

CITY OF BELLEAIR BLUFFS, FLORIDA



Comprehensive Annual Financial Report

For the Year Ended September 30, 2019

CITY OF BELLEAIR BLUFFS, FLORIDA

Comprehensive Annual Financial Report

For the Year Ended September 30, 2019

**Prepared by
Administration Department
Division of Finance**

CITY OF BELLEAIR BLUFFS

FLORIDA

ELECTED OFFICIALS

Mayor

Chris Arbutine, Sr.

Commissioners

Joseph Barkley III

Jack Nazario

Taylour Shimkus, Vice-Mayor

Suzy Sofer

STAFF

City Administrator

Debra S. Sullivan, MMC

City Attorney

Thomas J. Trask, Esquire

City Clerk

Alexis A. Silcox

Senior Finance Manager

Andrew Tess, CPA

INTRODUCTORY SECTION

CITY OF BELLEAIR BLUFFS, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

September 30, 2019

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INTRODUCTORY SECTION

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LETTER OF TRANSMITTAL



CITY OF BELLEAIR BLUFFS

2747 Sunset Boulevard
Belleair Bluffs, Florida 33770
Tel. (727) 584-2151
Fax: (727) 584-6175
www.belleairbluffs.org

January 30, 2020

To the Honorable Mayor, City Commission, and Citizens of the City of Belleair Bluffs, Florida

State law requires that all general-purpose local governments publish, within nine months of the close of each fiscal year, a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Belleair Bluffs for the fiscal year ended September 30, 2019. The CAFR was compiled by the Office of the Administrator in conjunction with the Finance Officer who is in close cooperation with the external auditor and associates, and represents the official report of the City's financial operations and condition to the citizens, City Commission, the financial community, and other persons interested in the financial affairs of the City. The report consists of management's representations concerning the finances of the City of Belleair Bluffs. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City.

To provide a reasonable basis for making these representations, management of the City of Belleair Bluffs has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Belleair Bluffs' financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Belleair Bluffs' comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

The City of Belleair Bluffs' financial statements have been audited by Wells, Houser & Schatzel, P.A., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Belleair Bluffs for the fiscal year ended September 30, 2019, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Belleair Bluffs' financial statements for the fiscal year ended September 30, 2019, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

To the Honorable Mayor, City Commission, and Citizens of the City of Belleair Bluffs, Florida
January 30, 2020

Profile of the Government

Belleair Bluffs was incorporated initially as a Town in 1963 and in 1967 was chartered as the City of Belleair Bluffs under Laws of Florida Act of 1967 Chapter 67-1106. The form of government of the City of Belleair Bluffs shall be the Mayor/Commissioner plan. There was a City Administrator position established in 2018. The City had not had a full-time management position prior. The Assistant to the City Clerk was promoted to the City Clerk position at the same time. Policy making and legislative authority are vested in a governing commission consisting of the mayor and four other members. The City Commission is responsible for passing ordinances, adopting the budget, appointing committees. The City Administrator is responsible for Administration, Public Works and Finance. The City Attorney and the City Clerk are subject to appointment and termination pursuant to the Charter. The remaining departments, Law Enforcement and Fire Protection are provided by interlocal contractual agreements which are negotiated annually by the City Administrator and approved by the City Commission. The Mayor is responsible for day to day operations or executive powers needed for the efficient conduct of day-to-day activities for city business which shall be exercised by the Mayor as provided in Article 4 of the Charter. The Commission is elected on a nonpartisan basis. Commission members serve two-year staggered terms, with two commission members elected one year and the Mayor and two Commissioners elected the next year. The Mayor and Commissioners are elected at large. The city occupies a land area of a little over ½ square mile with approximately 9 miles of road and serves a population of 2,167. The City of Belleair Bluffs, Florida is empowered to levy a property tax on both real and personal properties located within its boundaries.

The annual budget serves as the foundation for the City of Belleair Bluffs' financial planning and control. All departments of the City of Belleair Bluffs shall submit appropriation requests to the Administrator by March of each year. The commission holds budget hearings twice a month from June through September. The Commission is required to hold two public hearings on the proposed budget and adopt a final budget by no later than September 30th, the close of the City of Belleair Bluff's fiscal year. The budget is prepared by fund, department, division and section. A transfer of appropriations from one department to another requires a budget amendment resolution approved by the city commission.

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 within which the City of Belleair Bluffs operates.

Local Economy

The City consists of a combination of residential homes, condominiums, retail and commercial use areas. There are many restaurants, insurance agencies, banking institutions, a major grocery store, retail stores and a large drug store among other smaller medical facilities; dentists, and clinics. There is a major intersection linking the mainland to the beaches which is heavily trafficked. The City of Belleair Bluffs, Florida is slowly recovering from a challenging economic environment but after a period of dramatic reduction in property values, the city has recognized an increase in property values. The City has seen a rise in investor purchases of real estate, with an increase of rental properties. This in turn, reflects an increase in code violations. The number of foreclosures is reducing. The City is "built out" so new construction does not occur, although we are seeing redevelopment of some properties.

To the Honorable Mayor, City Commission, and Citizens of the City of Belleair Bluffs, Florida
January 30, 2020

Long Term Financial Planning

The City of Belleair Bluffs, Florida has a long-range plan for infrastructure improvements (streets, drainage and road reconstruction). The current capital improvement financial plan has approximately \$1,054,000 allocated for streets and drainage improvements scheduled throughout the city over the next 4 years with approximately \$2.2 million dollars scheduled for improvements past the 4 year mark. The city will continue to reserve funds in anticipation of applying for the matching SWFWMD grant to improve the residential areas draining into the inter-coastal waterway. The City has secured this type of grant five times in the past and we have improved 6,550 feet or 1.2 miles of roadway.

In 2015 a municipal public services tax was initiated to boost the reserve account. It was estimated that this revenue stream would provide approximately \$95,000 annually. In 2017 an additional 5% was added to the collection with the stipulation that half of the 10% collected would be reserved for road and street improvement. The utility tax reserved along with the "Penny for Pinellas" sales surtax will be dedicated to capital infrastructure projects. The financial staff and the Commission feel that this is of vital importance to keep the City in the financial position that is required to maintain as well as improve; road and street projects as well as replace capital vehicles. The City plans to adopt a stormwater utility fee program to aide in capital improvement road projects which are consistently being required.

Relevant Financial Policies

The City adopted a Resolution in 2014 to ensure continued operations of the necessary city service in case of a catastrophic event. This policy is designed to assist the city in maintaining adequate fund balance/net position and reserves in the City's operating funds to meet the needs of our constituents during natural disasters, economic recessions, revenue shortfalls and unanticipated one-time payouts. The policy enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied. The policy establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The initial distinction that is made in reporting fund balance information is identifying classifications as *restricted, committed, assigned, and unassigned*.

Internal and Budgetary Control

A major emphasis is placed by the city on effective internal control in the City's accounting system. Internal control seeks to provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition, and that financial records are reliable for preparing financial statement and maintain accountability for assets. In addition, the independent certified public accountants perform an annual review as part of their examination of the financial statements.

Budgetary control is maintained at the departmental level by reviewing comparisons to budgeted amounts monthly. Any increase or decrease in the total budget must be approved by the City Commission. The preparation of the report would not have been possible without the efficient and dedicated services of the entire Administration-Finance Department. Credit must also be given to the Mayor and the Commission for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Belleair Bluffs, Florida finances.

To the Honorable Mayor, City Commission, and Citizens of the City of Belleair Bluffs, Florida
January 30, 2020

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Belleair Bluffs for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 201. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.



City Administrator
Debra S. Sullivan, MMC

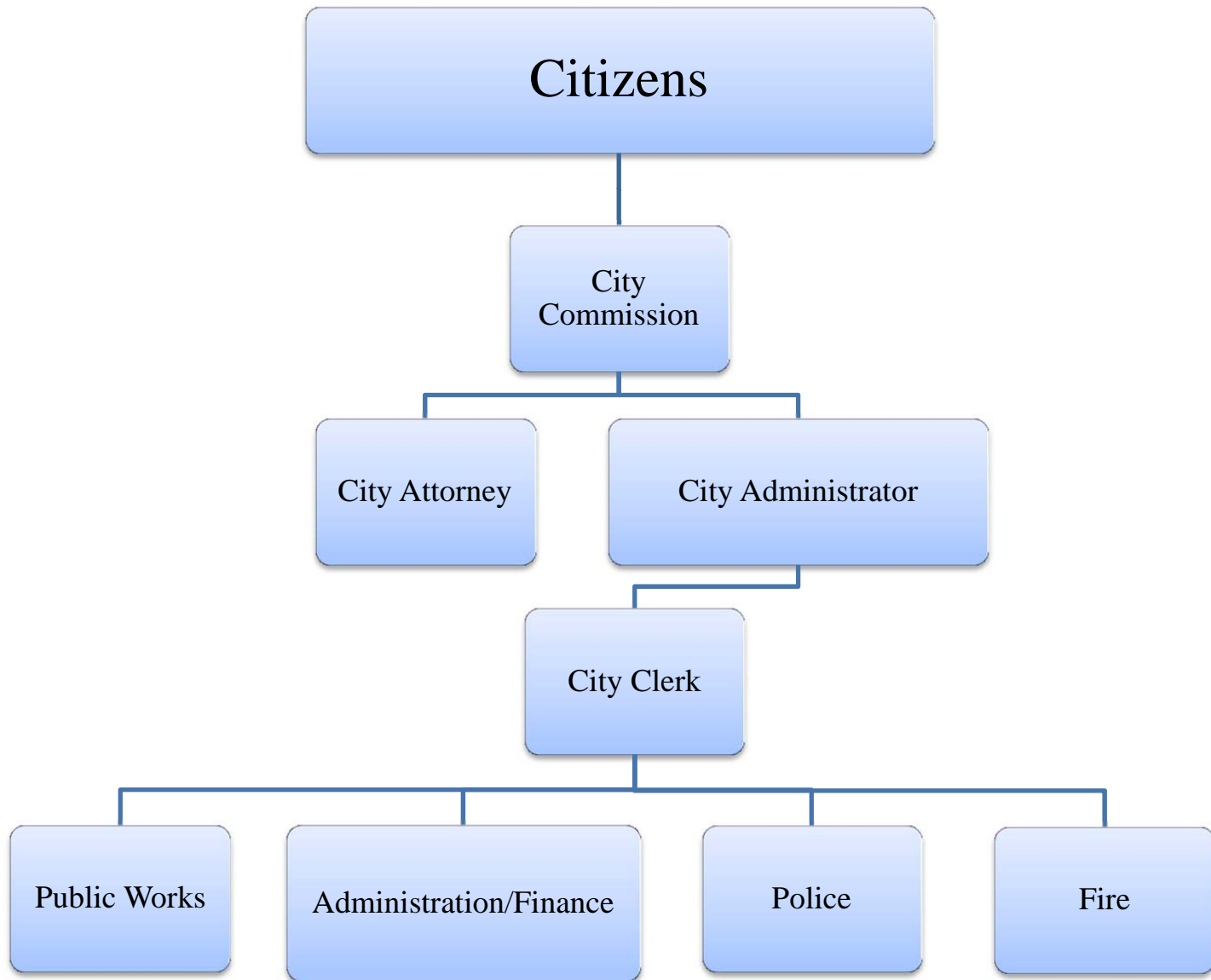


Sr. Finance Manager
Andy Tess, CPA

ORGANIZATION CHART

City of Belleair Bluffs, Florida

Organizational Chart



CERTIFICATE OF ACHIEVEMENT



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Belleair Bluffs
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2018

