



Town of Golden Beach, Florida

Basic Financial Statements
For the Year Ended September 30, 2023



Town of Golden Beach, Florida

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INDEPENDENT AUDITOR'S REPORT

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

Opinions

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, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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, 2023, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, budgetary comparison information, and the schedules related to pensions and other post-employee benefits information on pages 4 through 12 and 59 through 64 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 March 25, 2024, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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
March 25, 2024



MANAGEMENT'S DISCUSSION AND ANALYSIS

(NOT COVERED BY
INDEPENDENT AUDITORS' REPORT)

Our discussion and analysis of the financial performance of Town of Golden Beach, Florida (the "Town") provides an overview of the Town's financial activities for the fiscal years ended September 30, 2023 and 2022. 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, 2023:

- The Town's net position, which total assets and deferred outflows less liabilities and deferred inflows, was \$ 21,768,504. Governmental net position totaled \$ 13,179,489 and business-type net position totaled \$ 8,589,015.
- Governmental activities revenues were \$ 16,967,688. The expenses of governmental activities were \$ 15,487,711.
- Business-type activities revenues were \$ 575,224 and business-type expenses amounted to \$ 624,711.

Town Highlights

The coming 2023-2024 Fiscal Year will usher in a new era for the Town of Golden Beach, Golden Beach 2.0. The Town has for years been the premier community to live and raise a family in, in the South Florida area, but with the commencement of the Town's Civic Center Complex Masterplan, it has been catapulted to a new level of excellence. And as the look of the community is drastically changing, so is the way we navigate through the day-to-day Administrations of the Town.

Golden Beach 2.0 – what does this mean? 2.0 means that we increase safety measures and response times, to continue to provide the highest level of service and protection to our residents of the Town. 2.0 means that we have re-aligned our method of governing the Town to achieve better outcomes and foster stronger relationships. 2.0 means that we will keep the highest standards of accountability in place, reduce waste and increasing efficiency. 2.0 means that we will provide faster and more direct services to expedite processes and get you taken care of as quickly as possible. 2.0 means that we are FOCUSED ON YOU!

This is why our organizational structure is changing this Fiscal Year, to streamline processes and eliminate overlap of services and functions. As we come into this new year, we will have four (4) main Departments, with various divisions under reporting to one main Executive Team Member. As we move forward and look towards the future, these structural re-alignments will help organize the various aspects of city government that the Town provides. Golden Beach 2.0 is setting the framework to lead the Town into the future keeping in line with our ongoing vision of being a community that provides more customer-centric services, with more beautiful and vibrant open spaces.

In Fiscal Year 2022-2023 we laid the foundation for what the future of Golden Beach would look like – a future of investments. Investments by the community, as more and more people now call Golden Beach home; investments in infrastructure, with projects ranging from the construction of the highly anticipated Civic Center Complex and Reimagined Tweddle Park; investments in technology, with the purchase of software suites to improve the transparency, availability and efficiency of information online; investments in the growth and financial stability of the individuals who work day in and day out to secure our Town is at the forefront of luxury living in South Florida; and most importantly investments in YOU – the resident.

This year, the Town's assessed values grew to a very healthy \$ 1.656 billion; the Town broke ground on the highly anticipated Re-imagined Tweddle Park project; began the design phase of the new, state of the art wellness center, and opened the doors to the long awaited Civic Center Complex.

As we moved forward, FY 2022/2023 provided the foundation and framework for the Town to continue to grow and meet the demands of tomorrow. Here is more of what FY 2022/2023 looked like:

- This past election season, the Town re-elected Mayor Singer in an unopposed election race. Councilman Einstein was also re-elected to the Council and Councilman Bernstein was re-elected as well and designated Vice Mayor in a wonderful election and campaign against Mrs. Terri Sonn who led a strong campaign. The results of the election were approved via Resolution 2860.23.
- Shortly after the conclusion of the election, the Town celebrated by hosting the Swearing-In Ceremony for the re-elected officials, Mayor Singer, Vice Mayor Bernstein, Councilmember Einstein. And although there were minor hiccups the event brought together community leaders from 5 surrounding municipalities.
- The Town Council approved a proposal from Hotwire Communications for the Town-Wide Security System as part of the CCTV takeover system. The proposal includes cameras on Ocean Blvd., Golden Beach Dr., all of the Town's parkways, and the Intercoastal. As a part of this proposal, the Hotwire contract for CCTV which added an additional 84 locations on top of the 77 locations we currently have for CCTV with an additional 208 lenses with smart analytics that cover every inch of our community. This system will provide the eyes that we need in Town. To monitor this new system in the coming year we will be adding more personnel to the guardhouse.
 - During the past year the Town Council and Town Manager discussed the foundation for the Re-Imagined Tweddle Park and Wellness Center projects and a straw vote was taken on the aspects of Site Planning, Recreational Facility Selections, Amenities being offered, and what is being included as a part of these projects. Along with these discussions, and after 5 different proposed site plans, the Council approved the final site plan for the Re-Imagined Tweddle Park and Wellness Center. In these discussions with the Council as well as residents of our community, the Re-Imagined Tweddle Park will include 2 pickle ball courts, 2 full size hard surface tennis courts, a green artificial turf tennis court, a junior basketball court, a dog parks and a new "wow" tot lot. One of the tennis courts will be dual-striped in order to be multi-purpose for those individuals who are wanting to play pickle ball.
 - The Town approved an agreement for Professional Services with Martin Architectural Group for the redesign of Tweddle Park and the Wellness Center. Martin Architectural came in with a very competitive number, and that their services would help us create the new Civic Center Complex with the same voice and a cohesive language.
 - As per Resolution 2849.22, the Town approved a Civil Engineering Agreement with Keith & Associates, Inc. for the Re-Imagined Tweddle Park and Wellness Center.

- The Town Council approved a change order with the design-build agreement with Gerrits Construction, Inc. as part of the Recreational Facilities as a part of the Civic Center Project.
- The Town Council approved a Contract with Oliva Paving & Associates for Roadway Improvements to South Island Drive.
- After issuing a Request For Proposals (RFP) with the requirements for furniture selection, a bid was submitted by Compass Office Solutions that would provide all furniture and lighting for the new Civic Center that was approved by the Town Council.
- The Town has approved purchasing new Audiovisual equipment for the new Town Civic Center from AVI-SPL, Inc. This purchase includes all audiovisual software, hardware, installation and maintenance services. This purchase did not go out to bid since it is going out under contract with a locked in rate for equipment.
- The Town has increased police staffing to combat the recent car thefts. There are also new procedures in place to manage with late night visitors entering through The Strand to protect our residents from potential incidents.
- The retrofit for the Tweddle Park pump station was approved in agreement with Professional Services provided by Craig A. Smith & Associates. In anticipation of the major overhaul that Pump Station Number 1 will undergo in the coming fiscal year.
- The Town has implemented a task force to combat the continuing auto theft crimes and provide a higher level of security for the community. The Town's law enforcement has increased presence aside from the e-blasts and flyers by adding additional staff to patrol units and created an official auto-theft task force in a two-city task force as part of an initiative with the City of Sunny Isles.
- New members were added to the Public Safety Committee, Beach and Recreation Committee, Building Regulatory Advisory Board, and the Pension Board.
- The Town approved for the purchase of three (3) portable pumps in order to alleviate flooding in Town in those areas that a permanent pump cannot be installed.
- The Town approved of the purchase of IT Equipment for the New Civic Center which would supply each employee with a laptop that would serve as their main workstation so as to not rely on a desktop as we enter this new-age of technology as we move into a cloud-based server. At each of these workstations, there will have 2 screens, a keyboard, mouse, and a docking station with specific location for the laptop. Along with the purchase of the equipment, the Town also approved the purchase of the licensing software needed for office functions such as Adobe and Microsoft Office.

- Florida Power and Light (FP&L) proposed to the town to relocate the transformer at the Civic Center Complex that was approved.
- The Town received recognition as an alternate finalist for All-American City Award.
- Additional landscaping was added in the beach for the enjoyment of all residents and their guests.
- Added curbing along all of the planters at the beach pavilion to prevent mulch and landscape debris from littering the walkways and negatively impacting the Town's drainage systems.
- The Town, under the direction of Councilwoman Lusskin, introduced the innovative Watchfire event in observance of Memorial Day.
- On all of the Town's street ends we now have aluminum fencing which replaced the chain-link fencing that was there before providing more secure entry points at all of our street ends that meet Ocean Boulevard.
- The Town received a grant for the purchase of three portable pumps, one of which will be dedicated to South Island, which will be retro-fitted into a semi-permanent solution to alleviate the ongoing flooding issues in this area of Town.
- This year the Town dealt with the impact of the unfortunate shooting of one of our officers, Sergeant Joseph Bautista. Sgt. Bautista, while in pursuit of criminals, was shot at and hit in his right arm. He was fortunate that it was not a life-threatening injury, but it was a severe injury that caused both him and his family a considerable amount of pain and heart-ache. His road to recovery has been a long one, and he still has a long road ahead before he can return to his patrol duties, but we are happy to report that he is back at work, in a light-duty capacity.

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 13 through 15 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 16 through 20 of this report.

The *proprietary fund* beginning on page 21 is comprised of an enterprise fund which is the equivalent of the business-type activities in the government-wide statements. The sole enterprise fund is the Stormwater Utility Fund.

The *fiduciary fund* beginning on page 24, which is not included in net position and the government-wide financial statements, is presented in this section as the statements of fiduciary net position and changes in fiduciary net position - Retirement Plan for Employees of the Town of Golden Beach. The Town cannot use the assets in the pension plan to finance its operations; therefore, the activities of the Plan are excluded from the Town's government-wide financial statements. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to basic financial statements: The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found on pages 26 through 53 of this report.

Required supplementary information: In addition to the basic financial statements and accompanying notes, this report also presents certain required and other supplementary information concerning the Town of Golden Beach. Required supplementary information can be found on pages 54 through 64 of this report.

