Town of Golden Beach, Florida

Basic Financial Statements For the Year Ended September 30, 2019



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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Town of Golden Beach, Florida (the "Town"), as of and for the fiscal year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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



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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules related to pensions and other post-employee benefits information and budgetary comparison information on pages 3 through 8 and 51 through 56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 21, 2020, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

KEEFE McCULLOUGH

Keefe McCullough

Fort Lauderdale, Florida May 21, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

(NOT COVERED BY INDEPENDENT AUDITORS' REPORT)



Our discussion and analysis of the financial performance of Town of Golden Beach, Florida (the "Town") provides an overview of the Town's financial activities for the fiscal years ended September 30, 2019 and 2018. Please read it in conjunction with the Town's financial statements, which immediately follow this discussion.

Financial Highlights

The following are highlights of financial activities for the fiscal year ended September 30, 2019:

- The Town's net position, which total assets and deferred outflows less liabilities and deferred inflows, was \$21,574,962. Governmental net position totaled \$12,005,047 and business-type net position totaled \$9,569,915.
- Governmental activities revenues were \$11,373,110. The expenses of governmental activities were \$11,587,591.
- Business-type activities revenues were \$ 507,458 and business-type expenses amounted to \$ 659,106.

Town Highlights

This past year the Town celebrated the 90th Anniversary of its incorporation and a major financial achievement was achieved as there was an increase in home values staying over the billion dollar mark in assessed values for a Town with only 390 buildable lots.

The Administration focused on creating a strong foundation on which to continue success, to that end:

- The Town was awarded their irrigation and landscape contract to Mainguy Landscaping at a significant savings to residents, while still maintaining the same level of excellent service the community is accustomed to being provided with.
- The Town awarded the Canal Maintenance Contract for the Town's waterways to have proper navigable clearance for vessels (first time since the Town was incorporated).
- Enhancements were made to the Town's 9-exsisting parks by adding a Pickleball Court to their recreational facilities.
- The Police Department went through an in-depth on-site assessment by a team of assessors from the Commission for Florida Law Enforcement Accreditation (CFA).
 The team recommended that the department be re-accredited for an additional three (3) years.
- In fiscal year 2019, 775 applications for permits were received and processed in the Building and Zoning Department. Within those applications 6 new homes were approved, 7 renovations and additions, 13 seawalls, docks and boat lifts, and 6 variance requests were received. In additions 238 Building permits were issued and of that 6 were for new homes, 9 were for additions and remodels, and 4 demolition permits for existing homes.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to basic financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements: The government-wide financial statements, which consist of the following two statements, are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private sector business:

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

Statement of activities:

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

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

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the year. Such information may be useful in evaluating the Town's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide reconciliations to facilitate this comparison between governmental funds and governmental activities. The governmental fund financial statements can be found on pages 12 through 20 of this report.

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

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

Notes to basic financial statements: The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found on pages 26 through 50 of this report.

Required supplementary information: In addition to the basic financial statements and accompanying notes, this report also presents certain required and other supplementary information concerning the Town of Golden Beach. Required supplementary information can be found on pages 51 through 56 of this report.

Government-Wide Financial Analysis

The table below presents condensed statements of net position as of September 30, 2019 and 2018:

Statements of Net Position
September 30, 2019 and 2018

		Governme	ental /	Activities		Business-T	уре	Activities		Total Primary Government		
	_	2019		2018	_	2019		2018	_	2019		2018
Current and Other Assets	\$	4,644,832	\$	4,056,462	\$	653,436	\$	567,621	\$	5,298,268	\$	4,624,083
Capital Assets (NET)	_	25,767,739	_	26,201,892	_	11,848,808	_	12,060,352	_	37,616,547	_	38,262,244
Total assets	_	30,412,571	_	30,258,354	_	12,502,244	_	12,627,973	_	42,914,815	_	42,886,327
Total deferred outflows of resources	_	2,438,736	_	702,311	_		_		_	2,438,736	_	702,311
Current and Other Liabilities		1,313,379		1,250,670		2,017,319		1,848,620		3,330,698		3,099,290
Long-Term Liabilities	_	19,745,710	_	17,485,194	_	915,010	_	1,057,790	_	20,660,720	_	18,542,984
Total liabilities	_	21,059,089	_	18,735,864	_	2,932,329	_	2,906,410	_	23,991,418	_	21,642,274
Total deferred inflows of resources	-	388,130	_	571,811	_		_		_	388,130	_	571,811
Net Position: Net investment in capital assets Unrestricted (deficit)	_	14,186,392 (2,181,345)	_	14,413,623 (2,194,095)	_	10,791,018 (1,221,103)	_	10,862,423 (1,140,860)	_	24,977,410 (3,402,448)	_	25,276,046 (3,334,955)
Total net position	\$ =	12,005,047	\$ =	12,219,528	\$_	9,569,915	\$ _	9,721,563	\$ _	21,574,962	\$ _	21,941,091

The following table presents condensed statements of activities for the years ended September 30, 2019 and 2018:

Statements of Activities
For the Years Ended September 30, 2019 and 2018

										Т	otal	
	_	Governme	ental	Activities	_	Business-T	ype /	Activities	_	Primary (Gove	rnment
		2019		2018		2019		2018		2019		2018
Revenues:												
Program revenues:												
Charges for services	\$	1,386,496	\$	1,252,696	\$	218,174	\$	329,062	\$	1,604,670	\$	1,581,758
Grants		440,806		119,167		-		-		440,806		119,167
General revenues:												
Property taxes		9,005,289		8,313,764		-		-		9,005,289		8,313,764
Other general revenues		374,930		423,644		6,269		867		381,199		424,511
Other taxes and fees	-	181,465	-	173,862	_	283,015	_	272,892	-	464,480	_	446,754
Total revenues	_	11,388,986	_	10,283,133	_	507,458	_	602,821	_	11,896,444	_	10,885,954
										To	otal	
		Governme	ntal A	Activities		Business-T	ype A	ctivities		Primary G	over	nment
	_	2019		2018		2019		2018	_	2019		2018
Program Expenses:	_		_				_		_			
General government		2,343,926		2,733,962		-		-		2,343,926		2,733,962
Public safety		4,289,007		4,127,111		-		-		4,289,007		4,127,111
Physical environment		2,418,115		1,396,877		-		-		2,418,115		1,396,877
Transportation		928,531		668,082		-		-		928,531		668,082
Cultural and recreation		750,547		776,363		-		-		750,547		776,363
Special events		385,390		238,370		-		-		385,390		238,370
Interest expense		487,951		498,966		-		-		487,951		498,966
Stormwater drainage	_	-	_	-	_	659,106	_	735,818	_	659,106.00	_	735,818
Total expenses	_	11,603,467	_	10,439,731	_	659,106	_	735,818	_	12,262,573	_	11,175,549
Change in												
net position	\$_	(214,481)	\$_	(156,598)	\$_	(151,648)	\$_	(132,997)	\$_	(366,129)	\$	(289,595)

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

General discussion on revenues: Several areas can be identified which directly impact this current reporting period and the next fiscal year's revenues. Property tax revenue is the major revenue source in the governmental activities, accounting for approximately 79% of all governmental activities revenue during fiscal year 2019. The millage rate established by the Town Council during the budget process determines how much property tax revenue is generated. One mill of tax equals one dollar for each one thousand dollars of assessed property value as determined by the Miami-Dade County Property Assessor. The ad valorem (property tax) rate was at 7.48000 mills for general government services and \$.9200 for bond debt service during the 2018-2019 fiscal year. Property values have increased by approximately 6% over the previous year. This increase is a direct reflection of the current economic climate of the United States. During prosperous economic periods, property values generally increase, which correspondingly increases property tax revenue.

General discussion on expenses: Expenses for governmental activities were \$ 11,587,591 and \$ 659,106 for business-type activities. The Town is predominantly a service provider and, therefore, its major expense is salaries and benefits. The salaries are specifically affected by cost of living, merit adjustments, and collective bargaining agreements while benefit costs are closely linked to health insurance rates.

Analysis of the Governmental Funds

The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds: The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$ 2,860,346, an increase of \$ 622,182.

The General Fund balance increased to \$5,717,651 during the current fiscal year, an increase of \$615,604.

Proprietary fund: The Town's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. Net position of the Stormwater Utility Fund amounted to \$9,569,915 at the end of FY2019, a decrease of \$151,648 from the prior fiscal year. Factors concerning the finances of this Fund are covered in more detail in the discussion of the Town of Golden Beach's business-type activities in the Government-wide Financial Analysis section of Management's Discussion and Analysis.