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

This section contains:

INDEPENDENT AUDITOR'S REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS

BASIC FINANCIAL STATEMENTS

REQUIRED SUPPLEMENTARY INFORMATION

OTHER SUPPLEMENTARY SCHEDULES

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor
and City Commission
City of Belleair Bluffs, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Belleair Bluffs, Florida, (the City) as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information on pages 3-11 and 28-29 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have

applied certain limited procedures to the Management's Discussion and Analysis 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 Management's Discussion and Analysis because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Belleair Bluffs, Florida's basic financial statements. The introductory section, other supplementary schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Prior year comparative information

The prior year summarized comparative information has been derived from the City's September 30, 2018 financial statements and, in our report dated February 7, 2019 we expressed an unmodified opinion on the basic financial statements.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2020, on our consideration of the City'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 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 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 City's internal control over financial reporting and compliance.



Wells, Houser & Schatzel, P.A.
St. Petersburg, Florida
January 30, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Belleair Bluff's (the "City") discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activity, (c) identify changes in the City's financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Transmittal Letter (beginning on page iii) and the City's financial statements (beginning on page 12).

HIGHLIGHTS

Financial Highlights

- The City's total current assets increased \$605,314 (or 21.98%). This increase is due to increases in cash and investments from excess revenues over expenditures in the General Fund and Capital Fund of \$443,960 and \$97,303, respectively.
- The City's net capital assets increased by \$98,457 (or 2%) due to current year additions of \$224,856 and net deletions of -\$531 exceeding current depreciation of \$125,869.
- The City's net position increased \$683,659 (or 9.44%).
- The City's long-term debt decreased by \$43,939 (or -10.11%). This amount is comprised of a reduction in the City's revenue note of \$43,925 and a decrease in compensated absences of \$14.
- General Fund revenues increased \$328,777 (or 17.58%) primarily from an increase in intergovernmental revenues of \$185,459 from federal and state FEMA reimbursement related to Hurricane Irma. General Fund expenditures decreased \$7,133 (or -.4%).
- The Excess of Revenues Over (Under) Expenditures in the General Fund showed a surplus of \$443,960, an increase of \$335,910 over the prior year surplus of \$108,050. The Capital Fund showed a surplus of \$97,303, a decrease of \$87,680 over the prior year surplus of \$184,983.

Government-wide Financial Statements

The government-wide financial statements (see pages 12-13) are designed to be corporate-like in that all governmental activities are consolidated into columns which add to a total for the Primary Government. The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to be similar to a bottom line for the City and its governmental activities. This statement combines and consolidates governmental fund's current financial resources (short-term spendable resources) with capital assets and long term obligations.

The Statement of Activities (see page 13) is focused on both the gross and net cost of various activities which are provided by the government's general tax and other revenues. This is intended to summarize and simplify the user's analysis of cost of various governmental services and/or subsidy to various business-type activities.

The Governmental Activities reflects the City’s basic services, including general government, law enforcement, fire protection, and public works. Property, sales, and utility services taxes along with franchise fees fund the majority of these services.

Fund Financial Statements

Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. The focus is now on Major Funds, rather than (the previous model’s) fund types.

The Governmental Major Fund presentation (see pages 14 and 16) is presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. Funds are established for various purposes and the Fund Financial Statements allow the demonstration of sources and uses and/or budgeting compliance associated therewith.

Infrastructure Assets

The City implemented GASB Statement #34 for fiscal year ended September 30, 2003. Historically, a government’s largest group of assets (infrastructure – roads, bridges, traffic signals, underground pipes (unless associated with a utility), have not been reported or depreciated in governmental financial statements. This new statement requires that these assets be valued and recorded within the governmental activities column of the government-wide financial statements. Additionally, the government must elect to either (a) depreciate these assets over their estimated useful life or (b) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. The City of Belleair Bluffs has elected to depreciate their assets over their estimated useful life.

GOVERNMENT-WIDE STATEMENT

Statement of Net Position

The following table reflects the condensed comparative Statement of Net Position as of September 30, 2019.

**Table 1
Statement of Net Position
As of September 30,**

	2019	2018
Current assets	\$ 3,359,562	\$ 2,754,248
Capital assets	5,048,139	4,949,682
Other non-current assets	-	-
Total assets	<u>8,407,701</u>	<u>7,703,930</u>
Current Liabilities	133,882	76,019
Non-current liabilities	346,799	384,550
Total liabilities	<u>480,681</u>	<u>460,569</u>

Table 1 (Continued)
Statement of Net Position

Net position:

Net investment in capital		
assets	4,685,758	4,543,377
Restricted	864,241	765,798
Unrestricted	2,377,021	1,934,186
Total net position	\$ 7,927,020	\$ 7,243,361

For more detailed information see the Statement of Net Position (page 12)

Normal Impacts

There are six basic (normal) transactions that will affect the comparability of the Statement of Net Position summary presentation.

Net Results of Activities – which will impact (increase/decrease) current assets and unrestricted net position.

Borrowing for Capital – which will increase current assets and long-term debt.

Spending of Borrowed Proceeds on New Capital – which will reduce current assets and increase capital assets.

Spending of Non-borrowed Current Assets on New Capital – which will (a) reduce current assets and increase capital assets and (b) will reduce unrestricted net position and increase net investment in capital assets.

Principal Payment of Debt – which will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net position and increase net investment in capital assets.

Reduction of Capital Assets through Depreciation – which will reduce capital assets and net investment in capital assets.

Current Year Impacts

The second and third transactions above will not directly or indirectly affect the unrestricted net position balance. The remaining basic transactions above directly/indirectly affect the unrestricted net position as indicated in the following schedule. The adjusted results of operation, current assets used for capital, and bond principal payments clearly demonstrate the change in unrestricted net position.

Table 2
Change in Unrestricted Net Position

	2019
Unrestricted Net Position 9/30/18	\$ 1,934,186
Results of Operations	683,659
Adjustments:	
Restricted - Infrastructure	(98,443)
Depreciation/loss on disposals	126,400
Adjusted Results of Operations	711,616
Capital Expenditures	(224,856)
Principal Payments	(43,925)
Unrestricted Net Position 9/30/19	\$ 2,377,021

Statement of Activities

The following schedule reflects a condensed comparative Statement of Changes in Net Position as of September 30, 2019.

Table 3
Change in Net Position

	2019	2018
Revenues:		
Program revenues:		
Charges for services	\$ 55,853	\$ 59,936
Operating grants and contributions	198,847	16,935
Capital grants and contributions	-	-
General revenues		
Taxes	2,092,982	1,958,751
State revenue sharing	87,877	87,428
Gain on disposal of capital asset	-	684,673
Investment income	48,244	11,623
Total revenues	2,483,803	2,819,346

(This space left blank intentionally)

**Table 3 (Continued)
Change in Net Position**

Expenses:		
Administration	486,102	491,310
Police	535,738	518,524
Fire	317,559	304,583
Public works	438,263	477,460
Interest on long-term debt	22,482	23,509
Total expenses	1,800,144	1,815,386
Increase/(Decrease) in Net Position	683,659	1,003,960
Net position - beginning of year	7,243,361	6,239,401
Net position - end of year	\$ 7,927,020	\$ 7,243,361

For more detailed information see the Statement of Activities (page 13)

Normal Impacts

There are eight basic impacts on revenues and expenses as reflected below.

Revenues:

Economic Condition – which can reflect a declining, stable or growing economic environment and has a substantial impact on property, sales, gas or other tax revenue as well as public spending habits for elective user fees and volumes of consumption for electric usage for which the City collects taxes or franchise fees.

Increase/Decrease in Commission approved rates – while certain tax rates are set by statute, the City Commission has a significant authority to impose and periodically increase/decrease rates (permitting, user fees, property taxes, etc.)

Changing Patterns in Intergovernmental and Grant Revenue (both recurring and non-recurring) – certain recurring revenues, such as state revenue sharing, may experience significant changes periodically while non-recurring (or one-time) grants are less predictable and often distorting in their impact on year-to-year comparisons.

Market Impacts on Investment Income – due to the City’s investments and the varying nature of the market in general, City investment income may fluctuate from year to year.

Expenses:

Introduction of New Programs – with the functional expense categories (Administration, Police, Fire, and Public Works) individual programs may be added and deleted to meet changing community needs.

Increase/Decrease in Authorized Personnel – changes in service demand may cause the Commission to increase/decrease authorized staffing. Staffing costs (salary and related benefits) represent 23% of the City’s General Fund budget.

Salary Increases (cost of living, merit and market adjustment) – the ability to attract and retain human and intellectual resources requires the City to strive to approach a competitive salary range position in the marketplace.

Inflation – while overall inflation appears to be reasonably modest, the City is a major consumer of certain commodities such as chemicals, supplies, fuels and group health insurance. Some functions may experience unusual commodity specific increases.

Current Year Impacts:

Revenues:

City-wide revenues increased \$349,129 (or 16.36%) as compared to 2018. General Fund revenues increased \$328,777 and Capital Projects Fund revenues increased \$20,352.