**Town of Golden Beach, Florida
Management's Discussion and Analysis
September 30, 2023**

Government-Wide Financial Analysis

The table below presents condensed statements of net position as of September 30, 2023 and 2022:

**Statements of Net Position
September 30, 2023 and 2022**

	GovernDental Activities		Business-Type Activities		Total PriDary GovernDent	
	2023	2022	2023	2022	2023	2022
Current and Other Assets	\$ 15,002,250	\$ 7,521,565	\$ 857,456	\$ 709,101	\$ 15,859,706	\$ 8,230,666
Capital Assets (NET)	30,850,864	28,014,068	11,756,126	12,121,741	42,606,990	40,135,809
Total assets	45,853,114	35,535,633	12,613,582	12,830,842	58,466,696	48,366,475
Total Deferred Outflows of Resources	4,312,215	4,859,422	-	-	4,312,215	4,859,422
Current and Other Liabilities	2,900,776	2,622,907	2,833,973	2,794,003	5,734,749	5,416,910
Long-Term Liabilities	30,632,883	22,226,376	1,190,594	1,398,337	31,823,477	23,624,713
Total liabilities	33,533,659	24,849,283	4,024,567	4,192,340	37,558,226	29,041,623
Total Deferred Inflows of Resources	3,452,181	3,846,263	-	-	3,452,181	3,846,263
Net Position:						
Net investment in capital assets	10,015,222	14,694,068	10,363,389	10,548,767	20,378,611	25,242,835
Unrestricted (deficit)	3,164,267	(2,994,559)	(1,774,374)	(1,910,265)	1,389,893	(4,904,824)
Total net position	\$ 13,179,489	\$ 11,699,509	\$ 8,589,015	\$ 8,638,502	\$ 21,768,504	\$ 20,338,011

The following table presents condensed statements of activities for the years ended September 30, 2023 and 2022:

**Statements of Activities
For the Years Ended September 30, 2023 and 2022**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 4,575,521	\$ 2,967,920	\$ 198,941	\$ 221,770	\$ 4,774,462	\$ 3,189,690
Grants	43,359	25,000	-	-	43,359	25,000
General revenues:						
Property taxes	11,579,578	9,790,862	-	-	11,579,578	9,790,862
Other general revenues	516,101	620,556	6,530	1,179	522,631	621,735
Other taxes and fees	253,129	226,986	369,753	320,601	622,882	547,587
Total revenues	16,967,688	13,631,324	575,224	543,550	17,542,912	14,174,874

**Town of Golden Beach, Florida
Management's Discussion and Analysis
September 30, 2023**

The following table presents condensed statements of activities for the years ended September 30, 2023 and 2022:

**Statements of Activities (continued)
For the Years Ended September 30, 2023 and 2022**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Program Expenses:						
General government	4,338,573	3,988,826	-	-	4,338,573	3,988,826
Public safety	6,011,764	5,647,555	-	-	6,011,764	5,647,555
Physical environment	1,476,194	1,299,115	-	-	1,476,194	1,299,115
Transportation	1,228,164	1,125,969	-	-	1,228,164	1,125,969
Cultural and recreation	844,984	798,443	-	-	844,984	798,443
Special events	535,304	526,358	-	-	535,304	526,358
Interest expense	1,052,728	481,994	-	-	1,052,728	481,994
Stormwater drainage	-	-	624,711	796,508	624,711	796,508
Total expenses	15,487,711	13,868,260	624,711	796,508	16,112,422	14,664,768
Change in net position	\$ 1,479,977	\$ (236,936)	\$ (49,487)	\$ (252,958)	\$ 1,430,490	\$ (489,894)

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 68% of all governmental activities' revenue during fiscal year 2023. 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 7.735 mills for general government services and \$.665 for bond debt service during the 2022-2023 fiscal year. Property values have increased by approximately 16% 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 \$ 13,868,260 and \$ 796,508 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.

Town of Golden Beach, Florida
Management's Discussion and Analysis
September 30, 2023

As of the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$ 11,540,862 an increase of \$ 7,350,191.

The General Fund balance increased to \$ 6,581,063 during the current fiscal year, an increase of \$ 53,950.

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 \$ 8,589,015 at the end of FY2023, a decrease of \$ 49,487 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 \$ 1,828,905 favorable to the final budget projections and total expenditures were \$ 830,218 favorable 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 \$ 1,015,100 above budgeted amounts due to new applications for construction during the year.
- b. Other licenses and permits were approximately \$ 1,117,500 above budget due to more new developments than anticipated.
- c. Transportation expenditures were approximately \$ 484,600 over budget due to interior road re-surfacing and maintenance.

Capital Assets and Debt Administration

Capital assets: The Town had capital assets of \$ 40,135,809 and \$ 36,933,504, net of depreciation, as of September 30, 2023 and 2022, respectively.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Land	\$ 1,878,598	\$ 1,878,598	\$ -	\$ -	\$ 1,878,598	\$ 1,878,598
Construction in progress	8,303,987	4,491,630	67,737.00	-	8,371,724	4,491,630
Buildings	838,347	885,949	-	-	838,347	885,949
Equipment and vehicles	1,043,044	1,086,216	-	-	1,043,044	1,086,216
Infrastructure	16,434,137	17,318,073	-	-	16,434,137	17,318,073
Improvements other than buildings	2,352,751	2,353,602	11,688,389	12,121,741	14,041,140	14,475,343
	<u>\$ 30,850,864</u>	<u>\$ 28,014,068</u>	<u>\$ 11,756,126</u>	<u>\$ 12,121,741</u>	<u>\$ 42,606,990</u>	<u>\$ 40,135,809</u>

**Town of Golden Beach, Florida
Management's Discussion and Analysis
September 30, 2023**

Debt: The Town had debt of approximately \$ 15.2 million at September 30, 2023. Total debt outstanding at the end of the prior fiscal year was approximately \$ 13.5 million. The following schedule summarizes long-term debt for the year ended September 30, 2023:

	Balance October 1, 2022	Additions	Deletions	Balance September 30, 2023	Due Within One Year
Governmental Activities:					
General Obligation Refunding Bonds, Series 2016	\$ 10,670,000	\$ -	\$ 485,000	\$ 10,185,000	\$ 510,000
General Obligation Refunding Bonds, Series 2019	2,650,000	1,350,000	222,222	3,777,778	222,222
General Obligation Bonds, Series 2022	-	7,000,000	-	7,000,000	-
Bond premium	326,704	294,328	30,229	590,803	-
Total governmental activities	<u>12,127,123</u>	<u>8,644,328</u>	<u>737,451</u>	<u>21,553,581</u>	<u>732,222</u>
Business-Type Activities:					
Department of Environmental Protection, Revolving Loans	1,572,974	-	180,237	1,392,737	202,143
Total business-type activities	<u>1,417,663</u>	<u>-</u>	<u>180,237</u>	<u>1,392,737</u>	<u>202,143</u>
Total governmental and business-type activities	<u>\$ 13,544,786</u>	<u>\$ 8,644,328</u>	<u>\$ 917,688</u>	<u>\$ 22,946,318</u>	<u>\$ 934,365</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.

Requests for Information

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



BASIC FINANCIAL STATEMENTS

Town of Golden Beach, Florida
Statement of Net Position
September 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and cash equivalents	\$ 3,047,800	\$ 656,770	\$ 3,704,570
Investments	9,023,188	133,588	9,156,776
Accounts receivable	145,529	67,098	212,627
Prepaid expenses	18,995	-	18,995
Other assets	166,419	-	166,419
Capital assets, non-depreciable	10,182,585	67,737	10,250,322
Capital assets, depreciable	20,668,279	11,688,389	32,356,668
Internal balance	2,600,319	(2,600,319)	-
Total assets	45,853,114	10,013,263	55,866,377
Deferred Outflows of Resources:			
Deferred charge on refunding	468,858	-	468,858
Deferred outflows relating to pensions	2,631,479	-	2,631,479
Deferred outflows relating to other post employment benefits (OPEB)	1,211,878	-	1,211,878
Total deferred outflows of resources	4,312,215	-	4,312,215
Liabilities:			
Accounts payable	1,179,489	28,780	1,208,269
Accrued interest payable	312,505	2,731	315,236
Accrued expenses	609,275	-	609,275
Due within one year:			
Compensated absences payable	67,285	-	67,285
Bonds and loans payable	732,222	202,143	934,365
Due in more than one year:			
Builder bond deposits	1,252,410	-	1,252,410
Other deposits	420,214	-	420,214
Compensated absences payable	605,562	-	605,562
Net pension liability	4,139,162	-	4,139,162
Bonds and loans payable	20,821,359	1,190,594	22,011,953
Other post-employment benefit liability	3,394,176	-	3,394,176
Total liabilities	33,533,659	1,424,248	34,957,907
Deferred Inflows of Resources:			
Deferred inflows relating to pensions	1,378,327	-	1,378,327
Deferred inflows relating to other post employment benefits (OPEB)	2,073,854	-	2,073,854
Total deferred inflows of resources	3,452,181	-	3,452,181
Net Position:			
Net investment in capital assets	10,015,222	10,363,389	20,378,611
Unrestricted (deficit)	3,164,267	(1,774,374)	1,389,893
Total net position	\$ 13,179,489	\$ 8,589,015	\$ 21,768,504

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

Town of Golden Beach, Florida
Statement of Activities
For the Year Ended September 30, 2023

