2022 ANNUAL COMPREHENSIVE **FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022



TOWN OF SURFSIDE

TOWN OF SURFSIDE, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

Prepared by:

Finance Department

TOWN OF SURFSIDE, FLORIDA

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TOWN OF SURFSIDE, FLORIDA

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INTRODUCTORY SECTION

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

June 28, 2023

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, 2022. 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, 2022. 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 5,446 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.

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

The Town has also recognized the long-term financial cost implications of its pension plan and continues to fund 100% of the actuarially determined employer contribution. Accordingly, the pension plan's funded ratio is 85.9% as of its October 1, 2022 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, 2021. 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 2021 to 2,096 or 5.9% of 35,749 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 2022 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 2022 adopted budget document. The award is presented to even fewer municipalities. In 2021, the most recently completed cycle, only 1,745 municipalities, or 5%, 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 Javier Collazo, Finance Director; 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,



Hector Gomez
Town Manager



Javier Collazo
Finance Director

TOWN OF SURFSIDE, FLORIDA

LISTING OF ELECTED OFFICIALS AND ADMINISTRATIVE PERSONNEL

SEPTEMBER 30, 2022

TOWN COMMISSION

Shlomo Danzinger, Mayor

Jeffrey Rose, Vice Mayor

Fred Landsman, Commissioner

Marianne Meischeid, Commissioner

Nelly Velasquez, Commissioner

OFFICIALS

Hector Gomez, Town Manager

John Healy, Chief of Police

Sandra Novoa McCready, Town Clerk

Weiss Serota Helfman Cole & Bierman, P.L., Town Attorney

Javier Collazo, Finance Director

Tim Milian, Parks and Recreation Director

Randy Stokes, Public Works Director

Frank Trigueros, Tourism & Communications Director

James McGuinness, Building Official

Carmen Santos-Alborna, Code Compliance Director

Judith Frankel, Town Planner

Yamileth Slate-McCloud, Human Resource Director

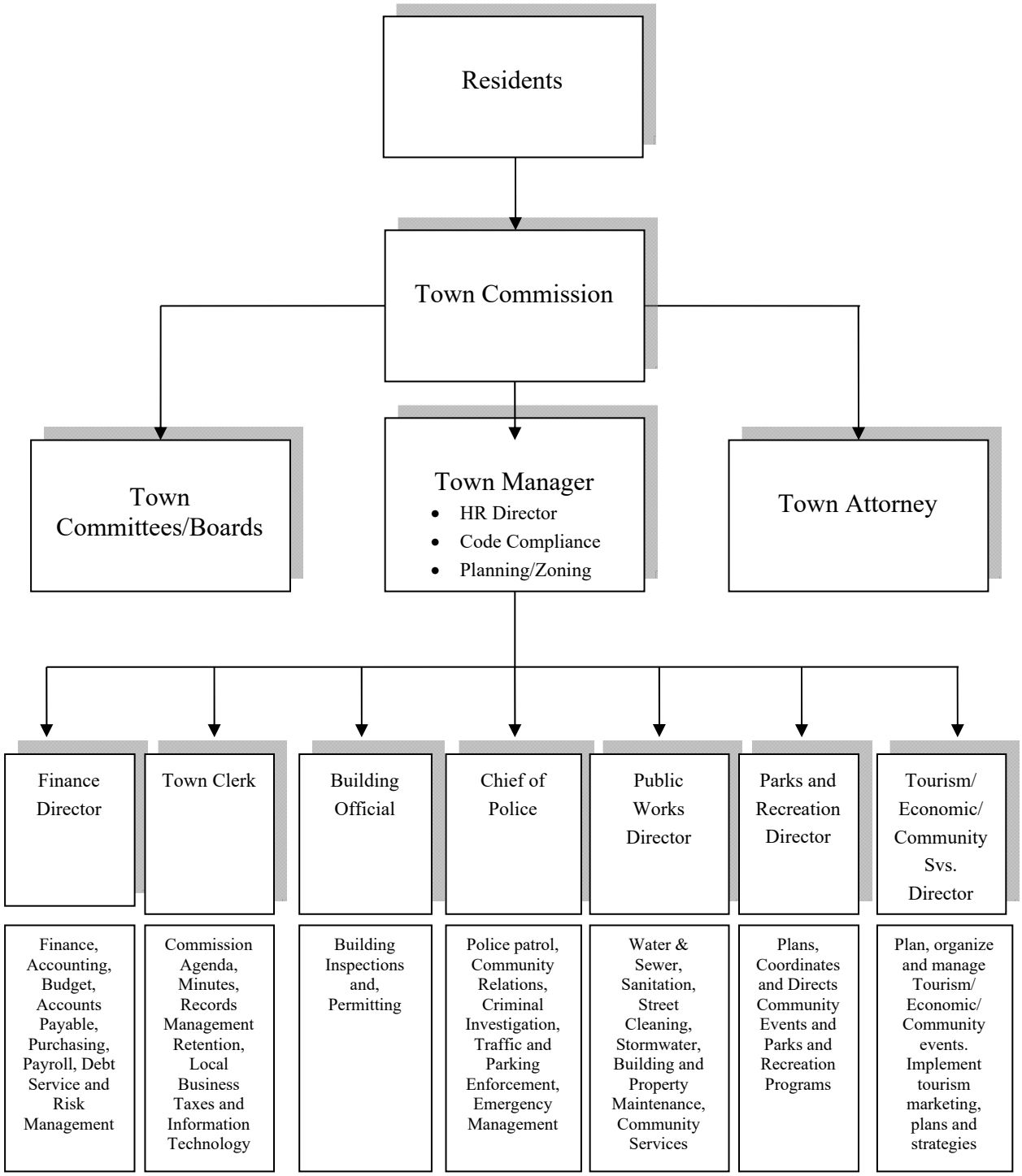
INDEPENDENT AUDITORS

Marcum LLP

TOWN OF SURFSIDE, FLORIDA

ORGANIZATION CHART

SEPTEMBER 30, 2022



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, 2021

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

MARCUM
ACCOUNTANTS ▲ ADVISORS

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited 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, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 17, the budgetary comparison information on pages 67 through 70, and the required supplementary information for the pensions and OPEB on pages 71 through 73 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary 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 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2023 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town's internal control over financial reporting and compliance.

Marcum LLP

Miami, FL
June 28, 2023

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 for the fiscal year ended September 30, 2022. The Town's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

2022 FINANCIAL HIGHLIGHTS

- The Town's total assets plus deferred outflows exceeded its total liabilities plus deferred inflows of resources by $69,732,028 (total net position) as of September 30, 2022.

- Total net position increased $9,260,953 as compared to the previous fiscal year 2021. The total components are comprised of the following:
  (1) Capital assets, net of related debt, of $24,570,161 include property and equipment, net of accumulated depreciation, and reduced by capital related outstanding debt.
  (2) Net position of $14,347,713 is restricted by constraints imposed from outside the Town such as grantors, laws, or regulations.
  (3) Unrestricted net position consists of $30,814,154 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 $40,601,347 at September 30, 2022. This compares to the prior year total ending fund balance of $33,945,465, showing an increase of $6,655,882 during the current year. Unassigned fund balance is $8,737,449 at September 30, 2022.

- At the end of the current fiscal year, the unassigned fund balance for the General Fund was $8,737,449 or 66.6% of total General Fund expenditures. Financially, fiscal year 2022 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 18 and 19 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 20 - 21 of this report and the governmental fund operating statement reconciliation is presented on page 22.

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 23 – 26 of this report.

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

The basic fiduciary fund financial statements are presented on pages 27 and 28 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 29 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 67-73 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 74.

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

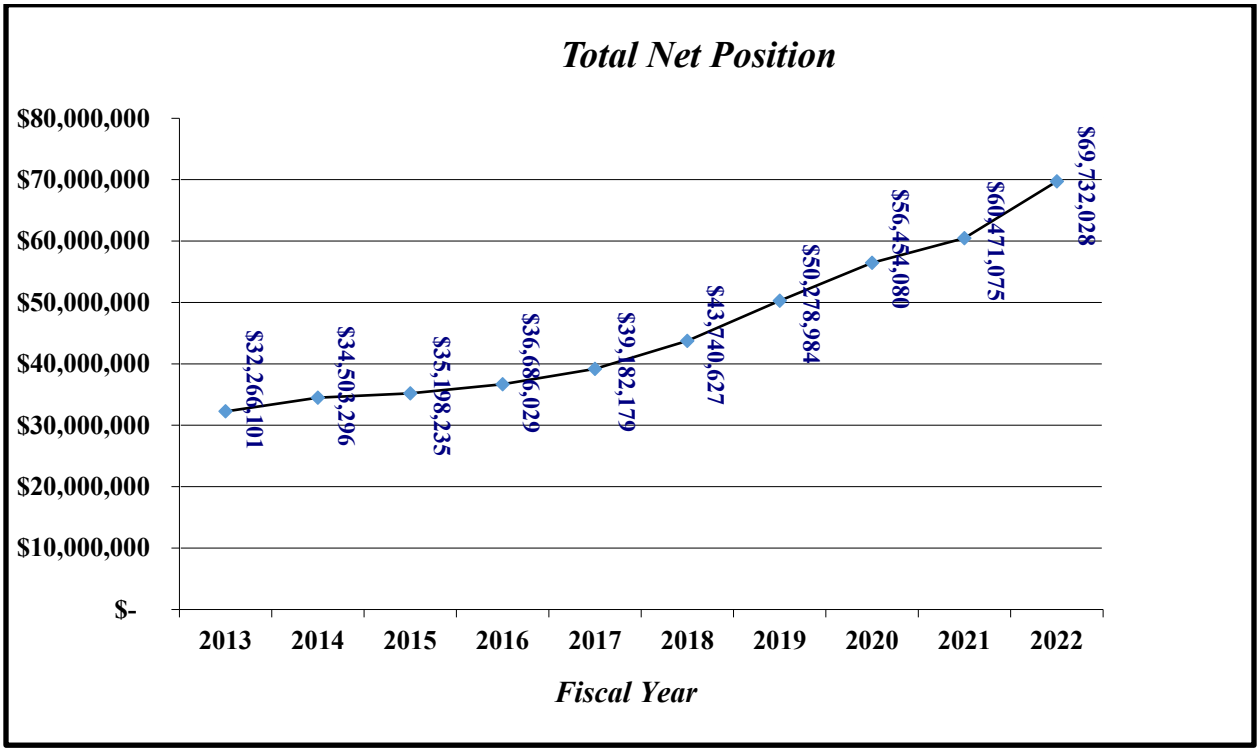
The following table provides a summary of the Town's net position:

Summary of Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
Assets:						
Current assets	$ 48,104,860	$ 37,136,684	$ 11,857,824	$ 8,209,448	$ 59,962,684	$ 45,346,132
Non-current assets						
Capital assets	13,759,658	13,781,130	21,322,470	22,243,158	35,082,128	36,024,288
Total assets	61,864,518	50,917,814	33,180,294	30,452,606	95,044,812	81,370,420
Deferred outflows of resources	2,195,133	2,612,643	323,205	407,586	2,518,338	3,020,229
Liabilities:						
Current liabilities	2,878,243	2,094,205	1,145,823	1,049,834	4,024,066	3,144,039
Long-term liabilities	6,148,078	6,524,536	10,940,334	12,906,000	17,088,412	19,430,536
Total liabilities	9,026,321	8,618,741	12,086,157	13,955,834	21,112,478	22,574,575
Deferred inflows of resources	3,696,691	852,646	3,021,953	492,353	6,718,544	1,344,899
Net position:						
Net investment in capital assets	13,759,658	14,338,005	10,810,503	10,471,754	24,570,161	24,809,759
Restricted	11,985,254	6,140,328	2,362,459	2,362,459	14,347,713	8,502,787
Unrestricted	25,591,727	23,580,737	5,222,427	3,577,792	30,814,154	27,158,529
Total net position	$ 51,336,639	$ 44,059,070	$ 18,395,389	$ 16,412,005	$ 69,732,028	$ 60,471,075

(This page continued on the subsequent page)

The following chart reports the Town's total net position balances from fiscal year 2013 - 2022.



Over the last ten years, the total net position has increased $37,465,927 or 116%.

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 8 to 1 as compared to 18 to 1 at September 30, 2022. The current ratio for business-type activities is 10 to 1 as compared to 8 to 1 at September 30, 2022. Overall, the total current ratio at September 30, 2022 was 8 to 1 as compared to 14 to 1 at September 30, 2022.

The Town reported positive balances in net position for both governmental and business-type activities. During 2022, net position increased $7,277,569 for governmental activities and increased $1,983,384 for business-type activities. The Town's overall financial position improved during fiscal year 2022. The Town remains in a strong financial position.

