

TOWN OF SURFSIDE
FLORIDA

2021
ANNUAL COMPREHENSIVE
FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

TOWN OF SURFSIDE, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

Prepared by:

Finance Department

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
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

Management Letter in Accordance with the Rules of the Auditor General of the State of Florida..... 103-104

Appendix A – Current Year Recommendation to Improve Financial Management 105

Independent Accountants' Report on Compliance Pursuant to Section 218.415 Florida Statutes 106



(This page intentionally left blank)

2021

INTRODUCTORY SECTION



TOWN OF SURFSIDE

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

May 5, 2022

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

We are pleased to submit the Annual Comprehensive Financial Report (ACRF) of the Town of Surfside, Florida (the Town or Surfside), for the fiscal year ended September 30, 2021. 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 ACFR'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 as of and for the fiscal year ended September 30, 2021. 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 5,975 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.

When tragedy struck the community in June 2021 with the collapse of Champlain Towers South, the Town immediately launched an effort into investigating the cause to prevent future catastrophes. The Town continues to deal with the emotional impacts from the loss of friends and neighbors, as well as the costs related to the investigation and recovery efforts.

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 an adopted a Five-Year Financial Plan and the Town administration will be drafting a new Five-Year Financial Plan in the next fiscal year. 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 82.4% as of its October 1, 2020 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 ACFR for the fiscal year ended September 30, 2020. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive 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 2020 to 2,094 or 5.9% of 35,748 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 2021 ACFR 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 2021 adopted budget document. The award is presented to even fewer municipalities. In 2020, the most recently completed cycle, only 1,739 municipalities, or 4.9%, were given the award.

ACKNOWLEDGEMENTS

The preparation of this ACFR 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 Champlain Tower South collapse 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 ACFR. Without everyone's 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, 2021

TOWN COMMISSION

Charles W. Burkett, Mayor

Tina Paul, Vice Mayor

Charles Kesl, Commissioner

Eliana R. Salzhauer, Commissioner

Nelly Velasquez, Commissioner

OFFICIALS

Andrew Hyatt, Town Manager

Jason D. Greene, Assistant Town Manager/Chief Financial Officer

Rogelio J. Torres, Jr., Chief of Police

Sandra McCready, Town Clerk

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

Tim Milian, Parks and Recreation Director

Hector Gomez, Public Works Director

Frank Trigueros, Tourism Manager

James McGuinness, Building Official

Alan Graham, Code Compliance Director

Walter Keller, Planning/Zoning Manager

Yamileth Slate-McCloud, Human Resource Director

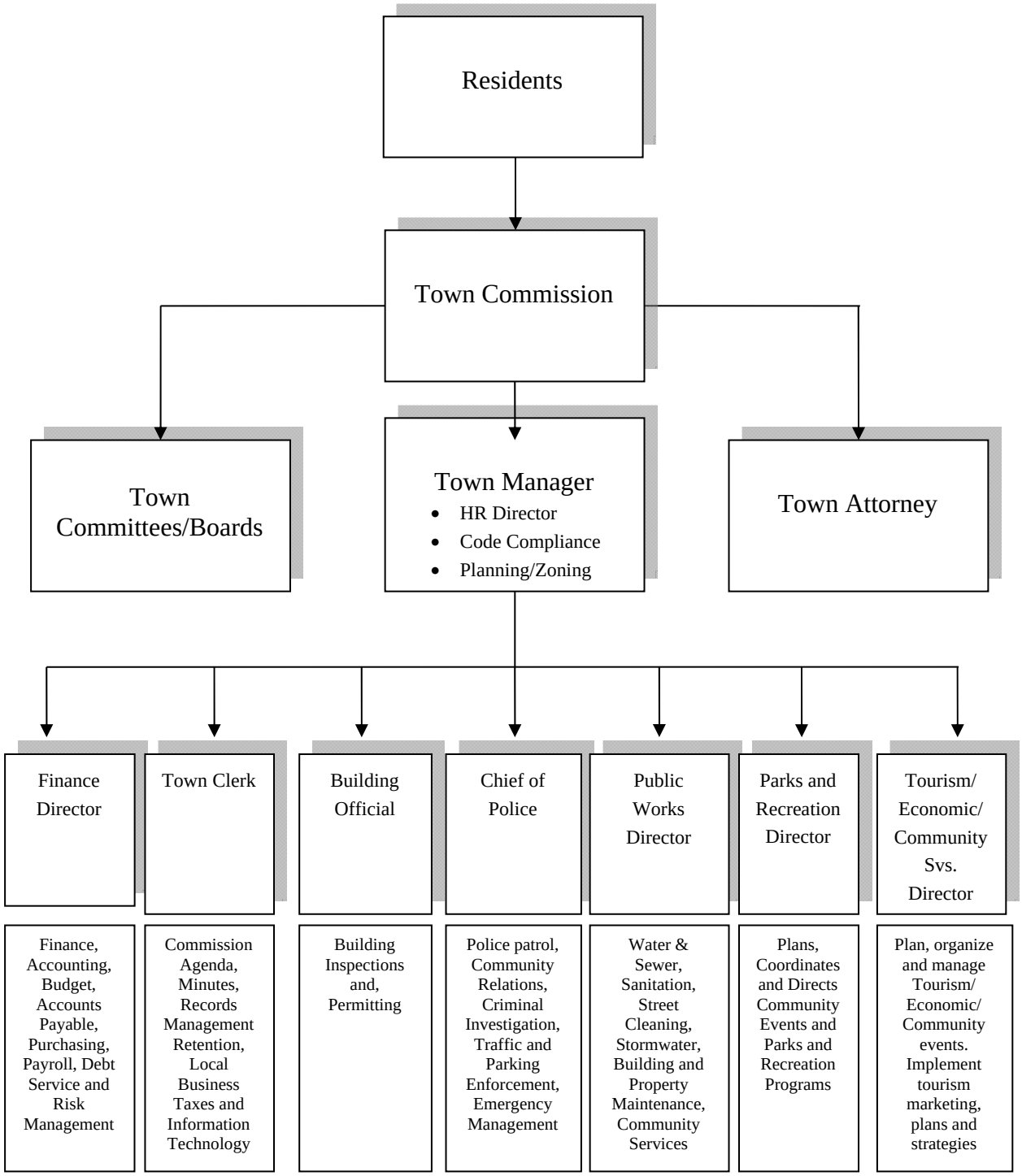
INDEPENDENT AUDITORS

Marcum LLP

TOWN OF SURFSIDE, FLORIDA

ORGANIZATION CHART

SEPTEMBER 30, 2021



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Surfside
Florida

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morrill

Executive Director/CEO



(This page intentionally left blank)

2021

FINANCIAL SECTION



TOWN OF SURFSIDE

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, 2021, 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, 2021, 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 May 5, 2022 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
May 5, 2022



(This page intentionally left blank)

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

This section of the Annual Comprehensive 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 as of and for the fiscal year ended September 30, 2021. The Town's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

2021 FINANCIAL HIGHLIGHTS

- The Town's total assets plus deferred outflows exceeded its total liabilities plus deferred inflows of resources by $60,489,866 (total net position) as of September 30, 2021.

- Total net position increased $4,035,786 as compared to the previous fiscal year 2020. The total components are comprised of the following:
  (1) Capital assets, net of related debt, of $24,660,611 include property and equipment, net of accumulated depreciation, and reduced by capital related outstanding debt.
  (2) Net position of $8,502,787 is restricted by constraints imposed from outside the Town such as grantors, laws, or regulations.
  (3) Unrestricted net position consists of $27,326,468 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 $33,945,465 at September 30, 2021. This compares to the prior year total ending fund balance of $28,383,332, showing an increase of $5,562,133 during the current year. Unassigned fund balance is $18,929,974 at September 30, 2021.

- At the end of the current fiscal year, the unassigned fund balance for the General Fund was $18,929,974 or 136% of total General Fund expenditures. Financially, fiscal year 2021 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 defined benefit 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

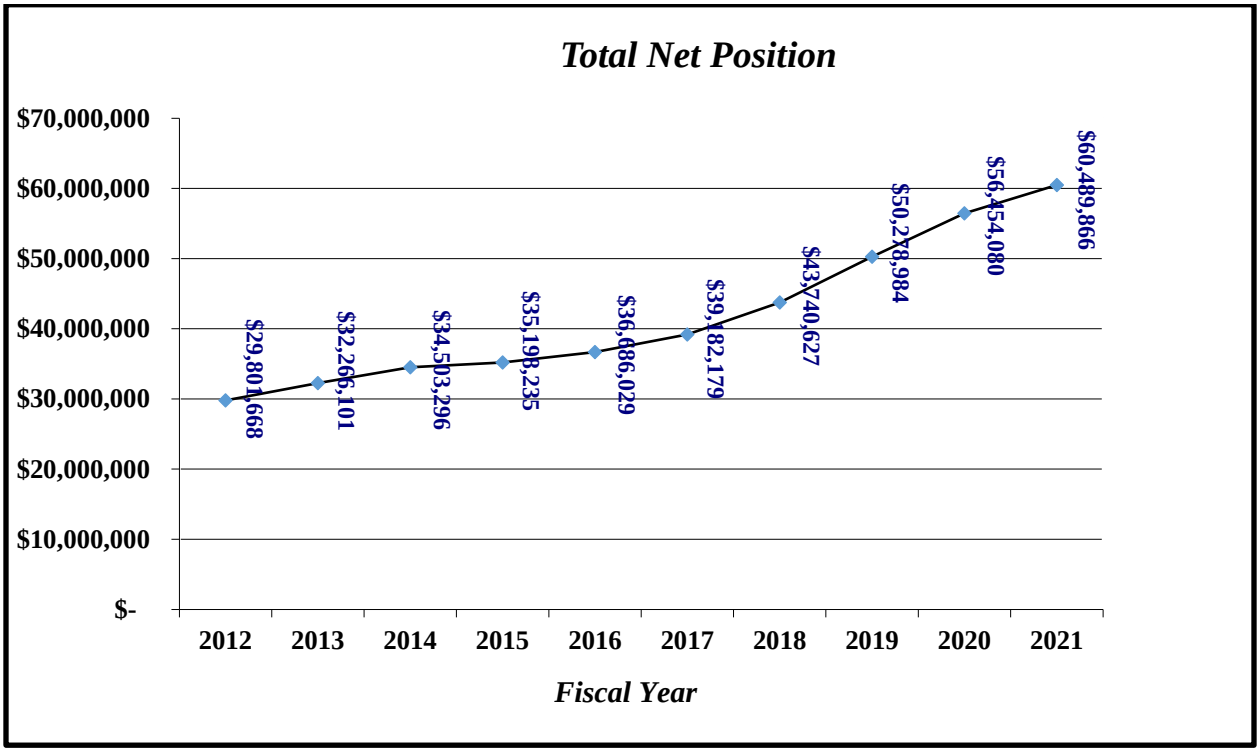
The following table provides a summary of the Town's net position:

Summary of Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**
Assets:						
Current assets	$ 37,136,684	$ 30,529,640	$ 8,209,448	$ 7,494,363	$ 45,346,132	$ 38,024,003
Non-current assets						
Capital assets	13,781,130	14,188,857	22,243,158	23,123,558	36,024,288	37,312,415
Total assets	50,917,814	44,718,497	30,452,606	30,617,921	81,370,420	75,336,418
Deferred outflows of resources	2,612,643	2,168,734	407,586	326,419	3,020,229	2,495,153
Liabilities:						
Current liabilities	2,094,205	1,309,952	1,049,834	1,188,124	3,144,039	2,498,076
Long-term liabilities	6,524,536	4,398,339	12,906,000	13,797,589	19,430,536	18,195,928
Total liabilities	8,618,741	5,708,291	13,955,834	14,985,713	22,574,575	20,694,004
Deferred inflows of resources	852,646	262,787	492,353	420,800	1,344,899	683,487
Net position:						
Net investment in capital assets	14,338,005	14,188,857	10,471,754	10,137,001	24,809,759	24,325,858
Restricted	6,140,328	3,582,895	2,362,459	2,112,459	8,502,787	5,695,354
Unrestricted	23,580,737	23,144,501	3,577,792	3,288,367	27,158,529	26,432,868
Total net position	$ 44,059,070	$ 40,916,253	$ 16,412,005	$ 15,537,827	$ 60,471,075	$ 56,454,080

(This page continued on the subsequent page)

The following chart reports the Town's total net position balances from fiscal year 2012 - 2021.



Over the last ten years, the total net position has increased $30,688,198 or 103%.

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 18 to 1 as compared to 23 to 1 at September 30, 2020. The current ratio for business-type activities is 8 to 1 as compared to 6 to 1 at September 30, 2020. Overall, the total current ratio at September 30, 2021 was 14 to 1 as compared to 15 to 1 at September 30, 2020.

The Town reported positive balances in net position for both governmental and business-type activities. During 2021, net position increased $3,159,279 for governmental activities and increased $876,511 for business-type activities. The Town's overall financial position improved during fiscal year 2021. The Town remains in a strong financial position.

