliver to or upon the order of such Registered Owner, without charge therefor, for the unredeemed balance of the principal

amount of the Bonds so surrendered, a Bond or Bonds fully registered as to principal and interest.

I. Bonds or portions of Bonds that have been duly called for redemption under the provisions hereof, or as to which irrevocable instructions to call for redemption have been given by the Town, and with respect to which amounts (including Government Obligations) sufficient to pay the principal of, redemption premium, if any, and interest to the date fixed for redemption shall be delivered to and held in separate trust accounts by any Authorized Depository or the Paying Agent in trust for the Registered Owners thereof, as provided in this Resolution, shall not be deemed to be Outstanding under the provisions of this Resolution and shall cease to be entitled to any lien, benefit or security under this Resolution, except to receive the payment of the redemption price on or after the designated date of redemption from moneys deposited with or held by the Authorized Depository or Paying Agent, as the case may be, for such redemption of the Bonds and, to the extent provided in the preceding subsection, to receive Bonds for any unredeemed portion of the Bonds.

J. If the date for payment of the principal of, redemption premium, if any, or interest on the Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the city where the corporate trust office of the Paying Agent is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such day shall have the same force and effect as if made on the nominal date of payment.

K. The text of the Bonds, the authentication certificate to be endorsed thereon and the form of assignment for such Bonds shall be substantially in the form attached hereto as Exhibit "A", with such omissions, insertions and variations as may be necessary or desirable and authorized by this Resolution or as may be approved and made by the officers of the Town executing the same, such execution to be conclusive evidence of such approval, including, without limitation, such changes as may be required for the issuance of uncertificated public obligations.

SECTION 7. Application of Bond Proceeds. The proceeds, including accrued interest and premium, if any, received from the sale of the Bonds shall be applied by the Town, simultaneously with delivery of the Bonds, as follows:

A. Accrued interest, if any, shall be deposited in a separate account designated "Town of Golden Beach 2022 General Obligation Bonds Debt Service Fund" (the "Debt Service Fund"), which is hereby established with the Paying Agent, who shall apply such moneys to pay interest on the Bonds as the same becomes due.

B. Next the amount of Bond proceeds as set forth in a certificate of the Mayor or Town Manager delivered concurrently with the delivery of the Bonds (the "Proceeds Certificate"), shall be deposited in a separate account designated "Town of Golden Beach 2022 General Obligation Bonds Project Fund" (the "Project Fund") described herein.

C. A portion of the proceeds of the Bonds as set forth in the Proceeds Certificate shall be deposited in a separate account designated "Town of Golden Beach 2022 General Obligation Bonds Cost of Issuance Account", which is hereby established

with the Town to be held in an Authorized Depository, and shall be disbursed for payment of expenses incurred in issuing the Bonds; provided, however, that any premium for a Bond Insurance Policy may be paid directly to the issuer thereof by the Underwriter from the proceeds of the Bonds.

**SECTION 8. Project Fund.** The Town covenants and agrees to establish the Project Fund, which shall be used only for payment of the Costs of the Project, including reimbursing the Town for certain expenditures previously made for Costs of the Project, if any. Moneys in the Project Fund, until applied in payment of any item of the Costs of the Project or to pay interest on the Bonds in the manner hereinafter provided, shall be held in trust by the Town, and shall be subject to a lien and charge in favor of the Holders of the Bonds and for the further security of such Holders.

The proceeds of insurance maintained against physical loss of or damage to the Project, or the contractors' performance bonds with respect thereto pertaining to the period of construction thereof, shall be deposited into the Project Fund.

The Town covenants that the acquisition, reimbursement, construction and equipping of the Project will be completed without delay and in accordance with sound engineering and construction practices. The Town shall make disbursements or payments from the Project Fund to pay the Costs of the Project and to pay interest on the Bonds. The Town shall keep adequate records of such disbursements and payments and shall retain all of such records until all of the Bonds have been paid in full.

Notwithstanding any of the other provisions of this Section 8, to the extent that other moneys are not available therefor, amounts in the Project Fund shall be applied to the payment of principal, Redemption Price, if any, and interest on Bonds, when due. However if the Project is not complete, then such funds shall be reimbursed for ad valorem taxes collected in future years.

