

**TOWN OF GOLDEN BEACH, FLORIDA**

**RESOLUTION NO. 3021.25**

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF GOLDEN BEACH, FLORIDA, ACCEPTING THE GENERAL PURPOSE FINANCIAL STATEMENTS FOR FISCAL YEAR 2023/2024 ENDING SEPTEMBER 30, 2024 PREPARED BY CABALLERO, FIERMAN, LLERENA & GARCIA, LLP; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, Caballero, Fierman, Llerena & Garcia LLP has prepared and submitted to the Town General Purpose Finance Statements for Fiscal Year 2023-2024; and

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

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

**Section 1. Financial Statements Accepted.** That the Town hereby accepts the General Purpose Financial Statements for Fiscal Year 2023/2024 ending September 30, 2024 prepared by Caballero, Fierman, Llerena & Garcia, LLP.

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

Sponsored by the **Town Administration**.

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


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

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

this 17<sup>th</sup> day of June, 2025.

  
\_\_\_\_\_  
MAYOR GLENN SINGER

ATTEST:

  
\_\_\_\_\_  
LISSETTE PEREZ  
TOWN CLERK

APPROVED AS TO FORM  
AND LEGAL SUFFICIENCY:

  
\_\_\_\_\_  
STEPHEN J. HELFMAN  
TOWN ATTORNEY



# TOWN OF GOLDEN BEACH

100 Ocean Boulevard  
Golden Beach, FL 33160

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## MEMORANDUM

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**Date:** June 17, 2025

**To:** Honorable Mayor Glenn Singer &  
Town Council Members

**From:** Alexander Diaz,  
Town Manager

**Subject:** Resolution No. 3021.25 - Accepting the General Purpose  
Financial Statements for Fiscal Year 2023/2024.

Item Number:

11

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### Recommendation:

It is recommended that the Town Council adopt the attached Resolution No. 3021.25 as presented.

### Background:

After over 18 years with Keefe, McCullough & Co., LLP to conduct the annual audit, this year the Town retained the services of Caballero Fierman Llerena & Garcia, LLP to conduct the audit for Fiscal Year 2023/2024 ending September 30, 2024.

Bringing in a new firm allowed for a fresh, independent review of our internal controls, policies, and the accuracy of information from prior audits. The audit for the fiscal year has been completed and includes the following components:

- Audited Financial Statements for Fiscal Year 2023/2024
- Report to Management, outlining the Town's internal control environment

It is important to note that the auditors have recommended upgrading the Town's accounting software. This recommendation is not due to any deficiencies in the current system, but to enhance reporting capabilities and streamline financial operations.

The Town experienced a highly active capital year, with \$4,334,433 spent on capital projects. As previously authorized, the Town Council approved the use of \$494,941 from the General Fund Balance to support these initiatives.

At the close of Fiscal Year 2023, the General Fund Balance stood at \$6,581,063.00. By the end of Fiscal Year 2024, it was \$6,189,284.00, representing a decrease of \$391,779. While the Fund Balance did decline, it is important to highlight that the Town

had anticipated a larger drawdown of \$494,941. In effect, \$103,162 was saved and preserved in the fund balance — a testament to responsible fiscal management.

In addition, operating account savings of approximately \$338,402 were realized across departments. These funds had originally been budgeted for capital and infrastructure projects but were not expended. If they had been, the fund balance would have increased by that amount.

Further strengthening our financial position, the General Fund is currently owed \$2,578,238.00 by the Stormwater Fund, a fully collectable receivable. The auditors also tested our internal controls and found no deficiencies, affirming the Town's adherence to sound financial policies and procedures.

### **Fiscal Impact and Fund Balance Structure**

As of the close of FY 2023/2024, our New Fund Balance is at \$6,189,284 – and is structured as follows:

- |                  |  |
|------------------|--|
| • \$ 710,513.00  | reserved for the Building Department             |
| • \$ 460,000.00  | reserved for Pension obligations                 |
| • \$ 235,000.00  | reserved for Health Insurance liabilities        |
| • \$ 500,000.00  | reserved for Capital Expenditures (FY 2024/2025) |
| • \$1,705,533.00 | unassigned                                       |
| • \$2,578,238.00 | due from Stormwater Fund (collectable)           |

Our Financial Positioning remains **STRONG and STABLE!**

The Town's new auditing firm identified that the way our previous auditors accounted for Capital Projects was not fully aligned with industry best practices. I am pleased to report that the new firm has provided valuable guidance on improving the tracking and reporting of capital depreciation and has played a key role in our decision to invest in new financial and accounting software to enhance accuracy and efficiency going forward.

Importantly, although there are findings and recommendations, they stem from our outdated and antiquated financial system, which we are replacing. There were no other concerns identified in this year's audit — reaffirming the integrity of our financial management and our continued commitment to fiscal accountability.



**TOWN OF GOLDEN BEACH, FLORIDA**  
**BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

DRAFT

**TOWN OF GOLDEN BEACH, FLORIDA**  
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## FINANCIAL SECTION

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**INDEPENDENT AUDITORS' REPORT**

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Accountants  
Advisors

## INDEPENDENT AUDITORS' REPORT

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

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Golden Beach, Florida (the "Town"), as of and for the fiscal year ended September 30, 2024, 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, and each major fund of the Town, as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal 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 Auditors' 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.

#### **Auditors' 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 auditors' 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 schedules, the Schedule of Changes in the Town's Net Pension Liability and Related Ratios, the Schedule of Town Contributions, Schedule of Investment Returns, and the Schedule of Changes in Total OPEB Liability and Related Ratios on pages 3-12 and 46-53 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 June XX, 2025, 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, and 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 effectiveness of the Town's 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 Town's internal control over financial reporting and compliance.

**DRAFT**

Caballero Fierman Llerena & Garcia, LLP  
Miami, Florida  
June XX, 2025

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(Required Supplementary Information)**

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## BASIC FINANCIAL STATEMENTS

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**TOWN OF GOLDEN BEACH, FLORIDA**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2024**

	Governmental Activities	Business- Type Activities	Total
<u>ASSETS</u>			
Cash	\$ 1,886,880	\$ 48,911	\$ 1,935,791
Investments	8,551,356	141,179	8,692,535
Accounts receivable	153,214	(41,753)	111,461
Prepays	22,949	-	22,949
Other current assets	109,976	-	109,976
Internal balances	2,497,517	(2,497,517)	-
Capital assets not being depreciated:			
Land	1,878,598	-	1,878,598
Construction in progress	11,439,917	484,265	11,924,182
Capital assets being depreciated:			
Equipment and vehicles	5,823,750	179,739	6,003,489
Buildings	1,554,979	-	1,554,979
Infrastructure	26,146,387	16,892,934	43,039,321
Improvements other than buildings	3,705,081	-	3,705,081
Total capital assets	50,548,712	17,556,938	68,105,650
Less accumulated depreciation	(15,942,541)	(5,309,769)	(21,252,310)
Total capital assets - net	34,606,171	12,247,169	46,853,340
Total assets	47,828,063	9,897,989	57,726,052
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred charge on refunding	468,858	-	468,858
Deferred outflows relating to pensions	3,065,352	-	3,065,352
Deferred outflows relating to OPEB	1,211,878	-	1,211,878
Total deferred outflows of resources	4,746,088	-	4,746,088
<u>LIABILITIES</u>			
Accounts payable	912,155	25,077	937,232
Accrued expenses	951,476	2,731	954,207
Accrued interest payable	312,505	-	312,505
Noncurrent liabilities:			
Due within one year:			
Compensated absences payable	-	-	-
Bonds and notes payable	757,222	205,070	962,292
Bond premium	30,230	-	30,230
Due in more than one year:			
Builders bond deposit	1,373,910	-	1,373,910
Revegetation bond deposit	300,271	-	300,271
Compensated absences	777,333	-	777,333
Net pension liability	4,274,738	-	4,274,738
Bonds and notes payable	19,473,334	985,527	20,458,861
Bond premium	530,343	-	530,343
Other post-employment benefit liability	3,394,176	-	3,394,176
Total liabilities	33,087,693	1,218,405	34,306,098
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred inflows relating to pensions	2,177,017	-	2,177,017
Deferred inflows relating to OPEB	2,073,854	-	2,073,854
Total deferred inflows of resources	4,250,871	-	4,250,871
<u>NET POSITION</u>			
Net investment in capital assets	22,025,994	11,056,572	33,082,566
Unrestricted	(6,790,407)	(2,376,988)	(9,167,395)
Total net position	\$ 15,235,587	\$ 8,679,584	\$ 23,915,171

