# Town of Golden Beach, Florida

Basic Financial Statements For the Year Ended September 30, 2020



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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, 2020, 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, 2020, 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 53 through 58 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 April 13, 2021, 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 April 13, 2021

# 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, 2020 and 2019. 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, 2020:

- The Town's net position, which total assets and deferred outflows less liabilities and deferred inflows, was \$ 20,280,133. Governmental net position totaled \$ 11,193,208 and business-type net position totaled \$ 9,086,925.
- Governmental activities revenues were \$11,496,931. The expenses of governmental activities were \$12,308,770.
- Business-type activities revenues were \$ 512,433 and business-type expenses amounted to \$ 995,423.

# **Town Highlights**

This year has tested our resolve and our strength as a community, and mine as your Town Manager. The Town faced a situation, the likes of which have not been felt throughout the world for over 100 years. The COVID-19 Pandemic tested the very foundation by which the Town runs its day-to-day operations, how it provides services to the residents, and how it maintains the safety and well-being of all individuals that come to the Town of Golden Beach.

Through adversity and the challenges of the unknown, the Town continues to make strides to overcome the uncertainty of what lies ahead to maintain Golden Beach's standing as a premier residential community in which to visit, live, and raise a family. And to strengthen the Town's relationship with the employees, and commitment to them as it adapts to the changes that lie ahead.

During the last decade, the Town has experienced a re-birth as the Administration has made its top priority to invest in the infrastructure of the Town. In doing so, the Town's assessed values have grown from \$500-million 10 years ago to \$1.179 billion today. Though the Town had to re-shift its focus this year — to concentrate more heavily on safety and protection, the Town was still able to hit milestones and accomplish a number of projects.

Here is what FY 2019/2020, looked like:

• Awarded the Civic Center Master Plan to Gerrits Construction, Inc. A selection committee comprised of residents took the seven proposals the Town received through the RFP process and narrowed them down to the top three. The Mayor and Council later workshopped the top three respondents, ranking them from one to three, with Gerrits Construction, Inc. ranking in at #1. The Town secured financing for the Civic Center Complex Masterplan from City National Bank at a competitive rate. The Town also retained the professional services of Estrada, Hinojosa & Company, Inc. to serve as the Town's financial advisor for this project, and authorized the issuance of Capital Improvement Revenue Note Series 2019.

- The Town is also endeavoring to rebuild and restructure the Public Works/Police Annex Facility to become the Town's new Auxiliary Services Facility, housing the Town's Emergency Operations Center. As part of the project, the Town submitted a grant application to the Florida Department of Economic Opportunity's Rebuild Florida Critical Facility Hardening Program (still awaiting to hear if the Town will be awarded any grant dollars).
- The Town worked aggressively with the state leaders and the House Senate and was able to receive a \$500,000 allocation from the State. Unfortunately, due to the COVID-19 Pandemic the Governor vetoed the allocation.
- The Town Manager was nominated and won the Florida League of Cities Excellence in Management Award, for excellence in city management. This is a very prestigious award. Only one City/Town Manager a year receives this accolade.
- The Town issued an RFP for the Center Island Pump Station and finalized a loan agreement with the Department of Environmental Protection for a State Revolving Loan Agreement for the project.
- In fiscal year 2020, 854 applications for permits were received and processed in the Building and Zoning Department. Within those applications 5 new homes were approved, 14 renovations and additions, 12 seawalls, docks and boat lifts, and 4 variance requests were received. In addition, 426 Building permits were issued and of that 4 were for new homes, 13 were for additions and remodels, and 2 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 52 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 53 through 58 of this report.

# **Government-Wide Financial Analysis**

The table below presents condensed statements of net position as of September 30, 2020 and 2019:

# Statements of Net Position September 30, 2020 and 2019

	Governmental Activities									-	Total		
	_		ental i		_	Business-T	ype.			Primary	ove		
Constant	_	2020	_	2019	_	2020	_	2019	-	2020	-	2019	
Current and Other Assets	\$	5,644,263	\$	4,644,832	\$	593,284	\$	653,436	\$	6,237,547	\$	4,624,083	
Capital Assets (NET)	_	25,318,918	_	25,767,739	_	11,466,237	_	11,848,808		36,785,155	_	38,262,244	
Total assets	_	30,963,181	_	30,412,571	_	12,059,521	_	12,502,244		43,022,702	_	42,886,327	
Total deferred outflows of resources	_	4,276,434	_	3,039,695	_		_			4,276,434	_	3,039,695	
Current and Other Liabilities		1,402,733		1,313,379		2,203,058		2,017,319		3,605,791		3,330,698	
Long-Term Liabilities	_	22,361,442	_	19,745,710	_	769,538	_	915,010		23,130,980	_	20,660,720	
Total liabilities	_	23,764,175	_	21,059,089	_	2,972,596	_	2,932,329		26,736,771	_	23,991,418	
Total deferred inflows of resources	_	282,232	_	388,130	_		_			282,232	_	388,130	
Net Position: Net investment in capital assets Unrestricted (deficit)	_	14,600,048 (3,406,840)	_	14,186,392 (2,181,345)	_	10,551,227 (1,464,302)	_	10,791,018 (1,221,103)		25,151,275 (4,871,142)	_	24,977,410 (3,402,448)	
Total net position	\$_	11,193,208	\$_	12,005,047	\$_	9,086,925	\$_	9,569,915	\$	20,280,133	\$_	21,574,962	

The following table presents condensed statements of activities for the years ended September 30, 2020 and 2019:

Statements of Activities
For the Years Ended September 30, 2020 and 2019

											otal	
	_	Governme	ental		_	Business-T	уре А		-	Primary (	Gover	
_	_	2020	_	2019	_	2020	_	2019	_	2020	_	2019
Revenues:												
Program revenues:	<u>,</u>	4 004 072	<u>,</u>	1 206 406	<u>,</u>	224 005	4	240 474	<u> </u>	4 246 777	ċ	1 604 670
Charges for services	\$	1,094,972	\$	1,386,496	\$	221,805	\$	218,174	\$	1,316,777	\$	1,604,670
Grants		569,950		440,806		-		-		569,950		440,806
General revenues:		9,367,925		9,005,289						9,367,925		0.005.390
Property taxes Other general revenues		300,895		374,930		3,840		6,269		, ,		9,005,289
Other taxes and fees		•		,		,		,		304,735		381,199
Other taxes and rees	-	163,189	-	181,465	_	286,788	_	283,015	-	449,977	_	464,480
Total revenues	_	11,496,931	_	11,388,986	_	512,433	_	507,458	_	12,009,364	_	11,896,444
										7	otal	
		Governme	ntal	Activities		Business-T	νης Δ	ctivities		Primary (		nment
	_	2020	incar	2019	_	2020	yper	2019	-	2020	30101	2019
Program Expenses:	_	2020	-	2013	_	2020	_	2013	-	2020	_	2013
General government		3,749,318		2,343,926		_		_		3,749,318		2,343,926
Public safety		4,781,332		4,289,007		_		_		4,781,332		4,289,007
Physical environment		1,261,900		2,418,115		-		-		1,261,900		2,418,115
Transportation		866,595		928,531		-		-		866,595		928,531
Cultural and recreation		754,976		750,547		-		-		754,976		750,547
Special events		414,175		385,390		-		-		414,175		385,390
Interest expense		480,474		487,951		-		-		480,474		487,951
Stormwater drainage	_	-	-	-	_	995,423	_	659,106	-	995,423	_	659,106
Total expenses	_	12,308,770	_	11,603,467	_	995,423	_	659,106	_	13,304,193	_	12,262,573
Change in												
net position	n \$	(811,839)	\$	(214,481)	\$	(482,990)	\$	(151,648)	\$	(1,294,829)	\$	(366,129)

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 81% of all governmental activities' revenue during fiscal year 2020. 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 7.5780 mills for general government services and \$ .8220 for bond debt service during the 2019-2020 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 \$ 12,308,770 and \$ 995,423 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 \$ 3,694,236 an increase of \$ 833,890.

The General Fund balance increased to \$3,627,364 during the current fiscal year, an increase of \$1,060,431.

**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 \$ 9,086,925 at the end of FY2020, a decrease of \$ 482,990 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 \$855,240 favorable to the final budget projections and total expenditures were \$205,191 favorable to final budget projections. Major variances between budgeted and actual amounts in the General Fund are as follows:

- a. Building permit revenues were approximately \$ 377,000 above budgeted amounts due to new applications for construction during the year.
- b. Federal grant revenues were approximately \$ 228,000 above budgeted amounts due to such amounts not being budgeted for.
- c. General fund budget was amended for the reclassification of certain expenditures not provided for in the original budget. These amendments did not change the overall budgeted expenditures.

#### **Capital Assets and Debt Administration**

**Capital assets**: The Town had capital assets of \$ 36,785,155 and \$ 37,616,547, net of depreciation, as of September 30, 2020 and 2019, respectively.