The date of completion of the acquisition, construction and equipping of the Project shall be determined by the Town Manager who shall cause such completion to be certified or otherwise evidenced. Promptly after the date of the completion of the Project, and after paying or making provisions for the payment of all unpaid items of the Costs of the Project, the Town shall apply any amounts remaining in the Project Fund to pay interest on the Bonds or, upon receipt of an opinion of Bond Counsel, the Town may use any such balance for any lawful purpose.

**SECTION 9. Investment of Bond Proceeds and Other Moneys.** All proceeds of the Bonds and other moneys held under the provisions of this Resolution may be invested by the Town and, with respect to the Debt Service Fund, shall be invested by the Paying Agent at the direction of the Town Manager or the Finance Director, in such investments as are permitted by applicable law.

**SECTION 10. Levy of Ad Valorem Tax; Payment and Pledge.** In each Fiscal Year while any of the Bonds are Outstanding there shall be assessed, levied and collected an ad valorem tax, without limitation as to rate or amount, on all taxable property within the corporate limits of the Town (excluding exemptions as provided by

applicable law), in addition to all other taxes, sufficient in amount to pay the principal of and interest on the Bonds as the same shall become due.

The tax assessed, levied and collected for the security and payment of the Bonds shall be assessed, levied and collected in the same manner and at the same time as other taxes are assessed, levied and collected and the proceeds of said tax shall be applied solely to the payment of the principal of and interest on the Bonds. On or before each interest or principal payment date for the Bonds, the Town shall transfer to the Paying Agent for deposit in the Debt Service Fund an amount sufficient to pay the principal of, redemption premium, if any, and interest on the Bonds then due and payable and the Paying Agent is hereby authorized and directed to apply such funds to said payment.

The full faith, credit and taxing power of the Town are hereby irrevocably pledged to the punctual payment of the principal of, interest on and redemption premium, if any, with respect to the Bonds as the same shall become due and payable.

The Bondholders shall have a first lien on the taxes pledged hereunder (including the proceeds derived from the sale of tax certificates in the event of a delinquency in such payment of taxes) and the other monies, if any, on deposit in the funds and accounts created hereunder, including all earnings thereon.

The Town will diligently enforce its right to receive tax revenues and will diligently enforce and collect such taxes. The Town will not take any action that will impair or adversely affect its rights to levy, collect and receive said taxes, or impair or adversely affect in any manner the pledge made herein or the rights of the Bondholders.

**SECTION 11.** Compliance with Tax Requirements. The Town hereby covenants and agrees, for the benefit of the Holders from time to time of the Bonds, to comply with the requirements applicable to it contained in the Code to the extent necessary to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes, and not to take any actions that would affect that exclusion. In furtherance of the foregoing covenant, the Town agrees that it will comply with the provisions of a tax compliance certificate to be prepared by Bond Counsel and executed and delivered on the date of issuance of the Bonds. Specifically, without intending to limit in any way the generality of the foregoing, the Town covenants and agrees as follows:

A. to pay to the United States of America from any legally available funds, at the times required pursuant to Section 148(f) of the Code, the excess of the amount earned on all nonpurpose investments (as defined in Section 148(f)(6) of the Code) over the amount which would have been earned if such non-purpose investments were invested at a rate equal to the yield on the Bonds, plus any income attributable to such excess (the "Rebate Amount"), as further specified in Section 12;

B. to maintain and retain all records pertaining to and to be responsible for making or causing to be made all determinations and calculations of the Rebate Amount and required payments of the Rebate Amount as shall be necessary to comply with the Code, as further specified in Section 12;

C. to refrain from using proceeds from the Bonds in a manner that would cause the Bonds or any of them, to be classified as private activity bonds under Section 141(a) of the Code;

D. to refrain from taking any action that would cause the Bonds, or any of them, to become arbitrage bonds under Section 148 of the Code;

E. it has not and will not use or permit to be used any portion of the proceeds of the Bonds, including all investment income earned on such proceeds directly or indirectly, in any trade or business carried on by any person who is not the Town or a state or political subdivision or instrumentality thereof as those terms are used in Section 103 of the Code (an "Exempt Person");

F. it has not and will not use or permit the use of any portion of the proceeds of the Bonds, including all investment income earned on such proceeds, directly or indirectly, to make or finance loans to persons who are not Exempt Persons;

