

**TOWN OF GOLDEN BEACH, FLORIDA**

**RESOLUTION NO. 2814.22**

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF GOLDEN BEACH, FLORIDA, ACCEPTING THE GENERAL PURPOSE FINANCIAL STATEMENTS FOR FISCAL YEAR 2020/2021 ENDING SEPTEMBER 30, 2021 PREPARED BY KEEFE, MCCULLOUGH & CO., LLP; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, Keefe, McCullough & Co., LLP has prepared and submitted to the Town General Purpose Finance Statements and the Single Audit for Fiscal Year 2020-2021; and

**WHEREAS**, the Town Council intends to formally recognize and accept the statements and audit, copies of which are attached as Exhibit "A" to this resolution.

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

**Section 1. Financial Statements Accepted.** That the Town hereby accepts the General Purpose Financial Statements and the Single Audit for fiscal year 2020/2021 ending September 30, 2020 prepared by Keefe, McCullough & Co., LLP.

**Section 3. Effective Date.** That this Resolution shall be effective immediately upon adoption.

Sponsored by the **Town Administration**.

The Motion to adopt the foregoing Resolution was offered by Councilmember Lusskin, seconded by Councilmember Bernstein, and on roll call the following vote ensued:

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>Aye</u>

**PASSED AND ADOPTED** by the Town Council of the Town of Golden Beach,  
Florida, this 17<sup>th</sup> day of May, 2022.



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MAYOR ~~GLENN~~ SINGER

ATTEST:



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LISSETTE PEREZ  
TOWN CLERK

APPROVED AS TO FORM  
AND LEGAL SUFFICIENCY:



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STEPHEN J. HELFMAN  
TOWN ATTORNEY



# TOWN OF GOLDEN BEACH

One Golden Beach Drive  
Golden Beach, FL 33160

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## MEMORANDUM

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Date: May 17, 2022

Item Number:

To: Honorable Mayor Glenn Singer &  
Town Council Members

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From: Alexander Diaz, *Alex D*  
Town Manager

Subject: **Resolution No. 2814.22- Accepting the General Purpose  
Financial Statements for Fiscal Year 2020/2021.**

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### Recommendation:

It is recommended that the Town Council adopt the attached Resolution No. 2814.22 as presented.

### Background:

The Town hired the firm of Keefe, McCullough & Co., LLP to conduct the annual audit for Fiscal Year 2020/2021 ending September 30, 2021.

The auditors have concluded the financial audit for Fiscal Year ending in 2020. The audit consists of the following:

-Financial Statement for fiscal year 2020/2021 ending September 30, 2021.

-Report to Management which highlights the Internal Controls of the Town

-The Town had no findings or recommendations once again this year; seventh year running!

The Town Administration was once again able to grow our General Fund, Fund Balance by an additional **\$1,604,851.00**

At the end of Fiscal Year 2020 our General Fund Balance was \$3,627,364.00 and at the end of Fiscal Year 2021 our General Fund Balance is \$5,232,215.00

The General Fund is also currently due \$2,331,316 from the Stormwater Fund (collectable). There was an increase of \$316,600.00 from last year's liability of \$2,014,710.00. This increase was for improvements paid for by the General Fund to the Stormwater System.

It is important to highlight that tests of our internal controls showed no deficiencies in our policies or practices.

**Fiscal Impact:**

Our General Governmental Funds saw an increase of \$1,604,851.00 due to spending controls, operating savings and approximately \$800,000.00 that is allocated for the Civic Center Project. Over \$804,851.00 attributed to our steadfast commitment to delivering our projects and services well within our

Our Financial Positioning is STRONG and our future outlook is bright.

This year the Town will also explore making significant changes to our Directors and Police employee compensation, the employee Pension Plan and deliver on a series of non-budgeted projects that will require careful consideration.

In addition, we fully acknowledge the need to increase the Town's Cash-On-Hand capacity of the General Fund, Fund Balance and feel confident in our ability to do so.

The Town will issue an RFP for auditing services for the 2023 Budget, as we continue to work with Keefe, McCullough & Co., LLP to write-off receivables, remove items from our fixed assets and work on the proposed pension changes.