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

										٦	otal		
	_	Governme	ental	Activities	_	Business-Type Activities				Primary	Government		
		2020	_	2019		2020	20 2019		_	2020		2019	
Land	\$	1,878,598	\$	1,878,598	\$	-	\$	-	\$	1,878,598	\$	1,878,598	
Construction in progress		333,269		180,001		196,133		183,580		529,402		363,581	
Buildings		983,251		1,033,682		-		-		983,251		1,033,682	
Equipment and vehicles		1,145,594		1,231,288		-		-		1,145,594		1,231,288	
Infrastructure		19,097,489		19,429,476		-		-		19,097,489		19,429,476	
Improvements other													
than buildings	_	1,880,717	_	2,014,694	_	11,270,104	_	11,665,228	_	13,150,821	_	13,679,922	
	\$	25,318,918	\$	25,767,739	\$	11,466,237	\$	11,848,808	\$	36,785,155	\$	37,616,547	

**Debt:** The Town had debt of approximately \$ 13.5 million at September 30, 2020. Total debt outstanding at the end of the prior fiscal year was approximately \$ 13.5 million. The following schedule summarizes long-term debt for the year ended September 30, 2020:

Governmental activities:	October 1, 2019	Additions	Deletions	September 30, 2020	Within One Year
General Obligation Refunding Bonds, Series 2016 General Obligation Refunding	\$ 12,005,000	\$ -	\$ 430,000	\$ 11,575,000	\$ 445,000
Bonds, Series 2019	-	650,000	-	650,000	-
Bond premium	387,961	-	20,419	367,542	-
Capital lease	58,523		58,523		
Total governmental activities	12,451,484	650,000	508,942	12,592,542	445,000
<b>Business-type activities:</b> Department of Environmental					
Protection, Revolving Loan	1,057,790		142,780	915,010	145,472
Total business-type activities	1,057,790		142,780	915,010	145,472
Total governmental and business-type activities	\$ 13,509,274	\$ 650,000	\$ 651,722	\$ 13,507,552	\$ 590,472

# **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 COVID-19 related expenditures in fiscal year ended of approximately \$150,000. The Town will also receive approximately \$390,000 through the American Rescue Plan.

### **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



	Primary Government						
		Governmental		Business-Type			
		Activities		Activities		Total	
Assets:	_		_		_		
Cash and cash equivalents	\$	2,726,121	\$	88,623	\$	2,814,744	
Investments		514,041		325,959		840,000	
Accounts receivable		319,598		178,702		498,300	
Prepaid expenses		1,359		-		1,359	
Other assets		68,534		100 122		68,534	
Capital assets, non-depreciable		2,211,867		196,133		2,408,000	
Capital assets, depreciable Internal balance		23,107,051		11,270,104		34,377,155	
internal parance		2,014,610		(2,014,610)			
Total assets		30,963,181		10,044,911		41,008,092	
Deferred Outflows of Resources:							
Deferred charge on refunding		527,466		-		527,466	
Deferred outflows relating to pensions		1,937,057		-		1,937,057	
Deferred outflows relating to other post		,,				,,	
employment benefits (OPEB)		1,811,911	ı	-		1,811,911	
Total deferred outflows of resources		4,276,434	,	-		4,276,434	
Liabilities:							
Accounts payable		232,222		37,943		270,165	
Accrued interest payable		117,765		5,033		122,798	
Accrued expenses		536,137		-		536,137	
Due within one year:		300,207				000,207	
Compensated absences payable		71,609		_		71,609	
Bonds and capital leases payable		445,000		145,472		590,472	
Due in more than one year:				_ 10, 17 _		555, =	
Builder bond deposits		903,410		-		903,410	
Other deposits		278,258		-		278,258	
Compensated absences payable		454,714		-		454,714	
Net pension liability		3,127,078		-		3,127,078	
Bonds and capital leases payable		12,147,542		769,538		12,917,080	
Other post-employment benefit liability		5,450,440				5,450,440	
Total liabilities		23,764,175		957,986		24,722,161	
Deferred Inflows of Resources:		<u>.</u>				_	
Deferred inflows of Resources:  Deferred inflows relating to pensions		282,232		_		282,232	
belefied lilliows relating to pensions		202,232	,		•	202,232	
Total deferred inflows of resources		282,232	,			282,232	
Net Position:							
Net investment in capital assets		14,600,048		10,551,227		25,151,275	
Unrestricted (deficit)		(3,406,840)		(1,464,302)		(4,871,142)	
, ,							
Total net position	\$	11,193,208	\$	9,086,925	\$	20,280,133	

				Progra	m Rev	Revenues			
Functions/Programs:	-	Expenses	-	Charges for Services		Capital Grants and Contributions			
Primary government: Governmental activities:									
Governmental activities: General government Public safety Physical environment Transportation Cultural and recreation Special events Interest expense and other financing costs	\$	3,749,318 4,781,332 1,261,900 866,595 754,976 414,175 480,474	\$	1,089,992 - 80 - 4,900 - -	\$	228,187 341,763 - - - - -			
Total governmental activities		12,308,770	_	1,094,972	·	569,950			
Business-type activities: Stormwater drainage Total business-type activities		995,423 995,423	-	221,805 221,805					
Total business type activities	-	333,423	-	221,003					
Total primary government	\$	13,304,193	\$	1,316,777	\$	569,950			

# 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

11

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

Governmental Activities	Business-Type Activities	Total
\$ (2,431,139) (4,439,569) (1,261,820) (866,595) (750,076) (414,175) (480,474)	\$ - - - - -	\$ (2,431,139) (4,439,569) (1,261,820) (866,595) (750,076) (414,175) (480,474)
(10,643,848)		(10,643,848)
	(773,618)	(773,618)
	(773,618)	(773,618)
(10,643,848)	(773,618)	(11,417,466)
9,367,925 27,145 11,605 124,439	129,837 156,951 -	9,367,925 156,982 168,556 124,439
232,520 46,919 21,456	- - 3,840_	232,520 46,919 25,296
9,832,009	290,628	10,122,637
(811,839)	(482,990)	(1,294,829)
12,005,047	9,569,915	21,574,962
\$ 11,193,208	\$ 9,086,925	\$ 20,280,133

			N	/lajor Govern	me	ntal Funds				
				Capital		Law				
			lı	mprovement	Е	nforcement		Debt		Total
		General		Project		Trust		Service	(	Governmental
		Fund		Fund	_	Fund	-	Fund	_	Funds
Assets:	_	2 242 277	_	400 500	_	227.456	_		_	2 726 424
Cash and cash equivalents	\$	2,010,077	\$	488,588	\$	227,456	\$	-	\$	2,726,121
Investments		277,376		-		236,665		-		514,041
Accounts receivable		57,363		170,161		87,003		5,071		319,598
Prepaid expenditures		-		-		1,359		-		1,359
Due from other funds		4,818,946		-		-		1,746,695		6,565,641
Other assets		68,534			-		-		-	68,534
Total assets	\$	7,232,296	Ś	658,749	Ś	552,483	\$	1,751,766	\$	10,195,294
	٠.	, - ,	· ·		· =	,	•	, - ,	· =	-,, -
Liabilities and										
Fund Balances:										
Liabilities:										
Accounts payable	\$	140,432	\$	91,176	\$	614	\$	-	\$	232,222
Accrued liabilities		536,137		-		-		-		536,137
Due to other funds		1,746,695		990,198		909,157		904,981		4,551,031
Builder bond deposits		903,410		-		-		-		903,410
Other deposits		278,258		-	_	-		-	_	278,258
Total liabilities		3,604,932		1,081,374	_	909,771		904,981	_	6,501,058
Fund balances:										
Nonspendable										
Prepaid expenditures		_		-		1,359		-		1,359
Long-term stormwater						_,				_,
interfund receivable		2,014,710		-		-		-		2,014,710
Restricted for:		, ,								, ,
Debt service		-		-		-		846,785		846,785
Assigned:										
Building department		420,000		-		-		-		420,000
Unassigned (deficit)		1,192,654		(422,625)	_	(358,647)	_	-	_	411,382
Total fund balances		3,627,364		(422,625)	_	(357,288)	-	846,785	_	3,694,236
Total liabilities										
and fund balances	\$	7,232,296	\$	658,749	\$_	552,483	\$	1,751,766	\$_	10,195,294

Fund balances - total governmental funds		\$	3,694,236
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	\$ 36,779,700 (11,460,782)		25,318,918
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)	\$ 527,466 1,937,057 1,811,911 (282,232) (117,765) (526,323) (3,127,078) (12,592,542) (5,450,440)	_	(17,819,946)
Net position of governmental activities		\$_	11,193,208

