TOWN OF SURFSIDE
FINANCE



2020

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

TOWN OF SURFSIDE, FLORIDA

CONTENTS

Introductory Section

Letter of Transmittal ..... i-iv
Listing of Elected Officials and Administrative Personnel v
Organization Chart vi
Certificate of Achievement for Excellence in Financial Reporting vii

Basic Financial Statements

Independent Auditors' Report 1-3

Management's Discussion and Analysis (Required Supplementary Information) 4-16

Basic Financial Statements
Government-wide Financial Statements
Statement of Net Position 17
Statement of Activities 18
Fund Financial Statements
Balance Sheet – Governmental Funds 19
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds 20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities 21
Statement of Net Position – Proprietary Funds 22
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds 23
Statement of Cash Flows – Proprietary Funds 24-25
Statement of Fiduciary Net Position – Pension Trust Fund 26
Statement of Changes in Fiduciary Net Position – Pension Trust Fund 27

Notes to Basic Financial Statements 28-65

Required Supplementary Information

Budgetary Comparison Schedule – General Fund 66
Budgetary Comparison Schedule – Building Fund 67
Budgetary Comparison Schedule – Tourism Fund 68
Notes to Budgetary Comparison Schedules 69
Schedule of Changes in the Town's Total OPEB Liability and Related Ratios 70
Schedule of Changes in the Town's Net Pension Liability and Related Ratios 71
Schedule of Town Contributions 72

TOWN OF SURFSIDE, FLORIDA

CONTENTS

Combining and Individual Fund Statements and Schedules

Combining Balance Sheet – Nonmajor Governmental Funds 73
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds 74
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Transportation Surtax Fund 75
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Police Forfeiture Fund 76

Statistical Section (Unaudited)

Changes in Net Position – Governmental Activities 77
Changes in Net Position – Governmental Activities – Percentage of Total 78
Changes in Net Position – Business-type Activities 79
Changes in Total Net Position 80
Government-wide Net Position by Category 81
General Government Revenues by Source 82
Tax Revenues by Source – Governmental Funds 83
General Governmental Expenditures by Function 84
General Governmental Current Expenditures by Function 85
Summary of Changes in Fund Balances – Governmental Funds 86
Fund Balances - Governmental Funds 87
Taxable Assessed Value – Real and Personal Property 88
Direct and Overlapping Property Tax Rates 89
Total Property Tax Levies and Collections 90
Principal Real Property Taxpayers 91
Principal Personal Property Taxpayers 92
Ratios of Total Debt Outstanding by Type 93
Pledged Revenue Coverage 94
Direct and Overlapping Governmental Activities Debt 95
Demographic and Economic Statistics 96
Principal Employers 97
Full-Time Funded Positions by Function/Program 98
Operating Statistics by Function/Program 99
Capital Asset Statistics by Function/Program 100

TOWN OF SURFSIDE, FLORIDA

CONTENTS

Reporting Section

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* 101-102

Schedule of Findings and Responses 103-104

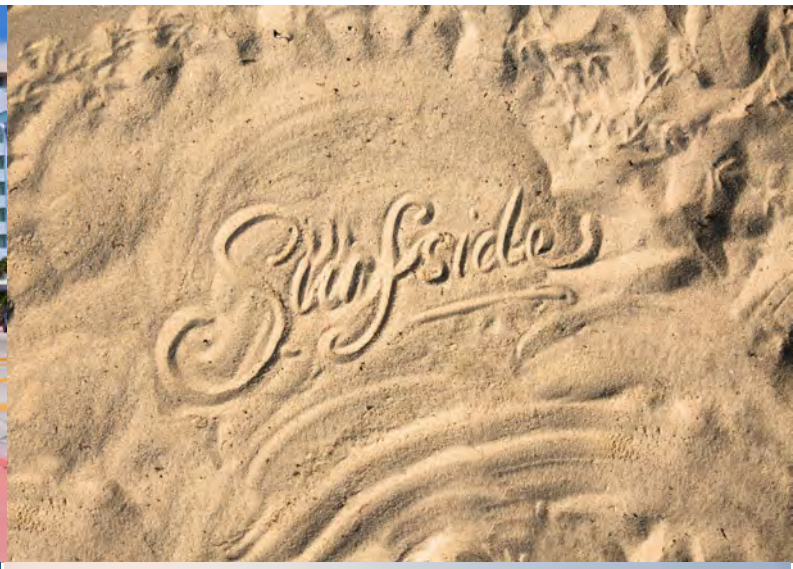
Management Letter in Accordance with the Rules of the Auditor General of the State of Florida 105-106

Appendix A – Current Year Recommendation to Improve Financial Management 107

Independent Accountants' Report on Compliance Pursuant to Section 218.415 Florida Statutes 108

INTRODUCTORY SECTION













TOWN OF SURFSIDE
9293 HARDING AVENUE
SURFSIDE, FLORIDA 33154
(305) 861-4863 • FAX: (305) 861-1302
WWW.TOWNOFSURFSIDEFL.GOV

June 4, 2021

To the Honorable Mayor and Vice Mayor, Town Commissioners, and the Citizens of the Town of Surfside, Florida:

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the Town of Surfside, Florida (the Town or Surfside), for the fiscal year ended September 30, 2020. In submitting the report, we have strived to achieve transparency and full-disclosure and give readers of these financial statements a thorough understanding of the Town's finances for the year and at the end of the year. This philosophy is reflected by the informative financial analysis provided by the Town's Finance Department and the exhibits and statistical tables included herein.

The CAFR's role is to assist in making economic, social and policy decisions and to assist in assessing accountability to the citizenry by:

- Comparing actual financial results with the legally adopted budget, where appropriate;
- Assessing financial condition and results of operations;
- Assisting in determining compliance with finance related laws, rules and regulations; and
- Assisting in evaluating the efficiency and effectiveness of Town operations.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Town. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly present the financial position and results of operations of the Town; and that all disclosures necessary to enable the reader to gain an understanding of the Town's financial activity have been included.

Marcum LLP, independent auditors, have issued unmodified opinions on the Town of Surfside's financial statements for the fiscal year ended September 30, 2020. The independent auditors' report is located at the front of the financial section of this report. The Town's financial statements have been prepared in conformity with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB). The Town's Management Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative

introduction, overview and analysis of the basic financial statements. The MD&A complements the letter of transmittal and should be read in conjunction with it.

ACCOUNTING AND INTERNAL CONTROLS

Management of the Town is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Town are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that:

- The cost of a control should not exceed the benefits likely to be derived; and
- The valuation of costs and benefits requires estimates and judgments by management.

PROFILE OF THE GOVERNMENT

The Town is a beautiful oceanfront community located in the tropical paradise of South Florida. The Town was incorporated in 1935 and is home to 5,802 residents. The Town of Surfside includes a tranquil, attractive, residential neighborhood, multi-family residences, a traditional "home town" business district and tourist facilities that welcome visitors year-round.

The Town is a Commission-Manager form of government. The Town is governed by a Mayor, Vice-Mayor, and three Town Commissioners, elected Town-wide to two-year terms. Collectively known as the Town Commission, they appoint a full-time Town Manager who is responsible for the administration of the Town's operations. The Town Commission establishes policy for the operation of the government, enacts ordinances for the safety, welfare, and orderly interaction of the citizens of the Town, adopts a millage rate and annual budget, appoints the Town Attorney, as well as members to various boards, agencies, and authorities within the Town, and engages an independent auditor.

SERVICES PROVIDED

The Town provides a full range of municipal services. These services include police, parks and recreation programs, public communications and tourism, public works, human resources, code compliance, finance, town clerk, town attorney, building, and planning and zoning. The Town also provides water and sewer, solid waste, and stormwater utility services, as well as municipal parking.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment. Surfside has maintained its strong financial position through prudent long-term financial planning, additional non ad-valorem revenue generation and fiscal actions to reduce or contain fixed costs.

The Town of Surfside enjoys a favorable commercial, residential, and economic environment. Financial indicators point to increased growth of residential property values though the impact on commercial property values is still to be determined based on impacts of the coronavirus (COVID-19). High-end development completed over the last few years added significantly to the Town's tax base, reducing pressure on property taxes and providing an increased mix of property within the Town. The increase in development has not put undue additional service pressure on the Town.

Surfside is a tourist destination point in southeast Florida. In fact, Surfside has one mile of pristine beach coastline in Miami-Dade County. Surfside is one square mile in size of residential homes, condominiums and a beautiful tree-lined business section. There is no industrial area in the Town. Thanks to the Town's low property tax millage rate, a Town-sponsored shuttle system, and an active community of involved citizens who take a genuine interest in the social, business, cultural and governing aspects of the Town, Surfside continues to flourish and be financially strong.

However, the impact of the COVID-19 continues to have an adverse but lessening effect on the global and local economy. Though quarantines and travel restrictions around the world have slowly started to be lifted many businesses were forced to face closures and curtailed operations. Florida's economy, which is driven in large part by tourism, has also been greatly affected by the closure of restaurants, hotels and beaches. At this time, it is appearing that we see the light at the end of the preverbal tunnel as businesses have re-opened and travel is picking up while millions of citizens across the county are getting vaccinated.

The Town Commission has adopted financial policies. Management has made every effort to comply with these policies and we believe that we are in compliance with the adopted policies. The Town Commission has adopted a Five-Year Financial Plan. This document forecasts the General Fund and several other fund operations for the next five (5) years and is used to guide the development of the annual operating budget.

The Town has also recognized the long-term financial cost implications of its pension plan and continues to fund 100% of the actuarially determined employer contribution. Accordingly, the pension plan's funded ratio is just below 88% as of its October 1, 2019 valuation, and we expect that to increase gradually over time. The Town continues to monitor its pension costs for sustainability and to provide cost containment so as not to shift the costs to future taxpayers.

The Capital Improvements Program (CIP) is prepared and presented to the Town Commission as part of the annual budget process. The projects represent the Town's plan for infrastructure improvement and major equipment acquisition for the next five years.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its CAFR for the fiscal year ended September 30, 2019. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and

applicable legal requirements. It is not, however, an endorsement of the financial condition of the Town.

It should be noted that the Certificate of Achievement is a prestigious national award, presented in 2019 to 2,067 or 5.7% of 35,933 Towns and Cities nationwide, which recognizes conformance with the highest standards for preparation of state and local government financial reports.

A Certificate of Achievement is valid for a period of one year only. We believe that our current fiscal year 2020 CAFR continues to meet the Certificate of Achievement requirements and we will submit it to GFOA to determine its eligibility for another certificate. The Town has also once again received the GFOA Distinguished Budget Presentation Award for its 2020 adopted budget document. The award is presented to even fewer municipalities. In 2019, the most recently completed cycle, only 989 municipalities, or 2.7%, were given the award.

ACKNOWLEDGEMENTS

The preparation of this CAFR would not have been possible without efforts of the Finance Department. The finance department staff consisting of Assistant Town Manager/CFO Jason Greene, Javier Collazo, Finance Manager; Mayte Gamiotea, Revenue/Payroll Manager; Andria Meiri, Budget Officer; Manny Carta, Accountant; and Darlene Martinat, Payroll/Accounts Payable Specialist who are also to be especially thanked for their contributions to this report. The Town is working with FEMA to process COVID-19 claims. The amount of work and effort put forth by this team cannot be understated or over appreciated. We also wish to extend our appreciation to the auditing firm of Marcum LLP for their professionalism in conducting the audit of the Town's basic financial statements and related note disclosures and their assistance and efforts in helping the Town prepare its CAFR. Without their efforts, this report could not have been completed.

Finally, credit also must be given to the Town Commission for their unfailing support for maintaining the highest standards of professionalism and transparency in the management of the Town's finances.

Respectfully Submitted,

Andrew E. Hyatt
Town Manager

Jason D. Greene
Assistant Town Manager / CFO

TOWN OF SURFSIDE, FLORIDA

LISTING OF ELECTED OFFICIALS AND ADMINISTRATIVE PERSONNEL

SEPTEMBER 30, 2020

TOWN COMMISSION

Charles W. Burkett, Mayor

Tina Paul, Vice Mayor

Charles Kesl, Commissioner

Eliana R. Salzhauer, Commissioner

Nelly Velasquez, Commissioner

OFFICIALS

Jason D. Greene, Interim Town Manager/Finance Director

Julio Yero, Chief of Police

Sandra McCready, Town Clerk

Weiss Serota Helman Pastoriza Cole & Boniske, P.L., Town Attorney

Tim Milian, Parks and Recreation Director

Randy Stokes, Public Works Director

Frank Trigueros, Tourism Manager

Rosendo Prieto, Building Official

Alan Graham, Code Compliance Director

James Hickey, Planning/Zoning Manager

Yamileth Slate-McCloud, Human Resource Director

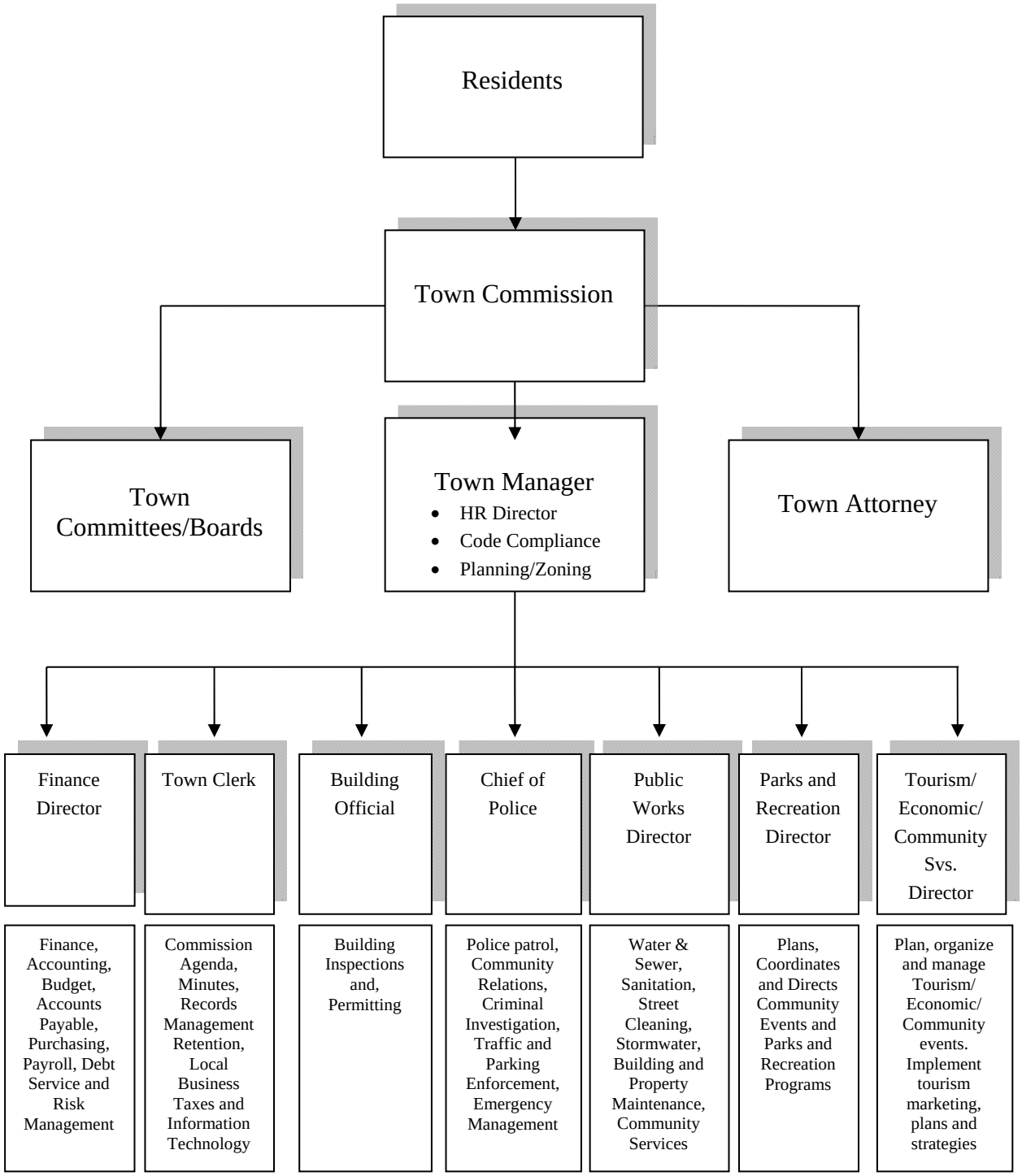
INDEPENDENT AUDITORS

Marcum LLP

TOWN OF SURFSIDE, FLORIDA

ORGANIZATION CHART

SEPTEMBER 30, 2020



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Surfside
Florida

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

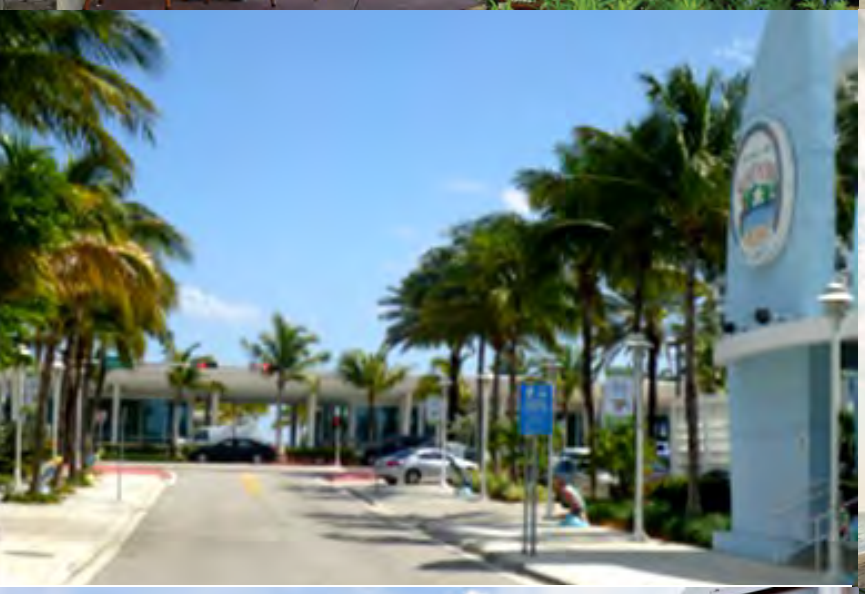
Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION













INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor, Town Commission and Town Manager
Town of Surfside, 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 the Town of Surfside, 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 and fair presentation 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to 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 auditors' judgment, including the assessment of the risks 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 Town'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 Town's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 16, the budgetary comparison information on pages 66 through 69, and the required supplementary information for the pensions and OPEB on pages 70 through 72 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory and statistical sections and the combining and individual fund statements and schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 4, 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, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Marcum LLP

Miami, FL
June 4, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

This section of the Comprehensive Annual Financial Report (Financial Report) for the Town of Surfside (the Town), the Town's management is pleased to provide this narrative discussion and analysis of the financial activities of the Town for the fiscal year ended September 30, 2020. The Town's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

2020 FINANCIAL HIGHLIGHTS

- The Town's total assets plus deferred outflows exceeded its total liabilities plus deferred inflows of resources by $56,454,080 (total net position) as of September 30, 2020.

- The Town implemented Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, during the current fiscal year. Implementation of this statement has resulted in a restatement of the fiscal year 2017 government-wide and proprietary fund net position. More information is available in footnote 12 to the financial statements.

- Total net position increased $6,175,096 as compared to the previous fiscal year 2019. The total components are comprised of the following:
  (1) Capital assets, net of related debt, of $24,923,058 include property and equipment, net of accumulated depreciation, and reduced by capital related outstanding debt.
  (2) Net position of $5,695,354 is restricted by constraints imposed from outside the Town such as grantors, laws, or regulations.
  (3) Unrestricted net position consists of $26,432,868 that may be used to meet the Town's ongoing obligations to citizens and creditors.

- The Town's governmental funds reported total ending fund balance of $28,383,332 at September 30, 2020. This compares to the prior year total ending fund balance of $22,670,831, showing an increase of $5,712,501 during the current year. Unassigned fund balance is $16,553,284 at September 30, 2020.

- At the end of the current fiscal year, the unassigned fund balance for the General Fund was $16,553,284 or 139% of total General Fund expenditures. Financially, fiscal year 2020 was a positive year.

- Overall, the Town continues to maintain a strong financial position.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management Discussion and Analysis document introduces the Town's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The Town also includes in this report additional information to supplement the basic financial statements. Comparative data is presented to allow comparison to the prior fiscal year.

Government-wide Financial Statements

The Town's annual financial report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Town's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Position.* This is the government-wide statement of position presenting information that includes all the Town's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, with the difference 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. Evaluation of the overall health of the Town would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of the Town's infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the Town's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Town's distinct activities or functions on revenues provided by the Town's taxpayers.

Both government-wide financial statements distinguish governmental activities of the Town principally supported by taxes from business-type activities intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public safety, public works, leisure services and transportation. Business-type activities include water and sewer, municipal parking, sanitation and storm water utilities activities.

The government-wide financial statements are presented on pages 17 and 18 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Town uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Town's most significant funds rather than the Town as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for nonmajor funds is provided in the form of combining statements in a later section of this report.

The Town has three types of funds:

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Town's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 19 - 20 of this report and the governmental fund operating statement reconciliation is presented on page 21.

Proprietary funds are reported in the fund financial statements and generally report services for which the Town charges customers a fee. The Town's proprietary funds are primarily classified as enterprise funds as well as one internal service fund. The enterprise funds essentially encompass the same function reported as business-type activities in the government-wide statements.

The basic proprietary fund financial statements are presented on pages 22 - 25 of this report.

The Town's *Fiduciary fund* is reported in the fiduciary fund financial statements but is excluded from the government-wide reporting. Fiduciary fund financial statements report resources that are not available to fund the Town's programs. The Town's fiduciary fund reports the Town's single employer pension plan balances and activities.

The basic fiduciary fund financial statements are presented on pages 26 and 27 of this report.

Notes to the Basic Financial Statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements begin on page 28 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. A budgetary comparison schedule is included as "required supplementary information" for the General Fund and Building Fund. Budgetary comparison schedules for all other governmental funds can be found in the supplementary information section of this report. These schedules demonstrate compliance with the Town's adopted and final revised budget. In addition, some required trend information for the Town's pension trust fund and other post-employment benefits (OPEB) plan are presented in this section. Required supplementary information can be found on pages 67-72 of this report.

Supplementary Information

As discussed, the Town reports major funds in the basic financial statements. Combining and individual fund statements and schedules for nonmajor funds are presented in a supplementary information section of this report beginning on page 73.