General Fund Budgetary Highlights

General Fund revenues were \$524,618 favorable to the final budget projections and total expenditures were \$90,986 favorable to final budget projections. Major variances between budgeted and actual amounts in the General Fund are as follows:

- a. Building permit revenues were \$508,902 above budgeted amounts due to new applications for construction during the year.
- b. General governmental operating expenditures were \$ 704,077 less than budgeted amounts due to projects being funded from the Capitol Improvement Fund.
- c. General fund budget was amended for the reclassification of certain expenditures not provided for in the original budget. These amendments increased overall budgeted expenditures by approximately \$ 117,000.

Capital Assets and Debt Administration

Capital assets: The Town had capital assets of \$ 37,616,547 and \$ 38,262,244, net of depreciation, as of September 30, 2019 and 2018, respectively.

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

		Governme	ental	Activities		Business-1	уре л	Activities		Primary	rnment	
	_	2019	_	2018		2019	_	2018		2019	_	2018
Land	\$	1,878,598	\$	1,878,598	\$	-	\$	-	\$	1,878,598	\$	1,878,598
Construction in progress		180,001		1,282,054		183,580		-		363,581		1,282,054
Buildings		1,033,682		1,084,975		-		-		1,033,682		1,084,975
Equipment and vehicles		1,231,288		981,957		-		-		1,231,288		981,957
Infrastructure		19,429,476		20,267,805		-		-		19,429,476		20,267,805
Improvements other												
than buildings	_	2,014,694		706,503		11,665,228	_	12,060,352		13,679,922		12,766,855
	\$	25,767,739	\$	26,201,892	\$	11,848,808	\$	12,060,352	\$	37,616,547	\$_	38,262,244

Debt: The Town had debt of approximately \$ 13.5 million at September 30, 2019. Total debt outstanding at the end of the prior fiscal year was approximately \$ 14.14 million. The following schedule summarizes long-term debt for the year ended September 30, 2019:

		October 1, 2018 Additions			Deletions		September 30, 2019		Within One Year	
Governmental activities: General Obligation Refunding										
Bonds, Series 2016	\$	12,200,000	\$	-	\$	195,000	\$	12,005,000	\$	430,000
Bond premium		408,380		-		20,419		387,961		-
Capital lease	_	114,849	_	-		56,326	_	58,523	_	58,522
Total governmental activities	_	12,723,229	_		•	271,745	_	12,451,484	_	488,522
Business-type activities: Department of Environmental										
Protection, Revolving Loan	_	1,197,929	_	-		140,139	_	1,057,790	_	142,780
Total business-type activities	_	1,197,929	_		,	140,139	_	1,057,790	_	142,780
Total governmental and business-type activities	\$ =	13,921,158	\$_	-	\$	411,884	\$_	13,509,274	\$	631,302

Economic Factors and Next Year's Budgets and Rates

Economic factors: The Town's primary sources of revenue are and will continue to be property taxes and enterprise fund charges for services. State shared revenues, which include telecommunication taxes and sales taxes, account for another large source of revenue. Additionally, the Town is due money for the reimbursement of Hurricane Irma expenditures in fiscal year ended of approximately \$ 300,000.

Requests for Information

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

BASIC FINANCIAL STATEMENTS



			Prir	nary Governme	nt	
	(Governmental		Business-Type		
Accets		Activities		Activities	-	Total
Assets: Cash and cash equivalents	\$	714,309	\$	106,827	\$	821,136
Investments	۲	1,697,429	۲	322,138	٦	2,019,567
Accounts receivable		255,280		224,471		479,751
Prepaid expenses		50,361		-		50,361
Other assets		62,468		_		62,468
Capital assets, non-depreciable		2,058,599		183,580		2,242,179
Capital assets, depreciable		23,709,140		11,665,228		35,374,368
Internal balance		1,864,985		(1,864,985)	_	-
Total assets		30,412,571		10,637,259	_	41,049,830
Deferred Outflows of Resources:						
Deferred charge on refunding		547,002		-		547,002
Deferred outflows relating to pensions		2,438,736		-		2,438,736
Deferred outflows relating to other post						
employment benefits (OPEB)		53,957			_	53,957
Total deferred outflows of resources		3,039,695			_	3,039,695
Liabilities:						
Accounts payable		241,103		3,736		244,839
Accrued interest payable		118,745		5,818		124,563
Accrued expenses		422,380		· -		422,380
Due within one year:						
Compensated absences payable		42,629		-		42,629
Bonds and capital leases payable		488,522		142,780		631,302
Due in more than one year:						
Builder bond deposits		841,909		-		841,909
Other deposits		279,094		-		279,094
Compensated absences payable		394,960		-		394,960
Net pension liability		2,935,927		-		2,935,927
Bonds and capital leases payable		11,962,962		915,010		12,877,972
Other post-employment benefit liability		3,330,858			-	3,330,858
Total liabilities		21,059,089		1,067,344	_	22,126,433
Deferred Inflows of Resources:						
Deferred inflows relating to pensions		388,130		-		388,130
Total deferred inflows of resources	•	388,130			-	388,130
		333,133			-	333,133
Net Position:		44406000		40.704.040		24.077.44.0
Net investment in capital assets		14,186,392		10,791,018		24,977,410
Unrestricted (deficit)		(2,181,345)		(1,221,103)	_	(3,402,448)
Total net position	\$	12,005,047	\$	9,569,915	\$	21,574,962

				Prograr	enues	
Eunstions/Drograms		Expenses	_	\$ 1,359,616 - 380		Capital Grants and Contributions
Functions/Programs: Primary government:						
Governmental activities:						
General government Public safety	\$	2,343,926 4,289,007	\$	1,359,616 -	\$	159,720 281,086
Physical environment		2,418,115		380		-
Transportation		928,531		_		-
Cultural and recreation		750,547		26,500		-
Special events		385,390		-		-
Interest expense and other financing costs		487,951	_		_	
Total governmental activities	-	11,603,467	_	1,386,496	_	440,806
Business-type activities:						
Stormwater drainage		659,106	_	218,174	_	
Total business-type activities		659,106	_	218,174	_	
Total primary government	\$	12,262,573	\$_	1,604,670	\$_	440,806

General revenues:

Taxes:

Ad valorem taxes Utility service taxes Franchise fees

Sales, use and fuel taxes

Other:

Miscellaneous State shared revenues Investment income

Total general revenues

Change in net position

Net position, beginning of year

Net position, end of year

10

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

Governmental Activities	Business-Type Activities	Total
\$ (824,590) (4,007,921) (2,417,735) (928,531) (724,047) (385,390) (487,951)	\$ - - - - - -	\$ (824,590) (4,007,921) (2,417,735) (928,531) (724,047) (385,390) (487,951)
(9,776,165)		(9,776,165)
	(440,932)	(440,932)
	(440,932)	(440,932)
(9,776,165)	(440,932)	(10,217,097)
9,005,289 26,857 11,103 143,505	- 129,287 153,728 -	9,005,289 156,144 164,831 143,505
244,405 63,505 67,020	- - 6,269	244,405 63,505 73,289
9,561,684	289,284	9,850,968
(214,481)	(151,648)	(366,129)
12,219,528	9,721,563	21,941,091
\$ 12,005,047	\$ 9,569,915	\$ 21,574,962

				Majo	r Go	vernmental I	Funds					
		General Fund	II	Capital mprovement Project Fund	_	Bridge Fund	E	Law Inforcement Trust Fund		Debt Service Fund	0	Total Sovernmental Funds
Assets: Cash and cash equivalents	\$	383,678	\$	94,215	\$	_	\$	236,416	\$	_	\$	714,309
Investments	Ψ.	1,463,538	Ψ.	-	Ψ.	_	Ψ.	233,891	Ψ.	-	Ψ.	1,697,429
Accounts receivable		16,283		174,469		_		64,528		-		255,280
Prepaid expenditures		-		49,000		_		1,361		_		50,361
Due from other funds		3,254,047		-		-		-		834,107		4,088,154
Other assets	_	62,468	_	-	_	-		-	_	-	_	62,468
Total assets	\$	5,180,014	\$	317,684	\$_	-	\$	536,196	\$_	834,107	\$	6,868,001
Liabilities and												
Fund Balances:												
Liabilities:												
Accounts payable	\$	235,591	\$	5,491	\$	-	\$	21	\$	-	\$	241,103
Accrued liabilities		422,380		-		-		-		-		422,380
Due to other funds		834,107		560,503		-		828,559		-		2,223,169
Builder bond deposits		841,909		-		-		-		-		841,909
Other deposits	_	279,094	_	-	-	-				-	_	279,094
Total liabilities	_	2,613,081	_	565,994	_	-		828,580		-	_	4,007,655
Fund balances:												
Nonspendable												
Prepaid expenditures		-		49,000		-		1,361		-		50,361
Long-term stormwater												
interfund receivable		1,864,985		-		-		-		-		1,864,985
Restricted for:										024407		024407
Debt service		-		-		-		-		834,107		834,107
Assigned:		420.000										430.000
Building department		420,000		(240.240)		-		- (202 745)		-		420,000
Unassigned (deficit)	_	281,948	-	(248,310)	_	-		(293,745)	_	-	_	(260,107)
Total fund balances	_	2,566,933	_	(248,310)	_	-		(292,384)	_	834,107	_	2,860,346
Total liabilities			,		,				_			
and fund balances	\$ <u></u>	5,180,014	\$_	317,684	\$=	-	\$_	536,196	\$ =	834,107	\$_	6,868,001