			Major Governmental Funds							
		General Fund	ı	Capital mprovement Project Fund	E	Law nforcement Trust Fund		Debt Service Fund	_	Total Governmental Funds
Revenues:										
Ad valorem taxes	\$	8,450,266	\$	-	\$	-	\$	917,659	\$	9,367,925
Franchise fees		11,605		-		-		-		11,605
Utility service taxes		27,145		-		-		-		27,145
Licenses and permits		1,089,992		-		-		-		1,089,992
Sales, use and fuel taxes		124,439		-		-		-		124,439
State shared revenues		46,919		-		-		-		46,919
Federal grants		228,187								228,187
Physical environment		80		-		-		-		80
Cultural and recreation		4,900		-		-		-		4,900
Fines and forfeitures		174,262		-		167,501		-		341,763
Investment income		18,626		46		2,784		-		21,456
Miscellaneous	-	237,630	_		_		_		-	237,630
Total revenues	_	10,414,051	_	46	_	170,285	_	917,659	_	11,502,041
Expenditures:										
Current:										
General government		2,164,882		436		-		-		2,165,318
Public safety		3,812,063		-		175,189		-		3,987,252
Physical environment		1,132,724		-		-		-		1,132,724
Transportation		855,553		-		-		-		855,553
Cultural and recreation		705,371		-		-		-		705,371
Special events		389,137		-		-		-		389,137
Capital outlay		291,960		819,976		-		-		1,111,936
Debt service:										
Principal		58,523		-		-		430,000		488,523
Interest	_	3,407	_	3,949				474,981		482,337
Total expenditures	_	9,413,620	_	824,361	_	175,189	_	904,981	-	11,318,151
Changes in fund balance										
before other financing										
sources (uses)	_	1,000,431	_	(824,315)	_	(4,904)	_	12,678	_	183,890

Town of Golden Beach, Florida
Statement of Revenues, Expenditures and
Changes in Fund Balances Governmental Funds
(continued)
For the Year Ended September 30, 2020

	Major Governmental Funds				_
	General Fund	Capital Improvement Project Fund	Law Enforcement Trust Fund	Debt Service Fund	Total Governmental Funds
Other Financing Sources (Uses): Proceeds from debt		650,000			650,000
Transfers in	60,000	030,000	_	_	60,000
Transfers out			(60,000)		(60,000)
Total other financing sources (uses)	60,000	650,000	(60,000)		650,000
Changes in fund balances	1,060,431	(174,315)	(64,904)	12,678	833,890
Fund Balances (Deficit), Beginning of Year	2,566,933	(248,310)	(292,384)	834,107	2,860,346
Fund Balances (Deficit), End of Year	\$ 3,627,364	\$ (422,625)	\$ (357,288)	\$ 846,785	\$ 3,694,236

Net change in fund balances - total governmental funds		\$ 833,890
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	\$ 904,230 (1,347,941)	(443,711)
The net effect of various miscellaneous transactions involving capital assets (trade-ins, retirements) is to decrease net position.		(5,110)
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  Proceeds from debt  Certain items reported in the statement of activities do not require the use of current financial resources and,	\$ 488,523 20,419 (650,000)	(141,058)
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) (191,151) 980 (88,734)
obligation (OPEB)  Change in deferred outflows related to pensions Change in deferred outflows related to other post		(2,119,582) (501,679)
employment benefit (OPEB)  Change in deferred inflows related to other post  employment benefit (OPEB)		1,757,954 105,898
Change in net position of governmental activities		\$ (811,839)

	Original Budget		Final Budget		Actual		Favorable (Unfavorable) Variance
Revenues:		_		•		,	
Ad valorem taxes \$	8,354,868	\$_	8,354,868	\$	8,450,266	\$	95,398
Total ad valorem taxes	8,354,868	_	8,354,868		8,450,266	ı	95,398
Franchise fees: Gas	8,800		8,800	_	11,605	ı	2,805
Total franchise fees	8,800	_	8,800	_	11,605	ı	2,805
Utility service taxes: Communication service tax Gas service tax	18,559 6,000		18,559 6,000	_	17,768 9,377	ı	(791) 3,377
Total utility service taxes	24,559	_	24,559	-	27,145	ı.	2,586
Licenses and permits: Building permits Other licenses and permits Occupational licenses	446,500 226,800 1,000	. <u>-</u>	446,500 226,800 1,000	_	823,686 264,798 1,508	ı	377,186 37,998 508
Total licenses and permits	674,300	_	674,300	_	1,089,992	ı	415,692
Sales, use and fuel taxes: State sales tax Local option gas tax Local sales tax	75,712 27,638 35,000		75,712 27,638 35,000		64,772 24,706 34,961		(10,940) (2,932) (39)
Total sales, use and fuel taxes	138,350	_	138,350	_	124,439	.'	(13,911)
State shared revenues: State revenue sharing State grant proceeds Motor fuel tax rebate	23,462 13,972 2,500		23,462 13,972 2,500		21,189 25,730 -		(2,273) 11,758 (2,500)
Total state shared revenues	39,934	. <u>.</u>	39,934	_	46,919	i	6,985
Federal grant revenues: Federal grants			-	_	228,187	ı	228,187
Total federal grant revenues		_	-	_	228,187	ı	228,187
Physical environment: Reimbursements		. <u>-</u>	-	_	80	ı	80
Total physical environment		_	-		80	ı	80

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, 2020 (continued)

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
Culture and recreation:				
Recreation fees	5,500	5,500	4,900	(600)
Total culture and recreation	5,500	5,500	4,900	(600)
Stormwater administration fee	200,000	200,000	200,000	
Fines and forfeitures: Code enforcement Fines and forfeitures Law enforcement trust fund	25,500 15,000 100	25,500 15,000 100	153,680 19,408 1,174	128,180 4,408 1,074
Total fines and forfeitures	40,600	40,600	174,262	133,662
Investment income	13,100	13,100	18,626	5,526
Miscellaneous: Miscellaneous revenue Off duty income Tax lien letter income Public records requests	50,100 5,000 3,500 200	50,100 5,000 3,500 200	4,094 26,975 6,065 496	(46,006) 21,975 2,565 296
Total miscellaneous	58,800	58,800	37,630	(21,170)
Allocation of fund balance				<u> </u>
Total revenues	9,558,811	9,558,811	10,414,051	855,240
Expenditures: General government:				
General governmental: Operating expenditures Capital outlay	1,229,953 25,000	978,153 25,000	745,505 17,043	232,648 7,957
Total general governmental	1,254,953	1,003,153	762,548	240,605
Legislative: Personal services Operating expenditures Capital outlay	89,621 44,100 6,100	89,621 48,900 6,100	81,704 55,060 7,926	7,917 (6,160) (1,826)
Total legislative	139,821	144,621	144,690	(69)

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, 2020 (continued)

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
Executive: Personal services Operating expenditures Capital outlay	396,337 52,900 5,000	366,337 52,900 5,000	334,478 63,868 6,497	31,859 (10,968) (1,497)
Total executive	454,237	424,237	404,843	19,394
Town clerk: Personal services Operating expenditures Capital outlay	190,948 32,800 2,200	198,948 32,800 2,200	197,856 28,956 6,064	1,092 3,844 (3,864)
Total town clerk	225,948	233,948	232,876	1,072
Town legal counsel: Operating expenditures	209,500	234,500	270,122	(35,622)
Total town legal counsel	209,500	234,500	270,122	(35,622)
Finance: Personal services Operating expenditures Capital outlay	249,210 78,600 3,500	259,210 105,100 7,000	263,589 123,744 12,981	(4,379) (18,644) (5,981)
Total finance	331,310	371,310	400,314	(29,004)
Total general government	2,615,769	2,411,769	2,215,393	196,376
Public safety: Law enforcement: Personal services Operating expenditures Capital outlay	2,774,465 385,790 205,000	2,774,465 441,790 205,000	2,758,222 480,841 200,693	16,243 (39,051) 4,307
Total law enforcement	3,365,255	3,421,255	3,439,756	(18,501)
Protective inspections: Personal services Operating expenditures Capital outlay	310,703 282,000 5,500	310,703 282,000 5,500	260,113 312,887 2,252	50,590 (30,887) 3,248
Total protective inspections	598,203	598,203	575,252	22,951
Total public safety	3,963,458	4,019,458	4,015,008	4,450

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, 2020 (continued)

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
Physical environment:				
Personal services	901,838	901,838	818,345	83,493
Operating expenditures	294,000	294,000	314,379	(20,379)
Capital outlay	15,000	15,000	15,273	(273)
Total physical environment	1,210,838	1,210,838	1,147,997	62,841
Transportation:				
Personal services	109,449	109,449	98,231	11,218
Operating expenditures	545,982	708,982	757,322	(48,340)
Capital outlay			405	(405)
Total transportation	655,431	818,431	855,958	(37,527)
<b>Cultural and recreation:</b>				
Personal services	312,227	312,227	309,639	2,588
Operating expenditures	427,000	392,000	395,732	(3,732)
Capital outlay	20,000	20,000	21,671	(1,671)
Total cultural and recreation	759,227	724,227	727,042	(2,815)
Special events:				
Personal services	207,783	219,783	226,802	(7,019)
Operating expenditures	145,500	153,500	162,335	(8,835)
Capital outlay			1,155	(1,155)
Total special events	353,283	373,283	390,292	(17,009)
Debt service:				
Principal	54,211	54,211	58,523	(4,312)
Interest	6,594	6,594	3,407	3,187
Total debt service	60,805	60,805	61,930	(1,125)
Total expenditures	9,618,811	9,618,811	9,413,620	205,191
Change in fund balance before				
other financing sources (uses)	(60,000)	(60,000)	1,000,431	1,060,431
Other Financing Sources (Uses):				
Transfers out	-	-	-	-
Transfers in	60,000	60,000	60,000	
Total other financing sources	60,000	60,000	60,000	
Change in fund balance \$		\$	1,060,431	\$ 1,060,431
Fund Balance, Beginning of Year			2,566,933	
Fund Balance, End of Year			\$ 3,627,364	