General Fund revenues saw an increase due to an increase in Ad Valorem revenue of \$82,967 (or 7.63%), Public Service tax of \$21,362 (or 9.33%), investment income of \$28,081 (or 274.98%) and an increase in intergovernmental revenues of \$185,459 (or 78.38%).

Expenses:

City-wide expenditures increased \$100,899 (or 5.48%). This increase is comprised of a decrease in General Fund expenditures of \$7,133 (or -.40%) and an increase in Capital Project Fund expenditures of \$108,032 (or 134.85%).

The Capital Fund increase was due to an increase in capital outlay of \$121,736.

THE CITY FUNDS

Governmental Funds

As of year-end, the governmental funds (as presented on the balance sheet on page 14) reported a combined fund balance of \$3.270 million, which was an increase of \$541,263 (or 19.84%) as compared to the combined fund balance at the beginning of the year. The General Fund had an increase of \$442,820 due to an increase of revenue over expenditures. The Capital Projects Fund had a surplus of \$98,443.

Budgetary Highlights

The final amount of budgeted revenues (amounts available for appropriations) was \$2,035,052. Actual revenues for the fiscal year 2019 were \$2,198,356 which resulted in a favorable variance of \$163,304. The final amounts of budgeted expenditures (charges to appropriations) for 2019 were \$2,035,052. The amounts of actual expenditures were \$1,754,396 which resulted in a favorable variance of \$280,656. The overall favorable budget variance for fiscal year 2019 is \$443,960. (Please see page 28 for more detailed information.) The excess of \$125,180 between budgeted revenues and budgeted expenditures in the General Fund represents that portion of excess revenues from the public service tax that will be added to reserves to assist in funding future capital projects or any other unforeseen expenditure.

CAPITAL ASSETS AND DEBT MANAGEMENT

Capital Assets

As of September 30, 2019, the City had \$6,515,771 (total cost) invested in a variety of capital assets as compared to \$6,350,226 as of September 30, 2018. This represents a net increase of \$165,545 or 2.6% from the end of last year.

Table 4
Capital Assets at September 30,
(Net of Depreciation)

	Governmental Activities	
	2019	2018
Non-Depreciable Assets		
Land	\$ 1,589,066	\$ 1,589,066
Construction in progress	20,420	-
Depreciable Assets		
Building & improvements	4,518,042	4,364,898
Furniture, fixtures & equipment	388,243	396,262
Total at historical cost	\$ 6,515,771	\$ 6,350,226
Less accumulated depreciation		
Building & improvements	(1,288,248)	(1,170,767)
Furniture, fixtures & equipment	(179,385)	(229,777)
Total accumulated depreciation	(1,467,633)	(1,400,544)
 Capital assets, net	 \$ 5,048,139	 \$ 4,949,682

The following reconciliation summarizes the Change in Capital Assets, which is presented in more detail on page 24 of the notes.

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Table 5
Change in Capital Assets

	Governmental Activities
Capital assets, beginning balance	\$ 4,949,682
Additions/transfer in	224,856
Gain/(loss) on disposal	(531)
Depreciation	(125,869)
Capital assets, ending balance	\$ 5,048,139

Debt Outstanding

As of September 30, 2019, the City had a note outstanding of \$362,381 as compared to \$406,306 as of September 30, 2018. This represents a net decrease of \$43,925 or -10.81% from the end of last year.

Table 6
Outstanding Debt, at year-end
(excluding compensated absences)

	Governmental Activities	
	2019	2018
Revenue note, Series 2007	\$ 362,381	\$ 406,306

On November 30, 2007, the City issued the Revenue Note, Series 2007 for the acquisition of real property and to refinance the Line of Credit Note, Series 2000.

More detail on the City's total debt outstanding as of September 30, 2019 is provided in the notes to the financial statements on pages 24-25.

ECONOMIC FACTORS

Belleair Bluffs saw an increase in property values for the seventh consecutive year. Due to the City's geographical size it is limited in the amount of new construction and must rely on redevelopment of existing business and residential properties, while encouraging annexation.

The City began collecting its new revenue stream from public service tax on electricity in fiscal year 2015. This new revenue stream was increased an additional 5% and will be available to fund any unexpected expenditures, as well as, assist the Capital Project Fund in funding necessary infrastructure projects. Currently, the City's Capital Improvement Plan is budgeting capital projects in excess of two

million dollars over the next five years. Some of these projects may qualify for matching funds from the South West Florida Water Management District.

The City has seen in an improvement in investment earnings and continues to evaluate areas that excess funds can be invested at higher rates while still adhering to City's investment policy.

FINANCIAL CONTACT

The City's financial statements are designed to present users (citizens, taxpayers, customers, rating agencies, investors and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about the report or need additional information contact the City's City Administrator or Sr. Finance Manager, City of Belleair Bluffs, 2747 Sunset Boulevard, Belleair Bluffs, FL 33770 – Telephone (727) 584-2151

BASIC FINANCIAL STATEMENTS

The basic financial statements include the government-wide financial statements, fund financial statements, and notes to the financial statements. The government-wide financial statements present financial information about the reporting government as a whole, except for fiduciary activities. The fund financial statements present financial information about major funds individually for the governmental funds in the aggregate. The notes to the financial statements present information essential for a fair presentation of the financial statements that is not displayed on the face of the financial statements.

CITY OF BELLEAIR BLUFFS, FLORIDA

STATEMENT OF NET POSITION

September 30, 2019

With comparative amounts for September 30, 2018

	Note or Schedule References	Governmental Activities	
		2019	2018
ASSETS			
Current Assets			
Cash and cash equivalents	Note 2	\$ 1,080,746	\$ 2,204,517
Investments	Note 2	2,202,428	462,525
Accounts receivable		45,165	42,895
Due from other governments	Note 3	24,277	38,948
Prepaid items		6,946	5,363
Total Current Assets		<u>3,359,562</u>	<u>2,754,248</u>
Noncurrent Assets			
Capital Assets			
Nondepreciable	Note 4	1,609,487	1,589,066
Depreciable, net of accumulated depreciation		<u>3,438,652</u>	<u>3,360,616</u>
Total Capital Assets		<u>5,048,139</u>	<u>4,949,682</u>
TOTAL ASSETS		<u><u>\$ 8,407,701</u></u>	<u><u>\$ 7,703,930</u></u>
LIABILITIES			
Current Liabilities			
Accounts payable and accrued items		\$ 89,957	\$ 25,906
Current portion of long-term obligations	Note 5	<u>43,925</u>	<u>50,113</u>
Total Current Liabilities		133,882	76,019
Long-Term Liabilities			
Noncurrent portion of long-term obligations	Note 5	<u>346,799</u>	<u>384,550</u>
Total Long-Term Liabilities		<u>346,799</u>	<u>384,550</u>
Total Liabilities		480,681	460,569
NET POSITION			
Net investment in capital assets		4,685,758	4,543,377
Restricted for			
Infrastructure	Note 1, pg 21	864,241	765,798
Unrestricted		<u>2,377,021</u>	<u>1,934,186</u>
Total Net Position		<u>7,927,020</u>	<u>7,243,361</u>
TOTAL LIABILITIES AND NET POSITION		<u><u>\$ 8,407,701</u></u>	<u><u>\$ 7,703,930</u></u>

The accompanying notes to financial statements are an integral part of this statement.

CITY OF BELLEAIR BLUFFS, FLORIDA

STATEMENT OF ACTIVITIES

For the year ended September 30, 2019

With comparative total amounts for the year ended September 30, 2018

Function/Program Activities	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	
					2019	2018
Primary Government						
Government Activities						
Administration	\$ (486,102)	\$ 55,853	\$ 198,847	\$ -	\$ (231,402)	\$ (414,439)
Police	(535,738)	-	-	-	(535,738)	(518,524)
Fire	(317,559)	-	-	-	(317,559)	(304,583)
Public works	(438,263)	-	-	-	(438,263)	(477,460)
Interest on Long-Term Debt	(22,482)	-	-	-	(22,482)	(23,509)
Total Primary Government	\$ (1,800,144)	\$ 55,853	\$ 198,847	\$ -	(1,545,444)	(1,738,515)
General Revenues						
Taxes						
Property taxes					1,170,588	1,087,621
Sales and use taxes					411,987	396,702
Franchise fees					215,218	199,698
Communication services tax					44,829	45,732
Public service tax					250,360	228,998
State revenue sharing, unrestricted					87,877	87,428
Gain on disposal of capital assets					-	684,673
Investment income					48,244	11,623
Total general revenues					2,229,103	2,742,475
Change in Net Position					683,659	1,003,960
Net Position Beginning					7,243,361	6,239,401
Net Position Ending					\$ 7,927,020	\$ 7,243,361

The accompanying notes to financial statements are an integral part of this statement.

CITY OF BELLEAIR BLUFFS, FLORIDA

BALANCE SHEET - GOVERNMENTAL FUNDS

September 30, 2019

With comparative total amounts for September 30, 2018

	2019			2018
	General Fund	Capital Projects Fund	Total Governmental Funds	Total
ASSETS				
Cash and cash equivalents	\$ 709,496	\$ 371,250	\$ 1,080,746	\$ 2,204,517
Investments	1,693,225	509,203	2,202,428	462,525
Accounts receivable	45,165	-	45,165	42,895
Due from other governments	4,045	20,232	24,277	38,948
Prepaid items	6,946	-	6,946	5,363
TOTAL ASSETS	\$ 2,458,877	\$ 900,685	\$ 3,359,562	\$ 2,754,248
LIABILITIES AND FUND BALANCES				
Accounts payable and accrued expenses	\$ 89,957	\$ -	\$ 89,957	\$ 25,906
TOTAL LIABILITIES	89,957	-	89,957	25,906
FUND BALANCES				
Nonspendable	6,946	-	6,946	5,363
Restricted				
Infrastructure	-	864,241	864,241	765,798
Committed				
Public works - street improvements	239,679	-	239,679	114,499
Assigned				
Fire	-	15,766	15,766	15,766
Infrastructure	-	20,678	20,678	20,678
Administration - comprehensive plan	10,289	-	10,289	10,289
Administration - disaster recovery	100,000	-	100,000	31,578
Administration - land acquisition	95,000	-	95,000	95,000
Administration - data processing equipment	-	-	-	11,525
Administration - City Hall improvements	30,000	-	30,000	20,000
Public works - equipment	16,030	-	16,030	37,185
Public works - roof replacement	-	-	-	14,000
Public works - a/c replacement	5,000	-	5,000	-
Public works - drainage	514,918	-	514,918	479,660
Unassigned	1,351,058	-	1,351,058	1,107,001
TOTAL FUND BALANCES	2,368,920	900,685	3,269,605	2,728,342
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,458,877	\$ 900,685	\$ 3,359,562	\$ 2,754,248

The accompanying notes to financial statements are an integral part of this statement.