		<u>Program Revenues</u>	
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Functions/Programs:			
Primary government:			
Governmental activities:			
General government	\$ 4,338,573	\$ 3,520,559	\$ -
Public safety	6,011,764	1,036,462	-
Physical environment	1,476,194	-	43,359
Transportation	1,228,164	-	-
Cultural and recreation	844,984	18,500	-
Special events	535,304	-	-
Interest expense and other financing costs	1,052,728	-	-
	<u>15,487,711</u>	<u>4,575,521</u>	<u>43,359</u>
Total governmental activities			
Business-type activities:			
Stormwater drainage	624,711	198,941	-
	<u>624,711</u>	<u>198,941</u>	<u>-</u>
Total business-type activities			
	<u>624,711</u>	<u>198,941</u>	<u>-</u>
Total primary government			
	<u>\$ 16,112,422</u>	<u>\$ 4,774,462</u>	<u>\$ 43,359</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>
\$ (818,014)	\$ -	\$ (818,014)
(4,975,302)	-	(4,975,302)
(1,432,835)	-	(1,432,835)
(1,228,164)	-	(1,228,164)
(826,484)	-	(826,484)
(535,304)	-	(535,304)
(1,052,728)	-	(1,052,728)
<u>(10,868,831)</u>	<u>-</u>	<u>(10,868,831)</u>
<u>-</u>	<u>(425,770)</u>	<u>(425,770)</u>
<u>-</u>	<u>(425,770)</u>	<u>(425,770)</u>
<u>(10,868,831)</u>	<u>(425,770)</u>	<u>(11,294,601)</u>
11,579,578	-	11,579,578
36,805	195,337	232,142
16,260	174,416	190,676
200,064	-	200,064
81,663	-	81,663
46,596	-	46,596
387,842	6,530	394,372
<u>12,348,808</u>	<u>376,283</u>	<u>12,725,091</u>
1,479,977	(49,487)	1,430,490
<u>11,699,512</u>	<u>8,638,502</u>	<u>20,338,014</u>
<u>\$ 13,179,489</u>	<u>\$ 8,589,015</u>	<u>\$ 21,768,504</u>

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

Town of Golden Beach, Florida
Balance Sheet - Governmental Funds
September 30, 2023

	Major Governmental Funds				Total Governmental Funds
	General Fund	Capital Improvement Project Fund	Law Enforcement Trust Fund	Debt Service Fund	
Assets:					
Cash and cash equivalents	\$ 2,238,770	\$ 127,136	\$ 681,894	\$ -	\$ 3,047,800
Investments	1,415,409	7,251,186	356,593	-	9,023,188
Accounts receivable	24,092	-	118,896	2,541	145,529
Prepaid expenditures	-	-	18,995	-	18,995
Due from other funds	5,374,383	20,277	70,000	116,776	5,581,436
Other assets	163,636	-	2,783	-	166,419
	<u>9,216,290</u>	<u>7,398,599</u>	<u>1,249,161</u>	<u>119,317</u>	<u>17,983,367</u>
Total assets	\$ <u>9,216,290</u>	\$ <u>7,398,599</u>	\$ <u>1,249,161</u>	\$ <u>119,317</u>	\$ <u>17,983,367</u>
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable	\$ 236,552	\$ 942,937	\$ -	\$ -	\$ 1,179,489
Accrued liabilities	609,275	-	-	-	609,275
Due to other funds	116,776	1,805,441	1,058,900	-	2,981,117
Builder bond deposits	1,252,410	-	-	-	1,252,410
Other deposits	420,214	-	-	-	420,214
	<u>2,635,227</u>	<u>2,748,378</u>	<u>1,058,900</u>	<u>0</u>	<u>6,442,505</u>
Total liabilities	<u>2,635,227</u>	<u>2,748,378</u>	<u>1,058,900</u>	<u>0</u>	<u>6,442,505</u>
Fund balances:					
Nonspendable					
Prepaid expenditures	-	-	18,995	-	18,995
Long-term stormwater interfund receivable	2,600,319	-	-	-	2,600,319
Restricted for:					
Building department	539,333	7,251,186	-	-	7,790,519
Debt service	-	-	-	119,317	119,317
Committed for:					
Pension reserves	210,581	-	-	-	210,581
Health insurance	135,177	-	-	-	135,177
Assigned for:					
Capital projects funding	109,947	-	-	-	109,947
Unassigned (deficit)	2,985,706	(2,600,965)	171,266	-	556,007
	<u>6,581,063</u>	<u>4,650,221</u>	<u>190,261</u>	<u>119,317</u>	<u>11,540,862</u>
Total fund balances (deficit)	<u>6,581,063</u>	<u>4,650,221</u>	<u>190,261</u>	<u>119,317</u>	<u>11,540,862</u>
Total liabilities and fund balances	\$ <u>9,216,290</u>	\$ <u>7,398,599</u>	\$ <u>1,249,161</u>	\$ <u>119,317</u>	\$ <u>17,983,367</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, 2023

Fund Balances - Total Governmental Funds \$ 11,540,862

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

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

Cost of capital assets	\$ 46,264,755	
Accumulated depreciation	<u>(15,413,891)</u>	30,850,864

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	\$ 468,858	
Deferred outflows relating to pensions	2,631,479	
Deferred outflows relating to other post employment benefits (OPEB)	1,211,878	
Deferred inflows relating to pensions	(1,378,327)	
Deferred inflows relating to other post employment benefits (OPEB)	(2,073,854)	
Accrued interest	(312,505)	
Compensated absences	(672,847)	
Net pension liability	(4,139,162)	
Debt	(21,553,581)	
Other post-employment benefit obligation (OPEB)	<u>(3,394,176)</u>	<u>(29,212,237)</u>

Net Position of Governmental Activities \$ 13,179,489

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, 2023

	Major Governmental Funds				Total Governmental Funds
	General Fund	Capital Improvement Project Fund	Law Enforcement Trust Fund	Debt Service Fund	
Revenues:					
Ad valorem taxes	\$ 10,666,637	\$ -	\$ -	\$ 912,941	\$ 11,579,578
Franchise fees	16,260	-	-	-	16,260
Utility service taxes	36,805	-	-	-	36,805
Licenses and permits	3,211,781	-	-	-	3,211,781
Sales, use and fuel taxes	200,064	-	-	-	200,064
Grant Proceeds	43,359	-	-	-	43,359
State shared revenues	46,596	-	-	-	46,596
Cultural and recreation	18,500	-	-	-	18,500
Fines and forfeitures	171,831	-	864,631	-	1,036,462
Investment income	119,310	251,795	16,737	-	387,842
Special Assessment	308,778	-	-	-	308,778
Miscellaneous	81,573	-	90	-	81,663
	<u>14,921,494</u>	<u>251,795</u>	<u>881,458</u>	<u>912,941</u>	<u>16,967,688</u>
Total revenues					
Expenditures:					
Current:					
General government	2,765,965	273,082	-	-	3,039,047
Public safety	5,227,271	-	113,487	-	5,340,758
Physical environment	1,372,350	-	-	-	1,372,350
Transportation	1,221,444	-	-	-	1,221,444
Cultural and recreation	808,455	-	-	-	808,455
Special events	520,627	-	-	-	520,627
Capital outlay	146,249	4,243,999	-	-	4,390,248
Debt service:					
Principal	-	222,222	-	485,000	707,222
Interest	-	286,454	-	575,220	861,674
	<u>12,062,361</u>	<u>5,025,757</u>	<u>113,487</u>	<u>1,060,220</u>	<u>18,261,825</u>
Total expenditures					
Changes in fund balance before other financing sources (uses)	<u>2,859,133</u>	<u>(4,773,962)</u>	<u>767,971</u>	<u>(147,279)</u>	<u>(1,294,137)</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, 2023

	Major Governmental Funds				Total Governmental Funds
	General Fund	Capital Improvement Project Fund	Law Enforcement Trust Fund	Debt Service Fund	
Other Financing Sources (Uses):					
Proceeds from debt	-	8,350,000	-	-	8,350,000
Bond premium	-	294,328	-	-	294,328
Transfers in	60,000	2,965,183	-	200,000	3,225,183
Transfers out	<u>(2,865,183)</u>	<u>-</u>	<u>(360,000)</u>	<u>-</u>	<u>(3,225,183)</u>
Total other financing sources (uses)	<u>(2,805,183)</u>	<u>11,609,511</u>	<u>(360,000)</u>	<u>200,000</u>	<u>8,644,328</u>
Changes in fund balances	53,950	6,835,549	407,971	52,721	7,350,191
Fund Balances (Deficit), Beginning of Year	<u>6,527,113</u>	<u>(2,185,328)</u>	<u>(217,710)</u>	<u>66,596</u>	<u>4,190,671</u>
Fund Balances (Deficit), End of Year	<u>\$ 6,581,063</u>	<u>\$ 4,650,221</u>	<u>\$ 190,261</u>	<u>\$ 119,317</u>	<u>\$ 11,540,862</u>

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

Town of Golden Beach, Florida
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances - Governmental Funds
to the Statement of Activities
For the Year Ended September 30, 2023

Net Change in Fund Balances - Total Governmental Funds **\$ 7,350,191**

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

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

Expenditures for capital assets	\$ 4,279,696	
Less current year depreciation	<u>(1,438,560)</u>	2,841,136

The net effect of various miscellaneous transactions involving capital assets (trade-ins, retirements) is to decrease net position. (4,340)

The issuance of long-term debt provides current financial resources to governmental funds, while repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces liabilities in the statement of net position:

Principal payments on debt	\$ 707,222	
Amortization of bond premium	30,229	
Proceeds from debt	(8,350,000)	
Bond premium	<u>(294,328)</u>	(7,906,877)

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

Change in deferred charge on refunding		(19,536)
Change in net pension liability		(244,796)
Change in accrued interest payable		(201,747)
Change in compensated absences payable		(118,324)
Change in other post-employment benefit obligation (OPEB)		(82,138)
Change in deferred outflows related to pensions		(327,660)
Change in deferred outflows related to other post employment benefit (OPEB)		(200,011)
Change in deferred inflows related to pensions		178,306
Change in deferred inflows related to other post employment benefit (OPEB)		<u>215,773</u>

Change in Net Position of Governmental Activities **\$ 1,479,977**

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, 2023

	Stormwater Utility Fund
Assets:	
Current assets:	
Cash and cash equivalents	\$ 656,770
Investments	133,588
Accounts receivable	67,098
	<hr/>
Total current assets	857,456
	<hr/>
Noncurrent assets:	
Capital assets, net	11,756,126
	<hr/>
Total noncurrent assets	11,756,126
	<hr/>
Total assets	12,613,582
	<hr/>
Liabilities:	
Current liabilities:	
Accounts payable	28,780
Accrued interest payable	2,731
Current portion of debt	202,143
Due to other funds	2,600,319
	<hr/>
Total current liabilities	2,833,973
	<hr/>
Noncurrent liabilities:	
Long-term debt	1,190,594
	<hr/>
Total noncurrent liabilities	1,190,594
	<hr/>
Total liabilities	4,024,567
	<hr/>
Net Position:	
Net investment in capital assets	10,363,389
Unrestricted (deficit)	(1,774,374)
	<hr/>
Total net position	\$ 8,589,015
	<hr/> <hr/>