From governmental activities 22.2% of total assets are invested in capital assets. The Town uses these capital assets to provide services to its Town residents. In addition, 64.3% 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 and business-type activities invested in capital assets were 36.9% of total assets in fiscal year 2022, 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	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
Revenues:						
Program:						
Charges for services	$ 4,096,295	$ 2,139,146	$ 8,972,502	$ 7,985,788	$ 13,068,797	$ 10,124,934
Operating grants and contributions	2,898,888	940,796	-	529,382	2,898,888	1,470,178
Capital grants and contributions	615,000	-	90,540	-	705,540	-
General:						
Property taxes	13,047,092	13,175,991	-	-	13,047,092	13,175,991
Other taxes	7,020,146	5,785,256	-	-	7,020,146	5,785,256
Unrestricted intergovermental	927,873	878,945	-	-	927,873	878,945
Unrestricted investment earnings	259,621	33,739	45,918	7,550	305,539	41,289
Cares Act	-	-	-	-	-	-
Miscellaneous	181,808	393,339	-	-	181,808	393,339
Total revenues	29,046,723	23,347,212	9,108,960	8,522,720	38,155,683	31,869,932
Program Expenses:						
General government	9,246,193	7,972,998	-	-	9,246,193	7,972,998
Public safety	6,588,119	8,063,968	-	-	6,588,119	8,063,968
Public works	1,721,071	1,908,812	-	-	1,721,071	1,908,812
Leisure services	385,722	653,640	-	-	385,722	653,640
Transportation	367,795	180,781	-	-	367,795	180,781
Water and sewer	-	-	3,678,363	3,638,166	3,678,363	3,638,166
Municipal parking	-	-	1,105,753	1,129,925	1,105,753	1,129,925
Sanitation	-	-	1,596,110	1,944,260	1,596,110	1,944,260
Stormwater utility	-	-	608,226	568,390	608,226	568,390
Total expenses	18,308,900	18,780,199	6,988,452	7,280,741	25,297,352	26,060,940
Changes in net position before transfers and extraordinary item	10,737,823	4,567,013	2,120,508	1,241,979	12,858,331	5,808,992
Extraordinary item	(3,597,378)	(1,791,997)	-	-	(3,597,378)	-
Transfers	137,124	367,801	(137,124)	(367,801)	-	-
Changes in net position after transfers	7,277,569	3,142,817	1,983,384	874,178	9,260,953	5,808,992
Beginning net position	44,059,070	40,916,253	16,412,005	15,537,827	60,471,075	56,454,080
Ending net position	$ 51,336,639	$ 44,059,070	$ 18,395,389	$ 16,412,005	$ 69,732,028	$ 62,263,072

Governmental Activities Revenues

The Town is heavily reliant on property taxes to support governmental operations. Property taxes provided 44.9% of the Town's total revenues in fiscal year 2022 as compared to 56.4% in fiscal year 2021. Other taxes, which includes resort, franchise, utility and communications taxes provided 24.2% of the Town's total revenues in fiscal year 2022 as compared to 24.8% in fiscal year 2021. 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 41.6% of governmental operating expenses as compared to 16.4% in fiscal year 2021. In fiscal year 2022, 74% of governmental activities, primarily from property and other taxes, were 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	$ 9,246,193	50.5%	$ 3,536,139	33.1%
Public safety	6,588,119	36.0%	6,259,417	58.5%
Public works	1,721,071	9.4%	1,106,071	10.3%
Leisure services	385,722	2.1%	(217,164)	-2.0%
Transportation	367,795	2.0%	14,255	0.1%
Total	$ 18,308,900	100.0%	$ 10,698,718	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 $986,714 or 12.4%. Total operating expenses decreased $292,289 or 4.0%. In total, the operating income before transfers increased $2,074,590 in the Business-type activities. The total increase in net position for all enterprise funds was $1,983,384.

The operating income (loss) for each major enterprise fund was as follows for fiscal years 2022 and 2021:

	Operating Income (Loss)		
	2022	**2021**	**Increase (Decrease)**
Water and sewer	$ 1,031,536	$ 698,121	$ 333,415
Municipal parking	587,659	334,798	252,861
Sanitation	171,280	(349,230)	520,510
Stormwater	284,115	432,713	(148,598)
Total	$ 2,074,590	$ 1,116,402	$ 958,188

The following includes an analysis of the fiscal year 2022 financial activities for each enterprise fund.

Water and Sewer Fund - The total assets decreased to $18.9 million in the current fiscal year. However, there was a decrease in cash equivalent & investments of $789 thousand that was offset by a decrease in current liability that were due to other funds of $1.7 million for the current fiscal year. Total liabilities decreased by $2.77 million primarily due to a reduction of the due to other funds of $1.7 million and a reduction of the debt principal outstanding in fiscal year 2022 of $945 thousand.

Operating revenues increased $618 thousand or 15.3% in the current fiscal year. Total operating expenses increased $74.3 thousand or 2.2%. The increase in operating expenses was due primarily to an increase in water and sewer consumption in fiscal year 2022 as the COVID-19 pandemic restrictions began to decrease and workers began to return to the workplace.

Net position increased $1,044,028 in fiscal year 2022, resulting in an ending net position of $10,094,913.

Municipal Parking Fund – Total assets increased $2,594,512 or 61.4% in fiscal year 2022. There was a reduction in the net book value of capital assets due to depreciation expense of $131,380 for the current fiscal year.

Operating revenues increased by $228,689 or 15.6% and operating expenses remained constant versus fiscal year 2021. In total, operating income increased $252,861 in fiscal year 2022. Net position increased $495,549 in fiscal year 2022, resulting in an ending net position of $4,107,576.

Sanitation Fund - Total assets remained relatively consistent at $765,255 for the current fiscal year. There was reduction in the net book value of capital assets due to depreciation expense of $82,341 for the current fiscal year. Total liabilities decreased by $420,691 or 58.4% from the previous fiscal year.

Operating revenues increased $172,360 or 10.8% from fiscal year 2021. Total operating expenses decreased $345,150 or 17.9% from the previous fiscal year. Operating income increased $520,510 or 149% due to a decrease in operating expenses as previously stated. Net position increased $171,280 in fiscal year 2022, resulting in an ending net position of $368,993.

Stormwater Fund - The total assets remained constant versus the previous fiscal year. Cash and cash equivalent increased by $991,081 or 398% this was primarily due to reduction in due from other funds of $1,096,671 for utility fees collected on behalf of the Stormwater fund. Net capital assets decreased $132,650 from fiscal year 2021 due to current year asset depreciation. Total liabilities decreased $249,946 primarily due to long-term debt service payments of $314,859.

Operating revenues decreased $32,469 or 3.6% from fiscal year 2021; in contrast, operating expenses increased $51,214 or 11% during the same period. This was due to an increase in maintenance costs of stormwater facilities during fiscal year 2022.

Net position increased $272,527 in fiscal year 2022, resulting in ending net position of $3,823,907.

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 $40,601,347 in the current fiscal year compared to $33,945,465 at September 30, 2021.

Total governmental revenues and transfers-in exceeded expenditures and transfers-out by $6,655,882. The general fund's expenditures and transfers-out exceeded its revenues and transfers-in by $3,491,846. The building fund's revenues and transfers-in exceeded its expenditures by $1,175,345. The capital projects fund's revenues and transfers-in exceeded its expenditures by $6,459,572. The tourism fund's revenues exceeded its expenditures and transfers-out by $2,501,667.

Governmental funds report total fund balance of $40,601,347. Of the current year-end total, $10,635,293 is restricted to various ongoing programs. Committed fund balance of $8,721,505 in the General Fund is reserved for emergencies and hurricanes, budget stabilization, capital projects and operations and maintenance in accordance with the fund balance policy. Assigned fund balance of $12,354,395 in the Capital Projects Fund is reserved for future capital projects. Unassigned fund balance at year end is $8,737,449 and is available for future appropriation within the General Fund.

The total ending fund balances of governmental funds shows an increase of $6,655,882 or 19.6% 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 decreased $3,491,846 or 16.6%. The ending unassigned fund balance is considered adequate, representing the equivalent of 104% of annual expenditures, excluding inter-fund transfers-out. This compares to 136% at September 30, 2021.

Property taxes remained consistent from prior year at $13.1 million in fiscal year 2022.

Intergovernmental revenue increased $1,954,319 or 129% from the prior year. Miscellaneous revenues decreased $195,779 or 54.7% due to a decrease in developer contributions in the current fiscal year. Interest earnings increased $159,804 or 647% from the prior year due to hike in interest rates. Charges for services increased $440,262 or 271% due to the tapering Covid-19 restrictions and normalization in operations. All other revenue streams were consistent with fiscal year 2021 amounts.

Total General Fund expenditures increased $961,400 or 7.9% from fiscal year 2021. This increase was mainly due to up front expenditures of approximately $300 thousand in disaster relief assistance related to the Champlain Towers South building collapse in fiscal year 2022. 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 2022 inter-fund transfers-in were $6.5 million from the General Fund intended for future projects outlined in the five-year Capital Improvement Plan. This fund expended $726,201 on capital projects in fiscal year 2022. At September 30, 2022, this fund reported $12,425,364 in cash and investments and an ending fund balance of $12,354,395.

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 $2,265,953 and expenditures of $976,192 with an ending fund balance of $3,079,893.

Tourism Fund – This special revenue fund is funded almost entirely from Resort Taxes. Total revenues from these taxes increased $1,118,744 or 25.6%, and total expenditures in this fund increased $729,386 or 32.8%. As the name implies this fund relies on tourism; consequently, due to the easing of Covid-19 restriction in fiscal year 2022 revenues have recovered after restrictions have been lifted.

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 2022 General Fund's budget was amended and transfers-out increased $6,530,851 or 100%. This transfer to the Capital Projects Fund is for the Underground Utilities project that is commencing in fiscal year 2022.

Revenue – Intergovernmental revenues were $1,720,356 or 98% above budget due to monies obligated by FEMA for expenditures incurred for the Champlain Towers South building collapse. Because of the lengthy process of approval and obligation of funds; monies obligated by FEMA were recognized in fiscal year 2022.

Various different revenue categories were higher than budget by $602,217 but individually were less than 1%. This increase in the different revenue categories was due to the removal of Covid-19 restrictions and normalization of operations that affected the early part of fiscal year 2022.

In total, actual revenues were above budget by $2,322,573 or 13.6% in fiscal year 2022.

Expenditures - The Finance and IT expenditures were lower than budget by $135,359 or 13% due to a reduction in personnel expenses and lower expenses in professional services for IT services in fiscal year 2022.

Expenditures in public works were lower than budgeted by $406,643 or 24.9% due to efficiencies in operations within different repair and maintenance accounts, including in the building and landscaping accounts, in the current fiscal year.

In total, actual expenditures were $1,061,409 or 7.5% below the final budget in fiscal year 2022.

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, 2022, was $13,759,658 and $21,322,470, respectively. The change in net investment was negligible for governmental activities and 4.1% 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	
	2022	2021	2022	2021	2022	2021
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	632,225	145,940	216,153	-	848,378	145,940
Total non-depreciable	2,093,454	1,607,169	1,574,164	1,358,011	3,667,618	2,965,180
Depreciable assets:						
Buildings	11,405,460	11,343,486	-	-	11,405,460	11,343,486
Machinery, equipment and furniture	3,554,398	4,015,061	2,018,118	2,074,484	5,572,516	6,089,545
Infrastructure	6,910,606	6,603,169	29,458,068	29,523,948	36,368,674	36,127,117
Total depreciable assets	21,870,464	21,961,716	31,476,186	31,598,432	53,346,650	53,560,148
Less accumulated depreciation	10,204,260	9,787,755	11,727,880	10,713,285	21,932,140	20,501,040
Book value - depreciable assets	11,666,204	12,173,961	19,748,306	20,885,147	31,414,510	33,059,108
Percentage depreciated	47%	45%	37%	34%	41%	38%
Total net capital assets	$ 13,759,658	$ 13,781,130	$ 21,322,470	$ 22,243,158	$ 35,082,128	$ 36,024,288

At September 30, 2022, the depreciable capital assets for governmental activities were 47% depreciated. This compares to 45% at September 30, 2021. With the town's business-type activities, 37% of the asset values were depreciated at September 30, 2022, compared to 34% at September 30, 2021. These percentages 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 2022 were $1,114,580. These additions consisted of various ongoing capital projects including the start of the reconstruction of the 96th Street Park, Town-wide Undergrounding Utility project, as well as various street improvement projects.

Business-type Activities Capital Assets

Business-type Activities capital asset additions during 2022 were $224,853 mainly consisting in the design and permitting of the Abbot Ave storm drainage project for $216,153.

Debt

The following table reports long-term debt balances at September 30, 2022 and 2021:

Outstanding Long-term Debt

	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Revenue bonds	$ -	$ -	$ 5,025,753	$ 5,816,464	$ 5,025,753	$ 5,816,464
State revolving loan	-	-	5,486,215	5,954,940	5,486,215	5,954,940
Compensated absences	569,357	552,923	136,133	160,254	705,490	713,177
Total OPEB liability	641,806	1,042,895	80,850	275,711	722,656	1,318,606
Net pension liability	1,667,079	4,928,718	211,383	698,631	1,878,462	5,627,349
Total	$ 2,878,242	$ 6,524,536	$ 10,940,334	$ 12,906,000	$ 13,818,576	$ 19,430,536

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 11.8%.