From governmental activities total assets 32.2% are invested in capital assets. The Town uses these capital assets to provide services to its Town residents. In addition, 63.8% of the business-type activities total assets are invested in capital assets. These capital assets provide utility and parking services to the Town's residents. The combined governmental activities with business-type activities invested in capital assets were 43.1% of total assets in fiscal year 2021, 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	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**
Revenues:						
Program:						
Charges for services	$ 2,139,146	$ 2,087,160	$ 7,985,788	$ 8,097,367	$ 10,124,934	$ 10,184,527
Operating grants and contributions	940,796	403,994	529,382	-	1,470,178	403,994
Capital grants	-	-	-	-	-	-
General:						
Property taxes	13,175,991	12,974,092	-	-	13,175,991	12,974,092
Other taxes	5,785,256	3,972,744	-	-	5,785,256	3,972,744
Unrestricted intergovermental	878,945	1,114,171	-	-	878,945	1,114,171
Unrestricted investment earnings	33,739	276,294	7,550	53,638	41,289	329,932
Cares Act	-	80,160	-	-	-	80,160
Miscellaneous	393,339	735,155	-	-	393,339	735,155
Total revenues	23,347,212	21,643,770	8,522,720	8,151,005	31,869,932	29,794,775
Program Expenses:						
General government	7,972,998	7,918,706	-	-	7,972,998	7,918,706
Public safety	8,063,968	6,418,063	-	-	8,063,968	6,418,063
Public works	1,908,812	1,811,200	-	-	1,908,812	1,811,200
Leisure services	653,640	464,339	-	-	653,640	464,339
Transportation	180,781	198,279	-	-	180,781	198,279
Water and sewer	-	-	3,638,166	3,317,613	3,638,166	3,317,613
Municipal parking	-	-	1,129,925	1,124,140	1,129,925	1,124,140
Sanitation	-	-	1,944,260	1,892,905	1,944,260	1,892,905
Stormwater utility	-	-	568,390	474,434	568,390	474,434
Total expenses	18,780,199	16,810,587	7,280,741	6,809,092	26,060,940	23,619,679
Changes in net position before transfers and extraordinary item	4,567,013	4,833,183	1,241,979	1,341,913	5,808,992	6,175,096
Extraordinary item	(1,791,997)	-	-	-	(1,791,997)	-
Transfers	367,801	373,397	(367,801)	(373,397)	-	-
Changes in net position after transfers	3,142,817	5,206,580	874,178	968,516	4,016,995	6,175,096
Beginning net position	40,916,253	35,709,673	15,537,827	14,569,311	56,454,080	50,278,984
Ending net position	$ 44,059,070	$ 40,916,253	$ 16,412,005	$ 15,537,827	$ 60,471,075	$ 56,454,080

Governmental Activities Revenues

The Town is heavily reliant on property taxes to support governmental operations. Property taxes provided 56.4% of the Town's total revenues in fiscal year 2021 as compared to 59.9% in fiscal year 2020. Other taxes, which includes resort, franchise, utility and communications taxes provided 24.8% of the Town's total revenues in fiscal year 2021 as compared to 18.4% in fiscal year 2020. At the government-wide financial reporting level, charges for services remained relatively consistent in spite of the residual effects of the Covid-19 pandemic.

Note that program revenues consisted of 14.9% of governmental operating expenses as compared to 14.8% in fiscal year 2020. In fiscal year 2021, 92% of governmental activities, primarily from property and other taxes, was funded through general revenues. 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	$ 7,972,998	40.3%	$ 5,600,697	35.7%
Public safety	9,063,968	45.8%	7,764,883	49.5%
Public works	1,908,812	9.7%	1,908,812	12.2%
Leisure services	653,640	3.3%	491,016	3.1%
Transportation	180,781	0.9%	(65,151)	-0.4%
Total	$ 19,780,199	100.0%	$ 15,700,257	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 $1,244,312 in the Business-type activities. The total increase in net position for all enterprise funds was $876,511.

The operating income (loss) for each major enterprise fund was as follows for fiscal years 2021 and 2020:

	Operating Income (Loss)		
	2021	2020	Increase (Decrease)
Water and sewer	$ 698,121	$ 1,507,661	$ (809,540)
Municipal parking	334,798	50,467	284,331
Sanitation	(349,230)	(253,194)	(96,036)
Stormwater	432,713	438,396	(5,683)
Total	$ 1,116,402	$ 1,743,330	$ (626,928)

The following includes an analysis of the fiscal year 2021 financial activities for each enterprise fund.

Water and Sewer Fund - The total assets remained constant at $20.6 million in the current fiscal year. However, there was an increase of cash of $286 thousand that was offset by a decrease in the net book value of capital assets due to depreciation expense of $795 thousand for the current fiscal year. Total liabilities decreased by $984 thousand million primarily due to a reduction of the debt principal outstanding in fiscal year 2021 of $911 thousand.

Operating revenues decreased $456 thousand or 10.2% in the current fiscal year. Total operating expenses increased $353 thousand or 11.8%. The increase in operating expenses was due primarily to an increase in water and sewer consumption in fiscal year 2021 as the COVID-19 pandemic restrictions began to decrease and workers began to return to the workplace.

Net position increased $714,688 in fiscal year 2021, resulting in an ending net position of $9,051,341.

Municipal Parking Fund – Total assets increased $298,718 or 7.6% in fiscal year 2021. There was a reduction in the net book value of capital assets due to depreciation expense of $134,487 for the current fiscal year.

Operating revenues increased by $290,116 or 24.7% and operating expenses remained constant versus fiscal year 2020. In total, operating income increased $285,077 in fiscal year 2021. Net position increased $224,125 in fiscal year 2021, resulting in an ending net position of $3,612,773.

Sanitation Fund - Total assets decreased $259,324 or 2% for the current fiscal year. There was reduction in the net book value of capital assets due to depreciation expense of $88,584 for the current fiscal year. Total liabilities increased by $203,042 or 39.2% from the previous fiscal year. Operating revenues decreased $225,573 or 12% from fiscal year 2019.

Total operating expenses increased $50,398 or 2.7 from the previous fiscal year. Total operating expenses increased $147,483 or 8.4%. Operating income decreased $95,079 or 37.6% due to an increase in operating expenses as previously stated. Net position decreased $462,292 in fiscal year 2021, resulting in an ending net position of $198,670.

Stormwater Fund - The total assets increased $109,747 or 1.7%. Cash and cash equivalent decreased $129,044 or 5.4%. Net capital assets decreased $130,396 from fiscal year 2020 due to current year asset depreciation. Total liabilities decreased $290,949 primarily due to long-term debt service payments of $303,788.

The operating revenues increased $99,400 or 12.4% from fiscal year 2020; in contrast, operating expenses increased $104,909 or 29.1% during the same period. This was due to an increase in maintenance costs of stormwater facilities during fiscal year 2021.

Net position increased $399,990 in fiscal year 2021, resulting in ending net position of $3,551,554.

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 $33,945,465 in the current fiscal year compared to $28,383,332 at September 30, 2020.

Total governmental revenues and transfers-in exceeded expenditures and transfers-out by $5,562,133. The general fund's revenues and transfers-in exceeded its expenditures and transfers-out by $2,435,923. The building fund's expenditures and transfers-out exceeded its revenues by $153,570. The capital projects fund's revenues and transfers-in exceeded its expenditures by $981,411. The tourism fund's revenues exceeded its expenditures and transfers-out by $2,119,656.

Governmental funds report total fund balance of $33,945,465. Of the current year-end total, $5,049,308 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 $5,894,823 is assigned in the Capital Projects Fund for future capital projects. Unassigned fund balance at year end is $18,929,974 and is available for future appropriation within the General Fund.

The total ending fund balances of governmental funds shows an increase of $5,562,133 or 2.6% 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 $2,435,923 or 13.1%. The ending unassigned fund balance is considered adequate, representing the equivalent of 136% of annual expenditures, excluding inter-fund transfers-out. This compares to 139% at September 30, 2020.

Property taxes remained consistent from prior year at $13.2 million in fiscal year 2021.

Intergovernmental revenue increased $404,731 or 36.3% from the prior year. Miscellaneous revenues decreased $368,914 or 50.8% due to developer contributions amounting to $332 thousand in the previous fiscal year. Interest earnings decreased $194,157 or 88.7% from the prior year. All other revenue streams were consistent with fiscal year 2020 amounts.

Total General Fund expenditures increased $2,055,390 or 17.2% from fiscal year 2020. This increase was mainly due to up front expenditures of $1.79 million in disaster relief assistance related to the Champlain Towers South building collapse in fiscal year 2021. In the coming fiscal year management is diligently working towards the recovery of these costs associated with this disaster from the Federal Emergency Management Agency (FEMA).

Capital Projects Fund - This fund reports revenues primarily from inter-fund transfers and various outside sources. In fiscal year 2021 inter-fund transfers-in were $1.2 million from the General Fund intended for future projects outlined in the five-year Capital Improvement Plan. This fund spent $223,712 on capital projects in fiscal year 2021. At September 30, 2021, this fund reported $5,943,077 in cash and investments and an ending fund balance of $5,894,823.

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 $759,793 and spent $785,723 with an ending fund balance of $1,904,548.

Tourism Fund – This special revenue fund is funded almost entirely from Resort Taxes. Total revenues from these taxes increased $1,797,495 or 69.1%, and total expenditures in this fund increased $124,756 or 5.9%. As the name implies this fund relies on tourism; consequently, due to the easing of Covid-19 restriction in fiscal year 2021 revenues have significantly recovered after the restrictions have been lifted. Total expenditures increased $124,756 or 5.9%.

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 2021 General Fund's budget was amended and total expenditures increased $1,009,087 or 7.75%. Nevertheless, transfers-out in the General Fund's budget decreased $2,233,802 or 64.9% exceeding the budget increase by $1,224,715 in the General Fund's total expenditures.

Revenue – Intergovernmental revenues were $709,365 or 187% above budget and this increase was mainly due to monies received from FEMA for expenditures incurred during Hurricane Irma; in addition to, funds received from the U.S. Department of the Treasury for the CARES Act. Because of the lengthy process of approval and obligation of funds; monies received from FEMA were recognized in fiscal year 2021.

Property taxes were $257,940 or 1.9% higher than budget due to an increase in collection during fiscal year 2021.

Interest earnings and charges for services were lower than budget $80,287 and $114,976, respectively. This decrease of revenue was caused by the economic conditions and workplace lockdown due to the COVID-19 pandemic which were still in effect in fiscal year 2021.

In total, actual revenues were above budget by $996,449 or 6.2% in fiscal year 2021.

Expenditures - The Finance and IT expenditures were lower than budget by $245,142 or 21% due to a reduction in personnel expenses and lower expenses in professional services for IT services in fiscal year 2021.

Expenditures in public safety & planning were lower by $316,051 or 4.6% and $513,587 or 34.9%, respectively, as a result of employee attrition and lower expenses during the fiscal year.

The public works expenditures were lower than the budget by $378,849 or 22.9%. This was due to a reduction in usage of water and sewer gallonage in public works and town hall facilities. In addition, expenditures in different repair and maintenance accounts, including in the building and landscaping accounts were significantly lower in fiscal year 2021.

In total, actual expenditures were $1,865,226 or 13.3% below the final budget in fiscal year 2021.

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, 2021, was $13,753,006 and $22,373,169, respectively. The change in net investment was 3.1% decrease for governmental activities and 3.2% 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	
	2021	2020	2021	2020	2021	2020
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	145,940	52,950	-	27,397	145,940	80,347
Total non-depreciable	1,607,169	1,514,179	1,358,011	1,385,408	2,965,180	2,899,587
Depreciable assets:						
Buildings	11,343,486	11,282,004	-	-	11,343,486	11,282,004
Machinery, equipment and furniture	4,015,061	3,741,562	2,074,484	2,074,484	6,089,545	5,816,046
Infrastructure	6,603,169	6,410,734	29,523,948	29,228,018	36,127,117	35,638,752
Total depreciable assets	21,961,716	21,434,300	31,598,432	31,302,502	53,560,148	52,736,802
Less accumulated depreciation	9,787,755	8,759,622	10,713,285	9,564,352	20,501,040	18,323,974
Book value - depreciable assets	12,173,961	12,674,678	20,885,147	21,738,150	33,059,108	34,412,828
Percentage depreciated	45%	41%	34%	31%	38%	35%
Total net capital assets	$ 13,781,130	$ 14,188,857	$ 22,243,158	$ 23,123,558	$ 36,024,288	$ 37,312,415

At September 30, 2021, the depreciable capital assets for governmental activities were 44% depreciated. This compares to 41% at September 30, 2020. With the town's business-type activities, 34% of the asset values were depreciated at September 30, 2021, compared to 31% at September 30, 2020. 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 2021 were $629,308. Consisting primarily of various Parks & Recreation building and equipment improvements for $345,342 including the 96th Street Park and the Community Center renovation of the pools and their equipment. As well as $199,353 in renovation of the 92nd Street beach-end access and beach walking and hardpack paths.

Business-type Activities Capital Assets

Business-type Activities capital asset additions during 2021 were $295,930, consisting of the completion of the Biscaya Water main project for $295,927.

Debt

The following table reports long-term debt balances at September 30, 2021 and 2020:

Outstanding Long-term Debt

	Governmental Activities		Business-type Activities		Totals	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**
Revenue bonds	**$** -	**$** -	$ 5,816,464	$ 6,571,536	$ 5,816,464	$ 6,571,536
State revolving loan	-	-	5,954,940	6,415,021	5,954,940	6,415,021
Compensated absences	552,923	504,303	160,254	164,959	713,177	669,262
Total OPEB liability	1,042,895	929,050	275,711	268,133	1,318,606	1,197,183
Net pension liability	4,928,718	2,964,986	698,631	377,940	5,627,349	3,342,926
Total	$ 6,524,536	$ 4,398,339	$ 12,906,000	$ 13,797,589	$ 19,430,536	$ 18,195,928

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 3.6%.