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, 2023

	Stormwater Utility Fund
Operating Revenues:	
Charges for services	\$ 198,941
Tax revenue	195,337
Franchise fees	174,416
	<hr/>
Total operating revenues	568,694
	<hr/>
Operating and General Expenses:	
Repairs and maintenance	18,113
Depreciation expense	433,352
General expenses	141,073
Professional services	2,451
	<hr/>
Total operating and general expenses	594,989
	<hr/>
Operating income (loss)	(26,295)
	<hr/>
Nonoperating Revenues (Expenses):	
Investment income	6,530
Interest expense	(29,722)
	<hr/>
Total nonoperating revenues (expenses)	(23,192)
	<hr/>
Change in net position	(49,487)
	<hr/>
Net Position, Beginning of Year	8,638,502
	<hr/>
Net Position, End of Year	\$ <u>8,589,015</u>

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

Town of Golden Beach, Florida
Statement of Cash Flows -
Proprietary Fund
For the Year Ended September 30, 2023

	Stormwater Utility Fund
Cash Flows From Operating Activities:	
Cash received from customers and users	\$ 642,674
Cash paid for goods and services	<u>(137,946)</u>
Net cash provided by operating activities	<u>504,728</u>
Cash Flows From Financing Activities:	
Change in due to/from balances	(10,394)
Interest paid	(30,555)
Principal payments	<u>(180,237)</u>
Net cash used in financing activities	<u>(221,186)</u>
Cash Flows From Investing Activities:	
Purchase of property and equipment	(67,737)
Investment income received	6,530
Sales (purchase) of investments	<u>(6,260)</u>
Net cash used in investing activities	<u>(67,467)</u>
Net increase in cash and cash equivalents	216,075
Cash and Cash Equivalents, Beginning of Year	<u>440,695</u>
Cash and Cash Equivalents, End of Year	\$ <u><u>656,770</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating income (loss)	\$ <u>(26,295)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Provision for depreciation	433,352
(Increase) decrease in accounts receivable	73,980
Increase (decrease) in accounts payable	<u>23,691</u>
Total adjustments	<u>531,023</u>
Net cash provided by operating activities	\$ <u><u>504,728</u></u>

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

Town of Golden Beach, Florida
Statement of Fiduciary Net Position
Retirement Plan for Employees of the Town of Golden Beach
September 30, 2023

Assets:

Cash and cash equivalents		\$	802,774
Receivables:			
Interest	\$	36,599	
Employee contribution		16,305	
Security sales receivable		<u>25,800</u>	78,704
Prepaid expenses			59,245
Investments, at fair value:			
Common stock	\$	8,097,874	
Government securities		2,255,563	
Corporate bonds		1,292,753	
Alternative investments		1,197,810	
Equity mutual funds		<u>669,236</u>	<u>13,513,236</u>
Total assets			<u>14,453,959</u>

Liabilities:

Accounts payable			5,076
Prepaid Town contributions			38,606
Security purchases payable			<u>10,734</u>
Total liabilities			<u>54,416</u>

Net Position Held in Trust For Pension Benefits \$ 14,399,543

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

Town of Golden Beach, Florida
Statement of Change in Fiduciary Net Position
Retirement Plan for Employees of the Town of Golden Beach
For the Year Ended September 30, 2022

Additions:

Contributions:		
Employer		\$ 804,330
Employees		<u>356,665</u>
Total contributions		<u>1,160,995</u>
Investment income:		
Net depreciation in fair value of Plan investments		953,624
Interest and dividend income		368,832
Other investment income		<u>833</u>
Total investment income (loss)		<u>1,323,289</u>
Total additions		<u>2,484,284</u>

Deductions:

Benefits paid		624,872
Consulting and advisory fees		97,948
Professional fees		67,175
Trustee education		9,068
Trustee fiduciary insurance		3,569
Dues		750
Office expenses		<u>401</u>
Total deductions		<u>803,783</u>
Net decrease		1,680,501

Net Position Held in Trust for Pension Benefits, Beginning of Year		<u>12,719,042</u>
Net Position Held in Trust for Pension Benefits, End of Year		<u>\$ 14,399,543</u>

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

Note 1 - Organization and Operations

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

Note 2 - Summary of Significant Accounting Policies

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

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

Basis of presentation:

Government-wide financial statements

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

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

Fund financial statements

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

Note 2 - Summary of Significant Accounting Policies (continued)

Fund financial statements (continued)

The Town reports the following major governmental funds:

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

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

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

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

The Town reports the following major proprietary fund:

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

Measurement focus, basis of accounting:

Government-wide financial statements

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

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

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

Note 2 - Summary of Significant Accounting Policies (continued)

Fund financial statements

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

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

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

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

Budgets:

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

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

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

Note 2 - Summary of Significant Accounting Policies (continued)

- e. The Town may not legally expend or contract to expend amounts in excess of the total amount of appropriated expenditures of any of the funds for the year. The Town Manager can transfer funds among departmental expenditure categories, but may not increase total departmental expenditures without Council approval. Therefore, the legal level of control is at the departmental level.
- f. Formal budgetary integration is employed as a control device during the year for the General Fund, Special Revenue Funds, Capital Improvement Project Fund and the Debt Service Fund. Budget appropriations lapse at year end.
- g. The budgets for the General, Special Revenue, Capital Improvement Project and the Debt Service Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
- h. Budgeted amounts presented for fiscal year 2023 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	\$	(490,683)
Finance	\$	(44,701)
Special events	\$	(14,210)
Physical environment	\$	(29,481)

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 assets 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. They are 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 assets 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 two items that qualify for reporting in this category. They are the deferred inflows relating to pension plans and other post-employment benefits, discussed in further detail in Notes 7 and 8.

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 2023, this category represents \$ 2,600,319
- **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 2023, this category represents \$ 7,790,519.
- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Town Council. These amounts cannot be used for any other purpose unless the Council 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 2023, 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 Council or through the Council delegating this responsibility to Town management. In fiscal year 2022, this category represents \$ 109,947.
- 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 2023, this category represents \$ 556,007.

The Town considers 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, 2021, upon which the 2022-2023 levy was based, was approximately \$ 1,438,400,000. The Miami-Dade County Tax Collector bills and collects all property taxes for the Town.

The Town is permitted by Article 7, Section 8 of the Florida Constitution to levy taxes up to \$ 10 per \$ 1,000 of assessed valuation (10 mills) for general governmental services. In addition, unlimited amounts may be levied for the payment of principal and interest for debt service if approved by the voters. The operating tax rate to finance general government services for the year ended September 30, 2023 was \$ 7.7350 per \$ 1,000 and \$.6650 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 March 25, 2024, 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, 2023, 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, 2023, the carrying amount of the Town’s deposits was \$ 3,704,570 with a bank balance of \$ 4,049,118.

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, 2023 were as follows:

	Fair Value	Investment Maturities (in years)		
		Less than 1	1 to 5	6 to 10
Certificates of deposit	\$ 7,251,186	\$ 7,251,186	\$ -	\$ -
Florida PRIME	1,905,590	1,905,590	-	-
	<u>\$ 9,156,776</u>	<u>\$ 9,156,776</u>	<u>\$ -</u>	<u>\$ -</u>

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

The dollar weighted average days to maturity (WAM) of Florida PRIME at September 30, 2023, is 35 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, 2023, is 75 days.

The certificates of deposit all mature within the next fiscal year.

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.

The certificates of deposit were issued by what management believes to be a high quality financial institution.

Fair value hierarchy: The certificates of deposit are classified as Level 2 investments, as defined below.

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.

Note 3 - Deposits and Investments (continued)

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	\$ 8,097,874	\$ 8,097,874	\$ -	\$ -
U.S. Government securities	2,255,563	562,111	1,486,167	207,285
Corporate bonds	1,292,753	102,419	1,069,754	120,580
Alternative investments	1,197,810	1,197,810	-	-
Equity mutual funds	669,236	669,236	-	-
	<u>\$ 13,513,236</u>	<u>\$ 10,629,450</u>	<u>\$ 2,555,921</u>	<u>\$ 327,865</u>

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

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, 2023, 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, 2023, investments held in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total investments are as follows:

Issuer	Reported Amount	Percentage
Renaissance	\$ 2,568,068	18%
Blackrock/Lord Abbet	\$ 1,781,136	12%
American Core	\$ 1,373,901	10%
Lazard	\$ 1,137,265	8%
MDT	\$ 766,481	5%
RBC	\$ 728,999	5%
Kayne	\$ 704,095	5%
Thompson	\$ 670,254	5%
Madison	\$ 659,012	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.

Note 3 - Deposits and Investments (continued)

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.)

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, 2023 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	\$ 8,097,874	\$ 8,097,874	\$ -	\$ -
U.S. government securities	2,255,563	-	2,255,563	-
Corporate bonds	1,292,753	-	1,292,753	-
Alternative investments	1,197,810	-	-	1,197,810
Equity mutual funds	669,236	669,236	-	-
Total investments measured at fair value	\$ <u>13,513,236</u>	\$ <u>8,767,110</u>	\$ <u>3,548,316</u>	\$ <u>1,197,810</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.