The fiscal year 2022-2023 adopted operating budget maintained the Town's operating millage rate at 4.200 and there was no increase from the previous fiscal year. The Town's Commission has remained committed to maintaining the Town's millage rate at the same level for two consecutive years. Taxable value plus new construction on the tax roll increased 10.9%, mainly from increased existing property taxable value. The Miami-Dade County Property Appraiser reported on July 1, 2022, the 2022 Preliminary Certification of Taxable Value of $3,651,048,630; an increase of $358.8 million over the 2021 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) in the previous two fiscal years 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 2022 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 and beach dunes may need to be reconstructed to new levels and stormwater systems may need to be reconfigured to reduce or prevent flooding. These effects could have a considerable financial impact on the Town and its property owners. Additionally, demand for property that would be adversely affected by rising sea levels may be reduced, affecting the Town's tax base. These remain unquantified but genuine concerns to consider in the near future.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

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

FINANCIAL STATEMENTS

TOWN OF SURFSIDE, FLORIDA

STATEMENT OF NET POSITION

SEPTEMBER 30, 2022

	Governmental Activities	Business-type Activities	Total
Assets			
Cash	$ 5,584,053	$ 1,718,180	$ 7,302,233
Investments	38,982,088	5,388,908	44,370,996
Receivables	3,360,036	2,244,222	5,604,258
Lease receivables	--	2,478,807	2,478,807
Internal balances	8,604	(8,604)	--
Prepaid items	170,079	36,311	206,390
Capital assets not being depreciated	2,093,454	1,574,164	3,667,618
Capital assets being depreciated, net	11,666,204	19,748,306	31,414,510
Total Assets	61,864,518	33,180,294	95,044,812
Deferred Outflows of Resources			
Pension	1,942,833	246,347	2,189,180
OPEB	252,300	76,858	329,158
Total Deferred Outflows of Resources	2,195,133	323,205	2,518,338
Liabilities			
Accounts payable	1,709,233	362,877	2,072,110
Accrued liabilities	1,432,992	56,267	1,489,259
Interest payable	--	120,213	120,213
Unearned revenue	2,591,563	6,940	2,598,503
Customer deposits	414,291	599,526	1,013,817
Noncurrent liabilities:			
Due within one year	56,935	1,319,178	1,376,113
Due in more than one year	512,422	9,328,923	9,841,345
Net pension liability	1,667,079	211,383	1,878,462
Total OPEB liability	641,806	80,850	722,656
Total Liabilities	9,026,321	12,086,157	21,112,478
Deferred Inflows of Resources			
Pension	3,196,782	405,345	3,602,127
OPEB	499,909	152,288	652,197
Parking Trust	--	2,464,320	2,464,320
Total Deferred Inflows of Resources	3,696,691	3,021,953	6,718,644
Net Position			
Net investment in capital assets	13,759,658	10,810,503	24,570,161
Restricted for:			
Tourism	6,753,769	--	6,753,769
Transportation	625,174	--	625,174
Police forfeiture	176,457	--	176,457
Renewal and replacement	1,349,961	2,038,459	3,388,420
Building	3,079,893	--	3,079,893
Loan reserve	--	324,000	324,000
Unrestricted	25,591,727	5,222,427	30,814,154
Total Net Position	$ 51,336,639	$ 18,395,389	$ 69,732,028

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, 2022

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	$ 9,246,193	$ 3,164,707	$ 2,545,348	$ --	$ (3,536,138)	$ --	$ (3,536,138)
Public safety	6,588,119	328,702	--	--	(6,259,417)	--	(6,259,417)
Public works	1,721,071	--	--	615,000	(1,106,071)	--	(1,106,071)
Leisure services	385,722	602,886	--	--	217,164	--	217,164
Transportation	367,795	--	353,540	--	(14,255)	--	(14,255)
Total Governmental Activities	18,308,900	4,096,295	2,898,888	615,000	(10,698,717)	--	(10,698,717)
Business-type Activities							
Water and sewer	3,678,363	4,645,905	--	63,994	--	1,031,536	1,031,536
Municipal parking	1,105,753	1,693,412	--	--	--	587,659	587,659
Sanitation	1,596,110	1,767,390	--	--	--	171,280	171,280
Stormwater utility	608,226	865,795	--	26,546	--	284,115	284,115
Total Business-type Activities	6,988,452	8,972,502	--	90,540	--	2,074,590	2,074,590
Total	$ 25,297,352	$ 13,068,797	$ 2,898,888	$ 705,540	(10,698,717)	2,074,590	(8,624,127)
	General Revenues						
	Taxes						
	Property taxes				13,047,092	--	13,047,092
	Resort taxes				5,491,734	--	5,491,734
	Franchise fees based on gross receipts				581,545	--	581,545
	Utility taxes				749,259	--	749,259
	Communications services tax				197,608	--	197,608
	Unrestricted intergovernmental revenues				927,873	--	927,873
	Unrestricted investment earnings				259,621	45,918	305,539
	Miscellaneous revenues				181,808	--	181,808
	Extraordinary item (Note 12)				(3,597,378)	--	(3,597,378)
	Transfers				137,124	(137,124)	--
	Total General Revenues, Extraordinary Item and Transfers				17,976,286	(91,206)	17,885,080
	Change in Net Position				7,277,569	1,983,384	9,260,953
	Net Position - Beginning				44,059,070	16,412,005	60,471,075
	Net Position - Ending				$ 51,336,639	$ 18,395,389	$ 69,732,028

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

TOWN OF SURFSIDE, FLORIDA

BALANCE SHEET
GOVERNMENTAL FUNDS

SEPTEMBER 30, 2022

	General	Building	Capital Projects	Tourism	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash	$ 206,119	$ 597,069	$ 1,630,579	$ 1,783,388	$ 1,135,070	$ 5,352,225
Investments	19,799,657	2,555,004	10,794,785	4,680,577	--	37,830,023
Receivables	2,837,044	--	--	443,431	79,561	3,360,036
Due from other funds	306,829	--	--	--	--	306,829
Prepaid items	140,350	--	--	12,355	--	152,705
Total Assets	$ 23,289,999	$ 3,152,073	$ 12,425,364	$ 6,919,751	$ 1,214,631	$ 47,001,818
Liabilities						
Accounts payable	$ 1,353,063	$ 56,545	$ 70,969	$ 104,993	$ 80,286	$ 1,665,856
Accrued liabilities	1,368,349	14,465	--	47,722	--	1,430,536
Due to other funds	--	--	--	--	298,225	298,225
Unearned revenue	2,554,992	1,170	--	912	34,489	2,591,563
Customer deposits	414,291	--	--	--	--	414,291
Total Liabilities	5,690,695	72,180	70,969	153,627	413,000	6,400,471
Fund Balances						
Non-spendable:						
Prepaid items	140,350	--	--	12,355	--	152,705
Restricted for:						
Tourism	--	--	--	6,753,769	--	6,753,769
Transportation surtax	--	--	--	--	625,174	625,174
Police forfeiture	--	--	--	--	176,457	176,457
Building	--	3,079,893	--	--	--	3,079,893
Committed for:						
Fund balance reserve	8,721,505	--	--	--	--	8,721,505
Assigned for:						
Capital projects	--	--	12,354,395	--	--	12,354,395
Unassigned	8,737,449	--	--	--	--	8,737,449
Total Fund Balances	17,599,304	3,079,893	12,354,395	6,766,124	801,631	40,601,347
Total Liabilities and Fund Balances	$ 23,289,999	$ 3,152,073	$ 12,425,364	$ 6,919,751	$ 1,214,631	

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	13,330,045
Deferred outflows of resources related to pensions/OPEB are recorded in the statement of net position	2,195,133
Deferred inflows of resources related to pensions/OPEB are recorded in the statement of net position	(3,696,691)
The assets and liabilities of the internal service funds are included in governmental activities in the statements of net position	1,779,574
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Compensated absences	(563,884)
Net pension liability	(1,667,079)
Total OPEB liability	(641,806)
Net Position of Governmental Activities	$ 51,336,639

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, 2022

	General	Building	Capital Projects	Tourism	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	$ 13,047,092	$ --	$ --	$ --	$ --	$ 13,047,092
Resort taxes	--	--	--	5,491,734	--	5,491,734
Utility taxes	749,259	--	--	--	--	749,259
Communications services tax	197,608	--	--	--	--	197,608
Franchise fees	581,545	--	--	--	--	581,545
Licenses and permits	106,092	2,265,953	--	--	--	2,372,045
Intergovernmental	3,473,221	--	--	--	353,540	3,826,761
Charges for services	602,886	--	--	--	--	602,886
Fines and forfeitures	328,702	--	--	--	--	328,702
Developer fees	--	--	615,000	--	--	615,000
Interest earnings	184,517	--	39,922	24,230	2,955	251,624
Miscellaneous	161,981	12,160	--	7,667	--	181,808
Total Revenues	19,432,903	2,278,113	654,922	5,523,631	356,495	28,246,064
Expenditures						
Current:						
General government	4,216,473	870,771	--	2,828,134	--	7,915,378
Public safety	6,749,896	--	--	--	44,577	6,794,473
Public works	1,224,392	--	--	--	--	1,224,392
Leisure services	335,272	--	--	--	--	335,272
Transportation	--	--	--	--	288,677	288,677
Capital outlay	599,025	105,421	726,201	125,089	--	1,555,736
Total Expenditures	13,125,058	976,192	726,201	2,953,223	333,254	18,113,928
Excess (Deficiency) of Revenues over Expenditures	6,307,845	1,301,921	(71,279)	2,570,408	23,241	10,132,136
Other Financing Sources (Uses)						
Transfers in	328,538	--	6,530,851	--	--	6,859,389
Transfers out	(6,530,851)	(126,576)	--	(68,741)	(12,097)	(6,738,265)
Total Other Financing Sources (Uses)	(6,202,313)	(126,576)	6,530,851	(68,741)	(12,097)	121,124
Extraordinary Item (Note 12)	(3,597,378)	--	--	--	--	(3,597,378)
Net Change in Fund Balances	(3,491,846)	1,175,345	6,459,572	2,501,667	11,144	6,655,882
Fund Balances - Beginning	21,091,150	1,904,548	5,894,823	4,264,457	790,487	33,945,465
Fund Balances - Ending	$ 17,599,304	$ 3,079,893	$ 12,354,395	$ 6,766,124	$ 801,631	$ 40,601,347

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, 2022

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds		$ 6,655,882
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	$ 1,083,733	
Depreciation	(977,943)	
Net adjustment		105,790
The change in net position of the internal service fund activities are reported with governmental activities		131,679
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	(16,955)	
Deferred outflows	(417,510)	
Deferred inflows	(2,844,045)	
Net pension liability	3,261,639	
Total OPEB liability	401,089	
Net adjustment		384,218
Change in net position of governmental activities		$ 7,277,569

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

TOWN OF SURFSIDE, FLORIDA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

SEPTEMBER 30, 2022

	Business-type Activities - Enterprise Funds					Governmental Activities
	Water and Sewer	Municipal Parking	Sanitation	Stormwater Utility	Totals	Internal Service Fund Fleet Management
Assets						
Current Assets						
Cash	$ --	$ 478,315	$ --	$ 1,239,865	$ 1,718,180	$ 231,828
Investments	967,625	2,000,645	--	2,420,638	5,388,908	1,152,065
Receivables	1,532,394	37,500	353,514	320,814	2,244,222	--
Lease receivables	--	2,478,807	--	--	2,478,807	--
Prepaid items	9,814	1,963	24,534	--	36,311	17,374
Total Current Assets	2,509,833	4,997,230	378,048	3,981,317	11,866,428	1,401,267
Noncurrent Assets						
Capital Assets						
Construction in progress	--	--	--	216,153	216,153	--
Land	--	1,358,011	--	--	1,358,011	--
Infrastructure	24,459,628	1,440,902	--	3,557,535	29,458,065	--
Vehicles	--	--	--	--	--	824,934
Equipment	304,618	716,821	964,679	32,000	2,018,118	--
	24,764,246	3,515,734	964,679	3,805,688	33,050,347	824,934
Less: accumulated depreciation	(8,309,419)	(1,692,970)	(577,472)	(1,148,016)	(11,727,877)	(395,321)
Total Capital Assets, Net	16,454,827	1,822,764	387,207	2,657,672	21,322,470	429,613
Total Noncurrent Assets	16,454,827	1,822,764	387,207	2,657,672	21,322,470	429,613
Total Assets	18,964,660	6,819,994	765,255	6,638,989	33,188,898	1,830,880
Deferred Outflows of Resources						
Pension	33,727	95,814	93,575	23,231	246,347	--
OPEB	18,268	16,458	37,030	5,102	76,858	--
Total Deferred Outflows of Resources	51,995	112,272	130,605	28,333	323,205	--
Liabilities						
Current Liabilities						
Accounts payable	194,879	12,828	46,469	108,701	362,877	43,377
Accrued liabilities	13,908	13,738	24,218	4,403	56,267	2,456
Due to other funds	--	--	8,604	--	8,604	--
Interest payable	90,160	--	--	30,053	120,213	--
Current portion of revenue bonds payable	621,025	--	--	207,008	828,033	--
Current portion of state revolving loan payable	358,148	--	--	119,383	477,531	--
Compensated absences	706	2,265	10,370	273	13,614	547
Unearned revenue	--	6,940	--	--	6,940	--
Customer deposits	599,526	--	--	--	599,526	--
Total Current Liabilities	1,878,352	35,771	89,661	469,821	2,473,605	46,380
Noncurrent Liabilities						
Total OPEB liability	11,607	31,734	36,240	1,269	80,850	--
Net pension liability	28,940	82,215	80,294	19,934	211,383	--
Compensated absences	6,349	20,386	93,329	2,456	122,520	4,926
Revenue bonds payable	3,148,290	--	--	1,049,430	4,197,720	--
State revolving loan payable	3,756,512	--	--	1,252,171	5,008,683	--
Total Noncurrent Liabilities	6,951,698	134,335	209,863	2,325,260	9,621,156	4,926
Total Liabilities	8,830,050	170,106	299,524	2,795,081	12,094,761	51,306
Deferred Inflows of Resources						
Pension	55,495	157,654	153,971	38,225	405,345	--
OPEB	36,197	32,610	73,372	10,109	152,288	--
Leases	--	2,464,320	--	--	2,464,320	--
Total Deferred Inflows of Resources	91,692	2,654,584	227,343	48,334	3,021,953	--
Net Position						
Net investment in capital assets	8,570,852	1,822,764	387,207	29,680	10,810,503	429,613
Restricted for renewal and replacement	1,772,319	--	--	266,140	2,038,459	1,349,961
Restricted for loan reserve	243,000	--	--	81,000	324,000	--
Unrestricted	(491,258)	2,284,812	(18,214)	3,447,087	5,222,427	--
Total Net Position	$ 10,094,913	$ 4,107,576	$ 368,993	$ 3,823,907	$ 18,395,389	$ 1,779,574