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

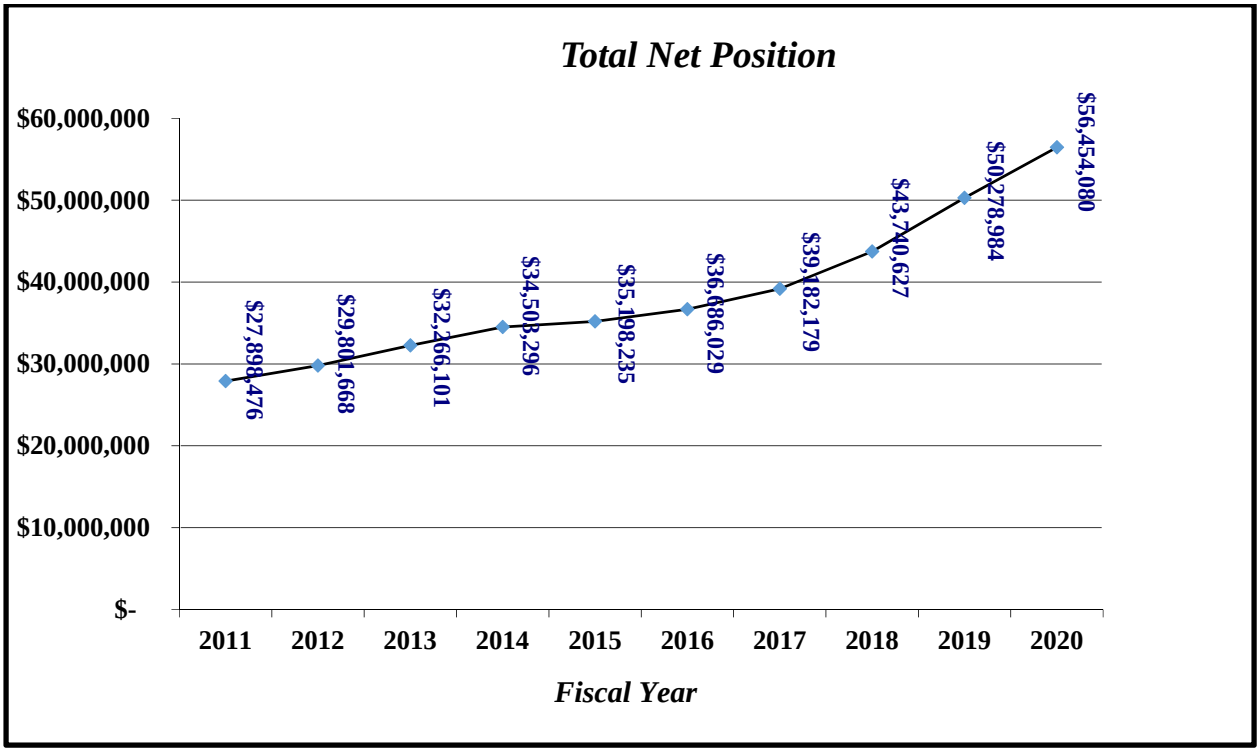
The following table provides a summary of the Town's net position:

Summary of Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Assets:						
Current assets	$ 30,529,640	$ 24,429,204	$ 7,494,363	$ 7,064,516	$ 38,024,003	$ 31,493,720
Non-current assets						
Capital assets	14,188,857	14,787,514	23,123,558	23,942,427	37,312,415	38,729,941
Total assets	44,718,497	39,216,718	30,617,921	31,006,943	75,336,418	70,223,661
Deferred outflows of resources	2,168,734	1,226,373	326,419	170,822	2,495,153	1,397,195
Liabilities:						
Current liabilities	1,309,952	1,168,273	1,188,124	1,486,943	2,498,076	2,655,216
Long-term liabilities	4,398,339	2,891,926	13,797,589	14,633,691	18,195,928	17,525,617
Total liabilities	5,708,291	4,060,199	14,985,713	16,120,634	20,694,004	20,180,833
Deferred inflows of resources	262,787	673,219	420,800	487,820	683,487	1,161,039
Net position:						
Net investment in capital assets	14,188,857	15,353,330	10,137,001	9,783,234	24,325,858	25,136,564
Restricted	3,582,895	2,628,547	2,112,459	2,112,459	5,695,354	4,741,006
Unrestricted	23,144,501	17,727,796	3,288,367	2,673,618	26,432,868	20,401,414
Total net position	$ 40,916,253	$ 35,709,673	$ 15,537,827	$ 14,569,311	$ 56,454,080	$ 50,278,984

(This page continued on the subsequent page)

The following chart reports the Town's total net position balances from fiscal year 2011 - 2020.



Over the last ten years, the total net position has increased $28,555,604 or 102%.

The Town continues to maintain high current ratios. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 23 to 1 as compared to 21 to 1 at September 30, 2019. The current ratio for business-type activities is 6 to 1 as compared to 5 to 1 at September 30, 2019. Overall, the total current ratio at September 30, 2020 was 15 to 1 as compared to 12 to 1 at September 30, 2019.

The Town reported positive balances in net position for both governmental and business-type activities. During 2020, net position increased $5,206,580 for governmental activities and increased $968,516 for business-type activities. The Town's overall financial position improved during fiscal year 2020. The Town remains in a strong financial position.

Note that 31.7% of the governmental activities' total assets are tied up in capital assets. The Town uses these capital assets to provide services to its citizens. In addition, 75.5% of the business-type activities total assets are included in capital assets. These capital assets provide utility and parking services to the Town's citizens. The combined governmental activities with business-type activities invested in capital assets were 49.5% of total assets in fiscal year 2020, as presented in the government-wide statement of net position.

The following table provides a summary of the Town's changes in net position:

Summary of Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**
Revenues:						
Program:						
Charges for services	$ 2,087,160	$ 2,903,344	$ 8,097,367	$ 7,819,153	$ 10,184,527	$ 10,722,497
Operating grants and contributions	403,994	238,019	-	-	403,994	238,019
Capital grants	-	-	-	-	-	-
General:						
Property taxes	12,974,092	12,966,520	-	-	12,974,092	12,966,520
Other taxes	3,972,744	5,321,260	-	-	3,972,744	5,321,260
Unrestricted intergovermental	1,114,171	750,229	-	-	1,114,171	750,229
Unrestricted investment earnings	276,294	183,585	53,638	1,066	329,932	184,651
Cares Act	80,160	-	-	-	80,160	-
Miscellaneous	735,155	454,296	-	-	735,155	454,296
Total revenues	21,643,770	22,817,253	8,151,005	7,820,219	29,794,775	30,637,472
Program Expenses:						
General government	7,842,517	8,251,686	-	-	7,842,517	8,251,686
Public safety	6,494,252	6,300,753	-	-	6,494,252	6,300,753
Public works	1,811,200	1,740,922	-	-	1,811,200	1,740,922
Leisure services	464,339	527,338	-	-	464,339	527,338
Transportation	198,279	319,666	-	-	198,279	319,666
Interest	-	3	-	-	-	3
Water and sewer	-	-	3,317,613	3,549,765	3,317,613	3,549,765
Municipal parking	-	-	1,124,140	1,175,646	1,124,140	1,175,646
Sanitation	-	-	1,892,905	1,721,562	1,892,905	1,721,562
Stormwater utility	-	-	474,434	511,775	474,434	511,775
Total expenses	16,810,587	17,140,368	6,809,092	6,958,748	23,619,679	24,099,116
Changes in net position before transfers	4,833,183	5,676,885	1,341,913	861,471	6,175,096	6,538,356
Transfers	373,397	374,484	(373,397)	(374,484)	-	-
Changes in net position after transfers	5,206,580	6,051,369	968,516	486,987	6,175,096	6,538,356
Beginning net position	35,709,673	29,658,304	14,569,311	14,082,324	50,278,984	43,740,628
Ending net position	$ 40,916,253	$ 35,709,673	$ 15,537,827	$ 14,569,311	$ 56,454,080	$ 50,278,984

Governmental Activities Revenues

The Town is heavily reliant on property taxes to support governmental operations. Property taxes provided 59.9% of the Town's total revenues in fiscal year 2020 as compared to 56.8% in fiscal year 2019. Other taxes, which includes resort, franchise, utility and communications taxes provided 18.4% of the Town's total revenues in fiscal year 2020 as compared to 23.3% in fiscal year 2019. At the government-wide financial reporting level, charges for services decreased $816,184. This decreased was primarily due to a reduction in licenses and permits issued in fiscal year 2020 as a result of the Covid-19 pandemic. As directed by Miami-Dade County, there were periods in fiscal year 2020 where business were ordered to temporarily cease operations.

Note that program revenues covered 14.8% of governmental operating expenses as compared to 18.3% in fiscal year 2019. This means that the government's taxpayers and the Town's other general revenues normally fund 85.2% of the governmental activities, primarily from property taxes, other taxes and unrestricted intergovernmental revenue. As a result, the general economy and the success of local businesses have a major impact on the Town's revenue streams.

Governmental Activities Expenses

The following table presents the cost of each of the Town's services, including the net costs (i.e., total cost less program revenues generated by the activities). The net costs illustrate the financial burden that is placed on the Town's taxpayers by each of these services.

Governmental Activities

	Total Cost of Services	Percentage of Total	Net Cost of Services	Percentage of Total
General government	$ 7,842,517	46.7%	$ 6,156,785	43.0%
Public safety	6,494,252	38.6%	6,077,384	42.4%
Public works	1,811,200	10.8%	1,811,200	12.6%
Leisure services	464,339	2.8%	326,035	2.3%
Transportation	198,279	1.2%	(51,971)	-0.4%
Total	$ 16,810,587	100.0%	$ 14,319,433	100.0%

Business-type Activities

The Town reports four major enterprise funds Water and Sewer, Municipal Parking, Sanitation and Stormwater.

Overall Analysis of Major Business-type Funds – Total operating revenues increased $254,354 or 3.2%. Total operating expenses decreased $173,516 or 2.5%. In total, the operating income before transfers increased $1,288,275 in the Business-type activities. The total increase in net position for all enterprise funds was $968,516.

The operating income (loss) for each major enterprise fund was as follows for fiscal years 2020 and 2019:

Operating Income (Loss)

	2020	2019	Increase (Decrease)
Water and sewer	$ 1,507,661	$ 708,802	$ 798,859
Municipal parking	50,467	221,640	(171,173)
Sanitation	(253,194)	119,862	(373,056)
Stormwater	438,396	300,087	138,309
Total	$ 1,743,330	$ 1,350,391	$ 392,939

The following includes an analysis of the fiscal year 2020 financial activities for each enterprise fund.

Water and Sewer Fund - The total assets remained constant at $20.9 million in the current fiscal year. However, there was an increase of cash of $122 thousand that was offset by a decrease in the net book value of capital assets due to depreciation expense of $794 thousand for the current fiscal year. Total liabilities decreased by $1.1 million primarily due to a reduction of the debt principal outstanding in fiscal year 2020 of $911 thousand and a decreased in customer deposits of $225 thousand.

Operating revenues increased $595 thousand or 15.3% in the current fiscal year. Total operating expenses decreased $204 thousand or 6.4%. The decreased in operating expenses was due primarily to a decrease in Water and Sewer system costs in the current fiscal year. Actual water system costs decreased during the current fiscal year $102 thousand or 16.5% from fiscal year 2019 and sewer system costs decreased $103 thousand or 7.9%. However, during fiscal year 2020 there was a decrease in consumption for water and sewer compared to the prior fiscal year. This decrease was the impact of Covid-19 during fiscal year 2020 and the closure of businesses due to Emergency Orders issued by Miami-Dade County.

Net position increased $1,075,673 in fiscal year 2020, resulting in an ending net position of $8,336,653.

Municipal Parking Fund – Total assets decreased $52,458 or 1.3%. There was a reduction in the net book value of capital assets due to depreciation expense of $139,489 for the current fiscal year.

Operating revenues decreased by $222,679 or 15.9% and operating expenses decreased by $51,506 or 4.4%. In total, operating income increased $50,467 in fiscal year 2020. Net position decreased $38,419 in fiscal year 2020, resulting in an ending net position of $3,388,648.

Sanitation Fund - Total assets decreased $262,344 or 2%. Total capital assets increased $152,659 or 37.6% from previous fiscal year. Total liabilities increased by $218,283 or 73% from the previous fiscal year. Operating revenues decreased $225,573 or 12% from fiscal year 2019. Operating expenses remained relatively consistent when compared to the previous fiscal year 2019.

Total operating expenses increased $147,483 or 8.4%. Operating income decreased $253,194 or 2.11% due to an increase in operating expenses as previously stated. Net position decreased $386,148 in fiscal year 2020, resulting in an ending net position of $660,962.

Stormwater Fund - The total assets increased $22,074 or less than 1%. Cash and cash equivalent decreased $51,382. Net capital assets decreased $130,606 from fiscal year 2019 due to current year asset depreciation. Total liabilities decreased $296,704 primarily due to long-term debt service payments of $293,160.

The operating revenues increased $107,771 from fiscal year 2019; in contrast, operating expenses decreased $30,538 or 7.8% during the same period.

As a result, operating income was $138,309 or 46.1% above fiscal year 2019. Net position increased $317,410 in fiscal year 2020, resulting in ending net position of $3,151,564.

FUND ANALYSIS

Governmental Funds

Governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the fiscal year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of $28,383,332 compared to $22,670,831 at September 30, 2019.

The total governmental revenues and transfers-in exceeded expenditures and transfers-out by $5,712,501. The general fund's revenues and transfers-in exceeded its expenditures and transfers-out by $3,671,122. The building fund's expenditures and transfers-out exceeded its revenues by $505,399. The capital projects fund's revenues and transfers-in exceeded its expenditures and transfers-out by $1,864,830. The tourism fund's revenues exceeded its expenditures and transfers-out by $504,276.

Governmental funds report total fund balance of $28,383,332. Of this year-end total, $2,751,463 is restricted to various ongoing programs. Assigned fund balance of $2 million in the General Fund is for emergencies and hurricanes since we are a coastal community subject to hurricane risk and $6,971,530 is assigned in the Capital Projects Fund for future capital projects. Unassigned fund balance at year end is $16,553,284 and is available for future appropriation within the General Fund.

The total ending fund balances of governmental funds shows an increase of $5,712,501 or 25.2% over the prior year.

Major Governmental Funds

The Town reports four major governmental funds, the General Fund, the Building Fund, Capital Projects Fund and the Tourism Fund.

General Fund **-** The General Fund is the Town's primary operating fund and the largest source of day-to-day service delivery. The General Fund's total fund balance increased $3,671,122 or 24.5%. The ending unassigned fund balance is considered adequate, representing the equivalent of 139% of annual expenditures, excluding inter-fund transfers-out. This compares to 110% at September 30, 2019.

Property taxes remained consistent from prior year 2019 at $12.9 million in fiscal year 2020.

Intergovernmental revenue increased $363,942 or 48.5% from the prior year. Miscellaneous revenues increased $294,769 or 68.2% due to developer contributions amounting to $332 thousand in the current fiscal year. All other revenue streams were consistent with fiscal year 2019 amounts.

Total General Fund expenditures increased $89,770 or less than 1% from fiscal year 2019 level and the change was not significant in nature.

Capital Projects Fund **-** This fund reports revenues primarily from inter-fund transfers and various outside sources. In fiscal year 2020 interfund transfers-in were $1,950,000 from the General Fund intended for future projects outlined in the five-year Capital Improvement Plan. This fund spent $116,730 on capital projects in fiscal year 2020. At September 30, 2020, this fund reported $4,927,369 in cash and investments and an ending fund balance of $4,913,412.

Building Fund – The Town established this fund in fiscal year 2017 to segregate and restrict the uses of the monies received and spent as required by Florida Statute. This fund reported licenses and permits fees totaling $652,674 and spent $976,334 with an ending fund balance of $2,058,118.

Tourism Fund – This special revenue fund is funded almost entirely from Resort Taxes. Total revenues from these taxes decreased $1,317,628 or 33.8%, and total expenditures in this fund decreased $411,880 or 16.4%. As the name implies this fund relies on tourism and due to Covid-19 pandemic revenues were significantly affected during fiscal year 2020. Consequently, expenditures decreased during fiscal year 2020; however, the decrease in expenses were 31.3% of the reduction in revenue for the same period.

Proprietary Funds

Proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. The internal service fund is included within governmental activities. The business-type activities analysis above discusses the town's enterprise funds.

GENERAL FUND BUDGETARY HIGHLIGHTS

The fiscal year 2020 General Fund's budget was amended and total expenditures increased $24,124 or less than 1%. Nevertheless, transfers-out decreased by the same amount in fiscal year 2020.

Revenue – Intergovernmental revenues were $377,194 or 5.79 above budget and this increase was due to monies received from FEMA for expenditures incurred during Hurricane Irma. Because of the uncertainty and lengthy process of approval and payment these funds were recognized in fiscal year 2020.

Miscellaneous revenues were $490,574 or 200% higher than budgeted due to an increase in developer contributions during fiscal year 2020. Developer contribution fees are voluntary proffers intended to mitigate off-site impacts of proposed projects and new constructions, and are generally received prior to the issuance of a building permit.

In total, actual revenues were above budget by $891,955 or 5.6% in fiscal year 2020.

Expenditures - The Finance and IT expenditures were lower than budget by $205,707 or 17% due to a reduction in personnel expenses and lower expenses in professional services for IT services in fiscal year 2020.

Expenditures in planning & code compliance were lower by $226,797 or 26.9% as a result of employee attrition and lower expenses during the fiscal year.

The public works expenditures were lower than the budget by $402,240 or 23.8%. This was due to a reduction in usage of water and sewer gallonage and lower expenditures in different repair and maintenance accounts, including in the building and landscaping accounts.

In total, actual expenditures were $1,771,636 or 9% below the final budget in fiscal year 2020.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The town's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of September 30, 2020, was $14,188,857 and $23,123,558, respectively. The change in net investment was 4.2% decrease for governmental activities and 3.4% decrease for business-type activities. See Note 6 for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year.

The following table provides a summary of capital asset activity:

Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Non-depreciable assets:						
Land	$ 1,461,229	$ 1,461,229	$ 1,358,011	$ 1,358,011	$ 2,819,240	$ 2,819,240
Construction in progress	52,950	29,621	27,397	-	80,347	29,621
Total non-depreciable	1,514,179	1,490,850	1,385,408	1,358,011	2,899,587	2,848,861
Depreciable assets:						
Buildings	11,282,003	11,276,108	-	-	11,282,003	11,276,108
Machinery, equipment and furniture	3,707,462	3,494,257	2,074,484	1,773,461	5,781,946	5,267,718
Infrastructure	6,444,835	6,410,734	29,228,018	29,228,018	35,672,853	35,638,752
Total depreciable assets	21,434,300	21,181,099	31,302,502	31,001,479	52,736,802	52,182,578
Less accumulated depreciation	8,759,622	7,884,435	9,564,352	8,417,063	18,323,974	16,301,498
Book value - depreciable assets	12,674,678	13,296,664	21,738,150	22,584,416	34,412,828	35,881,080
Percentage depreciated	41%	37%	31%	27%	35%	31%
Total net capital assets	$ 14,188,857	$ 14,787,514	$ 23,123,558	$ 23,942,427	$ 37,312,415	$ 38,729,941

At September 30, 2020, the depreciable capital assets for governmental activities were 41% depreciated. This compares to 37% at September 30, 2019. With the town's business-type activities, 31% of the asset values were depreciated at September 30, 2020, compared to 27% at September 30, 2019. These percentages for governmental activities indicate that the Town is replacing their capital assets at the same rate as they are being depreciated, which is a positive financial indicator.

Governmental Capital Assets

Governmental capital asset additions during 2020 were $276,531, consisting primarily of $159,657 renewal of police vehicle fleet; $52,950 in renovation of beach access entries and beach walk infrastructure investments to be completed in 2021; $38,814 investment in a new townhall fuel tanks; and $16,058 for visual messaging sign.

Business-type Activities Capital Assets

Business-type Activities capital asset additions during 2020 were $328,420, consisting the acquisition of a new garbage truck for $235,801; water and sewer acquisition of water pumps for $65,222; and $27,397 water main replacement program at Point Lake & Biscaya Blvd. to be completed in 2021.

Debt

The following table reports long-term debt balances at September 30, 2020 and 2019:

Outstanding Long-term Debt

	Governmental Activities		Business-type Activities		Totals	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**
Revenue bonds	**$** -	**$** -	$ 6,571,536	$ 7,292,575	$ 6,571,536	$ 7,292,575
Capital leases	-	1,457	-	-	-	1,457
State revolving loan	-	-	6,415,021	6,866,618	6,415,021	6,866,618
Compensated absences	504,303	400,366	164,959	142,361	669,262	542,727
Total OPEB liability	929,050	486,410	268,133	68,933	1,197,183	555,343
Net pension liability*	2,964,986	2,289,981	377,940	263,205	3,342,926	2,553,186
Total	$ 4,398,339	$ 3,178,214	$ 13,797,589	$ 14,633,692	$ 18,195,928	$ 17,811,906

See Note 7 for additional information about the Town’s long-term debt.

A SUMMARY OF THE ECONOMIC CONDITIONS AFFECTING THE TOWN

South Florida continues to be a much sought after international and national destination for vacationers and others who want to maintain a second home. Municipalities like the Town of Surfside rely primarily on property and other taxes (utility taxes, tourism taxes, franchise fees and local business taxes) for their operation. Consequently, economic growth in the local economy may be measured by a variety of indicators such as employment growth, unemployment rate and assessed property values. Net assessed value of real and personal property within the County increased by 5.1%.

The fiscal year 2020 - 2021 adopted operating budget reduces the Town's operating millage rate to 4.3499 from 4.400 in the previous fiscal year. Fiscal year 2020 - 2021 will be the fifth consecutive year the Town's millage rate will decrease. The millage reduction combined with Town's overall 0.3% increase in taxable value will generate $109,477 less net property tax revenue. The Miami-Dade County Property Appraiser reported on July 1, 2020 the 2020 Preliminary Certification of Taxable Value of $3,126,037,017; an increase of $9.4 million over the 2019 Preliminary Certification of Taxable Value. The Town's tax base has diversified and strengthened over the past five years from new development projects and construction incorporated in the tax rolls. This growth in taxable value leveled off in fiscal year 2020 and 2021, and now supports a firm tax base to provide the resources to invest in the community, address the Town's changing needs, demand for services, and attract business to Surfside.

The impact of the coronavirus (COVID-19) has had an adverse effect on the global and local economy. Florida's economy, which is driven in large part by tourism, has also been greatly affected by the closure of restaurants, hotels and beaches. At this time, it is difficult to quantify just how much it will directly impact the Town in the coming fiscal year; as governments everywhere focus their efforts on containment of the disease. Therefore, long-term planning will become even more critical, but also more challenging during periods of economic uncertainty. It will also be difficult to foresee how long this economic downturn will last and the extent to which it will impact the financial conditions of the town.

The Town is also concerned with rising sea levels. These changes in sea levels pose an increasing risk and concern to our barrier island. In addition to beach shoreline concerns, seawalls may need to be reconstructed to new levels and stormwater systems may need to be reconfigured to reduce or prevent flooding. These effects could have a considerable financial impact on the Town and its property owners. Additionally, demand for property that would be adversely affected by rising sea levels may be reduced, affecting the Town's tax base. These remain unquantified but genuine concerns to consider in the near future.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the town's finances, comply with finance-related laws and regulations, and demonstrate the town's commitment to public accountability. Questions concerning any of the information provided in this report or request for additional information should be addressed to the Town's Finance Director, Town of Surfside, 9293 Harding Avenue, Surfside, FL 33154.