See notes to basic financial statements

**TOWN OF GOLDEN BEACH, FLORIDA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 5,375,058	\$ 3,326,486	\$ 278,687	\$ -	\$ (1,769,885)	\$ -	\$ (1,769,885)
Public safety	6,503,715	585,220	-	-	(5,918,495)	-	(5,918,495)
Physical environment	1,786,098	-	-	-	(1,786,098)	-	(1,786,098)
Transportation	900,402	-	-	-	(900,402)	-	(900,402)
Cultural and recreation	872,322	17,650	-	-	(854,672)	-	(854,672)
Special events	674,471	-	-	-	(674,471)	-	(674,471)
Interest expense and other financing costs	826,398	-	-	-	(826,398)	-	(826,398)
Total governmental activities	16,938,464	3,929,356	278,687	-	(12,730,421)	-	(12,730,421)
Business-type activities:							
Stormwater	510,629	160,425	112,500	-	-	(237,704)	(237,704)
Total business-type activities	510,629	160,425	112,500	-	-	(237,704)	(237,704)
Total	\$ 17,449,093	\$ 4,089,781	\$ 391,187	\$ -	(12,730,421)	(237,704)	(12,968,125)
General revenues:							
Ad valorem taxes					13,719,580	-	13,719,580
Utility service taxes					32,411	183,551	215,962
Franchise fees					17,517	136,866	154,383
Sales, use, and fuel taxes					178,704	-	178,704
Other							
Miscellaneous					257,816	-	257,816
State shared revenues					51,178	7,856	59,034
Interest income (unrestricted)					529,313	-	529,313
Total general revenues and transfers					14,786,519	328,273	15,114,792
Change in net position					2,056,098	90,569	2,146,667
Net position - Beginning					13,179,489	8,589,015	21,768,504
Net position - Ending					\$ 15,235,587	\$ 8,679,584	\$ 23,915,171

See notes to basic financial statements



**TOWN OF GOLDEN BEACH, FLORIDA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2024**

	Major Funds				Total
	General	CIP Fund	Law Enforcement Trust Fund	Debt Service Fund	Governmental Funds
<u>ASSETS</u>					
Cash	\$ 1,411,497	\$ 17,443	\$ 457,940	\$ -	\$ 1,886,880
Investments	524,123	7,650,379	376,854	-	8,551,356
Accounts receivable	25,328	-	117,200	10,686	153,214
Prepays	-	-	22,949	-	22,949
Due from other funds	7,231,553	(1,431,044)	161,637	1,409,473	7,371,619
Other current assets	109,976	-	-	-	109,976
Total assets	<u>\$ 9,302,477</u>	<u>\$ 6,236,778</u>	<u>\$ 1,136,580</u>	<u>\$ 1,420,159</u>	<u>\$ 18,095,994</u>
<u>LIABILITIES</u>					
Accounts payable	\$ 337,669	\$ 550,838	\$ 23,648	\$ -	\$ 912,155
Other liabilities	951,476	-	-	-	951,476
Due to other funds	149,887	2,362,080	1,105,335	1,256,800	4,874,102
Bond deposits	1,674,181	-	-	-	1,674,181
Total liabilities	<u>3,113,213</u>	<u>2,912,918</u>	<u>1,128,983</u>	<u>1,256,800</u>	<u>8,411,914</u>
<u>FUND BALANCES</u>					
Nonspendable:					
Prepaid expenditures	-	-	22,949	-	22,949
Long-term stormwater interfund receivable	2,578,238	-	-	-	2,578,238
Restricted:					
Building department	710,513	7,650,379	-	-	8,360,892
Debt service	-	-	-	163,359	163,359
Committed					
Pension reserves	460,000	-	-	-	460,000
Health insurance	235,000	-	-	-	235,000
Assigned:					
Capital projects funding	500,000	-	-	-	500,000
Unassigned	1,705,513	(4,326,519)	(15,352)	-	(2,636,358)
Total fund balances	<u>6,189,264</u>	<u>3,323,860</u>	<u>7,597</u>	<u>163,359</u>	<u>9,684,080</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,302,477</u>	<u>\$ 6,236,778</u>	<u>\$ 1,136,580</u>	<u>\$ 1,420,159</u>	<u>\$ 18,095,994</u>

See notes to basic financial statements

**TOWN OF GOLDEN BEACH, FLORIDA**  
**RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION**  
**GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2024**

Fund balances - total government funds (Page 31)

\$ 9,684,080

Amounts reported for governmental activities in the statement of net position are different as a result of:

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

Governmental capital assets	50,548,712	
Less accumulated depreciation	<u>(15,942,541)</u>	34,606,171

Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.

Deferred charge on refunding	468,858	
Deferred outflows relating to pensions	3,065,352	
Deferred outflows relating to OPEB	1,211,878	
Deferred inflows relating to pensions	(2,177,017)	
Deferred inflows relating to OPEB	(2,073,854)	
Accrued interest	(312,505)	
Compensated absences	(777,333)	
Net pension liability	(4,274,738)	
Debt	(20,230,556)	
Bond premium	(560,573)	
OPEB liability	<u>(3,394,176)</u>	
		<u>(29,054,664)</u>

Net position of governmental activities (Page 29)

\$ 15,235,587



**TOWN OF GOLDEN BEACH, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	Major Funds				Total
	General Fund	CIP Fund	Law Enforcement Trust Fund	Debt Service Fund	Governmental Funds
<b>REVENUES:</b>					
Property taxes	\$ 12,418,738	\$ -	\$ -	\$ 1,300,842	\$ 13,719,580
Franchise fees	17,517	-	-	-	17,517
Utility taxes	32,411	-	-	-	32,411
Licenses and permits	2,990,151	-	-	-	2,990,151
Sales, use, and fuel taxes	178,704	-	-	-	178,704
Grant proceeds	278,687	-	-	-	278,687
State shared revenues	51,178	-	-	-	51,178
Cultural and recreation	17,650	-	-	-	17,650
Fines and forfeitures	401,999	-	183,221	-	585,220
Investment income	109,755	399,262	20,296	-	529,313
Special assessment	336,335	-	-	-	336,335
Miscellaneous	257,816	-	-	-	257,816
Total revenues	<u>17,090,941</u>	<u>399,262</u>	<u>203,517</u>	<u>1,300,842</u>	<u>18,994,562</u>
<b>EXPENDITURES:</b>					
Current:					
General government	4,136,268	149,509	-	-	4,285,777
Public safety	6,173,076	-	121,489	-	6,294,565
Physical environment	1,711,409	-	-	-	1,711,409
Transportation	899,937	-	-	-	899,937
Parks and recreation	835,734	-	-	-	835,734
Special events	673,331	-	-	-	673,331
Debt service:					
Principal retirement	-	222,222	-	510,000	732,222
Interest	-	109,828	-	746,800	856,628
Capital outlay:					
General government	77,195	3,852,874	-	-	3,930,069
Public safety	316,539	-	204,692	-	521,231
Physical environment	77,967	-	-	-	77,967
Transportation	465	-	-	-	465
Parks and recreation	31,544	-	-	-	31,544
Special events	465	-	-	-	465
Total expenditures	<u>14,933,930</u>	<u>4,334,433</u>	<u>326,181</u>	<u>1,256,800</u>	<u>20,851,344</u>
Excess (deficiency) of revenues over expenditures	<u>2,157,011</u>	<u>(3,935,171)</u>	<u>(122,664)</u>	<u>44,042</u>	<u>(1,856,782)</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	60,000	2,608,810	-	-	2,668,810
Transfers out	(2,608,810)	-	(60,000)	-	(2,668,810)
Total other financing sources (uses)	<u>(2,548,810)</u>	<u>2,608,810</u>	<u>(60,000)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(391,799)	(1,326,361)	(182,664)	44,042	(1,856,782)
Fund balances, beginning	6,581,063	4,650,221	190,261	119,317	11,540,862
Fund balances, ending	<u>\$ 6,189,264</u>	<u>\$ 3,323,860</u>	<u>\$ 7,597</u>	<u>\$ 163,359</u>	<u>\$ 9,684,080</u>

See notes to basic financial statements

**TOWN OF GOLDEN BEACH, FLORIDA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Amounts reported for governmental activities in the statement  
of activities are different as a result of:

Net change in fund balances - total government funds (Page 33) \$ (1,856,782)

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 outlays	4,561,741	
Capital outlay which did not meet the threshold for capitalization	(277,784)	
Less current year depreciation	<u>(528,650)</u>	3,755,307

The issuance of long-term debt (e.g. bonds, leases) provided current financial  
resources to governmental funds, while the repayment of the principal of long-term  
debt consumes the current financial resources of governmental funds. Neither  
transaction, however, has any effect on net position.