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, 2022

	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	$ 2,478,622	$ --	$ --	$ --	$ 2,478,622	$ --
Sewer charges	2,159,219	--	--	--	2,159,219	--
Parking fees	--	1,693,412	--	--	1,693,412	--
Solid waste fees	--	--	1,670,038	--	1,670,038	--
Recycling fees	--	--	93,461	--	93,461	--
Drainage fees	--	--	--	865,795	865,795	--
Service charges	--	--	--	--	--	792,662
Miscellaneous	8,064	--	3,891	--	11,955	--
Total Operating Revenues	4,645,905	1,693,412	1,767,390	865,795	8,972,502	792,662
Operating Expenses						
Personal services	413,356	521,855	707,621	170,347	1,813,179	86,588
Administrative	179,074	452,517	257,440	213,768	1,102,799	64,936
Water system	743,115	--	--	--	743,115	--
Sewer system	1,269,266	--	--	--	1,269,266	--
Solid waste system	--	--	548,708	--	548,708	--
Repairs and maintenance	--	--	--	--	--	375,348
Depreciation	799,170	131,381	82,341	132,650	1,145,542	158,108
Total Operating Expenses	3,403,981	1,105,753	1,596,110	516,765	6,622,609	684,980
Operating Income (Loss)	1,241,924	587,659	171,280	349,030	2,349,893	107,682
Nonoperating Revenues (Expenses)						
Intergovernmental	63,994	--	--	26,546	90,540	--
Interest earnings	12,492	13,370	--	20,056	45,918	7,997
Interest expense	(274,382)	--	--	(91,461)	(365,843)	--
Total Nonoperating Revenues (Expenses)	(197,896)	13,370	--	(44,859)	(229,385)	7,997
Income Before Transfers	1,044,028	601,029	171,280	304,171	2,120,508	115,679
Transfers out	--	(105,480)	--	(31,644)	(137,124)	--
Transfers in	--	--	--	--	--	16,000
Total Transfers	--	(105,480)	--	(31,644)	(137,124)	16,000
Change in Net Position	1,044,028	495,549	171,280	272,527	1,983,384	131,679
Net Position - Beginning	9,050,885	3,612,027	197,713	3,551,380	16,412,005	1,647,895
Net Position - Ending	$ 10,094,913	$ 4,107,576	$ 368,993	$ 3,823,907	$ 18,395,389	$ 1,779,574

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, 2022

	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	$ 4,689,925	$ 1,674,467	$ 1,721,598	$ 909,586	$ 8,995,576	$ 792,662
Receipts from other funds	--	--	--	1,096,671	1,096,671	--
Payments to other funds	(1,692,076)	--	(38,606)	--	(1,730,682)	--
Payments to suppliers	(2,168,592)	(462,350)	(812,121)	(117,164)	(3,560,227)	(432,082)
Payments to employees	(462,751)	(510,715)	(870,871)	(156,516)	(2,000,853)	(86,577)
Net Cash Provided by (Used in) Operating Activities	366,506	701,402	--	1,732,577	2,800,485	274,003
Cash Flows from Noncapital Financing Activities						
Transfers in	--	--	--	--	--	16,000
Transfers out	--	(105,480)	--	(31,644)	(137,124)	--
Net Cash Provided by (Used in) in Noncapital Financing Activities	--	(105,480)	--	(31,644)	(137,124)	16,000
Cash Flows from Capital and Related Financing Activities						
Acquisition and construction of capital assets	--	--	--	(224,853)	(224,853)	(30,846)
Capital grants	63,994	--	--	26,546	90,540	--
Proceeds from sale of capital assets	--	13,370	--	--	13,370	--
Principal payments	(944,578)	--	--	(314,858)	(1,259,436)	--
Interest expense and debt related costs	(287,415)	--	--	(95,807)	(383,222)	--
Net Cash Provided by (Used in) Capital and Related Financing Activities	(1,167,999)	13,370	--	(608,972)	(1,763,601)	(30,846)
Cash Flows from Investing Activities						
Interest earnings	12,492	--	--	20,056	32,548	7,997
Sale of investments	--	--	--	--	--	--
Purchases of investments	210,986	(695,293)	--	(120,936)	(605,243)	(343,123)
Net Cash Provided by (Used in) Investing Activities	223,478	(695,293)	--	(100,880)	(572,695)	(335,126)
Net Increase (Decrease) in Cash	(578,015)	(86,001)	--	991,081	327,065	(75,969)
Cash - Beginning	578,015	564,316	--	248,784	1,391,115	307,797
Cash - Ending	$ --	$ 478,315	$ --	$ 1,239,865	$ 1,718,180	$ 231,828

(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, 2022

	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)	$ 1,241,924	$ 587,659	$ 171,280	$ 349,030	$ 2,349,893	$ 107,682
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	799,169	131,380	82,342	132,650	1,145,541	158,108
Changes in assets, liabilities and deferred inflows/outflows:						
(Increase) decrease in:						
Receivables	51,171	363,042	(45,792)	43,791	412,212	--
Lease receivable	--	(2,478,807)	--	--	(2,478,807)	--
Prepaid items	(4,180)	(835)	(10,447)	--	(15,462)	(1,142)
Deferred outflows - pension/OPEB	25,962	7,840	48,426	2,153	84,381	--
Increase (decrease) in:						
Accounts payable	27,044	(8,997)	4,473	96,604	119,124	9,344
Accrued liabilities	(4,771)	1,979	1,851	2,335	1,394	532
Unearned revenue	--	--	--	--	--	--
Due to other funds	(1,692,076)	--	(38,606)	--	(1,730,682)	--
Compensated absences	(28,524)	1,002	673	2,729	(24,120)	(521)
Net pension liability	(107,720)	(141,373)	(206,081)	(32,074)	(487,248)	--
Total OPEB liability	(1,802)	(9,722)	(183,001)	(336)	(194,861)	--
Deferred inflows - pensions/OPEB	67,460	151,414	174,882	39,024	432,780	--
Deferred inflows - parking trust	--	2,096,820	--	--	2,096,820	--
Customer deposits	(7,151)	--	--	--	(7,151)	--
Total adjustments	(875,418)	113,743	(171,280)	1,383,547	450,592	166,321
Net Cash Provided by (Used In) Operating Activities	$ 366,506	$ 701,402	$ --	$ 1,732,577	$ 2,800,485	$ 274,003

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

TOWN OF SURFSIDE, FLORIDA

STATEMENT OF FIDUCIARY NET POSITION

SEPTEMBER 30, 2022

Assets		
Money market funds	$	186,898
U.S. Treasury securities		841,853
Municipal obligations		270,884
Corporate bonds		4,602,219
Mortgage backed securities		1,635,857
Equities		
Common stock and American depositary receipts and exchange traded funds		6,795,385
Mutual funds		8,653,487
Real estate investment trusts		159,558
Collective investment trust		2,459,925
Core real estate fund		3,419,006
Total Investments		29,025,072
Receivables		
Interest and dividends		50,468
Employee contributions		16,932
Other receivables		1,826
Total Receivables		69,226
Total Assets		29,094,298
Liabilities and Net Position		
Accounts payable		37,341
Refunds due to members		28,759
Total Liabilities		66,100
Net Position Restricted for Pension Benefits	$	29,028,198

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, 2022

Additions	
Contributions	
Plan members	$ 624,222
Town	1,480,712
	2,104,934
Investment Income	
Net depreciation in fair value of investments	(6,017,202)
Interest and dividends	953,442
	(5,063,760)
Less investment expenses	(134,077)
Net Investment Income (Loss)	(5,197,837)
Total Additions	(3,092,903)
Deductions	
Benefit payments	968,015
Refunds of contributions	64,350
Administrative expenses	128,010
Total Deductions	1,160,375
Change in Net Position	(4,253,278)
Net Position Restricted for Pension Benefits- Beginning	33,281,476
Net Position Restricted for Pension Benefits - Ending	$ 29,028,198

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

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

A. FINANCIAL REPORTING ENTITY

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

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. The effect of interfund activity has been removed from these statements with the exception of interfund services provided and used which are not eliminated. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

The Town reports the following major governmental funds:

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

The Town reports the following major proprietary funds:

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

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

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

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

Additionally, the government reports the following fund type:

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than *program revenues*. The general revenues include all taxes.

Proprietary Funds distinguish *operating revenues* and *expenses* from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues and expenses of the Town's enterprise funds are charges to customers for services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

IMPLEMENTATION OF NEW GASB STATEMENTS

GASB Statement No. 87, *Leases* ("GASB 87"), the objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement was implemented by the Town for the fiscal year ending September 30, 2022.

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)

1. Deposits and Investments (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.

The Town's lease receivable is measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

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.

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

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

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

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

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 assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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)

The Town reports within its government-wide statement of net position as deferred outflows amounts contributed during fiscal year 2022 into The Retirement Plan for the Employees of the Town of Surfside. The net pension liability associated with the Plan was measured as of September 30, 2021. The amounts paid during fiscal year 2022 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 assets that applies to future periods 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.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 (CONTINUED)

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, 2022, 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, 2022, the Town had the following investment subject to interest rate risk:

	Reported Value	Weighted Average Maturity
Investments		
Florida PRIME	$ 44,370,996	21 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, 2022, 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, 2022:

	Reported Value
Investments	
Money market funds	$ 186,898
U.S. Treasury securities	841,853
Municipal obligations	270,884
Corporate bonds	4,602,219
Mortgage backed securities	1,635,857
Equities	
Common stock and American depositary receipts and exchange traded funds	6,795,385
Mutual funds	8,653,487
Real estate investment trusts	159,558
Collective investment trust	2,459,925
Core real estate fund	3,419,006
Total	$ 29,025,072

As of September 30, 2022, the Plan had the following investment types subject to interest rate risk:

Investment Type	Fair Value	Sector Distribution
Corporate bonds	$ 4,602,219	62.6%
Municipal obligations	270,884	3.7%
U.S. Treasury securities	841,853	11.5%
Mortgage backed securities	1,635,857	22.3%
Total Fair Value	$ 7,350,813	

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	0.6%	AAA	2.1%
1-5	34.1%	AA	5.1%
5-10	25.0%	A	14.6%
10+	40.3%	BBB	14.8%
	100.0%	Not Rated	63.4%
			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, 2022, 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, 2022:

		Fair Value Measurements Using		
	9/30/2022	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	$ 841,853	$ --	$ 841,853	$ --
Corporate bonds	4,602,219	--	4,602,219	--
Municipal obligations	270,884	--	270,884	--
Mortgage backed securities	1,635,857	--	1,635,857	--
Total debt securities	7,350,813	--	7,350,813	--
Equity securities				
Common stock, ADRs, and ETFs	6,795,385	6,795,385	--	--
Mutual funds	8,653,487	8,653,487	--	--
Real Estate Investment Trusts	159,558	159,558	--	--
Total equity securities	15,608,430	15,608,430	--	--
Total investments at fair value	22,959,243	$ 15,608,430	$ 7,350,813	$ --
Investments Measured at Net Asset Value (NAV)				
Core real estate fund	3,419,006			
Collective investment trust	2,459,925			
Total investments measured at NAV	5,878,931			
Money market funds (exempt)	186,898			
Total investments	$ 29,025,072			

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)]	$ 3,419,006	$ 381,282	Quarterly	N/A
Collective Investment Trust [(2)]	$ 2,459,925	$ --	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, 2022 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	$ 2,638,504	$ 443,431	$ 79,561	$ --	$ --	$ --	$ --	$ 3,161,496
Other	198,540	--	--	--	37,500	--	--	236,040
Accounts - billed	--	--	--	907,820	--	353,514	202,383	1,463,717
Accounts - unbilled	--	--	--	624,574	--	--	118,431	743,005
Total Receivables	$ 2,837,044	$ 443,431	$ 79,561	$ 1,532,394	$ 37,500	$ 353,514	$ 320,814	$ 5,604,258

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, 2022, 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, 2022, there were no material delinquent taxes.

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of the interfund balances as of September 30, 2022 is as follows:

DUE TO/FROM OTHER FUNDS

Receivable Funds	Payable Fund Solid Waste Fund	Police Forfeiture Fund	Transportation Surtax Fund	Total
General Fund	$ 8,604	$ 146,745	$ 151,480	$ 306,829
	$ 8,604	$ 146,745	$ 151,480	$ 306,829

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	$ 328,538	$ 6,530,851
Building Fund	--	126,576
Capital Projects Fund	6,530,851	--
Tourism Fund	--	68,741
Transportation Surtax Fund (Nonmajor Fund)	--	12,097
Water and Sewer Fund	--	--
Municipal Parking Fund	--	105,480
Sanitation Fund	--	--
Stormwater Utility Fund	--	31,644
Internal Service Fund - Fleet Management	--	--
Total Interfund Transfers	$ 6,859,389	$ 6,875,389

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, 2022 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	145,940	535,488	49,203	632,225
Total Capital Assets Not Being Depreciated	1,607,169	535,488	49,203	2,093,454
Capital Assets Being Depreciated				
Buildings	11,343,486	104,493	42,519	11,405,460
Machinery, furniture and equipment	4,015,061	204,084	664,747	3,554,398
Infrastructure	6,603,169	319,718	12,281	6,910,606
Total Capital Assets Being Depreciated	21,961,716	628,295	719,547	21,870,464
Less: Accumulated Depreciation for				
Buildings	3,709,501	391,182	42,519	4,058,164
Machinery, furniture and equipment	2,968,075	361,622	664,747	2,664,950
Infrastructure	3,110,179	383,248	12,281	3,481,146
Total Accumulated Depreciation	9,787,755	1,136,052	719,547	10,204,260
Total Capital Assets Being Depreciated, Net	12,173,961	(507,757)	--	11,666,204
Governmental Activities Capital Assets, Net	$ 13,781,130	$ 27,731	$ 49,203	$ 13,759,658

	Beginning Balances	Increase	Decrease	Ending Balances
Business-type Activities				
Capital Assets Not Being Depreciated				
Land	$ 1,358,011	$ --	$ --	$ 1,358,011
Construction in progress	--	216,153	--	216,153
Total Capital Assets Not Being Depreciated	1,358,011	216,153	--	1,574,164
Capital Assets Being Depreciated				
Equipment	2,108,584	--	90,466	2,018,118
Infrastructure	29,489,848	8,700	40,480	29,458,068
Total Capital Assets Being Depreciated	31,598,432	8,700	130,946	31,476,186
Less: Accumulated Depreciation for				
Equipment	1,326,163	160,775	90,466	1,396,472
Infrastructure	9,387,122	984,766	40,480	10,331,408
Total Accumulated Depreciation	10,713,285	1,145,541	130,946	11,727,880
Total Capital Assets Being Depreciated, Net	20,885,147	(1,136,841)	--	19,748,306
Business-type Activities Capital Assets, Net	$ 22,243,158	$ (920,688)	$ --	$ 21,322,470

NOTE 6 – CAPITAL ASSETS (CONTINUED)

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

Governmental Activities	
General government	$ 240,626
Public safety	185,215
Physical environment	539,061
Leisure services	92,032
Transportation	79,118
Total Depreciation Expense – Governmental Activities	$ 1,136,052
Business-type Activities	
Water and sewer	$ 799,170
Municipal parking	131,381
Sanitation	82,341
Stormwater utility	132,650
Total Depreciation Expense – Business-type Activities	$ 1,145,542

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, 2022:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Compensated absences	$ 552,923	$ 468,306	$ 451,872	$ 569,357	$ 56,935
Total Governmental Activities	$ 552,923	$ 468,306	$ 451,872	$ 569,357	$ 56,935

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, 2022:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type Activities					
Revenue bonds series 2011	$ 5,816,464	$ --	$ 790,711	$ 5,025,753	$ 828,033
State revolving loan	5,954,940	--	468,725	5,486,215	477,531
Compensated absences	160,254	27,760	51,881	136,133	13,614
Total Business-type Activities	$11,931,658	$ 27,760	$ 1,311,317	$ 10,648,101	$1,319,178

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 $5,503,096.