FINANCIAL STATEMENTS

TOWN OF SURFSIDE, FLORIDA

STATEMENT OF NET POSITION

SEPTEMBER 30, 2020

	Governmental Activities	Business-type Activities	Total
Assets			
Cash	$ 9,877,636	$ 985,142	$ 10,862,778
Investments	19,229,168	4,276,677	23,505,845
Receivables, net	704,501	2,809,488	3,513,989
Internal balances	595,405	(595,405)	--
Prepaid items	123,030	18,461	141,491
Capital assets not being depreciated	1,514,179	1,385,408	2,899,587
Capital assets being depreciated, net	12,674,678	21,738,150	34,412,828
Total Assets	44,718,597	30,617,921	75,336,518
Deferred Outflows of Resources			
Pension	1,796,818	231,396	2,028,214
OPEB	371,916	95,023	466,939
Total Deferred Outflows of Resources	2,168,734	326,419	2,495,153
Liabilities			
Accounts payable	511,843	270,063	781,906
Accrued liabilities	331,581	52,212	383,793
Interest payable	--	154,233	154,233
Unearned revenue	23,164	4,492	27,656
Customer deposits	443,364	707,124	1,150,488
Noncurrent liabilities:			
Due within one year	50,431	1,231,648	1,282,079
Due in more than one year	453,872	11,919,868	12,373,740
Net pension liability	2,964,986	377,940	3,342,926
Total OPEB liability	929,050	268,133	1,197,183
Total Liabilities	5,708,291	14,985,713	20,694,004
Deferred Inflows of Resources			
Pension	219,677	25,778	245,455
OPEB	43,110	11,014	54,124
Parking Trust	--	384,008	384,008
Total Deferred Inflows of Resources	262,787	420,800	683,587
Net Position			
Net investment in capital assets	14,188,857	10,137,001	24,325,858
Restricted for:			
Tourism	2,139,689	--	2,139,689
Transportation	443,485	--	443,485
Police forfeiture	168,289	--	168,289
Renewal and replacement	831,432	2,038,459	2,869,891
Loan reserve	--	324,000	324,000
Unrestricted	23,144,501	3,038,367	26,182,868
Total Net Position	$ 40,916,253	$ 15,537,827	$ 56,454,080

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

TOWN OF SURFSIDE, FLORIDA

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Total
Governmental Activities							
General government	$ 7,918,706	$ 1,685,732	$ --	$ --	$ (6,232,974)	$ --	$ (6,232,974)
Public safety	6,418,063	263,124	153,744	--	(6,001,195)	--	(6,001,195)
Public works	1,811,200	--	--	--	(1,811,200)	--	(1,811,200)
Leisure services	464,339	138,304	--	--	(326,035)	--	(326,035)
Transportation	198,279	--	250,250	--	51,971	--	51,971
Total Governmental Activities	16,810,587	2,087,160	403,994	--	(14,319,433)	--	(14,319,433)
Business-type Activities							
Water and sewer	3,317,613	4,484,185	--	--	--	1,166,572	1,166,572
Municipal parking	1,124,140	1,174,607	--	--	--	50,467	50,467
Sanitation	1,892,905	1,639,711	--	--	--	(253,194)	(253,194)
Stormwater utility	474,434	798,864	--	--	--	324,430	324,430
Total Business-type Activities	6,809,092	8,097,367	--	--	--	1,288,275	1,288,275
Total	$ 23,619,679	$ 10,184,527	$ 403,994	$ --	(14,319,433)	1,288,275	(13,031,158)
General Revenues							
Taxes							
Property taxes					12,974,092	--	12,974,092
Resort taxes					2,583,931	--	2,583,931
Franchise fees based on gross receipts					497,697	--	497,697
Utility taxes					692,951	--	692,951
Communications services tax					198,165	--	198,165
Unrestricted intergovernmental revenues					1,114,171	--	1,114,171
Unrestricted investment earnings					276,294	53,638	329,932
Cares Act					80,160	--	80,160
Miscellaneous revenues					735,155	--	735,155
Transfers					373,397	(373,397)	--
Total General Revenues and Transfers					19,526,013	(319,759)	19,206,254
Change in Net Position					5,206,580	968,516	6,175,096
Net Position - Beginning					35,709,673	14,569,311	50,278,984
Net Position - Ending					$ 40,916,253	$ 15,537,827	$ 56,454,080

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

TOWN OF SURFSIDE, FLORIDA

BALANCE SHEET
GOVERNMENTAL FUNDS

SEPTEMBER 30, 2020

	General	Building	Capital Projects	Tourism	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash	$ 5,587,740	$ --	$2,228,169	$ 800,977	$ 914,785	$ 9,531,671
Investments	12,291,823	2,131,227	2,699,200	1,281,387	303,484	18,707,121
Receivables, net	486,910	--	--	165,437	52,154	704,501
Due from other funds	1,214,526	--	--	--	--	1,214,526
Prepaid items	101,943	--	--	5,112	--	107,055
Total Assets	$ 19,682,942	$ 2,131,227	$4,927,369	$ 2,252,913	$ 1,270,423	$ 30,264,874
Liabilities						
Accounts payable	$ 350,238	$ 12,451	$ 13,957	$ 73,548	$ 16,364	$ 466,558
Accrued liabilities	274,113	20,658	--	34,564	--	329,335
Due to other funds	--	--	--	--	619,121	619,121
Unearned revenue	--	--	--	--	23,164	23,164
Customer deposits	403,364	40,000	--	--	--	443,364
Total Liabilities	1,027,715	73,109	13,957	108,112	658,649	1,881,542
Fund Balances						
Non-spendable:						
Prepaid items	101,943	--	--	5,112	--	107,055
Restricted for:						
Tourism	--	--	--	2,139,689	--	2,139,689
Transportation surtax	--	--	--	--	443,485	443,485
Police forfeiture	--	--	--	--	168,289	168,289
Assigned for:						
Hurricanes and emergencies	2,000,000	--	--	--	--	2,000,000
Capital projects	--	--	4,913,412	--	--	4,913,412
Building projects	--	2,058,118	--	--	--	2,058,118
Unassigned	16,553,284	--	--	--	--	16,553,284
Total Fund Balances	18,655,227	2,058,118	4,913,412	2,144,801	611,774	28,383,332
Total Liabilities and Fund Balances	$ 19,682,942	$ 2,131,227	$4,927,369	$ 2,252,913	$ 1,270,423	
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 funds						13,684,447
Deferred outflows of resources related to pensions/OPEB are recorded in the statement of net position						2,168,734
Deferred inflows of resources related to pensions/OPEB are recorded in the statement of net position						(262,787)
The assets and liabilities of the internal service funds are included in governmental activities in the statements of net position						1,335,842
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:						
Compensated absences						(499,279)
Net pension liability						(2,964,986)
Total OPEB liability						(929,050)
Net Position of Governmental Activities						$ 40,916,253

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

TOWN OF SURFSIDE, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	General	Building	Capital Projects	Tourism	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	$ 12,974,092	$ --	$ --	$ --	$ --	$ 12,974,092
Resort taxes	--	--	--	2,583,931	--	2,583,931
Utility taxes	692,951	--	--	--	--	692,951
Communications services tax	198,165	--	--	--	--	198,165
Franchise fees	497,697	--	--	--	--	497,697
Licenses and permits	78,212	652,674	--	--	--	730,886
Intergovernmental	1,114,171	--	--	--	250,250	1,364,421
Charges for services	138,304	--	--	--	--	138,304
Fines and forfeitures	263,124	--	--	--	153,744	416,868
Interest earnings	218,870	--	31,560	15,026	4,716	270,172
Miscellaneous	726,674	4,081	--	4,400	--	735,155
Total Revenues	16,902,260	656,755	31,560	2,603,357	408,710	20,602,642
Expenditures						
Current:						
General government	3,897,454	976,334	--	2,083,201	--	6,956,989
Public safety	6,166,244	--	--	--	91,444	6,257,688
Public works	1,285,505	--	--	--	--	1,285,505
Leisure services	369,225	--	--	--	--	369,225
Transportation	--	--	--	--	127,344	127,344
Capital outlay	181,837	--	116,730	15,880	--	314,447
Total Expenditures	11,900,265	976,334	116,730	2,099,081	218,788	15,311,198
Excess (Deficiency) of Revenues over Expenditures	5,001,995	(319,579)	(85,170)	504,276	189,922	5,291,444
Other Financing Sources (Uses)						
Cares Act	80,160	--	--	--	--	80,160
Transfers in	538,967	--	1,950,000	--	--	2,488,967
Transfers out	(1,950,000)	(185,820)	--	--	(12,250)	(2,148,070)
Total Other Financing Sources (Uses)	(1,330,873)	(185,820)	1,950,000	--	(12,250)	421,057
Net Change in Fund Balances	3,671,122	(505,399)	1,864,830	504,276	177,672	5,712,501
Fund Balances - Beginning	14,984,105	2,563,517	3,048,582	1,640,525	434,102	22,670,831
Fund Balances - Ending	$ 18,655,227	$ 2,058,118	$ 4,913,412	$ 2,144,801	$ 611,774	$ 28,383,332

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

TOWN OF SURFSIDE, FLORIDA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds		$ 5,712,501
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.		
The details of the difference are as follows (excludes Internal Service Fund):		
Capital outlay	$ 116,874	
Depreciation	(990,931)	
Net adjustment		(874,057)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources to governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This detail of the difference is as follows:		
Payment of principal on capital lease		1,454
The change in net position of the internal service fund activities are reported with governmental activities		521,468
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
The detail of the difference is as follows:		
Compensated absences	(36,921)	
Deferred outflows	581,356	
Deferred inflows	403,165	
Net pension liability	(1,069,858)	
Total OPEB liability	(32,528)	
Net adjustment		(154,786)
Change in net position of governmental activities		$ 5,206,580

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

TOWN OF SURFSIDE, FLORIDA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

SEPTEMBER 30, 2020

	Business-type Activities - Enterprise Funds					Governmental Activities Internal Service Fund
	Water and Sewer	Municipal Parking	Sanitation	Stormwater Utility	Totals	Fleet Management
Assets						
Current Assets						
Cash	$ 292,446	$ 290,252	$ --	$ 402,444	$ 985,142	$ 345,965
Investments	968,756	1,139,011	151,912	2,016,998	4,276,677	522,047
Receivables, net	1,819,823	407,735	328,424	253,506	2,809,488	--
Due from other funds	--	--	--	1,096,671	1,096,671	--
Prepaid items	5,112	1,136	12,213	--	18,461	15,975
Total Current Assets	3,086,137	1,838,134	492,549	3,769,619	9,186,439	883,987
Noncurrent Assets						
Capital Assets						
Construction in progress	27,397	--	--	--	27,397	--
Land	--	1,358,011	--	--	1,358,011	--
Infrastructure	24,197,722	1,447,360	--	3,548,835	29,193,917	--
Vehicles	--	--	--	--	--	604,880
Equipment	357,592	747,792	969,100	34,100	2,108,584	--
	24,582,711	3,553,163	969,100	3,582,935	32,687,909	604,880
Less: accumulated depreciation	(6,801,781)	(1,464,533)	(410,967)	(887,070)	(9,564,351)	(100,470)
Total Capital Assets, Net	17,780,930	2,088,630	558,133	2,695,865	23,123,558	504,410
Total Noncurrent Assets	17,780,930	2,088,630	558,133	2,695,865	23,123,558	504,410
Total Assets	20,867,067	3,926,764	1,050,682	6,465,484	32,309,997	1,388,397
Deferred Outflows of Resources						
Pension	44,959	76,416	92,579	17,442	231,396	--
OPEB	16,576	18,678	52,531	7,238	95,023	--
Total Deferred Outflows of Resources	61,535	95,094	145,110	24,680	326,419	--
Liabilities						
Current Liabilities						
Accounts payable	196,525	38,156	28,161	7,221	270,063	45,285
Accrued liabilities	13,254	13,104	22,362	3,492	52,212	2,246
Due to other funds	1,692,076	--	--	--	1,692,076	--
Interest payable	115,674	--	--	38,559	154,233	--
Current portion of revenue bonds payable	566,304	--	--	188,768	755,072	--
Current portion of state revolving loan payable	345,061	--	--	115,020	460,081	--
Compensated absences	3,594	1,926	9,927	1,048	16,495	503
Unearned revenue	--	4,492	--	--	4,492	--
Customer deposits	707,124	--	--	--	707,124	--
Total Current Liabilities	3,639,612	57,678	60,450	354,108	4,111,848	48,034
Noncurrent Liabilities						
Total OPEB liability	11,997	38,692	216,403	1,041	268,133	--
Net pension liability	74,077	124,347	150,973	28,543	377,940	--
Compensated absences	32,344	17,340	89,347	9,433	148,464	4,521
Revenue bonds payable	4,362,348	--	--	1,454,116	5,816,464	--
State revolving loan payable	4,466,205	--	--	1,488,735	5,954,940	--
Total Noncurrent Liabilities	8,946,971	180,379	456,723	2,981,868	12,565,941	4,521
Total Liabilities	12,586,583	238,057	517,173	3,335,976	16,677,789	52,555
Deferred Inflows of Resources						
Pension	3,445	8,980	11,568	1,785	25,778	--
OPEB	1,921	2,165	6,089	839	11,014	--
Parking Trust	--	384,008	--	--	384,008	--
Total Deferred Inflows of Resources	5,366	395,153	17,657	2,624	420,800	--
Net Position						
Net investment in capital assets	8,041,012	2,088,630	558,133	(550,774)	10,137,001	504,410
Restricted for renewal and replacement	1,772,319	--	--	266,140	2,038,459	831,432
Restricted for loan reserve	243,000	--	--	81,000	324,000	--
Unrestricted	(1,719,678)	1,300,018	102,829	3,355,198	3,038,367	--
Total Net Position	$ 8,336,653	$ 3,388,648	$ 660,962	$ 3,151,564	$ 15,537,827	$ 1,335,842

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

TOWN OF SURFSIDE, FLORIDA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Business-type Activities - Enterprise Funds					Governmental Activities
	Water and Sewer	Municipal Parking	Sanitation	Stormwater Utility	Totals	Internal Service Fund Fleet Management
Operating Revenues						
Charges for services:						
Water sales	$ 1,954,067	$ --	$ --	$ --	$ 1,954,067	$ --
Sewer charges	2,278,758	--	--	--	2,278,758	--
Parking fees	--	1,174,607	--	--	1,174,607	--
Solid waste fees	--	--	1,538,519	--	1,538,519	--
Recycling fees	--	--	94,742	--	94,742	--
Drainage fees	--	--	--	798,864	798,864	--
Service charges	--	--	--	--	--	954,846
Miscellaneous	251,360	--	6,450	--	257,810	--
Total Operating Revenues	4,484,185	1,174,607	1,639,711	798,864	8,097,367	954,846
Operating Expenses						
Personal services	387,059	530,199	993,103	126,446	2,036,807	78,778
Administrative	74,986	454,452	347,080	103,207	979,725	59,808
Water system	516,913	--	--	--	516,913	--
Sewer system	1,203,723	--	--	--	1,203,723	--
Solid waste system	--	--	469,580	--	469,580	--
Repairs and maintenance	--	--	--	--	--	264,388
Depreciation	793,843	139,489	83,142	130,815	1,147,289	69,026
Total Operating Expenses	2,976,524	1,124,140	1,892,905	360,468	6,354,037	472,000
Operating Income (Loss)	1,507,661	50,467	(253,194)	438,396	1,743,330	482,846
Nonoperating Revenues (Expenses)						
Interest earnings	11,343	13,356	5,287	23,652	53,638	6,122
Interest expense	(341,089)	--	--	(113,966)	(455,055)	--
Total Nonoperating Revenues (Expenses)	(329,746)	13,356	5,287	(90,314)	(401,417)	6,122
Income Before Transfers	1,177,915	63,823	(247,907)	348,082	1,341,913	488,968
Transfers out	(102,242)	(102,242)	(138,241)	(30,672)	(373,397)	--
Transfers in	--	--	--	--	--	32,500
Total Transfers	(102,242)	(102,242)	(138,241)	(30,672)	(373,397)	32,500
Change in Net Position	1,075,673	(38,419)	(386,148)	317,410	968,516	521,468
Net Position - Beginning	7,260,980	3,427,067	1,047,110	2,834,154	14,569,311	814,374
Net Position - Ending	$ 8,336,653	$ 3,388,648	$ 660,962	$ 3,151,564	$ 15,537,827	$ 1,335,842

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

TOWN OF SURFSIDE, FLORIDA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Business-type Activities - Enterprise Funds					Governmental Activities
	Water and Sewer	Municipal Parking	Sanitation	Stormwater Utility	Totals	Internal Service Fund Vehicle Maintenance
Cash Flows from Operating Activities						
Receipts from customers	$ 3,729,357	$ 1,174,380	$ 1,704,798	$ 717,497	$ 7,326,032	$ 954,846
Payments to suppliers	(1,784,812)	(450,362)	(856,674)	(104,958)	(3,196,806)	(301,253)
Payments to employees	(394,591)	(528,464)	(841,498)	(122,625)	(1,887,178)	(77,362)
Net Cash Provided by Operating Activities	1,549,954	195,554	6,626	489,914	2,242,048	576,231
Cash Flows from Noncapital Financing Activities						
Transfers in	--	--	--	--	--	32,500
Transfers out	(102,242)	(102,242)	(138,241)	(30,672)	(373,397)	--
Net Cash Provided by (Used in) Noncapital Financing Activities	(102,242)	(102,242)	(138,241)	(30,672)	(373,397)	32,500
Cash Flows from Capital and Related Financing Activities						
Acquisition and construction of capital assets	(92,619)	--	(235,801)	--	(328,420)	(344,426)
Proceeds from sale of capital assets	--	13,356	--	--	13,356	--
Principal payments	(879,477)	--	--	(293,158)	(1,172,635)	--
Interest expense and debt related costs	(353,833)	--	--	(118,214)	(472,047)	--
Net Cash Provided by (Used in) Capital and Related Financing Activities	(1,325,929)	13,356	(235,801)	(411,372)	(1,959,746)	(344,426)
Cash Flows from Investing Activities						
Interest earnings	11,343	--	5,287	(23,652)	(7,022)	6,122
Sale of investments	--	--	293,659	--	293,659	--
Purchases of investments	(11,334)	(13,357)	--	23,652	(1,039)	(6,122)
Net Cash Provided by (Used in) Investing Activities	9	(13,357)	298,946	--	285,598	--
Net Increase (Decrease) in Cash	121,792	93,311	(68,470)	47,870	194,503	264,305
Cash - Beginning	170,654	196,941	68,470	354,574	790,639	81,660
Cash - Ending	$ 292,446	$ 290,252	$ --	$ 402,444	$ 985,142	$ 345,965

(Continued)

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

TOWN OF SURFSIDE, FLORIDA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
(Continued)

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Business-type Activities - Enterprise Funds					Governmental Activities
	Water and Sewer	Municipal Parking	Sanitation	Stormwater Utility	Totals	Internal Service Fund Vehicle Maintenance
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities						
Operating income (loss)	$ 1,507,661	$ 50,467	$ (253,194)	$ 438,396	$ 1,743,330	$ 482,846
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	793,843	139,489	83,142	130,815	1,147,289	69,026
Changes in assets, liabilities and deferred inflows/outflows:						
(Increase) decrease in:						
Receivables	(466,692)	20,773	65,087	(81,367)	(462,199)	--
Prepaid items	(5,112)	(1,136)	(12,213)	--	(18,461)	(15,975)
Deferred outflows - pension/OPEB	(29,387)	(38,906)	(75,736)	(11,568)	(155,597)	--
Increase (decrease) in:						
Accounts payable	15,922	5,226	(27,801)	(1,751)	(8,404)	38,918
Accrued liabilities	5,932	5,142	1,667	1,971	14,712	1,128
Compensated absences	1,500	(9,368)	23,094	7,373	22,599	288
Net pension liability	24,244	37,833	44,607	8,051	114,735	--
Total OPEB liability	(75)	21,978	176,716	581	199,200	--
Deferred inflows - pensions/OPEB	(9,746)	(14,944)	(18,743)	(2,587)	(46,020)	--
Deferred inflows - parking trust	--	(21,000)	--	--	(21,000)	--
Customer deposits	(288,136)	--	--	--	(288,136)	--
Total adjustments	42,293	145,087	259,820	51,518	498,718	93,385
Net Cash Provided by Operating Activities	$ 1,549,954	$ 195,554	$ 6,626	$ 489,914	$ 2,242,048	$ 576,231

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

TOWN OF SURFSIDE, FLORIDA

STATEMENT OF FIDUCIARY NET POSITION

SEPTEMBER 30, 2020

Assets	
Money market funds	$ 215,296
U.S. Treasury securities	87,167
Municipal obligations	302,946
Corporate bonds	2,748,137
Mortgage backed securities	3,108,016
Equities	
Common stock and American depositary receipts and exchange traded funds	6,318,023
Mutual funds	11,112,824
Real estate investment trusts	132,002
Collective investment trust	666,186
Core real estate fund	1,493,186
Total Investments	26,183,783
Receivables	
Interest and dividends	41,905
Employee contributions	57,364
Other receivables	21,972
Total Receivables	121,241
Prepaid Expenses	1,845
Total Assets	26,306,869
Liabilities and Net Position	
Accounts payable	39,856
Refunds due to members	17,284
Total Liabilities	57,140
Net Position Restricted for Pension Benefits	$ 26,249,729

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

TOWN OF SURFSIDE, FLORIDA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

Additions	
Contributions	
Plan members	$ 696,439
Town	1,141,115
	1,837,554
Investment Income	
Net appreciation in fair value of investments	736,044
Interest and dividends	622,374
	1,358,418
Less investment expenses	(91,121)
Net Investment Income	1,267,297
Total Additions	3,104,851
Deductions	
Benefit payments	834,962
Refunds of contributions	42,964
Administrative expenses	108,171
Total Deductions	986,097
Change in Net Position	2,118,754
Net Position Restricted for Pension Benefits- Beginning	24,130,975
Net Position Restricted for Pension Benefits - Ending	$ 26,249,729

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

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Surfside, Florida (the Town) was incorporated on May 19, 1935. The Town of Surfside's Charter was adopted under the provisions of Chapter 27914, Laws of Florida, 1951. The Town is governed by an elected five-member Town Commission and operates under a commissioner-manager form of government. The Town provides services to its approximately 6,000 residents in many areas including general government and administrative services, public safety (police), physical environment, solid waste collection, transportation (maintenance of roads and streets), culture and recreation, tourism development, water/sewer and stormwater utilities.

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

The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town's accounting policies are described below:

A. FINANCIAL REPORTING ENTITY

In accordance with accounting principles generally accepted in the United States of America, these financial statements present the Town and its organizations for which the Town is considered financially accountable. Financial accountability includes 1) the appointment of a voting majority of the organization's governing body, 2) the ability of the primary government to impose its will on the organization, or 3) if there is a financial benefit/burden relationship or operational responsibility. In addition, an organization, which is fiscally dependent on the primary government, should be included in its reporting entity. Based on the application of these criteria, there were no organizations that met the criteria described above.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. The effect of interfund activity has been removed from these statements with the exception of interfund services provided and used which are not eliminated. *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 support.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

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

Separate financial statements are provided for governmental funds, proprietary funds, and the fiduciary fund, even though the latter is excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining nonmajor governmental funds are aggregated and reported as other governmental funds.

Since the governmental fund financial statements are presented on a different measurement focus and basis of accounting than the government-wide financial statements, reconciliations are provided to briefly explain the adjustments necessary to reconcile the governmental fund financial statements to the government-wide governmental activities financial statements.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting,* as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

Expenditures generally are recorded when a liability is incurred, as required by accrual accounting, except for expenditures related to compensated absences, which are recorded when payment is due.

Property taxes and other taxes (such as franchise taxes, utilities taxes, and sales taxes), charges for services, intergovernmental revenue, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Revenues for expenditure driven grants are recognized when the qualifying expenditures are incurred. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The reporting practices of the proprietary fund types closely parallel comparable commercial financial reporting, which recognize revenue when earned and expenses when incurred (the accrual basis) including, in the case of the enterprise funds, depreciation on its exhaustible capital assets. Earned, but unbilled service receivables have been accrued as revenue in the enterprise funds.

GAAP sets forth minimum criteria (percentage of the assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenue or expenditures/expenses of either fund category or the governmental and enterprise funds combined) for the determination of major funds. The nonmajor funds are presented in the combining and individual fund statements and schedules section.