Principal payments on debt	732,222	
Amortization of bond premium	<u>30,230</u>	762,452

Some expenses reported in the statement of activities do not require current financial  
resources and, therefore, are not reported as expenditures in the governmental funds.

Change in deferred charge on refunding	-	
Change in net pension liability	(135,576)	
Change in accrued interest payable	-	
Change in compensated absences payable	(104,486)	
Change in OPEB obligation	-	
Change in deferred outflows related to pensions	433,873	
Change in deferred outflows related to OPEB	-	
Change in deferred inflows related to pensions	(798,690)	
Change in deferred inflows related to OPEB	<u>-</u>	(604,879)

Change in net position of governmental activities (Page 30) \$ 2,056,098



**TOWN OF GOLDEN BEACH, FLORIDA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**SEPTEMBER 30, 2024**

	<u>ASSETS</u>	<u>Stormwater</u>
Current assets:		
Cash		\$ 48,911
Investments		141,179
Accounts receivable		(41,753)
Due from other funds		100,998
Total current assets		<u>249,335</u>
Non-current assets:		
Capital assets, net		12,247,169
Total non-current assets		<u>12,247,169</u>
Total assets		<u>12,496,504</u>
	<u>LIABILITIES AND NET POSITION</u>	
Current liabilities:		
Accounts payable		25,077
Accrued interest payable		2,731
Due to other funds		2,598,515
Long-term debt, current portion		205,070
Total current liabilities		<u>2,831,393</u>
Non-current liabilities:		
Long-term debt, noncurrent portion		985,527
Total non-current liabilities		<u>985,527</u>
Total liabilities		<u>3,816,920</u>
Net position:		
Net investment in capital assets		11,056,572
Unrestricted		(2,376,988)
Total net position		<u>\$ 8,679,584</u>

See notes to basic financial statements



**TOWN OF GOLDEN BEACH, FLORIDA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	<u>Stormwater</u>
Operating revenues:	
Charges for services	\$ 160,425
Tax revenue	183,551
Franchise fees	<u>136,866</u>
Total revenues	<u>480,842</u>
Operating expenses:	
Repairs and maintenance	105,393
Depreciation expense	105,223
General expenses	182,105
Professional services	<u>109,255</u>
Total operating expenses	<u>501,976</u>
Operating income (loss)	<u>(21,134)</u>
Non-operating revenues (expenses):	
Interest income	7,856
Interest expense	<u>(8,653)</u>
Total non-operating revenues (expenses)	<u>(797)</u>
Income (loss) before capital contributions and transfers	(21,931)
Grants and contributions	<u>112,500</u>
Change in net position	90,569
Net position - Beginning	<u>8,589,015</u>
Net position - Ending	<u>\$ 8,679,584</u>

**TOWN OF GOLDEN BEACH, FLORIDA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	<u>Stormwater</u>
Cash flows from operating activities:	
Cash received from customers and users	\$ 694,916
Cash paid for goods and services	(505,679)
Cash paid for interfund services used	<u>-</u>
Net cash provided by operating activities	<u>189,237</u>
Cash flows from non-capital financing activities:	
Change in due to/from balances	(102,802)
Grants received	<u>112,500</u>
Net cash provided by non-capital financing activities	<u>9,698</u>
Cash flows from capital and related financing activities:	
Interest payments	(8,653)
Principal payments	<u>(202,140)</u>
Net cash used in capital and related financing activities	<u>(210,793)</u>
Cash flows from investing activities	
Purchase of property and equipment	(596,266)
Investment income received	7,856
Increase (decrease) in investments	<u>(7,591)</u>
Net cash provided by investing activities	<u>(596,001)</u>
Net Increase (decrease) in cash	(607,859)
Cash - beginning	<u>656,770</u>
Cash - ending	<u>\$ 48,911</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:	
Operating income (loss)	<u>\$ (21,134)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation	105,223
Change in operating assets and liabilities:	
Accounts receivables	108,851
Accounts payable and accrued liabilities	<u>(3,703)</u>
Net cash provided by operating activities	<u>\$ 189,237</u>

See notes to basic financial statements

**TOWN OF GOLDEN BEACH, FLORIDA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**RETIREMENT PLAN FOR EMPLOYEES OF THE TOWN OF GOLDEN BEACH**  
**SEPTEMBER 30, 2024**

<u>ASSETS</u>	
Cash and cash equivalents	\$ 956,191
Receivables:	
Interest and dividends	60,003
Employee contribution	27,136
Receivable for securities sold	43,465
Total receivables	<u>130,604</u>
Investments, at fair value:	
Common stock	10,284,514
Government securities	2,512,285
Alternative investments	43,900
Corporate bonds	1,615,360
Mutual funds	860,099
Real estate holdings	1,081,297
Total investments, at fair value	<u>16,397,455</u>
Prepaid expenses	<u>58,037</u>
Total assets	<u>17,542,287</u>
<u>LIABILITIES</u>	
Accounts payable	4,817
Prepaid town contributions	38,606
Due to broker	49,539
Total liabilities	<u>92,962</u>
Net position restricted for pensions	<u>\$ 17,449,325</u>



**TOWN OF GOLDEN BEACH, FLORIDA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**RETIREMENT PLAN FOR EMPLOYEES OF THE TOWN OF GOLDEN BEACH**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	<u>ADDITIONS</u>	
Contributions:		
Employer	\$	938,344
Employee		222,275
State		<u>24,652</u>
Total contributions		<u>1,185,271</u>
Investment income:		
Net appreciation in fair value of investments		2,333,959
Interest and dividends		393,721
Other income		<u>1,625</u>
Total investment income		<u>2,729,305</u>
Total additions		<u>3,914,576</u>
	<u>DEDUCTIONS</u>	
Benefits paid		675,413
Consulting expenses		113,364
Administrative expenses		56,587
Office expenses		17,864
Custodian fees		<u>1,566</u>
Total deductions		<u>864,794</u>
Net increase		<u>3,049,782</u>
Net position restricted for pensions		
Beginning of year		<u>14,399,543</u>
End of year	\$	<u>17,449,325</u>

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## NOTES TO BASIC FINANCIAL STATEMENTS

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**TOWN OF GOLDEN BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

**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 summary of the Town significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. The policies are considered essential and should be read in conjunction with the accompanying financial statements.

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:

**A. Financial 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.

**B. Government Wide and Fund 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.

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.

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.



**TOWN OF GOLDEN BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Government Wide and Fund Financial Statements (Continued)**

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.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

*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.

*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.



**TOWN OF GOLDEN BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

**Budgets:**

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

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

- a. Prior to July 1, the Town Manager submits to the Town Council, the budget estimates of expenditures and revenues of all Town departments for the fiscal year commencing the following October 1.
- b. Upon receipt of the annual budget estimates, the Town Council prepares an appropriation ordinance using the Town Manager's estimates as a basis.
- c. Public hearings are conducted at the Town Hall to obtain taxpayers' comments.
- d. Prior to October 1, the budget is legally enacted through passage of a resolution.
- e. The Town may not legally expend or contract to expend amounts in excess of the total amount of appropriate 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

Legislative	\$	101,856
Finance		14,067
Law enforcement		670,119
Physical environment		393,257
Special events		32,093

CIP Fund

General government	\$	101,856
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Law Enforcement Fund

Capital outlay: Public safety	\$	204,692
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**TOWN OF GOLDEN BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

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

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

**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.

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.



**TOWN OF GOLDEN BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

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.

**Equity classifications:**

**Government-wide statements**

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

- 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.
- 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.
- 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 2024, this category represents \$2,621,464.
- 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 2024, this category represents \$7,813,738.
- 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 2024, this category represents \$345,758.



**TOWN OF GOLDEN BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (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 2024, 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 2024, this category represents a deficit of \$1,206,827.