Keefe, McCullough & Co., LLP does a self-threat audit every three years to ensure a thorough review. In addition the team of auditors that perform our audit changes every year to ensure a "fresh pair of eyes" are performing our audit.

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

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

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



**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 (Date), 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  
(Date)

# MANAGEMENT'S DISCUSSION AND ANALYSIS

(NOT COVERED BY  
INDEPENDENT AUDITORS' REPORT)

Keefe  
McCullough  
CPA's + Trusted Advisors

Our discussion and analysis of the financial performance of Town of Golden Beach, Florida (the "Town") provides an overview of the Town's financial activities for the fiscal years ended September 30, 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**

**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:

	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>	24,989,819	25,318,918	11,943,685	11,466,237	36,933,504	38,262,244
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>	3,631,051	4,276,434	-	-	3,631,051	4,276,434
<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>	19,731,422	22,361,442	1,247,140	769,538	20,978,562	23,130,980
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>	2,229,568	282,232	-	-	2,229,568	282,232
<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:

	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	\$ 743,237	\$ (811,839)	\$ (195,465)	\$ (482,990)	\$ 547,772	\$ (1,294,829)

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	\$ 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

Keefe  
McCullough  
CPA's + Trusted Advisors

**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			
Deferred inflows relating to other post employment benefits (OPEB)	1,955,669	-	1,955,669
	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>

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

	<u>Program Revenues</u>		
	<u>Expenses</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>
Business-type activities:			
Stormwater drainage	<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			

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

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (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
	<u>7,917,935</u>	<u>277,936</u>	<u>582,637</u>	<u>658,857</u>	<u>9,437,365</u>
Total assets					
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
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
	<u>2,685,720</u>	<u>1,203,070</u>	<u>939,925</u>	<u>-</u>	<u>4,828,715</u>
Total liabilities					
<b>Fund balances:</b>					
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)	1,014,891	(925,134)	(358,855)	-	(269,098)
	<u>5,232,215</u>	<u>(925,134)</u>	<u>(357,288)</u>	<u>658,857</u>	<u>4,608,650</u>
Total fund balances					
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:

The cost of capital assets is	\$ 37,806,797	
Accumulated depreciation is	<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**

	<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>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	(650,000)	-	-	-	(650,000)
<b>Total other financing sources (uses)</b>	<b>(650,000)</b>	<b>650,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Changes in fund balances</b>	<b>1,604,851</b>	<b>(502,509)</b>	<b>-</b>	<b>(187,928)</b>	<b>914,414</b>
<b>Fund Balances (Deficit), Beginning of Year</b>	<b>3,627,364</b>	<b>(422,625)</b>	<b>(357,288)</b>	<b>846,785</b>	<b>3,694,236</b>
<b>Fund Balances (Deficit), End of Year</b>	<b>\$ 5,232,215</b>	<b>\$ (925,134)</b>	<b>\$ (357,288)</b>	<b>\$ 658,857</b>	<b>\$ 4,608,650</b>

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
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>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:</p>		
Expenditures for capital assets	\$	1,087,942
Less current year depreciation		<u>(1,394,372)</u>
		(306,430)
<p>The net effect of various miscellaneous transactions involving capital assets (trade-ins, retirements) is to decrease net position.</p>		
		(22,669)
<p>Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces liabilities in the statement of net position:</p>		
Principal payments on debt	\$	445,000
Amortization of bond premium		<u>20,419</u>
		465,419
<p>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:</p>		
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	\$	<u><u>743,237</u></u>