Fund balances - total governmental funds		\$	2,860,346
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:			
The cost of capital assets is Accumulated depreciation is	\$ 35,922,056 (10,154,317)		25,767,739
Certain liabilities and related deferred outflows and inflows are not due and payable in the current period and, therefore, are not reported in the funds:			
Deferred charge on refunding Deferred outflows relating to pensions Deferred outflows relating to other post employment benefits (OPEB) Deferred inflows relating to pensions Accrued interest Compensated absences Net pension liability Debt Other post-employment benefit obligation (OPEB)	547,002 2,438,736 53,957 (388,130) (118,745) (437,589) (2,935,927) (12,451,484) (3,330,858)	_	(16,623,038)
Net position of governmental activities		\$_	12,005,047

				Major (Gove	ernmental	Fund	ls				
				Capital				Law			_	
				Improvement			E	nforcement		Debt		Total
		General Fund		Project Fund		Bridge Fund		Trust Fund		Service Fund	(Governmental Funds
Revenues:			_	_				_	_			
Ad valorem taxes	\$	8,015,102	\$	-	\$	-	\$	-	\$	990,187	\$	9,005,289
Franchise fees		11,103		-		-		-		-		11,103
Utility service taxes		26,857		-		-		-		-		26,857
Licenses and permits		1,359,616		-		-		-		-		1,359,616
Sales, use and fuel taxes		143,505		-		-		-		-		143,505
State shared revenues		63,505		-		-		-		-		63,505
Federal grants		159,720										159,720
Physical environment		380		-		-		-		-		380
Cultural and recreation		26,500		-		-		-		-		26,500
Fines and forfeitures		51,028		-		-		230,058		-		281,086
Investment income		60,715		15		-		6,290		-		67,020
Miscellaneous	_	267,808		-	_	-	_	-	_	-	_	267,808
Total revenues	_	10,185,839		15	_	-	_	236,348	_	990,187	_	11,412,389
Expenditures:												
Current:												
General government		2,086,623		-		-		-		-		2,086,623
Public safety		3,605,838		-		-		179,901		-		3,785,739
Physical environment		1,297,403		-		-		-		-		1,297,403
Transportation		916,768		-		-		-		-		916,768
Cultural and recreation		681,357		-		-		-		-		681,357
Special events		375,848		-		-		-		-		375,848
Capital outlay		605,594		248,325		-		49,265		-		903,184
Debt service:												
Principal		56,326		-		-		-		195,000		251,326
Interest	_	4,478	-	-	_	-	_	-	_	487,481	_	491,959
Total expenditures	_	9,630,235	_	248,325	_	-	_	229,166	_	682,481	_	10,790,207
Changes in fund balance												
before other financing												
sources (uses)	_	555,604	_	(248,310)	_	-	_	7,182	_	307,706	_	622,182

Town of Golden Beach, Florida
Statement of Revenues, Expenditures and
Changes in Fund Balances Governmental Funds
(continued)
For the Year Ended September 30, 2019

		Major Governmental Funds				
		Capital Law				
		Improvement		Enforcement	Debt	Total
	General	Project	Bridge	Trust	Service	Governmental
	Fund	Fund	Fund	Fund	Fund	Funds
Other Financing Sources (Uses):						
Transfers in	60,000	2,588,021	562,697	-	-	3,210,718
Transfers out	(3,150,718)			(60,000)		(3,210,718)
Total other financing sources (uses)	(3,090,718)	2,588,021	562,697	(60,000)		
Changes in fund balances	(2,535,114)	2,339,711	562,697	(52,818)	307,706	622,182
Fund Balances (Deficit), beginning of year	5,102,047	(2,588,021)	(562,697)	(239,566)	526,401	2,238,164
Fund Balances (Deficit), end of year	\$ 2,566,933	\$ (248,310)	\$	\$ (292,384)	\$ 834,107	\$2,860,346_

Town of Golden Beach, Florida Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities For the Year Ended September 30, 2019

Net change in fund balances - total governmental funds		\$	622,182
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives:			
Expenditures for capital assets Less current year depreciation	849,191 (1,259,941)		(410,750)
The net effect of various miscellaneous transactions involving capital assets (trade-ins, retirements) is to decrease net position.			(23,403)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces liabilities in the statement of net position: Principal payments on debt Amortization of bond premium	251,326 20,419		271,745
Certain items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:			
Change in deferred charge on refunding Change in net pension liability Change in accrued interest payable Change in compensated absences payable Change in other post-employment benefit			(19,536) (2,488,005) 3,125 (24,156)
obligation (OPEB) Change in deferred outflows related to pensions Change in deferred outflows related to other post			(119,746) 1,736,425
employment benefit (OPEB) Change in deferred inflows related to pensions		_	53,957 183,681
Change in net position of governmental activities		\$_	(214,481)

	Original Budget		Final Budget		Actual	Favorable (Unfavorable) Variance
Revenues:						
Ad valorem taxes	7,356,582	\$_	8,061,697	\$_	8,015,102	\$ (46,595)
Total ad valorem taxes	7,356,582	_	8,061,697	_	8,015,102	(46,595)
Franchise fees: Gas	7,800	_	8,800	_	11,103	2,303
Total franchise fees	7,800	_	8,800	_	11,103	2,303
Utility service taxes: Communication service tax Gas service tax	16,055 5,800		17,970 6,000	_	18,334 8,523	364 2,523
Total utility service taxes	21,855		23,970	_	26,857	2,887
Licenses and permits: Building permits Other licenses and permits Occupational licenses	455,000 231,800 10,000		436,000 226,800 1,000	_	944,902 413,486 1,228	508,902 186,686 228
Total licenses and permits	696,800		663,800	_	1,359,616	695,816
Sales, use and fuel taxes: State sales tax Local option gas tax Local sales tax	72,987 27,085 35,000		72,828 27,748 35,000		73,117 27,264 43,124	289 (484) 8,124
Total sales, use and fuel taxes	135,072		135,576		143,505	7,929
State shared revenues: State revenue sharing State grant proceeds Motor fuel tax rebate	22,278 113,972 2,500		22,591 13,972 2,500	_	22,913 40,592 -	322 26,620 (2,500)
Total state shared revenues	138,750		39,063	_	63,505	24,442
Federal grant revenues: Federal grants		_	-	_	159,720	159,720
Total federal grant revenues		_	_	_	159,720	159,720
Physical environment: Reimbursements			-	_	380	380
Total physical environment			-	_	380	380

Town of Golden Beach, Florida Statement of Revenues, Expenditures and Change in Fund Balance -Budget and Actual - General Fund For the Year Ended September 30, 2019 (continued)

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
Culture and recreation:	5 500	F F00	26 500	24.000
Recreation fees	5,500	5,500	26,500	21,000
Total culture and recreation	5,500	5,500	26,500	21,000
Stormwater administration fee	200,000	200,000	200,000	
Fines and forfeitures: Code enforcement Fines and forfeitures Law enforcement trust fund	90,500 20,000 1,000	35,815.00 15,000 100	33,330 17,122 576	(2,485) 2,122 476
Total fines and forfeitures	111,500	50,915	51,028	113
Investment income	13,100	13,100	60,715	47,615
Miscellaneous: Miscellaneous revenue Off duty income Tax lien letter income Public records requests	50,100 3,000 3,500 800	50,100 5,000 3,500 200	42,917 19,918 4,282 691	(7,183) 14,918 782 491
Total miscellaneous	57,400	58,800	67,808	9,008
Allocation of fund balance	800,000	400,000		(400,000)
Total revenues	9,544,359	9,661,221	10,185,839	524,618
Expenditures:				
General government: General governmental: Operating expenditures Capital outlay	1,952,457 20,000	1,436,850 15,000	684,409 84,908	752,441 (69,908)
Total general governmental	1,972,457	1,451,850	769,317	682,533
Legislative: Personal services Operating expenditures Capital outlay	83,778 42,500 6,100	87,658 44,100 6,100	76,167 74,584 12,071	11,491 (30,484) (5,971)
Total legislative	132,378	137,858	162,822	(24,964)

Town of Golden Beach, Florida Statement of Revenues, Expenditures and Change in Fund Balance -Budget and Actual - General Fund For the Year Ended September 30, 2019 (continued)