Assets:         Current assets:           Cash and cash equivalents         \$ 88,623           Investments         325,959           Accounts receivable         178,702           Due from other funds         100           Total current assets         593,384           Noncurrent assets:         11,466,237           Capital assets, net         11,466,237           Total noncurrent assets         12,059,621           Liabilities:         2           Current liabilities:         37,943           Accounts payable         33,943           Accord interest payable         5,033           Current portion of debt         145,472           Due to other funds         2,014,710           Total current liabilities:         2,203,158           Noncurrent liabilities:         769,538           Total noncurrent liabilities         2,972,696           Net Position:         Net investment in capital assets         10,551,227           Unrestricted (deficit)         (1,464,302)           Total net position         \$ 9,086,925			Stormwater Utility Fund
Cash and cash equivalents         \$ 88,623           Investments         325,959           Accounts receivable         178,702           Due from other funds         100           Total current assets         593,384           Noncurrent assets           Capital assets, net         11,466,237           Total noncurrent assets         11,466,237           Total assets         12,059,621           Liabilities:           Current liabilities:         37,943           Accrued interest payable         5,033           Accrued interest payable         5,033           Current portion of debt         145,472           Due to other funds         2,014,710           Total current liabilities:         2,203,158           Noncurrent liabilities:         769,538           Total noncurrent liabilities         2,972,696           Net Position:         2,972,696           Net position:         10,551,227           Unrestricted (deficit)         (1,464,302)	Assets:	·	
Investments         325,959           Accounts receivable         178,702           Due from other funds         100           Total current assets         593,384           Noncurrent assets:         11,466,237           Capital assets, net         11,466,237           Total noncurrent assets         12,059,621           Liabilities:         2           Current liabilities:         37,943           Accounts payable         37,943           Accrued interest payable         5,033           Current portion of debt         145,472           Due to other funds         2,014,710           Total current liabilities         2,203,158           Noncurrent liabilities:         769,538           Long-term debt         769,538           Total noncurrent liabilities         2,972,696           Net Position:         Net investment in capital assets         10,551,227           Unrestricted (deficit)         (1,464,302)		_	00.000
Accounts receivable Due from other funds         178,702 100           Due from other funds         593,384           Noncurrent assets           Capital assets, net         11,466,237           Total noncurrent assets         11,466,237           Total assets         12,059,621           Liabilities:           Current liabilities:         37,943           Accounts payable         37,943           Accrued interest payable         5,033           Current portion of debt         145,472           Due to other funds         2,014,710           Total current liabilities         2,203,158           Noncurrent liabilities:         2,203,158           Total noncurrent liabilities         769,538           Total liabilities         2,972,696           Net Position:         Net investment in capital assets         10,551,227           Unrestricted (deficit)         (1,464,302)		\$	
Due from other funds         100           Total current assets         593,384           Noncurrent assets:         11,466,237           Capital assets, net         11,466,237           Total noncurrent assets         11,466,237           Total assets         12,059,621           Liabilities:         2           Current liabilities:         37,943           Accounts payable         37,943           Accrued interest payable         5,033           Current portion of debt         145,472           Due to other funds         2,014,710           Total current liabilities         2,203,158           Noncurrent liabilities:         2,203,158           Total noncurrent liabilities         769,538           Total liabilities         2,972,696           Net Position:         3,032           Net investment in capital assets         10,551,227           Unrestricted (deficit)         (1,464,302)			
Total current assets         593,384           Noncurrent assets:         11,466,237           Total noncurrent assets         11,466,237           Total assets         12,059,621           Liabilities:         2           Current liabilities:         37,943           Accounts payable         37,943           Accrued interest payable         5,033           Current portion of debt         145,472           Due to other funds         2,014,710           Total current liabilities         2,203,158           Noncurrent liabilities:         769,538           Long-term debt         769,538           Total noncurrent liabilities         2,972,696           Net Position:         Net investment in capital assets         10,551,227           Unrestricted (deficit)         (1,464,302)			
Noncurrent assets:           Capital assets, net         11,466,237           Total noncurrent assets         11,466,237           Total assets         12,059,621           Liabilities:           Current liabilities:         37,943           Accounts payable         37,943           Accrued interest payable         5,033           Current portion of debt         145,472           Due to other funds         2,014,710           Total current liabilities         2,203,158           Noncurrent liabilities:         769,538           Long-term debt         769,538           Total noncurrent liabilities         2,972,696           Net Position:         Net investment in capital assets         10,551,227           Unrestricted (deficit)         (1,464,302)			
Capital assets, net         11,466,237           Total noncurrent assets         12,059,621           Liabilities:           Current liabilities:           Accounts payable         37,943           Accrued interest payable         5,033           Current portion of debt         145,472           Due to other funds         2,014,710           Total current liabilities:         2,203,158           Noncurrent liabilities:         769,538           Long-term debt         769,538           Total noncurrent liabilities         2,972,696           Net Position:         Net investment in capital assets         10,551,227           Unrestricted (deficit)         (1,464,302)	Total current assets		593,384
Total noncurrent assets         11,466,237           Total assets         12,059,621           Liabilities:           Current liabilities:           Accounts payable         37,943           Accrued interest payable         5,033           Current portion of debt         145,472           Due to other funds         2,014,710           Total current liabilities         2,203,158           Noncurrent liabilities:         769,538           Long-term debt         769,538           Total noncurrent liabilities         2,972,696           Net Position:         Net investment in capital assets         10,551,227           Unrestricted (deficit)         (1,464,302)	Noncurrent assets:		
Total assets       12,059,621         Liabilities:       Current liabilities:         Accounts payable       37,943         Accrued interest payable       5,033         Current portion of debt       145,472         Due to other funds       2,014,710         Total current liabilities       2,203,158         Noncurrent liabilities:       769,538         Long-term debt       769,538         Total noncurrent liabilities       2,972,696         Net Position:       Net investment in capital assets       10,551,227         Unrestricted (deficit)       (1,464,302)	Capital assets, net		11,466,237
Liabilities: Current liabilities: Accounts payable 37,943 Accrued interest payable 5,033 Current portion of debt 145,472 Due to other funds 2,014,710  Total current liabilities 2,203,158  Noncurrent liabilities: Long-term debt 769,538  Total noncurrent liabilities 769,538  Total liabilities 2,972,696  Net Position: Net investment in capital assets 10,551,227 Unrestricted (deficit) (1,464,302)	Total noncurrent assets		11,466,237
Liabilities: Current liabilities: Accounts payable 37,943 Accrued interest payable 5,033 Current portion of debt 145,472 Due to other funds 2,014,710  Total current liabilities 2,203,158  Noncurrent liabilities: Long-term debt 769,538  Total noncurrent liabilities 769,538  Total liabilities 2,972,696  Net Position: Net investment in capital assets 10,551,227 Unrestricted (deficit) (1,464,302)	Tatal accets	,	12.050.631
Current liabilities: Accounts payable Accrued interest payable Accrued interest payable Current portion of debt Due to other funds Total current liabilities  Noncurrent liabilities: Long-term debt Total noncurrent liabilities  Total liabilities  Total liabilities  Net Position:  Net investment in capital assets Unrestricted (deficit)  Accounts payable 37,943 2,014,740 2,014,710 2,014	Total assets	į	12,059,621
Accrued interest payable Current portion of debt Due to other funds  Total current liabilities  Noncurrent liabilities: Long-term debt Total noncurrent liabilities  Total liabilities  Total liabilities  Total noncurrent liabilities  Total noncurrent liabilities  Total spital	Current liabilities:		27.042
Current portion of debt Due to other funds  Total current liabilities  Noncurrent liabilities: Long-term debt  Total noncurrent liabilities  Total liabilities  Total liabilities  Total liabilities  Total liabilities  Total liabilities  10,551,227 Unrestricted (deficit)			
Due to other funds 2,014,710  Total current liabilities 2,203,158  Noncurrent liabilities: Long-term debt 769,538  Total noncurrent liabilities 769,538  Total liabilities 2,972,696  Net Position: Net investment in capital assets 10,551,227 Unrestricted (deficit) (1,464,302)			
Noncurrent liabilities: Long-term debt  Total noncurrent liabilities  Total liabilities  769,538  Total liabilities  2,972,696  Net Position: Net investment in capital assets Unrestricted (deficit)  10,551,227 (1,464,302)			
Long-term debt 769,538  Total noncurrent liabilities 769,538  Total liabilities 2,972,696  Net Position: Net investment in capital assets 10,551,227 Unrestricted (deficit) (1,464,302)	Total current liabilities	,	2,203,158
Long-term debt 769,538  Total noncurrent liabilities 769,538  Total liabilities 2,972,696  Net Position: Net investment in capital assets 10,551,227 Unrestricted (deficit) (1,464,302)	Noncurrent liabilities:		
Total liabilities  2,972,696  Net Position:  Net investment in capital assets Unrestricted (deficit)  10,551,227 (1,464,302)	Long-term debt		769,538
Net Position: Net investment in capital assets Unrestricted (deficit)  10,551,227 (1,464,302)	Total noncurrent liabilities		769,538
Net investment in capital assets Unrestricted (deficit)  10,551,227 (1,464,302)	Total liabilities	ļ	2,972,696
Net investment in capital assets Unrestricted (deficit)  10,551,227 (1,464,302)	Net Position:		
Unrestricted (deficit) (1,464,302)			10,551,227
Total net position \$ 9,086,925	Unrestricted (deficit)		
	Total net position	\$	9,086.925