CITY OF BELLEAIR BLUFFS, FLORIDA

RECONCILIATION OF THE BALANCE SHEET TO THE
STATEMENT OF NET POSITION - GOVERNMENTAL FUNDS

September 30, 2019

Fund balances - total governmental funds		\$ 3,269,605
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in government activities are not financial resources and therefore are not reported in the governmental funds		
Governmental capital assets	6,515,771	
Less accumulated depreciation	<u>(1,467,632)</u>	5,048,139
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds		
Governmental note payable	(362,381)	
Compensated absences	<u>(28,343)</u>	<u>(390,724)</u>
Net position of governmental activities		<u>\$ 7,927,020</u>

The accompanying notes to financial statements are an integral part of this statement.

CITY OF BELLEAIR BLUFFS, FLORIDA

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

Year Ended September 30, 2019

With comparative total amounts for the year ended September 30, 2018

	General Fund	Capital Projects Fund	Total General Government	
			2019	2018
REVENUES				
Property taxes	\$ 1,170,588	\$ -	\$ 1,170,588	\$ 1,087,621
Sales taxes	-	275,495	275,495	263,683
Communications services tax	44,829	-	44,829	45,732
Franchise fees	215,218	-	215,218	199,698
Public service tax	250,360	-	250,360	228,998
Licenses and permits	31,809	-	31,809	41,604
Intergovernmental revenues	422,066	-	422,066	236,607
Charges for services	211	-	211	132
Fines and forfeitures	5,442	-	5,442	4,554
Investment income	38,293	9,951	48,244	11,623
Miscellaneous revenues	19,540	-	19,540	14,421
TOTAL REVENUES	2,198,356	285,446	2,483,802	2,134,673
EXPENDITURES				
Current				
General government	458,885	-	458,885	475,612
Law enforcement	535,738	-	535,738	518,524
Fire protection	317,559	-	317,559	302,475
Public works	339,094	-	339,094	374,655
Capital outlay	103,120	121,736	224,856	102,940
Debt Service				
Principal retirement	-	43,925	43,925	43,925
Interest and other charges	-	22,482	22,482	23,509
TOTAL EXPENDITURES	1,754,396	188,143	1,942,539	1,841,640
EXCESS OF REVENUES OVER EXPENDITURES	443,960	97,303	541,263	293,033
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	-	693,960
Interfund transfers	(1,140)	1,140	-	-
NET CHANGE IN FUND BALANCES	442,820	98,443	541,263	986,993
FUND BALANCES - BEGINNING OF YEAR	1,926,100	802,242	2,728,342	1,741,349
FUND BALANCES - END OF YEAR	\$ 2,368,920	\$ 900,685	\$ 3,269,605	\$ 2,728,342

The accompanying notes to financial statements are an integral part of this statement.

CITY OF BELLEAIR BLUFFS, FLORIDA

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

For the year ended September 30, 2019

Net change in fund balances - total governmental funds	\$	541,263
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives.

Expenditure for capital assets	\$ 224,856	
Less current year depreciation	<u>(125,869)</u>	98,987

Governmental funds report the proceeds from the sale of capital assets as an other financing source. However, in the Statement of Activities the loss is included in direct expenses and the gain is included in General Revenues

Proceeds from the sale of capital assets	-	
Gain on disposal of capital assets	-	
Loss on disposal of capital assets	<u>(531)</u>	(531)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.

Principal payments on long-term debt		43,925
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Change in net position of governmental activities

Some items reported in the Statement of Activities do not require the use of or provide current financial resources and therefore are not reported as revenues or expenditures in governmental funds.

Compensated absences		<u>15</u>
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Change in net position - governmental activities	\$	<u><u>683,659</u></u>
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The accompanying notes to financial statements are an integral part of this statement.

CITY OF BELLEAIR BLUFFS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Belleair Bluffs, Florida (the City) is a political subdivision of the State of Florida, located in Pinellas County on the west coast of the State. The Town of Belleair Bluffs, Florida was incorporated in 1963 under the provisions of Florida Statutes. The Town of Belleair Bluffs was abolished and the City of Belleair Bluffs was incorporated in June 1967 under Chapter 67-1106, Laws of Florida, Acts of 1967. The City Charter has been amended throughout the years and continues to be monitored by an appointed Charter Review Board every five years. The City is a full service municipality providing its citizens with a full complement of municipal services.

The accounting policies of the City conform to 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 these accounting policies are summarized below.

1. Defining the Financial Reporting Entity: In accordance with Governmental Accounting Standards Board Statement Number 61, the financial reporting entity includes the primary government, organizations for which the primary government is financially accountable and other organizations for which, if excluded, would cause the reporting entity's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority to an organization's board or if the organization is fiscally dependent on the primary government and there is a potential for those organizations either to provide specific financial benefits to, or to impose specific financial burdens on, the primary government, the primary government is financially accountable. Based on these criteria, there are no component units to include in the City's financial statements.

2. Governmental Accounting Standards Board Statement Number 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments": The City implemented the provisions of Statement Number 34 for the fiscal year ended September 30, 2003 which established new financial reporting requirements for state and local governments. The Statement established specific standards for the basic financial statements, management's discussion and analysis (MD&A), and certain required supplementary information. As part of this Statement, there is a reporting requirement regarding infrastructure (roads, bridges, traffic signals, etc.). All newly acquired or improved infrastructure assets are prospectively reported effective as of the date of implementation of this statement.

The basic financial statements include both government-wide and fund financial statements. The government-wide statements are presented using a full accrual, economic resource basis, which incorporates long-term assets and long-term liabilities. Governmental activities include the General and Capital Projects Funds. The City does not have any funds that would be classified as a business-type activity.

The government-wide Statement of Activities reports the gross and net cost for the various functional categories of the City that are otherwise supported by general government revenues. The direct expenses for each functional category are reduced by program revenues to ascertain the net costs for that function. There are no indirect expenses for allocation. Program revenues are defined as charges for services, operating grants, and capital grants that specifically relate to a specific program function. Charges for services include revenues arising from charges to customers or applicants who purchase, use, or directly benefit from the goods, services, or privileges provided. Operating grants and capital grants consist of revenues received from other governments, organizations, or individuals that are specifically attributable to a program and are restricted for either operating expenditures/expenses or capital expenditures/expenses associated with a specific program.

The fund financial statements are very similar to the financial statements presented in the previous model. The emphasis in the new model is on major funds in both the governmental activities and business-type activities, and non-major funds are summarized into a single column. The City has no business-type activities or non-major governmental activities. Major governmental funds include both the General and Capital Projects funds.

September 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3. Measurement Focus: The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund statements are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current position. The measurement focus is the determination of financial position and sources and uses of resources, rather than net income determination.

4. Fund Accounting: The City organizes its accounting system on the basis of funds, each of which is considered a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The various funds are grouped in the financial statements as follows:

Governmental Fund Types:

General Fund: This fund is used to account for all financial resources, except those required by law or administrative action to be accounted for in another fund.

Capital Projects Fund: The Capital Projects Fund is used to account for intergovernmental revenue that is restricted in use for infrastructure improvements, as well as other funds received and expended for construction, renovation, expansion and major improvement of various City facilities, acquisition of land and other large nonrecurring projects.

5. Basis of Accounting: Basis of accounting refers to when revenues, expenditures, expenses and transfers – and assets, deferred outflows of resources, liabilities, and deferred inflows of resources - are recognized in the accounts and reported in the financial statements.

The government-wide financial statements are presented on an accrual basis of accounting. The governmental funds in the fund financial statements are presented on a modified accrual basis of accounting.

Under the modified accrual basis, revenues are recognized in the accounting period when they become measurable and available (susceptible to accrual). Measurable means the amount of the transaction can be determined and available generally means when they are received in cash (unless legally restricted to some future period) or when earned and expected to be collected within 30 days after year-end to pay liabilities of the current period. Revenues that are susceptible to accrual include franchise fees, fines and forfeitures, and intergovernmental revenues. Expenditures are recorded at the time the related fund liabilities are incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due. Under the accrual basis, revenues are recognized in the period when earned and expenses are recognized in the period incurred.

6. Budget and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements.

- a) By July 1, the City Clerk submits to the City Commission a proposed budget for the ensuing fiscal year. It contains proposed expenditures and the means to finance them, including a proposed property tax millage rate.
- b) Public hearings are conducted in August and September to obtain taxpayer comments on the proposed budget and property tax millage rate.
- c) The budget and property tax millage rate is approved by the City Commission in September and adopted as budget resolutions.

September 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- d) The budget is reviewed after the first six months and the end of the fiscal year. Any unusual and unforeseen changes are incorporated into the budget by a modifying resolution. This action requires the approval of the City Commission. All budget amounts presented in the accompanying financial statements take into account budget revisions approved by the City Commission. The legal level of budgetary control is the department level. The City's department heads (management) are not permitted to amend the overall budget, but are permitted to make intradepartmental budget transfers without the approval of the City Commission.
- e) An annual budget was adopted for the General Fund and Capital Projects Fund. The budget serves as legal authorization for all expenditures. Budgeted expenditures may not legally exceed appropriations on a departmental basis.
- f) All appropriations lapse at the end of the fiscal year.
- g) Budgets for governmental fund types are adopted on a basis consistent with generally accepted accounting principles (GAAP).

7. Assets, Liabilities and Fund Equity

Cash and Investments: The City maintains a money market account for deposit and temporary investment of funds in excess of the City's immediate needs. As funds are needed to meet current obligations, cash is transferred from the money market account to the operating checking account.

The City considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents. Deposits with the State Board of Administration, which meet the definition for cash equivalents, are included as investments in the financial statements.

Accounts Receivable: The City considers all accounts receivable fully collectible and has not provided an allowance for doubtful accounts.