The fiscal year 2021-2022 adopted operating budget reduces the Town's operating millage rate to 4.200 from 4.3499 in the previous fiscal year. Fiscal year 2021-2022 will be the sixth consecutive year the Town's millage rate will decrease. Taxable value plus new construction on the tax roll increased 5.3%, mainly from increased existing property taxable value. The Miami-Dade County Property Appraiser reported on July 1, 2021, the 2021 Preliminary Certification of Taxable Value of $3,392,259,681; an increase of $166.2 million over the 2020 Preliminary Certification of Taxable Value. The Town's diversified tax base from recent development projects and construction incorporated into the tax rolls has strengthened. This growth in taxable value 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. The impact of this unforeseen event has had an economic impact not only on the Town as an organization, but more importantly on the businesses and residents as well. Fiscal year 2021 specifically was affected as demonstrated in some of the categories discussed; however, some of the key factors have shown a dramatic turnaround, as is the case with resort tax. Still, long-term planning is very critical due to the continue developments of the disease and the economic uncertainty it brings.

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.



(This page intentionally left blank)

FINANCIAL STATEMENTS

TOWN OF SURFSIDE, FLORIDA

STATEMENT OF NET POSITION

SEPTEMBER 30, 2021

	Governmental Activities	Business-type Activities	Total
Assets			
Cash	$ 6,203,722	$ 1,391,115	$ 7,594,837
Investments	29,264,618	4,783,665	34,048,283
Receivables, net	842,685	2,656,434	3,499,119
Internal balances	642,615	(642,615)	--
Prepaid items	183,044	20,849	203,893
Capital assets not being depreciated	1,607,169	1,358,011	2,965,180
Capital assets being depreciated, net	12,173,961	20,885,147	33,059,108
Total Assets	50,917,814	30,452,606	81,370,420
Deferred Outflows of Resources			
Pension	2,285,155	323,914	2,609,069
OPEB	327,488	83,672	411,160
Total Deferred Outflows of Resources	2,612,643	407,586	3,020,229
Liabilities			
Accounts payable	964,587	243,753	1,208,340
Accrued liabilities	601,187	54,873	656,060
Interest payable	--	137,591	137,591
Unearned revenue	75,544	6,940	82,484
Customer deposits	452,887	606,677	1,059,564
Noncurrent liabilities:			
Due within one year	55,292	1,275,461	1,330,753
Due in more than one year	497,631	10,656,197	11,153,828
Net pension liability	4,928,718	698,631	5,627,349
Total OPEB liability	1,042,895	275,711	1,318,606
Total Liabilities	8,618,741	13,955,834	22,574,575
Deferred Inflows of Resources			
Pension	817,541	115,884	933,425
OPEB	35,105	8,969	44,074
Parking Trust	--	367,500	367,500
Total Deferred Inflows of Resources	852,646	492,353	1,344,999
Net Position			
Net investment in capital assets	14,338,005	10,471,754	24,809,759
Restricted for:			
Tourism	4,258,821	--	4,258,821
Transportation	569,453	--	569,453
Police forfeiture	221,034	--	221,034
Renewal and replacement	1,091,020	2,038,459	3,129,479
Loan reserve	--	324,000	324,000
Unrestricted	23,580,737	3,577,792	27,158,529
Total Net Position	$ 44,059,070	$ 16,412,005	$ 60,471,075

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, 2021

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	$ 7,972,998	$ 1,732,344	$ 639,957	$ --	$ (5,600,697)	$ --	$ (5,600,697)
Public safety	8,063,968	244,178	54,907	--	(7,764,883)	--	(7,764,883)
Public works	1,908,812	--	--	--	(1,908,812)	--	(1,908,812)
Leisure services	653,640	162,624	--	--	(491,016)	--	(491,016)
Transportation	180,781	--	245,932	--	65,151	--	65,151
Total Governmental Activities	18,780,199	2,139,146	940,796	--	(15,700,257)	--	(15,700,257)
Business-type Activities							
Water and sewer	3,638,166	4,027,771	--	428,346	--	817,951	817,951
Municipal parking	1,129,925	1,464,723	--	--	--	334,798	334,798
Sanitation	1,944,260	1,595,030	--	--	--	(349,230)	(349,230)
Stormwater utility	568,390	898,264	--	101,036	--	430,910	430,910
Total Business-type Activities	7,280,741	7,985,788	--	529,382	--	1,234,429	1,234,429
Total	$ 26,060,940	$ 10,124,934	$ 940,796	$ 529,382	(15,700,257)	1,234,429	(14,465,828)
	General Revenues						
	Taxes						
	Property taxes				13,175,991	--	13,175,991
	Resort taxes				4,372,990	--	4,372,990
	Franchise fees based on gross receipts				501,909	--	501,909
	Utility taxes				718,053	--	718,053
	Communications services tax				192,304	--	192,304
	Unrestricted intergovernmental revenues				878,945	--	878,945
	Unrestricted investment earnings				33,739	7,550	41,289
	Miscellaneous revenues				393,339	--	393,339
	Extraordinary item (Note 12)				(1,791,997)	--	(1,791,997)
	Transfers				367,801	(367,801)	--
	Total General Revenues and Transfers				18,843,074	(360,251)	18,482,823
	Change in Net Position				3,142,817	874,178	4,016,995
	Net Position - Beginning				40,916,253	15,537,827	56,454,080
	Net Position - Ending				$ 44,059,070	$ 16,412,005	$ 60,471,075

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

TOWN OF SURFSIDE, FLORIDA

BALANCE SHEET
GOVERNMENTAL FUNDS

SEPTEMBER 30, 2021

	General	Building	Capital Projects	Tourism	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash	$ 521,791	$ --	$1,904,717	$ 2,386,478	$ 1,082,939	$ 5,895,925
Investments	20,361,955	1,995,550	4,038,360	1,738,217	321,594	28,455,676
Receivables, net	544,518	--	--	226,113	72,054	842,685
Due from other funds	1,269,111	--	--	--	--	1,269,111
Prepaid items	161,176	--	--	5,636	--	166,812
Total Assets	$ 22,858,551	$ 1,995,550	$5,943,077	$ 4,356,444	$ 1,476,587	$ 36,630,209
Liabilities						
Accounts payable	$ 788,662	$ 23,504	$ 48,254	$ 53,430	$ 16,704	$ 930,554
Accrued liabilities	542,665	18,953	--	37,645	--	599,263
Due to other funds	--	7,375	--	--	619,121	626,496
Unearned revenue	23,187	1,170	--	912	50,275	75,544
Customer deposits	412,887	40,000	--	--	--	452,887
Total Liabilities	1,767,401	91,002	48,254	91,987	686,100	2,684,744
Fund Balances						
Non-spendable:						
Prepaid items	161,176	--	--	5,636	--	166,812
Restricted for:						
Tourism	--	--	--	4,258,821	--	4,258,821
Transportation surtax	--	--	--	--	569,453	569,453
Police forfeiture	--	--	--	--	221,034	221,034
Assigned for:						
Hurricanes and emergencies	2,000,000	--	--	--	--	2,000,000
Capital projects	--	--	5,894,823	--	--	5,894,823
Building projects	--	1,904,548	--	--	--	1,904,548
Unassigned	18,929,974	--	--	--	--	18,929,974
Total Fund Balances	21,091,150	1,904,548	5,894,823	4,264,457	790,487	33,945,465
Total Liabilities and Fund Balances	$ 22,858,551	$ 1,995,550	$5,943,077	$ 4,356,444	$ 1,476,587	
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						13,224,255
Deferred outflows of resources related to pensions/OPEB are recorded in the statement of net position						2,612,643
Deferred inflows of resources related to pensions/OPEB are recorded in the statement of net position						(852,646)
The assets and liabilities of the internal service funds are included in governmental activities in the statements of net position						1,647,895
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:						
Compensated absences						(546,929)
Net pension liability						(4,928,718)
Total OPEB liability						(1,042,895)
Net Position of Governmental Activities						$ 44,059,070

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, 2021

	General	Building	Capital Projects	Tourism	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	$ 13,175,991	$ --	$ --	$ --	$ --	$ 13,175,991
Resort taxes	--	--	--	4,372,990	--	4,372,990
Utility taxes	718,053	--	--	--	--	718,053
Communications services tax	192,304	--	--	--	--	192,304
Franchise fees	501,909	--	--	--	--	501,909
Licenses and permits	121,616	759,793	--	--	--	881,409
Intergovernmental	1,518,902	--	--	--	245,932	1,764,834
Charges for services	162,624	--	--	--	--	162,624
Fines and forfeitures	244,178	--	--	--	54,907	299,085
Interest earnings	24,713	--	5,123	2,305	588	32,729
Miscellaneous	357,760	10,022	--	25,557	--	393,339
Total Revenues	17,018,050	769,815	5,123	4,400,852	301,427	22,495,267
Expenditures						
Current:						
General government	3,880,197	785,723	--	2,112,808	--	6,778,728
Public safety	6,513,326	--	--	--	2,162	6,515,488
Public works	1,274,480	--	--	--	--	1,274,480
Leisure services	390,296	--	--	--	--	390,296
Transportation	--	--	--	--	109,846	109,846
Capital outlay	105,359	--	223,712	111,029	--	440,100
Total Expenditures	12,163,658	785,723	223,712	2,223,837	112,008	15,508,938
Excess (Deficiency) of Revenues over Expenditures	4,854,392	(15,908)	(218,589)	2,177,015	189,419	6,986,329
Other Financing Sources (Uses)						
Transfers in	573,528	--	1,200,000	--	--	1,773,528
Transfers out	(1,200,000)	(137,662)	--	(57,359)	(10,706)	(1,405,727)
Total Other Financing Sources (Uses)	(626,472)	(137,662)	1,200,000	(57,359)	(10,706)	367,801
Extraordinary Item (Note 12)	(1,791,997)	--	--	--	--	(1,791,997)
Net Change in Fund Balances	2,435,923	(153,570)	981,411	2,119,656	178,713	5,562,133
Fund Balances - Beginning	18,655,227	2,058,118	4,913,412	2,144,801	611,774	28,383,332
Fund Balances - Ending	$ 21,091,150	$ 1,904,548	$ 5,894,823	$ 4,264,457	$ 790,487	$ 33,945,465

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, 2021

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds		$ 5,562,133
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	$ 440,100	
Depreciation	(900,292)	
Net adjustment		(460,192)
The change in net position of the internal service fund activities are reported with governmental activities		312,053
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	(47,650)	
Deferred outflows	488,337	
Deferred inflows	(597,864)	
Net pension liability	(1,963,732)	
Total OPEB liability	(150,268)	
Net adjustment		(2,271,177)
Change in net position of governmental activities		$ 3,142,817

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

TOWN OF SURFSIDE, FLORIDA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

SEPTEMBER 30, 2021

	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	$ 578,015	$ 564,316	$ --	$ 248,784	$ 1,391,115	$ 307,797
Investments	1,178,611	1,305,352	--	2,299,702	4,783,665	808,942
Receivables, net	1,583,565	400,542	307,722	364,605	2,656,434	--
Due from other funds	--	--	--	1,096,671	1,096,671	--
Prepaid items	5,634	1,128	14,087	--	20,849	16,232
Total Current Assets	3,345,825	2,271,338	321,809	4,009,762	9,948,734	1,132,971
Noncurrent Assets						
Capital Assets						
Land	--	1,358,011	--	--	1,358,011	--
Infrastructure	24,493,650	1,447,360	--	3,548,835	29,489,845	--
Vehicles	--	--	--	--	--	794,088
Equipment	357,592	747,792	969,100	34,100	2,108,584	--
	24,851,242	3,553,163	969,100	3,582,935	32,956,440	794,088
Less: accumulated depreciation	(7,597,246)	(1,599,019)	(499,551)	(1,017,466)	(10,713,282)	(237,213)
Total Capital Assets, Net	17,253,996	1,954,144	469,549	2,565,469	22,243,158	556,875
Total Noncurrent Assets	17,253,996	1,954,144	469,549	2,565,469	22,243,158	556,875
Total Assets	20,599,821	4,225,482	791,358	6,575,231	32,191,892	1,689,846
Deferred Outflows of Resources						
Pension	63,361	103,665	132,775	24,113	323,914	--
OPEB	14,596	16,447	46,256	6,373	83,672	--
Total Deferred Outflows of Resources	77,957	120,112	179,031	30,486	407,586	--
Liabilities						
Current Liabilities						
Accounts payable	167,835	21,825	41,996	12,097	243,753	34,033
Accrued liabilities	18,679	11,759	22,367	2,068	54,873	1,924
Due to other funds	1,692,076	--	47,210	--	1,739,286	--
Interest payable	103,193	--	--	34,398	137,591	--
Current portion of revenue bonds payable	593,033	--	--	197,678	790,711	--
Current portion of state revolving loan payable	351,544	--	--	117,181	468,725	--
Compensated absences	3,558	2,165	10,302	--	16,025	599
Unearned revenue	--	6,940	--	--	6,940	--
Customer deposits	606,677	--	--	--	606,677	--
Total Current Liabilities	3,536,595	42,689	121,875	363,422	4,064,581	36,556
Noncurrent Liabilities						
Total OPEB liability	13,409	41,456	219,241	1,605	275,711	--
Net pension liability	136,660	223,588	286,375	52,008	698,631	--
Compensated absences	32,021	19,484	92,724	--	144,229	5,395
Revenue bonds payable	3,769,315	--	--	1,256,438	5,025,753	--
State revolving loan payable	4,114,661	--	--	1,371,554	5,486,215	--
Total Noncurrent Liabilities	8,066,066	284,528	598,340	2,681,605	11,630,539	5,395
Total Liabilities	11,602,661	327,217	720,215	3,045,027	15,695,120	41,951
Deferred Inflows of Resources						
Pension	22,668	37,087	47,502	8,627	115,884	--
OPEB	1,564	1,763	4,959	683	8,969	--
Parking Trust	--	367,500	--	--	367,500	--
Total Deferred Inflows of Resources	24,232	406,350	52,461	9,310	492,353	--
Net Position						
Net investment in capital assets	8,425,443	1,954,144	469,549	(377,382)	10,471,754	556,875
Restricted for renewal and replacement	1,772,319	--	--	266,140	2,038,459	1,091,020
Restricted for loan reserve	243,000	--	--	81,000	324,000	--
Unrestricted	(1,389,877)	1,657,883	(271,836)	3,581,622	3,577,792	--
Total Net Position	$ 9,050,885	$ 3,612,027	$ 197,713	$ 3,551,380	$ 16,412,005	$ 1,647,895