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			
2023	$ 828,033	$ 220,391	$ 1,048,424
2024	867,116	181,079	1,048,195
2025	908,044	139,346	1,047,390
2026	2,422,560	66,701	2,489,261
Total	$ 5,025,753	$ 607,517	$ 5,633,270

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 2022 fiscal year.

The principal total outstanding at September 30, 2022 is $5,486,215. The loan is secured by the net water, sewer and stormwater revenues. Total debt service for fiscal year 2022 was $577,901 and the pledged revenue was $5,503,096. 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			
2023	$ 477,531	$ 98,510	$ 576,041
2024	486,503	89,503	576,006
2025	495,643	80,327	575,970
2026	504,955	70,979	575,934
2027	514,442	61,456	575,898
2028-2032	2,720,867	158,040	2,878,907
2033	286,274	5,785	292,059
Total	$ 5,486,215	$ 564,600	$ 6,050,815

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, 2020 actuarial valuation, totaled $1,480,712 for the fiscal year ended September 30, 2022.

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 is one (1) Police Officer currently participating in the DROP as of September 30, 2022. Ten (10) general employees are currently participating in the DROP as of September 30, 2022. As of September 30, 2022, the balance in the DROP account was approximately $509,000. 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, 2022, using a measurement date of September 30, 2021 was as follows:

Total pension liability	$ 35,158,091
Plan fiduciary net position	(33,279,629) [1]
Net Pension Liability	$ 1,878,462
Plan fiduciary net position as a percentage of the total pension liability	94.66%

(1) The Plan fiduciary net position above does not agree to the Plan fiduciary net position presented in the statement of fiduciary net position as of September 30, 2021. The difference of $1,847 was caused by an adjustment that was made after the actuary finalized their report.

NOTE 8 – EMPLOYEE RETIREMENT PLAN (CONTINUED)

CHANGES IN THE NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at September 30, 2020	$ 31,877,078	$ 26,249,729	$ 5,627,349
Changes for the year:			
Service cost	1,313,601	--	1,313,601
Expected interest growth	2,433,741	--	2,433,741
Assumption changes	--	--	--
Benefit changes	--	--	--
Difference Between Actual and Expected Experience	525,596	--	525,596
Net investment income	--	6,273,528	(6,273,528)
Contributions - Town	--	1,420,078	(1,420,078)
Contributions - member	--	489,986	(489,986)
Administrative expenses	--	(161,767)	161,767
Benefit payments, including refunds of employee contributions	(991,925)	(991,925)	--
Other	--	--	--
Net changes	3,281,013	7,029,900	(3,748,887)
Balances at September 30, 2021	$ 35,158,091	$ 33,279,629	$ 1,878,462

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, 2021
Actuarial valuation	October 1, 2020
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, 2021 are summarized in the following table:

Asset Class	Target Asset Allocation	Expected Long-Term Real Return
Domestive equity	42.0%	9.6%
Convertibles	5.0%	8.8%
International equity	10.0%	5.6%
Infrastructure	5.0%	8.1%
Fixed income	25.0%	4.5%
Real estate	10.0%	9.1%
Cash	3.0%	2.4%

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 (Asset) of the Town	$ 6,891,017	$ 1,878,462	$ (2,210,017)

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

For the fiscal year ended September 30, 2022, the Town recognized a reduction in pension expense of approximately $540,000. 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	$ 671,229	$ 308,572
Changes of assumptions or other inputs	37,239	401,151
Net difference between projected and actual earnings on pension plan investment	--	2,892,404
Town contributions subsequent to the measurement date	1,480,712	--
Total	$ 2,189,180	$ 3,602,127

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, 2021 in the amount of $1,480,712, 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
2023	$ (595,278)
2024	(659,103)
2025	(752,690)
2026	(886,588)
Total	$ (2,893,659)

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, 2022, the following employees were covered by the benefit terms:

Inactive employees and beneficiaries currently receiving benefit payments	3
Inactive employees entitled to but not yet receiving benefit payments	--
Active employees	100
Total Members	103

TOTAL OPEB LIABILITY

The Town's total OPEB liability of $722,656 was measured as of October 1, 2021, and was determined by an actuarial valuation as of October 1, 2021.

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

ACTUARIAL ASSUMPTIONS AND OTHER INPUTS

The total OPEB liability in the October 1, 2021 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, 2021
Measurement date	October 1, 2021
Reporting date	September 30, 2022
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	2.19%
Healthcare cost trend rates	Based on the Getzen Model starting at 6.5% gradually decreasing to an ultimate rate of 3.7% in 2042
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, 2021 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, 2020	$ 1,318,606
Changes for the year:	
Service cost	110,133
Other recognized changes in net pension liability	
Interest	34,464
Difference between actual and expected experience	(682,662)
Assumption changes	(36,851)
Benefit payments and refunds	(21,034)
Net changes	(595,950)
Balance at October 1, 2021	$ 722,656
Covered Employee Payroll	$ 7,047,941
Total OPEB liability as a percentage of covered employee payroll	10.25%

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, 2022:

	1% Decrease (1.19%)	Current Discount Rate (2.19%)	1% Increase (3.19%)
Total OPEB liability	$ 852,761	$ 722,656	$ 618,207

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 6.5% to 3.7% 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, 2022:

	1% Decrease (5.5% to 2.7%)	Current Trend Rates (6.5% to 3.7%)	1% Increase (7.5% to 4.7%)
Total OPEB liability	$ 594,460	$ 722,656	$ 891,506

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

For fiscal year ended September 30, 2022, the Town recognized OPEB expense of $138,903.

At September 30, 2022, 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	$ 184,356	$ 591,227
Changes of assumptions or other inputs	132,248	60,970
Expected benefit payments subsequent to the the measurement date	12,554	--
Total	$ 329,158	$ 652,197

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, 2021) in the amount of $12,554 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
2023	$ (45,479)
2024	(45,479)
2025	(44,917)
2026	(39,865)
2027	(48,517)
Thereafter	(111,336)
Total	$ (335,593)

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 Executive expenditures exceed budgeted amounts in the amount of $18,574 for the fiscal year ended September 30, 2022. 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 $3.6 million in disaster relief costs related to the investigation and recovery efforts during fiscal year ended September 30, 2023. The Town recovered 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, 20222

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues				
Property taxes	$ 13,136,116	$ 13,136,116	$ 13,047,092	$ (89,024)
Utility taxes	705,000	705,000	749,259	44,259
Communications services tax	179,299	179,299	197,608	18,309
Franchise taxes	510,950	510,950	581,545	70,595
Licenses and permits	74,000	74,000	106,092	32,092
Intergovernmental	727,977	1,752,865	3,473,221	1,720,356
Charges for services	457,600	457,600	602,886	145,286
Fines and forfeitures	165,000	165,000	328,702	163,702
Interest earnings	--	24,000	184,517	160,517
Miscellaneous	97,500	105,500	161,981	56,481
Total Revenues	16,053,442	17,110,330	19,432,903	2,322,573
Expenditures				
Current:				
General government:				
Legislative	114,865	113,673	81,699	31,974
Town attorney	559,412	873,499	866,493	7,006
Executive	794,343	841,521	860,095	(18,574)
Planning & code compliance	318,144	267,999	179,342	88,657
Finance & IT	1,042,310	1,053,148	917,789	135,359
Town clerk	482,881	497,231	484,851	12,380
Non-departmental	1,553,515	1,085,873	826,204	259,669
Public safety	6,700,976	6,785,124	6,749,896	35,228
Public works	1,499,610	1,631,035	1,224,392	406,643
Leisure services	525,788	525,788	335,272	190,516
Capital outlay	354,469	501,669	599,025	(97,356)
Total Expenditures	13,946,313	14,176,560	13,125,058	1,051,502
Excess of Revenues over Expenditures	2,107,129	2,933,770	6,307,845	3,374,075
Other Financing Sources (Uses)				
Transfers in	539,498	539,498	328,538	210,960
Transfers out	--	(6,530,851)	(6,530,851)	--
Total Other Financing Uses	539,498	(5,991,353)	(6,202,313)	(210,960)
Extraordinary Item (Note 12)	--	(4,119,983)	(3,597,378)	(7,717,361)
Net Change in Fund Balance	$ 2,646,627	$ (7,177,566)	$ (3,491,846)	$ (4,554,246)
Appropriated Beginning Fund Balance	$ --	$ 7,177,566		

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, 2022

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues				
Building permits	$ 490,500	$ 850,500	$ 2,265,953	$ 1,415,453
Other revenues	2,000	2,000	--	(2,000)
Miscellaneous	10,000	10,000	12,160	2,160
Total Revenues	502,500	862,500	2,278,113	1,415,613
Expenditures				
Current:				
General government:				
Capital Outlay	--	323,471	105,421	218,050
Operating expenditures	998,893	1,306,084	870,771	435,313
Total Expenditures	998,893	1,629,555	976,192	653,363
Excess (Deficiency) of Revenues over Expenditures	(496,393)	(767,055)	1,301,921	2,068,976
Other Financing Uses				
Transfers out	(126,576)	(126,576)	(126,576)	--
Net Change in Fund Balance	$ (622,969)	$ (893,631)	$ 1,175,345	$ 762,250
Appropriated Beginning Fund Balance	$ 622,969	$ 893,631		

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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues				
Resort taxes	$ 3,503,823	$ 4,810,491	$ 5,491,734	$ 681,243
Interest earnings	3,000	3,000	24,230	21,230
Miscellaneous	10,500	10,500	7,667	(2,833)
Total Revenues	3,517,323	4,823,991	5,523,631	699,640
Expenditures				
Current:				
General government	3,266,569	3,279,967	2,828,134	451,833
Capital outlay	35,240	46,145	125,089	(78,944)
Total Expenditures	3,301,809	3,326,112	2,953,223	372,889
Excess of Revenues Over Expenditures	215,514	1,497,879	2,570,408	1,072,529
Other Financing Uses				
Transfers out	(68,741)	(68,741)	(68,741)	--
Net Changes in Fund Balance	$ 146,773	$ 1,429,138	$ 2,501,667	$ 1,072,529
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, 2022

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 $1,232,447 in supplemental appropriations in the budgeted General Fund for the fiscal year ended September 30, 2022. There was $34,303 and $630,662 in supplemental appropriations in the budgeted Tourism Fund and Building Fund respectively for the fiscal year ended September 30, 2022.

TOWN OF SURFSIDE, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

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

Measurement Date, October 1,	2021	2020	2019	2018	2017
Total OPEB Liability					
Service cost	$ 110,133	$ 100,753	$ 60,580	$ 61,313	$ 65,712
Other recognized changes in net pension liability:					
Difference between actual and expected experience	(682,662)	--	299,577	--	(12,840)
Benefit changes	--	--	8,985	--	--
Benefit payments and refunds	(21,034)	(17,938)	(5,258)	(2,826)	(2,591)
Interest	34,464	35,321	25,093	21,442	17,993
Assumption changes	(36,851)	3,287	211,023	(35,474)	(31,526)
Net Change in Total OPEB Liability	(595,950)	121,423	600,000	44,455	36,748
Total OPEB Liability - Beginning	1,318,606	1,197,183	597,183	552,728	515,980
Total OPEB Liability - Ending*	$ 722,656	$ 1,318,606	$ 1,197,183	$ 597,183	$ 552,728
Covered-Employee Payroll	$ 7,047,941	$ 7,206,031	$ 6,874,032	$ 6,205,935	$ 5,893,543
Total OPEB Liability as a Percentage of Covered-Employee Payroll	10.25%	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,	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service cost	$ 1,313,601	$ 1,317,790	$ 1,113,128	$ 1,002,537	$ 1,052,014	$ 932,365	$ 901,998	$ 888,988
Interest	2,433,741	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	525,596	(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	(991,925)	(877,926)	(1,308,821)	(819,116)	(651,287)	(602,692)	(665,019)	(545,746)
Net Change in Total Pension Liability	3,281,013	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	31,877,078	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)	$35,158,091	$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	$ 1,420,078	$ 1,141,115	$ 817,472	$ 917,274	$ 797,359	$ 757,304	$ 727,022	$ 631,584
Contributions - Members	489,986	696,438	498,404	459,190	462,846	383,619	387,678	349,600
Net Investment income	6,244,885	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	(991,925)	(877,926)	(1,308,821)	(819,116)	(651,287)	(602,690)	(665,019)	(545,746)
Other expenses	--	(57,617)	--	--	--	--	--	--
Administrative expense	(133,124)	(108,170)	(118,212)	(120,389)	(85,518)	(130,686)	(85,426)	(80,194)
Net Change in Plan Fiduciary Net Position	7,029,900	2,061,137	879,216	2,016,775	2,541,150	2,257,962	235,459	1,751,675
Plan Fiduciary Net Position - Beginning	26,249,729	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)	$33,279,629	$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)	$ 1,878,462	$ 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	94.66%	82.35%	87.86%	91.53%	89.14%	88.59%	86.75%	93.77%
Covered Payroll	$ 6,360,884	$ 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	29.53%	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
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%
2022	1,326,786	1,480,712	(153,926)	6,206,128	23.86%

Notes to the schedule
Valuation date: October 1, 2020

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, 2022:

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.