The Town reports the following major governmental funds:

The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Building Fund*, a special revenue fund, is used to account for the building department activities within the Town. Revenues are collected from development activity to fund building department operations.

The *Capital Projects Fund* is used to account for the capital projects of the Town which have received the approval of the Town Commission. Transfers from the general and other funds are made to this fund to cover such expenditures.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

The *Tourism fund* is used to account for resort tax collections which are restricted to promote tourism related activities of the Town for allowable functions and activities.

The *Fleet Management Fund* is an internal service fund used to account for the costs of maintaining the Town's fleet and accumulates the cost of operating the central garage facility for vehicle maintenance.

The Town reports the following major proprietary funds:

The *Water and Sewer Fund* is used to account for water and sewer utility operations, which are financed and operated in a manner similar to private business enterprises. The intent of the Town is that the costs (expenses including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

The *Municipal Parking Fund* accounts for all parking revenues and expenses. Parking citation revenue is allocated to the General Fund.

The *Sanitation Fund* is used to account for the activities of the Town residential, multi-family, and commercial refuse and recycling.

The S*tormwater Utility Fund* is used to account for the stormwater utility fees, which are collected to construct, operate, and maintain a stormwater management system.

Additionally, the government reports the following fund type:

The *Pension Trust Fund* is used to account for the Town's single-employer defined benefit pension plan (the Plan) covering substantially all of its employees (The Retirement Plan for the Employees of the Town of Surfside).

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Town's enterprise functions and various other functions of the Town for services rendered. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than *program revenues*. The 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 and expenses of the Town's enterprise funds are charges to customers for services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. ASSETS, LIABILITIES, DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE

1. Deposits and Investments

The Town utilizes a pooled cash account for cash of all Town funds other than those that are required to be physically segregated. The pooled cash account concept allows each participating fund to benefit from the economies of scale and improved yield which are inherent to a larger investment pool. Formal accounting records detail the individual equities of the participating funds. The pooled cash system utilizes a single checking account for Town receipts and disbursements with a separate checking account for payroll disbursements.

The Town's investment policy follows the requirements of Florida Statutes Chapter 218.415, *Local Government Investment Policies*, and attempts to promote, in order of priority, safety of principal, adequate liquidity, and maximization of total return. Investments in the Town of Surfside's local government surplus funds are governed by the provisions of Florida Statutes Section 218.415. Investments in the Town's pension trust fund are governed by the Plan's investment policy and Florida Statutes Section 112.661. All investments of the Town and the pension trust fund, except Florida PRIME, are reported at fair value using quoted market prices. The Florida PRIME is recorded at its value of the pool shares, which is amortized cost.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE (CONTINUED)

2. Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either due to/from other funds (i.e., the current portion of interfund loans) or advances to/from other funds (i.e., the non-current portion of the interfund loans).

3. Receivables

Receivables include amounts due from other governments and others for services provided by the Town. Receivables are recorded and revenues are recognized as earned or as specific program expenditures/expenses are incurred. Allowances for uncollectible receivables are based upon historical trends and the periodic aging of receivables.

4. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the fund financial statements. Prepaid items are accounted for under the purchase method.

5. Capital Assets

Capital assets include property, buildings, machinery, furniture and equipment, intangible and infrastructure assets (e.g., sidewalks and other similar items), which are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Capital assets are defined by the Town as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year, except for infrastructure and intangible assets for which the Town utilizes a $25,000 capitalization threshold. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. The Town was not required to and did not retroactively report infrastructure assets acquired prior to the implementation of GASB Statement No. 34.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE (CONTINUED)

5. Capital Assets (continued)

The Town records impairment losses on long-lived assets used in operations when events and circumstances indicate the assets might be impaired. No impairment losses have been recorded.

Capital assets of the Town are depreciated using the straight-line method over the estimated useful lives:

Assets	Years
Buildings	15-50
Machinery, furniture and equipment	5-10
Infrastructure	10-30
Intangibles	10-30

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net 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 reports within its government-wide statement of net position as deferred outflows amounts contributed during fiscal year 2020 into The Retirement Plan for the Employees of the Town of Surfside. The net pension liability associated with the Plan was measured as of September 30, 2019. The amounts paid during fiscal year 2020 to the Plan will be reflected within the Town's pension expense and related liability when the net pension liability is measured for the subsequent fiscal year. In addition, the Town reports a deferred outflow for its obligation for the total OPEB liability.

In addition to liabilities, the statement of net 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 three items that qualify for reporting in this category. A deferred inflow for pensions, OPEB and the proprietary funds statement of net position includes a parking trust agreement within the Municipal Parking Fund. These amounts are deferred and recognized as an inflow of resources and recognized as revenue in the period that the time restrictions are met.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE (CONTINUED)

7. Compensated Absences

The Town's policy is to permit employees to accumulate earned but unused sick as well as vacation pay benefits, limited to certain maximums. All vacation and sick pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Compensated absences of the governmental funds are typically liquidated from the general fund.

8. Long-Term Obligations

In the government-wide financial statements and proprietary fund type financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable business-type activities or proprietary fund type statement of net position.

9. *Fund Balance*

The Town follows the criteria for classifying governmental fund balances into specifically defined classifications. Classifications are hierarchical and are based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in the funds may be spent. The Town's accounting and financial policies are used to interpret the nature and/or requirements of the funds and their corresponding classification of nonspendable, restricted, committed, assigned or unassigned.

The following are the fund balance classifications:

Nonspendable fund balance. Nonspendable fund balances are amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted fund balance. Restricted fund balances are amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE (CONTINUED)

9. *Fund Balance (continued)*

Committed fund balance. Committed fund balances can only be used for the specific purposes determined by a formal action (ordinance or resolution, which are equally binding) of the Town Commission, the Town's highest level of decision making authority. Commitments may be changed or lifted only by the Town Commission taking the same formal action (ordinance or resolution) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

Assigned fund balance. Assigned fund balances are amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed. Intent is established by management of the Town to which the Commission has delegated the authority to assign, modify or rescind amounts to be used for specific purposes. There is no formal policy through which this authority has been established. Specific amounts that are not restricted or committed in a special revenue or capital projects fund are assigned for the purposes in accordance with the nature of their fund type. Assignment within the General Fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the Town itself.

Unassigned fund balance. This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

10. Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last, unless the Town Commission has provided otherwise in its commitment or assignment actions by either ordinance or resolution.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE (CONTINUED)

11. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted resources are available for use, it is the Town's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

12. Net Position

Net position of the government-wide and proprietary funds is categorized as net investment in capital assets, restricted or unrestricted. The net investment in capital assets consists of capital assets reduced by accumulated depreciation and by any outstanding related debt and deferred inflows/outflows of resources incurred to acquire, construct or improve those assets, excluding unexpended proceeds. Restricted net position is that portion of net position that has been restricted for general use by external parties (creditors, grantors, contributors, or laws or regulations of other governments) or imposed by law through constitutional provisions or enabling legislation. Unrestricted net position consists of net position that does not meet the definition of either of the other two components.

13. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and deferred outflows of resources, liabilities and deferred inflows of resources, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results may differ from management's estimates.

NOTE 2 – DEPOSITS AND INVESTMENTS

DEPOSITS - TOWN

In addition to insurance provided by the Federal Depository Insurance Corporation, all deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, *Florida Security for Public Deposits Act*, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer, or any other banking institution, eligible collateral of the depository. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as deposits are insured or collateralized.

INVESTMENTS – TOWN

The Town's investment policy authorizes Town officials to invest in those instruments authorized by the Florida Statutes and the Town's investment policy, including the certificates of deposit (placed with "qualified public depositories"); U.S. Treasury and Government Agency securities; corporate bonds; commercial paper; mutual funds; repurchase agreements; money market funds; and the Florida PRIME administered by the State Board of Administration (SBA).

Florida PRIME is governed by Chapter 19-7 of the Florida Administrative Code and Chapters 215 and 218 of the Florida Statutes. These rules provide guidance and establish the policies and general operating procedures for the administration of the Florida PRIME. Florida PRIME invests in a pool of investments whereby the Town owns a share of the respective pool, not the underlying securities. GASB Statement No. 79, *Certain External Investment Pools and Pool Participants* established criteria for an external investment pool to qualify to report at amortized cost. Florida PRIME is exempt from the GASB 72 fair value hierarchy disclosures and reports at amortized cost.

With regard to redemption dates, Chapter 218.409(8) (a), Florida Statutes, states, "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency measures and review the necessity of those measures. If the Trustees are unable to convene

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS – TOWN (CONTINUED)

an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the Executive Director may extend the moratorium until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustee exceed 15 days."

With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

As of September 30, 2020, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

The investment in the Florida PRIME is not insured by FDIC or any other governmental agency.

As of September 30, 2020, the Town had the following investment subject to interest rate risk:

	Reported Value	Weighted Average Maturity
Investments		
Florida PRIME	$ 23,505,845	48 days

Florida PRIME is presented as an investment in the financial statements.

Interest Rate Risk

The Town has an investment policy to invest in a manner that is consistent with sound business practices in order to protect the assets of the Town residents, provide effective cash management to meet anticipated obligations and earn a rate of return consistent with these inherent restraints. Safety of capital and liquidity are also inherent in the Town's policy. The policy is structured to provide sufficient liquidity to pay obligations as they come due. The Town's investment policy limits the maturities to no more than 7 years for direct United States obligations and to no more than 5 years for United States agency obligations and corporate obligations. Term repurchase agreements are limited to maturities of 90 days or less and certificate of deposits are limited to 2 years or less.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS – TOWN (CONTINUED)

Credit Risk

The Town's investment policy limits investments to the highest ratings issued by a nationally recognized statistical rating organization (NRSRO). The Florida PRIME is rated AAAm by Standard and Poor's.

Concentration of Credit Risk

The Town's investment policy states that assets shall be diversified to control the risk of loss resulting from concentration of assets to a specific maturity, instrument, issue, dealer, or bank through which these securities are bought and sold. As of September 30, 2020, the Town's portfolio did not have any investments subject to a concentration of credit risk, other than Florida PRIME.

INVESTMENTS – PENSION TRUST FUND

The investment activity of the Plan is directed by an investment advisory firm. All investments made or held by the Plan shall be limited to the following:

1. Cash equivalents.

2. Obligations issued by the United States Government or obligations guaranteed as to principal and interest by the United States Government or by an agency of the United States Government.

3. Bonds issued by the State of Israel. Foreign equity investments shall not exceed 10% of the Plan assets.

4. Bonds or other evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States or any state, organized territory of the United States, or District of Columbia provided the corporation is listed on the recognized national stock exchanges or on the National Market System of the NASDAQ stock market, the issuer has an investment quality rating within the top three rating classifications by at least two major services (Standard and Poor's, Moody's or Fitch). Up to 10% of the bond portfolio may be invested in the fourth rating classification (by two of the above rating services).

5. Equity investments (common stock, convertible bonds and preferred stocks) in a corporation listed on one or more of the recognized national exchanges or on the National Market System of the NASDAQ stock market and ETF exchange-traded funds.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS – PENSION TRUST FUND (CONTINUED)

6. Commingled equity, bond, real estate, or money market funds whose investments are restricted to securities meeting the criteria of this section. Investments in equities are not to exceed 70% of the Plan assets at market, and no more than 5% at cost of the equities may be invested in a single company.

7. Collective Investment Trust.

Investments held in trust for Plan benefits consist of the following at September 30, 2020:

	Reported Value
Investments	
Money market funds	$ 215,296
U.S. Treasury securities	87,167
Municipal obligations	302,946
Corporate bonds	2,748,137
Mortgage backed securities	3,108,016
Equities	
Common stock and American depositary receipts and exchange traded funds	6,318,023
Mutual funds	11,112,824
Real estate investment trusts	132,002
Collective investment trust	666,186
Core real estate fund	1,493,186
Total	$ 26,183,783

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS – PENSION TRUST FUND (CONTINUED)

As of September 30, 2020, the Plan had the following investment types subject to interest rate risk:

Investment Type	Fair Value	Sector Distribution
Corporate bonds	$ 2,748,137	44.0%
Municipal obligations	302,946	4.8%
U.S. Treasury securities	87,167	1.4%
Mortgage backed securities	3,108,016	49.8%
Total Fair Value	$ 6,246,266	

Maturity Distribution		Credit Quality Distribution	
Years	% of Fixed Income Securities	Rating	% of Fixed Income Securities
0-1	5.3%	AAA	2.4%
1-5	19.1%	AA	54.0%
5-10	33.7%	A	17.6%
10+	41.9%	BBB	21.5%
	100.0%	Not Rated	4.5%
			100.0%

Interest Rate Risk

In accordance with its investment policy, the Plan manages its exposure to declines in the fair value of its securities through a conservative approach of managing portfolio exposure to duration, maturity and sector relative to market indices.

Credit Risk

State law limits investments in commercial paper to the two top ratings issued by nationally recognized statistical rating organizations (NRSROs). It is the Plan's policy to limit its investments in this investment type to the top two ratings issued by NRSROs. As of September 30, 2020, the Plan's investments in the U.S. Treasury Securities were rated AAA by Standard & Poor's, and Aaa by Moody's Investors Service. The Investment Policy of the Plan states it is permitted to invest in corporate bonds with an investment quality rating with rating with the top three rating classifications by at least two major rating services (Standards & Poor, Moody's or Fitch). The corporate bonds held by the Plan were in the top three rating classifications. The mortgage backed securities were rated AAA and Aaa by Standard & Poor's, and Moody's, respectively.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS – PENSION TRUST FUND (CONTINUED)

Concentration of Credit Risk

The Plan's investment policy does not allow for an investment in any one issuer, other than U.S. Government securities, that is in excess of five percent of the Plan's total investments nor any investment in any one organization represents five percent or more of total fiduciary net position.

Custodial Credit Risk

For an investment, this is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the securities, whether fixed or equities are held in the name of the Plan.

Fair Value Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 - Investments' fair values based on prices quoted in active markets for identical assets.

Level 2 - Investments' fair values based on observable inputs for the assets either directly or indirectly, other than those considered Level 1 inputs, which may include quoted prices for identical assets in markets that are not considered to be active, and quoted prices of similar assets in active or inactive markets.

Level 3 - Investments' fair values based upon unobservable inputs.

The following is a description of the fair value techniques for the Plan's investments. Level 1 and 2 prices are obtained from various pricing sources by the Plan's custodian bank:

Equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. This includes domestic and foreign common stock, American depository receipts (ADR), and exchange traded funds (ETF).

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS – PENSION TRUST FUND (CONTINUED)

Fair Value Hierarchy (continued)

Debt securities classified in Level 2 of the fair value hierarchy are valued using pricing inputs that reflect the assumptions market participants would use to price an asset or liability and are developed based on market data obtained from sources independent of the reporting entity. This includes U.S. Treasuries and Government Agency bonds, corporate bonds, municipal bonds and mortgage backed securities.

Money market funds are reported at amortized cost.

The following is a summary of the fair value hierarchy of investments as of September 30, 2020:

		Fair Value Measurements Using		
	9/30/2020	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Debt securities				
U.S. Treasury securities	$ 87,167	$ --	$ 87,167	$ --
Corporate bonds	2,748,137	--	2,748,137	--
Municipal obligations	302,946	--	302,946	--
Mortgage backed securities	3,108,016	--	3,108,016	--
Total debt securities	6,246,266	--	6,246,266	--
Equity securities				
Common stock, ADRs, and ETFs	6,318,023	6,318,023	--	--
Mutual funds	11,112,824	11,112,824	--	--
Real Estate Investment Trusts	132,002	132,002	--	--
Total equity securities	17,562,849	17,562,849	--	--
Total investments at fair value	23,809,115	$ 17,562,849	$ 6,246,266	$ --
Investments Measured at Net Asset Value (NAV)				
Core real estate fund	1,493,186			
Collective investment trust	666,186			
Total investments measured at NAV	2,159,372			
Money market funds (exempt)	215,296			
Total investments	$ 26,183,783			

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS – PENSION TRUST FUND (CONTINUED)

Fair Value Hierarchy (continued)

The following table summarizes investments for which fair value is measured using the net asset value per share practical expedient, including their related unfunded commitments and redemption restrictions.

Investments Measured at NAV	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Core Real Estate Fund [(1)]	$ 1,493,186	$ --	Quarterly	N/A
Collective Investment Trust [(2)]	$ 666,186	$ --	5 Day Notice	N/A

(1) *Core real estate fund.* This fund is an open-end core real estate fund with a diversified portfolio of income producing institutional properties throughout the U.S. This investment is valued at NAV and is redeemable on a quarterly basis.

(2) *Collective Investment Trust.* This fund investment objective is to seek to achieve maximum total return by investing globally in publicly traded infrastructure companies. This investment is valued at NAV and is redeemable with 5-day notice.

NOTE 3 – RECEIVABLES

Receivables as of September 30, 2020 for the Town's major and nonmajor funds, including the applicable allowances for uncollectible accounts, if any, are as follows:

	General	Tourism	Nonmajor Governmental	Water and Sewer	Municipal Parking	Sanitation	Stormwater Utility	Total
Receivables								
Intergovernmental	$ 298,791	$ 165,437	$ 52,154	$ --	$ --	$ --	$ --	$ 516,382
Other	188,119	--	--	--	407,735	--	--	595,854
Accounts - billed	--	--	--	1,195,249	--	328,424	135,075	1,658,748
Accounts - unbilled	--	--	--	624,574	--	--	118,431	743,005
Gross receivables	486,910	165,437	52,154	1,819,823	407,735	328,424	253,506	3,513,989
Less: allowance for uncollectibles	--	--	--	--	--	--	--	--
Total Receivables, Net	$ 486,910	$ 165,437	$ 52,154	$ 1,819,823	$ 407,735	$ 328,424	$ 253,506	$ 3,513,989

NOTE 4 – PROPERTY TAXES

Under Florida law, the assessment of all properties and the collection of all county, municipal and school board taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the State regulating tax assessments are also designed to assure a consistent property valuation method statewide. State statutes permit municipalities to levy property taxes at a rate of up to 10.0 mills ($10 per $1,000 of assessed taxable valuation). The millage rate assessed by the Town for the fiscal year ended September 30, 2020, was 4.5000 per $1,000. The tax levy of the Town is established by the Town Commission prior to October 1 each year, and the County Property Appraiser incorporates the millage into the total tax levy, which includes Miami-Dade County, Miami-Dade County School Board and special taxing districts.

All property is reassessed according to its fair market value as of January 1 each year. Each assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of State Statutes.

All real and tangible personal property taxes are due and payable on November 1 of each year or as soon thereafter as the assessment roll is certified by the County Property Appraiser. Miami-Dade County mails to each property owner on the assessment roll a notice of taxes due and Miami-Dade County collects the taxes for the Town. Taxes may be paid upon receipt of such notice from Miami-Dade County, with discounts at the rate of four percent (4%) if paid in the month of November, three percent (3%) if paid in the month of December, two percent (2%) if paid in the month of January, and one percent (1%) if paid in the month of February. Taxes paid during the month of March are without discount and all unpaid taxes on real and tangible personal property become delinquent and liens are placed on April 1 of the year following the year in which the taxes were assessed. Procedures for the collection of delinquent taxes by Miami-Dade County are provided for in the laws of the State of Florida. As of September 30, 2020, there were no material delinquent taxes.

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of the interfund balances as of September 30, 2020 is as follows:

DUE TO/FROM OTHER FUNDS

Receivable Funds	Payable Fund Water and Sewer	Police Forfeiture Fund	Transportation Surtax Fund	Total
General Fund	$ 595,405	$ 51,671	$ 567,450	$ 1,214,526
Stormwater Utility Fund	1,096,671	--	--	1,096,671
	$ 1,692,076	$ 51,671	$ 567,450	$ 2,311,197

Receivables noted above represent short-term arrangements made to cover temporary negative cash balances in each fund's equity in pooled cash at year end.

INTERFUND TRANSFERS

Fund	Transfers In	Transfers Out
General Fund	$ 538,967	$ 1,950,000
Building Fund	--	185,820
Capital Projects Fund	1,950,000	--
Transportation Surtax Fund (Nonmajor Fund)	--	12,250
Water and Sewer Fund	--	102,242
Municipal Parking Fund	--	102,242
Sanitation Fund	--	138,241
Stormwater Utility Fund	--	30,672
Internal Service Fund - Fleet Management	32,500	--
Total Interfund Transfers	$ 2,521,467	$ 2,521,467

Capital Projects Fund transfers consisted of transfers from the General Fund, Stormwater Fund and Transportation Surtax Fund to provide funding for on-going construction projects.

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2020 was as follows:

	Beginning Balances	Increase	Decrease	Ending Balances
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	$ 1,461,229	$ --	$ --	$ 1,461,229
Construction in progress	29,621	52,950	29,621	52,950
Total Capital Assets Not Being Depreciated	1,490,850	52,950	29,621	1,514,179
Capital Assets Being Depreciated				
Buildings	11,276,108	5,896	--	11,282,004
Machinery, furniture and equipment	3,494,257	432,075	184,770	3,741,562
Infrastructure	6,410,734	--	--	6,410,734
Total Capital Assets Being Depreciated	21,181,099	437,971	184,770	21,434,300
Less: Accumulated Depreciation for				
Buildings	3,102,269	305,839	--	3,408,108
Machinery, furniture and equipment	2,354,396	412,562	184,770	2,582,188
Infrastructure	2,427,770	341,556	--	2,769,326
Total Accumulated Depreciation	7,884,435	1,059,957	184,770	8,759,622
Total Capital Assets Being Depreciated, Net	13,296,664	(621,986)	--	12,674,678
Governmental Activities Capital Assets, Net	$ 14,787,514	$ (569,036)	$ 29,621	$ 14,188,857
Business-type Activities				
Capital Assets Not Being Depreciated				
Land	$ 1,358,011	$ --	$ --	$ 1,358,011
Construction in progress	--	27,397	--	27,397
Total Capital Assets Not Being Depreciated	1,358,011	27,397	--	1,385,408
Capital Assets Being Depreciated				
Equipment	1,773,461	301,023	--	2,074,484
Infrastructure	29,228,018	--	--	29,228,018
Total Capital Assets Being Depreciated	31,001,479	301,023	--	31,302,502
Less: Accumulated Depreciation for				
Equipment	873,144	207,418	--	1,080,562
Infrastructure	7,543,919	939,871	--	8,483,790
Total Accumulated Depreciation	8,417,063	1,147,289	--	9,564,352
Total Capital Assets Being Depreciated, Net	22,584,416	(846,266)	--	21,738,150
Business-type Activities Capital Assets, Net	$ 23,942,427	$ (818,869)	$ --	$ 23,123,558

NOTE 6 – CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions/programs of the Town as follows:

Governmental Activities	
General government	$ 283,849
Public safety	94,389
Physical environment	520,568
Leisure services	90,216
Transportation	70,935
Total Depreciation Expense – Governmental Activities	$ 1,059,957
Business-type Activities	
Water and sewer	$ 793,843
Municipal parking	139,489
Sanitation	83,142
Stormwater utility	130,815
Total Depreciation Expense – Business-type Activities	$ 1,147,289

NOTE 7 – LONG TERM LIABILITIES

GOVERNMENTAL ACTIVITIES

The following is summary of changes in long-term liabilities of the Town for governmental activities for the fiscal year ended September 30, 2020:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Capital lease	$ 1,454	$ --	$ 1,454	$ --	$ --
Compensated absences	467,094	355,482	318,273	504,303	50,431
Total Governmental Activities	$ 468,548	$ 355,482	$ 319,727	$ 504,303	$ 50,431

NOTE 7 – LONG TERM LIABILITIES (CONTINUED)

BUSINESS-TYPE ACTIVITIES

The following is summary of changes in long-term liabilities of the Town for business-type activities for the fiscal year ended September 30, 2020:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type Activities					
Revenue bonds series 2011	$ 7,292,575	$ --	$ 721,039	$ 6,571,536	$ 755,072
State revolving loan	6,866,619	--	451,598	6,415,021	460,081
Compensated absences	142,359	58,298	35,698	164,959	16,495
Total Business-type Activities	$14,301,553	$ 58,298	$ 1,208,335	$ 13,151,516	$1,231,648

The General Fund is typically used to liquidate the compensated absences, the Total OPEB Liability and the Net Pension Liability.