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, 2021

	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	$ 1,988,710	$ --	$ --	$ --	$ 1,988,710	$ --
Sewer charges	2,035,208	--	--	--	2,035,208	--
Parking fees	--	1,464,723	--	--	1,464,723	--
Solid waste fees	--	--	1,493,728	--	1,493,728	--
Recycling fees	--	--	93,882	--	93,882	--
Drainage fees	--	--	--	898,264	898,264	--
Service charges	--	--	--	--	--	850,935
Miscellaneous	3,853	--	7,420	--	11,273	--
Total Operating Revenues	4,027,771	1,464,723	1,595,030	898,264	7,985,788	850,935
Operating Expenses						
Personal services	506,524	573,852	1,011,453	142,673	2,234,502	83,814
Administrative	131,326	421,586	348,104	192,482	1,093,498	63,900
Water system	640,942	--	--	--	640,942	--
Sewer system	1,255,392	--	--	--	1,255,392	--
Solid waste system	--	--	496,119	--	496,119	--
Repairs and maintenance	--	--	--	--	--	255,435
Depreciation	795,466	134,487	88,584	130,396	1,148,933	136,743
Total Operating Expenses	3,329,650	1,129,925	1,944,260	465,551	6,869,386	539,892
Operating Income (Loss)	698,121	334,798	(349,230)	432,713	1,116,402	311,043
Nonoperating Revenues (Expenses)						
Intergovernmental	428,346	--	--	101,036	529,382	--
Interest earnings	1,648	1,881	699	3,322	7,550	1,010
Interest expense	(308,516)	--	--	(102,839)	(411,355)	--
Total Nonoperating Revenues (Expenses)	121,478	1,881	699	1,519	125,577	1,010
Income Before Transfers	819,599	336,679	(348,531)	434,232	1,241,979	312,053
Transfers out	(105,367)	(113,300)	(114,718)	(34,416)	(367,801)	--
Total Transfers	(105,367)	(113,300)	(114,718)	(34,416)	(367,801)	--
Change in Net Position	714,232	223,379	(463,249)	399,816	874,178	312,053
Net Position - Beginning	8,336,653	3,388,648	660,962	3,151,564	15,537,827	1,335,842
Net Position - Ending	$ 9,050,885	$ 3,612,027	$ 197,713	$ 3,551,380	$ 16,412,005	$ 1,647,895

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, 2021

	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	$ 4,163,582	$ 1,455,408	$ 1,615,732	$ 787,165	$ 8,021,887	$ 850,935
Receipts from other funds	--	--	47,210	--	47,210	--
Payments to suppliers	(2,056,872)	(437,910)	(832,262)	(187,606)	(3,514,650)	(330,844)
Payments to employees	(435,019)	(465,674)	(868,573)	(129,669)	(1,898,935)	(83,166)
Net Cash Provided by (Used In) Operating Activities	1,671,691	551,824	(37,893)	469,890	2,655,512	436,925
Cash Flows from Noncapital Financing Activities						
Transfers out	(105,367)	(113,300)	(114,718)	(34,416)	(367,801)	--
Net Cash Used in Noncapital Financing Activities	(105,367)	(113,300)	(114,718)	(34,416)	(367,801)	--
Cash Flows from Capital and Related Financing Activities						
Acquisition and construction of capital assets	(268,532)	--	--	--	(268,532)	(189,208)
Capital grants	428,346	--	--	101,036	529,382	--
Proceeds from sale of capital assets	--	1,881	--	--	1,881	--
Principal payments	(911,365)	--	--	(303,787)	(1,215,152)	--
Interest expense and debt related costs	(320,997)	--	--	(107,001)	(427,998)	--
Net Cash Provided by (Used in) Capital and Related Financing Activities	(1,072,548)	1,881	--	(309,752)	(1,380,419)	(189,208)
Cash Flows from Investing Activities						
Interest earnings	1,648	--	699	3,322	5,669	1,010
Sale of investments	--	--	151,912	--	151,912	--
Purchases of investments	(209,855)	(166,341)	--	(282,704)	(658,900)	(286,895)
Net Cash Provided by (Used in) Investing Activities	(208,207)	(166,341)	152,611	(279,382)	(501,319)	(285,885)
Net Increase (Decrease) in Cash	285,569	274,064	--	(153,660)	405,973	(38,168)
Cash - Beginning	292,446	290,252	--	402,444	985,142	345,965
Cash - Ending	$ 578,015	$ 564,316	$ --	$ 248,784	$ 1,391,115	$ 307,797

(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, 2021

	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 (Used In) Operating Activities						
Operating income (loss)	$ 698,121	$ 334,798	$ (349,230)	$ 432,713	$ 1,116,402	$ 311,043
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	795,466	134,487	88,584	130,396	1,148,933	136,743
Changes in assets, liabilities and deferred inflows/outflows:						
(Increase) decrease in:						
Receivables	236,258	7,193	20,702	(111,099)	153,054	--
Prepaid items	(522)	7	(1,874)	--	(2,389)	(257)
Deferred outflows - pension/OPEB	(16,422)	(25,018)	(33,921)	(5,806)	(81,167)	--
Increase (decrease) in:						
Accounts payable	(28,690)	(16,331)	13,835	4,876	(26,310)	(11,252)
Accrued liabilities	5,425	(1,345)	5	(1,424)	2,661	(322)
Unearned revenue	--	2,448	--	--	2,448	--
Due to other funds	--	--	47,210	--	47,210	--
Compensated absences	(359)	2,383	3,752	(10,481)	(4,705)	970
Net pension liability	62,583	99,241	135,402	23,465	320,691	--
Total OPEB liability	1,412	2,764	2,838	564	7,578	--
Deferred inflows - pensions/OPEB	18,866	27,705	34,804	6,686	88,061	--
Deferred inflows - parking trust	--	(16,508)	--	--	(16,508)	--
Customer deposits	(100,447)	--	--	--	(100,447)	--
Total adjustments	973,570	217,026	311,337	37,177	1,539,110	125,882
Net Cash Provided by (Used In) Operating Activities	$ 1,671,691	$ 551,824	$ (37,893)	$ 469,890	$ 2,655,512	$ 436,925

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

TOWN OF SURFSIDE, FLORIDA

STATEMENT OF FIDUCIARY NET POSITION

SEPTEMBER 30, 2021

Assets	
Money market funds	$ 570,202
U.S. Treasury securities	211,801
Municipal obligations	356,084
Corporate bonds	4,356,887
Mortgage backed securities	2,250,945
Equities	
Common stock and American depositary receipts and exchange traded funds	8,462,199
Mutual funds	11,132,596
Real estate investment trusts	129,387
Collective investment trust	3,415,032
Core real estate fund	2,385,567
Total Investments	33,270,700
Receivables	
Interest and dividends	45,463
Employee contributions	20,980
Total Receivables	66,443
Total Assets	33,337,143
Liabilities and Net Position	
Accounts payable	16,322
Refunds due to members	39,345
Total Liabilities	55,667
Net Position Restricted for Pension Benefits	$ 33,281,476

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, 2021

Additions	
Contributions	
Plan members	$ 489,986
Town	1,420,078
	1,910,064
Investment Income	
Net appreciation in fair value of investments	5,614,531
Interest and dividends	771,425
	6,385,956
Less investment expenses	(141,071)
Net Investment Income	6,244,885
Total Additions	8,154,949
Deductions	
Benefit payments	873,402
Refunds of contributions	118,523
Administrative expenses	131,277
Total Deductions	1,123,202
Change in Net Position	7,031,747
Net Position Restricted for Pension Benefits- Beginning	26,249,729
Net Position Restricted for Pension Benefits - Ending	$ 33,281,476

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



(This page intentionally left blank)

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.

IMPLEMENTATION OF NEW GASB STATEMENTS

During fiscal year 2021, the Town implemented GASB Statement No. 84, *Fiduciary Activities*, Statement No. 90, *Majority Equity Interests*, Statement No. 95 – *Postponement of the Effective Dates of Certain Authoritative Guidance* and GASB Statement No. 98, *The Annual Comprehensive Financial Report*.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 and money market funds, are reported at fair value using quoted market prices. The Florida PRIME is recorded at its value of the pool shares, and the money market funds, which are at amortized cost.

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.

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)

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.

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 2021 into The Retirement Plan for the Employees of the Town of Surfside. The net pension liability associated with the Plan

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

6. Deferred Outflows/Inflows of Resources (continued)

was measured as of September 30, 2020. The amounts paid during fiscal year 2021 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.

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.

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*

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.

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.

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)*

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.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

12. Net Position (continued)

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).

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS – TOWN

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 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, 2021, 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.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS – TOWN (CONTINUED)

As of September 30, 2021, the Town had the following investment subject to interest rate risk:

	Reported Value	Weighted Average Maturity
Investments		
Florida PRIME	$ 34,048,283	49 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.

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, 2021, the Town's portfolio did not have any investments subject to a concentration of credit risk, other than Florida PRIME.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

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.

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.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS – PENSION TRUST FUND (CONTINUED)

Investments held in trust for Plan benefits consist of the following at September 30, 2021:

	Reported Value
Investments	
Money market funds	$ 570,202
U.S. Treasury securities	211,801
Municipal obligations	356,084
Corporate bonds	4,356,887
Mortgage backed securities	2,250,945
Equities	
Common stock and American depositary receipts and exchange traded funds	8,462,199
Mutual funds	11,132,596
Real estate investment trusts	129,387
Collective investment trust	3,415,032
Core real estate fund	2,385,567
Total	$ 33,270,700

As of September 30, 2021, the Plan had the following investment types subject to interest rate risk:

Investment Type	Fair Value	Sector Distribution
Corporate bonds	$ 4,356,887	60.7%
Municipal obligations	356,084	5.0%
U.S. Treasury securities	211,801	3.0%
Mortgage backed securities	2,250,945	31.4%
Total Fair Value	$ 7,175,717	

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS – PENSION TRUST FUND (CONTINUED)

Maturity Distribution		Credit Quality Distribution	
Years	% of Fixed Income Securities	Rating	% of Fixed Income Securities
0-1	0.7%	AAA	18.6%
1-5	29.2%	AA	4.4%
5-10	26.0%	A	10.8%
10+	44.1%	BBB	18.8%
	100.0%	Not Rated	47.4%
			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, 2021, 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.

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.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS – PENSION TRUST FUND (CONTINUED)

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).

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.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS – PENSION TRUST FUND (CONTINUED)

Fair Value Hierarchy (continued)

The following is a summary of the fair value hierarchy of investments as of September 30, 2021:

		Fair Value Measurements Using		
	9/30/2021	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	$ 211,801	$ --	$ 211,801	$ --
Corporate bonds	4,356,887	--	4,356,887	--
Municipal obligations	356,084	--	356,084	--
Mortgage backed securities	2,250,945	--	2,250,945	--
Total debt securities	7,175,717	--	7,175,717	--
Equity securities				
Common stock, ADRs, and ETFs	8,462,199	8,462,199	--	--
Mutual funds	11,132,596	11,132,596	--	--
Real Estate Investment Trusts	129,387	129,387	--	--
Total equity securities	19,724,182	19,724,182	--	--
Total investments at fair value	26,899,899	$ 19,724,182	$ 7,175,717	$ --
Investments Measured at Net Asset Value (NAV)				
Core real estate fund	2,385,567			
Collective investment trust	3,415,032			
Total investments measured at NAV	5,800,599			
Money market funds (exempt)	570,202			
Total investments	$ 33,270,700			

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)]	$ 2,385,567	$ 308,803	Quarterly	N/A
Collective Investment Trust [(2)]	$ 3,415,032	$ --	5 Day Notice	N/A

(1) *Core real estate funds*. These funds are an open-end core real estate fund with a diversified portfolio of income producing institutional properties throughout the U.S. These investments are valued at NAV and are 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, 2021 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	$ 355,021	$ 226,113	$ 72,054	$ --	$ --	$ --	$ --	$ 653,188
Other	189,497	--	--	--	400,542	--	--	590,039
Accounts - billed	--	--	--	958,991	--	307,722	246,174	1,512,887
Accounts - unbilled	--	--	--	624,574	--	--	118,431	743,005
Gross receivables	544,518	226,113	72,054	1,583,565	400,542	307,722	364,605	3,499,119
Less: allowance for uncollectibles	--	--	--	--	--	--	--	--
Total Receivables, Net	$ 544,518	$ 226,113	$ 72,054	$ 1,583,565	$ 400,542	$ 307,722	$ 364,605	$ 3,499,119

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, 2021, 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, 2021, there were no material delinquent taxes.