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, 2022

	Transportation Surtax	Police Forfeiture	Total Nonmajor Governmental Funds
Assets			
Cash	$ 810,234	$ 324,836	$ 1,135,070
Receivables	79,561	--	79,561
Total Assets	$ 889,795	$ 324,836	$ 1,214,631
Liabilities			
Accounts payable	$ 78,652	$ 1,634	$ 80,286
Due to other funds	151,480	146,745	298,225
Unearned revenue	34,489	--	34,489
Total Liabilities	264,621	148,379	413,000
Fund Balances			
Restricted for:			
Transportation surtax	625,174	--	625,174
Police forfeiture	--	176,457	176,457
Total Fund Balances	625,174	176,457	801,631
Total Liabilities and Fund Balances	$ 889,795	$ 324,836	$ 1,214,631

TOWN OF SURFSIDE, FLORIDA

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Transportation Surtax	Police Forfeiture	Total Nonmajor Governmental Funds
Revenues			
Intergovernmental	$ 353,540	$ --	$ 353,540
Interest earnings	2,955	--	2,955
Total Revenues	356,495	--	356,495
Expenditures			
Public safety	--	44,577	44,577
Transportation	288,677	--	288,677
Total Expenditures	288,677	44,577	333,254
Excess of Revenues Over Expenditures	67,818	(44,577)	23,241
Other Financing Uses			
Transfers out	(12,097)	--	(12,097)
Net Change in Fund Balances	55,721	(44,577)	11,144
Fund Balances - Beginning	569,453	221,034	790,487
Fund Balances - Ending	$ 625,174	$ 176,457	$ 801,631

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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues				
Intergovernmental	$ 241,922	$ 241,922	$ 353,540	$ 111,618
Interest earnings	575	575	2,955	2,380
Total Revenues	242,497	242,497	356,495	113,998
Expenditures				
Current:				
Transportation	275,000	511,552	288,677	222,875
Total Expenditures	275,000	511,552	288,677	222,875
Excess (Deficiency) of Revenues over Expenditures	(32,503)	(269,055)	67,818	(336,873)
Other Financing Uses				
Transfers out	(12,097)	(12,097)	(12,097)	--
Net Change in Fund Balance	$ (44,600)	$ (281,152)	$ 55,721	$ 336,873
Appropriated Beginning Fund Balance	$ 44,600	$ 281,152		

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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues				
Fines and forfeitures	$ --	$ --	$ --	$ --
Interest earnings	--	--	--	--
Total Revenues	--	--	--	--
Expenditures				
Current:				
Public safety	107,159	79,535	44,577	34,958
Total Expenditures	107,159	79,535	44,577	34,958
Net Change in Fund Balance	$ (107,159)	$ (79,535)	$ (44,577)	$ 34,958
Appropriated Beginning Fund Balance	$ 107,159	$ 79,535		

STATISTICAL SECTION

Town of Surfside, Florida

Introduction to Statistical Section

(Unaudited)

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

Contents	***Exhibits***
Financial Trends These tables contain trend information that may assist the reader in assessing the Town's current financial performance by placing it in historical perspective.	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.

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,									
	2013	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Expenses:										
General government	$ 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	$ 9,246,193
Public safety	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	6,588,119
Public works	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	1,721,071
Leisure services	1,767,787	1,688,945	2,350,266	2,534,022	2,011,932	2,115,577	613,854	464,339	653,640	385,722
Transportation	168,417	209,373	271,284	381,891	254,825	319,257	319,666	198,279	180,781	367,795
Disaster relief	-	-	-	-	-	-	-	-	-	-
Interest	6,045	5,787	5,475	3,213	1,869	583	3	-	-	-
Total Expenses	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	18,308,900
Program Revenues:										
Charges for services:										
General government	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	3,164,707
Public safety	645,803	777,293	940,380	1,140,065	1,546,610	324,226	191,186	263,124	244,178	328,702
Leisure services	404,443	608,316	601,904	639,875	707,641	1,058,077	304,643	138,304	162,624	602,886
Transportation	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	271,588	523,432	277,331	301,052	290,689	268,780	238,019	403,994	940,796	2,898,888
Capital grants and contributions	350,000	1,395,000	141,217	554,446	170,000	471,250	-	-	-	615,000
Total Program Revenues	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	7,610,183
Net (Expense) Revenue	(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)	(10,698,717)
General Revenues:										
Taxes:										
Property taxes	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	13,047,092
Resort taxes	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	5,491,734
Franchise fees based on gross receipts	394,613	442,572	451,450	424,878	468,525	490,095	521,209	497,697	501,909	581,545
Utility taxes	503,592	553,407	568,462	577,872	630,568	683,659	687,734	692,951	718,053	749,259
Communications services tax	298,019	282,169	268,859	234,542	220,848	233,373	210,758	198,165	192,304	197,608
Unrestricted intergovernmental revenues	638,944	681,956	713,914	717,252	718,484	726,081	750,229	1,114,171	878,945	927,873
Unrestricted investment earnings	30,399	-	28,783	26,988	38,709	69,061	183,585	276,294	33,739	259,621
Cares Act	-	-	-	-	-	-	-	80,160	-	-
Extra Ordinary Item (Note 12)	-	-	-	-	-	-	-	-	(1,791,997)	(3,597,378)
Miscellaneous	241,930	396,138	613,367	571,559	532,619	485,324	454,296	735,155	393,339	181,808
Total General Revenues	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	17,839,162
Net Transfers In (Out)	402,278	189,770	(19,272)	442,008	326,884	344,250	374,484	373,397	367,801	137,124
Total General Revenues, Extraordinary item and Net Transfers	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	17,976,286
Change in Net Position	$ 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	$ 7,277,569

Data Source:
Applicable years' comprehensive annual financial report.

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

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,									
	2013	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Expenses:										
General government	32.5%	28.9%	26.0%	24.3%	32.2%	35.3%	47.6%	47.1%	42.5%	50.5%
Public safety	40.3%	43.5%	42.6%	43.3%	42.3%	37.3%	36.8%	38.2%	42.9%	36.0%
Public works	9.5%	11.0%	11.5%	11.0%	10.2%	11.8%	10.2%	10.8%	10.2%	9.4%
Leisure services	16.2%	14.7%	17.8%	18.7%	13.5%	13.6%	3.6%	2.8%	3.5%	2.1%
Transportation	1.5%	1.8%	2.1%	2.8%	1.7%	2.1%	1.9%	1.2%	1.0%	2.0%
Disaster relief	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest	0.1%	0.1%	0.0%	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	45.5%	40.0%	33.9%	31.9%	43.8%	55.0%	76.6%	67.7%	56.2%	41.6%
Public safety	21.1%	14.1%	31.7%	29.5%	32.0%	6.9%	6.1%	10.6%	7.9%	4.3%
Leisure services	13.2%	11.0%	20.3%	16.5%	14.7%	22.4%	9.7%	5.6%	5.3%	7.9%
Operating grants and contributions	8.9%	9.5%	9.4%	7.8%	6.0%	5.7%	7.6%	16.2%	30.5%	38.1%
Capital grants and contributions	11.4%	25.3%	4.8%	14.3%	3.5%	10.0%	0.0%	0.0%	0.0%	8.1%
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	68.2%	65.1%	63.2%	65.8%	67.2%	67.0%	65.9%	67.7%	71.3%	73.1%
Resort taxes	4.5%	7.8%	11.2%	11.1%	11.3%	14.3%	19.8%	13.5%	23.7%	30.8%
Franchise fees based on gross receipts	5.1%	5.1%	4.4%	3.8%	3.9%	3.4%	2.6%	2.6%	2.7%	3.3%
Utility taxes	6.5%	6.4%	5.5%	5.2%	5.2%	4.8%	3.5%	3.6%	3.9%	4.2%
Communications services tax	3.9%	3.2%	2.6%	2.1%	1.8%	1.6%	1.1%	1.0%	1.0%	1.1%
Unrestricted intergovernmental revenues	8.3%	7.8%	6.9%	6.5%	5.9%	5.1%	3.8%	5.8%	4.8%	5.2%
Unrestricted investment earnings (losses)	0.4%	0.0%	0.3%	0.2%	0.3%	0.5%	0.9%	1.4%	0.2%	1.5%
Cares Act	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.0%	0.0%
Extra Ordinary Item (Note 12)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-9.7%	-20.2%
Miscellaneous	3.1%	4.6%	5.9%	5.2%	4.4%	3.4%	2.3%	3.8%	2.1%	1.0%
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	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses:										
Water and sewer	$ 1,837,645	$ 2,936,822	$ 2,987,800	$ 3,150,570	$ 3,459,678	$ 3,528,213	$ 3,549,765	$ 3,317,613	$ 3,637,710	$ 3,678,363
Municipal parking	888,502	898,121	954,129	1,095,550	1,056,670	1,027,029	1,175,646	1,124,140	1,129,179	1,105,753
Sanitation	1,131,680	1,347,714	1,334,381	1,452,813	1,393,630	1,575,168	1,745,422	1,892,905	1,943,303	1,596,110
Stormwater utility	144,999	349,434	471,517	492,599	499,783	519,513	511,775	474,434	568,216	608,226
Total Expenses	4,002,826	5,532,091	5,747,827	6,191,532	6,409,761	6,649,923	6,982,608	6,809,092	7,278,408	6,988,452
Program Revenues:										
Charges for services:										
Water and sewer	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	4,645,905
Municipal parking	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	1,693,412
Sanitation	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	1,767,390
Stormwater utility	499,705	497,300	493,107	507,827	531,309	629,811	691,093	798,864	898,264	865,795
Capital grants and contributions	1,086,000	-	-	-	-	-	-	-	529,382	90,540
Total Program Revenues	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	9,063,042
Net (Expense) Revenue	2,510,334	128,987	604,766	136,154	417,537	1,144,499	836,545	1,288,275	1,236,762	2,074,590
General Revenues:										
Investment earnings	(13,811)	139	1,406	220	440	786	1,066	53,638	7,550	45,918
Capital contributions	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	2,361	-	-	-	-	-	-	-	-
Net Transfers	(402,278)	(189,770)	19,272	(442,008)	(326,884)	(344,250)	(374,484)	(373,397)	(367,801)	(137,124)
Total General Revenues Net Transfers	(416,089)	(187,270)	20,678	(441,788)	(326,444)	(343,464)	(373,418)	(319,759)	(360,251)	(91,206)
Change in Net Position	$ 2,094,245	$ (58,283)	$ 625,444	$ (305,634)	$ 91,093	$ 801,035	$ 463,127	$ 968,516	$ 876,511	$ 1,983,384

Data Source:
Applicable years' comprehensive annual financial report.

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

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

	For the Fiscal Year Ended September 30,									
	2013	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Expenses:										
Governmental activities	$ 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	$ 18,308,900
Business-type activities	4,002,826	5,532,091	5,747,827	6,191,532	6,409,761	6,649,923	6,982,608	6,809,092	7,278,408	6,988,452
Total Expenses	14,940,059	17,035,909	18,948,556	19,764,652	21,313,111	22,218,373	24,122,976	23,619,679	26,058,607	25,297,352
Program Revenues:										
Governmental activities	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	7,610,183
Business-type activities	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	9,063,042
Total Program Revenues	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	16,673,225
Net (Expense) Revenue	(5,359,072)	(5,864,816)	(9,631,610)	(9,568,333)	(9,655,729)	(9,707,447)	(13,162,460)	(13,031,158)	(14,463,495)	(8,624,127)
General Revenues and Transfers:										
Governmental activities	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	17,976,286
Business-type activities	(416,089)	(187,270)	20,678	(441,788)	(326,444)	(343,464)	(373,418)	(319,759)	(360,251)	(91,206)
Total General Revenues	7,695,145	8,696,372	10,326,549	11,056,128	12,151,879	14,369,131	19,676,956	19,206,254	18,482,823	17,885,080
Change in Net Position	$ 2,336,073	$ 2,831,556	$ 694,939	$ 1,487,795	$ 2,496,150	$ 4,661,684	$ 6,514,496	$ 6,175,096	$ 4,019,328	$ 9,260,953

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

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

	September 30,									
	2013	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Governmental Activities										
Net investment in capital assets	$ 13,562,457	$ 14,538,578	$ 15,652,978	$ 15,329,431	$ 15,477,037	$ 15,092,876	$ 14,786,057	$ 14,188,857	$ 14,188,857	$ 13,759,658
Restricted	364,115	736,441	893,489	859,426	1,023,176	776,233	2,659,991	3,582,895	6,140,328	11,985,254
Unrestricted	5,345,914	6,887,306	5,147,901	7,298,940	9,392,641	13,789,195	18,263,625	23,144,501	23,746,343	25,591,727
Subtotal Governmental Activities Net Position	19,272,486	22,162,325	21,694,368	23,487,797	25,892,854	29,658,304	35,709,673	40,916,253	44,075,528	51,336,639
Business-type Activities										
Net investment in capital assets	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	10,810,503
Restricted	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	2,362,459
Unrestricted	(1,446,973)	1,453,545	2,775,453	3,494,438	1,456,556	2,201,996	2,673,618	3,288,367	3,580,125	5,222,427
Subtotal Business-type Activities Net Position	12,993,615	12,935,332	13,503,867	13,198,233	13,289,326	14,082,324	14,569,311	15,537,827	16,414,338	18,395,389
Primary Government										
Net investment in capital assets	26,395,129	24,412,449	24,268,933	24,442,981	25,171,848	24,860,745	24,569,291	24,325,858	24,660,611	24,570,161
Restricted	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	14,347,713
Unrestricted	3,898,941	8,340,851	7,923,354	10,793,378	10,849,197	15,991,191	20,937,243	26,432,868	27,326,468	30,814,154
Total Primary Government Net Position	$ 32,266,101	$ 35,097,657	$ 35,198,235	$ 36,686,030	$ 39,182,180	$ 43,740,628	$ 50,278,984	$ 56,454,080	$ 60,489,866	$ 69,732,028