Town of Golden Beach, Florida
Notes to Basic Financial Statements
September 30, 2023

Note 3 - Deposits and Investments (continued)

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

Beginning balance	\$ 1,377,789
Net purchases, sales, issuances and settlements	27,781
Net realized and unrealized gains (losses) on investments	<u>(207,760)</u>
Ending balance	<u>\$ 1,197,810</u>

Note 4 - Capital Assets

Capital asset activity of governmental activities for the year ended September 30, 2023 was as follows:

	Balance October 1, 2022	Additions and Transfers	Retirements and Transfers	Balance September 30, 2023
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 1,878,598	\$ -	\$ -	\$ 1,878,598
Construction in progress	4,491,630	3,812,357	-	8,303,987
Total capital assets, not being depreciated	<u>6,370,228</u>	<u>3,812,357</u>	<u>-</u>	<u>10,182,585</u>
Capital assets, being depreciated:				
Equipment and vehicles	4,443,014	327,172	72,426	4,697,760
Buildings	1,554,979	-	-	1,554,979
Infrastructure	26,124,350	-	-	26,124,350
Improvements other than buildings	3,564,914	140,167	-	3,705,081
Total capital assets, being depreciated	<u>35,687,257</u>	<u>467,339</u>	<u>72,426</u>	<u>36,082,170</u>
Total capital assets	<u>42,057,485</u>	<u>4,279,696</u>	<u>72,426</u>	<u>46,264,755</u>
Less accumulated depreciation for:				
Equipment and vehicles	3,356,798	366,004	68,086	3,654,716
Buildings	669,030	47,602	-	716,632
Infrastructure	8,806,277	883,936	-	9,690,213
Improvements other than buildings	1,211,312	141,018	-	1,352,330
Total accumulated depreciation	<u>14,043,417</u>	<u>1,438,560</u>	<u>68,086</u>	<u>15,413,891</u>
Total capital assets, being depreciated, net	<u>21,643,840</u>	<u>(971,221)</u>	<u>4,340</u>	<u>20,668,279</u>
Governmental activities capital assets, net	<u>\$ 28,014,068</u>	<u>\$ 2,841,136</u>	<u>\$ 4,340</u>	<u>\$ 30,850,864</u>

Town of Golden Beach, Florida
Notes to Basic Financial Statements
September 30, 2023

Note 4 - Capital Assets (continued)

	Balance October 1, 2022	Additions and Transfers	Retirements and Transfers	Balance September 30, 2023
Business-type activities:				
Capital assets, not being depreciated				
Construction in progress	\$ -	\$ 67,737	\$ -	\$ 67,737
Total capital assets, not being depreciated	-	67,737	-	67,737
Capital assets, being depreciated:				
Improvements other than buildings	16,892,934	-	-	16,892,934
Total capital assets, being depreciated	16,892,934	-	-	16,892,934
Total capital assets	16,892,934	67,737	-	16,960,671
Less accumulated depreciation for:				
Improvements other than buildings	4,771,193	433,352	-	5,204,545
Total accumulated depreciation	4,771,193	433,352	-	5,204,545
Total capital assets, being depreciated, net	12,121,741	(433,352)	-	11,688,389
Business-type activities capital assets, net	\$ 12,121,741	\$ (365,615)	\$ -	\$ 11,756,126

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

Governmental activities:	
General government	\$ 1,021,377
Public safety	374,026
Physical environment	28,771
Cultural and recreation	14,386
Total depreciation expense - governmental activities	\$ 1,438,560
Business-type activities:	
Stormwater drainage	\$ 433,352

Commitments: The Town has entered into various agreements related to construction projects. Outstanding commitments at September 30, 2022 amounted to approximately \$ 1,300,000.

Town of Golden Beach, Florida
Notes to Basic Financial Statements
September 30, 2023

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, 2023:

	Balance October 1, 2022	Additions	Deletions	Balance September 30, 2023	Due Within One Year
Governmental activities:					
General Obligation Refunding Bonds, Series 2016	\$ 10,670,000	\$ -	\$ 485,000	\$ 10,185,000	\$ 510,000
Capital Improvement Revenue Note, Series 2019	2,650,000	1,350,000	222,222	3,777,778	222,222
General Obligation Bonds, Series 2022	-	7,000,000	-	7,000,000	-
Bond premium	326,704	294,328	30,229	590,803	-
Compensated absences payable	554,523	118,324	-	672,847	67,285
Total governmental activities	<u>\$ 12,602,170</u>	<u>\$ 8,762,652</u>	<u>\$ 737,451</u>	<u>\$ 22,226,428</u>	<u>\$ 799,507</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, 2023, the total outstanding balance is \$ 10,185,000.

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
2024	\$ 510,000	\$ 393,181	\$ 903,181
2025	535,000	367,056	902,056
2026	560,000	339,681	899,681
2027	585,000	311,056	896,056
2028	610,000	287,281	897,281
2029-2033	3,355,000	1,116,341	4,471,341
2034-2038	4,030,000	415,400	4,445,400
	<u>\$ 10,185,000</u>	<u>\$ 3,229,996</u>	<u>\$ 13,414,996</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 U.S. Treasury Rate plus 2%. The Note is secured exclusively by legally available non-ad valorem revenue of the Town. At September 30, 2023, the total outstanding balance is \$ 3,777,778.

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
2024	\$ 222,222	\$ 108,900	\$ 331,122
2025	222,222	102,300	324,522
2026	222,222	95,700	317,922
2027	222,222	89,100	311,322
2028	222,222	82,500	304,722
2029-2033	1,111,110	313,500	1,424,610
2034-2038	1,111,110	148,500	1,259,610
2039-2043	444,448	13,200	457,648
	<u>\$ 3,777,778</u>	<u>\$ 953,700</u>	<u>\$ 4,731,478</u>

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

Town of Golden Beach, Florida
Notes to Basic Financial Statements
September 30, 2023

Note 5 - Long-Term Liabilities (continued)

General Obligation Bonds, Series 2022 – During the year, the Town closed on a \$ 7,000,000 bond voted on by the residents and approved by the Town Council for the purpose of financing a Town Wellness Center and improvements to Town parks. The bond will mature in 2052 with principal payments beginning in 2039. The bond is secured by a lien on ad valorem taxes levied by the Town. Interest is payable semi-annually at rates ranging from 4.25% to 5.25%.

The annual debt service requirements for the General Obligation Bond, Series 2022 is as follows:

Year Ending September 30,	Principal	Interest	Total
2024	\$ -	\$ 353,619	\$ 353,619
2025	-	353,619	353,619
2026	-	353,619	353,619
2027	-	353,619	353,619
2028	-	353,619	353,619
2029-2033	-	1,768,095	1,768,095
2034-2038	-	1,768,095	1,768,095
2039-2043	1,970,000	1,606,070	3,576,070
2044-2048	2,505,000	1,071,001	3,576,001
2049-2052	2,525,000	339,676	2,864,676
	<u>\$ 7,000,000</u>	<u>\$ 8,321,032</u>	<u>\$ 15,321,032</u>

Business-type activities:

The following is a summary of changes in the long-term debt for the year ended September 30, 2023:

	Balance October 1, 2022	Additions	Deletions	Balance September 30, 2023	Due Within One Year
Business-type activities:					
Department of Environmental Protection, Revolving Loans	\$ 1,572,974	\$ -	\$ 180,237	\$ 1,392,737	\$ 202,143
Total business-type activities	<u>\$ 1,572,974</u>	<u>\$ -</u>	<u>\$ 180,237</u>	<u>\$ 1,392,737</u>	<u>\$ 202,143</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, 2022, the total outstanding balance is \$ 470,317.

Note 5 - Long-Term Liabilities (continued)

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. This loan is payable in semiannual installments of \$ 24,416, including interest at .06%, on April 15 and on October 15, through October 2042. At September 30, 2023, the total outstanding balance is \$ 922,420.

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

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 202,143	\$ 8,650	\$ 210,793
2025	205,071	5,721	210,792
2026	208,054	2,737	210,791
2027	48,374	458	48,832
2028	48,403	429	48,832
2029-2033	242,451	1,709	244,160
2034-2038	243,177	983	244,160
2039-2043	<u>195,064</u>	<u>466</u>	<u>195,530</u>
	<u>\$ 1,392,737</u>	<u>\$ 21,153</u>	<u>\$ 1,413,890</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, 2023

Note 6 - Accounts Receivable/Accounts Payable

Receivables at September 30, 2023 were as follows:

	<u>Taxes Receivable</u>	<u>Inter- Governmental</u>	<u>Accounts</u>	<u>Other</u>	<u>Total</u>
Governmental activities:					
General Fund	\$ 24,092	\$ -	\$ -	\$ -	\$ 24,092
Capital Improvement Project Fund	-	-	-	-	-
Debt Service Fund	2,541	-	-	-	2,541
Law Enforcement Fund	-	118,896	-	-	118,896
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total governmental activities	\$ <u>26,633</u>	\$ <u>118,896</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>145,529</u>
	<u>Taxes Receivable</u>	<u>Inter- Governmental</u>	<u>Accounts</u>	<u>Allowance for Uncollectible</u>	<u>Total</u>
Business-type activities:					
Stormwater Utility Fund	\$ <u>58,537</u>	\$ <u>-</u>	\$ <u>50,314</u>	\$ <u>(41,753)</u>	\$ <u>67,098</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total business-type activities	\$ <u>58,537</u>	\$ <u>-</u>	\$ <u>50,314</u>	\$ <u>(41,753)</u>	\$ <u>67,098</u>

Accounts payable at September 30, 2023 were as follows:

	<u>Vendors</u>	<u>Subcontractors</u>	<u>Total Accounts Payable</u>
Governmental activities:			
General Fund	\$ 236,552	\$ -	\$ 236,552
Law Enforcement Trust Fund	-	-	-
Capital Improvement Project Fund	59,768	883,169	942,937
	<u> </u>	<u> </u>	<u> </u>
Total governmental activities	\$ <u>296,320</u>	\$ <u>883,169</u>	\$ <u>1,179,489</u>
	<u>Vendors</u>	<u>Subcontractors</u>	<u>Total Accounts Payable</u>
Business-type activities:			
Stormwater Utility Fund	\$ <u>28,780</u>	\$ <u>-</u>	\$ <u>28,780</u>
	<u> </u>	<u> </u>	<u> </u>

Note 7 - Retirement Plans

Summary of Significant Accounting Policies:

Basis of Accounting

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

For purposes of measuring the net pension 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, 2022:

	<u>General Employees</u>	<u>Police Officers</u>
Retirees and beneficiaries receiving benefits and terminated members entitled to benefits, but not yet receiving them	12	15
Active plan members	<u>32</u>	<u>20</u>
	<u><u>44</u></u>	<u><u>35</u></u>

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

Note 7 - Retirement Plans (continued)

Net Pension Liability

The Town’s net pension liability was determined based on a measurement date of September 30, 2022.