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, 2023, upon which the 2023-2024 levy was based, was approximately \$1,631,641,000. 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, 2024 was \$7.6015 per \$1,000 and \$0.7985 per \$1,000 for bond debt service.

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

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

**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.



**TOWN OF GOLDEN BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

**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.

**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, 2024, including time deposit accounts, demand deposit accounts and money market accounts, were held in institutions designated by the Treasurer of the State of Florida as "qualified public depositories" and were accordingly covered by a collateral pool as required by that Statute. Therefore, in accordance with GASB Codification 150.110, the deposits are treated as insured or collateralized with securities held by the entity or its agent in the entity's name. As of September 30, 2024, the carrying amount of the Town's deposits was \$1,935,791 with a bank balance of \$3,645,640.

**Investments – Town**

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.

Total governmental and proprietary investments at September 30, 2024, were as follows:

		Investment Maturities (in years)
	Fair Value	Less than 1
Certificates of deposit	\$ 7,650,379	\$ 7,251,186
Florida PRIME	1,042,156	1,042,156
	<u>\$ 8,692,535</u>	<u>\$ 8,293,342</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.



**TOWN OF GOLDEN BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**NOTE 3 - DEPOSITS AND INVESTMENTS(CONTINUED)**

The dollar weighted average days to maturity (WAM) of Florida PRIME at September 30, 2024, is 39 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, 2024, is 74 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.

**Investments – Pension Plan**

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
Corporate bonds	\$1,615,360	\$ 90,539	\$1,273,693	\$ 251,128
U.S. Government Securities	2,512,285	397,530	1,488,279	626,476
	<u>\$4,127,645</u>	<u>\$ 488,069</u>	<u>\$2,761,972</u>	<u>\$ 877,604</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, 2024, 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, 2024, 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:

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.



**TOWN OF GOLDEN BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**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.

**Investments – Pension Plan (Continued)**

Fair values of investments held by the Town's Fiduciary Investment Funds are classified at September 30, 2024 as follows:

		Fair Value Measurements Using		
		Quoted Prices		
		in Active	Significant	Significant
		Markets for	Other	Unobservable
		Identical	Observable	Inputs
		Assets	Inputs	Inputs
		(Level 1)	(Level 2)	(Level 3)
		9/30/2024		
Investments by fair value level:				
Debt securities:				
U.S. government obligations	\$ 2,512,285	\$ -	\$ 2,512,285	\$ -
Corporate bonds	1,615,360	-	1,615,360	-
Total debt securities	4,127,645	-	4,127,645	-
Equity securities:				
Common stock	10,284,514	10,284,514	-	-
Alternate investments	43,900	-	-	43,900
Mutual fund equities	860,099	860,099	-	-
Total equity securities	11,188,513	11,144,613	-	43,900
Total investments at fair value	15,316,158			
Investment Measured at Net Asset Value (NAV)*				
Core real estate fund	1,081,297			
Total investments	\$ 16,397,455			



**TOWN OF GOLDEN BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**NOTE 3 - DEPOSITS AND INVESTMENTS(CONTINUED)**

The Plans valuation methods for investments measured at the net asset value ("NAV") per share (or its equivalent) as of September 30, 2024, are as follows:

Investments Measured at the NAV				
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Real Estate Fund	\$ 1,081,297	\$ -	Quarterly	10 business days
Total investments measured at the NAV	\$ 1,081,297	\$ -		

The real estate fund invests primarily in core institutional-quality office, retail, industrial, and multi- family properties in the United States. The fair value of the investment in the fund is valued at the net asset value of units held at the end of the period based upon the fair value of the underlying investments.

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.

**NOTE 4 – CAPITAL ASSETS**

Capital asset activity of governmental activities for the year ended September 30, 2024 was as follows:

	Balance October 1, 2023	Additions	Deletions	Transfers	Balance September 30, 2024
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 1,878,598	\$ -	\$ -	\$ -	\$ 1,878,598
Construction in progress	8,303,987	3,135,930	-	-	11,439,917
Total capital assets not being depreciated	10,182,585	3,135,930	-	-	13,318,515
Capital assets being depreciated:					
Equipment and vehicles	4,697,760	1,125,990	-	-	5,823,750
Buildings	1,554,979	-	-	-	1,554,979
Infrastructure	26,124,350	22,037	-	-	26,146,387
Improvements other than buildings	3,705,081	-	-	-	3,705,081
Total capital assets being depreciated	36,082,170	1,148,027	-	-	37,230,197
Less accumulated depreciation for:					
Equipment and vehicles	(3,654,716)	(293,441)	-	-	(3,948,157)
Buildings	(716,632)	(39,951)	-	-	(756,583)
Infrastructure	(9,690,213)	(97,924)	-	-	(9,788,137)
Improvements other than buildings	(1,352,330)	(97,334)	-	-	(1,449,664)
Total accumulated depreciation	(15,413,891)	(528,650)	-	-	(15,942,541)
Total capital assets being depreciated, net	20,668,279	619,377	-	-	21,287,656
Governmental activities capital assets, net	\$ 30,850,864	\$ 3,755,307	\$ -	\$ -	\$ 34,606,171

**TOWN OF GOLDEN BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**NOTE 4 – CAPITAL ASSETS (CONTINUED)**

	Balance October 1, 2023	Additions	Deletions	Transfers	Balance September 30, 2024
Business-type activities:					
Capital assets not being depreciated:					
Construction in progress	\$ 67,737	\$ 416,528	\$ -	\$ -	\$ 484,265
Total capital assets not being depreciated	67,737	416,528	-	-	484,265
Capital assets being depreciated:					
Equipment and vehicles	-	179,738	-	-	179,738
Improvements other than buildings	16,892,934	-	-	-	16,892,934
Total capital assets being depreciated	16,892,934	179,738	-	-	17,072,672
Less accumulated depreciation for:					
Equipment and vehicles	-	(6,052)	-	-	(6,052)
Improvements other than buildings	(5,204,545)	(99,171)	-	-	(5,303,716)
Total accumulated depreciation	(5,204,545)	(105,223)	-	-	(5,309,768)
Total capital assets being depreciated, net	11,688,389	74,515	-	-	11,762,904
Business-type activities capital assets, net	\$11,756,126	\$ 491,043	\$ -	\$ -	\$ 12,247,169

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

Governmental activities	
General government	\$ 233,458
Public safety	172,451
Physical environment	69,557
Cultural and recreation	52,509
Special events	675
Total depreciation expense - governmental activities	<u>\$ 528,650</u>
Business-type activities:	
Stormwater drainage	<u>\$ 105,223</u>

Commitments: The Town has entered into various agreements related to construction projects. Outstanding commitments at September 30, 2024 amounted to approximately \$1,300,000.



**TOWN OF GOLDEN BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**NOTE 5 - LONG-TERM DEBT**

**Governmental Activities**

The following is a summary of changes in the long-term debt for the year ended September 30, 2024:

	Beginning	Additions	Reductions	Ending	Due Within One Year
Governmental activities:					
General Obligation Bonds, Series 2016	\$10,185,000	\$ -	\$ (510,000)	\$ 9,675,000	\$ 535,000
Capital Improvement Revenue Note, Series 2019	3,777,778	-	(222,222)	3,555,556	222,222
General Obligation Bonds, Series 2022	7,000,000	-	-	7,000,000	-
Bond premium	590,803	-	(30,230)	560,573	30,230
Compensated absences	672,847	104,486	-	777,333	-
Total governmental activities	<u>\$22,226,428</u>	<u>\$ 104,486</u>	<u>\$ (762,452)</u>	<u>\$21,568,462</u>	<u>\$ 787,452</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, 2024, the total outstanding balance is \$9,675,000.

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:

September 30,	Principal	Interest	Total
2025	\$ 535,000	\$ 367,057	\$ 902,057
2026	560,000	339,681	899,681
2027	585,000	311,056	896,056
2028	610,000	287,281	897,281
2029	625,000	268,366	893,366
2030-2034	3,475,000	994,275	4,469,275
2035-2038	3,285,000	269,100	3,554,100
Totals	<u>\$ 9,675,000</u>	<u>\$ 2,836,816</u>	<u>\$ 12,511,816</u>



**TOWN OF GOLDEN BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**NOTE 5 - LONG-TERM DEBT (CONTINUED)**

**Governmental Activities (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, 2024, the total outstanding balance is \$ 3,555,556.