Capital Assets: Capital assets acquired or constructed in excess of \$1,000 are capitalized at historical cost. Donated assets are recorded at acquisition value as of the date received. Additions, improvements, and other capital outlays that extend the useful life of an asset are capitalized. Other costs incurred for repair and maintenance are expensed as incurred. Depreciation is provided using the straight-line method. The estimated useful lives of the classes of depreciable assets are as follows: Buildings – 40 years; improvements – 20 years; furniture and fixtures – 10 years; equipment – 7 years; vehicles – 5 years; data processing equipment – 3 years. Depreciation charged to expense for the year amounted to 125,869.

Compensated Absences: Employees accrue sick and vacation time at varying amounts based on employment classification and length of employment. Sick time of up to 520 hours may be accumulated and will be paid upon voluntary termination at the rate of 25% of the hourly salary at the time of the voluntary termination. Unused accumulated vacation time is capped at 160 hours for regular employees employed less than 5 years and 240 hours for regular employees employed 5 or more years. Department heads will be paid for all accrued accumulated hours without cap upon retirement or voluntary termination. Any unused vacation will be paid upon termination. The City has recorded a liability for these amounts at September 30, 2019.

Postretirement Health and Life Insurance Benefits: The City does not fund any postretirement health and life insurance benefits. Florida Statutes 112.0801 provides that municipalities that provide life and health insurance to

September 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

their employees must allow all retired personnel and their eligible dependents the option of continuing to participate in the group plan. The City offers its group policies to all retirees and their dependents, with retirees bearing the responsibility for the premiums. Under the Consolidated Omnibus Reconciliation Act of 1985 (COBRA), the City is required to offer an election to deceased or terminated participants, their spouses and dependents, to continue coverage in the health plan provided by the City. The cost of coverage that the City may charge the participants may not exceed 102% of the applicable premium. The City has not recognized a liability for other postemployment benefits (OPEB) as premiums are age rated and there is no implicit rate subsidy attributed to health insurance premiums offered under COBRA.

Net Position: The government-wide financial statements utilize a net position presentation. Net Position is presented in three components – net investment in capital assets, restricted and unrestricted. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any related long-term debt. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Restricted Infrastructure net position of \$862,241 is restricted by enabling legislation. The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position. When both restricted and unrestricted resources are available for use, it is the option of the City to use restricted resources first, then unrestricted resources as they are needed.

Fund Balances: The City has implemented Governmental Accounting Standards Board Statement (GASB) No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, effective September 30, 2011. Effective June 16, 2014 the City adopted Resolution 2014-03 that establishes a fund balance and reserve policy for the City. The City's fund balances are presented in the following categories:

Nonspendable: includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, such as prepaid items. The corpus or principal of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact.

Restricted: fund balances are reported as restricted when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Restricted fund balances have been limited to the following items:

Infrastructure: represents unexpended revenues legally restricted for infrastructure improvements.

Committed: fund balances reported as committed represent amounts that are set aside pursuant to City Ordinance 2017-02 to fund street improvements, repairs and/or maintenance.

Assigned: fund balances reported as assigned represent amounts that are constrained by the City's intent that they be used for specific purposes, but are not restricted. Intent is expressed by (a) the City Commission itself or (b) a body (a budget or finance committee, for example) or official (City Clerk) to which the City Commission has delegated the authority to assign amounts to be used for specific purposes. Assigned fund balances have been limited to the following items:

Fire: represents amounts previously set aside for the purchase of a fire truck or fire equipment.

Infrastructure: represents unexpended revenues set aside for infrastructure improvements.

Comprehensive plan: represents the amount set aside to comply with State mandated programs.

September 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Disaster recovery: represents the amount set aside for unforeseen emergencies related to natural disasters.

Land acquisition: represents the amount to be used for financing subsequent years' expenditures for the acquisition of land.

Data processing equipment: represents the amount to be used for financing subsequent years' purchases of equipment for the administrative department.

City Hall improvements: represents the amount to be used for financing subsequent years' replacement of carpet in City Hall.

Equipment, roof and a/c replacement and drainage: represents the amount to be used for financing subsequent years' capital projects and purchases of equipment for the public works department.

Unassigned: represents the residual classification for the general fund that has not been restricted or assigned to specific purposes within the general fund. Resolution 2014-03 establishes a minimum unassigned fund balance of two months operating expenditures. At September 30, 2019 that amount was determined to be \$306,698. The City is deemed in compliance with the minimum unassigned fund balance requirement of the resolution.

Restricted and Unrestricted Resources: When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then, unrestricted resources as needed to fund appropriations, but the City reserves the right to selectively defer the use of restricted assets. Unrestricted resources order of spending is first committed fund balance, then assigned and lastly, unassigned.

8. Property Taxes

The Pinellas County Tax Collector bills and collects all property taxes levied within the county. Ad valorem taxes are levied on property values as of January 1, of each year and are based upon the final millage rate adopted by the Board of Commissioners. The taxes are generally due November 1 and become delinquent April 1 of the following year at which time they become a lien. The Pinellas County Tax Collector sells tax certificates on May 15. Property taxes are budgeted and recognized as revenues in the fiscal year during which the taxes are billed and substantially collected.

9. Other

Estimates: The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Interfund Activity: Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. There were no interfund loans, services provided or reimbursements during the year. Interfund transfers have been eliminated in the Statement of Activities.

Comparative Data and Reclassifications: Comparative total data has been presented in selected sections of the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. Certain amounts presented in the prior year's data have been reclassified to be consistent with the current year's presentation.

CITY OF BELLEAIR BLUFFS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

Deposits: Florida statutes require that all depositories holding public funds maintain specific collateral levels with the State Treasurer. Required collateral is based on the amount of public funds held by the depository. The Treasurer may assess other qualified public depositories for a pro rata share of any loss suffered by a public depositor in excess of its depository’s collateral. Since the City used only authorized public depositories, all funds deposited with financial institutions are covered in full.

Investments: Amounts reported as general fund investments are funds invested with the Florida State Board of Administration Local Government Surplus Funds Trust Fund Investment Pool (Florida PRIME), an external investment pool managed by the State of Florida. In accordance with GASB-31, Florida PRIME is considered a “2A-7 like” pool, and therefore the pool account balance (amortized cost) can be used as fair value for financial reporting. These funds may be withdrawn upon demand. Florida statutes authorize the City to invest in the State Board of Administration’s investment pool, obligations of the U.S. Treasury and U.S. agencies, and interest-bearing time deposits and savings accounts in banks and savings and loans provided such deposits are collateralized as described above.

Interest Rate Risk: The City attempts to minimize interest rate risk, related to the decline in market value of securities due to rising interest rates, by investing funds in the State Board of Administration investment pool, thereby avoiding the need to sell securities in the secondary market prior to maturity. The weighted average days to maturity of Florida PRIME at September 30, 2019 is 37 days.

Credit Rate Risk: The City attempts to minimize credit risk losses to default of a security issuer or maker, by limiting investments to the State Board of Administration’s investment pool. The Florida PRIME is rated by Standard and Poor’s as AAAM.

The carrying amounts are separately displayed on the Statement of Net Position as cash and investments. A summary of the carrying amounts of total deposits and bank balance/fair value at September 30, 2019 is as follows:

	Carrying Amounts	Bank Balance/ Fair Value
Cash on hand	\$ 5,300	\$ -
Cash – bank accounts	1,075,446	1,111,064
Total Cash and cash equivalents	<u>\$ 1,080,746</u>	<u>\$ 1,111,064</u>
Investments		
State Board of Administration - Prime	\$ 2,202,428	\$ 2,202,428
Total Investments	<u>\$ 2,202,428</u>	<u>\$ 2,202,428</u>

NOTE 3 – DUE FROM OTHER GOVERNMENTS

The amount of \$24,277 due from other governments as of September 30, 2019 consists of the following: Infrastructure sales surtax and Local Option Gas Tax due from the Pinellas County in the amounts of \$17,850 and \$2,382, respectively; Court Fines due from Pinellas County in the amount of \$511, Communications Services Tax due from the State of Florida in the amount of \$3,104; and Recycling Grant due from Pinellas County in the amount of \$430. These amounts are unsecured and represent concentrations of credit risk in the event that any of the governmental entities were unable to remit the amounts due the City.

CITY OF BELLEAIR BLUFFS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE 4 - CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2019, was as follows:

	Beginning Balance 10/01/18	Additions	Deletions	Transfers In (Out)	Ending Balance 9/30/19
Non-Depreciable Assets					
Land	\$ 1,589,066	\$ -	\$ -	\$ -	\$ 1,589,066
Construction in Progress	-	121,736	-	(101,316)	20,420
Depreciable Assets					
Buildings & improvements	4,364,898	51,828	-	101,316	4,518,042
Furniture, fixtures & equipment	396,262	51,292	(59,311)	-	388,243
Totals at historical cost	<u>6,350,226</u>	<u>224,856</u>	<u>(59,311)</u>	<u>-</u>	<u>6,515,771</u>
Less accumulated depreciation					
Buildings & improvements	(1,170,767)	(117,481)	-	-	(1,288,248)
Furniture, fixtures & equipment	(229,777)	(8,388)	58,780	-	(179,385)
Total accumulated depreciation	<u>(1,400,544)</u>	<u>(125,869)</u>	<u>58,780</u>	<u>-</u>	<u>(1,467,633)</u>
Capital assets, net	<u>\$ 4,949,682</u>	<u>\$ 98,987</u>	<u>\$ (531)</u>	<u>\$ -</u>	<u>\$ 5,048,139</u>

Depreciation expense was charged to governmental functions as follows:

Administration	\$ 28,858
Public works	97,011
	<u>\$ 125,869</u>

NOTE 5 - LONG-TERM DEBT

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

	Beginning Balance	Increases	Decreases	Ending Balance	Amount due in one year
Direct borrowings	\$ 406,306	\$ -	\$ 43,925	\$ 362,381	\$ 43,925
Compensated absences	28,357	8,196	8,210	28,343	-
Total long-term debt	<u>\$ 434,663</u>	<u>\$ 8,196</u>	<u>\$ 52,135</u>	<u>\$ 390,724</u>	<u>\$ 43,925</u>

Interest costs of \$22,482 were incurred for the year ended September 30, 2019. The total principal and interest paid during 2019 for the direct borrowings was \$66,407 or 26.91% of the pledged revenue. Infrastructure sales surtax revenue pledged for the payment of the debt totaled \$264,811 for a debt coverage ratio of 3.72:1.00. The pledged revenue commitment term ends on December 1, 2027.