G. it has not entered into, and will not enter into, any arrangement with any person or organization (other than an Exempt Person) which provides for such person or organization to manage, operate, or provide services with respect to the property financed with the proceeds of the Bonds (a "Service Contract"), unless the guidelines set forth in Revenue Procedure 2017-13 (or the guidelines set forth in Revenue Procedure 93-19, to the extent applicable, or any new, revised or additional guidelines applicable to Service Contracts) (the "Guidelines"), are satisfied, except to the extent it obtains a private letter ruling from the Internal Revenue Service or an

opinion of nationally recognized bond counsel which allows for a variation from the Guidelines;

H. it will not cause the Bonds to be treated as "federally guaranteed" for purposes of Section 149 of the Code, as may be modified in any applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed by the Department of the Treasury or the Internal Revenue Service with respect to "federally guaranteed" obligations described in Section 149 of the Code. For purposes of this paragraph, the Bonds shall be treated as "federally guaranteed" if (i) all or any portion of the principal or interest is or will be guaranteed directly or indirectly by the United States of America or any agency or instrumentality thereof, or (ii) 5% or more of the proceeds of the Bonds will be (A) used in making loans the payment of principal or interest with respect to which is to be guaranteed in whole or in part by the United States of America or any agency or instrumentality thereof, or (B) invested directly or indirectly in federally insured deposits or accounts, and (iii) such guarantee is not described in Section 149(b)(3) of the Code; and

I. it will comply with the information reporting requirements of Section 149(e)(2) of the Code.

The Town understands that the foregoing covenants impose continuing obligations on the Town to comply with the requirements of the Code so long as such requirements are applicable.

**SECTION 12.** Arbitrage Rebate Covenants. There is hereby created and established an account to be held by the Town, designated the "Town of Golden Beach

2022 General Obligation Bonds Rebate Account” (the “Rebate Account”). The Rebate Account shall be held by the Town separate and apart from all other funds and accounts held by the Town under this Resolution and from all other moneys of the Town.

Notwithstanding anything in this Resolution to the contrary, the Town shall transfer to the Rebate Account the Rebate Amount in order to comply with the rebate covenants attached as an exhibit to the tax compliance certificate to be delivered by the Town on the date of delivery of the Bonds (the “Rebate Covenants”), when such amounts are so required to be transferred. The Finance Director shall make or cause to be made payments from the Rebate Account of the Rebate Amount to the United States of America in the amounts and at the times required by the Rebate Covenants. The Town covenants for the benefit of the Owners of the Bonds that it will comply with the Rebate Covenants. The Rebate Account, together with all moneys and securities from time to time held therein and all investment earnings derived therefrom, shall be excluded from the pledge and lien of this Resolution. The Town shall not be required to comply with the requirements of this Section 12 in the event that the Town obtains an opinion of nationally recognized bond counsel that (i) such compliance is not required in order to maintain the federal income tax exemption of interest on the Bonds and/or (ii) compliance with some other requirement is necessary to maintain the federal income tax exemption of interest on the Bonds or is a permissible substitute for any deleted requirement.

**SECTION 13.**      Appointment of Bond Registrar and Paying Agent.

A.      Truist Bank is hereby appointed the Bond Registrar and Paying Agent for the Bonds. The Mayor and the Town Manager, after consultation with the Town Attorney and Bond Counsel, are each hereby authorized to enter into any necessary agreements in connection with the appointment of the Bond Registrar and Paying Agent.

B.      The recitals of facts contained herein and in the Bonds shall be taken as the statements of the Town and neither the Bond Registrar nor the Paying Agent assumes any responsibility for the correctness of the same. Neither the Bond Registrar nor the Paying Agent makes any representation as to the validity or sufficiency of this Resolution or of any Bonds issued hereunder or as to the security afforded by this Resolution, and neither shall incur any liability in respect thereof. The Bond Registrar shall, however, be responsible for its representation contained in its certificate of authentication of the Bonds. The Paying Agent shall be entitled to rely upon the directions of the Town Manager or the Finance Director in the investment of proceeds of the Bonds and other moneys under this Resolution and neither the Bond Registrar nor the Paying Agent shall be responsible with respect to the application of money paid by it in accordance with the provisions of this Resolution. Neither the Bond Registrar nor the Paying Agent shall be under any obligation or duty to take any action constituting enforcement of the covenants of the Town under this Resolution, which would involve it in expense or liability, or to institute or defend any suit in respect thereof, or to advance any of its own moneys, unless properly indemnified. Neither the Bond Registrar nor the Paying Agent shall be liable in connection with the performance of its duties hereunder except for its own negligence, misconduct or default.