The components of the pension liability of the Town at September 30, 2023 were as follows:

Total pension liability	\$ 18,538,705
Plan fiduciary net position	<u>(14,399,543)</u>
Town net pension liability	<u>\$ 4,139,162</u>
Plan fiduciary net position as a percentage of total pension liability	77.67%

Actuarial Assumptions: The total pension liability at September 30, 2022 was determined by using actuarial assumptions as of October 1, 2021, with update procedures used to roll forward the total pension liability to September 30, 2022. 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	PUB-2010 Combined Mortality Table
Police Officers	PUB-2010 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%	5.58% - 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, 2023, the annual money weighted rate of return on pension plan investments, net of pension plan investment expense was 4.74%. 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 Liability (a) - (b)
Balances, as of September 30, 2022, Measurement Date	\$ 16,613,408	\$ 12,719,042	\$ 3,894,366
Changes for the year:			
Service cost	774,853	-	774,853
Expected interest growth	1,121,776	861,976	259,800
Demographic experience	634,716	-	634,716
Investment income	-	363,365	(363,365)
Contributions - employer	-	804,330	(804,330)
Contributions - members	-	356,665	(356,665)
Changes in benefit terms	18,824	-	18,824.00
Benefit payments, including refunds of member contributions	(624,872)	(624,872)	-
Assumption changes	-	-	
Administrative expense	-	(80,963)	80,963
Net changes	<u>1,925,297</u>	<u>1,680,501</u>	<u>244,796</u>
Balances, as of September 30, 2023, Measurement Date	\$ <u>18,538,705</u>	\$ <u>14,399,543</u>	\$ <u>4,139,162</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	\$ 20,896,148	\$ 18,538,705	\$ 16,588,569
Plan fiduciary net position	(14,399,543)	(14,399,543)	(14,399,543)
Net pension liability	<u>\$ 6,496,605</u>	<u>\$ 4,139,162</u>	<u>\$ 2,189,026</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended September 30, 2023, the Town recognized pension expense of \$ 1,476,888. At September 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 1,578,846	\$ 901,020
Demographic changes	584,650	263,238
Changes in assumptions	<u>467,983</u>	<u>214,069</u>
Total	<u>\$ 2,631,479</u>	<u>\$ 1,378,327</u>

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

Year Ending September 30,	Amount
2023	\$ 421,070
2024	325,163
2025	399,997
2026	(78,893)
2027	76,773
Thereafter	<u>109,042</u>
	<u>\$ 1,253,152</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>50</u>
Total plan members	<u><u>51</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, 2023 was based on an actuarial valuation dated October 1, 2021 with a measurement date of September 30, 2023, using the following actuarial assumptions:

Note 8 - Other Post-Employment Benefits (continued)

Actuarial Cost Method	Entry Age Normal.
Discount Rate	4.91 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 8.00% for the 2021/22 fiscal year graded down by 0.50% per year to 5.00% for the 2027/2028 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 2021/22 fiscal year, an implied monthly subsidy was assumed at age 62 of \$ 350.00 for the retiree and \$ 425.00 for the retiree's spouse; at other ages, the implied subsidy was developed based on the age-related morbidity assumption and, for other fiscal years, the implied subsidy was increased in accordance with the healthcare cost trend rates; the implied subsidy is assumed to disappear at age 65.
Mortality Basis	Sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Below Median Healthy Retiree Mortality table for general employees, with male ages set back one year (general employees); sex-distinct rate set forth in the PUB-2010 Headcount-Weighted Healthy Retiree Mortality table for public safety employees (Below Median table for males), with ages set forward one year (police officers).
Retirement	With respect to general employees, retirement is assumed to occur at the rate of 5% at each of ages 55 through 64, 60% at age 65, 40% at each of ages 66 through 69, and 100% at age 70; with respect to police officers who have earned less than 20 years of service, retirement is assumed to occur at the rate of 5% at each of ages 50 through 54, 70% at age 55, 40% at each of ages 56 through 59, and 100% at age 60; with respect officers who have earned at least 20 years of service, retirement is assumed to police to occur at the rate of 5% at each of ages 50 and 51, 70% at age 52, 40% at each of ages 53 through 56, and 100% at age 57.
Other Decrements	Assumed employment termination is based on the Scale 155 table; assumed disability is based on the Wyatt 1985 Disability Study (Class 2).
Coverage Election	20% of eligible employees are assumed to elect medical coverage until age 65 upon retirement or disability in accordance with their current election as to coverage status, except that 100% of individuals who are eligible for an explicit subsidy are assumed to elect medical coverage for life upon retirement or disability in accordance with their current election as to coverage status but with no assumed dependent children after age 55.

Note 8 - Other Post-Employment Benefits (continued)

Spousal age:	Husbands are assumed to be three years older than wives.
COBRA	Future healthcare coverage provided solely pursuant to COBRA was not included in the OPEB valuation; because the COBRA premium is determined periodically based on plan experience, the COBRA premium to be paid by the participant is assumed to fully cover the cost of providing healthcare coverage during the relevant period.
Changes	Since the prior measurement date, the discount rate was increased from 4.77% per annum to 4.91% per annum.

Discount Rate: The discount rate used to measure the total OPEB liability at September 30, 2023 was 4.91%. 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, 2023, are as follows:

Measurement Year Ended September 30, 2023	
Total OPEB liability:	
Service cost	\$ 66,566
Interest on total OPEB liability	164,092
Benefit payments	(74,101)
Amortization payments	90,181
Demographic gain	(12,113)
Assumption changes	<u>(152,487)</u>
Net change in total OPEB liability	82,138
Total OPEB liability, beginning	<u>3,312,038</u>
Total OPEB liability, ending	\$ <u><u>3,394,176</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 4.77%, 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 (3.77%)	Current Discount Rate (4.77%)	1% Increase (5.77%)
Total OPEB Liability	\$ <u>3,964,434</u>	\$ <u>3,394,176</u>	\$ <u>2,941,088</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 7.00% Decreasing to 4.00%	Trend Rate Assumption 8.00% Decreasing to 5.00%	1% Trend Increase 9.00% Decreasing to 6.00%
Total OPEB Liability	\$ <u>2,884,893</u>	\$ <u>3,394,176</u>	\$ <u>4,032,963</u>

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB: For the year ended September 30, 2022, the Town recognized OPEB expense of \$ 66,376. At September 30, 2022, the Town reported deferred outflows of resources related to OPEB in the amount of \$ 1,211,878 and deferred inflows of resources related to OPEB in the amount of \$ 2,073,854.

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

Year Ending September 30,	Amount
2024	\$ (90,181)
2025	(90,181)
2026	(90,181)
2027	(90,181)
2028	(96,776)
Thereafter	<u>(404,476)</u>
	\$ <u>(861,976)</u>

Town of Golden Beach, Florida
Notes to Basic Financial Statements
September 30, 2023

Note 9 - Interfund Balances and Transfers

Interfund receivables and payables at September 30, 2023 were as follows:

Due From	Due To				Total
	General Fund	Debt Service Fund	Capital Improvement Project Fund	Law Enforcement Trust Fund	
Law Enforcement Trust Fund	\$ 1,058,900	\$ -	\$ -	\$ -	\$ 1,058,900
Capital Improvement Project Fund	1,735,441	-	-	70,000	1,805,441
Stormwater Fund	2,580,042	-	20,277	-	2,600,319
General Fund	-	116,776	-	-	116,776
Total	\$ 5,374,383	\$ 116,776	\$ 20,277	\$ 70,000	\$ 5,581,436

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

Transfers to and from individual funds were as follows:

Transfers Out	Transfers In			Total
	General Fund	Capital Improvement Project Fund	Debt Service Fund	
General Fund	\$ -	\$ 2,665,183	\$ 200,000	\$ 2,865,183
Law Enforcement Trust Fund	60,000	300,000	-	360,000
	\$ 60,000	\$ 2,965,183	\$ 200,000	\$ 3,225,183

During the year ended September 30, 2023, the Capital Improvement Fund received \$ 2,665,183 and \$ 300,000 from the General Fund and the Law Enforcement Trust Fund, respectively to provide funding for construction of the Town Civic Center.

During the year ended September 30, 2023, Debt Service Fund received \$ 200,000 from the General Fund. Additionally, the General Fund received \$ 60,000 from the Law Enforcement Trust Fund. These transfers were in accordance with budgeted amounts.

Note 10 - Risk Management

For the year ended September 30, 2023, 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.



**REQUIRED SUPPLEMENTARY
INFORMATION**

Town of Golden Beach, Florida
Budgetary Comparison Schedule
General Fund
For the Year Ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
Revenues:				
Ad valorem taxes	\$ 10,569,887	\$ 10,569,887	\$ 10,666,637	\$ 96,750
Total ad valorem taxes	<u>10,569,887</u>	<u>10,569,887</u>	<u>10,666,637</u>	<u>96,750</u>
Franchise fees:				
Gas	<u>8,800</u>	<u>8,800</u>	<u>16,260</u>	<u>7,460</u>
Total franchise fees	<u>8,800</u>	<u>8,800</u>	<u>16,260</u>	<u>7,460</u>
Utility service taxes:				
Communication service tax	19,000	19,000	25,187	6,187
Gas service tax	<u>6,000</u>	<u>6,000</u>	<u>11,618</u>	<u>5,618</u>
Total utility service taxes	<u>25,000</u>	<u>25,000</u>	<u>36,805</u>	<u>11,805</u>
Licenses and permits:				
Building permits	728,000	728,000	1,743,094	1,015,094
Other licenses and permits	350,000	350,000	1,467,482	1,117,482
Occupational licenses	<u>1,000</u>	<u>1,000</u>	<u>1,205</u>	<u>205</u>
Total licenses and permits	<u>1,079,000</u>	<u>1,079,000</u>	<u>3,211,781</u>	<u>2,132,781</u>
Sales, use and fuel taxes:				
State sales tax	83,161	83,161	109,882	26,721
	27,255	27,255	-	(27,255)
Local option gas tax	26,406	26,406	27,448	1,042
Local sales tax	<u>53,981</u>	<u>53,981</u>	<u>62,734</u>	<u>8,753</u>
Total sales, use and fuel taxes	<u>190,803</u>	<u>190,803</u>	<u>200,064</u>	<u>9,261</u>
Federal grant proceeds	<u>-</u>	<u>-</u>	<u>43,359</u>	<u>43,359</u>
State shared revenues:				
State grant proceeds	-	-	46,596	46,596
Motor fuel tax rebate	<u>2,500</u>	<u>2,500</u>	<u>-</u>	<u>(2,500)</u>
Total state shared revenues	<u>2,500</u>	<u>2,500</u>	<u>46,596</u>	<u>44,096</u>
Special Assessments	<u>347,547</u>	<u>347,547</u>	<u>308,778</u>	<u>(38,769)</u>
Culture and recreation:				
Recreation fees	<u>-</u>	<u>-</u>	<u>18,500</u>	<u>18,500</u>
Total culture and recreation	<u>-</u>	<u>-</u>	<u>18,500</u>	<u>18,500</u>