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
Executive: Personal services Operating expenditures Capital outlay	404,940 52,786 5,000	463,232 52,900 5,000	384,172 69,717 748	79,060 (16,817) 4,252
Total executive	462,726	521,132	454,637	66,495
Town clerk: Personal services Operating expenditures Capital outlay	164,290 32,800 2,200	180,499 37,800 2,200	180,359 47,711 2,029	140 (9,911) 171
Total town clerk	199,290	220,499	230,099	(9,600)
Town legal counsel: Operating expenditures	249,500	249,500	208,527	40,973
Total town legal counsel	249,500	249,500	208,527	40,973
Finance: Personal services Operating expenditures Capital outlay	224,108 67,700 3,500	237,886 68,600 3,500	226,572 134,405 369	11,314 (65,805) 3,131
Total finance	295,308	309,986	361,346	(51,360)
Total general government	3,311,659	2,890,825	2,186,748	704,077
Public safety: Law enforcement: Personal services Operating expenditures Capital outlay	2,493,282 356,000 140,000	2,544,399 355,700 220,000	2,509,649 491,684 447,980	34,750 (135,984) (227,980)
Total law enforcement	2,989,282	3,120,099	3,449,313	(329,214)
Protective inspections: Personal services Operating expenditures Capital outlay	329,315 231,410 7,500	357,233 275,000 5,500	278,410 325,932 163	78,823 (50,932) 5,337
Total protective inspections	568,225	637,733	604,505	33,228
Total public safety	3,557,507	3,757,832	4,053,818	(295,986)

Town of Golden Beach, Florida Statement of Revenues, Expenditures and Change in Fund Balance -Budget and Actual - General Fund For the Year Ended September 30, 2019 (continued)

<u>-</u>	Original Budget	Final Budget		Actual	(Favorable (Unfavorable) Variance
Physical environment: Personal services Operating expenditures Capital outlay	774,291 292,000 29,194	871,412 284,000 15,000		990,311 307,092 1,326	_	(118,899) (23,092) 13,674
Total physical environment	1,095,485	1,170,412		1,298,729		(128,317)
Transportation: Personal services Operating expenditures Capital outlay	100,920 498,200 -	105,211 723,200		127,994 788,774 9,610	_	(22,783) (65,574) (9,610)
Total transportation	599,120	828,411		926,378	_	(97,967)
Cultural and recreation: Personal services Operating expenditures Capital outlay	269,548 165,000 305,000	295,523 393,500 20,000		283,774 397,583 46,345	_	11,749 (4,083) (26,345)
Total cultural and recreation	739,548	709,023		727,702	_	(18,679)
Special events: Personal services Operating expenditures Capital outlay	109,734 130,500	126,920 176,992		117,389 258,459 208		9,531 (81,467) (208)
Total special events	240,234	303,912		376,056	_	(72,144)
Debt service: Principal Interest	54,212 6,594	54,212 6,594		56,326 4,478		(2,114) 2,116
Total debt service	60,806	60,806		60,804	_	2
Total expenditures	9,604,359	9,721,221		9,630,235	_	90,986
Change in fund balance before other financing sources (uses)	(60,000)	(60,000)		555,604	_	615,604
Other Financing Sources (Uses): Transfers out Transfers in	- 60,000	- 60,000		(3,150,718) 60,000	_	(3,150,718)
Total other financing sources	60,000	60,000		(3,090,718)	_	(3,150,718)
Change in fund balance \$	-	\$ -		(2,535,114)	\$_	(2,535,114)
Fund Balance, beginning of year				5,102,047		
Fund Balance, end of year			Ş	2,566,933		

	Stormwater Utility Fund
Assets:	
Current assets:	406.027
Cash and cash equivalents Investments	\$ 106,827 322,138
Accounts receivable	224,471
Total current assets	653,436
Noncurrent assets:	
Capital assets, net	11,848,808
Total noncurrent assets	11,848,808
Total assets	12,502,244
Liabilities: Current liabilities: Accounts payable	3,736
Accrued interest payable	5,818
Current portion of debt Due to other funds	142,780 1,864,985
Due to other fullus	1,004,303
Total current liabilities	2,017,319
Noncurrent liabilities:	
Long-term debt	915,010
Total noncurrent liabilities	915,010
Total liabilities	2,932,329
Net Position:	
Net investment in capital assets	10,791,018
Unrestricted (deficit)	(1,221,103)
Total net position	\$ 9,569,915

	Stormwater Utility Fund
Operating Revenues: Charges for services Tax revenue Franchise fees Total operating revenues	\$ 218,174 153,728 129,287 501,189
Operating and General Expenses: Repairs and maintenance Depreciation expense General expenses Professional services Administrative fee	18,987 395,124 12,647 7,386 205,410
Total operating and general expenses Operating income (loss)	(138,365)
Nonoperating Revenues (Expenses): Investment income Interest expense Total nonoperating revenues (expenses) Change in net position	6,269 (19,552) (13,283) (151,648)
Net Position, beginning of year	9,721,563
Net Position, end of year	\$ 9,569,915

	Stormwater Utility Fund
Cash Flows From Operating Activities: Cash received from customers and users Cash paid for goods and services \$	502,485 (248,811)
Net cash provided by (used in) operating activities	253,674
Cash Flows From Financing Activities: Change in due to/from balances Interest paid Principal payments	172,708 (21,821) (140,139)
Net cash provided by (used in) financing activities	10,748
Cash Flows From Investing Activities: Purchase of property and equipment Investment income received Purchase of investments	(183,580) 6,269 (206,233)
Net cash provided by (used in) investing activities	(383,544)
Net decrease in cash and cash equivalents	(119,122)
Cash and Cash Equivalents, beginning of year	225,949
Cash and Cash Equivalents, end of year \$	106,827
Reconciliation of Operating Income to Net Cash Provided by Operating Activities: Operating income (loss) \$	(138,365)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities: Provision for depreciation (Increase) decrease in accounts receivable Increase (decrease) in accounts payable	395,124 1,296 (4,381)
Total adjustments	392,039
Net cash provided by (used in) operating activities \$	253,674

Town of Golden Beach, Florida Statement of Fiduciary Net Position Retirement Plan for Employees of the Town of Golden Beach September 30, 2019

Assets: Cash and cash equivalents Receivables: Employee contribution	\$	7,576	\$	594,274
Interest Security sales receivable		21,601 15,384		44,561
Security suites receivable	_	13,304		44,301
Prepaid expenses				36,315
Investments, at fair value: Common stock Government bonds Alternative investments Corporate bonds Total assets	_	6,770,706 1,386,113 978,684 976,409		10,111,912
Liabilities:				
Accounts payable Security purchases payable				13,740 19,991
			•	· · · · · · · · · · · · · · · · · · ·
Total liabilities				33,731
Net Position Held in Trust For Pension Benefits			\$	10,753,331

Additions: Contributions:		
Employer	\$	637,382
Employees	Ş	156,672
Employees		150,072
Total contributions		794,054
Investment income:		
Net appreciation in fair value of Plan investments		142,448
Interest and dividend income		215,347
interest and dividend income		213,347
Total investment income		357,795
Total additions		1,151,849
Deductions:		
Benefits paid		350,908
Consulting and advisory fees		93,910
Professional fees		48,463
Contribution refunds		22,713
Trustee education		8,774
Trustee fiduciary insurance		2,306
Office expenses		198
Dues		775
Due3		
Total deductions		528,047
Net increase		623,802
Net Position Held in Trust for Pension Benefits,		
beginning of year		10,129,529
Not Decition Hold in Twest for Dension Deceptite		
Net Position Held in Trust for Pension Benefits,	_	40 770 004
end of year	\$	10,753,331

Note 1 - Organization and Operations

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

Note 2 - Summary of Significant Accounting Policies

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

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

Basis of presentation:

Government-wide financial statements

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

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

Fund financial statements

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

Fund financial statements (continued)

The Town reports the following major governmental funds:

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

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

The Bridge Fund is used to account for the proceeds and expenditures of the bridge projects that the Town is currently undertaking. The Fund requires separate accounting due to legal or regulatory provisions or administrative action.