	Stormwater Utility Fund
Operating Revenues:	
Charges for services	\$ 221,805
Tax revenue	156,951
Franchise fees	129,837
Total operating revenues	508,593
Operating and General Expenses:	
Repairs and maintenance	284,222
Depreciation expense	395,124
General expenses	89,166
Professional services	8,517
Administrative fee	200,000
Total operating and general expenses	977,029
Operating income (loss)	(468,436)
Nonoperating Revenues (Expenses):	
Investment income	3,840
Interest expense	(18,394)
medicat expense	(10,001)
Total nonoperating revenues (expenses)	(14,554)
Change in net position	(482,990)
Net Position, Beginning of Year	9,569,915
Net Position, End of Year	\$ 9,086,925

	Stormwater Utility Fund
Cash Flows From Operating Activities: Cash received from customers and users Cash paid for goods and services	\$ 554,362 (547,698)
Net cash provided by (used in) operating activities	6,664
Cash Flows From Financing Activities: Change in due to/from balances Interest paid Principal payments	149,625 (19,179) (142,780)
Net cash provided by (used in) financing activities	(12,334)
Cash Flows From Investing Activities: Purchase of property and equipment Investment income received Purchase of investments	(12,553) 3,840 (3,821)
Net cash provided by (used in) investing activities	(12,534)
Net decrease in cash and cash equivalents	(18,204)
Cash and Cash Equivalents, Beginning of Year	106,827
Cash and Cash Equivalents, End of Year	\$ 88,623
Reconciliation of Operating Income to Net Cash Provided by Operating Activities: Operating income (loss)	\$ (468,436)
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 45,769 34,207
Total adjustments	475,100
Net cash provided by (used in) operating activities	\$ 6,664

# Town of Golden Beach, Florida Statement of Fiduciary Net Position Retirement Plan for Employees of the Town of Golden Beach September 30, 2020

Assets: Cash and cash equivalents Receivables: Employee contribution	\$ 6,389	\$	762,408
Interest Security sales receivable	21,456 4,975		32,820
Prepaid expenses			41,822
Investments, at fair value: Common stock Government bonds Corporate bonds Alternative investments  Total assets	\$ 7,300,507 1,288,233 1,283,211 983,633	-	10,855,584 11,692,634
Liabilities: Accounts payable Security purchases payable		_	8,324 18,471
Total liabilities		_	26,795
Net Position Held in Trust For Pension Benefits		\$ <u>_</u>	11,665,839

Additions: Contributions:		
Employer	\$	700,022
. ,	Ş	,
Employees		153,944
Total contributions		853,966
Investment income:		
Net appreciation in fair value of Plan investments		393,498
Interest and dividend income		222,196
Total investment income		615,694
Total additions		1,469,660
Deductions:		
Benefits paid		398,771
Consulting and advisory fees		100,491
Professional fees		47,804
Trustee education		5,458
Trustee fiduciary insurance		2,821
Dues		870
Contribution refunds		720
Office expenses		217
Total deductions		557,152
Total deductions		337,132
Net increase		912,508
Net Position Held in Trust for Pension Benefits,		
Beginning of Year		10,753,331
Net Position Held in Trust for Pension Benefits,		
End of Year	\$	11,665,839
	7	11,000,000

#### 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 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 revenues as available if they are collected within sixty days after year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

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

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

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

#### **Budgets:**

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

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

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

- d. Prior to October 1, the budget is legally enacted through passage of a resolution.
- 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 2020 include amendments to the budget originally adopted by the Town Council.

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

# **General Fund**

Transportation Town legal counsel Finance Law enforcement Special events Culture and recreation Debt service	\$\$\$\$\$\$	(37,527) (35,622) (29,004) (18,501) (17,009) (2,815) (1,125)
Legislative	\$	(69)

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

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

**Accounts receivable**: The accounts receivable consists of amounts owed for property taxes, other miscellaneous taxes, fines, stormwater utility fees and other fees.

**Capital assets**: Capital assets, which include land, buildings, improvements other than buildings, infrastructure, equipment and vehicles, and construction in progress are reported in the governmental activities' column in the government-wide financial statements. The government defines capital assets as assets with an initial, individual cost of more than \$ 1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Depreciation on all capital assets is charged to operations using the straight-line method over the assets' estimated service lives, ranging from 5-50 years.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

GASB 34 encourages but does not require certain governments to retroactively report infrastructure assets. The Town has elected not to retroactively report any unrecorded infrastructure that may exist.

Improvements other than buildings of the Proprietary Fund are stated at cost or, if donated, at fair value at the date of donation. Costs, which materially extend the useful life of existing assets, are capitalized. Depreciation has been provided over an estimated useful life of 40 years using the straight-line method.

The cost of property sold or retired, together with the related accumulated depreciation, is removed from the appropriate accounts and any resulting gain or loss is included in income.

**Deferred outflows/inflows of resources**: In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has two items that qualify for reporting in this category. It is the deferred outflows relating to pension plans and other post-employment benefits, discussed in further detail in Note 7 and Note 8.

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

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

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

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

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

# **Equity classifications:**

#### **Government-wide statements**

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

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

#### **Fund statements**

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

- Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. "Not in spendable form" includes items that are not expected to be converted to cash (such as inventories and prepaid amounts) and items such as long-term amount of loans and notes receivable, as well as property acquired for resale. The corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact.
- 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, 2019, upon which the 2019-2020 levy was based, was approximately \$ 1,160,543,438. 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, 2020 was \$ 7.5780 per \$ 1,000 and \$ .8220 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 April 13, 2021, 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, 2020, 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, 2020, the carrying amount of the Town's deposits was \$ 2,814,744 with a bank balance of \$ 3,108,572.

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

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

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

# Note 3 - Deposits and Investments (continued)

Total governmental and proprietary investments at September 30, 2020 were as follows:

		_	Investment Maturities (in years)							
	 Fair Value	_	Less than 1	_	1 to 5	_	6 to 10			
Florida PRIME	\$ 840,000	\$_	840,000	\$_	-	\$_				
	\$ 840,000	\$_	840,000	\$_	-	\$_				

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

The dollar weighted average days to maturity (WAM) of Florida PRIME at September 30, 2020, is 48 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average like (WAL) of Florida PRIME at September 30, 2020, is 63 days.

**Credit risk:** State law limits investments in bonds, stocks or other evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia, unless the corporation is listed on any one or more of the recognized national stock exchanges or on the National Market System of the NASDAQ Stock Market and in the case of bonds only, hold a rating in one of the three highest classifications by a major rating service. The Florida PRIME is rated AAAM by Standard and Poor's.

#### **Fiduciary Funds**

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

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

Investment Maturities (in	n years	)
---------------------------	---------	---

Investment Type	 Fair Value	Less than 1	1 to 5	,	6 to 10
Common stock U.S. Treasuries and agencies	\$ 7,300,507 1,288,233	\$ 7,300,507 278,328	\$ - 789,968	\$	- 219,937
Corporate bonds Alternative investments	1,283,211 983,633	76,069 983,633	833,286 -		373,856 -
	\$ 10,855,584	\$ 8,638,537	\$ 1,623,254	\$	593,793

# Note 3 - Deposits and Investments (continued)

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

**Credit risk:** Credit risk is the risk that a security or portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. This risk is generally measured by the assignment of a rating by a nationally recognized statistical rating organization. As of September 30, 2020, 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, 2020, 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:

lssuer		Reported Amount	Percentage
Renaissance	 \$	1,661,593	14%
Blackrock/Lord Abbet	\$	1,323,518	11%
Madison	\$	1,283,211	11%
Connors	\$	1,138,647	10%
American Core	\$	983,632	8%
MDT	Ś	736,939	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 inputs are quoted prices (unadjusted) in active markets for identical investments that the Plan has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included with Level 1 that are
  observable for the investments, either directly or indirectly. (e.g., quoted prices
  in active markets for similar securities, securities valuations based on commonly
  quoted benchmarks, interest rates and yield curves, and/or securities indices.)
- Level 3 inputs are unobservable inputs for the investments. (e.g., information about assumptions, including risk, market participants would use in pricing a security.)