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:

September 30,	Principal	Interest	Total
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
<b>Totals</b>	<b>\$ 3,555,556</b>	<b>\$ 844,800</b>	<b>\$ 4,400,356</b>

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.

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%.

**TOWN OF GOLDEN BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**NOTE 5 - LONG-TERM DEBT (CONTINUED)**

**Governmental Activities (Continued)**

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

September 30,	Principal	Interest	Total
2025	\$ -	\$ 353,619	\$ 353,619
2026	-	353,619	353,619
2027	-	353,619	353,619
2028	-	353,619	353,619
2029	-	353,619	353,619
2030-2034	-	1,768,094	1,768,094
2035-2039	360,000	1,768,094	2,128,094
2040-2044	2,060,000	1,516,525	3,576,525
2045-2049	2,640,000	939,488	3,579,488
2050-2052	1,940,000	207,113	2,147,113
Totals	\$ 7,000,000	\$ 7,967,409	\$ 14,967,409

**Business-type activities**

The following is a summary of changes in the long-term debt for the year ended September 30, 2024:

	Beginning	Additions	Reductions	Ending	Due Within One Year
Business-type activities:					
Department of Environmental Protection, Revolving Loans	\$ 1,392,737	\$ -	\$ (205,040)	\$ 1,187,697	\$ 202,170
Total business-type activities	\$ 1,392,737	\$ -	\$ (205,040)	\$ 1,187,697	\$ 202,170

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, 2024, the total outstanding balance is \$316,463.

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, 2024, the total outstanding balance is \$874,134.



**TOWN OF GOLDEN BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**NOTE 5 - LONG-TERM DEBT (CONTINUED)**

**Business-type activities (Continued)**

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

September 30,	Principal	Interest	Total
2025	\$ 202,170	\$ 8,365	\$ 210,535
2026	208,054	2,495	210,549
2027	48,374	230	48,604
2028	48,403	215	48,618
2029	48,432	201	48,633
2030-2034	242,595	785	243,380
2035-2039	243,324	420	243,744
2040-2042	146,345	76	146,421
Totals	\$ 1,187,697	\$ 12,787	\$ 1,200,484

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.

**NOTE 6 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Receivables at September 30, 2024 were as follows:

	Taxes receivable	Inter-governmental	Customer accounts	Other	Total
Governmental activities					
General Fund	\$ 25,328	\$ -	\$ -	\$ -	\$ 25,328
Capital improvement project fund	-	-	-	-	-
Debt service fund	10,686	-	-	-	10,686
Law enforcement fund	-	117,200	-	-	117,200
Total governmental activities	\$ 36,014	\$ 117,200	\$ -	\$ -	\$ 153,214
Business-type activities:					
Stormwater utility fund	\$ -	\$ -	\$ -	\$ (41,753)	\$ (41,753)
Total business-type activities	\$ -	\$ -	\$ -	\$ (41,753)	\$ (41,753)

Accounts payables at September 30, 2024 were as follows:

	Vendors	Subcontractors	Total
Governmental activities			
General Fund	\$ 337,669	\$ -	\$ 337,669.00
Capital improvement project fund	-	550,838	550,838
Law enforcement fund	23,648	-	23,648
Total governmental activities	\$ 361,317	\$ 550,838	\$ 912,155
Business-type activities:			
Stormwater utility fund	25,077	-	25,077
Total business-type activities	\$ 25,077	\$ -	\$ 25,077

**TOWN OF GOLDEN BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**NOTE 6 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)**

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:

	General Fund	CIP Fund	Law Enforcement Fund	Total
Transfers in	\$ 60,000	\$ 2,608,810	\$ -	\$ 2,668,810
Transfers out	(2,608,810)	-	(60,000)	(2,668,810)
Total	<u>\$ (2,548,810)</u>	<u>\$ 2,608,810</u>	<u>\$ (60,000)</u>	<u>\$ -</u>

During the year ended September 30, 2024, the Capital Improvement Fund received \$ 2,608,810 from the General Fund to provide funding for construction of the Town Civic Center.

Additionally, the General Fund received \$ 60,000 from the Law Enforcement Trust Fund. These transfers were in accordance with budgeted amounts.

**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, 2023:

	General Employees	Police Officers
Retirees and beneficiaries currently receiving benefits, including DROP, and terminated employees entitled to benefits but not yet receiving them	14	17
Active participants	31	20
Total	<u>45</u>	<u>37</u>



**TOWN OF GOLDEN BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**NOTE 7 – RETIREMENT PLANS (CONTINUED)**

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.

Net Pension Liability - The Town's net pension liability was determined based on a measurement date of September 30, 2023.

The components of the pension liability of the Town at September 30, 2024 were as follows:

	2024
Total pension liability	\$ 21,724,063
Plan fiduciary net position	(17,449,325)
Town's net pension liability	\$ 4,274,738
Plan fiduciary net position as a percentage of total liability	80.32%

Actuarial Assumptions - The total pension liability at September 30, 2023 was determined by using actuarial assumptions as of October 1, 2022, with update procedures used to roll forward the total pension liability to September 30, 2023. The actuarial valuations used the following actuarial assumptions:

Inflation	1.90%
Salary increases	5.00%, including inflation
Cost-of-living increases	None
Investment rate of return	6.64%, including inflation

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
Large Cap Value Equity	12.50%	5.80%
Large Cap Growth Equity	12.50%	6.10%
Mid Cap Value Equity	5.00%	6.20%
Mid Cap Growth Equity	5.00%	6.10%
Small Cap Value Equity	5.00%	6.00%
Small Cap Growth Equity	5.00%	4.70%
International Value Equity	5.00%	4.90%
International Growth Equity	5.00%	4.90%
Emerging Markets Equity	5.00%	5.90%
Private Real Estate	10.00%	4.60%
Infrastructure	5.00%	3.20%
Core Fixed Income	25.00%	1.30%

- Real rate of return are net of the long-term inflation assumption of 2.4% for 2024.

**TOWN OF GOLDEN BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**NOTE 7 – RETIREMENT PLANS (CONTINUED)**

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.

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	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances, as of September 30, 2023, Measurement Date	\$ 18,538,705	\$ 14,438,149	\$ 4,100,556
Changes for the year:			
Service cost	926,855	-	926,855
Expected interest growth	1,251,184	972,865	278,319
Demographic experience	1,148,446	1,643,076	(494,630)
Investment income	-	-	-
Contributions - employer	-	962,996	(962,996)
Contributions - members	-	222,275	(222,275)
Changes in benefit terms	123,671	-	123,671
Benefit payments, including refunds of member contributions	(675,413)	(675,413)	-
Assumption changes	410,615	-	410,615
Administrative expense	-	(76,017)	76,017
Net changes	3,185,358	3,049,782	135,576
Balances, as of September 30, 2024, Measurement Date	\$ 21,724,063	\$ 17,487,931	\$ 4,236,132

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:

Town Net Pension Liability		
1% Decrease	Current Single Discount Rate Assumption	1% Increase
5.64%	Rate 6.64%	7.64%
\$ 6,911,218	\$ 4,274,738	\$ 2,087,647



**TOWN OF GOLDEN BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**NOTE 7 – RETIREMENT PLANS (CONTINUED)**

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	\$ 1,024,324	\$ 1,837,645
Demographic changes	1,431,169	188,815
Changes in assumptions	560,099	156,057
Total	<u>\$ 3,015,592</u>	<u>\$ 2,182,517</u>

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

Years ending September 30,	
2025	\$ 240,152
2026	314,986
2027	(163,904)
2028	(8,241)
2029	326,839
Thereafter	123,243
	<u>\$ 833,075</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.



**TOWN OF GOLDEN BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

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	50
Total plan member	51

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, 2024 was based on an actuarial valuation dated October 1, 2022 with a measurement date of September 30, 2024, using the following actuarial assumptions:

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).



**TOWN OF GOLDEN BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

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.
Spousal age COBRA	Husbands are assumed to be three years older than wives.  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.