Town of Golden Beach, Florida
Budgetary Comparison Schedule
General Fund
(Continued)
For the Year Ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
Stormwater administration fee	-	-	-	-
Fines and forfeitures:				
Code enforcement	30,500	30,500	158,187	127,687
Fines and forfeitures	20,000	20,000	12,608	(7,392)
Law enforcement trust fund	100	100	1,036	936
Total fines and forfeitures	<u>50,600</u>	<u>50,600</u>	<u>171,831</u>	<u>121,231</u>
Investment income	<u>14,500</u>	<u>14,500</u>	<u>119,310</u>	<u>104,810</u>
Miscellaneous:				
Miscellaneous revenue	80,100	80,100	51,241	(28,859)
Local grants	-	-	-	-
A1A Proceeds	16,093	16,093	-	(16,093)
Off duty income	10,000	10,000	27,096	17,096
Tax lien letter income	4,200	4,200	2,040	(2,160)
Public records requests	200	200	1,196	996
Total miscellaneous	<u>110,593</u>	<u>110,593</u>	<u>81,573</u>	<u>(29,020)</u>
Allocation of fund balance	<u>650,000</u>	<u>650,000</u>	<u>-</u>	<u>(650,000)</u>
Total revenues	<u>13,049,230</u>	<u>13,049,230</u>	<u>14,921,494</u>	<u>1,828,905</u>
Expenditures:				
General government:				
General governmental:				
Operating expenditures	1,391,772	1,391,772	1,286,295	105,477
Capital outlay	30,000	30,000	20,529	9,471
Total general governmental	<u>1,421,772</u>	<u>1,421,772</u>	<u>1,306,824</u>	<u>114,948</u>
Legislative:				
Personal services	106,447	106,447	81,433	25,014
Operating expenditures	40,855	40,855	58,672	(17,817)
Capital outlay	10,711	10,711	6,854	3,857
Total legislative	<u>158,013</u>	<u>158,013</u>	<u>146,959</u>	<u>11,054</u>
Executive:				
Personal services	533,286	533,286	491,489	41,797
Operating expenditures	55,290	55,290	36,308	18,982
Capital outlay	5,101	5,101	2,668	2,433
Total executive	<u>593,677</u>	<u>593,677</u>	<u>530,465</u>	<u>63,212</u>

Town of Golden Beach, Florida
Budgetary Comparison Schedule
General Fund
(continued)
For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
Town clerk:				
Personal services	250,392	250,392	203,042	47,350
Operating expenditures	88,957	88,957	68,259	20,698
Capital outlay	2,244	2,244	1,234	1,010
Total town clerk	<u>341,593</u>	<u>341,593</u>	<u>272,535</u>	<u>69,058</u>
Town legal counsel:				
Operating expenditures	179,500	179,500	113,580	65,920
Total town legal counsel	<u>179,500</u>	<u>179,500</u>	<u>113,580</u>	<u>65,920</u>
Finance:				
Personal services	292,367	292,367	320,103	(27,736)
Operating expenditures	88,288	88,288	106,784	(18,496)
Capital outlay	3,570	3,570	2,039	1,531
Total finance	<u>384,225</u>	<u>384,225</u>	<u>428,926</u>	<u>(44,701)</u>
Total general government	<u>3,078,780</u>	<u>3,078,780</u>	<u>2,799,289</u>	<u>279,491</u>
Public safety:				
Law enforcement:				
Personal services	3,930,825	3,930,825	3,735,933	194,892
Operating expenditures	466,986	466,986	643,758	(176,772)
Capital outlay	88,239	88,239	73,779	14,460
Total law enforcement	<u>4,486,050</u>	<u>4,486,050</u>	<u>4,453,470</u>	<u>32,580</u>
Protective inspections:				
Personal services	544,896	544,896	427,136	117,760
Operating expenditures	358,905	358,905	420,444	(61,539)
Capital outlay	5,611	5,611	2,577	3,034
Total protective inspections	<u>909,412</u>	<u>909,412</u>	<u>850,157</u>	<u>59,255</u>
Total public safety	<u>5,395,462</u>	<u>5,395,462</u>	<u>5,303,627</u>	<u>91,835</u>
Physical environment:				
Personal services	1,015,802	1,015,802	930,859	84,943
Operating expenditures	273,844	273,844	441,491	(167,647)
Capital outlay	60,000	60,000	6,777	53,223
Total physical environment	<u>1,349,646</u>	<u>1,349,646</u>	<u>1,379,127</u>	<u>(29,481)</u>

Town of Golden Beach, Florida
Budgetary Comparison Schedule
General Fund
(continued)
For the Year Ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
Transportation:				
Personal services	121,639	121,639	102,935	18,704
Operating expenditures	633,894	633,894	1,118,509	(484,615)
Capital outlay	-	-	24,772	(24,772)
Total transportation	<u>755,533</u>	<u>755,533</u>	<u>1,246,216</u>	<u>(490,683)</u>
Cultural and recreation:				
Personal services	396,951	396,951	406,873	(9,922)
Operating expenditures	606,048	606,048	401,582	204,466
Capital outlay	20,402	20,402	5,020	15,382
Total cultural and recreation	<u>1,023,401</u>	<u>1,023,401</u>	<u>813,475</u>	<u>209,926</u>
Special events:				
Personal services	278,417	278,417	235,443	42,974
Operating expenditures	228,000	228,000	284,213	(56,213)
Capital outlay	-	-	971	(971)
Total special events	<u>506,417</u>	<u>506,417</u>	<u>520,627</u>	<u>(14,210)</u>
Total expenditures	<u>12,109,239</u>	<u>12,109,239</u>	<u>12,062,361</u>	<u>46,878</u>
Change in fund balance before other financing sources (uses)	<u>939,991</u>	<u>939,991</u>	<u>2,859,133</u>	<u>1,875,783</u>
Other Financing Sources (Uses):				
Transfers out	(920,000)	(920,000)	(2,865,183)	(1,945,183)
Transfers in	60,000	60,000	60,000	-
Total other financing sources	<u>(860,000)</u>	<u>(860,000)</u>	<u>(2,805,183)</u>	<u>(1,945,183)</u>
Change in fund balance	<u>\$ 79,991</u>	<u>\$ 79,991</u>	53,950	<u>\$ (69,400)</u>
Fund Balance, Beginning of Year			<u>6,527,113</u>	
Fund Balance, End of Year			<u>\$ 6,581,063</u>	

**Town of Golden Beach, Florida
 Budgetary Comparison Schedule
 Law Enforcement Trust Fund
 For the Year Ended September 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
Revenues:				
Fines and forfeitures	\$ 237,126	\$ 237,126	\$ 864,631	\$ 627,505
Miscellaneous revenue	216,000	216,000	90	(215,910)
Interest income	4,000	4,000	16,737	12,737
Total revenues	<u>457,126</u>	<u>457,126</u>	<u>881,458</u>	<u>424,332</u>
Expenditures:				
General government	-	-	-	-
Public safety	394,576	394,576	113,487	281,089
Capital outlay	2,550	2,550	-	2,550
Total expenditures	<u>397,126</u>	<u>397,126</u>	<u>113,487</u>	<u>283,639</u>
Excess of revenues over expenditures	<u>60,000</u>	<u>60,000</u>	<u>767,971</u>	<u>707,971</u>
Other Financing Sources (Uses):				
Transfers in (out)	<u>(60,000)</u>	<u>(60,000)</u>	<u>(360,000)</u>	<u>(300,000)</u>
Change in fund balance	<u>\$ -</u>	<u>\$ -</u>	407,971	<u>\$ 407,971</u>
Fund Balance (Deficit), Beginning of Year			<u>(217,710)</u>	
Fund Balance (Deficit), End of Year			<u>\$ 190,261</u>	

**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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total pension liability				
Service cost	\$ 774,853	\$ 625,872	\$ 604,947	\$ 626,710
Expected interest growth	1,121,776	1,020,931	997,034	928,482
Differences between expected and actual experience	634,716	(125,105)	(329,942)	(52,042)
Changes in assumptions	-	-	(388,109)	-
Changes in benefit terms	18,824	477,284	-	-
Benefit payments, including refunds of member contributions	<u>(624,872)</u>	<u>(556,671)</u>	<u>(505,750)</u>	<u>(399,491)</u>
Net change in total pension liability	1,925,297	1,442,311	378,180	1,103,659
Total pension liability - beginning	<u>16,613,408</u>	<u>15,171,097</u>	<u>14,792,917</u>	<u>13,689,258</u>
Total pension liability - ending (A)	<u>\$ 18,538,705</u>	<u>\$ 16,613,408</u>	<u>\$ 15,171,097</u>	<u>\$ 14,792,917</u>
Plan fiduciary net position				
Contributions - employer	\$ 804,330	\$ 641,763	\$ 708,853	\$ 700,022
Contributions - member	356,665	153,458	159,195	153,944
Expected interest growth	861,976	942,508	780,968	723,717
Unexpected investment income	363,365	(2,445,967)	1,525,821	(108,023)
Benefit payments, including refunds of member contributions	(624,872)	(556,671)	(505,750)	(399,491)
Administrative expenses	<u>(80,963)</u>	<u>(183,246)</u>	<u>(167,729)</u>	<u>(157,661)</u>
Net change in plan fiduciary net position	1,680,501	(1,448,155)	2,501,358	912,508
Plan fiduciary net position - beginning	<u>12,719,042</u>	<u>14,167,197</u>	<u>11,665,839</u>	<u>10,753,331</u>
Plan fiduciary net position - ending (B)	<u>\$ 14,399,543</u>	<u>\$ 12,719,042</u>	<u>\$ 14,167,197</u>	<u>\$ 11,665,839</u>
Town's net pension liability - ending (A) - (B)	<u>\$ 4,139,162</u>	<u>\$ 3,894,366</u>	<u>\$ 1,003,900</u>	<u>\$ 3,127,078</u>
Plan fiduciary net position as a percentage of the total pension liability	77.67%	76.56%	93.38%	78.86%
Covered-employee payroll	\$ 2,731,513	\$ 2,382,031	\$ 2,453,333	\$ 2,391,820
Town's net pension liability as percentage of covered-employee payroll	151.53%	163.49%	40.92%	130.74%