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

**Town of Golden Beach, Florida**  
**Statement of Revenues, Expenditures and Change in Fund Balance -**  
**Budget and Actual - General Fund**  
**For the Year Ended September 30, 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	<u>8,800</u>	<u>8,800</u>	<u>16,030</u>	<u>7,230</u>
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	<u>16,728</u>	<u>16,728</u>	<u>19,522</u>	<u>2,794</u>
Gas service tax	<u>6,000</u>	<u>6,000</u>	<u>11,673</u>	<u>5,673</u>
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	<u>453,700</u>	<u>453,700</u>	<u>1,150,399</u>	<u>696,699</u>
Other licenses and permits	<u>225,000</u>	<u>225,000</u>	<u>801,624</u>	<u>576,624</u>
Occupational licenses	<u>1,000</u>	<u>1,000</u>	<u>1,384</u>	<u>384</u>
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	<u>63,171</u>	<u>63,171</u>	<u>75,700</u>	<u>12,529</u>
Local option gas tax	<u>23,811</u>	<u>23,811</u>	<u>24,649</u>	<u>838</u>
Local sales tax	<u>41,290</u>	<u>41,290</u>	<u>42,988</u>	<u>1,698</u>
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	<u>19,026</u>	<u>19,026</u>	<u>24,006</u>	<u>4,980</u>
State grant proceeds	<u>13,972</u>	<u>13,972</u>	<u>19,748</u>	<u>5,776</u>
Motor fuel tax rebate	<u>2,500</u>	<u>2,500</u>	<u>-</u>	<u>(2,500)</u>
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	<u>-</u>	<u>-</u>	<u>13,969</u>	<u>13,969</u>
Total federal grant revenues	<u>-</u>	<u>-</u>	<u>13,969</u>	<u>13,969</u>
Physical environment:				
Reimbursements	<u>-</u>	<u>-</u>	<u>500</u>	<u>500</u>
Total physical environment	<u>-</u>	<u>-</u>	<u>500</u>	<u>500</u>

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

**Town of Golden Beach, Florida**  
**Statement of Revenues, Expenditures and Change in Fund Balance -**  
**Budget and Actual - General Fund**  
**For the Year Ended September 30, 2021**  
**(continued)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
Culture and recreation:				
Recreation fees	-	-	6,005	6,005
Total culture and recreation	-	-	6,005	6,005
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>				
<b>General government:</b>				
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

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**  
**(continued)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
<b>Executive:</b>				
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	<u>469,596</u>	<u>469,596</u>	<u>436,850</u>	<u>32,746</u>
<b>Town clerk:</b>				
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>
<b>Town legal counsel:</b>				
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>
<b>Finance:</b>				
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>
<b>Public safety:</b>				
<b>Law enforcement:</b>				
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>
<b>Protective inspections:</b>				
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>

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**  
**(continued)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
<b>Physical environment:</b>				
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>
<b>Transportation:</b>				
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>
<b>Cultural and recreation:</b>				
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>
<b>Special events:</b>				
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>
<b>Debt service:</b>				
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>	1,604,851	<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**

	<u>Stormwater Utility Fund</u>
<b>Assets:</b>	
Current assets:	
Cash and cash equivalents	\$ 706,126
Investments	26,273
Accounts receivable	126,795
Due from other funds	<u>7,058</u>
Total current assets	<u>866,252</u>
<b>Noncurrent assets:</b>	
Capital assets, net	<u>11,943,685</u>
Total noncurrent assets	<u>11,943,685</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	<u>2,331,316</u>
Total current liabilities	<u>2,671,337</u>
Noncurrent liabilities:	
Long-term debt	<u>1,247,140</u>
Total noncurrent liabilities	<u>1,247,140</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>
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**

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



**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>\$ 706,126</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>\$ 409,912</u>

**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

**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>
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**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>
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Total additions	<u>3,174,837</u>
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**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>
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Net increase	2,501,358
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<b>Net Position Held in Trust for Pension Benefits, Beginning of Year</b>	<u>11,665,839</u>
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<b>Net Position Held in Trust for Pension Benefits, End of Year</b>	<u>\$ 14,167,197</u>
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### Note 1 - Organization and Operations

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

### Note 2 - Summary of Significant Accounting Policies

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

**Reporting entity:** The financial reporting entity consists of the Town, organizations for which the Town is financially accountable and other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Town is financially accountable for a component unit if it appoints a voting majority of the organization's governing board and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the Town. Based upon the application of these criteria, there were no component units or related organizations of the Town.