Discount Rate - The discount rate used to measure the total OPEB liability at September 30, 2024 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, 2024, are as follows:

Measurement Year Ended September 30, 2024	
Total OPEB Liability:	
Service cost	\$ -
Interest on total OPEB liability	-
Benefit payments	-
Amortization payments	-
Demographic gain	-
Assumption changes	-
Net change in total OPEB liability	-
Total OPEB liability, beginning	3,394,176
Total OPEB liability, ending	\$ 3,394,176

**TOWN OF GOLDEN BEACH, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**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	\$ 6,557,408	\$ 3,838,774	\$ 1,564,312

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:

	Trend Rate Decrease 7.00% decreasing to 4.00%	Trend Rate Assumption 8.00% decreasing to 5.00%	Trend Rate Increase 9.00% decreasing to 6.00%
Total OPEB liability	\$ 6,557,408	\$ 3,838,774	\$ 1,564,312

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB - For the year ended September 30, 2023, the Town recognized OPEB expense of \$ 66,376. At September 30, 2023, 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
2025	\$ (90,181)
2026	(90,181)
2027	(90,181)
2028	(96,776)
Thereafter	(404,976)
	<u>\$ (772,295)</u>

**NOTE 10 – RISK MANAGEMENT**

For the year ended September 30, 2024, 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 10 – COMMITMENTS AND 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.



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REQUIRED SUPPLEMENTARY INFORMATION

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**TOWN OF GOLDEN BEACH, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	Budgeted Amounts			Variance with Final Budget Positive/(Negative)
	Original	Final	Actual	
Revenues:				
Property taxes	\$ 11,964,291	\$ 11,964,291	\$ 12,418,738	\$ 454,447
Franchise fees	8,800	8,800	17,517	8,717
Utility taxes	23,000	23,000	32,411	9,411
Licenses and permits	1,281,500	1,281,500	2,990,151	1,708,651
Sales, use, and fuel taxes	181,347	181,347	178,704	(2,643)
Grant proceeds	-	-	278,687	278,687
State shared revenues	48,171	48,171	51,178	3,007
Cultural and recreation	-	-	17,650	17,650
Fines and forfeitures	39,000	39,000	401,999	
Investment income	100,000	100,000	109,755	9,755
Special assessment	349,466	349,466	336,335	(13,131)
Miscellaneous	71,100	71,100	257,816	186,716
Total revenues	14,066,675	14,066,675	17,090,941	2,661,267
Expenditures:				
General government	4,312,776	4,312,776	2,306,266	2,006,510
Legislative	154,411	154,411	256,267	(101,856)
Executive	1,061,819	1,061,819	1,040,178	21,641
Town legal counsel	179,500	179,500	113,667	65,833
Finance	483,018	483,018	497,085	(14,067)
Law enforcement	4,829,903	4,829,903	5,500,022	(670,119)
Protective inspections	1,169,646	1,169,646	989,593	180,053
Physical environment	1,396,119	1,396,119	1,789,376	(393,257)
Transportation	972,587	972,587	900,402	72,185
Parks and recreation	1,188,058	1,188,058	867,278	320,780
Special events	641,703	641,703	673,796	(32,093)
Total expenditures	16,389,540	16,389,540	14,933,930	1,455,610
Excess (deficiency) of revenues over expenditures	(2,322,865)	(2,322,865)	2,157,011	4,479,876
Other financing sources (uses):				
Transfers in	444,994	444,994	60,000	(384,994)
Transfers out	(278,518)	(278,518)	(2,608,810)	(2,330,292)
Total other financing sources (uses)	166,476	166,476	(2,548,810)	(2,715,286)
Revenues over (under) expenditures and other financing sources (uses)	(2,156,389)	(2,156,389)	(391,799)	1,764,590
Fund balance appropriated	2,156,389	2,156,389	-	(2,156,389)
Net change in fund balance	\$ -	\$ -	(391,799)	\$ (391,799)
Fund balance - beginning			6,581,063	
Fund balance - ending			\$ 6,189,264	

See notes to budgetary comparison schedule



**TOWN OF GOLDEN BEACH, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - CIP FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Investment income	\$ 70,000	\$ 70,000	\$ 399,262	\$ 329,262
Total revenues	<u>70,000</u>	<u>70,000</u>	<u>399,262</u>	<u>329,262</u>
Expenditures:				
Current:				
General government	-	-	149,509	(149,509)
Debt service				
Principal retirement	222,222	222,222	222,222	-
Interest	<u>56,296</u>	<u>56,296</u>	<u>109,828</u>	<u>(53,532)</u>
Capital outlay:				
General government	<u>7,179,947</u>	<u>7,179,947</u>	<u>3,852,874</u>	<u>3,327,073</u>
Total expenditures	<u>7,458,465</u>	<u>7,458,465</u>	<u>4,334,433</u>	<u>3,124,032</u>
Excess (deficiency) of				
revenues over expenditures	<u>(7,388,465)</u>	<u>(7,388,465)</u>	<u>(3,935,171)</u>	<u>3,453,294</u>
Other financing sources (uses) :				
Transfers in	<u>(388,465)</u>	<u>(388,465)</u>	<u>2,608,810</u>	<u>(2,997,275)</u>
Total other financing sources (uses)	<u>(388,465)</u>	<u>(388,465)</u>	<u>2,608,810</u>	<u>(2,997,275)</u>
Revenues over (under) expenditures and				
other financing sources (uses)	<u>(7,776,930)</u>	<u>(7,776,930)</u>	<u>(1,326,361)</u>	<u>6,450,569</u>
Fund balance appropriated	-	-	-	-
Net change in fund balance	<u>\$ (7,776,930)</u>	<u>\$ (7,776,930)</u>	<u>(1,326,361)</u>	<u>\$ 6,450,569</u>
Fund balance, beginning			<u>4,650,221</u>	
Fund balance, ending			<u>\$ 3,323,860</u>	

See notes to budgetary comparison schedule

**TOWN OF GOLDEN BEACH, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - LAW ENFORCEMENT FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental	\$ 241,871	\$ 241,871	\$ 183,221	\$ (58,650)
Interest	4,000	4,000	20,296	16,296
Total revenues	<u>245,871</u>	<u>245,871</u>	<u>203,517</u>	<u>(42,354)</u>
Expenditures:				
Current:				
Public safety	<u>185,871</u>	<u>185,871</u>	<u>121,489</u>	<u>64,382</u>
Capital outlay:				
Public safety	<u>-</u>	<u>-</u>	<u>204,692</u>	<u>(204,692)</u>
Total expenditures	<u>185,871</u>	<u>185,871</u>	<u>326,181</u>	<u>(140,310)</u>
Excess of revenues over expenditures	<u>60,000</u>	<u>60,000</u>	<u>(122,664)</u>	<u>(182,664)</u>
Other financing sources (uses) :				
Transfers out	<u>(60,000)</u>	<u>(60,000)</u>	<u>(60,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(60,000)</u>	<u>(60,000)</u>	<u>(60,000)</u>	<u>-</u>
Revenues over (under) expenditures and other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(182,664)</u>	<u>(182,664)</u>
Fund balance appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(182,664)</u>	<u>\$ (182,664)</u>
Fund balance, beginning			<u>190,261</u>	
Fund balance, ending			<u>\$ 7,597</u>	

See notes to budgetary comparison schedule



**RETIREMENT PLAN FOR EMPLOYEES OF THE TOWN OF GOLDEN BEACH**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN THE TOWN'S**  
**NET PENSION (ASSET) LIABILITY AND RELATED RATIOS**