UTILITY SYSTEM REVENUE BONDS SERIES 2011 (DIRECT BORROWING)

On April 28, 2011, the Town issued $16,000,000 Utility System Revenue Bonds, Series 2011 to finance the cost of certain construction projects, including improvements for the existing facilities for the water, sewer, and storm water systems. Principal and interest is to be paid from the pledge of Water/Sewer and Storm Water fund revenues. Principal is paid annually. The bond bears interest of 4.720% payable semi-annually, and it matures on May 1, 2026. Total principal and interest remaining on the bond is $7,863,147. For the current year, debt service which is comprised of accrued interest and principal payments was $1,065,249. Pledged revenues were $5,031,869.

This bond contains (1) a provision that, in an event of default, the timing of repayment of outstanding amounts may become immediately due if net pledged revenues during the fiscal year are less than 110% of debt service requirements for that year and (2) a provision that if the Town is unable to make payment, outstanding amounts may become due immediately.

	Principal	Interest	Total
Fiscal Year Ending September 30			
2021	$ 755,072	$ 310,177	$ 1,065,249
2022	790,711	274,537	1,065,248
2023	828,033	237,216	1,065,249
2024	867,116	198,132	1,065,248
2025	908,044	157,205	1,065,249
2026	2,422,560	114,345	2,536,905
Total	$ 6,571,536	$ 1,291,611	$ 7,863,147

NOTE 7 – LONG TERM LIABILITIES (CONTINUED)

STATE REVOLVING LOAN

The Town executed a Clean Water State Revolving Fund Construction Loan Agreement #WW131710 with the State of Florida Department of Environmental Protection on August 24, 2012 in the amount of $9,310,000 for the construction of Wastewater and Stormwater improvements. The loan bears an interest rate of 1.87% and matures on January 15, 2033. No proceeds were received during the 2019 fiscal year.

The principal total outstanding at September 30, 2020 is $6,415,021. The loan is secured by the net water, sewer and stormwater revenues. Total debt service for fiscal year 2020 was $577,901 and the pledged revenue was $5,031,869. The loan is payable in semi-annual payments over 20 years beginning on July 15, 2013 and is payable each January 15 and July 15.

	Principal	Interest	Total
Fiscal Year Ending September 30			
2021	$ 460,081	$ 117,820	$ 577,901
2022	468,725	109,176	577,901
2023	477,531	100,370	577,901
2024	486,503	91,398	577,901
2025	495,643	82,258	577,901
2026-2030	2,621,441	268,066	2,889,507
2031-2033	1,405,097	39,659	1,444,756
Total	$ 6,415,021	$ 808,747	$ 7,223,768

CAPITAL LEASES

The Town entered into two separate lease agreements, at different dates, totaling approximately $210,000 for the purpose of financing the acquisition of police vehicles. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

NOTE 7 – LONG TERM LIABILITIES (CONTINUED)

CAPITAL LEASES

The first lease agreement, entered on November 7, 2013, was for the amount of $82,559 with an applicable annual interest rate of 2.35%. The second lease agreement, entered on October 4, 2014, was for the amount of $127,784 with an applicable annual interest rate of 1.83%. All leases are payable monthly.

Asset Acquired Under the Capital Lease	
Machinery and equipment	$ 687,382
Accumulated depreciation	(647,117)
Total Assets Acquired Under the Capital Lease	$ 40,265

As of September 30, 2020, the future minimum lease obligations was $0.

NOTE 8 – EMPLOYEE RETIREMENT PLAN

The following brief description of the Plan is provided for general information purposes only. Participants should refer to the Plan documents for more complete information.

PLAN DESCRIPTION

The Plan is a contributory defined benefit single-employer pension plan covering substantially all employees of the Town of Surfside. All full-time employees are eligible to participate in the Plan immediately upon employment. The administration of the Plan is under the responsibility of a five-member Board of Trustees, which is subject to the ultimate authority of the Town Commission.

The Plan was established by a Town ordinance approved by the Commissioners and effective January 1, 1962. The Plan is also subject to certain provisions of Chapter 112, Florida Statutes. The benefit provisions and all other requirements, and amendments are established by Town Ordinance. The benefits provided to the Fraternal Order of Police (FOP) members are subject to collective bargaining. The latest Plan Ordinance (16-1652) was effective October 1, 2016.

The Plan issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by contacting the Town's Finance Director or visiting the Town's website.

NOTE 8 – EMPLOYEE RETIREMENT PLAN (CONTINUED)

PLAN DESCRIPTION (CONTINUED)

During 2011, the Town passed Ordinance 11-1580, which grants the right to Charter Officers to opt out of the Plan at any time.

The Plan is administered by a Pension Board comprised of:

- Two permanent residents of the Town appointed by Town Commission
- A elected representative of the police department
- A elected representative of the other employees of the Town
- The Town Manager (a permanent member of the Board)

Membership in the Plan as of October 1, 2019, the latest actuarial valuation, was as follows:

Inactive plan members and beneficiaries currently receiving benefits	40
Inactive plan members entitled but not yet receiving benefits	6
Active plan members	99
Total Members	145

CONTRIBUTIONS AND FUNDING POLICY

Funding of the Plan is provided by contributions from the Town and the employees. The Town's funding policy provides for annual actuarially determined contributions at rates that, for individual employees, increase gradually over time so that sufficient assets will be available to pay benefits when due. The Town's contribution to the Plan which was determined based on the October 1, 2018 actuarial valuation, totaled $1,141,115 for the fiscal year ended September 30, 2020.

NOTE 8 – EMPLOYEE RETIREMENT PLAN (CONTINUED)

CONTRIBUTIONS AND FUNDING POLICY (CONTINUED)

General Employees

Initially employees were required to contribute 5% of their salary. One employee still contributes 5%, but all other general employees contribute 6%. Effective October 1, 2016, the employee contribution for general employees and senior management increased to 8%. The employee previously contributing 5% of their covered compensation is now required to contribute 7%.

Police Officers

Certified law enforcement members of the Plan contribute 8% of earnable compensation to the Plan.

Deferred Retirement Option Program

The Town maintains a Deferred Retirement Option Program (DROP) initially for Police officers and dispatchers only. Effective August 13, 2013, the Town Commission passed an Ordinance, which amended the Deferred Retirement Option Program (DROP) to include all members of the retirement Plan who reach the earliest normal retirement age whereby such member shall be eligible to participate in the DROP. The maximum period of participation in the DROP is sixty months. No payments may be made from the DROP until the employee actually separates from service with the Town. There are no Police Officers currently participating in the DROP as of September 30, 2020. Nine (9) general employees are currently participating in the DROP as of September 30, 2020. As of September 30, 2020, the balance in the DROP account was $112,216. This amount is included in the total investment balance presented on the statement of fiduciary net position.

Basis of Accounting

The Plan for Employees of the Town of Surfside's financial statements are prepared on the accrual basis of accounting, reflecting income when earned and contributions for the year (regardless of when received) and expenses and other obligations when incurred (regardless of when paid). Benefit payments and refunds of contributions are recorded as they become due and payable in accordance with the terms of the Plan. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and payable, and the employer has made a formal commitment to provide the contributions.

NOTE 8 – EMPLOYEE RETIREMENT PLAN (CONTINUED)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method Used to Value Investments

The Plan investments are reported at fair value with the exception of money market funds, which are reported at amortized cost, and are managed by third-party money managers. The Plan's custodian and individual money manager price each instrument (using various third party pricing sources). Investments that do not have an established market are reported at estimated fair value. Performance reporting, manager fees, and the Plan's asset valuation are based on the custodian's determination of value.

The fiduciary net position of the Plan is the difference between the total plan assets and the total plan liabilities, and are held in trust for pension benefits. Both realized and unrealized gains/losses are recognized under the net appreciation/depreciation in the fair value of investments.

Investment and administrative expenses of the Plan may be paid either by the Town or by the Plan. It is the policy of the Town that these expenses are to be paid by the Plan.

NET PENSION LIABILITY OF THE TOWN

In accordance with Government Accounting Standards Board Statement No. 68, the net pension liability of the Town at September 30, 2020, using a measurement date of September 30, 2019 was as follows:

Total pension liability	$ 27,531,518
Plan fiduciary net position*	(24,188,592)
Net Pension Liability	$ 3,342,926
Plan fiduciary net position as a percentage of the total pension liability	87.86%

*The Plan fiduciary net position above does not agree to the Plan fiduciary net position presented in the statement of fiduciary net position as of September 30, 2019. The difference of $57,617 was caused by an adjustment that was made after the actuary finalized their report.

NOTE 8 – EMPLOYEE RETIREMENT PLAN (CONTINUED)

CHANGES IN THE NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at September 30, 2018	$ 25,467,709	$ 23,309,376	$ 2,158,333
Changes for the year:			
Service cost	1,113,128	--	1,113,128
Expected interest growth	1,870,676	--	1,870,676
Difference Between Actual and Expected Experience	388,826	--	388,826
Net investment income	--	990,373	(990,373)
Contributions - Town	--	817,472	(817,472)
Contributions - member	--	498,404	(498,404)
Administrative expenses	--	(118,212)	118,212
Benefit payments, including refunds of employee contributions	(1,308,821)	(1,308,821)	--
Net changes	2,063,809	879,216	1,184,593
Balances at September 30, 2019	$ 27,531,518	$ 24,188,592	$ 3,342,926

SIGNIFICANT ACTUARIAL ASSUMPTIONS

The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Measurement Date:	September 30, 2019
Actuarial valuation	October 1, 2018
Interest rates:	
Single discount rate:	7.25%
Inflation rate:	2.50%

NOTE 8 – EMPLOYEE RETIREMENT PLAN (CONTINUED)

LONG-TERM EXPECTED RATE OF RETURN

The long-term expected rate of return on pension plan investments was determined based upon the historical average (means returns) which best-estimate ranges of expected future real rates of return. In order to determine the real rates of return, it is necessary to subtract the expected inflation rate from the nominal investment return and investment expenses. The long-term expected rate of return for the Plan was calculated by weighting the expected future rates of return of each asset class by the corresponding target allocation percentages. The target allocation and best estimates of real rates of return for each major asset class included in the Plan's target asset allocation as of September 30, 2019 are summarized in the following table:

Asset Class	Target Asset Allocation	Expected Long-Term Real Return
Domestive equity	52.0%	10.5%
International equity	10.0%	6.3%
Fixed income	25.0%	6.0%
Real estate	10.0%	8.7%
Cash	3.0%	2.7%

DISCOUNT RATE

A discount rate of 7.25% was used to measure the total pension liability. This discount rate was based on the expected rate of return on Plan investments of 7.25%. The projection of cash flow used to determine this discount rate assumed that Plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these 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 of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability of the Town.

NOTE 8 – EMPLOYEE RETIREMENT PLAN (CONTINUED)

SENSITIVITY OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following presents the net pension liability of the Town, calculated using the discount rate of 7.25%, as well as what the Town's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability (Asset) of the Town	$ 7,398,878	$ 3,342,926	$ 36,212

PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

For the fiscal year ended September 30, 2020, the Town recognized pension expense of $1,235,605. In addition, the Town reports deferred outflows and inflows of resources related to the Plan from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience on liabilities	$ 531,363	$ 245,455
Changes of assumptions or other inputs	195,165	--
Net difference between projected and actual earnings on pension plan investment	160,571	--
Town contributions subsequent to the measurement date	1,141,115	--
Total	$ 2,028,214	$ 245,455

NOTE 8 – EMPLOYEE RETIREMENT PLAN (CONTINUED)

PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (CONTINUED)

The deferred outflows of resources associated with the Town's contribution to the Plan subsequent to the measurement date of September 30, 2019 in the amount of $1,141,115, will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending September 30	Amount
2021	$ 44,800
2022	148,250
2023	221,151
2024	157,327
2025	63,742
Thereafter	6,374
Total	$ 641,644

PAYABLE TO THE PENSION PLAN

At September 30, 2020, the Town reported a payable of $57,364 for the outstanding amount of employee contributions to the pension plan required for the fiscal year ended September 30, 2020.

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS

PLAN DESCRIPTION

The Town provides an optional single employer defined benefit post-employment healthcare plan to eligible individuals. The Plan allows its employees and their beneficiaries, at their own cost, to continue to obtain health and dental insurance benefits upon retirement. The benefits of the Plan conform to Florida Statutes, which is the legal authority for the Plan. The Plan has no assets and does not issue a separate financial report.

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

FUNDING POLICY

The Town does not directly make a contribution to the Plan on behalf of retirees. Retirees and their beneficiaries pay the same group rates as are charged to the Town for active employees by its healthcare provider. However, the Town's actuaries, in their actuarial valuation, calculate an offset to the cost of these benefits as an Employer Contribution, based upon an implicit rate subsidy. This offset equals the total age-adjusted costs paid by the Town or its active employees for coverage of the retirees and their dependents for the year net of the retiree's own payments for the year.

EMPLOYEES COVERED BY BENEFIT TERMS

At September 30, 2020, the following employees were covered by the benefit terms:

Inactive employees and beneficiaries currently receiving benefit payments	4
Inactive employees entitled to but not yet receiving benefit payments	--
Active employees	100
Total Members	104

TOTAL OPEB LIABILITY

The Town's total OPEB liability of $1,197,183 was measured as of October 1, 2019, and was determined by an actuarial valuation as of October 1, 2019.

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

ACTUARIAL ASSUMPTIONS AND OTHER INPUTS

The total OPEB liability in the October 1, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	October 1, 2019
Measurement date	October 1, 2019
Reporting date	September 30, 2020
Actuarial value of assets	N/A - no plan assets
Inflation	2.50% - not explicitly used in valuation
Salary increases	4.0% - 8.0%
Discount rate	2.74%
Healthcare cost trend rates	Based on the Getzen Model starting at 6.0% gradually decreasing to an ultimate rate of 4.4% in 2040
Retirees' share of benefit-related costs	100% of blended health insurance premium rates - except of 0% by statute for certain conditions for Police Officers death and disability benefits.
Long-term expected rate of return, net of investment expense	N/A
Mortality	RP-2000 Combined Mortality Table (general employees) or RP-2000 Blue Collar Mortality Table (police officers), both with full generational improvements in mortality using scale BB

The actuarial assumptions used in the October 1, 2019 valuation were based on the results of an actuarial experience study for the period October 1, 2009 to September 30, 2014.

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

CHANGES IN THE TOTAL OPEB LIABILITY

	Total OPEB Liability
Balance at October 1, 2018	$ 597,183
Changes for the year:	
Service cost	60,580
Other recognized changes in net pension liability	
Interest	25,093
Benefit changes	8,985
Difference between actual and expected experience	299,577
Assumption changes	211,023
Benefit payments and refunds	(5,258)
Net changes	600,000
Balance at October 1, 2019	$ 1,197,183
Covered Employee Payroll	$ 6,874,032
Total OPEB liability as a percentage of covered employee payroll	17.42%

SENSITIVITY OF THE TOTAL OPEB LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following presents the sensitivity of the Town's total OPEB liability to changes in the discount rate. The sensitivity analysis shows the impact on the Town's total OPEB liability if the discount rate was 1.00% lower or 1.00% higher than the current discount rate at September 30, 2020:

	1% Decrease (1.74%)	Current Discount Rate (2.74%)	1% Increase (3.74%)
Total OPEB liability	$ 1,407,727	$ 1,197,183	$ 1,027,503

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

SENSITIVITY OF THE TOTAL OPEB LIABILITY TO CHANGES IN THE HEALTHCARE COST TREND RATES

The following presents the Town's total OPEB liability, calculated using the 7.5% to 4.4% healthcare trend rate. The sensitivity analysis shows the impact on the Town's total OPEB liability if the healthcare trend rate were 1.00% lower or 1.00% higher than the current healthcare trend rate at September 30, 2020:

	1% Decrease (5.0% to 3.4%)	Current Trend Rates (6.0% to 4.4%)	1% Increase (7.0% to 5.4%)
Total OPEB liability	$ 1,001,996	$ 1,197,183	$ 1,449,743

OPEB EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB

For fiscal year ended September 30, 2020, the Town recognized OPEB expense of $72,705.

At September 30, 2020, the Town reports deferred outflows and inflows of resources related to the Plan as follows:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience on liabilities	$ 261,170	$ 7,965
Changes of assumptions or other inputs	183,969	46,159
Expected benefit payments subsequent to the the measurement date	21,800	--
Total	$ 466,939	$ 54,124

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

OPEB EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB (CONTINUED)

The deferred outflow of resources, resulting from expected benefit payments subsequent to the measurement date (October 1, 2019) in the amount of $21,800 will be recognized as a reduction in the Town's total OPEB liability in the subsequent fiscal year. Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending September 30	Amount
2021	$ 55,411
2022	55,411
2023	55,411
2024	55,411
2025	55,973
Thereafter	113,398
Total	$ 391,015

NOTE 10 – COMMITMENTS AND CONTINGENCIES

RISK MANAGEMENT

The Town is exposed to various risks and losses related to torts, theft of or damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Town participates with other municipalities and governmental units in a public entity risk pool administered by the Florida League of Cities Public Risk Services known as the Florida Municipal Insurance Trust (FMIT). The Town pays annual premiums to the FMIT for its general liability insurance, commercial real and personal property, including electronic data processing equipment, automobile, liability, and physical damage insurance coverage.

The Town also participates in the Florida League of Cities public risk pool known as the Florida Municipal Self Insurers Fund (FMSIF) to which it pays annual premiums for its workers' compensation insurance. The agreement with these public risk pools provides that the pools will be self-sustaining through member premiums and will re-insure through commercial companies for workers' compensation and liability insurance for claims in excess of $1,000,000. All policies are issued by FMIT and FMSIF on a non-assessable basis.

NOTE 10 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

RISK MANAGEMENT (CONTINUED)

The Town maintains commercial insurance for corporate fiduciary liability, flood, and windstorm coverage. There were no reductions, only increases in insurance coverage from the prior year and there were no settlements that exceeded insurance coverage for each of the past three years.

LITIGATION

The Town is a defendant in various lawsuits incidental to its operations. It is the opinion of Town Management and Town Legal Counsel, that the ultimate resolution of all matters will not have a material adverse effect on the financial position and results of operations of the Town.

NOTE 11 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The Town Attorney expenditures exceed budgeted amounts in the amount of $8,461 for the fiscal year ended September 30, 2020. The excess of expenditures was funded from available current year working capital.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF SURFSIDE, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues				
Property taxes	$ 13,027,528	$ 13,027,528	$ 12,974,092	$ (53,436)
Utility taxes	685,000	685,000	692,951	7,951
Communications services tax	209,000	209,000	198,165	(10,835)
Franchise taxes	492,000	492,000	497,697	5,697
Licenses and permits	114,000	114,000	78,212	(35,788)
Intergovernmental	736,977	736,977	1,114,171	377,194
Charges for services	298,700	298,700	138,304	(160,396)
Fines and forfeitures	139,000	139,000	263,124	124,124
Interest earnings	72,000	72,000	218,870	146,870
Miscellaneous	236,100	236,100	726,674	490,574
Total Revenues	16,010,305	16,010,305	16,902,260	891,955
Expenditures				
Current:				
General government:				
Legislative	188,105	188,105	132,307	55,798
Town attorney	559,932	559,932	568,393	(8,461)
Executive	887,797	887,797	777,217	110,580
Planning & code compliance	843,004	843,004	616,207	226,797
Finance & IT	1,206,916	1,206,916	1,001,209	205,707
Town clerk	398,623	398,623	351,070	47,553
Non-departmental	863,695	863,695	451,051	412,644
Public safety	6,239,636	6,263,760	6,166,244	97,516
Public works	1,687,745	1,687,745	1,285,505	402,240
Leisure services	591,224	591,224	369,225	221,999
Capital outlay	181,100	181,100	181,837	(737)
Total Expenditures	13,647,777	13,671,901	11,900,265	1,771,636
Excess of Revenues over Expenditures	2,362,528	2,338,404	5,001,995	2,663,591
Other Financing Sources (Uses)				
Cares Act	--	--	80,160	
Transfers in	538,967	538,967	538,967	--
Transfers out	(2,901,495)	(2,877,371)	(1,950,000)	(927,371)
Total Other Financing Uses	(2,362,528)	(2,338,404)	(1,330,873)	(927,371)
Net Change in Fund Balance	$ --	$ --	$ 3,671,122	$ (1,807,052)
Appropriated Beginning Fund Balance	$ --	$ --		

See notes to budgetary comparison schedule.

TOWN OF SURFSIDE, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
BUILDING FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues				
Building permits	$ 648,500	$ 648,500	$ 652,674	$ 4,174
Other revenues	2,000	2,000	--	(2,000)
Miscellaneous	--	--	4,081	4,081
Total Revenues	650,500	650,500	656,755	6,255
Expenditures				
Current:				
General government:				
Operating expenditures	1,331,893	1,331,893	976,334	355,559
Total Expenditures	1,331,893	1,331,893	976,334	355,559
Excess of Revenues over Expenditures	(681,393)	(681,393)	(319,579)	361,814
Other Financing Sources (Uses)				
Transfers out	(185,820)	(185,820)	(185,820)	--
Total Other Financing Sources (Uses)	(185,820)	(185,820)	(185,820)	--
Net Change in Fund Balance	$ (867,213)	$ (867,213)	$ (505,399)	$ (349,304)
Appropriated Beginning Fund Balance	$ 867,213	$ 867,213		

See notes to budgetary comparison schedule.

TOWN OF SURFSIDE, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
TOURISM FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues				
Resort taxes	$ 3,297,550	$ 3,297,550	$ 2,583,931	$ (713,619)
Interest earnings	--	--	15,026	15,026
Miscellaneous	10,500	10,500	4,400	(6,100)
Total Revenues	3,308,050	3,308,050	2,603,357	(704,693)
Expenditures				
Current:				
General government	3,034,417	2,750,713	2,083,201	667,512
Capital outlay	38,500	38,500	15,880	22,620
Total Expenditures	3,072,917	2,789,213	2,099,081	690,132
Excess of Revenues Over Expenditures	235,133	518,837	504,276	(14,561)
Net Changes in Fund Balance	$ 235,133	$ 518,837	$ 504,276	$ (14,561)
Appropriated Beginning Fund Balance	$ --	$ --		

See notes to budgetary comparison schedule.

TOWN OF SURFSIDE, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

NOTES TO BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

NOTE 1 – BUDGETS AND BUDGETARY ACCOUNTING

Annual appropriated budgets for the general fund, building fund and tourism fund are adopted on a basis consistent with accounting principles generally accepted in the United States. The Town prepares a budget for its capital projects fund; however, this budget is prepared as a project budget and not as an annually appropriated budget.

1. Prior to August 1, the Town Manager submits to the Town Commission a proposed operating budget for the fiscal year commencing the following October 1. The budget includes proposed expenditures and the means of financing them.
2. The Town Commission holds a public workshop on the proposed budget. Formal public hearings are conducted in September to obtain taxpayers' comments.
3. Prior to October 1, the budget is legally adopted by resolution.