C. The Town shall agree to pay the Bond Registrar and the Paying Agent reasonable compensation for all services rendered by each of them under this Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Resolution.

**SECTION 14.** Preliminary Official Statement; Official Statement. The use of a Preliminary Official Statement in connection with the marketing of the Bonds is hereby authorized. The Preliminary Official Statement in substantially the form attached hereto as Exhibit "D" is hereby approved with such changes, insertions and omissions and such filling-in of blanks therein as may be approved by the Mayor or the Town Manager, after consultation with Weiss Serota Helfman Cole & Bierman, P.L., Disclosure Counsel for the Town ("Disclosure Counsel") and the Town Attorney. The Mayor or the Town Manager, after consultation with Disclosure Counsel, Bond Counsel and the Town Attorney, is each hereby authorized to deem the Preliminary Official Statement final for the purposes of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") and to execute a written certificate evidencing the same. The Mayor and the Town Manager are each hereby authorized to approve and execute, on behalf of the Town, an Official Statement relating to the Bonds dated the date of the sale of the Bonds to the Underwriter, substantially in the form of the Preliminary Official Statement, with such changes from the Preliminary Official Statement as the Mayor or the Town Manager, after consultation with Disclosure Counsel, Bond Counsel and the Town Attorney, may approve, such execution to be conclusive evidence of such approval.

**SECTION 15.** Continuing Disclosure.

(a) The Town covenants and agrees, in accordance with the provisions of, and to the degree necessary to comply with, the Rule, to provide or cause to be provided for the benefit of the beneficial owners of the Bonds (the "Beneficial Owners") to the Municipal Securities Rulemaking Board ("MSRB") in an electronic format prescribed by the MSRB (currently through its Electronic Municipal Market Access ("EMMA") web portal) and such other municipal securities information repository as hereafter may be required by law or applicable legislation from time to time (each such information repository, a "MSIR"), the following annual financial information (the "Annual Information"), commencing with the Fiscal Year ended September 30, 2022:

(1) Updates of the information in the Official Statement pertaining to the Town in the tables titled "ASSESSED VALUE AND ESTIMATED VALUE OF TAXABLE PROPERTY", "PROPERTY TAX RATES, DIRECT AND OVERLAPPING GOVERNMENTS", and "PROPERTY TAX LEVIES AND COLLECTIONS", in a form which is generally consistent with the presentation of such information in the Official Statement, to the extent not included in the audited financial statements of the Town referred to in (2) below.

(2) Audited financial statements with respect to the Town utilizing generally accepted accounting principles to local governments.

(3) Disclosure of any material litigation that would have been disclosed in the Official Statement if it had been pending as of the date of the Official Statement.



The information in paragraphs (1) and (2) above is expected to be available on or prior to July 1 of each year for the preceding Fiscal Year, commencing July 1, 2023. The financial statements referred to in clause (2) above are expected to be available separately from the information in clause (1) above and shall be provided by the Town as soon as practical after acceptance of such statements from the auditors by the Town. If not available by July 1 after the end of the Fiscal Year, unaudited information will be provided in accordance with the time frame set forth above and audited financial statements will be provided as soon after such time as they become available.

(b) The Town agrees to provide or cause to be provided to each MSIR and to the MSRB via EMMA, in the appropriate format required by law or applicable regulation, in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the Bonds:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;

- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) modifications to rights of Bondholders or Beneficial Owners of the Bonds, if material;
- (8) Bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution or sale of any property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Town (which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Town in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Town, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders

of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Town);

- (13) the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) the appointment of a successor or additional trustee or paying agent or the change of name of a trustee or paying agent, if material;
- (15) incurrence of a financial obligation of the Town, if material, or agreement to covenants, events of default, remedies, property rights, or other similar terms of a financial obligation of the Town, any of which affect Holders or security holders, if material;
- (16) default, event of acceleration, termination event, modification of terms or other similar events under the terms of a financial obligation of the Town, any of which reflect financial difficulties; and

- (17) failure to provide any Annual Report as required hereunder that contains, in all material respects, the information required to be included therein under Section 15 (a)(1) of this Resolution, which failure shall, in all cases, be deemed material under federal securities laws.