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$	646,789	\$ 372,701	\$ 355,307	\$ 410,000	\$ 412,000	\$ 406,000
	725,127	767,653	702,846	649,000	540,000	540,000
	164,367	113,395	537,419	(21,000)	(13,000)	(132,000)
	1,739,683	-	(434,803)	48,778	-	-
	209,462	-	-	-	-	-
	<u>(373,621)</u>	<u>(324,318)</u>	<u>(329,527)</u>	<u>(308,000)</u>	<u>(347,000)</u>	<u>(315,000)</u>
	3,111,807	929,431	831,242	778,778	592,000	499,000
	10,577,451	9,648,020	8,816,778	8,038,000	7,446,000	6,947,000
\$	<u>13,689,258</u>	<u>10,577,451</u>	<u>9,648,020</u>	<u>8,816,778</u>	<u>8,038,000</u>	<u>7,446,000</u>
\$	637,382	\$ 588,601	\$ 513,696	\$ 457,855	\$ 428,000	\$ 428,000
	156,672	152,113	120,499	110,543	102,000	100,000
	684,358	719,791	618,943	-	-	-
	(420,472)	57,584	373,099	438,000	(50,000)	535,000
	(373,621)	(324,318)	(329,527)	(308,000)	(347,000)	(315,000)
	<u>(60,517)</u>	<u>(57,496)</u>	<u>(129,160)</u>	<u>(60,694)</u>	<u>(40,000)</u>	<u>(60,000)</u>
	623,802	1,136,275	1,167,550	637,704	93,000	688,000
	10,129,529	8,993,254	7,825,704	7,188,000	7,095,000	6,407,000
\$	<u>10,753,331</u>	<u>10,129,529</u>	<u>8,993,254</u>	<u>7,825,704</u>	<u>7,188,000</u>	<u>7,095,000</u>
\$	<u>2,935,927</u>	<u>447,922</u>	<u>654,766</u>	<u>991,074</u>	<u>850,000</u>	<u>351,000</u>
	78.55%	95.77%	93.21%	88.76%	89.43%	95.29%
\$	2,474,969	\$ 2,080,445	\$ 1,911,580	\$ 2,258,192	\$ 2,159,806	\$ 2,027,000
	118.62%	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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Actuarially determined contribution	\$ 804,330	\$ 641,763	\$ 708,853	\$ 700,022
Contributions in relation to the actuarially determined contribution	<u>804,330</u>	<u>641,763</u>	<u>708,853</u>	<u>700,022</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 2,731,513	\$ 2,382,031	\$ 2,453,333	\$ 2,391,820
Contributions as a percentage of covered-employee payroll	29.45%	26.94%	28.89%	29.27%

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 637,382	\$ 588,601	\$ 458,294	\$ 457,855	\$ 427,817	\$ 427,817
<u>637,382</u>	<u>588,601</u>	<u>513,696</u>	<u>457,855</u>	<u>427,817</u>	<u>427,817</u>
\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>(55,402)</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>
\$ 2,474,969	\$ 2,080,445	\$ 1,911,580	\$ 2,258,192	\$ 2,159,806	\$ 2,027,209
25.75%	28.29%	26.87%	20.28%	19.81%	21.10%

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

	<u>2023</u>	<u>2022</u>	<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	9.03%	11.42%	18.73%	4.75%	2.62%	8.93%	5.35%	6.96%	-0.80%	9.20%

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

Fiscal Year:	2023	2022	2021	2020	2019	2018
Measurement Date:	<u>9/30/2022</u>	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>
Total OPEB liability						
Service cost	66,566	\$ 68,734	\$ 142,083	\$ 151,600	\$ 11,908	\$ 11,778
Interest	164,092	256,695	134,948	73,845	114,195	113,716
Demographic experience	(12,113)	(801,122)	-	751,802	-	-
Benefits payments	(74,101)	(57,666)	(78,675)	(63,828)	(67,042)	(52,853)
Amortization payments	90,181	-	-	-	-	-
Assumption changes	<u>(152,487)</u>	<u>(1,495,810)</u>	<u>(307,589)</u>	<u>1,206,163</u>	<u>60,685</u>	<u>-</u>
Net change in total OPEB liability	82,138	(2,029,169)	(109,233)	2,119,582	119,746	72,641
Total OPEB liability - beginning	<u>3,312,038</u>	<u>5,341,207</u>	<u>5,450,440</u>	<u>3,330,858</u>	<u>3,211,112</u>	<u>3,138,471</u>
Total OPEB liability - ending	\$ <u><u>3,394,176</u></u>	\$ <u><u>3,312,038</u></u>	\$ <u><u>5,341,207</u></u>	\$ <u><u>5,450,440</u></u>	\$ <u><u>3,330,858</u></u>	\$ <u><u>3,211,112</u></u>
Covered payroll	2,850,397	\$ 2,850,397	\$ 2,708,702	\$ 2,708,702	\$ 2,373,485	\$ 2,373,485
Total OPEB liability as a percentage of covered payroll	119.08%	116.20%	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.



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, 2023, and the related notes to the financial statements which collectively comprise the Town's basic financial statements and have issued our report thereon dated March 25, 2024.

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 or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, as described in the accompanying Schedule of Findings, that we consider to be significant deficiencies (items: 2023-01 through 2023-03).

Report on 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*.

Town's Response to Findings

Government Auditing Standards require the auditor to perform limited procedures on the Town's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The Town's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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
March 25, 2024

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, 2022, and have issued our report thereon dated March 25, 2024.

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 March 25, 2024, 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
March 25, 2024

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, 2022. 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, 2023.

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
March 25, 2024

CPAs + Trusted Advisors

2023-01 - Accounting System Evaluation and Update

Criteria: The Town should have an adequate accounting and information system to allow for the recording of transactions and ability to produce reports useful for both internal and external purposes.

Condition: The accounting system used lacks functionality in several key areas including report production the ability to efficiently use certain typical modules that are typically integrated within the system including account payable/vendor management, fixed assets and receivables.

Cause: The system was acquired several years ago and since the Town's needs have expanded for both internal and external processing and reporting, the current system is not able to contribute to these additional responsibilities. Additionally, the system does not produce reports in certain formats necessary for the external audit processes to allow the simple extraction of data.

Effect: The lack of an effective accounting system creates many inefficiencies that both cost the Town additional time and effort as well as

Recommendation: We believe the Town should evaluate the system in place, whether or not it can be upgraded to accommodate what most systems are able to accomplish or consider a complete switch to another systems more appropriate for the accounting and reporting the Towns financial transactions.

Response from Management:

The Town recognizes that the accounting system needs to be upgraded/replaced. For the last few years, several reputable accounting software companies have been contacted for proposals. The accounting system that was agreed on had a 12-month waiting period for implementation. We are currently looking at another system, but implementation will be take six to eight months. The new accounting system will have increased functionality including report production, and the ability to efficiently use all modules that will be integrated within the system including: account payable/vendor management; fixed assets and receivables; and much more.

2023-02 - Accounts Payable Tracking and Reconciliation

Criteria: The Town should have a system in place to properly track accounts payable balances and amounts owed to vendors.

Condition: The Town has not used any type of automated system to track accounts payable on a perpetual basis. In the past the Town had been tracking payables on manually prepared schedules based on activity in the general ledger. Currently, the Town produces this schedule but it could not be properly reconciled to supporting documentation.

Cause: Due to significant increases in volume, the accounts payable schedule could not be properly reconciled.

Effect: The lack of a proper reconciliation can lead to various errors in account balances owed to vendors and also over payments of amount due for goods and services.

Recommendation: We recommend that the Town address this issue by:

- Performing an internal audit on the schedule to ensure that all vendors balances are correct and no overpayments have occurred.

2023-02 - Accounts Payable Tracking and Reconciliation (continued)

- Complete a reconciliation by vendor that agrees to the general ledger to verify the balance reported on the Town's financial records.
- Either work with the current system and investigate using the accounts payable module or, in conjunction with comment 2023-01, adopt a module that is integrated with the evaluation of the new system.

Response from Management:

These issues will be addressed with the new accounting system and although the current system is lacking in some areas it does have a built-in security aspect that will not allow duplicate invoices to be paid to vendors. All the vendors are reconciled and agree to the general ledger but due to the system not being a true fund accounting system the reporting aspect requires more work to generate.

2023-03- Update Month-End and Year-End Closing Schedule and Procedures:

Criteria: The Town should have a month-end and year-end closing schedule to prepare and meet its annual reporting requirements that include application to all accounts in the Towns financial records.

Condition: During the audit, we noted that certain accounts are not being reconciled on a monthly or annual basis. Specifically, the Town is not reconciling interfund balances and interfund transfers, as well as accounts payable as noted also in comment 2023-02.

Cause: The Town does not reconcile the above-mentioned accounts.

Effect: Since certain accounts are not reconciled on a timely basis, the Town may experience delays and increased costs from the time it takes to reconcile accounts on an annual basis, may have incorrect balances reported in their financial statements or not discover, on a timely basis, other inaccuracies in balances on the Town's financial records.

Recommendation: We recommend that a month-end and year-end closing procedures include reconciling all balances in the financial records on a timely periodic basis.

Response from Management:

The Town recognizes the need of updating the month-end and year-end schedule and procedures. As mentioned before the current accounting system is not a true fund accounting system the interfund transfers require additional steps when reconciling. All pertinent monthly reconciliations are done on a timely basis. The new accounting system has an automated feature that will correct and address the issues of accounts payable and the interfund balance and transfers.