# Note 3 - Deposits and Investments (continued)

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

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

Fair values of investments held by the Town's Fiduciary Investment Funds are classified at September 30, 2020 as follows:

Investments		Fair Value		Quoted Prices in Active Markets for dentical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Common stock	\$	7,300,507	\$	7,300,507	\$ -	\$ -
U.S. government securities		1,288,233		-	1,288,233	-
Corporate bonds		1,283,211		-	1,283,211	-
Alternative investments	-	983,633	_	-	-	983,633
Total investments measured						
at fair value	\$	10,855,584	\$ _	7,300,507	\$ 2,571,444	\$ 983,633

Given the inherent nature of the investments, it is reasonably possible that changes in the value of those investments will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

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

Beginning balance	\$	978,684
Net purchases, sales, issuances and settlements		-
Net realized and unrealized gains (losses) on investments	_	4,949
Ending balance	\$	983,633

Note 4 - Capital Assets

Capital asset activity of governmental activities for the year ended September 30, 2020 was as follows:

TOHOWS.	Balance October 1, 2019		Additions and Transfers	Retirements and Transfers			Balance September 30, 2020
Governmental activities:							
Capital assets, not being							
depreciated	4 070 500						4 070 500
Land \$	1,878,598	\$	-	\$	-	\$	1,878,598
Construction in progress	180,001		659,610		506,342		333,269
Total capital assets,							
not being depreciated	2,058,599		659,610		506,342		2,211,867
not being depresiated			033,010		300,312		2,211,007
Capital assets, being depreciated:							
Equipment and vehicles	3,858,748		244,620		44,594		4,058,774
Buildings	1,556,971		-		1,992		1,554,979
Infrastructure	25,618,008		506,342		-		26,124,350
Improvements other							
than buildings	2,829,730						2,829,730
Total capital assets,							
being depreciated	33,863,457	į	750,962		46,586		34,567,833
Total capital assets	35,922,056		1,410,572		552,928		36,779,700
•		·					
Less accumulated depreciation for:							
Equipment and vehicles	2,627,460		325,228		39,508		2,913,180
Buildings	523,289		50,407		1,968		571,728
Infrastructure	6,188,532		838,329		-		7,026,861
Improvements other than buildings	815,036		133,977				949,013
Total accumulated depreciation	10,154,317	·	1,347,941		41,476		11,460,782
Total capital assets,							
being depreciated, net	23,709,140	,	(596,979)		5,110		23,107,051
Governmental activities							
capital assets, net \$	25,767,739	\$	62,631	\$	511,452	\$	25,318,918

Note 4 - Capital Assets (continued)

	Balance October 1,	Additions	Retirements	Balance September 30,
Dualmana tuma antivitian	2019	and Transfers	and Transfers	2020
Business-type activities: Capital assets, not being depreciated Construction in progress \$	183,580	\$31,993	\$19,440_	\$\$
Total capital assets, not being depreciated	183,580	31,993	19,440	196,133
Capital assets, being depreciated: Equipment and vehicles Improvements other than buildings	47,000 15,238,512	<u>-</u>	<u>-</u>	47,000 15,238,512
Total capital assets, being depreciated	15,285,512			15,285,512
Total capital assets	15,469,092	31,993	19,440	15,481,645
Less accumulated depreciation for:				
Equipment and vehicles	25,064	3,133	-	28,197
Improvements other than buildings	3,595,220	391,991		3,987,211
Total accumulated depreciation	3,620,284	395,124	-	4,015,408
Total capital assets, being depreciated, net	11,665,228	(395,124)		11,270,104
Business-type activities capital assets, net \$	11,848,808	\$ (363,131)	\$19,440	\$11,466,237

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

Governmental activities:		
General government	\$	957,038
Public safety	•	350,465
Physical environment		26,959
Cultural and recreation	_	13,479
Total depreciation expense - governmental activities	\$ _	1,347,941
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, 2020:

	_	Balance October 1, 2019	_	Additions	_	Deletions	_	Balance September 30, 2020	_	Due Within One Year
<b>Governmental activities:</b> General Obligation Refunding										
Bonds, Series 2016	\$	12,005,000	\$	-	\$	430,000	\$	11,575,000	\$	445,000
General Obligation Refunding										
Bonds, Series 2019		-		650,000		-		650,000		-
Bond premium		387,961		-		20,419		367,542		-
Capital lease		58,523		-		58,523		-		-
Compensated absences payable		437,589		88,734		-		526,323		71,609
			-		_		_			
Total governmental activities	\$_	12,889,073	\$	738,734	\$_	508,942	\$	13,118,865	\$_	516,609

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

Year Ending September 30,		Principal	Interest		Total
				·	
2021	\$	445,000	\$ 457,481	\$	902,481
2022		460,000	439,381		899,381
2023		485,000	418,056		903,056
2024		510,000	393,181		903,181
2025		535,000	367,056		902,056
2026-2030		3,030,000	1,454,016		4,484,016
2031-2035		3,600,000	862,544		4,462,544
2036-2038		2,510,000	153,200		2,663,200
	•			'	
	\$	11,575,000	\$ 4,544,915	\$	16,119,915

# Note 5 - Long-Term Liabilities (continued)

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

Capital Improvement Revenue Note, Series 2019 – In fiscal year 2020, the Town issued a Capital Improvement Revenue Note, Series 2019 in the amount of up to \$4,000,000 for the purpose of financing the costs of construction, installation and furnishing of a new civic center complex masterplan. The Note shall mature on December 1, 2039 and the first draw shall be made on the date of delivery in the amount of \$250,000. The principal of the Note shall be subject to mandatory prepayment in annual installments on each December 1, commencing on December 1, 2022, the date of the final draw. The Note shall bear interest initially at a fixed rate for the first 10 years calculated based on the amount drawn from time to time, and outstanding principal balance from the date of such draw at a rate of 2.94%, payable semiannually beginning June 1, 2020 through December 1, 2029. Thereafter the Note will bear interest at a floating rate equal to the 10 years US Treasury Rate plus 2%. The Note is secured exclusively by legally available non-ad valorem revenue of the Town. As of September 30, 2020, the Town total outstanding balance is \$650,000.

The indenture contains a provision that in each fiscal year in which the Note is outstanding hereunder, Legally Available Non-Ad Valorem Revenues shall be at least 125% of the maximum annual debt service on the Note, assuming the Note has been drawn for the full amount of \$4,000,000.

The annual debt service requirements for the Capital Improvement Revenue Note, Series 2019 is as follows:

Year Ending September 30,	Principal	Interest	Total
2021 2022 2023 2024 2025 2026-2030 2031-2035 2036-2040	\$ 28,862 29,720 30,602 167,189 193,524 200,103	\$ 16,367 19,156 18,944 18,088 17,205 71,847 45,513 15,030	\$ 16,367 19,156 47,806 47,808 47,807 239,036 239,037 215,133
	\$ 650,000	\$ 222,150	\$ 872,150

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

# Note 5 - Long-Term Liabilities (continued)

#### **Business-type activities:**

The following is a summary of changes in the long-term debt for the year ended September 30, 2020:

		Balance October 1, 2019 Additions Deletions				Balance September 30, 2020			Due Within One Year	
Business-type activities: Department of Environmental Protection, Revolving Loans	\$_	1,057,790	\$_	-	\$_	142,780	\$	915,010	\$_	145,472
Total business-type activities	\$_	1,057,790	\$_		\$_	142,780	\$	915,010	\$_	145,472

**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
2021	\$	145,472	\$ 16,488	\$ 161,960
2022		148,214	13,746	161,960
2023		151,007	10,953	161,960
2024		153,854	8,106	161,960
2025		156,754	5,206	161,960
2026	_	159,709	2,251	161,960
	\$	915,010	\$ 56,750	\$ 971,760

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.

Additionally, in July 2020, the Town entered into a revolving loan agreement with the State of Florida Department of Environmental Protection to borrow \$951,414 for the construction of the Town's stormwater facilities, specifically a center island drainage system. The loan will be secured by the net revenues of the Town's Stormwater Utility Fees based upon authorization of the Town Council. As of September 30, 2020, no amount has been withdrawn.

# Note 6 - Accounts Receivable/Accounts Payable

Receivables at September 30, 2020 were as follows:

		Taxes		Inter-						
	_	Receivable	Go	vernmenta l	_	Accounts		Other	_	Total
Governmental activities:	-					_			_	_
General Fund	\$	57,363	\$	-	\$	-	\$	-	\$	57,363
Capital Improvement										
Project Fund		-		-		170,161		-		170,161
Debt Service Fund		5,071		-		-		-		5,071
Law Enforcement Fund	_	-		87,003			_	-	_	87,003
Total governmental										
activities	\$	62,434	\$	87,003	\$	170,161	\$_	-	\$_	319,598
	-						_		_	
		Taxes		Inter-						
	_	Receivable	Go	vernmenta l		Accounts	_	Other	_	Total
Business-type activities:										
Stormwater Utility Fund	\$.	42,244	\$		\$	136,458	\$_	-	\$_	178,702
Total business-type										
activities	\$	42,244	\$ <u></u>	-	\$	136,458	\$_	-	\$_	178,702

Accounts payable at September 30, 2020 were as follows:

	_	Vendors	S <u>ul</u>	bcontractors	_	Total Accounts Payable
Governmental activities: General Fund Capital Improvement Project Fund Law Enforcement Trust Fund	\$ -	140,432 91,176 614	\$	- - -	\$ -	140,432 91,176 614
Total governmental activities	\$ _	232,222	\$_		\$ <u>_</u>	232,222
	_	Vendors	S <u>ul</u>	bcontractors	_	Total Accounts Payable
Business-type activities: Stormwater Utility Fund	\$_	37,943	\$_		\$_	37,943
Total business-type activities	\$_	37,943	\$ <u></u>	-	\$ _	37,943

#### **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, 2019:

	General Employees	Police Officers
Retirees and beneficiaries receiving benefits and terminated members entitled to benefits, but not yet receiving them Active plan members	10 29	16 18
	39	34

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, 2020.