(c) The Town also agrees to provide or cause to be provided, in a timely manner, to the MSRB via EMMA and each MSIR, in the appropriate format required by law or applicable regulation, notice of its failure to provide the Annual Information with respect to itself on or prior to October 1 following the end of the preceding Fiscal Year.

(d) The obligations of the Town under this Section shall remain in effect only so long as the Bonds are Outstanding. The Town reserves the right to terminate its obligations to provide the Annual Information and notices of material events, as set forth above, if and when the Town no longer remains an "obligated person" with respect to the Bonds within the meaning of the Rule.

(e) The Town agrees that its undertaking pursuant to the Rule set forth in this Section 15 is intended to be for the benefit of the Beneficial Owners of the Bonds and shall be enforceable by such Beneficial Owners if the Town fails to cure a breach within a reasonable time after receipt of written notice from a Beneficial Owner that a breach exists; provided that any such Beneficial Owner's right to enforce the provisions of this

undertaking shall be on behalf of all Beneficial Owners and shall be limited to a right to obtain specific performance of the Town's obligations under this Section in a federal or state court located within the Miami-Dade County and any failure by the Town to comply with the provisions of this undertaking shall not be a default with respect to the Bonds.

(f) Notwithstanding the foregoing, each MSIR to which information shall be provided shall include each MSIR approved by the Securities and Exchange Commission prior to the issuance of the Bonds. In the event that the Securities and Exchange Commission approves any additional MSIRs after the date of issuance of the Bonds, the Town shall, if the Town is notified of such additional MSIRs, provide such information to the additional MSIRs. Failure to provide information to any new MSIR whose status as a MSIR is unknown to the Town shall not constitute a breach of this covenant.

(g) The requirements of subsection (a) above do not necessitate the preparation of any separate annual report addressing only the Bonds. The requirements of subsection (a) may be met by the filing of an annual information statement or the Town's Comprehensive Annual Financial Report, if any, provided such report includes all of the required Annual Information and is available for each Fiscal Year on or prior to October 1 of each year for the preceding Fiscal Year. Additionally, the Town may incorporate any information in any prior filing with each MSIR, or included in any final official statement of the Town, provided such final official statement is filed with the MSRB via EMMA.

(h) The Town reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Town; provided that the Town agrees that any such modification will be done in a manner consistent with the Rule.

(i) Except to cure any ambiguity, inconsistency or formal defect or omission in the provisions of this Section 15, the Town's covenants as to continuing disclosure (the "Covenants") may only be amended if:

- (1) the amendment is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law or a change in the identity, nature or status of the Town or type of business conducted; the Covenants, as amended, would have complied with the requirements of the Rule at the time of award of the Bonds, after taking into account any amendments or change in circumstances; and the amendment does not materially impair the interests of the Beneficial Owners, as determined by Disclosure Counsel, Bond Counsel or other independent counsel knowledgeable in the area of federal securities laws and regulations; or
- (2) all or any part of the Rule, as interpreted by the staff of the Securities and Exchange Commission at the date of the adoption of this Resolution, ceases to be in effect for any reason, and the Town elects that the covenants shall be deemed amended accordingly.

(j) Any assertion of beneficial ownership must be filed with the Town, along with full documentary support, as part of the written request described above.

(k) The Council further authorizes and directs the Town Manager or the Finance Director to cause all other agreements to be made or action to be taken as required in connection with meeting the Town's obligations as to the Covenants, including entering into an agreement with a dissemination agent to provide continuing disclosure services to the Town. The Town Manager or the Finance Director shall further be authorized to make such additions, deletions and modifications to the Covenants as he or she shall deem necessary or desirable after consultation with the Town Attorney, Bond Counsel and Disclosure Counsel.