**Basis of presentation:**

*Government-wide financial statements*

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

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

*Fund financial statements*

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

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

*Fund financial statements (continued)*

The Town reports the following major governmental funds:

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

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

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

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

The Town reports the following major proprietary fund:

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

**Measurement focus, basis of accounting:**

*Government-wide financial statements*

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. This differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliations with a brief explanation to better identify the relationship between the government-wide statements and the fund financial statements.

The proprietary fund financial statements are prepared on the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

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

*Fund financial statements*

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) fines and forfeitures, 3) operating grants and contributions, and 4) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary fund are from charges to customers for services. Operating expenses for proprietary funds include the costs of services, administrative expenses, and depreciation expense on capital assets. All revenues and expenses that do not meet this definition are reported as nonoperating revenues or expenses.

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

**Budgets:**

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

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

- a. Prior to July 1, the Town Manager submits to the Town Council, the budget estimates of expenditures and revenues of all Town departments for the fiscal year commencing the following October 1.
- b. Upon receipt of the annual budget estimates, the Town Council prepares an appropriation ordinance using the Town Manager's estimates as a basis.
- c. Public hearings are conducted at the Town Hall to obtain taxpayer's comments.

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

- d. Prior to October 1, the budget is legally enacted through passage of a resolution.
- e. The Town may not legally expend or contract to expend amounts in excess of the total amount of appropriated expenditures of any of the funds for the year. The Town Manager can transfer funds among departmental expenditure categories, but may not increase total departmental expenditures without Council approval. Therefore, the legal level of control is at the departmental level.
- f. Formal budgetary integration is employed as a control device during the year for the General Fund, Special Revenue Funds, Capital Improvement Project Fund and the Debt Service Fund. Budget appropriations lapse at year end.
- g. The budgets for the General, Special Revenue, Capital Improvement Project and the Debt Service Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
- h. Budgeted amounts presented for fiscal year 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 (Date), 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 I50.110, the deposits are treated as insured or collateralized with securities held by the entity or its agent in the entity’s name. As of September 30, 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	\$ -	\$ -
	\$ 541,116	\$ 541,116	\$ -	\$ -

**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	1,104,332	1,104,332	-	-
	\$ 12,793,921	\$ 10,391,345	\$ 1,675,490	\$ 727,086

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

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

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

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

Fair values of investments held by the Town's Fiduciary Investment Funds are classified at September 30, 2021 as follows:

Investments	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Common stock	\$ 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**

**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
<b>Governmental activities:</b>				
Capital assets, not being depreciated				
Land	\$ 1,878,598	\$ -	\$ -	\$ 1,878,598
Construction in progress	333,269	987,290	-	1,320,559
<b>Total capital assets, not being depreciated</b>	<b>2,211,867</b>	<b>987,290</b>	<b>-</b>	<b>3,199,157</b>
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
<b>Total capital assets, being depreciated</b>	<b>34,567,833</b>	<b>100,652</b>	<b>60,845</b>	<b>34,607,640</b>
<b>Total capital assets</b>	<b>36,779,700</b>	<b>1,087,942</b>	<b>60,845</b>	<b>37,806,797</b>
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
<b>Total accumulated depreciation</b>	<b>11,460,782</b>	<b>1,394,372</b>	<b>38,176</b>	<b>12,816,978</b>
<b>Total capital assets, being depreciated, net</b>	<b>23,107,051</b>	<b>(1,293,720)</b>	<b>22,669</b>	<b>21,790,662</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 25,318,918</b>	<b>\$ (306,430)</b>	<b>\$ 22,669</b>	<b>\$ 24,989,819</b>

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

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

	Balance October 1, 2020	Additions and Transfers	Retirements and Transfers	Balance September 30, 2021
<b>Business-type activities:</b>				
Capital assets, not being depreciated				
Construction in progress	\$ 196,133	\$ 888,242	\$ -	\$ 1,084,375
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	<u>15,238,512</u>	<u>-</u>	<u>-</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	<u>3,987,211</u>	<u>391,991</u>	<u>-</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**

**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
<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	-
Compensated absences payable	526,323	-	51,276	475,047	41,987
Total governmental activities	<u>\$ 13,118,865</u>	<u>\$ -</u>	<u>\$ 516,695</u>	<u>\$ 12,602,170</u>	<u>\$ 501,987</u>

**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
	<u>\$ 11,130,000</u>	<u>\$ 4,087,433</u>	<u>\$ 15,217,433</u>

**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:

Year Ending September 30,	Principal	Interest	Total
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.