September 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total pension liability</b>										
Service cost	\$ 926,855	\$ 774,853	\$ 625,872	\$ 604,947	\$ 626,710	\$ 646,789	\$ 372,701	\$ 355,307	\$ 410,000	\$ 412,000
Expected interest growth	1,251,184	1,121,776	1,020,931	997,034	928,482	725,127	767,653	702,846	649,000	540,000
Differences between expected and actual experience	1,148,446	634,716	(125,105)	(329,942)	(52,042)	164,367	113,395	537,419	(21,000)	(13,000)
Changes in assumptions	410,615	-	-	(388,109)	-	1,739,683	-	(434,803)	48,778	-
Changes in benefit terms	123,671	18,824	477,284	-	-	209,462	-	-	-	-
Benefit payments, including refunds of member contributions	(675,413)	(624,872)	(556,671)	(505,750)	(399,491)	(373,621)	(324,318)	(329,527)	(308,000)	(347,000)
Net change in total pension liability	3,185,358	1,925,297	1,442,311	378,180	1,103,659	3,111,807	929,431	831,242	778,778	592,000
Total pension liability- Beginning	18,538,705	16,613,408	15,171,097	14,792,917	13,689,258	10,577,451	9,648,020	8,816,778	8,038,000	7,446,000
Total pension liability- Ending (a)	\$ 21,724,063	\$ 18,538,705	\$ 16,613,408	\$ 15,171,097	\$ 14,792,917	\$ 13,689,258	\$ 10,577,451	\$ 9,648,020	\$ 8,816,778	\$ 8,038,000
<b>Plan fiduciary net position</b>										
Employer and State Contributions	962,996	804,330	641,763	708,853	700,022	637,382	588,601	513,696	457,855	428,000
Employee Contributions	222,275	356,665	153,458	159,195	153,944	156,672	152,113	120,499	110,543	102,000
Expected interest growth	970,444	861,976	942,508	780,968	723,717	809,028	719,791	618,943	-	-
Net investment income	1,645,497	363,365	(2,445,967)	1,525,821	(108,023)	(545,142)	57,584	373,099	438,000	(50,000)
Benefit payments, including refunds of member contributions	(675,413)	(624,872)	(556,671)	(505,750)	(398,771)	(373,621)	(324,318)	(329,527)	(308,000)	(347,000)
Pension Plan Administrative Expense	(76,017)	(80,963)	(183,246)	(187,729)	(158,381)	(60,517)	(57,496)	(129,160)	(60,694)	(40,000)
Other	-	-	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	3,048,782	1,680,501	(1,448,155)	2,501,358	912,508	623,802	1,136,275	1,167,550	637,704	93,000
Plan fiduciary net position - Beginning	14,399,543	12,719,042	14,167,197	11,665,839	10,753,331	10,129,529	8,993,254	7,825,704	7,188,000	7,095,000
Plan fiduciary net position - Ending	\$ 17,448,325	\$ 14,399,543	\$ 12,719,042	\$ 14,167,197	\$ 11,665,839	\$ 10,753,331	\$ 10,129,529	\$ 8,993,254	\$ 7,825,704	\$ 7,188,000
Net pension (asset) liability - ending (a) - (b)	\$ 4,274,738	\$ 4,139,162	\$ 3,894,366	\$ 1,003,900	\$ 3,127,078	\$ 2,935,927	\$ 447,922	\$ 654,766	\$ 991,074	\$ 850,000
Plan fiduciary net position as a percentage of the total pension liability	80.32%	77.67%	76.56%	93.38%	78.86%	78.55%	95.77%	93.21%	88.76%	89.43%
Covered payroll	\$ 3,432,452	\$ 2,731,513	\$ 2,382,031	\$ 2,453,333	\$ 2,391,820	\$ 2,474,969	\$ 2,080,445	\$ 1,911,850	\$ 2,258,192	\$ 2,159,806
Net pension liability as a percentage of covered payroll	124.54%	151.53%	163.49%	40.92%	130.74%	118.62%	21.53%	34.25%	43.89%	39.36%

**Notes to Schedule:**

\* TPL and NPL include DROP Accounts.

The Town's net pension liability is increased by \$38,606 in 2024, 2023, and 2022 for prepaid Town contributions. This amount is considered to be a liability of the Plan for financial statement reporting purposes. These prepaid contributions are deducted from the net pension liability for actuarial purposes.

**RETIREMENT PLAN FOR EMPLOYEES OF THE TOWN OF GOLDEN BEACH**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF TOWN CONTRIBUTIONS**  
**LAST TEN FISCAL YEARS**

<u>Fiscal Year Ending September 30,</u>	<u>Actuarilly Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll #</u>	<u>Actual Contributions as a % of Covered Payroll</u>
2015	427,817	427,817	-	2,159,806	19.81%
2016	457,855	457,855	-	2,258,192	20.28%
2017	513,696	513,696	-	1,911,580	26.87%
2018	588,601	588,601	-	2,080,445	28.29%
2019	637,382	637,382	-	2,474,969	25.75%
2020	700,022	700,022	-	2,391,820	29.27%
2021	708,853	708,853	-	2,453,333	28.89%
2022	641,763	680,369	(38,606)	2,382,031	28.56%
2023	804,330	804,330	-	2,731,513	29.45%
2024	942,466	962,996	(20,530)	3,432,452	28.06%

# Based on payroll figures from the corresponding September 30 valuation.

**Notes to Schedule of Contributions**

Valuation date:

October 1, 2023

Note

Actuarially determined contribution rates are calculated as of September 30, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

**Methods and Assumptions Used to Determine Contribution Rates for the Fiscal Year Ending September 30, 2024:**

Discount rate	6.64% per annum (1.90% attributable to long-term inflation); this rate was used to discount all future benefit payments.
Salary Increases	5.00% per annum
Cost of living increases	None assumed
Mortality basis	For general employees prior to retirement, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Below Median Employee Mortality Table for general employees, with full generational improvements in mortality using Scale MP-2018 and with male ages set back one year; for general employees after retirement, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Below Median Healthy Retiree Mortality Table for general employees, with full generational improvements in mortality using Scale MP-2018 and with male ages set back one year; for police officers prior to retirement, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Employee Mortality Table for public safety employees (Below Median table for males), with full generational improvements in mortality using Scale MP-2018 and with ages set forward one year; for non-disabled police officers after retirement, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Healthy Retiree Mortality Table for public safety employees (Below Median table for males), with full generational improvements in mortality using Scale MP-2018 and with ages set forward one year; and for disabled police officers after retirement, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Disabled Retiree Mortality Table (80% general employee rates plus 20% public safety employee rates), with full generational improvements in mortality using Scale MP-2018; 75% of pre-retirement deaths for police officers and 25% of pre-retirement deaths for general employees are assumed to occur in the line of duty.



**RETIREMENT PLAN FOR EMPLOYEES OF THE TOWN OF GOLDEN BEACH**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF TOWN CONTRIBUTIONS**  
**LAST TEN FISCAL YEARS**

Retirement	With respect to eligible general employees, retirement is assumed to occur at the rate of 5% at each of ages 55 through 61, 60% at age 62, 40% at each of ages 63 and 64, and 100% at age 65 or at the attainment of normal retirement age; 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 or at the attainment of normal retirement age; with respect to police officers who have earned at least 20 years of service, retirement is assumed 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 or at the attainment of normal retirement age; with respect to the Town Manager, 100% retirement is assumed to occur at normal retirement age.
Other decrements	Assumed employment termination is based on the Scale 155 Table; assumed disability is based on the Wyatt 1985 Disability Study (Class 2), with 75% of disabilities for police officers and 25% of disabilities for general employees assumed to occur in the line of duty.
Form of payment	All future retirees are assumed to select the 10-year certain and life annuity.
Marriage assumption	All non-retired participants are assumed to be married, with husbands assumed to be three years older than wives.
Non-investment expenses	Assumed to equal the actual prior year expenses.
Future contributions	Contributions from the employer and employees are assumed to be made as legally required.
Changes	Since the prior measurement date, 100% retirement has been assumed at normal retirement age and the retirement rates prior to normal retirement for general employees have been increased.

**RETIREMENT PLAN FOR EMPLOYEES OF THE TOWN OF GOLDEN BEACH**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF INVESTMENT RETURNS**

September 30,	<u>2024</u>	<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>
Annual money-weighted rate of return, net of investment expense	17.72%	9.50%	-11.42%	18.73%	4.75%	2.62%	8.42%	11.78%	6.19%	-0.67%

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## COMPLIANCE SECTION

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Accountants  
Advisors

**INDEPENDENT AUDITORS' 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 Members of the Town Council  
Town of 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 information of the Town of Golden Beach, Florida (the Town), as of and for the fiscal year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated June XX, 2025.

**Report on 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Town'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 and therefore, 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, described in the accompanying schedule of findings and responses as items 2023-01, 2023-03, and 2024-01 that we consider to be significant deficiencies.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town's financial statements are free from 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* and which are described in the accompanying schedule of findings and responses as items 2023-01, 2023-03, and 2024-01.

**Town's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Town's response to the findings identified on our audit is described in the accompanying schedule of findings and responses. The Town's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.