Accrued compensated absences are liquidated in the funds that incur the respective liabilities, which is the general fund in the case of the City. Compensated absences are only paid out upon termination of employment from the City. The City is not aware of any pending retirements.

CITY OF BELLEAIR BLUFFS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE 5 - LONG-TERM DEBT (continued)

Long-term debt is comprised of the following as of September 30, 2019:

Direct borrowings: Revenue Note, Series 2007 was issued to finance the acquisition of real property and to refinance the Line of Credit Note, Series 2000. Fixed principal payments of \$5,455 monthly plus interest payments at 4.79% per annum. Fixed principal payments are reduced to \$3,660 beginning April 1, 2016. Final payment due December 1, 2027. Secured by first lien on Infrastructure Sales Surtax revenues (Penny for Pinellas). \$ 362,381

Accrued compensated absences: consisting of that portion of accrued sick and vacation pay for governmental funds. 28,343
 Total long-term debt 390,724
 Less amount due in one year (43,925)
 Noncurrent portion of long-term debt \$ 346,799

The annual requirements to amortize the direct borrowings as of September 30, 2019, are as follows:

Revenue note, Series 2007

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 43,925	\$ 16,394	\$ 60,319
2021	43,925	14,290	58,215
2022	43,925	12,186	56,111
2023	43,925	10,082	54,007
2024	43,925	7,978	51,903
2025 – 2028	142,756	13,499	156,255
	<u>\$ 362,381</u>	<u>\$ 74,429</u>	<u>\$ 436,810</u>

NOTE 6 - RETIREMENT PLANS

Florida Municipal Pension Trust Fund: Plan Description. The City contributes to the Florida Municipal Pension Trust Fund (FMPTF), an agent multiple-employer defined contribution pension plan that covers all full time employees, with one year of eligibility service, and is administered by the Florida League of Cities, Inc. FMPTF provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Florida Statute 121 and 185 assigns the authority to establish and amend the benefit provisions of the plans that participate in FMPTF to the respective employer entities; for the City of Belleair Bluffs this is the City Commission. The Florida League of Cities, Inc. issues a publicly available financial report that includes financial statements and required supplementary information for the FMPTF. That report may be obtained by writing to Florida League of Cities, Inc., 201 West Park Avenue, P.O. Box 1757, Tallahassee, Florida 33302-1757 or by calling (904) 222-9684.

Funding Policy. The City contributes 10% of eligible wages (12% for City Administrator) each pay period. For fiscal years ended September 30, 2019, 2018 and 2017 the City contributed \$25,880, \$22,226, and \$26,667, respectively. The contributions were equal to the required contributions for each year. Employees vest in non-elective contributions 20% each year from date of hire and are 100% vested at five years of service. Forfeitures of \$1,399 were available to the City during the 2018 fiscal year and the City used \$1,399 of the amount to meet its contribution obligation for the year ended September 30, 2018.

CITY OF BELLEAIR BLUFFS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE 7 - RISK FINANCING

The City is subject to losses in the normal course of operations resulting from general liability; property and casualty; workers' compensation; employee health and accident, environmental and antitrust matters. The City has purchased commercial insurance to protect against property loss as a result of flooding and employee health losses. The City participates in the Florida Municipal Liability Self Insurers Program for purposes of protecting against workers' compensation losses; real and personal property losses; automobile damage; and general liability, including malpractice and errors and omissions.

The Florida Municipal Liability Self Insurers Program is a risk pool that assumes the risk of loss for all participating members. The members are subject to additional premium assessments in the event that the risk pool required additional funding to satisfy all claims. The City has not been assessed any additional insurance premiums during the years ended September 30, 2019, 2018, or 2017 nor is the City aware of any contingent assessments. For the same three fiscal years, the City has not decreased its insurance coverage nor have any settlements been in excess of such coverage. The City does not self-insure against any risks. To the extent that the City has purchased commercial insurance, all risk of loss has been transferred to the insurance underwriter.

NOTE 8 - COMMITMENTS

Law Enforcement Service: The City has contracted with the Pinellas County Sheriff's Department to provide law enforcement services from October 1, 2019 through September 30, 2020 in the amount of \$525,504. The expenditure for the year ended September 30, 2019 was \$509,856.

Fire Suppression Services: Effective October 1, 2015 the City entered into an agreement with the City of Largo for the provision of Fire Suppression and Inspection Services. The agreement shall remain in effect through September 30, 2030. After the initial term, there is a fifteen (15) year renewal option that would extend the term to September 30, 2045. The annual contribution for the fiscal year ending September 30, 2020 is \$325,983 or \$27,165 monthly. For the fiscal year ended September 30, 2019 the City of Belleair Bluffs paid the City of Largo an annual contribution of \$317,559 or \$26,463 monthly. The annual contribution will be adjusted by the per capita distribution formula detailed in the contract, but in no event shall the increase exceed 5% annually.

Interlocal agreement for Station 43: The City has entered into interlocal agreements with the City of Largo and Town of Belleair as it relates to Fire Station 43 constructed on property owned by Belleair Bluffs and leased to Largo for \$1 annually. If the City or Town terminates the contract with Largo for the provision of fire services each will equally pay Largo for the unamortized cost to construct the fire station.

Construction commitment: There were no outstanding construction commitments at September 30, 2019.

NOTE 9 – INTERFUND TRANSFERS

The General Fund transfer of \$1,140 to the Capital Projects Fund was for the purchase of materials used in a construction in progress project.

NOTE 10 – SUBSEQUENT EVENTS

The City has evaluated whether any events have occurred subsequent to September 30, 2019 and before the issuance of the financial statements that would have an impact on the City's financial condition as of September 30, 2019 or would influence the conclusions reached by a reader of the financial statements regarding the City's overall financial condition. Management has evaluated such events through November 21, 2019 which is the date the financial statements were available to be issued and determined there are no events that should be disclosed.

REQUIRED SUPPLEMENTARY INFORMATION

The required supplementary information consists of a budgetary comparison schedule for the General Fund.

CITY OF BELLEAIR BLUFFS, FLORIDA

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

For the Year Ended September 30, 2019

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)
	Original	Final		
RESOURCES (INFLOWS):				
Property taxes	\$ 1,177,422	\$ 1,177,422	\$ 1,170,588	\$ (6,834)
Communications service tax	40,000	40,000	44,829	4,829
Franchise fees	186,500	186,500	215,218	28,718
Public service tax	180,000	180,000	250,360	70,360
Licenses, permits and fees	32,550	32,550	31,809	(741)
Intergovernmental revenues	212,000	406,680	422,066	15,386
Charges for services	150	150	211	61
Fines and forfeitures	3,500	3,500	5,442	1,942
Investment income	7,500	7,500	38,293	30,793
Miscellaneous revenues	750	750	19,540	18,790
AMOUNTS AVAILABLE FOR APPROPRIATION	1,840,372	2,035,052	2,198,356	163,304
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
General Government Administration				
Operating	486,900	486,900	458,885	(28,015)
Capital outlay	-	21,700	21,608	(92)
Reserves	12,000	10,000	-	(10,000)
Total General Government	498,900	518,600	480,493	(38,107)
Public Safety				
Law enforcement	538,020	538,020	535,738	(2,282)
Fire protection	317,560	317,560	317,559	(1)
Total Public Safety	855,580	855,580	853,297	(2,283)
Public Works				
Operating	412,750	412,750	339,094	(73,656)
Capital outlay	-	76,300	81,512	5,212
Reserves	73,142	171,822	-	(171,822)
Total Public Works	485,892	660,872	420,606	(240,266)
TOTAL CHARGES TO APPROPRIATIONS	1,840,372	2,035,052	1,754,396	(280,656)
OTHER FINANCING SOURCES (USES)				
Interfund transfer	-	-	(1,140)	(1,140)
EXCESS (DEFICIT) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	-	-	442,820	442,820
FUND BALANCES- BEGINNING	1,926,100	1,926,100	1,926,100	-
FUND BALANCES - ENDING	\$ 1,926,100	\$ 1,926,100	\$ 2,368,920	\$ 442,820

(continued)

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (continued)

For the Year Ended September 30, 2019

EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND
OUTFLOWS AND GAAP REVENUES AND EXPENDITURES
SOURCES/INFLOWS OF RESOURCES

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 2,198,356
Differences - budget to GAAP:	
None	<u>-</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u><u>\$ 2,198,356</u></u>

USES/OUTFLOWS OF RESOURCES

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 1,754,396
Differences - budget to GAAP:	
None	<u>-</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u><u>\$ 1,754,396</u></u>

OTHER SUPPLEMENTARY SCHEDULES

These schedules are presented to provide greater detailed information than reported in the preceding financial statements. These schedules are not necessary for fair presentation in conformity with Generally Accepted Accounting Principles.