**SECTION 16.** Bond Insurance Policy. The Town Manager may, after consultation with the Financial Advisor, Bond Counsel and the Town Attorney, provide in the Town Manager's Certificate or by separate agreement covenants for the benefit of the provider of a Bond Insurance Policy, which covenants shall have the same effect as if included in this Resolution. The provider of any Bond Insurance Policy shall, so long as it has not defaulted in its obligations thereunder, be entitled to exercise all rights granted the Bondholders (i) in the event of a default by the Town hereunder or (ii) subject to the provisions of Section 18 hereof, in connection with the modification or amendment of this Resolution, in lieu of the Bondholders whose Bonds are insured by the Bond Insurance Policy.

**SECTION 17.** Further Authorizations. The Mayor, the Town Manager, the Finance Director, the Town Attorney and the Town Clerk, or any of them and such other

officers and employees of the Town as may be designated by the Mayor or the Town Manager are each designated as agents of the Town in connection with the issuance and delivery of the Bonds and are authorized and empowered, collectively or individually, to take all actions and steps and to execute all instruments, documents, tax returns and contracts on behalf of the Town, including, but not limited to, the procurement of the Bond Insurance Policy, that are necessary or desirable in connection with the execution and delivery of the Bonds, and which are specifically authorized or are not inconsistent with the terms and provisions of this Resolution or any action relating to the Bonds heretofore taken by the Town. Such officers and those so designated are hereby charged with the responsibility for the issuance of the Bonds.

**SECTION 18.** Modification or Amendment. After the issuance of the Bonds, no modification or amendment of this Resolution or of any resolution amendatory hereof or supplemental hereto materially adverse to the Bondholders may be made without the consent in writing of the Registered Owners of not less than a majority in aggregate principal amount of the Outstanding Bonds, but no modification or amendment shall permit a change (a) in the maturity of the Bonds or a reduction in the rate of interest thereon, (b) in the amount of the principal obligation of any Bond, (c) that would affect the unconditional promise of the Town to levy and collect ad valorem taxes as herein provided, or (d) that would reduce such percentage of Registered Owners of the Bonds required above for such modifications or amendments, without the consent of all of the Bondholders. For the purpose of Bondholders' voting rights or consents, (i) the Bonds owned by or held for the account of the Town, directly or indirectly, shall not be counted and (ii) the provider of any Bond Insurance Policy shall, so long as it has not

defaulted in its obligations thereunder, be deemed the owner of all the Bonds insured by such Bond Insurance Policy in lieu of the Bondholders, except that with respect to modifications or amendments described in clauses (a) through (d) above, the consent of all the Bondholders shall still be required.

**SECTION 19.** Defeasance and Release. If, at any time after the date of issuance of the Bonds (a) all Bonds secured hereby or any maturity thereof shall have become due and payable in accordance with their terms or otherwise as provided in this Resolution, or shall have been duly called for redemption, or the Town shall have given irrevocable instructions directing the payment of the principal of, redemption premium, if any, and interest on such Bonds at maturity or at any earlier redemption date scheduled by the Town, or any combination thereof, (b) the full amount of the principal, redemption premium, if any, and the interest so due and payable upon all of such Bonds then Outstanding or any portion of such Bonds, at maturity or upon redemption, shall be paid, or sufficient moneys or Government Obligations which are not callable prior to maturity and which mature not later than the maturity or redemption dates of such principal, redemption premium, if any, and interest, which, together with the income realized on such investments, shall be sufficient (which sufficiency shall be verified by an independent certified public accountant selected by the Town) to pay all such principal, redemption premium, if any, and interest on said Bonds at the maturity thereof or the date upon which such Bonds are to be called for redemption prior to maturity, shall be held by an Authorized Depository or the Paying Agent in irrevocable trust for the benefit of such Bondholders (whether or not in any accounts created hereby), and (c) provision shall also be made for paying all other sums payable hereunder by the

Town, including compensation due the Bond Registrar and the Paying Agent, then and in that case such Bonds shall be deemed paid, satisfied and discharged and the right, title and interest of such Bondholders hereunder shall thereupon cease, terminate and become void; otherwise, this Resolution shall be, continue and remain in full force and effect. Notwithstanding anything in this Section 19 to the contrary, however, the obligations of the Town under Section 11A and 11B hereof shall remain in full force and effect until such time as such obligations are fully satisfied.