Budgets are monitored at the department level. Budgetary control over expenditures, including capital outlay and transfers, is maintained at the fund level whereby management cannot transfer or over expend appropriations at the individual fund level.

Budgets in governmental funds are encumbered upon issuance of purchase orders, contracts or other forms of legal commitments. While appropriations lapse at the end of each year, the succeeding year's budget ordinance specifically provides for the reappropriation of year end encumbrances.

The Town Manager is authorized to transfer part or all of an encumbered appropriation balance within a particular department or fund; however, any revisions that alter the total appropriations of any department (general fund) or fund must be approved by the Town Commission.

If during the course of the fiscal year, it becomes evident that a particular fund is unable to provide the required level of services to the Town because of higher costs of providing services, or unforeseen circumstances, the budget may be amended. The Town Manager submits to the Town Commission a request to amend the budget. The request contains explanations, and includes a proposal for financing if additional appropriations are requested. The amendment requires the Town Commission approval and adoption. All necessary supplemental appropriations are adopted by the Town Commission as part of the budget review process and are included in the Final Budget columns on the budgetary comparison schedule. There was $24,124 in supplemental appropriations in the budgeted General Fund for the fiscal year ended September 30, 2020.

TOWN OF SURFSIDE, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE TOWN'S TOTAL OPEB LIABILITY AND RELATED RATIOS

Measurement Date, October 1,	2019	2018	2017
Total OPEB Liability			
Service cost	$ 60,580	$ 61,313	$ 65,712
Other recognized changes in net pension liability:			
Difference between actual and expected experience	299,577	--	(12,840)
Benefit changes	8,985	--	--
Benefit payments and refunds	(5,258)	(2,826)	(2,591)
Interest	25,093	21,442	17,993
Assumption changes	211,023	(35,474)	(31,526)
Net Change in Total OPEB Liability	600,000	44,455	36,748
Total OPEB Liability - Beginning	597,183	552,728	515,980
Total OPEB Liability - Ending	$ 1,197,183	$ 597,183	$ 552,728
Covered-Employee Payroll	$ 6,874,032	$ 6,205,935	$ 5,893,543
Total OPEB Liability as a Percentage of Covered-Employee Payroll	17.42%	9.62%	9.38%

This schedule is presented as required by accounting principles generally accepted in the United States of America, however, until a full 10-year trend is compiled, information is presented for those years available.

TOWN OF SURFSIDE, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE TOWN'S NET PENSION LIABILITY AND RELATED RATIOS

Measurement Date, September 30,	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service cost	$ 1,113,128	$ 1,002,537	$ 1,052,014	$ 932,365	$ 901,998	$ 888,988
Interest	1,870,676	1,745,881	1,646,114	1,458,652	1,336,817	1,227,596
Benefit changes	--	--	282,066	--	--	35,244
Difference between actual and expected experience	388,826	(348,726)	297,252	(35,527)	100,031	170,264
Changes of assumptions	--	--	93,312	402,653	--	--
Benefit payments, including refunds of member contributions	(1,308,821)	(819,116)	(651,287)	(602,692)	(665,019)	(545,746)
Net Change in Total Pension Liability	2,063,809	1,580,576	2,719,471	2,155,451	1,673,827	1,776,346
Total Pension Liability - Beginning	25,467,709	23,887,133	21,167,662	19,012,211	17,338,384	15,562,038
Total Pension Liability - Ending (a)	$ 27,531,518	$ 25,467,709	$ 23,887,133	$ 21,167,662	$ 19,012,211	$ 17,338,384
Plan Fiduciary Net Position						
Contributions - Town	$ 817,472	$ 917,274	$ 797,359	$ 757,304	$ 727,022	$ 631,584
Contributions - Members	498,404	459,190	462,846	383,619	387,678	349,600
Net Investment income	990,373	1,579,816	2,017,750	1,850,415	(128,796)	1,396,431
Benefit payments, including refunds of member contributions	(1,308,821)	(819,116)	(651,287)	(602,690)	(665,019)	(545,746)
Administrative expense	(118,212)	(120,389)	(85,518)	(130,686)	(85,426)	(80,194)
Net Change in Plan Fiduciary Net Position	879,216	2,016,775	2,541,150	2,257,962	235,459	1,751,675
Plan Fiduciary Net Position - Beginning	23,309,376	21,292,601	18,751,451	16,493,489	16,258,030	14,506,355
Plan Fiduciary Net Position - Ending (b)	$ 24,188,592	$ 23,309,376	$ 21,292,601	$ 18,751,451	$ 16,493,489	$ 16,258,030
Net Pension Liability - Ending (a) - (b)	$ 3,342,926	$ 2,158,333	$ 2,594,532	$ 2,416,211	$ 2,518,722	$ 1,080,354
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.86%	91.53%	89.14%	88.59%	86.75%	93.77%
Covered Payroll	$ 6,239,285	$ 5,849,505	$ 5,766,823	$ 5,710,172	$ 5,321,296	$ 5,103,795
Net Pension Liability as a Percentage of Covered-Payroll	53.58%	36.90%	44.99%	42.31%	47.33%	21.17%

This schedule is presented as required by accounting principles generally accepted in the United States of America, however, until a full 10-year trend is compiled, information is presented for those years available.

TOWN OF SURFSIDE, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF TOWN CONTRIBUTIONS

LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2011	$ 625,963	$ 625,963	$ --	$ 4,016,852	15.58%
2012	515,440	515,440	--	4,053,208	12.72%
2013	534,209	534,209	--	4,359,957	12.25%
2014	631,584	631,584	--	5,305,109	11.91%
2015	727,022	727,022	--	5,321,296	13.66%
2016	757,304	757,304	--	5,710,172	13.26%
2017	797,359	797,359	--	5,766,823	13.83%
2018	917,274	917,274	--	5,849,505	15.68%
2019	817,472	817,472	--	6,239,285	13.10%
2020	945,871	1,141,115	(195,244)	6,625,012	17.22%

Notes to the schedule
Valuation date: October 1, 2018

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Significant methods and assumptions used to determine contribution rates for fiscal year ended September 30, 2020:

Actuarial cost method	Entry age
Amortization method	Level dollar, closed
Asset valuation method	5 year smoothed market
Salary increases	4.0% - 8.0%
Inflation	2.5%
Cost of living adjustments	1.5%
Investment rate of return	7.25%

Mortality rates were based on the RP-2000 Generational Mortality Table, separate rates for healthy males and females, 15 years generational projection from valuation date for actives - 7 years generational projection from valuation date for inactives with Scale AA.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Transportation Surtax Fund – This fund is used to account for the restricted proceeds of the Town's allocable share of the Miami-Dade County Transit System Surtax. The expenditures from this fund are restricted to specific purposes.

Police Forfeiture Fund – This fund is used to account for the restricted proceeds of police forfeitures and confiscations, and expenditures, which are restricted to approved functions and activities.

TOWN OF SURFSIDE, FLORIDA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2020

	Transportation Surtax	Police Forfeiture	Total Nonmajor Governmental Funds
Assets			
Cash	$ 679,869	$ 234,916	$ 914,785
Investments	303,484	--	303,484
Receivables	52,154	--	52,154
Total Assets	$ 1,035,507	$ 234,916	$ 1,270,423
Liabilities			
Accounts payable	$ 1,408	$ 14,956	$ 16,364
Accrued liabilities	--	--	--
Due to other funds	567,450	51,671	619,121
Unearned revenue	23,164	--	23,164
Total Liabilities	592,022	66,627	658,649
Fund Balances			
Restricted for:			
Transportation surtax	443,485	--	443,485
Police forfeiture	--	168,289	168,289
Total Fund Balances	443,485	168,289	611,774
Total Liabilities and Fund Balances	$ 1,035,507	$ 234,916	$ 1,270,423

TOWN OF SURFSIDE, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Transportation Surtax	Police Forfeiture	Total Nonmajor Governmental Funds
Revenues			
Intergovernmental	$ 250,250	$ --	$ 250,250
Fines and forfeitures	--	153,744	153,744
Interest earnings	4,452	264	4,716
Total Revenues	254,702	154,008	408,710
Expenditures			
Public safety	--	91,444	91,444
Transportation	127,344	--	127,344
Total Expenditures	127,344	91,444	218,788
Excess of Revenues Over Expenditures	127,358	62,564	189,922
Other Financing Uses			
Transfers out	(12,250)	--	(12,250)
Total Other Financing Uses	(12,250)	--	(12,250)
Net Change in Fund Balances	115,108	62,564	177,672
Fund Balances - Beginning	328,377	105,725	434,102
Fund Balances - Ending	$ 443,485	$ 168,289	$ 611,774

TOWN OF SURFSIDE, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TRANSPORTATION SURTAX FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues				
Intergovernmental	$ 245,010	$ 245,010	$ 250,250	$ 5,240
Interest earnings	--	--	4,452	4,452
Total Revenues	245,010	245,010	254,702	9,692
Expenditures				
Current:				
Transportation	213,750	213,750	127,344	86,406
Capital outlay	50,000	50,000	--	50,000
Total Expenditures	263,750	263,750	127,344	136,406
Excess (Deficiency) of Revenues over Expenditures	(18,740)	(18,740)	127,358	(146,098)
Other Financing Sources (Uses)				
Transfers out	(12,250)	(12,250)	(12,250)	--
Total Other Financing Sources (Uses)	(12,250)	(12,250)	(12,250)	--
Net Change in Fund Balance	$ (30,990)	$ (30,990)	$ 115,108	$ 146,098
Appropriated Beginning Fund Balance	$ 30,990	$ 30,990		

TOWN OF SURFSIDE, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
POLICE FORFEITURE FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues				
Fines and forfeitures	$ --	$ --	$ 153,744	$ 153,744
Interest earnings	--	--	264	264
Total Revenues	--	--	154,008	154,008
Expenditures				
Current:				
Public safety	52,300	101,300	91,444	9,856
Total Expenditures	52,300	101,300	91,444	9,856
Net Change in Fund Balance	$ (52,300)	$ (101,300)	$ 62,564	$ 163,864
Appropriated Beginning Fund Balance	$ 52,300	$ 101,300		

STATISTICAL SECTION

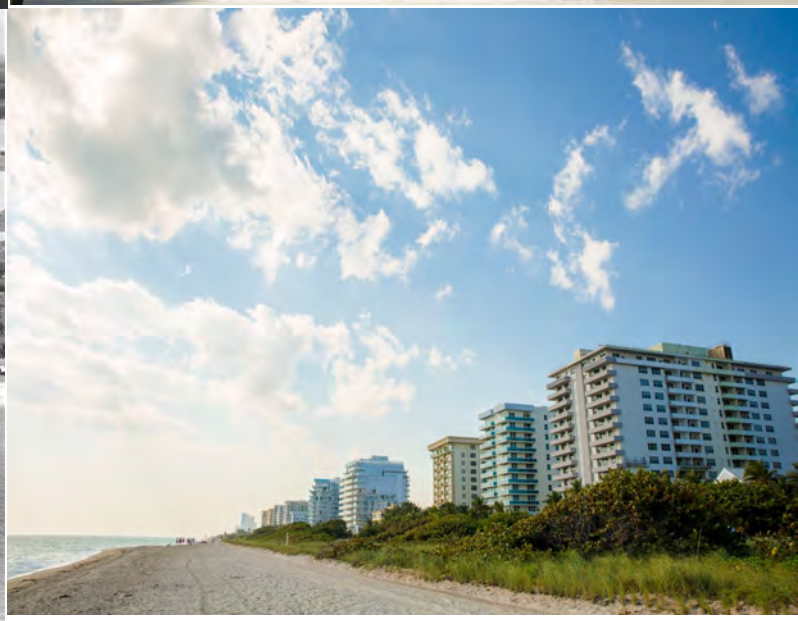












Town of Surfside, Florida

Introduction to Statistical Section

(Unaudited)

This part of the Town of Surfside, Florida's comprehensive annual financial report presents detailed information as a context for understanding this year's financial statements, note disclosures, and supplementary information. This information is unaudited.

Contents	***Exhibits***
Financial Trends These tables contain trend information that may assist the reader in assessing the Town's current financial performance by placing it in historical perspective.	77-86
Revenue Capacity These tables contain information that may assist the reader in assessing the viability of the Town's most significant "own-source" revenue source, property taxes.	87-91
Debt Capacity These tables present information that may assist the reader in analyzing the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future. However, the Town does not have any outstanding general obligation bonded debt.	92-95
Demographic and Economic Information These tables present demographic and economic information intended (1) to assist users in understanding the socioeconomic environment within which the Town operates and (2) to provide information that facilitates comparisons of financial statement information over time and among towns.	96-98
Operating Information These tables contain service and infrastructure indicators that can inform one's understanding how the information in the Town's financial statements relates to the services the Town provides and the activities it performs.	99-100

Data Source:

Unless otherwise noted, the information in these tables is derived from the financial statements/comprehensive annual financial report for the applicable year.

Town of Surfside, Florida
Changes in Net Position - Governmental Activities
Last Ten Fiscal Years
(accrual basis of accounting)

	For the Fiscal Year Ended September 30,									
	2011	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Expenses:										
General government	$ 2,791,917	$ 3,117,750	$ 3,555,197	$ 3,329,275	$ 3,432,500	$ 3,295,208	$ 4,804,921	$ 5,487,973	$ 8,165,170	$ 7,842,517
Public safety	4,099,678	4,418,680	4,404,897	5,003,628	5,624,875	5,871,196	6,310,662	5,803,057	6,300,753	6,494,252
Public works	829,383	980,590	1,034,890	1,266,810	1,516,329	1,487,590	1,519,141	1,842,003	1,740,922	1,811,200
Leisure services	1,139,460	1,691,572	1,767,787	1,688,945	2,350,266	2,534,022	2,011,932	2,115,577	613,854	464,339
Transportation	124,500	138,815	168,417	209,373	271,284	381,891	254,825	319,257	319,666	198,279
Interest	-	4,754	6,045	5,787	5,475	3,213	1,869	583	3	-
Total Expenses	8,984,938	10,352,161	10,937,233	11,503,818	13,200,729	13,573,120	14,903,350	15,568,450	17,140,368	16,810,587
Program Revenues:										
Charges for services:										
General government	459,549	1,274,946	1,395,993	2,205,974	1,003,521	1,233,195	2,115,144	2,594,171	2,407,515	1,685,732
Public safety	479,795	626,372	645,803	777,293	940,380	1,140,065	1,546,610	324,226	191,186	263,124
Leisure services	166,570	387,170	404,443	608,316	601,904	639,875	707,641	1,058,077	304,643	138,304
Transportation	516	-	-	-	-	-	-	-	-	-
Operating grants and contributions	401,300	245,305	271,588	523,432	277,331	301,052	290,689	268,780	238,019	403,994
Capital grants and contributions	1,275	-	350,000	1,395,000	141,217	554,446	170,000	471,250	-	-
Total Program Revenues	1,509,005	2,533,793	3,067,827	5,510,015	2,964,353	3,868,633	4,830,084	4,716,504	3,141,363	2,491,154
Net (Expense) Revenue	(7,475,933)	(7,818,368)	(7,869,406)	(5,993,803)	(10,236,376)	(9,704,487)	(10,073,266)	(10,851,946)	(13,999,005)	(14,319,433)
General Revenues:										
Taxes:										
Property taxes	5,619,494	5,264,387	5,257,726	5,660,551	6,526,267	7,276,466	8,167,329	9,626,611	12,966,520	12,974,092
Resort taxes	435,175	344,063	343,733	677,079	1,154,041	1,226,351	1,374,357	2,054,141	3,901,559	2,583,931
Franchise fees based on gross receipts	416,277	399,621	394,613	442,572	451,450	424,878	468,525	490,095	521,209	497,697
Utility taxes	470,350	471,994	503,592	553,407	568,462	577,872	630,568	683,659	687,734	692,951
Communications services tax	353,667	325,102	298,019	282,169	268,859	234,542	220,848	233,373	210,758	198,165
Unrestricted intergovernmental revenues	657,120	639,582	638,944	681,956	713,914	717,252	718,484	726,081	750,229	1,114,171
Unrestricted investment earnings	37,368	62,782	30,399	-	28,783	26,988	38,709	69,061	183,585	276,294
Cares Act	-	-	-	-	-	-	-	-	-	80,160
Miscellaneous	138,283	205,832	241,930	396,138	613,367	571,559	532,619	485,324	454,296	735,155
Total General Revenues	8,127,734	7,713,363	7,708,956	8,693,872	10,325,143	11,055,908	12,151,439	14,368,345	19,675,890	19,152,616
Net Transfers In (Out)	212,172	26,329	402,278	189,770	(19,272)	442,008	326,884	344,250	374,484	373,397
Total General Revenues and Net Transfers	8,339,906	7,739,692	8,111,234	8,883,642	10,305,871	11,497,916	12,478,323	14,712,595	20,050,374	19,526,013
Change in Net Position	$ 863,973	$ (78,676)	$ 241,828	$ 2,889,839	$ 69,495	$ 1,793,429	$ 2,405,057	$ 3,860,649	$ 6,051,369	$ 5,206,580

Town of Surfside, Florida

Changes in Net Position- Governmental Activities - Percentage of Total

Last Ten Fiscal Years

(accrual basis of accounting)

	For the Fiscal Year Ended September 30,									
	2011	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Expenses:										
General government	31.1%	30.1%	32.6%	28.9%	26.0%	24.3%	32.2%	35.3%	47.6%	46.7%
Public safety	45.6%	42.7%	40.3%	43.5%	42.6%	43.3%	42.3%	37.3%	36.8%	38.6%
Public works	9.2%	9.5%	9.5%	11.0%	11.5%	11.0%	10.2%	11.8%	10.2%	10.8%
Leisure services	12.7%	16.3%	16.2%	14.7%	17.8%	18.7%	13.5%	13.6%	3.6%	2.8%
Transportation	1.4%	1.3%	1.5%	1.8%	2.1%	2.8%	1.7%	2.1%	1.9%	1.2%
Total Expenses	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Program Revenues:										
Charges for services:										
General government	30.6%	50.3%	45.5%	40.0%	33.9%	31.9%	43.8%	55.0%	76.6%	67.7%
Public safety	31.8%	24.7%	21.1%	14.1%	31.7%	29.5%	32.0%	6.9%	6.1%	10.6%
Leisure services	11.0%	15.3%	13.2%	11.0%	20.3%	16.5%	14.7%	22.4%	9.7%	5.6%
Operating grants and contributions	26.6%	9.7%	8.9%	9.5%	9.4%	7.8%	6.0%	5.7%	7.6%	16.2%
Capital grants and contributions	0.0%	0.0%	11.4%	25.3%	4.8%	14.3%	3.5%	10.0%	0.0%	0.0%
Total Program Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
General Revenues:										
Taxes:										
Property taxes	69.1%	68.3%	68.2%	65.1%	63.2%	65.8%	67.2%	67.0%	65.9%	67.7%
Resort taxes	5.4%	4.5%	4.5%	7.8%	11.2%	11.1%	11.3%	14.3%	19.8%	13.9%
Franchise fees based on gross receipts	5.1%	5.2%	5.1%	5.1%	4.4%	3.8%	3.9%	3.4%	2.6%	2.6%
Utility taxes	5.8%	6.1%	6.5%	6.4%	5.5%	5.2%	5.2%	4.8%	3.5%	3.6%
Communications services tax	4.4%	4.2%	3.9%	3.2%	2.6%	2.1%	1.8%	1.6%	1.1%	1.0%
Unrestricted intergovernmental revenues	8.1%	8.3%	8.3%	7.8%	6.9%	6.5%	5.9%	5.1%	3.8%	5.8%
Unrestricted investment earnings (losses)	0.5%	0.8%	0.4%	0.0%	0.3%	0.2%	0.3%	0.5%	0.9%	1.4%
Miscellaneous	1.7%	2.7%	3.1%	4.6%	5.9%	5.2%	4.4%	3.4%	2.3%	3.8%
Total General Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Data Source:

Applicable years' comprehensive annual financial report.

Town of Surfside, Florida
Changes in Net Position - Business-type Activities
Last Ten Fiscal Years
(accrual basis of accounting)

Source	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses:										
Water and sewer	$ 1,818,762	$ 1,730,300	$ 1,837,645	$ 2,936,822	$ 2,987,800	$ 3,150,570	$ 3,459,678	$ 3,528,213	$ 3,549,765	$ 3,317,613
Municipal parking	368,497	622,208	888,502	898,121	954,129	1,095,550	1,056,670	1,027,029	1,175,646	1,124,140
Sanitation	1,022,897	1,073,281	1,131,680	1,347,714	1,334,381	1,452,813	1,393,630	1,575,168	1,745,422	1,892,905
Stormwater utility	122,207	130,323	144,999	349,434	471,517	492,599	499,783	519,513	511,775	474,434
Total Expenses	3,332,363	3,556,112	4,002,826	5,532,091	5,747,827	6,191,532	6,409,761	6,649,923	6,982,608	6,809,092
Program Revenues:										
Charges for services:										
Water and sewer	2,876,010	2,785,348	2,632,046	2,917,357	3,430,619	3,027,479	3,312,110	4,161,673	3,889,350	4,484,185
Municipal parking	679,970	893,026	1,056,467	1,028,740	1,047,506	1,086,763	1,131,024	1,181,423	1,397,286	1,174,607
Sanitation	1,231,887	1,219,689	1,238,942	1,217,681	1,381,361	1,705,617	1,852,855	1,821,515	1,841,424	1,639,711
Stormwater utility	501,655	502,972	499,705	497,300	493,107	507,827	531,309	629,811	691,093	798,864
Capital grants and contributions	567,710	276,844	1,086,000	-	-	-	-	-	-	-
Total Program Revenues	5,857,232	5,677,879	6,513,160	5,661,078	6,352,593	6,327,686	6,827,298	7,794,422	7,819,153	8,097,367
Net (Expense) Revenue	2,524,869	2,121,767	2,510,334	128,987	604,766	136,154	417,537	1,144,499	836,545	1,288,275
General Revenues:										
Investment earnings	15,130	14,790	(13,811)	139	1,406	220	440	786	1,066	53,638
Capital contributions	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	2,361	-	-	-	-	-	-
Net Transfers	(212,172)	(26,329)	(402,278)	(189,770)	19,272	(442,008)	(326,884)	(344,250)	(374,484)	(373,397)
Total General Revenues Net Transfers	(197,042)	(11,539)	(416,089)	(187,270)	20,678	(441,788)	(326,444)	(343,464)	(373,418)	(319,759)
Change in Net Position	$ 2,327,827	$ 2,110,228	$ 2,094,245	$ (58,283)	$ 625,444	$ (305,634)	$ 91,093	$ 801,035	$ 463,127	$ 968,516

Data Source:
Applicable years' comprehensive annual financial report.

Note: Terminology for all years presented has been updated with the implementation of GASB Statement No. 63.