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

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

The Town reports the following major proprietary fund:

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

Measurement focus, basis of accounting:

Government-wide financial statements

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

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

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

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 property taxes as available if they are collected within sixty days after year end. Other taxes, intergovernmental revenues, and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. All other revenue items such as fines and forfeitures and licenses and permits are considered to be measurable and available only when cash is received by the Town. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

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

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

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

Budgets:

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

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

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

- d. Prior to October 1, the budget is legally enacted through passage of a resolution.
- e. The Town may not legally expend or contract to expend amounts in excess of the total amount of appropriated expenditures of any of the funds for the year. The Town Manager can transfer funds among departmental expenditure categories, but may not increase total departmental expenditures without Council approval. Therefore, the legal level of control is at the departmental level.
- f. Formal budgetary integration is employed as a control device during the year for the General Fund, Special Revenue Funds, Capital Improvement Project Fund and the Debt Service Fund. Budget appropriations lapse at year end.
- g. The budgets for the General, Special Revenue, Capital Improvement Project and the Debt Service Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
- h. Budgeted amounts presented for fiscal year 2019 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

Law enforcement	\$ (329,214)
Physical environment	\$ (128,317)
Transportation	\$ (97,967)
Special events	\$ (72,144)
Finance	\$ (51,360)
Legislative	\$ (24,964)
Culture and recreation	\$ (18,679)
Town clerk	\$ (9,600)

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, stormwater utility fees, other miscellaneous taxes, and fines.

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 position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has two items that qualify for reporting in this category. It is the deferred outflows relating to pension plans and other post-employment benefits, discussed in further detail in Note 7 and Note 8.

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

Compensated absences: Full-time employees of the Town are entitled to be paid for twelve days of sick leave in each calendar year after six months of employment. Unused hours can be carried over to the following year, subject to limitations established by Town ordinance. In the event of termination, each qualifying employee is entitled to receive payment equal to 50% of the value of total accumulated unused sick days.

Each full-time employee is entitled to between ten and twenty days annual paid vacation leave. Unused hours can be carried over to the following year, subject to limitations established by Town ordinance. In the event of termination, each qualifying employee is entitled to receive payment equal to 100% of the value of the total accumulated unused vacation days.

Accumulated compensated absences are recorded as expenses in the government-wide and proprietary fund financial statements when earned. Expenditures for accumulated compensated absences have been recorded in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Equity classifications:

Government-wide statements

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

- a. Net investment in capital assets Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or 2) laws through constitutional provisions or enabling legislation.
- c. Unrestricted net position All other net position that do not meet the definition of "restricted" or "invested in capital assets net of related debt."

Fund statements

The Town previously adopted GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. This statement requires that governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. "Not in spendable form" includes items that are not expected to be converted to cash (such as inventories and prepaid amounts) and items such as long-term amount of loans and notes receivable, as well as property acquired for resale. The corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact.
- Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Town Commission. These amounts cannot be used for any other purpose unless the Commission removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

Note 2 - Summary of Significant Accounting Policies (continued)

- Assigned: This classification includes amounts that are constrained by the Town's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Commission or through the Commission delegating this responsibility to Town management.
- Unassigned: This classification includes the residual fund balance for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes.

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

Property taxes: Real and personal property values are assessed on a county-wide basis by the Miami-Dade County Property Appraiser as of January 1 of each year (the lien date). Taxable value of property within the Town is certified by the Property Appraiser and the Town levies a tax upon the taxable value, which will provide revenue required for the next fiscal year beginning October 1.

Property taxes levied by the Town and all other taxing authorities within Miami-Dade County (the "County") are centrally billed and collected by the County, with monthly remittances to the Town for their proportionate share of collected taxes. Taxes for the fiscal year beginning October 1 are billed in the month of November, subject to a 1% per month discount for the period November through February, and are due no later than March 31. On April 1, unpaid amounts become delinquent with interest and penalties thereafter. Beginning June 1, tax certificates representing delinquent taxes with interest and penalties added are sold by the County, with remittance to the Town for its share of those receipts.

Assessed values are established by the Miami-Dade County Property Appraiser at just values. The assessed value of property at January 1, 2018, upon which the 2018-2019 levy was based, was approximately \$ 1,096,000,000. 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, 2019 was \$ 7.4800 per \$ 1,000 and \$.9200 per \$ 1,000 for bond debt service.

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

Note 2 - Summary of Significant Accounting Policies (continued)

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

Internal balances: Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the government-wide governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Use of estimates: The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

Date of management review: Subsequent events have been evaluated by management through May 21, 2020, which is the date the financial statements were available for issuance.

Note 3 - Deposits and Investments

Governmental and Proprietary Funds

Deposits: As required by Chapter 280.03, Florida Statutes, all deposits of the Town during the year ended September 30, 2019, including time deposit accounts, demand deposit accounts and money market accounts, were held in institutions designated by the Treasurer of the State of Florida as "qualified public depositories" and were accordingly covered by a collateral pool as required by that Statute. Therefore, in accordance with GASB Codification I50.110, the deposits are treated as insured or collateralized with securities held by the entity or its agent in the entity's name. As of September 30, 2019, the carrying amount of the Town's deposits was \$821,136 with a bank balance of \$959,246.

Investments: Florida Statutes and Town Ordinances authorize Town officials to invest pooled funds in United States bonds and obligations, guaranteed United States agency issues, Florida county, municipal and district general, excise and revenue obligations, Florida bank certificates of deposit, bankers acceptances, reverse repurchase agreements and prime commercial paper issues. Investments in the proprietary fund are allowed to be comprised of United States Treasury state and local government series securities. In addition, the Fiduciary Fund is authorized to invest in corporate and government bonds, stocks, mutual funds, money market funds, mortgages, and notes.

The Town's governmental and proprietary portfolios were placed in an external investment pool, the Local Government Surplus Funds Trust Fund ("Florida PRIME"). Florida PRIME is administered by the Florida State Board of Administration ("SBA"), who provides regulatory oversight.

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

Note 3 - Deposits and Investments (continued)

Total governmental and proprietary investments at September 30, 2019 were as follows:

			_	Investment Maturities (in years)							
	_	Fair Value		Less than 1	_	1 to 5	_	6 to 10			
Florida PRIME	\$_	2,019,567	\$_	2,019,567	\$_	-	\$_				
	\$_	2,019,567	\$_	2,019,567	\$_	-	\$_				

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.

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 AAA+ by Standard and Poor's.

Fiduciary Funds

The Retirement Plan for the Employees of the Town of Golden Beach (the "Plan") maintains an agreement whereby the investment securities are held in the Plan's name by a financial institution acting as the Plan's custodian. The custodian also assists Plan management in securing one or more investment managers to invest in securities at the manager's discretion.

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

Investment	Maturities	(in	vears	١
IIIvestillelit	iviaturities	(1111	years	1

Investment Type	 Fair Value	Less than 1	_	1 to 5	_	6 to 10
Common stock U.S. Treasuries and agencies Corporate bonds Alternative investments	\$ 6,770,706 1,386,113 976,409 978,684	\$ 6,770,706 451,893 184,956 978,684	\$	- 483,941 696,618 -	\$	- 450,279 94,835 -
	\$ 10,111,912	\$ 8,386,239	\$	1,180,559	\$	545,114

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.

Note 3 - Deposits and Investments (continued)

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, 2019, 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, 2019, investments held in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total investments are as follows:

Issuer	Rep	orted Amount	Percentage
Reinassance		1,383,563	13%
Blackrock/Lord Abbett	\$	1,295,398	12%
Connors	\$	1,080,300	10%
American Core	\$	978,685	9%
Madison	\$	976,409	9%
MDT	\$	620,211	6%

Custodial credit risk: This is the risk that, upon failure of a counterparty or collateral securities held by the Plan, it would not be able to recover the value thereof. The Plan assets are held by their custodial bank and registered in the Plan's name.

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

- Level 1 investments reflect unadjusted quoted prices in active markets for identical assets.
- Level 2 investments reflect prices that are based on similar observable assets, either directly or indirectly, which may include inputs in markets that are not considered to be active.
- Level 3 investments reflect prices based upon unobservable sources.

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.

Note 3 - Deposits and Investments (continued)

Fair values of investments held by the Town's Fiduciary Investment Funds are classified at September 30, 2019 as follows:

Investments		Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Common stock U.S. government securities	\$	6,770,706 1,386,113	\$ 6,770,706 -	\$ - 1,386,113	\$ -
Corporate bonds		976,409	-	976,409	-
Alternative investments	-	978,684			978,684
Total investments measured at fair value	\$ <u></u>	10,111,912	\$ 6,770,706	\$ 2,362,522	\$ 978,684

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, 2019 was as follows:

		Balance October 1, 2018	Additions and Transfers	Retirements and Transfers	Balance September 30, 2019
Governmental activities: Capital assets, not being depreciated	_				
Land	\$	1,878,598	\$ -	\$ -	\$ 1,878,598
Construction in progress		1,282,054	237,480	1,339,533	180,001
Total capital assets,					
not being depreciated	_	3,160,652	237,480	1,339,533	2,058,599
Capital assets, being depreciated:					
Equipment and vehicles		3,511,222	539,884	192,358	3,858,748
Buildings		1,563,250	-	6,279	1,556,971
Infrastructure		25,621,324	-	3,316	25,618,008
Improvements other					
than buildings	_	1,418,370	1,411,360		2,829,730
Total capital assets,					
being depreciated		32,114,166	1,951,244	201,953	33,863,457
Total capital assets		35,274,818	2,188,724	1,541,486	35,922,056