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,									
	2013	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Revenue Source	**For the Fiscal Year Ended September 30,**									
Taxes	$ 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	$ 20,067,238
Intergovernmental	844,891	1,126,412	942,305	947,680	947,223	960,581	975,608	1,364,421	1,764,834	3,826,761
Licenses and permits	1,395,993	2,205,974	715,657	939,870	1,826,399	2,282,321	1,170,460	730,886	881,409	2,372,045
Charges for services	224,177	254,554	287,864	293,325	288,745	311,850	304,642	138,304	162,624	602,886
Fines and forfeitures	711,444	856,269	989,320	1,210,689	1,608,560	358,506	203,826	416,868	299,085	328,702
Developer fees	350,000	1,395,000	76,980	554,446	170,000	471,250	-	-	-	615,000
Interest earnings	30,399	-	28,783	26,988	38,709	69,061	183,585	270,172	32,729	251,624
Miscellaneous	244,234	399,359	615,872	571,559	532,619	485,324	454,296	735,155	393,339	181,808
Total Revenues	$ 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	$ 28,246,064
% change from prior year	5.3%	30.7%	-8.9%	13.1%	13.9%	-5.9%	40.9%	-4.5%	9.2%	25.6%
	Percentage of Total									
Taxes	64.1%	55.0%	71.0%	68.2%	66.7%	67.8%	84.7%	82.3%	84.3%	71.0%
Intergovernmental	8.0%	8.1%	7.5%	6.6%	5.8%	6.3%	4.5%	6.6%	7.8%	13.5%
Licenses and permits	13.2%	15.9%	5.7%	6.6%	11.2%	14.9%	5.4%	3.5%	3.9%	8.4%
Charges for services	2.1%	1.8%	2.3%	2.1%	1.8%	2.0%	1.4%	0.7%	0.7%	2.1%
Fines and forfeitures	6.7%	6.2%	7.8%	8.5%	9.9%	2.3%	0.9%	2.0%	1.3%	1.2%
Developer fees	3.3%	10.1%	0.6%	3.9%	1.0%	3.1%	0.0%	0.0%	0.0%	2.2%
Investment earnings	0.3%	0.0%	0.2%	0.2%	0.2%	0.5%	0.9%	1.3%	0.1%	0.9%
Miscellaneous	2.3%	2.9%	4.9%	4.0%	3.3%	3.2%	2.1%	3.6%	1.7%	0.6%
Total Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Data Source:
Applicable years' comprehensive annual financial report.

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

For The Fiscal Year Ended September 30,	Property	Resort	Utility	Franchise	Communications Services	Total
	Amounts					
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
2022	13,047,092	5,491,734	749,259	581,545	197,608	20,067,238
% Change in Dollars Over 10 Years	148.2%	1497.7%	48.8%	47.4%	-33.7%	195.2%
	Percentage of Total					
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%
2022	65.0%	27.4%	3.7%	2.9%	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	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Current:										
General government	$ 3,388,046	$ 3,072,346	$ 3,241,326	$ 3,159,302	$ 4,606,443	$ 5,199,112	$ 7,454,242	$ 6,956,989	$ 6,857,223	$ 7,915,378
Public safety	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	6,794,473
Public works	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	1,224,392
Leisure services	1,581,992	1,629,392	2,290,753	2,461,884	1,936,655	2,034,275	541,341	369,225	390,296	335,272
Transportation	123,254	142,272	174,620	310,767	183,890	248,321	248,731	127,344	109,846	288,677
Disaster relief	-	-	-	-	-	-	-	-	1,713,502	3,597,378
Total Current	10,526,321	10,687,100	12,323,308	12,599,883	13,859,005	14,219,729	15,643,220	15,072,940	16,860,835	20,155,570
% Change From Prior Year	14.8%	11.6%	15.3%	2.2%	10.0%	2.6%	10.0%	-3.6%	11.9%	19.5%
Capital Outlay	591,077	1,619,235	1,806,345	262,468	800,581	425,644	356,290	238,258	440,100	1,555,736
% Change From Prior Year	-9.2%	173.9%	11.6%	-85.5%	205.0%	-46.8%	-16.3%	-33.1%	84.7%	253.5%
Debt Service										
Principal	123,380	138,236	169,279	100,013	54,638	43,677	1,457	-	-	-
Interest	6,045	5,787	5,475	3,213	1,869	583	3	-	-	-
Total Debt Service	129,425	144,023	174,754	103,226	56,507	44,260	1,460	-	-	-
% Change From Prior Year	0.0%	11.3%	21.3%	-40.9%	-45.3%	-21.7%	-96.7%	-100.0%	0.0%	0.0%
Total Expenditures	$ 11,246,823	$ 12,450,358	$ 14,304,407	$ 12,965,577	$ 14,716,093	$ 14,689,633	$ 16,000,970	$ 15,311,198	$ 17,300,935	$ 21,711,306
% Change From Prior Year	-24.0%	10.7%	14.9%	-9.4%	13.5%	-0.2%	8.9%	-4.3%	13.0%	25.5%
Debt Service as a % of Noncapital Expenditures	1.16%	1.17%	1.24%	0.80%	0.39%	0.30%	0.01%	0.00%	0.00%	0.00%

Data Source:
Applicable years' comprehensive annual financial report.

Town of Surfside, Florida
General Governmental Current Expenditures by Function
Last Ten Fiscal Years
(modified accrual basis of accounting)

	For the Fiscal Year Ended September 30,									
	2013	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Function										
Current:										
General government	$ 3,388,046	$ 3,072,346	$ 3,241,326	$ 3,159,302	$ 4,606,443	$ 5,199,112	$ 7,454,242	$ 6,956,989	$ 6,857,223	$ 7,915,378
Public safety	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	6,794,473
Physical environment	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	1,224,392
Leisure services	1,581,992	1,629,392	2,290,753	2,461,884	1,936,655	2,034,275	541,341	369,225	390,296	335,272
Transportation	123,254	142,272	174,620	310,767	183,890	248,321	248,731	127,344	109,846	288,677
Disaster relief	-	-	-	-	-	-	-	-	1,713,502	3,597,378
Total Current	$ 10,526,321	$ 10,687,100	$ 12,323,308	$ 12,599,883	$ 13,859,005	$ 14,219,729	$ 15,643,220	$ 15,072,940	$ 16,860,835	$ 20,155,570
	Percentage of Total									
Current:										
General government	32.2%	28.7%	26.3%	25.1%	33.2%	36.6%	47.7%	46.2%	40.7%	39.3%
Public safety	42.8%	45.3%	44.0%	44.1%	43.5%	37.5%	39.2%	42.0%	38.6%	33.7%
Physical environment	8.8%	9.4%	9.7%	8.8%	7.9%	9.9%	8.1%	8.5%	7.6%	6.1%
Leisure services	15.0%	15.2%	18.6%	19.5%	14.0%	14.3%	3.5%	2.4%	2.3%	1.7%
Transportation	1.2%	1.3%	1.4%	2.5%	1.3%	1.7%	1.6%	0.8%	0.7%	1.4%
Disaster relief	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	10.2%	17.8%
Total Current	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Data Source:
Applicable years' comprehensive annual financial report.

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Revenues	$ 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	$ 28,246,064
Total Expenditures	11,246,823	12,450,358	14,304,407	12,965,577	14,716,093	14,689,633	16,000,970	15,311,198	17,300,935	21,711,306
Excess (Deficiency) of Revenues Over (Under) Expenditures	(648,002)	1,402,988	(1,678,547)	1,319,089	1,557,789	629,244	5,579,227	5,291,444	5,194,332	6,534,758
Other Financing Sources (Uses)										
Inception of capital leases	500,074	-	82,559	127,784	-	-	-	-	-	-
Cares Act	-	-	-	-	-	-	-	80,160	-	-
Transfers in	394,565	411,560	654,770	1,034,191	661,092	1,488,099	1,698,317	2,488,967	1,773,528	6,859,389
Transfers out	(368,236)	(9,282)	(465,000)	(1,053,463)	(219,084)	(1,161,215)	(1,354,067)	(2,148,070)	(1,405,727)	(6,738,265)
Total Other Financing Sources (Uses)	526,403	402,278	272,329	108,512	442,008	326,884	344,250	421,057	367,801	121,124
Net Change in Fund Balances	$ (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	$ 6,655,882

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,									
	2013	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
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	152,767	162,118	183,442	198,405	174,461	116,363	1,035	101,943	161,176	140,350
Unassigned	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	15,458,954
Total General Fund	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	17,599,304
General Fund % Change From Prior Year	0.7%	20.0%	-7.2%	24.8%	17.2%	27.6%	36.0%	24.5%	13.1%	-16.6%
All Other Governmental Funds:										
Nonspendable:										
Prepaid items	-	222	2,250	6154	-	5,798	-	5,112	5,636	12,355
Restricted for:										
Tourism	94,497	180,075	339,396	363,407	469,880	353,414	1,640,525	2,139,689	4,258,821	6,753,769
Transportation surtax	131,475	396,740	440,662	354,264	388,363	263,292	328,377	443,485	569,453	625,174
Police forfeiture	138,143	159,626	113,431	141,755	164,933	159,527	105,725	168,289	221,034	176,457
Assigned for:										
Capital projects	255,263	849,445	182,903	1,151,352	2,319,032	4,916,676	5,612,099	6,971,530	7,799,371	15,434,288
Total All Other Governmental Funds:	619,378	1,586,108	1,078,642	2,016,932	3,342,208	5,698,707	7,686,726	9,728,105	12,854,315	23,002,043
All Other Governmental Funds % Change From Prior Year	12.8%	156.1%	-32.0%	87.0%	65.7%	70.5%	34.9%	26.6%	32.1%	78.9%
Total Governmental Funds	$ 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	$ 40,601,347
All Governmental Funds % Change From Prior Year	1.9%	34.3%	-12.2%	34.4%	27.6%	39.6%	35.6%	25.2%	19.6%	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
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%
2022	3,593,225,002	16.5%	39,311,081	-4.7%	3,632,536,083	4.2000	16.2%
*	$ 2,157,081,723		$ 27,622,434		$ 2,184,704,156		
**	242.3%		218.3%		242.0%		

* 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
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
2022	2021	4.2000	4.6202	0.4853	5.1055	6.4240	0.1650	6.5890	0.0948	0.0327	0.1346	0.5000	2.3965	0.0000	19.0531

Notes:

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

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

Data Source:

Miami-Dade County Property Appraiser

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

Fiscal Year	Taxes Levied for the Fiscal Year	Total Taxes Collected		Total Uncollected Taxes	
		Amount	Percentage of Levy	Amount	Percentage of Levy
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%
2022	14,321,000	13,047,095	91.10%	1,273,905	8.90%

Data Source:
Town Finance Department

Town of Surfside, Florida
Principal Real Property Taxpayers
Fiscal Years Ended September 30, 2022 and 2013

2022				2013			
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	$ 51,722,000	1	1.44%	The Surf Club	$ 27,081,604	1	2.58%
SC Hotel Property LLC	44,762,000	2	1.25%	Chateau Ocean LLC	12,294,260	2	1.17%
Continental 647 Fund LLC	43,100,000	3	1.20%	Beach House Property, LLC	11,409,795	3	1.09%
East Oceanside Development LLC	41,308,639	4	1.15%	Publix Super Markets, Inc.	7,108,833	4	0.68%
The Surf Club Apartments Inc.	28,221,500	5	0.79%	New York Community Bank	4,837,701	5	0.46%
Surfside272817 LLC	24,000,000	6	0.67%	Greystone Residential LLC	3,289,000	6	0.31%
Surf Club 1031 LLC	20,173,737	7	0.56%	Kelvim Escobar	2,499,294	7	0.24%
Douglas W Kimmelman TRS	19,915,120	8	0.56%	Collins Avenue Investment Group	2,432,753	8	0.23%
Surf Club PH7 LLC	19,397,801	9	0.54%	Dayna Lindenfield	2,422,489	9	0.23%
Eden Surfside LLC	18,868,580	10	0.53%	Robert Swedroe & W Rita	2,291,424	10	0.22%
Total Principal Taxpayers	$ 311,469,377		8.67%	**Total Principal Taxpayers**	$ 75,667,153		7.21%
All Other Taxpayers	3,281,755,625		91.33%	**All Other Taxpayers**	974,178,888		92.79%
Total	$ 3,593,225,002		100.00%	**Total**	$ 1,049,846,041		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, 2022 and 2013

2022				2013			
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	$ 13,713,418	1	34.87%	Florida Power and Light Company	$ 6,468,423	1	49.21%
Florida Power and Light Company	10,027,246	2	25.51%	Atlantic Broadband	904,119	2	6.88%
Grand Beach Hotel Surfside	3,039,813	3	7.73%	Bell South Telecommunications, Inc.	896,653	3	6.82%
Residence Inn Miami Beach Surfside	2,102,039	4	5.35%	People's Gas System	787,920	4	5.99%
People's Gas System	2,044,808	5	5.20%	The Surf Club	594,624	5	4.52%
COGECO US (Miami) LLC	1,389,893	6	3.54%	Publix Super Markets, Inc.	518,109	6	3.94%
Publix Super Markets, Inc.	1,162,569	7	2.96%	Holiday CVS LLC	390,153	7	2.97%
Students for Environmental Education	883,800	8	2.25%	Yudah Ari Benmergui DDA	196,008	8	1.49%
SC Property Acquisition LLC	424,109	9	1.08%	Cine Citta Grill	146,700	9	1.12%
Solara Surfside Condominium Assoc.	353,987	10	0.90%	AT&T Mobility, LLC	127,984	10	0.97%
Total Principal Taxpayers	$ 35,141,682		89.39%	**Total Principal Taxpayers**	$ 11,030,693		83.92%
All Other Taxpayers	4,169,399		10.61%	**All Other Taxpayers**	2,114,057		16.08%
Total	$ 39,311,081		100.00%	**Total**	$ 13,144,750		100.00%

Data Source:

Miami-Dade County Property Appraiser

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

Fiscal Year	Governmental Activities	Business-type Activities					Grand Total		Total Debt Per
	Capital Leases	Revenue Bonds	Notes Payable	Loans Payable	Capital Leases	Total	Total	Population	Capita
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	5,679	2,494
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
2022	-	5,025,753	-	5,486,214	-	10,511,967	10,511,967	5,446	1,930

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

	2018 [4, 5]	2019 [4, 5]	2020 [4, 5]	2021 [4, 5]	2022 [4, 5]
Primary Debt Service Coverage					
Net Operating Revenues	$ 2,212,458	1,929,390	2,242,797	2,057,326	2,149,592
Investment Earnings	786	1,066	803	4,970	32,548
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	$ 2,182,140
Debt service requirements	$ 1,065,251	$ 1,051,707	$ 1,051,068	$ 1,065,249	$ 1,065,248
Actual coverage	2.08	1.84	2.13	1.94	2.05
Required coverage	1.10	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	$ 2,182,140
Less revenue required for primary debt service	(1,065,251)	(1,051,707)	(1,051,068)	(1,065,249)	(1,065,248)
Adjusted net revenues	$ 1,147,207	$ 878,749	$ 1,192,532	$ 997,047	$ 1,116,892
Debt service requirements	$ 506,498	$ 576,175	$ 576,175	$ 577,901	$ 577,901
Actual coverage	2.26	1.53	2.07	1.73	1.93
Required coverage	1.15	1.15	1.15	1.15	1.15

Notes:

[1] Bonds first issued in fiscal year 2011.