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of the interfund balances as of September 30, 2021 is as follows:

DUE TO/FROM OTHER FUNDS

	Payable Fund					
Receivable Funds	Water and Sewer Fund	Solid Waste Fund	Police Forfeiture Fund	Transportation Surtax Fund	Building Fund	Total
General Fund	$ 595,405	$ 47,210	$ 51,671	$ 567,450	$ 7,375	$ 1,269,111
Stormwater Utility Fund	1,096,671	--	--	--	--	1,096,671
	$ 1,692,076	$ 47,210	$ 51,671	$ 567,450	$ 7,375	$ 2,365,782

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	$ 573,528	$ 1,200,000
Building Fund	--	137,662
Capital Projects Fund	1,200,000	--
Tourism Fund	--	57,359
Transportation Surtax Fund (Nonmajor Fund)	--	10,706
Water and Sewer Fund	--	105,367
Municipal Parking Fund	--	113,300
Sanitation Fund	--	114,718
Stormwater Utility Fund	--	34,416
Total Interfund Transfers	$ 1,773,528	$ 1,773,528

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, 2021 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	52,950	223,712	130,722	145,940
Total Capital Assets Not Being Depreciated	1,514,179	223,712	130,722	1,607,169
Capital Assets Being Depreciated				
Buildings	11,282,003	61,483	--	11,343,486
Machinery, furniture and equipment	3,707,462	316,501	8,902	4,015,061
Infrastructure	6,444,835	158,334	--	6,603,169
Total Capital Assets Being Depreciated	21,434,300	536,318	8,902	21,961,716
Less: Accumulated Depreciation for				
Buildings	3,408,108	301,393	--	3,709,501
Machinery, furniture and equipment	2,582,188	394,789	8,902	2,968,075
Infrastructure	2,769,326	340,853	--	3,110,179
Total Accumulated Depreciation	8,759,622	1,037,035	8,902	9,787,755
Total Capital Assets Being Depreciated, Net	12,674,678	(500,717)	--	12,173,961
Governmental Activities Capital Assets, Net	$ 14,188,857	$ (277,005)	$ 130,722	$ 13,781,130
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	1,385,408	--	27,397	1,358,011
Capital Assets Being Depreciated				
Equipment	2,074,484	--	--	2,074,484
Infrastructure	29,228,018	295,930	--	29,523,948
Total Capital Assets Being Depreciated	31,302,502	295,930	--	31,598,432
Less: Accumulated Depreciation for				
Equipment	1,080,562	245,601	--	1,326,163
Infrastructure	8,483,790	903,332	--	9,387,122
Total Accumulated Depreciation	9,564,352	1,148,933	--	10,713,285
Total Capital Assets Being Depreciated, Net	21,738,150	(853,003)	--	20,885,147
Business-type Activities Capital Assets, Net	$ 23,123,558	$ (853,003)	$ 27,397	$ 22,243,158

NOTE 6 – CAPITAL ASSETS (CONTINUED)

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

Governmental Activities	
General government	$ 328,037
Public safety	66,916
Physical environment	492,670
Leisure services	78,477
Transportation	70,935
Total Depreciation Expense – Governmental Activities	$ 1,037,035
Business-type Activities	
Water and sewer	$ 795,466
Municipal parking	134,487
Sanitation	88,584
Stormwater utility	130,396
Total Depreciation Expense – Business-type Activities	$ 1,148,933

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, 2021:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Compensated absences	$ 504,303	$ 424,727	$ 376,107	$ 552,923	$ 55,292
Total Governmental Activities	$ 504,303	$ 424,727	$ 376,107	$ 552,923	$ 55,292

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, 2021:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type Activities					
Revenue bonds series 2011	$ 6,571,536	$ --	$ 755,072	$ 5,816,464	$ 790,711
State revolving loan	6,415,021	--	460,081	5,954,940	468,725
Compensated absences	164,959	80,429	85,134	160,254	16,025
Total Business-type Activities	$13,151,516	$ 80,429	$ 1,300,287	$ 11,931,658	$1,275,461

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 $6,797,898. For the current year, debt service which is comprised of accrued interest and principal payments was $1,065,249. Pledged revenues were $4,922,182.

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			
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	$ 5,816,464	$ 981,434	$ 6,797,898

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 2021 fiscal year.

The principal total outstanding at September 30, 2021 is $6,645,865. The loan is secured by the net water, sewer and stormwater revenues. Total debt service for fiscal year 2021 was $577,901 and the pledged revenue was $4,922,182. 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			
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	504,955	72,946	577,901
2026-2030	2,670,691	218,816	2,889,507
2031-2033	850,892	15,961	866,853
Total	$ 5,954,940	$ 690,925	$ 6,645,865

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.

NOTE 8 – EMPLOYEE RETIREMENT PLAN (CONTINUED)

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 (20-1707) was effective January 1, 2020.

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.

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, 2020, the latest actuarial valuation, was as follows:

Inactive plan members and beneficiaries currently receiving benefits	49
Inactive plan members entitled but not yet receiving benefits	7
Active plan members	91
Total Members	147

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, 2019 actuarial valuation, totaled $1,420,078 for the fiscal year ended September 30, 2021.

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, 2021. Nine (9) general employees are currently participating in the DROP as of September 30, 2021. As of September 30, 2021, the balance in the DROP account was approximately $350,000. 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, 2021, using a measurement date of September 30, 2020 was as follows:

Total pension liability	$ 31,877,078
Plan fiduciary net position	(26,249,729)
Net Pension Liability	$ 5,627,349
Plan fiduciary net position as a percentage of the total pension liability	82.35%

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, 2019	$ 27,531,518	$ 24,188,592	$ 3,342,926
Changes for the year:			
Service cost	1,317,790	--	1,317,790
Expected interest growth	2,186,887	--	2,186,887
Assumption changes	(617,989)	--	(617,989)
Benefit changes	2,630,481	--	2,630,481
Difference Between Actual and Expected Experience	(293,683)	--	(293,683)
Net investment income	--	1,267,297	(1,267,297)
Contributions - Town	--	1,141,115	(1,141,115)
Contributions - member	--	696,439	(696,439)
Administrative expenses	--	(108,171)	108,171
Benefit payments, including refunds of employee contributions	(877,926)	(877,926)	--
Other	--	(57,617)	57,617
Net changes	4,345,560	2,061,137	2,284,423
Balances at September 30, 2020	$ 31,877,078	$ 26,249,729	$ 5,627,349

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, 2020
Actuarial valuation	October 1, 2019
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, 2020 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 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 of the Town	$ 10,279,797	$ 5,627,349	$ 1,834,157

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

For the fiscal year ended September 30, 2021, the Town recognized pension expense of $2,056,801. 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	$ 380,986	$ 423,855
Changes of assumptions or other inputs	116,202	509,570
Net difference between projected and actual earnings on pension plan investment	691,803	--
Town contributions subsequent to the measurement date	1,438,869	--
Total	$ 2,627,860	$ 933,425

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, 2020 in the amount of $1,438,869, 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
2022	$ 90,919
2023	163,824
2024	99,999
2025	6,412
2026	(105,588)
Total	$ 255,566

PAYABLE TO THE PENSION PLAN

At September 30, 2021, the Town reported a payable of $20,980 for the outstanding amount of employee contributions to the pension plan required for the fiscal year ended September 30, 2021.

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, 2021, 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 $1,318,606 was measured as of October 1, 2020, 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, 2020
Reporting date	September 30, 2021
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	2.43%
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	Healthy members based on various PUB-2010 base tables, generational mortality using gender-specific MP-2018 mortality improvement projection scale. Disabled Employees based on various PUB-2010 Disabled mortality tables and no projected improvements.

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, 2019	$ 1,197,183
Changes for the year:	
Service cost	100,753
Other recognized changes in net pension liability	
Interest	35,321
Assumption changes	3,287
Benefit payments and refunds	(17,938)
Net changes	121,423
Balance at October 1, 2020	$ 1,318,606
Covered Employee Payroll	$ 7,206,031
Total OPEB liability as a percentage of covered employee payroll	18.30%

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, 2021:

	1% Decrease (1.43%)	Current Discount Rate (2.43%)	1% Increase (3.43%)
Total OPEB liability	$ 1,556,208	$ 1,318,606	$ 1,127,556

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 6.0% 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, 2021:

	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	$ 1,090,487	$ 1,318,606	$ 1,615,128

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

For fiscal year ended September 30, 2021, the Town recognized OPEB expense of $150,268.

At September 30, 2021, 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	$ 222,763	$ 6,340
Changes of assumptions or other inputs	159,752	37,734
Expected benefit payments subsequent to the the measurement date	28,645	--
Total	$ 411,160	$ 44,074

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, 2020) in the amount of $28,645 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
2022	$ 55,861
2023	55,861
2024	55,861
2025	56,423
2026	61,475
Thereafter	52,960
Total	$ 338,441

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 $9,122 for the fiscal year ended September 30, 2021. The excess of expenditures was funded from available current year working capital.

NOTE 12 – EXTRAORDINARY ITEM

In June 2021, the Town experienced an event that was both unusual and infrequent in occurrence related to the collapse of Champlain Towers South (a privately-owned residential condominium building). The Town incurred approximately $1.8 million in disaster relief costs related to the investigation and recovery efforts. The Town is expected to recover a portion of these costs from the Federal Emergency Management Agency (“FEMA’).

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF SURFSIDE, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues				
Property taxes	$ 12,918,051	$ 12,918,051	$ 13,175,991	$ 257,940
Utility taxes	698,300	698,300	718,053	19,753
Communications services tax	182,513	182,513	192,304	9,791
Franchise taxes	501,000	501,000	501,909	909
Licenses and permits	118,000	118,000	121,616	3,616
Intergovernmental	676,530	809,537	1,518,902	709,365
Charges for services	277,600	277,600	162,624	(114,976)
Fines and forfeitures	170,000	170,000	244,178	74,178
Interest earnings	105,000	105,000	24,713	(80,287)
Miscellaneous	241,600	241,600	357,760	116,160
Total Revenues	15,888,594	16,021,601	17,018,050	996,449
Expenditures				
Current:				
General government:				
Legislative	115,605	115,605	69,174	46,431
Town attorney	559,412	619,412	628,534	(9,122)
Executive	762,919	785,919	756,525	29,394
Planning & code compliance	223,382	237,686	214,808	22,878
Finance & IT	1,122,487	1,131,354	886,212	245,142
Town clerk	396,515	396,515	370,515	26,000
Non-departmental	853,795	1,468,016	954,429	513,587
Public safety	6,816,887	6,829,377	6,513,326	316,051
Public works	1,596,831	1,653,329	1,274,480	378,849
Leisure services	555,364	548,323	390,296	158,027
Capital outlay	16,600	243,348	105,359	137,989
Total Expenditures	13,019,797	14,028,884	12,163,658	1,865,226
Excess of Revenues over Expenditures	2,868,797	1,992,717	4,854,392	2,861,675
Other Financing Sources (Uses)				
Transfers in	573,528	573,528	573,528	--
Transfers out	(3,442,325)	(1,208,523)	(1,200,000)	8,523
Total Other Financing Uses	(2,868,797)	(634,995)	(626,472)	8,523
Extraordinary Item (Note 12)	--	--	(1,791,997)	(1,791,997)
Net Change in Fund Balance	$ --	$ 1,357,722	$ 2,435,923	$ 1,078,201
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, 2021

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues				
Building permits	$ 484,000	$ 484,000	$ 759,793	$ 275,793
Other revenues	2,000	2,000	--	(2,000)
Miscellaneous	10,000	10,000	10,022	22
Total Revenues	496,000	496,000	769,815	273,815
Expenditures				
Current:				
General government:				
Operating expenditures	930,373	930,373	785,723	144,650
Total Expenditures	930,373	930,373	785,723	144,650
Excess (Deficiency) of Revenues over Expenditures	(434,373)	(434,373)	(15,908)	418,465
Other Financing Uses				
Transfers out	(137,662)	(137,662)	(137,662)	--
Net Change in Fund Balance	$ (572,035)	$ (572,035)	$ (153,570)	$ 129,165
Appropriated Beginning Fund Balance	$ 572,035	$ 572,035		

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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues				
Resort taxes	$ 2,919,853	$ 2,919,853	$ 4,372,990	$ 1,453,137
Interest earnings	9,000	9,000	2,305	(6,695)
Miscellaneous	10,500	10,500	25,557	15,057
Total Revenues	2,939,353	2,939,353	4,400,852	1,461,499
Expenditures				
Current:				
General government	2,653,592	2,750,713	2,112,808	637,905
Capital outlay	--	33,444	111,029	(77,585)
Total Expenditures	2,653,592	2,784,157	2,223,837	560,320
Excess of Revenues Over Expenditures	285,761	155,196	2,177,015	2,021,819
Other Financing Uses				
Transfers out	(57,359)	(57,359)	(57,359)	--
Net Changes in Fund Balance	$ 285,761	$ 155,196	$ 2,177,015	$ 2,021,819
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, 2021

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 $1,009,087 in supplemental appropriations in the budgeted General Fund for the fiscal year ended September 30, 2021. There was $130,565 in supplemental appropriations in the budgeted Tourism Fund for the fiscal year ended September 30, 2021.

TOWN OF SURFSIDE, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

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

Measurement Date, October 1,	2020	2019	2018	2017
Total OPEB Liability				
Service cost	$ 100,753	$ 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	(17,938)	(5,258)	(2,826)	(2,591)
Interest	35,321	25,093	21,442	17,993
Assumption changes	3,287	211,023	(35,474)	(31,526)
Net Change in Total OPEB Liability	121,423	600,000	44,455	36,748
Total OPEB Liability - Beginning	1,197,183	597,183	552,728	515,980
Total OPEB Liability - Ending*	$ 1,318,606	$ 1,197,183	$ 597,183	$ 552,728
Covered-Employee Payroll	$ 7,206,031	$ 6,874,032	$ 6,205,935	$ 5,893,543
Total OPEB Liability as a Percentage of Covered-Employee Payroll	18.30%	17.42%	9.62%	9.38%

* There are no assets accumulated in a trust to pay related benefits.