Note 4 - Capital Assets (continued)

		Balance October 1, 2018	_	Additions		Retirements and Transfers	Balance September 30, 2019
Less accumulated depreciation for: Equipment and vehicles Buildings Infrastructure		2,529,265 478,275 5,353,519		267,966 50,477 838,329		169,771 5,463 3,316	2,627,460 523,289 6,188,532
Improvements other than buildings		711,867	_	103,169		_	815,036
Total accumulated depreciation		9,072,926	_	1,259,941		178,550	10,154,317
Total capital assets, being depreciated, net	-	23,041,240	_	691,303	-	23,403	23,709,140
Governmental activities capital assets, net	\$	26,201,892	\$ =	928,783	\$	1,362,936	\$ 25,767,739
Business-type activities: Capital assets, not being depreciated:							
Construction in progress	۶.	-	\$_	183,580	\$.	-	\$ 183,580
Total capital assets, not being depreciated		_	_	183,580			183,580
Capital assets, being depreciated: Equipment and vehicles Improvements other than buildings	\$	47,000 15,238,512	\$_	-	\$	- -	\$ 47,000 15,238,512
Total capital assets, being depreciated		15,285,512	_				15,285,512
Total capital assets		15,285,512	_	183,580		-	15,469,092
Less accumulated depreciation for: Equipment and vehicles Improvements other than buildings		21,931 3,203,229	_	3,133 391,991		- -	25,064 3,595,220
Total accumulated depreciation		3,225,160	_	395,124		-	3,620,284
Total capital assets, being depreciated, net		12,060,352	_	(395,124)		-	11,665,228
Business-type activities capital assets, net	\$	12,060,352	\$ =	(211,544)	Ş		\$ 11,848,808

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

Governmental activities: General government Public safety Physical environment Cultural and recreation	\$	37,798 289,786 907,158 25,199
Total depreciation expense - governmental activities	\$_	1,259,941
Business-type activities: Stormwater drainage	\$	395,124

Note 5 - Long-Term Liabilities

Governmental activities:

The following is a summary of changes in the long-term liabilities for the year ended September 30, 2019:

		Balance October 1, 2018		Additions	 Deletions		Balance September 30, 2019	 Due Within One Year
Governmental activities: General Obligation Refunding Bonds, Series 2016 Bond premium Capital lease Compensated absences payable	\$	12,200,000 408,380 114,849 413,433	\$	- - - - 24,156	\$ 195,000 20,419 56,326	\$	12,005,000 387,961 58,523 437,589	\$ 430,000 - 58,522 42,629
Total governmental activities	\$_	13,136,662	\$_	24,156	\$ 271,745	\$_	12,889,073	\$ 531,151

General Obligation Refunding Bonds, Series 2016 – Previously, the Town issued \$ 12,390,000 of General Obligation Refunding Bonds, Series 2016, maturing January 1, 2038, with interest rates ranging from 3.00% to 5.00%. The Bonds refunded the Town's then outstanding Special Assessment General Obligation Bonds, Series 2008. Interest is payable semi-annually on the first day of each January and July. The Bonds are secured by the pledge of revenues derived from the collection of non-ad valorem special assessments.

The Town is required by the Bond Indenture to levy and collect special assessments pursuant to Florida Statutes, Section 190.022. The collection of these assessments are restricted and applied to the debt service requirements of the Bond issue. Further, the Town covenants to levy special assessments in annual amounts adequate to provide for the payment of principal and interest on the Bonds as it becomes due.

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

Year Ending September 30,	Principal	_	Interest	Total
2020 2021 2022 2023 2024 2025-2029 2030-2034 2035-2038	\$ 430,000 445,000 460,000 485,000 510,000 2,915,000 3,475,000 3,285,000	\$	474,981 457,481 439,381 418,056 393,181 1,573,441 994,275 269,100	\$ 904,981 902,481 899,381 903,056 903,181 4,488,441 4,469,275 3,554,100
	\$ 12,005,000	\$	5,019,896	\$ 17,024,896

Note 5 - Long-Term Liabilities (continued)

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

Business-type activities:

The following is a summary of changes in the long-term debt for the year ended September 30, 2019:

		Balance October 1, 2018	Additions	Deletions		Balance September 30, 2019	Due Within One Year
Business-type activities: Department of Environmental Protection, Revolving Loans	<u> </u>	1,197,929	\$ -	\$ 140,139	\$	1,057,790	\$ 142,780
Total business-type activities	\$_	1,197,929	\$ -	\$ 140,139	\$_	1,057,790	\$ 142,780

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

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

Year Ending September 30,	-	Principal	Interest	Total
2020 2021	\$	142,780 145,472	\$ 19,180 16,488	\$ 161,960 161,960
2022		148,214	13,746	161,960
2023 2024		151,007 153,854	10,953 8,106	161,960 161,960
2025-2026	-	316,463	7,456	323,919
	\$ _	1,057,790	\$ 75,929	\$ 1,133,719

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

Note 6 - Accounts Receivable/Accounts Payable

Receivables at September 30, 2019 were as follows:

	Taxes		Inter-						
	Receivable	Go	overnmental		Accounts		Other		Total
Governmental activities:									
General Fund	\$ 16,283	\$	-	\$	-	\$	-	\$	16,283
Capital Improvement									
Project Fund	-		-		174,469		-		174,469
Law Enforcement Fund	-		64,528		-		-		64,528
			,	1		_		_	
Total governmental									
activities	\$ 16,283	\$_	64,528	\$	174,469	\$_		\$_	255,280
		_		;		_		_	
	Taxes		Inter-						
	Receivable	Go	overnmental		Accounts		Other		Total
Business-type activities:				,		_		_	
Stormwater Utility Fund	\$ 37,713	\$	-	\$	186,758	\$_	-	\$	224,471
			,	•		_		_	
Total business-type									
activities	\$ 37,713	\$	-	\$	186,758	\$_	-	\$_	224,471

Accounts payable at September 30, 2019 were as follows:

					Total Accounts
		Vendors	Subcontrac	tors	Payable
Governmental activities: General Fund Capital Improvement Project Fund Law Enforcement Trust Fund	\$	235,591 5,491 21	\$ -	\$ 	235,591 5,491 21
Total governmental activities	\$_	241,103	\$ <u>-</u>	\$ <u>_</u>	241,103
		Vendors	Subcontrac	tors	Total Accounts Payable
Business-type activities:	-	vendors	Subcontrac	1015	Payable
Stormwater Utility Fund	\$_	3,736	\$	\$_	3,736
Total business-type activities	\$_	3,736	\$	\$ <u>_</u>	3,736

Note 7 - Retirement Plans

Summary of Significant Accounting Policies:

Basis of Accounting

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

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

General Information about the Plan and the Fund: The Plan and the Fund are both single-employer defined benefit plans. The Fund is not required to be included as a fiduciary fund and, thus, is not included in the Town's basic financial statements.

All full-time employees (excluding elected officials, persons appointed to fulfill elected positions, and retained professionals and consultants for the Town) and police officers become participants in the Plan on their start of service. The Plan provides retirement, death, and disability benefits. The Plan does not currently provide for post-retirement benefit increases.

Plan Membership: Employee membership consisted of the following at October 1, 2018:

	General	Police
Retirees and beneficiaries receiving benefits and terminated members entitled to benefits, but not yet receiving them Active plan members	10 28	13 20
	38	33

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

Note 7 - Retirement Plans (continued)

Net Pension Liability

The Town's net pension liability was determined based on a measurement date of September 30, 2019.

The components of the pension liability of the Town at September 30, 2019 were as follows:

Total pension liability Plan fiduciary net position	\$ 13,689,258 (10,753,331)
Town net pension liability	\$ 2,935,927
Plan fiduciary net position as a percentage of total pension liability	78.55%

Actuarial Assumptions: The total pension liability at September 30, 2019 was determined by using actuarial assumptions as of October 1, 2018, with update procedures used to roll forward the total pension liability to September 30, 2019. The actuarial valuations used the following actuarial assumptions:

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

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

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

Asset Class	Target _Allocation_	Long-Term Expected Real Rate of Return
Equity Fixed income Alternative investments Total	65.00% 25.00% 10.00%	5.58% - 6.90% 1.17% 4.68%

Rate of return: For the year ended September 30, 2019, the annual money weighted rate of return on pension plan investments, net of pension plan investment expense was 4.74%. The money weighted rate of return expresses investment performance adjusted for the changing amounts actually invested.