The components of the pension liability of the Town at September 30, 2020 were as follows:

Total pension liability Plan fiduciary net position	\$ 14,792,917 (11,665,839)
Town net pension liability	\$ 3,127,078
Plan fiduciary net position as a percentage of total pension liability	78.86%

**Actuarial Assumptions:** The total pension liability at September 30, 2020 was determined by using actuarial assumptions as of October 1, 2019, with update procedures used to roll forward the total pension liability to September 30, 2020. 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	65.00% 25.00% 10.00%	5.58% - 6.90% 1.17% 4.68%
Total	100.00%	

**Rate of return**: For the year ended September 30, 2020, the annual money weighted rate of return on pension plan investments, net of pension plan investment expense was 4.75%. The money weighted rate of return expresses investment performance adjusted for the changing amounts actually invested.

# Note 7 - Retirement Plans (continued)

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

# **Changes in the Net Pension Liability**

	Increase (Decrease)						
	Total Pension Liability (a)		Plan Fiduciary Net Position (b)		Net Pension (Asset) Liability (a) - (b)		
Balances, as of September 30, 2019,							
Measurement Date	\$ 13,689,258	\$	10,753,331	\$	2,935,927		
Changes for the year:							
Service cost	626,710		-		626,710		
Expected interest growth	928,482		723,717		204,765		
Demographic experience	(52,042)		-		(52,042)		
Unexpected investment income	-		(108,023)		108,023		
Contributions - employer	-		700,022		(700,022)		
Contributions - members	-		153,944		(153,944)		
Changes in benefit terms	-		-		-		
Benefit payments, including			-		-		
refunds of member contributions	(399,491)		(399,491)		-		
Assumption changes	-		-		-		
Administrative expense			(157,661)		157,661		
Net changes	1,103,659		912,508		191,151		
Balances, as of September 30, 2020,							
Measurement Date	\$ 14,792,917	\$	11,665,839	\$	3,127,078		

# 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:

	Current 1% Decrease Discount Rate (5.64%) (6.64%)				1% Increase (7.64%)		
Total pension liability Plan fiduciary net position	\$ 16,680,451 (11,665,839)	\$	14,792,917 (11,665,839)	\$	13,231,328 (11,665,839)		
Net pension liability (asset)	\$ 5,014,612	\$	3,127,078	\$	1,565,489		

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

For the year ended September 30, 2020, the Town recognized pension expense of \$ 1,286,954. At September 30, 2020, 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	\$ 338,702 367,352 1,231,003	\$ 88,816 42,333 151,083
Total	\$ 1,937,057	\$ 282,232

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

Year ending		A
September 30,	<u>-</u>	Amount
2021 2022 2023 2024 2025 Thereafter	\$	330,163 395,947 392,901 305,481 230,333
	-	
	\$_	1,654,825

**Financial Report:** The Town has issued stand-alone financial statements for the Plan, which may be obtained from the Town of Golden Beach Finance Department.

# Note 8 - Other Post-Employment Benefits

The Town previously implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. GASB Statement No. 75 specifies that governments must recognize their total OPEB liability and related deferred outflows of resources, deferred inflows of resources, and OPEB expense in the financial statements based on the actuarial present value of projected benefit payments, rather than the smaller net OPEB obligation based on contribution requirements, under GASB Statement No. 45.

Plan Description: The Town's Other Post-Employment Benefits Plan (the "OPEB Plan") is a single employer healthcare plan administered by the Town. Pursuant to Section 112.0801, Florida Statutes, the Town is required to permit participation in the OPEB Plan to retirees and their eligible dependents at a cost to the Town. This cost is then reimbursed to the Town by the retiree. Eligible individuals include all regular employees of the Town who retire 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	49
Total plan members	50

**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, 2020 was based on an actuarial valuation dated October 1, 2019 with a measurement date of September 30, 2020, using the following actuarial assumptions:

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

Actuarial Cost Method Entry Age Normal.

Discount Rate 2.14 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 7.00%

Trend Rates for the 2019/20 fiscal year graded down by 0.50% per year

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

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

3.50% for each year of age.

Implied Subsidy Because the insurance carrier charges the same monthly

rate for health insurance regardless of age, for the 2019/20 fiscal year, an implied monthly subsidy was assumed at age 62 of \$ 600.00 for the retiree and \$ 700.00 for the retiree's spouse; at other ages, the implied subsidy was developed based on the age-related morbidity assumption and, for

other fiscal years, the implied subsidy was increased in accordance

with the healthcare cost trend rates; the implied subsidy is

assumed to disappear at age 65.

Mortality Basis Sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Below

Median Healthy Retiree Mortality table for general employees, with male ages set back one year (general employees); sex-distinct rate set forth in the PUB-2010 Headcount-Weighted Healthy Retiree Mortality table for public safety employees (Below Median table for

males), with ages set forward one year (police officers).

Retirement With respect to general employees, retirement is assumed to occur

at the rate of 5% at each of ages 55 through 64, 60% at age 65,

40% at each of ages 66 through 69, and 100% at age 70; with respect to police officers who have earned less than 20 years of service, retirement is assumed to occur at the rate of 5% at each of ages 50 through 54, 70% at age 55, 40% at each of ages 56 through 59, and 100% at age 60; with respect officers who have earned at least 20 years of service, retirement is assumed to police to occur at the rate of 5% at each of ages 50 and 51, 70% at age 52, 40% at each of ages 53 through 56, and 100% at age 57.

Other Decrements Assumed employment termination is based on the Scale 155 table;

assumed disability is based on the Wyatt 1985 Disability Study (Class 2).

Coverage Election 20% of eligible employees are assumed to elect medical coverage

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

who are eligible for an explicit subsidy are assumed to elect

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

dependent children after age 55.

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

Total OPER liability

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

COBRA Future healthcare coverage provided solely pursuant to COBRA

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

the relevant period.

Changes Since the prior measurement date, the discount rate was decreased

from 3.58% per annum to 2.14% per annum; the monthly implied subsidy at age 62 for the 2019-20 fiscal year was changed from \$609.52

for the retiree and \$696.60 for the retiree's spouse to \$600 and \$700, respectively; and the mortality basis was changed from the RP-2000 Combined and Blue Collar Mortality Tables with generational improvements using Scale BB to selected PUB-2010 Mortality Tables

5 450 440

with generational improvements using Scale MP-2018.

**Discount Rate:** The discount rate used to measure the total OPEB liability at September 30, 2020 was 2.14%. 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, 2020, are as follows:

OPEB Plan fiduciary net position	\$	5,450,440
Town's net OPEB liability	\$	5,450,440
OPEB Plan fiduciary net position as a percentage of total OPEB liability	:	0%
Measurement year ended September 30, 20	)20	
Total OPEB liability: Service cost Interest on total OPEB liability Demographic experience Benefit payments Assumption changes	\$	151,600 73,845 751,802 (63,828) 1,206,163
Net change in total OPEB liability		2,119,582
Total OPEB liability, beginning		3,330,858
Total OPEB liability, ending	\$	5,450,440

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

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate:** The following table presents the total OPEB liability, calculated using the discount rate of 2.14%, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than current discount rate:

	1% Decrease (1.14%)	Current Discount Rate (2.14%)	1% Increase (3.14%)	
Total OPEB Liability	\$	6,697,376	\$ 5,450,440	\$ 4,507,913

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		
	6.0	0% Decreasing	7	7.00% Decreasing	8.00% Decreasin			
		to 4.00%		to 5.00%		to 6.00%		
					•			
Total OPEB Liability	\$	4,476,364	\$	5,450,440	\$	6,715,660		

**OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB:** For the year ended September 30, 2020, the Town recognized OPEB expense of \$ 361,628. At September 30, 2020, the Town reported deferred outflows of resources related to OPEB in the amount of \$ 1,811,911. There were no deferred inflows of resources related to OPEB for the fiscal year ended September 30, 2020.