CITY OF BELLEAIR BLUFFS, FLORIDA

BUDGETARY COMPARISON SCHEDULE - CAPITAL PROJECTS FUND

For the Year Ended September 30, 2019

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over
	Original	Final		(Under)
RESOURCES (INFLOWS):				
Sales taxes	\$ 240,000	\$ 240,000	\$ 275,495	\$ 35,495
Intergovernmental revenue	50,000	50,000	-	(50,000)
Investment income	1,000	1,000	9,951	8,951
AMOUNTS AVAILABLE FOR APPROPRIATION	291,000	291,000	285,446	(5,554)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Operating				
Operating expenditures	25,000	25,000	-	(25,000)
Total operating	25,000	25,000	-	(25,000)
Debt Service				
Principal payments	44,000	44,000	43,925	(75)
Interest payments	19,000	19,000	22,482	3,482
Total debt service	63,000	63,000	66,407	3,407
Capital outlay	296,000	296,000	121,736	(174,264)
TOTAL CHARGES TO APPROPRIATIONS	384,000	384,000	188,143	(195,857)
OTHER FINANCING SOURCES (USES)				
Interfund transfer	-	-	1,140	1,140
EXCESS OF RESOURCES OVER (UNDER)				
CHARGES TO APPROPRIATIONS	(93,000)	(93,000)	98,443	190,303
FUND BALANCES- BEGINNING	802,242	802,242	802,242	-
FUND BALANCES - ENDING	\$ 709,242	\$ 709,242	\$ 900,685	\$ 190,303

(continued)

CITY OF BELLEAIR BLUFFS, FLORIDA

BUDGETARY COMPARISON SCHEDULE - CAPITAL PROJECTS FUND (continued)

For the Year Ended September 30, 2019

EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND
OUTFLOWS AND GAAP REVENUES AND EXPENDITURES
SOURCES/INFLOWS OF RESOURCES

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 285,446
Differences - budget to GAAP:	
None	<u>-</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u><u>\$ 285,446</u></u>

USES/OUTFLOWS OF RESOURCES

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 188,143
Differences - budget to GAAP:	
None	<u>-</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u><u>\$ 188,143</u></u>

CITY OF BELLEAIR BLUFFS, FLORIDA

RECONCILIATION OF TOTAL FUND BALANCE FOR THE GOVERNMENTAL FUNDS
TO TOTAL NET POSITION FOR GOVERNMENTAL ACTIVITIES

September 30, 2019

	Total Governmental Funds	Long-term Assets, Liabilities	Reclasses & Eliminations	Statement of Net Position Totals
ASSETS				
Cash and cash equivalents	\$ 1,080,746	\$ -	\$ -	\$ 1,080,746
Investments	2,202,428	-	-	2,202,428
Accounts receivable	45,165	-	-	45,165
Due from other governments	24,277	-	-	24,277
Prepaid items	6,946	-	-	6,946
Capital assets	-	6,515,771	-	6,515,771
Accumulated depreciation	-	(1,467,632)	-	(1,467,632)
TOTAL ASSETS	\$ 3,359,562	\$ 5,048,139	\$ -	\$ 8,407,701
LIABILITIES AND FUND BALANCES/NET POSITION				
LIABILITIES				
Accounts payable and accrued items	\$ 89,957	\$ -	\$ -	\$ 89,957
Compensated absences	-	28,343	(28,343)	-
Current portion of long-term obligations	-	-	43,925	43,925
Noncurrent portion of long-term obligations	-	362,381	(15,582)	346,799
TOTAL LIABILITIES	89,957	390,724	-	480,681
TOTAL FUND BALANCES / NET POSITION	3,269,605	4,657,415	-	7,927,020
TOTAL LIABILITIES AND FUND BALANCES / NET POSITION	\$ 3,359,562	\$ 5,048,139	\$ -	\$ 8,407,701

CITY OF BELLEAIR BLUFFS, FLORIDA

RECONCILIATION OF NET CHANGE IN FUND BALANCES FOR THE GOVERNMENTAL FUNDS
TO CHANGE IN NET POSITION FOR GOVERNMENTAL ACTIVITIES

For the Year Ended September 30, 2019

	Total Governmental Funds	Capital Related Items	Long-term Debt Transactions	Rounding, Reclasses & Eliminations	Statement of Activities Totals
REVENUES					
Property taxes	\$ 1,170,588	\$ -	\$ -	\$ -	\$ 1,170,588
Sales taxes	275,495	-	-	136,492	411,987
Communications services tax	44,829	-	-	-	44,829
Franchise fees	215,218	-	-	-	215,218
Public service tax	250,360	-	-	-	250,360
Licenses and permits	31,809	-	-	(31,809)	-
Intergovernmental revenue	422,066	-	-	(334,189)	87,877
Charges for services	211	-	-	55,642	55,853
Fines and forfeitures	5,442	-	-	(5,442)	-
Investment income	48,244	-	-	-	48,244
Operating grants and contributions	-	-	-	198,847	198,847
Gain on disposal of capital assets	-	-	-	-	-
Miscellaneous revenues	19,540	-	-	(19,540)	-
TOTAL REVENUES	2,483,802	-	-	1	2,483,803
EXPENDITURES					
Current					
General Government	458,885	28,858	(1,641)	-	486,102
Law Enforcement	535,738	-	-	-	535,738
Fire Protection	317,559	-	-	-	317,559
Public Works	339,094	97,542	1,626	1	438,263
Capital Outlay	224,856	(224,856)	-	-	-
Debt service					
Principal retirement	43,925	-	(43,925)	-	-
Interest and fiscal charges	22,482	-	-	-	22,482
TOTAL EXPENDITURES	1,942,539	(98,456)	(43,940)	1	1,800,144
NET CHANGE IN FUND BALANCE / NET POSITION	\$ 541,263	\$ 98,456	\$ 43,940	\$ -	\$ 683,659

STATISTICAL SECTION

Statistical tables differ from financial statements because they usually cover more than one fiscal year and may present non-accounting data. These tables reflect social and economic data, financial trends and the fiscal activities of the government.

Schedules of Financial Trends Information

These schedules contain trend information to help the reader understand how the City's financial performance has changed over time.

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City of Belleair Bluffs
 Schedule 1
 Net Position by Component
 Last Ten Fiscal Years

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental activities				
Net investment in capital assets	\$ 3,240,529	\$ 3,256,101	\$ 3,818,555	\$ 3,848,603
Restricted	733,682	778,224	572,540	486,898
Unrestricted	<u>2,518,476</u>	<u>2,418,537</u>	<u>1,148,158</u>	<u>760,039</u>
Total governmental activities net position	<u>\$ 6,492,687</u>	<u>\$ 6,452,862</u>	<u>\$ 5,539,253</u>	<u>\$ 5,095,540</u>

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 3,837,199	\$ 4,655,146	\$ 4,588,173	\$ 4,527,028	\$ 4,543,377	\$ 4,685,758
583,740	257,270	436,798	625,652	765,798	864,241
753,127	895,283	1,008,461	1,086,721	1,934,186	2,377,021
<u>\$ 5,174,066</u>	<u>\$ 5,807,699</u>	<u>\$ 6,033,432</u>	<u>\$ 6,239,401</u>	<u>\$ 7,243,361</u>	<u>\$ 7,927,020</u>

City of Belleair Bluffs
Schedule 2
Changes in Net Position
Last Ten Fiscal Years

	2010	2011	2012	2013
Expenses				
Governmental activities:				
Administration	\$ 452,612	\$ 469,549	\$ 483,520	\$ 554,653
Police	435,088	445,657	447,578	451,201
Fire	467,654	320,356	299,362	282,383
Public works	395,685	393,186	404,490	404,403
Interest and fiscal charges on long-term debt	44,422	39,457	36,321	33,186
Total governmental activities expenses	<u>\$ 1,795,461</u>	<u>\$ 1,668,205</u>	<u>\$ 1,671,271</u>	<u>\$ 1,725,826</u>
Program Revenues				
Governmental activities:				
Charges for services	\$ 106,798	\$ 83,047	\$ 74,810	\$ 86,938
Operating grants and contributions	13,442	7,969	7,872	7,860
Capital grants and contributions	351,676	-	300,000	-
Total governmental activities program revenues	<u>\$ 471,916</u>	<u>\$ 91,016</u>	<u>\$ 382,682</u>	<u>\$ 94,798</u>
Net (Expense)/Revenue	<u>\$ (1,323,545)</u>	<u>\$ (1,577,189)</u>	<u>\$ (1,288,589)</u>	<u>\$ (1,631,028)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	\$ 818,775	\$ 733,586	\$ 831,974	\$ 821,451
Sales and use taxes	306,860	296,312	303,780	318,920
Fire insurance premium tax	24,843	23,677	-	48,061
Franchise fees	225,960	209,577	199,248	192,743
Communication services tax	112,123	107,032	110,788	105,950
Public service tax	-	-	-	-
State revenue sharing	84,297	84,725	85,090	85,149
Gain on disposal of assets	-	63,614	-	-
Investment income	39,028	18,841	20,422	10,975
Special items	-	-	(1,200,000)	(395,934)
Total governmental activities	<u>1,611,886</u>	<u>1,537,364</u>	<u>351,302</u>	<u>1,187,315</u>
Change in Net Position	<u>\$ 288,341</u>	<u>\$ (39,825)</u>	<u>\$ (937,287)</u>	<u>\$ (443,713)</u>

Note: The Special items in 2012 and 2013 relate to the City's termination of the Fire Pension Plan and the cost to purchase annuities for plan participants.

2014	2015	2016	2017	2018	2019
\$ 412,362	\$ 404,460	\$ 417,780	\$ 485,201	\$ 491,310	\$ 486,102
455,444	466,690	476,544	507,087	518,524	535,738
270,185	271,287	286,539	294,724	304,583	317,559
418,451	392,825	477,588	438,135	477,460	438,263
30,050	27,043	24,810	22,706	23,509	22,482
<u>\$ 1,586,492</u>	<u>\$ 1,562,305</u>	<u>\$ 1,683,261</u>	<u>\$ 1,747,853</u>	<u>\$ 1,815,386</u>	<u>\$ 1,800,144</u>
\$ 81,643	\$ 75,937	\$ 84,089	\$ 88,941	\$ 59,936	\$ 55,853
8,918	8,676	10,085	2,530	16,935	198,847
-	379,795	-	-	-	-
<u>\$ 90,561</u>	<u>\$ 464,408</u>	<u>\$ 94,174</u>	<u>\$ 91,471</u>	<u>\$ 76,871</u>	<u>\$ 254,700</u>
\$ (1,495,931)	\$ (1,097,897)	\$ (1,589,087)	\$ (1,656,382)	\$ (1,738,515)	\$ (1,545,444)
\$ 844,925	\$ 888,002	\$ 955,456	\$ 1,018,328	\$ 1,087,621	\$ 1,170,588
336,197	358,431	376,006	383,875	396,702	411,987
-	-	-	-	-	-
209,554	207,575	194,489	190,472	199,698	215,218
98,137	96,435	83,021	41,668	45,732	44,829
-	85,408	114,114	112,988	228,998	250,360
85,639	86,473	86,519	86,929	87,428	87,877
-	-	-	-	684,673	-
5	9,206	5,215	8,428	11,623	48,244
-	-	-	-	-	-
<u>1,574,457</u>	<u>1,731,530</u>	<u>1,814,820</u>	<u>1,842,688</u>	<u>2,742,475</u>	<u>2,229,103</u>
<u>\$ 78,526</u>	<u>\$ 633,633</u>	<u>\$ 225,733</u>	<u>\$ 186,306</u>	<u>\$ 1,003,960</u>	<u>\$ 683,659</u>