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,	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability							
Service cost	$ 1,317,790	$ 1,113,128	$ 1,002,537	$ 1,052,014	$ 932,365	$ 901,998	$ 888,988
Interest	2,186,887	1,870,676	1,745,881	1,646,114	1,458,652	1,336,817	1,227,596
Benefit changes	2,630,481	--	--	282,066	--	--	35,244
Difference between actual and expected experience	(293,683)	388,826	(348,726)	297,252	(35,527)	100,031	170,264
Changes of assumptions	(617,989)	--	--	93,312	402,653	--	--
Benefit payments, including refunds of member contributions	(877,926)	(1,308,821)	(819,116)	(651,287)	(602,692)	(665,019)	(545,746)
Net Change in Total Pension Liability	4,345,560	2,063,809	1,580,576	2,719,471	2,155,451	1,673,827	1,776,346
Total Pension Liability - Beginning	27,531,518	25,467,709	23,887,133	21,167,662	19,012,211	17,338,384	15,562,038
Total Pension Liability - Ending (a)	$ 31,877,078	$ 27,531,518	$ 25,467,709	$ 23,887,133	$ 21,167,662	$ 19,012,211	$ 17,338,384
Plan Fiduciary Net Position							
Contributions - Town	$ 1,141,115	$ 817,472	$ 917,274	$ 797,359	$ 757,304	$ 727,022	$ 631,584
Contributions - Members	696,438	498,404	459,190	462,846	383,619	387,678	349,600
Net Investment income	1,267,297	990,373	1,579,816	2,017,750	1,850,415	(128,796)	1,396,431
Benefit payments, including refunds of member contributions	(877,926)	(1,308,821)	(819,116)	(651,287)	(602,690)	(665,019)	(545,746)
Other expenses	(57,617)	--	--	--	--	--	--
Administrative expense	(108,170)	(118,212)	(120,389)	(85,518)	(130,686)	(85,426)	(80,194)
Net Change in Plan Fiduciary Net Position	2,061,137	879,216	2,016,775	2,541,150	2,257,962	235,459	1,751,675
Plan Fiduciary Net Position - Beginning	24,188,592	23,309,376	21,292,601	18,751,451	16,493,489	16,258,030	14,506,355
Plan Fiduciary Net Position - Ending (b)	$ 26,249,729	$ 24,188,592	$ 23,309,376	$ 21,292,601	$ 18,751,451	$ 16,493,489	$ 16,258,030
Net Pension Liability - Ending (a) - (b)	$ 5,627,349	$ 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	82.35%	87.86%	91.53%	89.14%	88.59%	86.75%	93.77%
Covered Payroll	$ 6,702,791	$ 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	83.96%	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
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%
2021	1,264,960	1,420,078	(155,118)	6,360,884	22.33%

Notes to the schedule
Valuation date: October 1, 2019

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, 2021:

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%

For healthy general employees, PUB-2010 headcount weighted general employee with fully generational mortality improvements projected to each future decrement date with Scale MP-2018 – sex distinct. For healthy police officers, PUB-2010 headcount weighted safety employee with fully generational mortality improvements projected to each future decrement date with Scale MP-2018 – sex distinct., PUB For disabled general employees, PUB-2010 headcount weighted general disabled retiree mortality table – Sex distinct. For disabled police officers, 80% PUB-2010 headcount weighted general disabled retiree mortality table & 20% PUBC-2010 headcount weighted safety disabled retiree mortality table – sex distinct.



(This page intentionally left blank)

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, 2021

	Transportation Surtax	Police Forfeiture	Total Nonmajor Governmental Funds
Assets			
Cash	$ 810,234	$ 272,705	$ 1,082,939
Investments	321,594	--	321,594
Receivables	72,054	--	72,054
Total Assets	$ 1,203,882	$ 272,705	$ 1,476,587
Liabilities			
Accounts payable	$ 16,704	$ --	$ 16,704
Due to other funds	567,450	51,671	619,121
Unearned revenue	50,275	--	50,275
Total Liabilities	634,429	51,671	686,100
Fund Balances			
Restricted for:			
Transportation surtax	569,453	--	569,453
Police forfeiture	--	221,034	221,034
Total Fund Balances	569,453	221,034	790,487
Total Liabilities and Fund Balances	$ 1,203,882	$ 272,705	$ 1,476,587

TOWN OF SURFSIDE, FLORIDA

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Transportation Surtax	Police Forfeiture	Total Nonmajor Governmental Funds
Revenues			
Intergovernmental	$ 245,932	$ --	$ 245,932
Fines and forfeitures	--	54,907	54,907
Interest earnings	588	--	588
Total Revenues	246,520	54,907	301,427
Expenditures			
Public safety	--	2,162	2,162
Transportation	109,846	--	109,846
Total Expenditures	109,846	2,162	112,008
Excess of Revenues Over Expenditures	136,674	52,745	189,419
Other Financing Uses			
Transfers out	(10,706)	--	(10,706)
Net Change in Fund Balances	125,968	52,745	178,713
Fund Balances - Beginning	443,485	168,289	611,774
Fund Balances - Ending	$ 569,453	$ 221,034	$ 790,487

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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues				
Intergovernmental	$ 214,110	$ 214,110	$ 245,932	$ 31,822
Interest earnings	2,500	2,500	588	(1,912)
Total Revenues	216,610	216,610	246,520	29,910
Expenditures				
Current:				
Transportation	225,000	225,000	109,846	115,154
Total Expenditures	225,000	225,000	109,846	115,154
Excess (Deficiency) of Revenues over Expenditures	(8,390)	(8,390)	136,674	(145,064)
Other Financing Uses				
Transfers out	(10,706)	(10,706)	(10,706)	--
Net Change in Fund Balance	$ (19,096)	$ (19,096)	$ 125,968	$ 145,064
Appropriated Beginning Fund Balance	$ 19,096	$ 19,096		

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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues				
Fines and forfeitures	$ --	$ --	$ 54,907	$ 54,907
Interest earnings	--	--	--	--
Total Revenues	--	--	54,907	54,907
Expenditures				
Current:				
Public safety	2,000	2,162	2,162	--
Total Expenditures	2,000	2,162	2,162	--
Net Change in Fund Balance	$ (2,000)	$ (2,162)	$ 52,745	$ 54,907
Appropriated Beginning Fund Balance	$ 2,000	$ 2,162		

2021

STATISTICAL SECTION



TOWN OF SURFSIDE

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.	I - XI
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.	XII - XVI
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.	XVII - XVIV
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.	XX - XXIII
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.	XXIV

Data Source:

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

Exhibit I

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,									
	2012	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Expenses:										
General government	$ 3,117,750	$ 3,555,197	$ 3,329,275	$ 3,432,500	$ 3,295,208	$ 4,804,921	$ 5,487,973	$ 8,165,170	$ 7,918,706	$ 7,972,998
Public safety	4,418,680	4,404,897	5,003,628	5,624,875	5,871,196	6,310,662	5,803,057	6,300,753	6,418,063	8,063,968
Public works	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	1,908,812
Leisure services	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	653,640
Transportation	138,815	168,417	209,373	271,284	381,891	254,825	319,257	319,666	198,279	180,781
Interest	4,754	6,045	5,787	5,475	3,213	1,869	583	3	-	-
Total Expenses	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	18,780,199
Program Revenues:										
Charges for services:										
General government	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	1,732,344
Public safety	626,372	645,803	777,293	940,380	1,140,065	1,546,610	324,226	191,186	263,124	244,178
Leisure services	387,170	404,443	608,316	601,904	639,875	707,641	1,058,077	304,643	138,304	162,624
Transportation	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	245,305	271,588	523,432	277,331	301,052	290,689	268,780	238,019	403,994	940,796
Capital grants and contributions	-	350,000	1,395,000	141,217	554,446	170,000	471,250	-	-	-
Total Program Revenues	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	3,079,942
Net (Expense) Revenue	(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)	(15,700,257)
General Revenues:										
Taxes:										
Property taxes	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	13,175,991
Resort taxes	344,063	343,733	677,079	1,154,041	1,226,351	1,374,357	2,054,141	3,901,559	2,583,931	4,372,990
Franchise fees based on gross receipts	399,621	394,613	442,572	451,450	424,878	468,525	490,095	521,209	497,697	501,909
Utility taxes	471,994	503,592	553,407	568,462	577,872	630,568	683,659	687,734	692,951	718,053
Communications services tax	325,102	298,019	282,169	268,859	234,542	220,848	233,373	210,758	198,165	192,304
Unrestricted intergovernmental revenues	639,582	638,944	681,956	713,914	717,252	718,484	726,081	750,229	1,114,171	878,945
Unrestricted investment earnings	62,782	30,399	-	28,783	26,988	38,709	69,061	183,585	276,294	33,739
Cares Act	-	-	-	-	-	-	-	-	80,160	-
Extraordinary item (Note 12)	-	-	-	-	-	-	-	-	-	(1,791,997)
Miscellaneous	205,832	241,930	396,138	613,367	571,559	532,619	485,324	454,296	735,155	393,339
Total General Revenues	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	18,475,273
Net Transfers In (Out)	26,329	402,278	189,770	(19,272)	442,008	326,884	344,250	374,484	373,397	367,801
Total General Revenues and Net Transfers	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	18,843,074
Change in Net Position	$ (78,676)	$ 241,828	$ 2,889,839	$ 69,495	$ 1,793,429	$ 2,405,057	$ 3,860,649	$ 6,051,369	$ 5,206,580	$ 3,142,817

Exhibit II

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,									
	2012	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Expenses:										
General government	30.1%	32.5%	28.9%	26.0%	24.3%	32.2%	35.3%	47.6%	47.1%	42.5%
Public safety	42.7%	40.3%	43.5%	42.6%	43.3%	42.3%	37.3%	36.8%	38.2%	42.9%
Public works	9.5%	9.5%	11.0%	11.5%	11.0%	10.2%	11.8%	10.2%	10.8%	10.2%
Leisure services	16.3%	16.2%	14.7%	17.8%	18.7%	13.5%	13.6%	3.6%	2.8%	3.5%
Transportation	1.3%	1.5%	1.8%	2.1%	2.8%	1.7%	2.1%	1.9%	1.2%	1.0%
	0.0%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
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	50.3%	45.5%	40.0%	33.9%	31.9%	43.8%	55.0%	76.6%	67.7%	56.2%
Public safety	24.7%	21.1%	14.1%	31.7%	29.5%	32.0%	6.9%	6.1%	10.6%	7.9%
Leisure services	15.3%	13.2%	11.0%	20.3%	16.5%	14.7%	22.4%	9.7%	5.6%	5.3%
Operating grants and contributions	9.7%	8.9%	9.5%	9.4%	7.8%	6.0%	5.7%	7.6%	16.2%	30.5%
Capital grants and contributions	0.0%	11.4%	25.3%	4.8%	14.3%	3.5%	10.0%	0.0%	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	68.3%	68.2%	65.1%	63.2%	65.8%	67.2%	67.0%	65.9%	67.7%	71.3%
Resort taxes	4.5%	4.5%	7.8%	11.2%	11.1%	11.3%	14.3%	19.8%	13.5%	23.7%
Franchise fees based on gross receipts	5.2%	5.1%	5.1%	4.4%	3.8%	3.9%	3.4%	2.6%	2.6%	2.7%
Utility taxes	6.1%	6.5%	6.4%	5.5%	5.2%	5.2%	4.8%	3.5%	3.6%	3.9%
Communications services tax	4.2%	3.9%	3.2%	2.6%	2.1%	1.8%	1.6%	1.1%	1.0%	1.0%
Unrestricted intergovernmental revenues	8.3%	8.3%	7.8%	6.9%	6.5%	5.9%	5.1%	3.8%	5.8%	4.8%
Unrestricted investment earnings (losses)	0.8%	0.4%	0.0%	0.3%	0.2%	0.3%	0.5%	0.9%	1.4%	0.2%
Cares Act	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.0%
Extraordinary item (Note 12)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-9.7%
Miscellaneous	2.7%	3.1%	4.6%	5.9%	5.2%	4.4%	3.4%	2.3%	3.8%	2.1%
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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses:										
Water and sewer	$ 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	$ 3,638,166
Municipal parking	622,208	888,502	898,121	954,129	1,095,550	1,056,670	1,027,029	1,175,646	1,124,140	1,129,925
Sanitation	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	1,944,260
Stormwater utility	130,323	144,999	349,434	471,517	492,599	499,783	519,513	511,775	474,434	568,390
Total Expenses	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	7,280,741
Program Revenues:										
Charges for services:										
Water and sewer	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	4,027,771
Municipal parking	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	1,464,723
Sanitation	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	1,595,030
Stormwater utility	502,972	499,705	497,300	493,107	507,827	531,309	629,811	691,093	798,864	898,264
Capital grants and contributions	276,844	1,086,000	-	-	-	-	-	-	-	529,382
Total Program Revenues	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	8,515,170
Net (Expense) Revenue	2,121,767	2,510,334	128,987	604,766	136,154	417,537	1,144,499	836,545	1,288,275	1,234,429
General Revenues:										
Investment earnings	14,790	(13,811)	139	1,406	220	440	786	1,066	53,638	7,550
Capital contributions	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	2,361	-	-	-	-	-	-	-
Net Transfers	(26,329)	(402,278)	(189,770)	19,272	(442,008)	(326,884)	(344,250)	(374,484)	(373,397)	(367,801)
Total General Revenues Net Transfers	(11,539)	(416,089)	(187,270)	20,678	(441,788)	(326,444)	(343,464)	(373,418)	(319,759)	(360,251)
Change in Net Position	$ 2,110,228	$ 2,094,245	$ (58,283)	$ 625,444	$ (305,634)	$ 91,093	$ 801,035	$ 463,127	$ 968,516	$ 874,178

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.