**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
<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>

**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**

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

Receivables at September 30, 2021 were as follows:

	Taxes Receivable	Inter- Governmental	Accounts	Other	Total
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
<b>Total governmental activities</b>	<b>\$ 30,370</b>	<b>\$ 98,247</b>	<b>\$ 167,789</b>	<b>\$ -</b>	<b>\$ 296,406</b>
	Taxes Receivable	Inter- Governmental	Accounts	Allowance for Uncollectible	Total
Business-type activities:					
Stormwater Utility Fund	\$ 42,934	\$ -	\$ 125,614	\$ (41,753)	\$ 126,795
<b>Total business-type activities</b>	<b>\$ 42,934</b>	<b>\$ -</b>	<b>\$ 125,614</b>	<b>\$ (41,753)</b>	<b>\$ 126,795</b>

Accounts payable at September 30, 2021 were as follows:

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

**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>41</u>	<u>36</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)
<b>Balances, as of September 30, 2020, Measurement Date</b>	\$ 14,792,917	\$ 11,665,839	\$ 3,127,078
<b>Changes for the year:</b>			
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
<b>Net changes</b>	<b>378,180</b>	<b>2,501,358</b>	<b>(2,123,178)</b>
<b>Balances, as of September 30, 2021, Measurement Date</b>	\$ <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:

	1% Decrease (5.64%)	Current Discount Rate (6.64%)	1% Increase (7.64%)
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).

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

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.
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><u>\$ 5,341,207</u></u>
OPEB Plan fiduciary net position as a percentage of total OPEB liability	<u><u>0%</u></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><u>\$ 5,341,207</u></u>

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

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate:** The following table presents the total OPEB liability, calculated using the discount rate of 2.43%, 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>

**Note 9 - Interfund Balances and Transfers**

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

<b>Due from:</b>	<b>Due to:</b>			<b>Total</b>
	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Capital Stormwater Fund</b>	
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:

<b>Transfers out:</b>	<b>Transfers in:</b>
	<b>Capital Improvement Project Fund</b>
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

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

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

	<u>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
	(324,318)	(329,527)	(308,000)	(347,000)	(315,000)
	<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>	<u>2017</u>
Actuarially determined contribution	\$ 708,853	\$ 700,022	\$ 637,382	\$ 588,601	\$ 458,294
Contributions in relation to the actuarially determined contribution	<u>708,853</u>	<u>700,022</u>	<u>637,382</u>	<u>588,601</u>	<u>513,696</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (55,402)</u>
Covered-employee payroll	\$ 2,453,333	\$ 2,391,820	\$ 2,474,969	\$ 2,080,445	\$ 1,911,580
Contributions as a percentage of covered-employee payroll	28.89%	29.27%	25.75%	28.29%	26.87%

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 457,855	\$ 427,817	\$ 427,817	\$ 391,306	\$ 376,825
<u>457,855</u>	<u>427,817</u>	<u>427,817</u>	<u>383,769</u>	<u>383,769</u>
\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>7,537</u>	\$ <u>(6,944)</u>
\$ 2,258,192	\$ 2,159,806	\$ 2,027,209	\$ 2,019,940	\$ 1,820,735
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.

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**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	<u>3,020</u>	<u>3,020</u>	<u>386</u>	<u>(2,634)</u>
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	<u>2,500</u>	<u>2,500</u>	<u>-</u>	<u>2,500</u>
Total expenditures	<u>189,654</u>	<u>189,654</u>	<u>99,004</u>	<u>90,650</u>
Excess of revenues over expenditures before other financing sources (uses)	<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>
Total other financing sources (uses)	<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, 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 (Date).

**Internal Control over Financial Reporting**

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

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

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



### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

KEEFE McCULLOUGH

Fort Lauderdale, Florida  
(Date)

## 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 (Date).

### **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 (Date), 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.

**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  
(Date)

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

Fort Lauderdale, Florida  
(Date)