Notwithstanding the foregoing, all references to the discharge and satisfaction of Bonds shall include the discharge and satisfaction of any portion of the Bonds, and in such case, this Resolution shall continue and remain in full force and effect with respect to the Bonds which have not be discharged and satisfied

**SECTION 20.** Defaults and Remedies. The following events shall each constitute an event of default under this Resolution and the Bonds:

(a) failure to pay the principal of or interest or redemption premium, if any, on the Bonds as and when the same shall become due and payable;

(b) the dissolution or liquidation of the Town, or the filing by the Town of a voluntary petition in bankruptcy, or the commission by the Town of any act of bankruptcy, or adjudication of the Town as a bankrupt, or assignment by the Town for the benefit of its creditors, or appointment of a receiver for the Town, or the entry by the Town into an agreement of composition with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Town in any proceeding for its reorganization instituted under the provisions of the Federal Bankruptcy Act, as

amended, or under any similar act in any jurisdiction which may be in effect or hereafter enacted;

(c) the Town shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Resolution on the part of the Town to be performed, and such default shall continue for a period of thirty (30) days after written notice from the Bondholders of not less than twenty-five per cent (25%) of the aggregate principal amount of the Bonds then Outstanding; or

(d) any material representation or warranty made by the Town in connection with the sale or issuance of the Bonds, including without limitation those made in the Bond Purchase Agreement, the Preliminary Official Statement and the Official Statement, shall be discovered to have been false when made.

The Bondholders may, during the continuance of such an event of default, either at law or in equity, by suit, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights under the laws of the State of Florida, or granted or contained in the Bonds or this Resolution, and may enforce and compel the performance of all duties required by this Resolution and the Bonds or by any applicable statute to be performed by the Town or any officer thereof.

**SECTION 21.** Severability. If any one or more of the covenants, agreements or provisions of this Resolution shall be held contrary to any express provisions of law or contrary to the policy of express law, though not expressly

prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions of this Resolution or of the Bonds issued hereunder.

**SECTION 22.** No Third Party Beneficiaries. Except as herein otherwise expressly provided, nothing in this Resolution expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the Town, the Registered Owners of the Bonds, the provider of any Bond Insurance Policy, the Underwriter, the Bond Registrar and the Paying Agent, any right, remedy or claim, legal or equitable, under or by reason of this Resolution or any provision hereof, this Resolution and all its provisions being intended to be and being for the sole and exclusive benefit of the Town, the Registered Owners from time to time of the Bonds, the provider of any Bond Insurance Policy, the Underwriter, the Bond Registrar and the Paying Agent.

**SECTION 23.** Controlling Law; Members of Council or Town Not Liable. This Resolution shall be governed by and construed in accordance with the laws of the State of Florida and all covenants, stipulations, obligations and agreements of the Town contained herein shall be deemed to be covenants, stipulations, obligations and agreements of the Town to the full extent authorized by the Act. No covenant, stipulation, obligation or agreement contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, agent, attorney, independent contractor or employee of the Council or the Town in his individual capacity, and neither the members of the Council nor any official executing the Bonds

shall be liable personally on the Bonds or this Resolution or shall be subject to any personal liability or accountability by reason of the issuance or the execution by the Council or such members thereof.

**SECTION 24.** Qualification for The Depository Trust Company. There is hereby established a system of book-entry only, uncertificated registration with respect to the Bonds, as permitted by Chapter 279, Florida Statutes. The system shall be as described in the Official Statement.

The Town reserves the right to amend, discontinue or reinstitute this system from time to time, subject to the covenants with the beneficial owners of the Bonds.

Neither the Town nor the Bond Registrar shall be liable for the failure of the depository of the Bonds to perform its obligations as described in the Official Statement, nor for the failure of any participant in the system maintained by the depository to perform any obligation the participant may incur to a beneficial Owner of any Bond.

The Town, the Bond Registrar and the Paying Agent are hereby authorized to take such actions as may be necessary to qualify the Bonds for deposit with DTC, including but not limited to those actions as may be set forth in a letter agreement entered into by and between the Town and DTC, wire transfers of interest and principal payments with respect to the Bonds, utilization of electronic book-entry data received from DTC in place of actual delivery of Bonds and provisions of notices with respect to Bonds registered by DTC (or any of its designees identified to the Town, the Bond Registrar or the Paying Agent) by overnight delivery, courier service, telegram, email or

other similar means of communication. The Mayor, the Town Manager and the Finance Director are each hereby authorized to execute and deliver any necessary agreement or other documents with DTC on behalf of the Town.