Note 7 - Retirement Plans (continued)

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

Changes in the Net Pension Liability

		In	crease (Decreas	e)	
	Total Pension Liability (a)		Plan Fiduciary Net Position (b)		Net Pension (Asset) Liability (a) - (b)
Balances, as of September 30, 2018, Measurement Date	\$ 10,577,451	\$	10,129,529	\$	447,922
Changes for the year:					
Service cost	646,789		-		646,789
Expected interest growth	725,127		684,358		40,769
Demographic experience	164,367		-		164,367
Unexpected investment income	-		(420,472)		420,472
Contributions - employer	-		637,382		(637,382)
Contributions - members	-		156,672		(156,672)
Changes in benefit terms	209,462		-		209,462
Benefit payments, including			-		-
refunds of member contributions	(373,621)		(373,621)		-
Assumption changes	1,739,683		-		1,739,683
Administrative expense	-		(60,517)		60,517
Net changes	3,111,807		623,802		2,488,005
Balances, as of September 30, 2019,					
Measurement Date	\$ 13,689,258	\$	10,753,331	\$	2,935,927

Note 7 - Retirement Plans (continued)

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

	1% Decrease (5.64%)	Current Discount Rate (6.64%)	1% Increase (7.64%)
Total pension liability Plan fiduciary net position	\$ 15,461,174 (10,753,331)	\$ 13,689,258 (10,753,331)	\$ 12,224,548 (10,753,331)
Net pension liability (asset)	\$ 4,707,843	\$ 2,935,927	\$ 1,471,217

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

For the year ended September 30, 2019, the Town recognized pension expense of \$ 1,205,281. At September 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	_	Deferred Outflows of Resources	_	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments Demographic changes Changes in assumptions Total	\$ \$	457,978 495,415 1,485,343 2,438,736	\$ \$	166,117 - 222,013 388,130
10001	Υ.	=, :50,750	Υ_	220,130

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

Year ending September 30:	-	Amount
2020	\$	439,866
2021		318,267
2022		384,051
2023		381,005
2024		293,587
Thereafter		233,830
	\$	2,050,606

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

During fiscal year 2018, the Town 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 form 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 statues and may be amended by the state legislature. The required contribution is based on projected pay-as-you-go financing requirements and is subject to constant revision. The Town has opted to not fund the net OPEB obligation of the resulting unfunded actuarial accrued liability on an annual basis.

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

Inactive plan members or beneficiaries	
currently receiving benefits	1
Inactive plan members entitled to but	
not yet receiving benefits	-
Active plan members	46
Total plan members	47

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, 2019 was based on an actuarial valuation dated October 1, 2017 with a measurement date of September 30, 2019, using the following actuarial assumptions:

Note 8 - Other Post-Employment Benefits (continued)

Actuarial Cost Method Entry Age Normal.

Discount Rate 3.58% 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 Increases in healthcare costs are assumed to be 8.00% Trend Rates for the 2017/18 fiscal year graded down by 0.50% per year

to 5.00% for the 2023/2024 and later fiscal years.

Age-related Morbidity Healthcare costs are assumed to increase at the rate of

3.50% for each year of age.

Implied Subsidy Because the insurance carrier charges the same monthly

rate for health insurance regardless of age, for the 2-17/18 fiscal year, an implied monthly subsidy was assumed at age 62 of \$ 525.00 for the retiree and \$ 600.00 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 $% \left(1\right) =\left(1\right) \left(1\right)$

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 RP-2000 Combined Mortality

Table, with full generational improvements in mortality using

Scale BB.

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, 40% at each of ages 56 through 59, and 100% at age 60; 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, 40% at each of ages

53 through 56, and 100% at age 57.

Other Decrements Assumed employment termination is based on the Scale 155

table; assumed disability is based on the Wyatt 1985 Disability

Study (Class 2).

Note 8 - Other Post-Employment Benefits (continued)

Coverage Election 20% of eligible employees are ass	med to e	elect medica	I coverage
-----------------------------------------------------	----------	--------------	------------

until age 65 upon retirement or disability in accordance with their current election as to coverage status, except that 100% of individuals

who are eligible for an explicit subsidy are assumed to elect

medical coverage for life upon retirement or disability in accordance with their current election as to coverage status but with no assumed

dependent children after age 55.

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

COBRA Future healthcare coverage provided solely pursuant to COBRA

was not included in the OPEB valuation; because the COBRA premium is determined periodically based on plan experience, the COBRA premium to be paid by the participant is assumed to fully cover the cost of providing healthcare coverage during

the relevant period.

There were no changes benefits during the year ended September 30, 2019.

Discount Rate: The discount rate used to measure the total OPEB liability at September 30, 2019 was 3.58%. 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, 2019, are as follows:

Total OPEB liability OPEB Plan fiduciary net position	\$ -	3,330,858
Town's net OPEB liability	\$	3,330,858
OPEB Plan fiduciary net position as a percentage of total OPEB liability	=	0%
Measurement year ended September 30, 20	19	
Total OPEB liability: Service cost Interest on total OPEB liability Benefit payments Assumption changes	\$	11,908 114,195 (67,042) 60,685
Net change in total OPEB liability		119,746
Total OPEB liability, beginning	_	3,211,112
Total OPEB liability, ending	\$	3,330,858

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 3.58%, 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 (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
Total OPEB Liability	\$ 3,983,876	\$ 3,330,858	\$ 2,827,168

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

		1% Trend		Trend Rate		1% Trend
		Decrease		Assumption		Increase
	7.0	00% Decreasing	8	3.00% Decreasing	9	0.00% Decreasing
		to 4.00%		to 5.00%		to 6.00%
		_	_		_	
Total OPEB Liability	\$	2,785,994	\$_	3,330,858	\$_	4,027,741

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB: For the year ended September 30, 2019, the Town recognized OPEB expense of \$ 65,789. At September 30, 2019, the Town reported deferred outflows of resources related to OPEB in the amount of \$ 53,957. There were no deferred inflows of resources related to OPEB for the fiscal year ended September 30, 2019.

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

Amount
\$ 6,728
6,728
6,728
6,728
6,728
20,317
\$ 53,957

Note 9 - Interfund Balances and Transfers

Interfund receivables and payables at September 30, 2019 were as follows:

Due from:		General Fund		Debt Service Fund		Total
Law Enforcement			_			
Trust Fund	\$	828,559	\$	-	\$	828,559
Capital Project Fund		560,503		-		560,503
Stormwater Fund		1,864,985		-		1,864,985
General Fund	_	_	_	834,107	_	834,107
Total	\$	3,254,047	\$	834,107	\$_	4,088,154

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

Transfers to and from individual funds were as follows:

			Transfers in:					
Transfers out:		General Fund	 Capital Imrpovement Project Fund		Bridge Fund	Total		
General Fund Law Enforcement Trust Fund	\$	- 60,000	\$ 2,588,021	\$	562,697 -	\$	3,150,718 - 60,000	
Total	\$ <u></u>	60,000	\$ 2,588,021	Ş	562,697	Ş	3,210,718	

During the year ended September 30, 2019, the General Fund received \$ 60,000 from the Law Enforcement Trust Fund as an administrative fee. In addition, the General Fund transferred monies to cover past project costs to the Capital Improvement Project Fund and the Bridge Fund to cover for expenditures on past projects that have been completed.

Note 10 - Risk Management

For the year ended September 30, 2019, the Town participated in the Florida League of Cities ("FLC") risk pool. This is a statewide pool with several hundred governmental members. FLC provided the Town with general liability and property coverages. The FLC pool is nonassessable. There is no self-insured retention for the Town excluding a \$ 250 per occurrence deductible. FLC also provided the Town with \$ 2,000,000 in general liability coverage.

Note 11 - Contingencies

The Town is subject to various claims and legal proceedings covering a wide range of matters that arise in the ordinary course of its business activities, including employee discrimination claims. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the financial condition or results of operations of the Town.

Note 12 - Individual Fund Disclosures

At September 30, 2019, the Capital Improvement Project Fund and Law Enforcement Trust Fund have deficit fund balances of \$ 248,310 and \$ 292,384, respectively. The Town expects to reduce two of these deficits through transfers from the General Fund in Fiscal Year 2019-2020. These transfers, based on current unassigned balances, will diminish the General Fund unassigned balance to a deficit balance of approximately \$ 260,000 if fully executed to cure the Capital Improvement Project Fund and Law Enforcement Trust Fund balances.

The Town expects revenues from the Federal Emergency Management Agency in the amount of approximately \$ 300,000 to assist in curing the \$ 260,000 General Fund unassigned deficit. These funds are from the reimbursement of expenditures already incurred by the Town.

Note 13 - Commitments

In September 2019 the Town entered into an Agreement with Olin Hydrographic Solutions, Inc, in the amount of approximately \$ 334,000, to perform canal maintenance dredging within the Town boundaries. As of September 30, 2019, none of the contract commitments have been incurred.