Town of Surfside, Florida
Changes in Total Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	For the Fiscal Year Ended September 30,									
	2011	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Expenses:										
Governmental activities	$ 8,984,938	$ 10,352,161	$ 10,937,233	$ 11,503,818	$ 13,200,729	$ 11,467,985	$ 13,200,729	$ 15,568,450	$ 17,140,368	$ 16,810,587
Business-type activities	3,332,363	3,556,112	4,002,826	5,532,091	5,747,827	6,191,532	6,409,761	6,649,923	6,982,608	6,809,092
Total Expenses	12,317,301	13,908,273	14,940,059	17,035,909	18,948,556	17,659,517	19,610,490	22,218,373	24,122,976	23,619,679
Program Revenues:										
Governmental activities	1,509,005	2,533,793	3,067,827	5,510,015	2,964,353	3,868,633	4,830,084	4,716,504	3,141,363	2,491,154
Business-type activities	5,857,232	5,677,879	6,513,160	5,661,078	6,352,593	6,327,686	6,827,298	7,794,422	7,819,153	8,097,367
Total Program Revenues	7,366,237	8,211,672	9,580,987	11,171,093	9,316,946	10,196,319	11,657,382	12,510,926	10,960,516	10,588,521
Net (Expense) Revenue	(4,951,064)	(5,696,601)	(5,359,072)	(5,864,816)	(9,631,610)	(7,463,198)	(7,953,108)	(9,707,447)	(13,162,460)	(13,031,158)
General Revenues and Transfers:										
Governmental activities	8,339,906	7,739,692	8,111,234	8,883,642	10,305,871	8,847,809	10,305,871	14,712,595	20,050,374	19,526,013
Business-type activities	(197,042)	(11,539)	(416,089)	(187,270)	20,678	(187,270)	20,678	(343,464)	(373,418)	(319,759)
Total General Revenues	8,142,864	7,728,153	7,695,145	8,696,372	10,326,549	8,660,539	10,326,549	14,369,131	19,676,956	19,206,254
Change in Net Position	$ 3,191,800	$ 2,031,552	$ 2,336,073	$ 2,831,556	$ 694,939	$ 1,197,341	$ 2,373,441	$ 4,661,684	$ 6,514,496	$ 6,175,096

Note: Terminology for all years presented has been updated with the implementation of GASB Statement No. 63.

Town of Surfside, Florida
Government-wide Net Position by Category
Last Ten Fiscal Years
(accrual basis of accounting)

	September 30,									
	2011	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Governmental Activities										
Net investment in capital assets	$ 14,039,238	$ 13,528,097	$ 13,562,457	$ 14,538,578	$ 15,652,978	$ 15,329,431	$ 15,477,037	$ 15,092,876	$ 14,786,057	$ 14,786,057
Restricted	542,516	416,070	364,115	736,441	893,489	859,426	1,023,176	776,233	2,659,991	3,582,895
Unrestricted	4,527,580	5,086,491	5,345,914	6,887,306	5,147,901	7,298,940	9,392,641	13,789,195	18,263,625	22,547,301
Subtotal Governmental Activities Net Position	19,109,334	19,030,658	19,272,486	22,162,325	21,694,368	23,487,797	25,892,854	29,658,304	35,709,673	40,916,253
Business-type Activities										
Net investment in capital assets	4,102,675	11,239,664	12,832,672	9,873,871	8,615,955	9,113,550	9,694,811	9,767,869	9,783,234	10,137,001
Restricted	1,822,858	1,283,916	1,607,916	1,607,916	2,112,459	590,245	2,137,959	2,112,459	2,112,459	2,112,459
Unrestricted	2,863,609	(1,624,210)	(1,446,973)	1,453,545	2,775,453	3,494,438	1,456,556	2,201,996	2,673,618	3,288,367
Subtotal Business-type Activities Net Position	8,789,142	10,899,370	12,993,615	12,935,332	13,503,867	13,198,233	13,289,326	14,082,324	14,569,311	15,537,827
Primary Government										
Net investment in capital assets	18,141,913	24,767,761	26,395,129	24,412,449	24,268,933	24,442,981	25,171,848	24,860,745	24,569,291	24,923,058
Restricted	2,365,374	1,699,986	1,972,031	2,344,357	3,005,948	1,449,671	3,161,135	2,888,692	4,772,450	5,695,354
Unrestricted	7,391,189	3,462,281	3,898,941	8,340,851	7,923,354	10,793,378	10,849,197	15,991,191	20,937,243	25,835,668
Total Primary Government Net Position	$ 27,898,476	$ 29,930,028	$ 32,266,101	$ 35,097,657	$ 35,198,235	$ 36,686,030	$ 39,182,180	$ 43,740,628	$ 50,278,984	$ 56,454,080

Note: Terminology for all years presented has been updated with the implementation of GASB Statement No. 63.

Town of Surfside, Florida
General Governmental Revenues by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

	For the Fiscal Year Ended September 30,									
	2011	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Revenue Source	**For the Fiscal Year Ended September 30,**									
Taxes	$ 7,294,963	$ 6,805,167	$ 6,797,683	$ 7,615,778	$ 8,969,079	$ 9,740,109	$ 10,861,627	$ 10,379,984	$ 18,287,780	$ 16,946,836
Intergovernmental	967,988	830,878	844,891	1,126,412	942,305	947,680	947,223	960,581	975,608	1,364,421
Licenses and permits	459,549	1,274,946	1,395,993	2,205,974	715,657	939,870	1,826,399	2,282,321	1,170,460	730,886
Charges for services	166,183	207,563	224,177	254,554	287,864	293,325	288,745	311,850	304,642	138,304
Fines and forfeitures	570,227	678,567	711,444	856,269	989,320	1,210,689	1,608,560	358,506	203,826	416,868
Developer fees	-	-	350,000	1,395,000	76,980	554,446	170,000	471,250	-	-
Interest earnings	39,545	58,819	30,399	-	28,783	26,988	38,709	69,061	183,585	270,172
Miscellaneous	138,283	211,636	244,234	399,359	615,872	571,559	532,619	485,324	454,296	735,155
Total Revenues	$ 9,636,738	$ 10,067,576	$ 10,598,821	$ 13,853,346	$ 12,625,860	$ 14,284,666	$ 16,273,882	$ 15,318,877	$ 21,580,197	$ 20,602,642
% change from prior year	-7.8%	4.5%	5.3%	30.7%	-8.9%	13.1%	13.9%	-5.9%	40.9%	-4.5%
	Percentage of Total									
Taxes	75.7%	67.6%	64.1%	55.0%	71.0%	68.2%	66.7%	67.8%	84.7%	82.3%
Intergovernmental	10.0%	8.3%	8.0%	8.1%	7.5%	6.6%	5.8%	6.3%	4.5%	6.6%
Licenses and permits	4.8%	12.7%	13.2%	15.9%	5.7%	6.6%	11.2%	14.9%	5.4%	3.5%
Charges for services	1.7%	2.1%	2.1%	1.8%	2.3%	2.1%	1.8%	2.0%	1.4%	0.7%
Fines and forfeitures	5.9%	6.7%	6.7%	6.2%	7.8%	8.5%	9.9%	2.3%	0.9%	2.0%
Developer fees	0.0%	0.0%	3.3%	10.1%	0.6%	3.9%	1.0%	3.1%	0.0%	0.0%
Investment earnings	0.4%	0.6%	0.3%	0.0%	0.2%	0.2%	0.2%	0.5%	0.9%	1.3%
Miscellaneous	1.4%	2.1%	2.3%	2.9%	4.9%	4.0%	3.3%	3.2%	2.1%	3.6%
Total Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Data Source:
Applicable years' comprehensive annual financial report.

Town of Surfside, Florida

Tax Revenues by Source - Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

For The Fiscal Year Ended September 30,	Property	Resort	Utility	Franchise	Communications Services	Total
	Amounts					
2011	$ 5,619,494	$ 435,175	$ 470,350	$ 416,277	$ 353,667	$ 7,294,963
2012	5,264,387	344,063	471,994	399,621	325,102	6,805,167
2013	5,257,726	343,733	503,592	394,613	298,019	6,797,683
2014	5,660,551	677,079	553,407	442,572	282,169	7,615,778
2015	6,526,267	1,154,041	568,462	451,450	268,859	8,969,079
2016	7,276,466	1,226,351	577,872	424,878	234,542	9,740,109
2017	8,167,329	1,374,357	630,568	468,525	220,848	10,861,627
2018	9,626,611	2,054,141	683,659	490,095	233,373	13,087,879
2019	12,966,520	3,901,559	687,734	521,209	210,758	18,287,780
2020	12,974,092	2,583,931	692,951	497,697	198,165	16,946,836
% Change in Dollars Over 10 Years	130.9%	493.8%	47.3%	19.6%	-44.0%	132.3%
	Percentage of Total					
2010	77.0%	6.0%	6.4%	5.7%	4.8%	100.0%
2011	77.4%	5.1%	6.9%	5.9%	4.8%	100.0%
2012	77.3%	5.1%	7.4%	5.8%	4.4%	100.0%
2013	74.3%	8.9%	7.3%	5.8%	3.7%	100.0%
2014	72.8%	12.9%	6.3%	5.0%	3.0%	100.0%
2015	74.7%	12.6%	5.9%	4.4%	2.4%	100.0%
2016	75.2%	12.7%	5.8%	4.3%	2.0%	100.0%
2017	73.6%	15.7%	5.2%	3.7%	1.8%	100.0%
2018	70.9%	21.3%	3.8%	2.9%	1.2%	100.0%
2019	76.6%	15.2%	4.1%	2.9%	1.2%	100.0%

Data Source:

Applicable years' comprehensive annual financial report.

Town of Surfside, Florida

General Governmental Expenditures by Function

Last Ten Fiscal Years

(modified accrual basis of accounting)

	For the Fiscal Year Ended September 30,									
Function	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Current:										
General government	$ 2,303,523	$ 2,917,765	$ 3,388,046	$ 3,072,346	$ 3,241,326	$ 3,159,302	$ 4,606,443	$ 5,199,112	$ 7,454,242	$ 6,956,989
Public safety	3,957,265	3,990,274	4,507,840	4,842,491	5,426,587	5,554,141	6,031,230	5,330,264	6,129,348	6,333,877
Public works	720,888	873,549	925,189	1,000,599	1,190,022	1,113,789	1,100,787	1,407,757	1,269,558	1,285,505
Leisure services	1,123,446	1,529,608	1,581,992	1,629,392	2,290,753	2,461,884	1,936,655	2,034,275	541,341	369,225
Transportation	106,292	117,044	123,254	142,272	174,620	310,767	183,890	248,321	248,731	127,344
Total Current	8,211,414	9,428,240	10,526,321	10,687,100	12,323,308	12,599,883	13,859,005	14,219,729	15,643,220	15,072,940
% Change From Prior Year	14.8%	14.8%	11.6%	1.5%	15.3%	2.2%	10.0%	2.6%	10.0%	-3.6%
Capital Outlay	5,157,666	650,979	591,077	1,619,235	1,806,345	262,468	800,581	425,644	356,290	238,258
% Change From Prior Year	-87.4%	-87.4%	-9.2%	173.9%	11.6%	-85.5%	205.0%	-46.8%	-16.3%	-33.1%
Debt Service										
Principal	-	72,944	123,380	138,236	169,279	100,013	54,638	43,677	1,457	-
Interest	-	4,754	6,045	5,787	5,475	3,213	1,869	583	3	-
Total Debt Service	-	77,698	129,425	144,023	174,754	103,226	56,507	44,260	1,460	-
% Change From Prior Year	0.0%	0.0%	66.6%	11.3%	21.3%	-40.9%	-45.3%	-21.7%	-96.7%	-100.0%
Total Expenditures	$ 13,369,080	$ 10,156,917	$ 11,246,823	$ 12,450,358	$ 14,304,407	$ 12,965,577	$ 14,716,093	$ 14,689,633	$ 16,000,970	$ 15,311,198
% Change From Prior Year	-24.0%	-24.0%	10.7%	10.7%	14.9%	-9.4%	13.5%	-0.2%	8.9%	-4.3%
Debt Service as a % of Noncapital Expenditures	0.00%	0.77%	1.16%	1.17%	1.24%	0.80%	0.39%	0.30%	0.01%	0.00%

Data Source:

Applicable years' comprehensive annual financial report.

Town of Surfside, Florida

General Governmental Current Expenditures by Function

Last Ten Fiscal Years

(modified accrual basis of accounting)

	For the Fiscal Year Ended September 30,									
	2011	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Function										
Current:										
General government	$ 2,303,523	$ 2,917,765	$ 3,388,046	$ 3,072,346	$ 3,241,326	$ 3,159,302	$ 4,606,443	$ 5,199,112	$ 7,454,242	$ 6,956,989
Public safety	3,957,265	3,990,274	4,507,840	4,842,491	5,426,587	5,554,141	6,031,230	5,330,264	6,129,348	6,333,877
Physical environment	720,888	873,549	925,189	1,000,599	1,190,022	1,113,789	1,100,787	1,407,757	1,269,558	1,285,505
Leisure services	1,123,446	1,529,608	1,581,992	1,629,392	2,290,753	2,461,884	1,936,655	2,034,275	541,341	369,225
Transportation	106,292	117,044	123,254	142,272	174,620	310,767	183,890	248,321	248,731	127,344
Total Current	$ 8,211,414	$ 9,428,240	$ 10,526,321	$ 10,687,100	$ 12,323,308	$ 12,599,883	$ 13,859,005	$ 14,219,729	$ 15,643,220	$ 15,072,940
	Percentage of Total									
Current:										
General government	28.1%	30.9%	32.2%	28.7%	26.3%	25.1%	33.2%	36.6%	47.7%	46.2%
Public safety	48.2%	42.3%	42.8%	45.3%	44.0%	44.1%	43.5%	37.5%	39.2%	42.0%
Physical environment	8.8%	9.3%	8.8%	9.4%	9.7%	8.8%	7.9%	9.9%	8.1%	8.5%
Leisure services	13.7%	16.2%	15.0%	15.2%	18.6%	19.5%	14.0%	14.3%	3.5%	2.4%
Transportation	1.3%	1.2%	1.2%	1.3%	1.4%	2.5%	1.3%	1.7%	1.6%	0.8%
Total Current	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Data Source:

Applicable years' comprehensive annual financial report.

Town of Surfside, Florida

Summary of Changes in Fund Balances - Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total Revenues	$ 9,636,738	$ 10,067,576	$ 10,598,821	$ 13,853,346	$ 12,625,860	$ 14,284,666	$ 16,273,882	$ 15,318,877	$ 21,580,197	$ 20,602,642
Total Expenditures	8,605,820	13,369,080	10,156,917	11,246,823	12,450,358	14,304,407	12,965,577	14,716,093	14,689,633	15,311,198
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,030,918	(3,301,504)	441,904	2,606,523	175,502	(19,741)	3,308,305	602,784	6,890,564	5,291,444
Other Financing Sources (Uses)										
Inception of capital leases	-	-	500,074	-	82,559	127,784	-	-	-	-
Cares Act	-	-	-	-	-	-	-	-	-	80,160
Transfers in	5,239,461	356,532	394,565	411,560	654,770	1,034,191	661,092	1,488,099	1,698,317	2,488,967
Transfers out	(5,030,959)	(144,360)	(368,236)	(9,282)	(465,000)	(1,053,463)	(219,084)	(1,161,215)	(1,354,067)	(2,148,070)
Total Other Financing Sources (Uses)	208,502	212,172	526,403	402,278	272,329	108,512	442,008	326,884	344,250	421,057
Net Change in Fund Balances	$ 1,239,420	$ (3,089,332)	$ 968,307	$ 3,008,801	$ 447,831	$ 88,771	$ 3,750,313	$ 929,668	$ 7,234,814	$ 5,712,501

Data Source:

Applicable years' comprehensive annual financial report.

Town of Surfside, Florida
Fund Balances - Governmental Funds
Fiscal Years 2011 - 2020
(modified accrual basis of accounting)

	September 30,									
	2011	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
General Fund:										
Assigned to:										
Emergencies and cash flows	$ 2,000,000	$ 2,000,000	$ 2,000,000	$ 2,000,000	$ 2,000,000	$ 2,000,000	$ 2,000,000	$ 2,000,000	$ 2,000,000	$ 2,000,000
Subsequent years' expenditures	95,175	-	-	-	-	-	-	-	-	-
Nonspendable:										
Prepaid items	109,532	144,738	152,767	162,118	183,442	198,405	174,461	116,363	1,035	101,943
Asset held for resale	-	-	-	-	-	-	-	-	-	-
Unassigned	2,051,608	3,121,636	3,151,275	4,204,273	3,722,284	5,170,003	6,460,802	8,902,050	12,983,070	16,553,284
Total General Fund	4,256,315	5,266,374	5,304,042	6,366,391	5,905,726	7,368,408	8,635,263	11,018,413	14,984,105	18,655,227
General Fund % Change From Prior Year	34.6%	23.7%	0.7%	20.0%	-7.2%	24.8%	17.2%	27.6%	36.0%	24.5%
All Other Governmental Funds:										
Nonspendable:										
Prepaid items	-	-	-	222	2,250	6154	-	5,798	-	5,112
Restricted for:										
Tourism	184,867	171,496	94,497	180,075	339,396	363,407	469,880	353,414	1,640,525	2,139,689
Transportation surtax	239,760	122,302	131,475	396,740	440,662	354,264	388,363	263,292	328,377	443,485
Police forfeiture	117,889	122,272	138,143	159,626	113,431	141,755	164,933	159,527	105,725	168,289
Committed to:										
Capital projects	-	-	-	-	-	-	-	-	-	-
Assigned to:										
Capital projects	399,754	132,783	255,263	849,445	182,903	1,151,352	2,319,032	4,916,676	5,612,099	6,971,530
Total All Other Governmental Funds:	942,270	548,853	619,378	1,586,108	1,078,642	2,016,932	3,342,208	5698707	7,686,726	9,728,105
All Other Governmental Funds % Change From Prior Year	339.0%	-41.8%	12.8%	156.1%	-32.0%	87.0%	65.7%	70.5%	34.9%	26.6%
Total Governmental Funds	$ 5,198,585	$ 5,815,227	$ 5,923,420	$ 7,952,499	$ 6,984,368	$ 9,385,340	$ 11,977,471	$ 16,717,120	$ 22,670,831	$ 28,383,332
All Governmental Funds % Change From Prior Year	1.8%	-100.0%	1.9%	34.3%	-12.2%	34.4%	27.6%	39.6%	35.6%	25.2%

Notes:

The Town implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Definitions* , in Fiscal Year 2010. The Town did not restate the prior years.

Data Source:

Applicable years' comprehensive annual financial report.

Town of Surfside, Florida

Taxable Assessed Value - Real and Personal Property

Last Ten Fiscal Years

Fiscal Year	Real Property Amount	Real Property Percentage Change	Personal Property Amount	Personal Property Percentage Change	Total Taxable Assessed Value[1]	Total Direct Tax Rate [2]	Total Annual Percentage Change
2011	$ 1,050,695,131	-17.3%	$ 12,264,492	-3.6%	$ 1,062,959,623	5.6030	-0.4%
2012	1,005,246,014	-4.3%	12,412,260	1.2%	1,017,658,274	5.5000	-4.3%
2013	1,049,864,041	4.4%	12,350,185	-0.5%	1,062,214,226	5.3000	4.4%
2014	1,130,937,104	7.7%	13,134,146	6.3%	1,144,071,250	5.2000	7.7%
2015	1,314,584,538	16.2%	22,291,469	69.7%	1,336,876,007	5.0293	16.9%
2016	1,476,296,054	12.3%	26,459,166	18.7%	1,502,755,220	5.0293	12.4%
2017	1,660,480,658	12.5%	28,958,680	9.4%	1,689,439,338	5.0144	12.4%
2018	2,124,593,954	28.0%	25,864,538	-10.7%	2,150,458,492	4.8000	27.3%
2019	3,052,583,231	43.7%	33,437,303	29.3%	3,086,020,534	4.5000	43.5%
2020	3,083,481,847	1.0%	33,151,548	-0.9%	3,116,633,395	4.4000	1.0%
*	$ 1,694,876,257		$ 22,032,379		$ 1,716,908,636		
**	193.5%		170.3%		193.2%		

* Dollar average for ten years.

** Percentage change in dollars over ten years.

Notes:

[1] All property is assessed at 100% of fair market value.

[2] Tax rates expressed in rate per $1,000.

Data Source:

Miami-Dade County Property Appraiser

Town of Surfside, Florida

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

(rate per $1,000 of assessed taxable value)

			Overlapping Rates [1]												
		Direct	Miami-Dade County			Miami-Dade County School Board									
Fiscal Year	Tax Roll Year	Town Operating Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage	Water Management District	Environmental Project	Special District [2]	Children's Trust	Fire and Rescue	Fire Debt	Total Direct and Overlapping Millage
2011	2010	5.6030	5.4275	0.4450	5.8725	7.8640	0.3850	8.2490	0.5346	0.0894	0.0345	0.5000	2.5753	0.0200	23.4783
2012	2011	5.5000	4.8050	0.2850	5.0900	7.7650	0.2400	8.0050	0.3739	0.0624	0.0345	0.5000	2.4496	0.0131	22.0285
2013	2012	5.3000	4.7035	0.2850	4.9885	7.7650	0.2330	7.9980	0.3676	0.0613	0.0345	0.5000	2.4496	0.0131	21.7126
2014	2013	5.2000	4.7035	0.4220	5.1255	7.6440	0.3330	7.9770	0.3523	0.0587	0.0345	0.5000	2.4496	0.0127	21.7103
2015	2014	5.0293	4.6669	0.4500	5.1169	7.7750	0.1990	7.9740	0.1577	0.0548	0.2062	0.5000	2.4207	0.0114	21.4710
2016	2015	5.0293	4.6669	0.4500	5.1169	7.4130	0.1990	7.6120	0.1459	0.0506	0.1906	0.5000	2.4207	0.0086	21.0746
2017	2016	5.0144	4.6669	0.4000	5.0669	7.1380	0.1840	7.3220	0.1359	0.0471	0.1797	0.5000	2.4207	0.0075	20.6942
2018	2017	4.8000	4.6669	0.4000	5.0669	6.7740	0.2200	6.9940	0.1275	0.0441	0.1704	0.4673	2.4207	0.0075	20.0984
2019	2018	4.5000	4.6669	0.4644	5.1313	6.5040	0.2290	6.7330	0.1209	0.0417	0.1630	0.4415	2.4207	0.0000	19.5521
2020	2019	4.4000	4.6669	0.4780	5.1449	7.0250	0.1230	7.1480	0.1152	0.0397	0.1566	0.4680	2.4207	0.0000	19.8931

Notes:

[1] Overlapping rates are those of governments that overlap the Town's geographic boundaries.

[2] Beginning in fiscal year 2014, this classification includes a FIND and the Okeechobee Basin.