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

Year ending September 30,	Amount
2021 2022 2023 2024 2025 Thereafter	\$ 200,011 200,011 200,011 200,011 200,011 811,856
	\$ 1,811,911

#### Note 9 - Interfund Balances and Transfers

Interfund receivables and payables at September 30, 2020 were as follows:

	_	Di	ue to:					
Due from:		General Fund	_	Debt Service Fund	_	Stormwater Fund	_	Total
Law Enforcement Trust Fund Bridge Fund	\$	909,157 -	\$	-	\$	-	\$	909,157 -
Capital Improvement Project Fund		990,098		-		100		990,198
Debt Service Fund		904,981		-		-		904,981
Stormwater Fund		2,014,710		-		-		2,014,710
General Fund	_	-	_	1,746,695	_		_	1,746,695
Total	\$	4,818,946	\$	1,746,695	\$	100	\$_	6,565,741

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

Transfers to and from individual funds were as follows:

Transfers out:		General Fund		Total
General Fund Law Enforcement Trust Fund	\$	- 60,000	\$	- 60,000 -
Total	\$	60,000	\$	60,000

During the year ended September 30, 2020, the General Fund received \$60,000 from the Law Enforcement Trust Fund as an administrative fee.

## Note 10 - Risk Management

For the year ended September 30, 2020, 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, 2020, the Capital Improvement Project Fund and Law Enforcement Trust Fund have deficit fund balances of \$ 422,625 and \$ 357,288 respectively. The Town expects to reduce two of these deficits through transfers from the General Fund in Fiscal Year 2020-2021. The Town expects to fund these deficits with budgeted transfers and other advances from the General Fund in subsequent years.

#### Note 13 - Risks and Uncertainties

The coronavirus (COVID-19) outbreak has caused disruption in international and U.S. economies and markets. The coronavirus and fear of further spread has caused quarantines, cancellation of events, and overall reduction in business and economic activity. On March 11, 2020, the *World Health Organization* designated the coronavirus outbreak a pandemic. Management and the Town Commission continue to evaluate and monitor the potential adverse effect that this event may have on the Town's financial position, operations and cash flows. The full impact of COVID-19 is unknown at this time and cannot be reasonably estimated as these events are still developing.

# REQUIRED SUPPLEMENTARY INFORMATION



	_	2020	_	2019	-	2018	-	2017		2016	2015	_	2014
Total pension liability Service cost Expected interest growth	\$	626,710 928,482	\$	646,789 725,127	\$	372,701 767,653	\$	355,307 702,846	\$	410,000 649,000	\$ 412,000 540,000	\$	406,000 540,000
Differences between expected and actual experience Changes in assumptions Changes in benefit terms		(52,042) - -		164,367 1,739,683 209,462		113,395		537,419 (434,803)		(21,000) 48,778	(13,000)		(132,000)
Benefit payments, including refunds of member contributions	_	(399,491)	_	(373,621)	_	(324,318)	_	(329,527)	-	(308,000)	(347,000)	_	(315,000)
Net change in total pension liability		1,103,659		3,111,807		929,431		831,242		778,778	592,000		499,000
Total pension liability - beginning Total pension liability - ending (A)	\$	13,689,258 14,792,917	\$	10,577,451 13,689,258	\$	9,648,020 10,577,451	\$	8,816,778 9,648,020	\$	8,038,000 8,816,778	\$ 7,446,000 8,038,000	\$	6,947,000 7,446,000
Plan fiduciary net position Contributions - employer Contributions - member Expected interest growth Unexpected investment income Benefit payments, including refunds	\$	700,022 153,944 723,717 (108,023)	\$	637,382 156,672 684,358 (420,472)	\$	588,601 152,113 719,791 57,584	\$	513,696 120,499 618,943 373,099	\$	457,855 110,543 - 438,000	\$ 428,000 102,000 - (50,000)	\$	428,000 100,000 - 535,000
of member contributions Administrative expenses	-	(399,491) (157,661)	-	(373,621) (60,517)	-	(324,318) (57,496)	-	(329,527) (129,160)		(308,000) (60,694)	(347,000) (40,000)	_	(315,000)
Net change in plan fiduciary net position		912,508		623,802		1,136,275		1,167,550		637,704	93,000		688,000
Plan fiduciary net position - beginning Plan fiduciary net position - ending (B)	\$	10,753,331 11,665,839	\$	10,129,529	\$	8,993,254 10,129,529	\$	7,825,704 8,993,254	\$	7,188,000 7,825,704	\$ 7,095,000 7,188,000	\$	6,407,000 7,095,000
Town's net pension liability (asset) - ending (A) - (B)	\$	3,127,078	\$	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		78.86%		78.55%		95.77%		93.21%		88.76%	89.43%		95.29%
Covered-employee payroll	\$	2,391,820	\$	2,474,969	\$	2,080,445	\$	1,911,580	\$	2,258,192	\$ 2,159,806	\$	2,027,000
Town's net pension liability (asset) as percentage of covered-employee payroll		130.74%		118.62%		21.53%		34.25%		43.89%	39.36%		17.32%

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

	_	2020	į	2019		2018	į	2017	2016	2015
Actuarially determined contribution	\$	700,022	\$	637,382	\$	588,601	\$	458,294	\$ 457,855	\$ 427,817
Contributions in relation to the actuarially determined contribution	_	700,022		637,382	-	588,601		513,696	457,855	427,817
Contribution deficiency (excess)	\$_	-	\$	-	\$	-	\$	(55,402)	\$ _	\$ 
Covered-employee payroll	\$ 2	,391,820	\$	2,474,969	\$	2,080,445	\$	1,911,580	\$ 2,258,192	\$ 2,159,806
Contributions as a percentage of covered-employee payroll		29.27%		25.75%		28.29%		26.87%	20.28%	19.81%

	2014	2013			2012		2011	2010						
\$	427,817	\$	391,306	\$	376,825	\$	383,027	\$	367,275					
_	427,817	_	383,769	_	383,769	_	383,769	_	372,769					
\$_	-	\$_	7,537	\$_	(6,944)	\$_	(742)	\$_	(5,494)					
\$	2,027,209	\$	2,019,940	\$	1,820,735	\$	1,920,856	\$	1,813,079					
	21.10%		19.00%		21.08%		19.98%		20.56%					

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

	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of							
return, net of investment expense	4.75%	2.62%	8.93%	5.35%	6.96%	-0.80%	9.20%

<sup>\*</sup> Schedule is intended to show information for 10 years.

Additional years will be displayed as they become available.

Fiscal Year: Measurement Date:	-	2020 9/30/2020	_	2019 9/30/2019	_	2018 9/30/2018
Total OPEB liability Service cost Interest Demographic experience Benefits payments Assumption changes	\$	151,600 73,845 751,802 (63,828) 1,206,163	\$	11,908 114,195 - (67,042) 60,685	\$	11,778 113,716 - (52,853)
Net change in total OPEB liability		2,119,582		119,746		72,641
Total OPEB liability - beginning	_	3,330,858	_	3,211,112	_	3,138,471
Total OPEB liability - ending	\$	5,450,440	\$_	3,330,858	\$	3,211,112
Covered payroll	\$	2,708,702	\$	2,373,485	\$	2,373,485
Total OPEB liability as a percentage of covered payroll		201.22%		140.34%		135.29%

## Notes to Schedule:

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

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

Town of Golden Beach, Florida Statement of Revenues, Expenditures and Change in Fund Balance -Budget and Actual -Law Enforcement Trust Fund For the Year Ended September 30, 2020

	_	Original Budget	_	Final Budget	_	Actual		Favorable Infavorable) Variance
Revenues:								
Fines and forfeitures	\$	230,000	\$	230,000	\$	167,501	\$	(62 <i>,</i> 499)
Interest income		4,100		4,100	_	2,784	_	(1,316)
Total revenues	_	234,100	_	234,100	_	170,285		(63,815)
Expenditures:								
Public safety		186,992		186,992		175,189		11,803
Capital outlay		1,040		1,040		-		1,040
ospital salay	_		_		_		_	
Total expenditures		188,032	_	188,032	_	175,189		12,843
Excess of revenues over expenditures before other financing sources (uses)		46,068	_	46,068	_	(4,904)	_	(50,972)
Other Financing Sources (Uses):								
Transfers in (out)		(46,068)	_	(46,068)	_	(60,000)	_	(13,932)
Total other financing sources (uses)		(46,068)	_	(46,068)	_	(60,000)		(13,932)
Change in fund balance	\$_		\$_			(64,904)	\$_	(64,904)
Fund Balance, Beginning of Year						(292,384)		
Fund Balance (Deficit), End of Year					\$_	(357,288)		

# **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, 2020, and the related notes to the financial statements which collectively comprise the Town's basic financial statements and have issued our report thereon dated April 13, 2021.

#### **Internal Control over Financial Reporting**

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

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

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





# **Compliance and Other Matters**

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

# **Purpose of this Report**

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

KEEFE McCULLOUGH

Keefe McCullough

Fort Lauderdale, Florida April 13, 2021



#### 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, 2020, and have issued our report thereon dated April 13, 2021.

## **Auditor's Responsibility**

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

#### **Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards; and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated April 13, 2021, should be considered in conjunction with this management letter.

#### **Prior Audit Findings**

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

# Official Title and Legal Authority

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



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# **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** 

Keefe McCullough

Fort Lauderdale, Florida April 13, 2021



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

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

We have examined the Town of Golden Beach, Florida's (the "Town") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2020. 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, 2020.

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 April 13, 2021



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