Note 14 - Subsequent Events

On November 20, 2019 the Town entered in to a \$ 4,000,000 note with a financial institution for the purpose of financing the cost of construction, installation and furnishing of a new civic center within the Town. 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%. The note requires semiannual payments of interest beginning June 1, 2020 and matures on December 1, 2029. Thereafter the Note will bear interest at a floating rate equal to the 10 years US Treasury Rate plus 2%. The Note is secured exclusively by legally available non-ad valorem revenue of the Town.

In March 2020, the *World Health Organization* declared the outbreak of a coronavirus (COVID-19) a pandemic. As a result, the local and global financial markets are experiencing significant declines and creating economic uncertainties. At this time, it is unknown how this negative outlook will impact the Town's financial statements. No adjustments have been made to the accompanying financial statements as a result of the current events.

REQUIRED SUPPLEMENTARY INFORMATION



	_	2019	_	2018		2017	_	2016	_	2015	_	2014
Total pension liability												
Service cost	\$	646,789	\$	372,701	\$	355,307	\$	410,000	\$	412,000	\$	406,000
Expected interest growth		725,127		767,653		702,846		649,000		540,000		540,000
Differences between expected and												
actual experience		164,367		113,395		537,419		(21,000)		(13,000)		(132,000)
Changes in assumptions		1,739,683				(434,803)		48,778		-		-
Changes in benefit terms		209,462										
Benefit payments, including refunds		(272.624)		(004040)		(222 527)		(222.222)		(2.17.000)		(245,000)
of member contributions	-	(373,621)	-	(324,318)	-	(329,527)	-	(308,000)	-	(347,000)	-	(315,000)
Net change in total pension liability		3,111,807		929,431		831,242		778,778		592,000		499,000
Total pension liability - beginning		10,577,451		9,648,020		8,816,778		8,038,000		7,446,000		6,947,000
Total pension liability - ending (A)	\$	13,689,258	\$	10,577,451	\$	9,648,020	\$	8,816,778	\$	8,038,000	\$	7,446,000
	=		-		•		=		-		-	
Plan fiduciary net position												
Contributions - employer	\$	637,382	\$	588,601	\$	513,696	\$	457,855	\$	428,000	\$	428,000
Contributions - member		156,672		152,113		120,499		110,543		102,000		100,000
Expected interest growth		684,358		719,791		618,943		-		-		-
Unexpected investment income		(420,472)		57,584		373,099		438,000		(50,000)		535,000
Benefit payments, including refunds												
of member contributions		(373,621)		(324,318)		(329,527)		(308,000)		(347,000)		(315,000)
Administrative expenses	-	(60,517)	-	(57,496)		(129,160)	-	(60,694)	-	(40,000)	-	(60,000)
Net change in plan fiduciary net position		623,802		1,136,275		1,167,550		637,704		93,000		688,000
Plan fiduciary net position - beginning		10,129,529		8,993,254		7,825,704		7,188,000		7,095,000		6,407,000
Plan fiduciary net position - ending (B)	s -	10,753,331	s -	10,129,529	ġ.	8,993,254	ġ-	7,825,704	ġ-	7,188,000	ġ-	7,095,000
, (-)			-		Ť =	0,000,000	-	1,020,101	-	1,200,000	Ť =	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Town's net pension liability (asset) -												
ending (A) - (B)	\$	2,935,927	\$	447,922	\$	654,766	\$	991,074	\$	850,000	\$	351,000
	=		-		-		-		-		=	
Plan fiduciary net position as a percentage												
of the total pension liability		78.55%		95.77%		93.21%		88.76%		89.43%		95.29%
Covered-employee payroll	_	2,474,969	\$	2,080,445	Ś	1,911,580	\$	2,258,192	\$	2,159,806	\$	2,027,000
	\$	2,474,909	Ų	2,000,443	Ţ	1,311,300	ڔ	2,238,132	Ţ	2,133,000	Y	2,027,000
Town's net pension liability (asset) as	\$	2,474,909	Y	2,000,443	Ţ	1,311,300	ب	2,230,132	Ţ	2,133,000	Y	2,027,000

^{*} Schedule is intended to show information for 10 years.

Additional years will be displayed as they become available.

		2019	2018		2017		2016	2015	2014
Actuarially determined contribution	\$	549,481	\$ 588,601	\$	458,294	\$	457,855	\$ 427,817	\$ 427,817
Contributions in relation to the actuarially determined contribution	_	637,382	588,601	-	513,696	-	457,855	427,817	427,817
Contribution deficiency (excess)	\$_	(87,901)	\$ -	\$	(55,402)	\$		\$ 	\$
Covered-employee payroll	\$ 2	,474,969	\$ 2,080,445	\$	1,911,580	\$	2,258,192	\$ 2,159,806	\$ 2,027,000
Contributions as a percentage of covered-employee payroll		25.75%	28.29%		26.87%		20.28%	19.81%	21.11%

_	2013	_	2012	_	2011	_	2010	_	2009
\$	391,306	\$	376,825	\$	383,027	\$	367,275	\$	345,017
_	383,769	_	383,769	_	383,769	_	372,769	_	360,753
\$_	7,537	\$_	(6,944)	\$_	(742)	\$_	(5,494)	\$_	(15,736)
\$	2,019,940	\$	1,820,735	\$	1,920,856	\$	1,813,079	\$	1,811,913
	19.00%		21.08%		19.98%		20.56%		19.91%

	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of						
return, net of investment expense	4.74%	8.93%	5.35%	6.96%	-0.80%	9.20%

^{*} Schedule is intended to show information for 10 years.

Additional years will be displayed as they become available.

Fiscal Year: Measurement Date:	2019 9/30/2019	2018 9/30/2018
Total OPEB liability Service cost Interest Benefits payments Assumption changes	\$ 11,908 114,195 (67,042) 60,685	\$ 11,778 113,716 (52,853)
Net change in total OPEB liability	119,746	72,641
Total OPEB liability - beginning	3,211,112	3,138,471
Total OPEB liability - ending	\$ 3,330,858	\$ 3,211,112
Covered payroll	\$ 2,373,485	\$ 2,373,485
Total OPEB liability as a percentage of covered payroll	140.34%	135.29%

Notes to Schedule:

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

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

Town of Golden Beach, Florida Statement of Revenues, Expenditures and Change in Fund Balance -Budget and Actual -Law Enforcement Trust Fund For the Year Ended September 30, 2019

		Original Budget		Final Budget	Actual		Variance
Revenues:	_		-			_	
Fines and forfeitures	\$	236,000	\$	236,000	\$ 230,058	\$	(5,942)
Interest income	_	500	_	500	6,290	_	5,790
Total revenues	_	236,500	_	236,500	236,348	_	(152)
Expenditures:							
Public safety		196,372		196,372	179,901.00		16,471
Capital outlay		•		,	49,265		·
Interest	_	1,000	_	1,000	0	_	1,000
Total expenditures	_	197,372	_	197,372	229,166	_	17,471
Excess of revenues over expenditures before other financing sources (uses)	_	39,128	_	39,128	7,182	_	17,319
Other Financing Sources (Uses):							
Transfers in (out)	_	(39,128)	_	(39,128)	(60,000)	_	(20,872)
Total other financing sources (uses)	_	(39,128)	_	(39,128)	(60,000)	_	(20,872)
Change in fund balance	\$_	_	\$_	-	(52,818)	\$_	(3,553)
Fund Balance, beginning of year					(239,566)		
Fund Balance (Deficit), end of year					\$ (292,384)		

COMPLIANCE SECTION





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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Golden Beach, Florida (the "Town") as of and for the year ended September 30, 2019, and the related notes to the financial statements which collectively comprise the Town's basic financial statements and have issued our report thereon dated May 21, 2020.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

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

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





Compliance and Other Matters

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

Purpose of this Report

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

KEEFE McCULLOUGH

Keefe McCullough

Fort Lauderdale, Florida May 21, 2020



INDEPENDENT AUDITOR'S REPORT TO TOWN MANAGEMENT

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

Report on the Financial Statements

We have audited the financial statements of the Town of Golden Beach, Florida (the "Town"), as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated May 21, 2020.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards; and* Independent Auditor's Report on an examination conducted in accordance with AICPA *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated May 21, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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



SOUTH FLORIDA BUSINESS JOURNAL

Financial Condition and Management

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

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

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

Additional Matters

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

Purpose of the Letter

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

KEEFE McCULLOUGH

Fort Lauderdale, Florida May 21, 2020

Keefe McCullough



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

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

We have examined the Town of Golden Beach, Florida's (the "Town") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2019. Management is responsible for the Town's compliance with the specific requirements. Our responsibility is to express an opinion on the Town's compliance with the specific requirements based on our examination.

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

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

In our opinion, the Town complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

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

KEEFE McCULLOUGH

Keefe McCullough

Fort Lauderdale, Florida May 21, 2020



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