Data Source:

Miami-Dade County Property Appraiser

Town of Surfside, Florida
Total Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year	Total Taxes Collected		Total Uncollected Taxes	
		Amount	Percentage of Levy	Amount	Percentage of Levy
2011	$ 6,364,758	$ 5,619,494	88.29%	$ 745,264	11.71%
2012	5,597,121	5,264,387	94.06%	332,734	5.94%
2013	5,348,249	5,257,726	98.31%	90,523	1.69%
2014	5,651,712	5,660,551	100.16%	(8,839)	-0.16%
2015	6,387,373	6,526,267	102.17%	-	0.00%
2016	7,179,916	7,147,997	99.56%	-	0.00%
2017	8,047,948	8,167,329	101.48%	(119,381)	-1.48%
2018	9,976,601	9,493,840	95.16%	-	0.00%
2019	13,887,092	12,966,520	93.37%	920,572	6.63%
2020	14,024,850	12,974,092	92.51%	1,050,758	7.49%

Data Source:
Town Finance Department

Town of Surfside, Florida

Principal Real Property Taxpayers

Fiscal Years Ended September 30, 2020 and 2011

2020				2011			
Principal Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**	**Principal Taxpayer**	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**
Fort Capital Management LLC	$ 203,965,810	1	6.57%	The Surf Club	$ 35,804,800	1	3.41%
Beach House Hotel LLC	63,998,541	2	2.06%	9379 Realty Group	13,271,650	2	1.26%
SC Hotel Property LLC	51,254,750	3	1.65%	Beach House	8,550,000	3	0.81%
The Surf Club Apartments Inc.	29,889,877	4	0.96%	Publix Super Markets, Inc.	7,461,640	4	0.71%
Surfside House Ocean Views LLC	26,841,723	5	0.86%	Ohio Savings Bank	5,285,000	5	0.50%
HPD TLD Partners LLC	22,565,000	6	0.73%	Transactaa Lanai Development LTD	5,028,905	6	0.48%
Thompson Dean	21,901,287	7	0.70%	Collins Avenue Investment Group	3,485,000	7	0.33%
9564 Harding Investment LLC	20,900,000	8	0.68%	9501 Collins Avenue, LLC	3,124,550	8	0.30%
SC Club 1031 LLC	20,800,000	9	0.67%	Robert and Rita Swedroe	2,836,538	9	0.27%
Surf Club PH7 LLC	19,850,000	10	0.64%	Kelvim Escobar	2,532,846	10	0.24%
Total Principal Taxpayers	481,966,988		15.51%	**Total Principal Taxpayers**	87,380,929		8.32%
All Other Taxpayers	2,624,620,562		84.49%	**All Other Taxpayers**	963,314,202		91.68%
Total	$ 3,106,587,550		100.00%	**Total**	$ 1,050,695,131		100.00%

Data Source:

Miami-Dade County Property Appraiser

Town of Surfside, Florida

Principal Personal Property Taxpayers

Fiscal Years Ended September 30, 2020 and 2011

2020				2011			
Principal Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**	**Principal Taxpayer**	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**
Four Season Hotel @ The Surf Club	$ 8,698,624	1	24.93%	Florida Power and Light Company	$ 5,065,749	1	41.30%
Florida Power and Light Company	7,982,108	2	22.88%	Atlantic Broadband	1,111,146	2	9.06%
Grand Beach Hotel Surfside	4,599,847	3	13.19%	Bell South Telecommunications, Inc.	1,007,780	3	8.22%
Residence Inn Surfside	4,286,931	4	12.29%	Publix Super Markets, Inc.	724,072	4	5.90%
Atlantic Broadband	3,100,258	5	8.89%	People's Gas System	683,870	5	5.58%
People's Gas System	1,458,730	6	4.18%	The Surf Club	335,146	6	2.73%
Publix Super Markets, Inc.	733,965	7	2.10%	Yudah Ari Benmergui DDA	219,444	7	1.79%
Bellsouth Telecommunications LLC	478,778	8	1.37%	Café Ragazzi	213,778	8	1.74%
Champlain Towers North	401,025	9	1.15%	Modular Space Corporation	181,307	9	1.48%
Flanigan's Seafood Bar & Grill	254,225	10	0.73%	Cine Cita Grill	171,700	10	1.40%
Total Principal Taxpayers	31,994,491		91.72%	**Total Principal Taxpayers**	9,713,992		79.20%
All Other Taxpayers	2,889,717		8.28%	**All Other Taxpayers**	2,550,500		20.80%
Total	$ 34,884,208		100.00%	**Total**	$ 12,264,492		100.00%

Data Source:

Miami-Dade County Property Appraiser

Town of Surfside, Florida
Ratios of Total Debt Outstanding by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities	Business-type Activities					Grand Total		Total Debt Per
	Capital Leases	Revenue Bonds	Notes Payable	Loans Payable	Capital Leases	Total	Total	Population	Capita
2011	$ -	$ 16,000,000	$ 240,000	$ -	$ -	$ 16,240,000	$ 16,240,000	5,760	2,819
2012	427,130	11,507,445	160,000	-	-	11,667,445	12,094,575	5,776	2,094
2013	303,749	10,985,348	80,000	7,255,844	-	18,321,192	18,624,941	5,924	3,144
2014	242,734	10,438,608	-	8,821,720	49,778	19,310,106	19,552,840	5,954	3,284
2015	201,239	9,866,062	-	8,591,249	38,123	18,495,434	18,696,673	5,703	3,278
2016	101,266	9,266,490	-	8,172,054	25,957	17,464,501	17,565,767	5,544	3,168
2017	46,588	8,638,620	-	7,744,982	13,210	16,396,812	16,443,400	5,814	2,828
2018	2,911	7,981,115	-	7,309,555	-	15,290,670	15,293,581	5,934	2,577
2019	1,457	7,292,575	-	6,866,618	-	14,159,193	14,160,650	6,015	2,354
2020	-	6,571,536	-	6,415,021	-	12,986,557	12,986,557	5,934	2,188

Data Sources:
Town's Financial Statements

Notes:
There are no public schools located within the Town.
There is no personal income data for the Town to calculate "debt as a percentage of personal income."

Town of Surfside, Florida
Pledged Revenue Coverage
Last Eight Fiscal Years

Fiscal Year[1]	Revenues [2]	Transfer from (to) Rate Stabilization Fund	Less Operating Expenses [3]	Net Available Revenues	Principal	Interest	Total	Coverage Ratio	Coverage Required	Excess Coverage
2013	$ 3,134,620	$ 81,719	$ 1,902,646	$ 1,313,693	$ 522,097	$ 620,245	$ 1,142,342	1.15	1.15	(0.00)
2014	3,414,657	27,418	1,843,026	1,599,049	735,936	654,541	1,390,477	1.15	1.15	0.00
2015	3,923,726	(109,137)	1,603,367	2,211,222	803,017	657,311	1,460,328	1.51	1.15	0.36
2016	3,535,306	410,553	2,109,719	1,836,140	627,870	437,378	1,065,248	1.72	1.15	0.57
2017	3,756,040	-	2,460,424	1,295,616	657,508	407,743	1,065,251	1.22	1.15	0.07

	2018 [4, 5]	2019 [4, 5]	2020 [4, 5]
Primary Debt Service Coverage			
Net Operating Revenues	$ 2,212,458	1,929,390	2,242,797
Investment Earnings	786	1,066	803
Net transfer from (to) Rate Stabilization Fund	-	-	-
Net revenues available for debt service	$ 2,213,244	$ 1,930,456	$ 2,243,600
Debt service requirements	$ 1,065,251	$ 1,051,707	$ 1,051,068
Actual coverage	2.08	1.84	2.13
Required coverage	1.10	1.10	1.10
State Revolving Fund Loan Debt Service Coverage			
Pledged revenues available for debt service	$ 2,212,458	$ 1,930,456	$ 2,243,600
Less revenue required for primary debt service	(1,065,251)	(1,051,707)	(1,051,068)
Adjusted net revenues	$ 1,147,207	$ 878,749	$ 1,192,532
Debt service requirements	$ 506,498	$ 576,175	$ 576,175
Actual coverage	2.26	1.53	2.07
Required coverage	1.15	1.15	1.15

Notes:

[1] Bonds first issued in fiscal year 2011.

[2] Includes, water, sewer and stormwater revenues.

[3] Excludes depreciation expense.

[4] Ratio requirements for the 2011 Utility Bonds are 1.10 and 1.15 for the State Revolving Fund Loan.

[5] The Town changed the format of their pledge revenue coverage in 2016.

Town of Surfside, Florida
Direct and Overlapping Governmental Activities Debt
September 30, 2020

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable [1]	Estimated Share of Underlying Debt
Direct Debt			
Capital leases	$ 1,457	100%	$ 1,457
Overlapping Debt			
Miami-Dade County [2]	$ 4,336,800,000	1.03%	$ 44,669,040
Miami-Dade County School Board [3]	3,188,281,000	0.96%	30,607,498
Total Overlapping Debt			$ 75,276,538
Total Direct and Overlapping Debt			$ 75,277,995

Notes:

[1] The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the County's and School Board's taxable assessed value that is within the City's boundaries and dividing it by the County's and School Board's total assessed value.

[2] Miami-Dade County, Finance Department (includes revenue bonds, loans and capital leases)

[3] Miami-Dade County Schools, General Finance Department.

Data Source:

Each specific government

Town of Surfside, Florida

Demographic and Economic Statistics

Last Ten Calendar Years

Calendar Year	Population [1]	Per Capita Personal Income [2]	Unemployment Rate [3]		
			County	State of Florida	United States
2011	5,760	$ 38,870	12.7%	10.2%	9.0%
2012	5,776	39,466	9.7%	9.0%	7.8%
2013	5,924	40,680	8.9%	8.5%	7.2%
2014	5,954	43,124	7.2%	7.8%	5.9%
2015	5,703	43,917	6.2%	5.4%	5.0%
2016	5,544	43,917	5.8%	5.1%	5.0%
2017	5,814	43,584	5.0%	4.8%	4.2%
2018	5,934	52,929	3.6%	3.6%	3.6%
2019	6,015	50,114	2.4%	2.9%	3.5%
2020	5,934	73,241	12.8%	7.7%	14.7%

Notes:

Information not presented, not readily available.

There are no public schools located within the Town.

Data Sources:

[1] Bureau of Economic and Business Research, University of Florida, April 1 of each year

[2] U.S. Census Bureau

[3] U.S. Department of Labor, Bureau of Labor Statistics

Town of Surfside, Florida
Principal Employers
For the Fiscal Years Ended September 30, 2020 and 2011

		2020	
Employer	**Type of Business**	**Number of Employees**	**Rank**
SC Hotel Property LLC (Four Seasons)	Hotel	329	1
Beach House Hotel D/B/A Grand Beach	Hotel	275	2
Town of Surfside	Government	129	3
Publix Super Market, Inc.	Supermarket	104	4
Flanigan's Seafood Bar & Grill	Restaurant	51	5
Residence Inn (Miami Beach Surfside)	Resort	50	6
M. Kotler Realty	Real Estate Agency	31	7
Solara Surfside Resort	Hotel & Time Share	30	8
Harding Realty	Real Estate Agency	30	9
Harbor Pita D/B/A Harbor Grill	Restaurant	28	10
Total Principal Employers		1,057	

		2011	
Employer	**Type of Business**	**Number of Employees**	**Rank**
Public Supermarkets	Retail	150	1
Surf Club	Resort	107	2
Town of Surfside	Government	89	3
Flanigan's	Restaurant	66	4
Best Western Hotels	Hotel	32	5
Solara	Apartment Rentals	26	6
CVS Pharmacy	Retail	19	7
Wachovia	Bank	11	8
Rolling Pin Bakery	Retail	6	9
Emergency Dental Center	Retail	4	10
Total Principal Employers		510	

Data Source:
Town records

Town of Surfside, Florida

Full-time Funded Positions by Function/Program

Last Ten Fiscal Years

	For the Fiscal Year Ended September 30,									
Function/program	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
General Government										
Legislative	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Town Attorney	2.00	2.00	2.00	2.00	3.00	3.00	3.00	1.00	-	-
Executive	2.00	4.00	5.00	5.00	5.00	5.00	6.00	6.75	7.75	7.75
Financial Support Services	3.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00	5.00
Town Clerk	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00
Building Services	3.00	3.00	4.00	4.00	4.00	4.00	5.00	6.00	7.00	7.00
Total General Government	17.00	20.00	22.00	22.00	23.00	23.00	25.00	25.75	27.75	27.75
Public Safety										
Public Safety	33.00	31.75	32.25	33.25	34.25	34.25	36.25	37.25	36.25	37.25
Municipal Parking	3.00	5.00	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75
Total Public Safety	36.00	36.75	39.00	40.00	41.00	41.00	43.00	44.00	43.00	44.00
Public Works										
Public Works	6.25	5.25	6.25	6.65	6.65	6.65	6.65	6.65	5.65	5.65
Water/Sewer	5.25	5.75	5.25	4.55	4.55	4.55	4.55	4.55	4.55	4.55
Solid Waste	10.25	10.25	10.25	11.25	10.25	10.25	10.25	10.25	12.25	12.25
Stormwater	1.25	1.25	1.25	1.55	1.55	1.55	1.55	1.55	1.55	1.55
Fleet Management	-	-	-	-	-	-	-	-	1.00	1.00
Total Public Works	23.00	22.50	23.00	24.00	23.00	23.00	23.00	23.00	25.00	25.00
Leisure Services										
Leisure Services	10.00	10.75	11.32	11.32	11.32	11.32	11.32	11.32	13.25	12.25
Tourism	1.00	1.00	0.68	0.68	0.68	0.68	0.68	0.68	-	2.00
Library Services	-	-	-	-	-	-	-	-	-	-
Total Leisure Services	11.00	11.75	12.00	12.00	12.00	12.00	12.00	12.00	13.25	14.25
Total	87.00	91.00	96.00	98.00	99.00	99.00	103.00	104.75	109.00	111.00
Percentage Change From Prior Year	2.4%	4.6%	5.5%	2.1%	1.0%	0.0%	4.0%	1.7%	4.1%	1.8%

Data Source:

Various Town Departments

Town of Surfside, Florida
Operating Statistics by Function/Program
Last Ten Fiscal Years

Function/program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public safety:										
Police										
Uniformed employees	27	27	27	29	39	39	29	31	31	31
Non-uniformed employees	9	9	12	6	1	2	7	11	11	11
Dispatched responses	19,800	23,097	31,337	20,310	22,978	20,798	18,965	21,933	22,326	20,022
Traffic citations issued	5,289	4,814	5,475	4,637	4,659	5,059	3,413	4,688	3,881	4,133
Traffic warnings issued	4,067	5,139	3,867	3,808	3,839	3,620	3,205	3,250	2,659	4,373
Parking violations issued	9,833	11,884	19,607	13,963	14,204	13,861	10,658	8,858	9,281	6,756
Building permits:										
Permits issued	1,073	931	1,072	1,037	1,618	1,595	1,448	1,428	1,559	1,377
Estimated values (in millions)	$848	$ 364	$718	$695	$2,592	$ 5,884	$7,530	$6,276	$6,302	$1,457
Utility:										
Municipal water system										
Active water accounts	1,551	1,647	1,680	1,687	1,687	1,648	1,658	1,690	1,366	1,368
Meter sales (in million gallons)	328,519	276,650	263,127	290,321	315,644	331,969	398,015	401,957	589,006	595,227
Municipal sewer system										
Active accounts/units	4,061	4,061	4,061	4,061	4,061	4,061	4,061	1,690	1,332	1,334
Solid waste services										
Active accounts	1,344	1,344	1,344	1,344	1,344	1,344	1,344	1,321	1,578	1,538
General government:										
Tax rates										
Utility services:										
Electric	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Communication service	5.22%	5.22%	5.22%	5.22%	5.22%	5.22%	5.22%	5.22%	5.22%	5.22%
Gas	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Franchises:										
Electric	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%
Gas	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%
Cable television	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Surfside Bus Service										
Total number of passengers	21,543	12,947	21,514	24,083	28,868	33,029	28,918	29,705	25,463	9,984
Average number of passengers per month	1,795	1,079	1,792	2,006	2,406	2,752	2,410	2,475	2,122	1,664
Total number of miles driven	32,401	30,775	34,805	34,906	24,742	19,465	28,427	24,789	24,253	10,391
Average number of miles driven per month	2,700	2,565	2,900	2,909	2,061	1,622	2,369	2,066	2,021	1,732
Culture and recreation:										
Participation:										
Youth programs	960	1,005	1,043	2,825	5,280	1,427	1,325	1,600	1,743	1,360
Adult programs	555	781	1,232	1,349	1,521	1,526	1,481	1,361	2,221	1,500
Special events	4,280	4,630	5,727	7,734	7,840	4,570	5,319	5,421	6,382	2,400
Community Center	17,517	29,028	24,830	22,826	24,705	22,365	21,229	20,065	24,169	10,687

Notes:
Data not available for items not presented.
Data Source
Various Town Departments

Town of Surfside, Florida
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

	Fiscal Year									
Function/Program	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Area:										
Land excluding airport (sq. miles)	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Water	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14
Infrastructure:										
Paved streets	10	10	25	25	25	25	25	25	25	25
Sidewalks	1 mile	1 mile	6 mile	6 mile	6 mile	6 mile	6 mile	6 mile	6 mile	6 mile
Canals & waterways	-	-	-	-	-	-	-	-	-	-
Storm Drainage (catch basins)	388	388	388	388	388	388	388	388	388	388
Town owned street lights	37	37	37	37	37	37	37	37	37	37
FP&L owned street lights	293	293	293	293	293	293	293	293	293	293
Public Safety:										
Police Stations	1	1	1	1	1	1	1	1	1	1
Recreation:										
Public Beach (miles)	1	1	1	1	1	1	1	1	1	1
Municipal Parks	3	3	3	3	3	3	3	3	3	3
Municipal Swimming Pool	-	-	2	1	1	1	1	1	1	1
Recreation Acres (without-with Beach)	53-90	53-90	53-90	53-90	53-90	53-90	53-90	53-90	53-90	53-90
Community Center	1	1	1	1	1	1	1	1	1	1
Tennis Courts	-	-	-	-	1	1	1	1	1	1
Municipal Water/Sewer System:										
Water mains (miles)	15.7	15.7	25	25	25	25	25	25	25	25
Reuse water mains (miles)	-	-	-	-	-	-	0	0	0	0
Fire hydrants	84	84	84	84	84	84	84	84	84	84
Fire hydrants (reuse water)	-	-	-	-	-	-	0	0	0	0
Gravity Sewer (miles)	9.25	9.25	9.25	9.25	9.25	9.25	9.25	9.25	9.25	9.25
Wastewater force main (miles)	0.3	0.3	1	1	1	1	1	1	1	1
Wastewater lift stations	2	2	2	2	2	2	2	2	2	2
Municipal Parking:										
Parking lots	6	6	7	7	8	8	8	8	8	8
Pay Station Parking Spaces	572	572	572	572	629	629	640	640	635	635
Metered Pay Stations	0	0	0	0	29	29	37	37	37	37
Single Space Meters	0	0	0	0	50	50	50	50	12	12

Data Source
Various Town Departments

REPORTING SECTION









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

To the Honorable Mayor, Town Commission and Town Manager
Town of Surfside, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Surfside, 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, and have issued our report thereon dated June 4, 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Town's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and responses as item SD 2019-001 that we consider to be a significant deficiency.

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Compliance and Other Matters

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

Purpose of the Report

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

Marcum LLP

Miami, FL
June 4, 2021

TOWN OF SURFSIDE, FLORIDA

SCHEDULE OF FINDINGS AND RESPONSES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

SIGNIFICANT DEFICIENCY

SD 2019-001- BANK RECONCILIATIONS (REPEAT FINDING)

Condition and Criteria

During our review of the internal control processes over Financial Reporting and Closing it was noted that that bank reconciliation for the Town's operating bank account was not being prepared or reviewed in a timely manner. Marcum noted that the bank reconciliation for the operating bank account for the months of January through September 2019 were not prepared and reviewed in accordance with the Town's policy of no later than 30 days are after month end.

Cause and Effect

The Town, due to lack of enforcement of the Town's internal control policy over the preparation and review of bank reconciliations, was out of compliance with its policy for bank reconciliations. Potential effect of this condition could result in failure to timely detect loss or misuse of funds.

Prior Year's Recommendation

In order to ensure that assets are safeguarded from loss or misuse, it is important that bank reconciliations should be prepared and reviewed in a timely manner in accordance with the Town's established policy.

Prior Year's Views of Responsible Officials and Planned Corrective Actions

Management agrees with the recommendations. These delays were primarily due to the implementations of a new town-wide ERP system; which affected various modules of operation (i.e. G/L, AP, Utility Billing, etc.). This was a complex and lengthy undertaking, especially for a small town. Going forward bank reconciliations will be completed no later than 30 days following the end of each month.

Current Year's Status

During our review of the internal control processes over Financial Reporting and Closing it was noted that that bank reconciliation for the Town's operating bank account was not being prepared or reviewed in a timely manner. Marcum noted that the bank reconciliation for the operating bank account for the months of November 2019, January 2020, May 2020 and August 2020 were not prepared and reviewed in accordance with the Town's policy of no later than 30 days.

SIGNIFICANT DEFICIENCY (CONTINUED)

SD 2019-001- BANK RECONCILIATIONS (REPEAT FINDING) (CONTINUED)

Current Year's Views of Responsible Officials and Planned Corrective Actions

Management agrees with the observation and recommendation. The complete implementation of the Town's new ERP system was finalized February 2020; which delay the postings of receipts to the financial module on a timely basis. This resulted in non-compliance with management policy of completing bank reconciliations within a 30 day period through the end of fiscal year 2020. In fiscal year 2021, bank reconciliations are being performed within 30 days of the following month.

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

To the Honorable Mayor, Town Commission and Town Manager
Town of Surfside, Florida

Report on the Financial Statements

We have audited the financial statements of the Town of Surfside, Florida (the Town)**,** as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated June 4, 2021.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards;* a schedule of findings and responses; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards, AT-C 315*, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 4, 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. Finding SD 2019-001 was repeated in FY 2020.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Town was established by the Town's charter, which was adopted under the provisions of Chapter 279.14 Laws of Florida in 1951. There are no component units related to the Town.

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Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require that we 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 identification of 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 for the Town. It is management's responsibility to monitor the Town's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. This assessment was done as of the fiscal year end.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did have one recommendation identified as MLC 2020-001 and included in Appendix A.

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 this Letter

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

Marcum LLP

Miami, FL
June 4, 2021

TOWN OF SURFSIDE, FLORIDA

APPENDIX A - CURRENT YEAR RECOMMENDATION TO IMPROVE FINANCIAL MANAGEMENT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

MLC 2020-001 – WATER & SEWER UNRESTRICTED NET POSITION DEFICIT

Observation

During the fiscal year ended September 30, 2020, it was noted that the Water and Sewer fund had a deficit unrestricted fund balance/net position of $1,719,678. This was due to several years where previous utility rates were not sufficient to meet annual operating and nonoperating expenses. Effective October 1, 2017, the Town implemented the rate study performed by Black & Veatch covering the period from fiscal year 2018 through fiscal year 2022.

Recommendation

We recommend the Town continue to monitor and implement the rate study and five-year financial forecast performed by Black & Veatch to essentially eliminate the deficit and ensure future water, sewer and stormwater utility rates/revenues are sufficient in order to continue funding annual operating and maintenance costs, debt service, meet debt service coverage ratio requirements, and maintain a fund balance/net position for reserve requirements.

Additionally, management should continuously monitor and compare actual results of the Water and Sewer fund operations as compared to the rate study to ensure any adjustments or changes as necessary are considered.

Management's Response

Management is aware of the deficit unrestricted fund balance/net position and have fully implemented the rate increases as prescribed in the rate study. Management is committed to monitoring budgetary projections and actual results. Management feels that the issue with the deficit unrestricted fund balance/net position will be resolved in the next few years. If the positive trend changes, management understands that a new rate study will be warranted.

MARCUM
ACCOUNTANTS ▲ ADVISORS

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

To the Honorable Mayor, Town Commission and Town Manager
Town of Surfside, Florida

We have examined the Town of Surfside, Florida's (the Town) compliance with Section 218.415 Florida Statutes, Local Government Investment Policies, for the fiscal year ended September 30, 2020. Management of the Town is responsible for the Town's compliance with the specified requirements. Our responsibility is to express an opinion on the Town's compliance based on our examination.

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

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

In our opinion, the Town complied, in all material respects, with Section 218.415 Florida Statutes for the fiscal year ended September 30, 2020.

This report is intended to describe our testing of compliance with Section 218.415 Florida Statutes and it is not suitable for any other purpose.

Marcum LLP

Miami, FL
June 4, 2021



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