Exhibit IV

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

	For the Fiscal Year Ended September 30,									
	2012	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Expenses:										
Governmental activities	$10,352,161	$ 10,937,233	$ 11,503,818	$ 13,200,729	$ 13,573,120	$ 11,467,985	$ 13,200,729	$ 17,140,368	$ 16,810,587	$ 18,780,199
Business-type activities	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	7,280,741
Total Expenses	13,908,273	14,940,059	17,035,909	18,948,556	19,764,652	17,877,746	19,850,652	24,122,976	23,619,679	26,060,940
Program Revenues:										
Governmental activities	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	3,079,942
Business-type activities	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	8,515,170
Total Program Revenues	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	11,595,112
Net (Expense) Revenue	(5,696,601)	(5,359,072)	(5,864,816)	(9,631,610)	(9,568,333)	(6,220,364)	(7,339,726)	(13,162,460)	(13,031,158)	(14,465,828)
General Revenues and Transfers:										
Governmental activities	7,739,692	8,111,234	8,883,642	10,305,871	11,497,916	8,847,809	10,305,871	20,050,374	19,526,013	18,843,074
Business-type activities	(11,539)	(416,089)	(187,270)	20,678	(441,788)	(187,270)	20,678	(373,418)	(319,759)	(360,251)
Total General Revenues	7,728,153	7,695,145	8,696,372	10,326,549	11,056,128	8,660,539	10,326,549	19,676,956	19,206,254	18,482,823
Change in Net Position	$ 2,031,552	$ 2,336,073	$ 2,831,556	$ 694,939	$ 1,487,795	$ 2,440,175	$ 2,986,823	$ 6,514,496	$ 6,175,096	$ 4,016,995

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

Exhibit V

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

	September 30,									
	2012	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Governmental Activities										
Net investment in capital assets	$ 13,528,097	$ 13,562,457	$ 14,538,578	$ 15,652,978	$ 15,329,431	$ 15,477,037	$ 15,092,876	$ 14,786,057	$ 14,188,857	$ 14,338,005
Restricted	416,070	364,115	736,441	893,489	859,426	1,023,176	776,233	2,659,991	3,582,895	6,140,328
Unrestricted	5,086,491	5,345,914	6,887,306	5,147,901	7,298,940	9,392,641	13,789,195	18,263,625	23,144,501	23,580,737
Subtotal Governmental Activities Net Position	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	44,059,070
Business-type Activities										
Net investment in capital assets	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	10,471,754
Restricted	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	2,362,459
Unrestricted	(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	3,577,792
Subtotal Business-type Activities Net Position	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	16,412,005
Primary Government										
Net investment in capital assets	24,767,761	26,395,129	24,412,449	24,268,933	24,442,981	25,171,848	24,860,745	24,569,291	24,325,858	24,809,759
Restricted	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	8,502,787
Unrestricted	3,462,281	3,898,941	8,340,851	7,923,354	10,793,378	10,849,197	15,991,191	20,937,243	26,432,868	27,158,529
Total Primary Government Net Position	$ 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	$ 60,471,075

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,									
	2012	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Revenue Source	**For the Fiscal Year Ended September 30,**									
Taxes	$ 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	$ 18,961,247
Intergovernmental	830,878	844,891	1,126,412	942,305	947,680	947,223	960,581	975,608	1,364,421	1,764,834
Licenses and permits	1,274,946	1,395,993	2,205,974	715,657	939,870	1,826,399	2,282,321	1,170,460	730,886	881,409
Charges for services	207,563	224,177	254,554	287,864	293,325	288,745	311,850	304,642	138,304	162,624
Fines and forfeitures	678,567	711,444	856,269	989,320	1,210,689	1,608,560	358,506	203,826	416,868	299,085
Developer fees	-	350,000	1,395,000	76,980	554,446	170,000	471,250	-	-	-
Interest earnings	58,819	30,399	-	28,783	26,988	38,709	69,061	183,585	270,172	32,729
Miscellaneous	211,636	244,234	399,359	615,872	571,559	532,619	485,324	454,296	735,155	393,339
Total Revenues	$ 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	$ 22,495,267
% change from prior year	-7.8%	5.3%	30.7%	-8.9%	13.1%	13.9%	-5.9%	40.9%	-4.5%	9.2%
	Percentage of Total									
Taxes	67.6%	64.1%	55.0%	71.0%	68.2%	66.7%	67.8%	84.7%	82.3%	84.3%
Intergovernmental	8.3%	8.0%	8.1%	7.5%	6.6%	5.8%	6.3%	4.5%	6.6%	7.8%
Licenses and permits	12.7%	13.2%	15.9%	5.7%	6.6%	11.2%	14.9%	5.4%	3.5%	3.9%
Charges for services	2.1%	2.1%	1.8%	2.3%	2.1%	1.8%	2.0%	1.4%	0.7%	0.7%
Fines and forfeitures	6.7%	6.7%	6.2%	7.8%	8.5%	9.9%	2.3%	0.9%	2.0%	1.3%
Developer fees	0.0%	3.3%	10.1%	0.6%	3.9%	1.0%	3.1%	0.0%	0.0%	0.0%
Investment earnings	0.6%	0.3%	0.0%	0.2%	0.2%	0.2%	0.5%	0.9%	1.3%	0.1%
Miscellaneous	2.1%	2.3%	2.9%	4.9%	4.0%	3.3%	3.2%	2.1%	3.6%	1.7%
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					
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
2021	13,175,991	4,372,990	718,053	501,909	192,304	18,961,247
% Change in Dollars Over 10 Years	150.3%	1171.0%	52.1%	25.6%	-40.8%	178.6%
	Percentage of Total					
2012	77.4%	5.1%	6.9%	5.9%	4.8%	100.0%
2013	77.3%	5.1%	7.4%	5.8%	4.4%	100.0%
2014	74.3%	8.9%	7.3%	5.8%	3.7%	100.0%
2015	72.8%	12.9%	6.3%	5.0%	3.0%	100.0%
2016	74.7%	12.6%	5.9%	4.4%	2.4%	100.0%
2017	75.2%	12.7%	5.8%	4.3%	2.0%	100.0%
2018	73.6%	15.7%	5.2%	3.7%	1.8%	100.0%
2019	70.9%	21.3%	3.8%	2.9%	1.2%	100.0%
2020	76.6%	15.2%	4.1%	2.9%	1.2%	100.0%
2021	69.5%	23.1%	3.8%	2.6%	1.0%	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	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Current:										
General government	$ 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	$ 6,778,728
Public safety	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	6,515,488
Public works	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	1,274,480
Leisure services	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	390,296
Transportation	117,044	123,254	142,272	174,620	310,767	183,890	248,321	248,731	127,344	109,846
Total Current	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	15,068,838
% Change From Prior Year	14.8%	11.6%	1.5%	15.3%	2.2%	10.0%	2.6%	10.0%	-3.6%	0.0%
Capital Outlay	650,979	591,077	1,619,235	1,806,345	262,468	800,581	425,644	356,290	238,258	440,100
% Change From Prior Year	-87.4%	-9.2%	173.9%	11.6%	-85.5%	205.0%	-46.8%	-16.3%	-33.1%	84.7%
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%	11.3%	21.3%	-40.9%	-45.3%	-21.7%	-96.7%	-100.0%	0.0%
Total Expenditures	$ 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	$ 15,508,938
% Change From Prior Year	-24.0%	10.7%	10.7%	14.9%	-9.4%	13.5%	-0.2%	8.9%	-4.3%	1.3%
Debt Service as a % of Noncapital Expenditures	0.77%	1.16%	1.17%	1.24%	0.80%	0.39%	0.30%	0.01%	0.00%	0.00%

Data Source:
Applicable years' comprehensive annual financial report.

Exhibit IX

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,									
	2012	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Function										
Current:										
General government	$ 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	$ 6,778,728
Public safety	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	6,515,488
Physical environment	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	1,274,480
Leisure services	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	390,296
Transportation	117,044	123,254	142,272	174,620	310,767	183,890	248,321	248,731	127,344	109,846
Total Current	$ 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	$ 15,068,838
	Percentage of Total									
Current:										
General government	30.9%	32.2%	28.7%	26.3%	25.1%	33.2%	36.6%	47.7%	46.2%	45.0%
Public safety	42.3%	42.8%	45.3%	44.0%	44.1%	43.5%	37.5%	39.2%	42.0%	43.2%
Physical environment	9.3%	8.8%	9.4%	9.7%	8.8%	7.9%	9.9%	8.1%	8.5%	8.5%
Leisure services	16.2%	15.0%	15.2%	18.6%	19.5%	14.0%	14.3%	3.5%	2.4%	2.6%
Transportation	1.2%	1.2%	1.3%	1.4%	2.5%	1.3%	1.7%	1.6%	0.8%	0.7%
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.

Exhibit X

Town of Surfside, Florida
Summary of Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total Revenues	$ 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	$ 22,495,267
Total Expenditures	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	15,508,938
Excess (Deficiency) of Revenues Over (Under) Expenditures	(89,341)	(648,002)	1,402,988	(1,678,547)	1,319,089	1,557,789	629,244	5,579,227	5,291,444	6,986,329
Other Financing Sources (Uses)										
Inception of capital leases	-	500,074	-	82,559	127,784	-	-	-	-	-
Cares Act	-	-	-	-	-	-	-	-	80,160	-
Transfers in	356,532	394,565	411,560	654,770	1,034,191	661,092	1,488,099	1,698,317	2,488,967	1,773,528
Transfers out	(144,360)	(368,236)	(9,282)	(465,000)	(1,053,463)	(219,084)	(1,161,215)	(1,354,067)	(2,148,070)	(1,405,727)
Total Other Financing Sources (Uses)	212,172	526,403	402,278	272,329	108,512	442,008	326,884	344,250	421,057	367,801
Extraordinary Item (Note 12)	-	-	-	-	-	-	-	-	-	(1,791,997)
Net Change in Fund Balances	$ 122,831	$ (121,599)	$ 1,805,266	$ (1,406,218)	$ 1,427,601	$ 1,999,797	$ 956,128	$ 5,923,477	$ 5,712,501	$ 5,562,133

Data Source:
Applicable years' comprehensive annual financial report.

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

	September 30,									
	2012	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
General Fund:										
Assigned for:										
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
Nonspendable:										
Prepaid items	144,738	152,767	162,118	183,442	198,405	174,461	116,363	1,035	101,943	161,176
Unassigned	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	18,929,974
Total General Fund	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	21,091,150
General Fund % Change From Prior Year	23.7%	0.7%	20.0%	-7.2%	24.8%	17.2%	27.6%	36.0%	24.5%	13.1%
All Other Governmental Funds:										
Nonspendable:										
Prepaid items	-	-	222	2,250	6154	-	5,798	-	5,112	5,636
Restricted for:										
Tourism	171,496	94,497	180,075	339,396	363,407	469,880	353,414	1,640,525	2,139,689	4,258,821
Transportation surtax	122,302	131,475	396,740	440,662	354,264	388,363	263,292	328,377	443,485	569,453
Police forfeiture	122,272	138,143	159,626	113,431	141,755	164,933	159,527	105,725	168,289	221,034
Assigned for:										
Capital projects	132,783	255,263	849,445	182,903	1,151,352	2,319,032	4,916,676	5,612,099	6,971,530	7,799,371
Total All Other Governmental Funds:	548,853	619,378	1,586,108	1,078,642	2,016,932	3,342,208	5698707	7,686,726	9,728,105	12,854,315
All Other Governmental Funds % Change From Prior Year	-41.8%	12.8%	156.1%	-32.0%	87.0%	65.7%	70.5%	34.9%	26.6%	32.1%
Total Governmental Funds	$ 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	$ 33,945,465
All Governmental Funds % Change From Prior Year	11.9%	1.9%	34.3%	-12.2%	34.4%	27.6%	39.6%	35.6%	25.2%	19.6%

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
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%
2021	3,084,770,797	0.0%	41,266,220	24.5%	3,126,037,017	4.3499	0.3%
*	$ 1,898,283,824		$ 24,932,552		$ 1,923,216,375		
**	206.9%		232.5%		207.2%		

* 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
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
2021	2020	4.3499	4.6669	0.4780	5.1449	6.9360	0.1930	7.1290	0.1103	0.0380	0.1512	0.4507	2.4207	0.0000	19.7947

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

Exhibit XV

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
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%	-	0.00%
2015	6,387,373	6,526,267	102.17%	-	0.00%
2016	7,179,916	7,147,997	99.56%	31,919	0.44%
2017	8,047,948	8,167,329	101.48%	-	0.00%
2018	9,976,601	9,493,840	95.16%	482,761	4.84%
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%
2021	13,597,948	13,175,991	96.90%	421,957	3.10%

Data Source:
Town Finance Department

Town of Surfside, Florida

Principal Real Property Taxpayers

Fiscal Years Ended September 30, 2021 and 2012

2021				2012			
Principal Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**	**Principal Taxpayer**	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**
Beach House Hotel LLC	58,530,375	1	1.73%	The Surf Club	$ 26,902,253	1	2.68%
SC Hotel Property LLC	53,962,000	2	1.60%	9379 Realty Group	11,176,600	2	1.11%
SC 8955 LLC	43,471,000	3	1.29%	Beach House Property, LLC	7,200,000	3	0.72%
The Surf Club Apartments Inc.	28,221,500	4	0.84%	Publix Super Markets, Inc.	6,800,000	4	0.68%
Surfside 272817 LLC	24,000,000	5	0.71%	New York Community Bank	5,285,000	5	0.53%
SC Short Term Units LLC	22,877,308	6	0.68%	Collins Avenue Investment Group	3,485,000	6	0.35%
9564 Harding Investment LLC	20,624,000	7	0.61%	9500 Collins Avenue, LLC	2,631,200	7	0.26%
HPD TLD Partners LLC	20,100,000	8	0.61%	Danya Lindenfield	2,418,741	8	0.24%
Surf Club 1031 LLC	19,305,012	9	0.57%	Kelvim Escobar	2,337,921	9	0.23%
Douglas W Kimmelman TRS	19,057,532	10	0.56%	Yoram & Yleana Izhak	2,307,204	10	0.23%
Total Principal Taxpayers	310,148,727		9.19%	**Total Principal Taxpayers**	70,543,919		7.02%
All Other Taxpayers	3,063,873,102		90.81%	**All Other Taxpayers**	934,702,095		92.98%
Total	$ 3,374,021,829		100.00%	**Total**	$ 1,005,246,014		100.00%