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

[3] Excludes depreciation expense.

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

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

Exhibit XX

Town of Surfside, Florida
Overlapping Governmental Activities Debt
September 30, 2022

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable [1]	Estimated Share of Underlying Debt
Overlapping Debt			
Miami-Dade County [2]	$ 4,847,498,000	0.97%	$ 47,020,731
Miami-Dade County School Board [3]	$ 3,151,802,000	0.97%	30,572,479
Total Overlapping Debt			$ 77,593,210

Notes:

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

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

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

Data Source:

Each specific government

Town of Surfside, Florida
Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year	Population [1]	Per Capita Personal Income [2]	Unemployment Rate [3]		
			County	State of Florida	United States
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	5,679	73,241	12.8%	7.7%	14.7%
2021	5,531	69,063	5.7%	3.9%	4.7%
2022	5,446	67,544	2.6%	2.7%	3.5%

Notes:

Information not presented, not readily available.

There are no public schools located within the Town.

Data Sources:

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

[2] U.S. Census Bureau

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

Town of Surfside, Florida

Principal Employers

For the Fiscal Years Ended September 30, 2022 and 2013

		2022	
Employer	**Type of Business**	**Number of Employees**	**Rank**
SC Hotel Property LLC (Four Seasons)	Hotel	343	1
Publix Super Market, Inc.	Supermarket	143	2
Town of Surfside	Government	129	3
Beach House Hotel D/B/A Grand Beach	Hotel	122	4
Flanigan's Seafood Bar & Grill	Restaurant	85	5
Surf Club Restaurant	Restaurant	80	6
Residence Inn (Miami Beach Surfside)	Hotel	53	7
Solara Surfside Resort	Hotel	38	8
Harbor Pita D/B/A Harbor Grill	Restaurant	37	9
Sushi K Group LLC	Restaurant	35	10
Total Principal Employers		1,065	

		2013	
Employer	**Type of Business**	**Number of Employees**	**Rank**
Gray & Son's South Florida Gold & Silver Exchan	Jewelry	18	1
Harbor Pita DBA Harbor Grill	Restaurant	20	2
Harding Realty	Real Estate Agency	25	3
CVS Pharmacy	Retail & Pharmacy	27	4
M. Kotler Realty	Real Estate Agency	30	5
Surf Club	Resort	50	6
Flannigan's	Restaurant	51	7
Town of Surfside	Government	96	8
Publix Supermarkets	Supermarket	97	9
Beach House Hotel DBA Grand Beach Hotel	Hotel	130	10
Total Principal Employers		544	

Town of Surfside, Florida

Full-time Funded Positions by Function/Program

Last Ten Fiscal Years

Function/program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
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	3.00	3.00	3.00	1.00	-	-	-	-
Executive	5.00	5.00	5.00	5.00	6.00	6.75	7.75	7.75	3.66	3.66
Financial Support Services	4.00	4.00	4.00	4.00	4.00	4.00	5.00	5.00	5.00	4.84
Town Clerk	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00
Building Services	4.00	4.00	4.00	4.00	5.00	6.00	7.00	7.00	7.50	7.50
Total General Government	22.00	22.00	23.00	23.00	25.00	25.75	27.75	27.75	24.16	24.00
Public Safety										
Public Safety	32.25	33.25	34.25	34.25	36.25	37.25	36.25	37.25	36.75	36.75
Municipal Parking	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75
Total Public Safety	39.00	40.00	41.00	41.00	43.00	44.00	43.00	44.00	43.50	43.50
Public Works										
Public Works	6.25	6.65	6.65	6.65	6.65	6.65	5.65	5.65	5.65	6.10
Water/Sewer	5.25	4.55	4.55	4.55	4.55	4.55	4.55	4.55	5.05	5.50
Solid Waste	10.25	11.25	10.25	10.25	10.25	10.25	12.25	12.25	12.25	12.45
Stormwater	1.25	1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.75
Fleet Management	-	-	-	-	-	-	1.00	1.00	1.00	1.00
Total Public Works	23.00	24.00	23.00	23.00	23.00	23.00	25.00	25.00	25.50	26.80
Leisure Services										
Leisure Services	11.32	11.32	11.32	11.32	11.32	11.32	13.25	12.25	29.30	31.50
Tourism	0.68	0.68	0.68	0.68	0.68	0.68	-	2.00	2.44	3.60
Library Services	-	-	-	-	-	-	-	-	-	
Total Leisure Services	12.00	12.00	12.00	12.00	12.00	12.00	13.25	14.25	31.74	35.10
Total	96.00	98.00	99.00	99.00	103.00	104.75	109.00	111.00	124.90	129.40
Percentage Change From Prior Year	5.5%	2.1%	1.0%	0.0%	4.0%	1.7%	4.1%	1.8%	12.5%	3.6%

Data Source:
Various Town Departments

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

Function/program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public safety:										
Police										
Uniformed employees	27	29	39	39	29	31	31	31	31	31
Non-uniformed employees	12	6	1	2	7	11	11	11	13	10
Dispatched responses	31,337	20,310	22,978	20,798	18,965	21,933	22,326	20,022	18,354	17,261
Traffic citations issued	5,475	4,637	4,659	5,059	3,413	4,688	3,881	4,133	6,394	6,531
Traffic warnings issued	3,867	3,808	3,839	3,620	3,205	3,250	2,659	4,373	4,312	3,157
Parking violations issued	19,607	13,963	14,204	13,861	10,658	8,858	9,281	6,756	7,100	8,079
Building permits:										
Permits issued	1,072	1,037	1,618	1,595	1,448	1,428	1,559	1,377	1,420	1,640
Estimated values (in millions)	$718	$695	$2,592	$5,884	$7,530	$6,276	$6,302	$1,457	$753	$2,253
Utility:										
Municipal water system										
Active water accounts	1,680	1,687	1,687	1,648	1,658	1,690	1,366	1,368	1,395	1,375
Meter sales (in million gallons)	263,127	290,321	315,644	331,969	398,015	401,957	589,006	595,227	355,909	310,893
Municipal sewer system										
Active accounts/units	4,061	4,061	4,061	4,061	4,061	1,690	1,332	1,334	1,335	1,373
Solid waste services										
Active accounts	1,344	1,344	1,344	1,344	1,344	1,321	1,578	1,538	1,541	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	21,514	24,083	28,868	33,029	28,918	29,705	25,463	9,984	7,722	15,978
Average number of passengers per month	1,792	2,006	2,406	2,752	2,410	2,475	2,122	1,664	1,103	1,332
Total number of miles driven	34,805	34,906	24,742	19,465	28,427	24,789	24,253	10,391	16,780	23,997
Average number of miles driven per month	2,900	2,909	2,061	1,622	2,369	2,066	2,021	1,732	2,098	2,000
Culture and recreation:										
Participation:										
Youth programs	1,043	2,825	5,280	1,427	1,325	1,600	1,743	1,360	1,575	1,681
Adult programs	1,232	1,349	1,521	1,526	1,481	1,361	2,221	1,500	2,263	2,444
Special events	5,727	7,734	7,840	4,570	5,319	5,421	6,382	2,400	1,998	4,580
Community Center	24,830	22,826	24,705	22,365	21,229	20,065	24,169	10,687	23,849	24,955

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

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
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	25	25	25	25	25	25	25	25	25	25
Sidewalks	6 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	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	1
Municipal Water/Sewer System:										
Water mains (miles)	25	25	25	25	25	25	25	25	25	25
Reuse water mains (miles)	-	-	-	-	-	-	-	-	-	-
Fire hydrants	84	84	84	84	84	84	84	84	85	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)	1	1	1	1	1	1	1	1	1.3	1.3
Wastewater lift stations	2	2	2	2	2	2	2	2	2	2
Municipal Parking:										
Parking lots	7	7	8	8	8	8	8	8	8	8
Pay Station Parking Spaces	572	572	629	629	640	640	635	635	635	635
Metered Pay Stations	0	0	29	29	37	37	37	37	37	37
Single Space Meters	0	0	50	50	50	50	12	12	8	8

Data Source
Various Town Departments

REPORTING SECTION

MARCUM
ACCOUNTANTS ▲ ADVISORS

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

To the Honorable Mayor, 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 (*Government Auditing Standards*), 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, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated June 28, 2023.

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 or significant deficiencies may exist that were not identified.

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Compliance and Other Matters

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

Purpose of This Report

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

Marcum LLP

Miami, FL
June 28, 2023

MARCUM
ACCOUNTANTS ▲ ADVISORS

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the Town of Surfside, Florida's (the "Town") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the City's major federal program for the fiscal year ended September 30, 2022. The Town's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the fiscal year ended September 30, 2022.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Town's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal*

control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the Town as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated June 28, 2023, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Marcum LLP

Miami, FL
June 28, 2023

TOWN OF SURFSIDE, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

Federal Agency, Pass-Through Entity Federal Program	Assistance Listing No.	Contract/ Grant Number	Passed through to Subrecipients	Total Expenditures
U.S. Department of Homeland Security				
Indirect Program:				
Passed through State of Florida, Division of Emergency Management				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Z2772	$ --	$ 2,411,775
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Z2236	--	133,573
Total U.S. Department of Homeland Security			--	2,545,348
U.S. Department of Treasury				
Indirect Program:				
Passed through State of Florida, Division of Emergency Management				
Coronavirus State and Local Fiscal Recovery Fund	21.027	Y5302	--	90,540
Total U.S. Department of Treasury			--	90,540
Total Expenditures of Federal Awards			$ --	$ 2,635,888

See notes to schedule of expenditures of federal awards.

TOWN OF SURFSIDE, FLORIDA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") presents the expenditure activity of all federal awards of the Town of Surfside, Florida (the "Town") for the fiscal year ended September 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in net position or cash flows of the Town.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 – INDIRECT COST RATE

The Town has elected not to use the 10-percent de minimis indirect cost rate for federal programs allowed under the Uniform Guidance.

TOWN OF SURFSIDE, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP:	*Unmodified Opinion*		
Internal control over financial reporting:			
Material weakness(es) identified?	____ Yes	X No	
Significant deficiency(ies) identified?	____ Yes	X No	None reported
Noncompliance material to financial statements noted?	____ Yes	X No	

Federal Awards

Internal control over the major federal program:			
Material weakness(es) identified?	____ Yes	X No	
Significant deficiency (ies) identified?	____ Yes	X No	None reported
Type of auditors' report issued on compliance for the major federal program:	*Unmodified Opinion*		
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)	____ Yes	X No	

Identification of the major federal program:

Federal Program	AL No.
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036

Dollar threshold used to distinguish between Type A and Type B federal programs:	$750,000		
Auditee qualified as a low-risk auditee for federal awards?	____ Yes	X No	

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None.

TOWN OF SURFSIDE, FLORIDA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS AND STATUS

None

II. PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

MARCUM
ACCOUNTANTS ▲ ADVISORS

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, 2022, and have issued our report thereon dated June 28, 2023.

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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance);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*; Independent Auditors' Report on Compliance for the Major Federal Program; Report on Internal Control Over Compliance; Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance; Schedule of Findings and Questioned Costs; Summary Schedule of Prior Audit Findings and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedules, which are dated June 28, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

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

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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.

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 which is included in Appendix A.

Additional Matters

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

Purpose of this Letter

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

Marcum LLP

Miami, FL
June 28, 2023

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

Prior 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.

Current Year Observation

During the fiscal year ended September 30, 2022, it was noted that the Water and Sewer fund had a deficit unrestricted fund balance/net position of $491,258. 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 $1,389,421 as of September 30, 2021.

Recommendation

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

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

Management's Response

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

MARCUM
ACCOUNTANTS ▲ ADVISORS

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

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

We have examined the Town of Surfside, Florida's (the "Town") compliance with Section 218.415 Florida Statutes, Local Government Investment Policies, for the fiscal year ended September 30, 2022. 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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, 2022.

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

Marcum LLP

Miami, FL
June 28, 2023


TOWN OF
SURFSIDE
FLORIDA
MIAMI-DADE COUNTY