### **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 Town'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 Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*DRAFT*

Caballero Fierman Llerena & Garcia, LLP

Miami, Florida  
June XX, 2025

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**TOWN OF GOLDEN BEACH, FLORIDA**  
**SUMMARY OF PRIOR YEAR AUDIT FINDINGS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

**PRIOR YEAR COMMENTS AND STATUS**

The following addresses the status of financial statement findings reported in the fiscal year ended September 30, 2023 schedule of findings and responses:

Matters that are modified and repeated in the accompanying schedule of findings and responses:

- 2023-01 Accounting System and Update (Repeated)
- 2023-03 Update Month-End and Year-End Closing Schedule Procedures (Modified)

Matters that are not repeated in the accompanying schedule of findings and responses:

- 2023-02 Accounts Payable Tracking and Reconciliation

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**TOWN OF GOLDEN BEACH, FLORIDA  
SCHEDULE OF FINDINGS AND RESPONSES  
FISCAL YEAR ENDED SEPTEMBER 30, 2024**

**FINANCIAL STATEMENT FINDINGS AND RECOMMENDATIONS**

**I - CURRENT YEAR FINANCIAL STATEMENT FINDINGS AND RECOMMENDATIONS**

**SIGNIFICANT DEFICIENCIES**

**2023-01 Accounting System Evaluation 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.

**View of responsible officials and planned corrective actions**

[Town's response]

**2023-03 Internal Control Over Financial Reporting**

**Criteria**

Prudent timely completion and review of account reconciliations and closure of accounting periods provides the ability to apply proper fiscal management/oversight. Municipalities should have adequate staffing to provide for a formal review of general ledger activity and account balances periodically to identify potential concerns and imbalances throughout fund activity.

**Condition**

Timely preparation and accurate account reconciliations are key to maintaining adequate control over financial reporting. During the performance of our fieldwork procedures, we noted several misstatements throughout the audit in the areas of revenues and accounts receivable suggesting the financial information provided was not complete and not fully adjusted as mentioned in finding 2024-01.

**Cause**

Insufficient controls in place to ensure appropriate review of financial reporting and timely closure of accounting periods. Insufficient records kept for reviews and approvals by management for transactions.

**Effect**

We identified several misstatements during the course of our audit and provided them to management, who made the corrections to the appropriate accounts and reconciliations. Without proper review, the effects may lead to misappropriation of assets, delays in financial reporting, and material misstatements.

**TOWN OF GOLDEN BEACH, FLORIDA**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2024**

**FINANCIAL STATEMENT FINDINGS AND RECOMMENDATIONS (CONTINUED)**

**I - CURRENT YEAR FINANCIAL STATEMENT FINDINGS AND RECOMMENDATIONS (CONTINUED)**

**SIGNIFICANT DEFICIENCIES (CONTINUED)**

**2023-03 Internal Control Over Financial Reporting (Continued)**

**Recommendation**

We recommend the Town evaluate internal controls in place in the finance department to provide for timely accounting period closure and proper review of account activity.

**View of responsible officials and planned corrective actions**

[Town's response]

**2024-01 Inadequate Accounting Systems for Tracking Capital Assets**

**Criteria**

According to generally accepted accounting principles (GAAP) for governmental entities, an effective accounting system should accurately track and report capital assets to ensure complete and timely financial reporting. This includes maintaining detailed capital asset ledgers, ensuring proper authorization and recording of additions and disposals, and accurately calculating and recording depreciation.

**Condition**

During our audit, we noted that the Town does not have an adequate accounting system in place to effectively track its capital assets. The Town is not properly maintaining records of capital asset additions, deductions, construction in progress (CIP) transfers, and depreciation. This lack of proper tracking increases the risk of errors and delays in financial reporting.

**Cause**

The Town lacks an integrated financial management system capable of simultaneously recording and tracking capital asset information. This deficiency forces the Town to rely on manual processes, which are prone to errors and inefficiencies.

**Effect**

The reliance on manual processes for tracking capital assets has resulted in delays and inaccuracies in financial reporting. This situation increases the risk of material misstatements in the Town's financial statements and may lead to non-compliance with GAAP.

**Recommendation**

We recommend that the Town invest in an integrated financial management system that includes capabilities for tracking capital assets. This system should automate the recording and reporting processes, reducing the reliance on manual data entry and improving the accuracy and timeliness of financial reporting. Additionally, the Town should provide training to accounting personnel to ensure they are proficient in using the new system.

**View of responsible officials and planned corrective actions**

[Town's response]





Accountants  
Advisors

## MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

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

### Report on the Financial Statements

We have audited the basic financial statements of Town of Golden Beach, Florida (the Town), as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated June XX, 2025.

### Auditors' 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 Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, and Independent Accountants' 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 and schedule, which are dated June XX, 2025, 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 financial audit report. There were no findings or recommendations made in the preceding 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 financial statements. This information is disclosed in the notes to the financial statements, Note 1.

### Financial Condition and Management

Section 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 met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that the Town did not meet any of the conditions described in Section 215.503(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 for the Town. 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 review of financial information provided by same. This assessment has been performed as of the fiscal year end.

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.

#### **Property Assessed Clean Energy (PACE) Programs**

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, the Town did not operate a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, within the Town's geographical boundaries during the fiscal year under audit.

#### **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 warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

#### **Purpose of this 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, Town Council and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*DRAFT*

Caballero Fierman Llerena & Garcia, LLP  
Miami, Florida  
June XX, 2025





Accountants  
Advisors

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE PURSUANT TO SECTION 218.415  
FLORIDA STATUTES**

Honorable Mayor and Members of the Town Council  
Town of 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 during the period of October 1, 2023 to September 30, 2024. Management is responsible for the Town's compliance with the specified requirements. Our responsibility is to express an opinion on the Town's compliance 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 specified requirements. In our opinion, the Town complied, in all material respects, with the requirements of Section 218.415 Florida Statutes during the period of October 1, 2023 to September 30, 2024.

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

*DRAFT*

Caballero Fierman Llerena & Garcia, LLP  
Miami, Florida  
June XX, 2025

### **Response to Finding 2023-01: Accounting System Evaluation Update**

Management concurs with the findings and recognizes the limitations of the Town's current accounting system in meeting both internal operational needs and external financial reporting requirements.

In response to these challenges, the Town has taken concrete steps to address this deficiency. A new accounting system is being approved on the current agenda, which will significantly improve functionality in key areas such as accounts payable/vendor management, fixed assets, receivables, and financial report generation. The selected system is designed to better support governmental accounting requirements and will streamline internal processes, reduce manual workarounds, and enhance the efficiency and accuracy of financial data.

Implementation planning will begin immediately following approval, with a focus on ensuring a smooth transition and proper staff training to maximize the benefits of the new system.

We appreciate the recommendation and are committed to strengthening the Town's financial infrastructure.

### **Response to Finding 2023-03: Internal Control Over Financial Reporting**

Management acknowledges the finding and concurs that timely account reconciliations and closure of accounting periods are essential to maintaining strong internal control over financial reporting.

We recognize that, during the audit period, some reconciliations were not completed or reviewed with the level of timeliness and oversight necessary to prevent potential misstatements. In response, the Town is actively taking steps to strengthen internal controls within the Finance Department. These corrective actions include:

- Implementation of a new accounting system, which is being approved as part of the current agenda. This system will enhance tracking, reconciliation, and reporting capabilities, and support more efficient monthly closings and account reviews.
- Development of formal month-end and year-end close procedures, including documented timelines, review checklists, and sign-offs to ensure responsibilities are clearly assigned and completed.
- Increased oversight and review by senior finance staff, including the Finance Director, to ensure timely reconciliation of key accounts and proper review of general ledger activity.
- It is important to note that this past year a member of our Finance Team was dealing with significant health challenges that may have attributed to some minor delays.

These actions will improve the accuracy and reliability of the Town's financial information, reduce the risk of misstatements, and ensure stronger oversight moving forward.

We are committed to continuous improvement of our financial operations and internal controls.



## **Response to Finding 2024-01: Inadequate Accounting Systems for Tracking Capital Assets**

Management concurs with the finding and acknowledges the current deficiencies in the Town's fixed asset tracking processes.

The Town has been relying on a combination of manual methods and an antiquated fixed asset program known as **CMI**, which lacks modern functionality and limits efficient data entry, reporting, and multi-user access. The limitations of CMI have made it difficult to properly track asset additions, disposals, CIP transfers, and depreciation, resulting in reporting delays and an increased risk of errors.

To address this issue, the Town is **approving the implementation of a new integrated accounting system** as part of the current agenda. The selected system includes a **comprehensive fixed asset module** that will automate key processes, improve accuracy, and provide the tools necessary for timely and compliant capital asset reporting.

Finance staff will receive appropriate training on the new system, and internal procedures will be updated to support more efficient and accurate asset management.

The Town is committed to strengthening its financial controls and aligning with GAAP requirements through the implementation of this critical system upgrade.