Data Source:

Miami-Dade County Property Appraiser
Surf Club PH7 LLC

Town of Surfside, Florida

Principal Personal Property Taxpayers

Fiscal Years Ended September 30, 2021 and 2012

2021				2012			
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	$ 13,184,072	1	34.07%	Florida Power and Light Company	$ 5,567,645	1	44.86%
Florida Power and Light Company	8,991,923	2	23.24%	Atlantic Broadband	1,023,904	2	8.25%
Grand Beach Hotel Surfside	3,448,501	3	8.91%	Bell South Telecommunications, Inc.	1,080,660	3	8.71%
Residence Inn Surfside	3,487,268	4	9.01%	Publix Super Markets, Inc.	701,605	4	5.65%
Atlantic Broadband	1,280,171	5	3.31%	People's Gas System	703,689	5	5.67%
People's Gas System	1,600,043	6	4.14%	The Surf Club	516,352	6	4.16%
Publix Super Markets, Inc.	1,035,523	7	2.68%	Yudah Ari Benmergui DDA	258,103	7	2.08%
Students for Environmental Education	905,000	8	2.34%	JP Morgan Chase Bank	174,504	8	1.41%
Solara Surfside Condominium Assoc.	483,385	9	1.25%	Café Ragazzi	170,678	9	1.38%
SC Property Acquisition LLC	469,728	10	1.21%	AT&T Mobility, LLC	147,938	10	1.19%
Total Principal Taxpayers	34,885,614		90.16%	**Total Principal Taxpayers**	10,345,078		83.35%
All Other Taxpayers	3,805,366		9.84%	**All Other Taxpayers**	2,067,182		16.65%
Total	$ 38,690,980		100.00%	**Total**	$ 12,412,260		100.00%

Data Source:

Miami-Dade County Property Appraiser

Exhibit XVIII

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
2012	$ 427,130	$ 11,507,445	$ 160,000	$ --	$ --	$ 11,667,445	$ 12,094,575	5,924	2,042
2013	303,749	10,985,348	80,000	7,255,844	--	18,321,192	18,624,941	5,954	3,128
2014	242,734	10,438,608	--	8,821,720	49,778	19,310,106	19,552,840	5,703	3,429
2015	201,239	9,866,062	--	8,591,249	38,123	18,495,434	18,696,673	5,544	3,372
2016	101,266	9,266,490	--	8,172,054	25,957	17,464,501	17,565,767	5,814	3,021
2017	46,588	8,638,620	--	7,744,982	13,210	16,396,812	16,443,400	5,934	2,771
2018	2,911	7,981,115	--	7,309,555	--	15,290,670	15,293,581	6,015	2,543
2019	1,457	7,292,575	--	6,866,618	--	14,159,193	14,160,650	5,934	2,386
2020	--	6,571,536	--	6,415,021	--	12,986,557	12,986,557	5,934	2,188
2021	--	5,816,464	--	5,954,940	--	11,771,404	11,771,404	5,975	1,970

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 Ten Fiscal Years

Fiscal Year	Revenues [1]	Transfer from (to) Rate Stabilization Fund	Less Operating Expenses [2]	Net Available Revenues	Principal	Interest	Total	Coverage Ratio	Coverage Required	Excess Coverage
2012	$ 3,282,481	$ 210,001	$ 1,834,360	$ 1,658,122	$ 492,555	$ 761,493	$ 1,254,048	1.32	1.15	0.17
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 [3, 4]	2019 [3, 4]	2020 [3, 4]	2021 [3, 4]
Primary Debt Service Coverage				
Net Operating Revenues	$ 2,212,458	1,929,390	2,242,797	2,057,326
Investment Earnings	786	1,066	803	4,970
Net transfer from (to) Rate Stabilization Fund	-	-	-	-
Net revenues available for debt service	$ 2,213,244	$ 1,930,456	$ 2,243,600	$ 2,062,296
Debt service requirements	$ 1,065,251	$ 1,051,707	$ 1,051,068	$ 1,065,249
Actual coverage	2.08	1.84	2.13	1.94
Required coverage	1.10	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	$ 2,062,296
Less revenue required for primary debt service	(1,065,251)	(1,051,707)	(1,051,068)	(1,065,249)
Adjusted net revenues	$ 1,147,207	$ 878,749	$ 1,192,532	$ 997,047
Debt service requirements	$ 506,498	$ 576,175	$ 576,175	$ 577,901
Actual coverage	2.26	1.53	2.07	1.73
Required coverage	1.15	1.15	1.15	1.15

Notes:

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

[2] Excludes depreciation expense.

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

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

Exhibit XX

Town of Surfside, Florida
Overlapping Governmental Activities Debt
September 30, 2021

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable [1]	Estimated Share of Underlying Debt
Overlapping Debt			
Miami-Dade County [2]	$ 4,656,773,000	1.01%	$ 47,219,678
Miami-Dade County School Board [3]	3,330,170,000	0.95%	31,503,408
Total Overlapping Debt			$ 78,723,086

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

Exhibit XXI

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
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%
2021	5,975	69,063	5.7%	3.9%	4.7%

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

Exhibit XXII

Town of Surfside, Florida
Principal Employers
For the Fiscal Years Ended September 30, 2021 and 2012

		2021	
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	

		2012	
Employer	**Type of Business**	**Number of Employees**	**Rank**
Publix Supermarkets	Retail	144	1
Town of Surfside	Government	137	2
Flanigans	Restaurant	65	3
Best Western Hotels	Hotel	41	4
Surf Club	Resort	40	5
Solara	Apartment Rentals	30	6
Wachovia	Bank	12	7
CVS Pharmacy	Retail	10	8
Rolling Pin Bakery	Retail	3	9
Emergency Dental Center	Retail	4	10
Total Principal Employers		486	

Data Source:
Town records

Exhibit XXIII

Town of Surfside, Florida

Full-time Funded Positions by Function/Program

Last Ten Fiscal Years

	For the Fiscal Year Ended September 30,									
	2012	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Function/program										
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	3.00	3.00	3.00	1.00	-	-	-
Executive	4.00	5.00	5.00	5.00	5.00	6.00	6.75	7.75	7.75	3.66
Financial Support Services	4.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00	5.00	5.00
Town Clerk	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	3.00
Building Services	3.00	4.00	4.00	4.00	4.00	5.00	6.00	7.00	7.00	7.50
Total General Government	20.00	22.00	22.00	23.00	23.00	25.00	25.75	27.75	27.75	24.16
Public Safety										
Public Safety	31.75	32.25	33.25	34.25	34.25	36.25	37.25	36.25	37.25	36.75
Municipal Parking	5.00	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75
Total Public Safety	36.75	39.00	40.00	41.00	41.00	43.00	44.00	43.00	44.00	43.50
Public Works										
Public Works	5.25	6.25	6.65	6.65	6.65	6.65	6.65	5.65	5.65	5.65
Water/Sewer	5.75	5.25	4.55	4.55	4.55	4.55	4.55	4.55	4.55	5.05
Solid Waste	10.25	10.25	11.25	10.25	10.25	10.25	10.25	12.25	12.25	12.25
Stormwater	1.25	1.25	1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.55
Fleet Management	-	-	-	-	-	-	-	1.00	1.00	1.00
Total Public Works	22.50	23.00	24.00	23.00	23.00	23.00	23.00	25.00	25.00	25.50
Leisure Services										
Leisure Services	10.75	11.32	11.32	11.32	11.32	11.32	11.32	13.25	12.25	29.30
Tourism	1.00	0.68	0.68	0.68	0.68	0.68	0.68	-	2.00	2.44
Library Services	-	-	-	-	-	-	-	-	-	-
Total Leisure Services	11.75	12.00	12.00	12.00	12.00	12.00	12.00	13.25	14.25	31.74
Total	91.00	96.00	98.00	99.00	99.00	103.00	104.75	109.00	111.00	124.90
Percentage Change From Prior Year	2.4%	5.5%	2.1%	1.0%	0.0%	4.0%	1.7%	4.1%	1.8%	12.5%

Data Source:

Various Town Departments

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

Function/program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public safety:										
Police										
Uniformed employees	27	27	29	39	39	29	31	31	31	31
Non-uniformed employees	9	12	6	1	2	7	11	11	11	13
Dispatched responses	23,097	31,337	20,310	22,978	20,798	18,965	21,933	22,326	20,022	18,354
Traffic citations issued	4,814	5,475	4,637	4,659	5,059	3,413	4,688	3,881	4,133	6,394
Traffic warnings issued	5,139	3,867	3,808	3,839	3,620	3,205	3,250	2,659	4,373	4,312
Parking violations issued	11,884	19,607	13,963	14,204	13,861	10,658	8,858	9,281	6,756	7,100
Building permits:										
Permits issued	931	1,072	1,037	1,618	1,595	1,448	1,428	1,559	1,377	1,420
Estimated values (in millions)	$ 364	$718	$695	$2,592	$ 5,884	$7,530	$6,276	$6,302	$1,457	$753
Utility:										
Municipal water system										
Active water accounts	1,647	1,680	1,687	1,687	1,648	1,658	1,690	1,366	1,368	1,395
Meter sales (in million gallons)	276,650	263,127	290,321	315,644	331,969	398,015	401,957	589,006	595,227	613,084
Municipal sewer system										
Active accounts/units	4,061	4,061	4,061	4,061	4,061	4,061	1,690	1,332	1,334	1,335
Solid waste services										
Active accounts	1,344	1,344	1,344	1,344	1,344	1,344	1,321	1,578	1,538	1,541
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	12,947	21,514	24,083	28,868	33,029	28,918	29,705	25,463	9,984	7,722
Average number of passengers per month	1,079	1,792	2,006	2,406	2,752	2,410	2,475	2,122	1,664	1,103
Total number of miles driven	30,775	34,805	34,906	24,742	19,465	28,427	24,789	24,253	10,391	16,780
Average number of miles driven per month	2,565	2,900	2,909	2,061	1,622	2,369	2,066	2,021	1,732	2,098
Culture and recreation:										
Participation:										
Youth programs	1,005	1,043	2,825	5,280	1,427	1,325	1,600	1,743	1,360	1,575
Adult programs	781	1,232	1,349	1,521	1,526	1,481	1,361	2,221	1,500	2,263
Special events	4,630	5,727	7,734	7,840	4,570	5,319	5,421	6,382	2,400	1,998
Community Center	29,028	24,830	22,826	24,705	22,365	21,229	20,065	24,169	10,687	23,849

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	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Area:										
Land excluding airport (sq. miles)	0.57	0.57	0.57	0.57	0.57	0.57	0.57	0.57	0.57	0.57
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	25	25	25	25	25	25	25	25	25
Sidewalks	1 mile	6 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
FPL 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	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	1
Municipal Water/Sewer System:										
Water mains (miles)	15.7	25	25	25	25	25	25	25	25	25
Reuse water mains (miles)	-	-	-	-	-	-	-	-	-	-
Fire hydrants	84	84	84	84	84	84	84	84	84	85
Fire hydrants (reuse water)	-	-	-	-	-	-	-	-	-	-
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	1	1	1	1	1	1	1	1	1.3
Wastewater lift stations	2	2	2	2	2	2	2	2	2	2
Municipal Parking:										
Parking lots	6	7	7	8	8	8	8	8	8	8
Pay Station Parking Spaces	572	572	572	629	629	640	640	635	635	635
Metered Pay Stations	0	0	0	29	29	37	37	37	37	37
Single Space Meters	0	0	0	50	50	50	50	12	12	8

Data Source
Various Town Departments



(This page intentionally left blank)

2021

REPORTING SECTION



TOWN OF SURFSIDE

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, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated May 5, 2022.

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. However, material weaknesses may exist that have not been identified.

Marcum LLP ▪ One Southeast Third Avenue ▪ Suite 1100 ▪ Miami, Florida 33131 ▪ **Phone** 305.995.9600 ▪ **Fax** 305.995.9601 ▪ **www.marcumllp.com**

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
May 5, 2022

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, 2021, and have issued our report thereon dated May 6, 2022.

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;* 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, which are dated May 5, 2022, 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 addressed in fiscal year 2021.

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.

Marcum LLP ▪ One Southeast Third Avenue ▪ Suite 1100 ▪ Miami, Florida 33131 ▪ **Phone** 305.995.9600 ▪ **Fax** 305.995.9601 ▪ **www.marcumllp.com**

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 repeat 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
May 5, 2022

TOWN OF SURFSIDE, FLORIDA

APPENDIX A - CURRENT YEAR RECOMMENDATION TO IMPROVE FINANCIAL MANAGEMENT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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

Prior Year 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.

Current Year Observation

During the fiscal year ended September 30, 2021, it was noted that the Water and Sewer fund had a deficit unrestricted fund balance/net position of $1,389,421. 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 by increasing the utility rates based on the study. The Town saw an improvement in the unrestricted fund balance/net position as the deficit decreased from $1,719,678 as of September 30, 2020.

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.



(This page intentionally left blank)

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, 2021. 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, 2021.

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
May 5, 2022



(This page intentionally left blank)


TOWN OF
SURFSIDE
FLORIDA
MIAMI-DADE COUNTY