**SECTION 25.** Effective Date. This Resolution shall become effective immediately upon its passage and adoption.

**SECTION 26.** Repealing Clause. All resolutions or parts thereof in conflict herewith, to the extent of such conflicts, are hereby superseded and repealed.

The Motion to adopt the foregoing Resolution was offered by Councilmember Lusskin, seconded by Councilmember Einstein.

Mayor Glenn Singer	<u>Aye</u>
Vice Mayor Jaime Mendal	<u>Aye</u>
Councilmember Bernard Einstein	<u>Aye</u>
Councilmember Judy Lusskin	<u>Aye</u>
Councilmember Kenneth Bernstein	<u>Absent</u>

**PASSED AND ADOPTED** by the Town Council of the Town of Golden Beach,

Florida this 30<sup>th</sup> day of August, 2022.

ATTEST:

  
LISSETTE PEREZ  
TOWN CLERK

  
MAYOR GLENN SINGER

APPROVED AS TO FORM  
AND LEGAL SUFFICIENCY:

  
STEPHEN J. HELFMAN  
TOWN ATTORNEY

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## APPENDIX D

### FORM OF APPROVING OPINION OF BOND COUNSEL

October 21, 2022

The Town Council of the  
Town of Golden Beach, Florida

Re: \$7,000,000 Town of Golden Beach, Florida  
General Obligation Bonds, Series 2022

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Town of Golden Beach, Florida (the "Town") of its \$7,000,000 General Obligation Bonds, Series 2022 initially issued and delivered on this date (the "Bonds") pursuant to the Constitution and laws of the State of Florida, including particularly Article VII, Section 12 of the Constitution, Part II of Chapter 166, Florida Statutes, as amended, the Charter of the Town and other applicable provisions of law (collectively, the "Act") and Resolution No. 2836.22\_adopted on August 30, 2022 (the "Bond Resolution").

We have examined the Act, the Bond Resolution and such certified copies of the proceedings of the Town and of such other documents as we have deemed necessary to render this opinion. As to the questions of fact material to our opinion, we have relied upon representations of the Town contained in the Bond Resolution and in the certified proceedings and other certifications of public officials furnished to us without undertaking to verify such representations by independent investigation.

Based on the foregoing, we are of the opinion that, under existing law:

1. The Town is a municipal corporation organized and existing under the Constitution and laws of the State of Florida, with the power to adopt the Bond Resolution, to perform its obligations thereunder and to issue the Bonds.

2. The Bond Resolution has been duly adopted by the Town and constitutes a valid and binding obligation of the Town, enforceable in accordance with its terms.

3. The issuance and sale of the Bonds has been duly authorized by the Town. The Bonds have been duly executed and delivered by the Town and constitute valid and binding general obligations of the Town, payable from the levy of ad valorem taxes, without limitation as to rate or amount, on all taxable property within the Town, and the Town has pledged its full faith, credit and taxing power to the payment of the Bonds.

4. Under existing statutes, regulations, rulings and judicial decisions, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. For tax years beginning after December 31, 2022, interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal alternative minimum tax imposed on certain corporations under the Code. Ownership of the Bonds may result in collateral federal tax consequences to certain taxpayers. We express no opinion regarding other federal tax consequences resulting from the ownership, receipt or accrual of interest on, or disposition of, the Bonds.

The opinion set forth in the preceding paragraph assumes continuing compliance by the Town with certain requirements of the Code that must be met after the date of the issuance of the Bonds in order for interest on the Bonds to be excluded from gross income for federal income tax purposes. The failure to meet these requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. The Town has covenanted in the Bond Resolution to take the actions necessary to comply with such requirements.

This opinion is qualified to the extent that the rights of the holders of the Bonds and the enforceability of the Bonds and the Bond Resolution may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, now or hereafter in effect, and by the exercise of judicial discretion in appropriate cases in accordance with equitable principles.

Respectfully submitted,