City of Belleair Bluffs
Schedule 3
Fund Balances, Governmental Funds
Last Ten Fiscal Years

	2010	(1) 2011	2012	2013
General Fund				
Reserved				
Prepaid items	\$ 869	\$ -	\$ -	\$ -
Emergency medical services	45,588	-	-	-
Unreserved				
Designated for:				
Administration - comp plan	4,000	-	-	-
Administration - civil disaster	47,794	-	-	-
Administration - land acquisition	95,000	-	-	-
Administration - contingency reserve	77,069	-	-	-
Public works - equipment	63,185	-	-	-
Public works - drainage	188,500	-	-	-
Undesignated	2,052,813	-	-	-
Nonspendable	-	869	4,120	-
Restricted				
Emergency medical services	-	45,588	45,588	45,588
Committed to:				
Public works - street improvements	-	-	-	-
Assigned to:				
Administration - comp plan	-	9,000	9,289	9,289
Administration - disaster recovery	-	47,794	47,794	47,794
Administration - land acquisition	-	95,000	95,000	95,000
Administration - contingency reserve	-	77,069	77,069	77,069
Administration - data processing equip	-	-	-	2,000
Administration - City Hall improvements	-	-	-	-
Public works - capital assets	-	37,185	37,185	37,185
Public works - drainage	-	188,500	188,500	188,500
Unassigned	-	1,977,291	707,828	305,125
Total general fund	<u>\$ 2,574,818</u>	<u>\$ 2,478,296</u>	<u>\$ 1,212,373</u>	<u>\$ 807,550</u>
All Other Governmental Funds				
Reserved				
Fire	\$ 114,666	\$ -	\$ -	\$ -
Infrastructure	573,428	-	-	-
Restricted for:				
Fire	-	98,900	98,900	-
Infrastructure	-	490,846	253,233	441,310
Assigned to:				
Fire	-	15,766	15,766	15,766
Subsequent years expenditures	-	-	-	-
Infrastructure	-	127,124	159,053	18,794
Total all other governmental funds	<u>\$ 688,094</u>	<u>\$ 732,636</u>	<u>\$ 526,952</u>	<u>\$ 475,870</u>

(1) The City implemented GASB Statement No. 54 for the fiscal year ended September 30, 2011.
Amounts for earlier period are not available for comparison purposes.

2014	2015	2016	2017	2018	2019
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	5,315	13,005	50,437	5,363	6,946
45,588	45,588	45,588	45,588	-	-
-	-	-	-	114,499	239,679
9,289	9,289	9,289	9,289	10,289	10,289
47,794	47,794	47,794	47,794	31,578	100,000
95,000	95,000	95,000	95,000	95,000	95,000
-	-	-	-	-	-
4,000	2,611	4,611	6,611	11,525	-
-	-	2,000	6,000	20,000	30,000
37,185	42,185	53,185	63,185	51,185	21,030
188,500	251,721	339,912	459,192	479,660	514,918
372,657	446,769	481,555	340,994	1,107,001	1,351,058
<u>\$ 800,013</u>	<u>\$ 946,272</u>	<u>\$ 1,091,939</u>	<u>\$ 1,124,090</u>	<u>\$ 1,926,100</u>	<u>\$ 2,368,920</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
538,152	211,682	391,210	580,064	765,798	864,241
15,766	15,766	15,766	15,766	15,766	15,766
2,301	-	-	-	-	-
19,372	22,865	25,146	21,429	20,678	20,678
<u>\$ 575,591</u>	<u>\$ 250,313</u>	<u>\$ 432,122</u>	<u>\$ 617,259</u>	<u>\$ 802,242</u>	<u>\$ 900,685</u>

City of Belleair Bluffs
Schedule 4
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Revenues				
Property taxes	\$ 818,775	\$ 733,586	\$ 831,974	\$ 821,451
Sales taxes	201,177	188,062	197,335	206,821
Fire insurance premium tax	24,843	23,678	-	48,061
Communications service tax	112,123	107,032	110,788	105,950
Franchise fees	225,960	209,577	199,248	192,743
Public service tax	-	-	-	-
Licenses and permits	28,132	34,002	31,431	29,488
Intergovernmental revenue	585,123	194,645	493,107	198,808
Charges for services	214	31,110	31,932	33,058
Fines and forfeitures	34,760	15,912	7,299	5,791
Investment income	39,028	18,842	20,422	10,975
Miscellaneous revenue	13,667	8,319	10,448	24,901
Total revenues	<u>2,083,802</u>	<u>1,564,765</u>	<u>1,933,984</u>	<u>1,678,047</u>
Expenditures				
General government	416,998	430,755	449,881	524,551
Law enforcement	434,875	445,444	447,551	451,201
Fire protection	456,322	304,585	1,490,071	655,551
Public works	341,253	328,304	331,802	329,220
Capital outlay	492,813	75,237	608,180	74,780
Debt service				
Principal retirement	180,415	65,463	65,463	65,463
Interest and fiscal charges	44,422	39,457	36,321	33,186
Total expenditures	<u>2,367,098</u>	<u>1,689,245</u>	<u>3,429,269</u>	<u>2,133,952</u>
Excess of revenues over (under) expenditures	(283,296)	(124,480)	(1,495,285)	(455,905)
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	72,500	-	-
Transfers in	132,874	-	-	98,900
Transfers out	(132,874)	-	-	(98,900)
Total other financing sources (uses)	<u>-</u>	<u>72,500</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(283,296)	(51,980)	(1,495,285)	(455,905)
Fund balances - beginning of year	<u>3,546,208</u>	<u>3,262,912</u>	<u>3,234,610</u>	<u>1,739,325</u>
Fund balances - end of year	<u>\$ 3,262,912</u>	<u>\$ 3,210,932</u>	<u>\$ 1,739,325</u>	<u>\$ 1,283,420</u>
Debt service as a percentage of noncapital expenditures	12.0%	6.5%	3.6%	4.8%

	2014	2015	2016	2017	2018	2019
\$	844,925	\$ 888,002	\$ 955,456	\$ 1,018,328	\$ 1,087,621	\$ 1,170,588
	219,312	235,290	247,451	254,229	263,683	275,495
	-	-	-	-	-	-
	98,137	96,435	83,021	41,668	45,732	44,829
	209,554	207,575	194,489	190,472	199,698	215,218
	-	85,408	114,114	112,988	228,998	250,360
	33,349	32,288	34,173	27,506	41,604	31,809
	204,087	590,965	219,371	218,540	236,607	422,066
	32,980	32,992	35,939	37,106	132	211
	3,620	2,659	3,038	4,047	4,554	5,442
	6	9,206	5,215	8,428	11,623	48,244
	19,048	15,118	16,727	20,847	14,421	19,540
	<u>1,665,018</u>	<u>2,195,938</u>	<u>1,908,994</u>	<u>1,934,159</u>	<u>2,134,673</u>	<u>2,483,802</u>
	381,478	373,812	389,275	451,076	475,612	458,885
	455,444	466,690	476,544	507,087	518,524	535,738
	264,077	269,649	284,682	293,755	302,475	317,559
	347,911	316,075	352,891	385,969	374,655	339,094
	28,411	867,887	9,391	12,953	102,940	224,856
	65,463	53,801	43,925	43,925	43,925	43,925
	30,050	27,043	24,810	22,706	23,509	22,482
	<u>1,572,834</u>	<u>2,374,957</u>	<u>1,581,518</u>	<u>1,717,471</u>	<u>1,841,640</u>	<u>1,942,539</u>
	92,184	(179,019)	327,476	216,688	293,033	541,263
	-	-	-	600	693,960	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>600</u>	<u>693,960</u>	<u>-</u>
	92,184	(179,019)	327,476	217,288	986,993	541,263
	1,283,420	1,375,604	1,196,585	1,524,061	1,741,349	2,728,342
\$	<u>1,375,604</u>	<u>\$ 1,196,585</u>	<u>\$ 1,524,061</u>	<u>\$ 1,741,349</u>	<u>\$ 2,728,342</u>	<u>\$ 3,269,605</u>
	6.2%	5.4%	4.4%	3.9%	3.9%	3.9%

City of Belleair Bluffs
 Schedule 5
 Program Revenue by Function / Program
 Last Ten Fiscal Years

Function / Program	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental activities :				
Charges for services				
Administration	\$ 66,798	\$ 52,147	\$ 43,010	\$ 54,156
Fire	40,000	30,900	31,800	32,782
Total charges for services	<u>106,798</u>	<u>83,047</u>	<u>74,810</u>	<u>86,938</u>
Operating grants and contributions				
Administration	1,525	-	-	1,560
Police	1,942	-	-	-
Public Works	9,975	7,969	7,872	6,300
Total operating grants and contributions	<u>13,442</u>	<u>7,969</u>	<u>7,872</u>	<u>7,860</u>
Capital grants and contributions				
Public Works	351,676	-	300,000	-
Total capital grants and contributions	<u>351,676</u>	<u>-</u>	<u>300,000</u>	<u>-</u>
Total primary government revenues	<u>\$ 471,916</u>	<u>\$ 91,016</u>	<u>\$ 382,682</u>	<u>\$ 94,798</u>

2014	2015	2016	2017	2018	2019
\$ 48,861	\$ 43,155	\$ 48,267	\$ 52,045	\$ 59,936	\$ 55,853
32,782	32,782	35,822	36,896	-	-
81,643	75,937	84,089	88,941	59,936	55,853
2,618	2,376	4,835	2,530	16,935	198,847
-	-	-	-	-	-
6,300	6,300	5,250	-	-	-
8,918	8,676	10,085	2,530	16,935	198,847
-	379,795	-	-	-	-
-	379,795	-	-	-	-
\$ 90,561	\$ 464,408	\$ 94,174	\$ 91,471	\$ 76,871	\$ 254,700

City of Belleair Bluffs
Schedule 6
Tax Revenues by Source, Governmental Funds
Last Ten Fiscal Years

Fiscal Year Ended September 30,	Ad Valorem	Sales and Use Taxes	Fire Insurance Premium Tax (1)	Franchise Fees	Public Service Tax (2)	Communications Service Tax	Total
2019	\$ 1,170,588	\$ 411,987	\$ -	\$ 215,218	\$ 250,360	\$ 44,829	\$ 2,092,982
2018	1,087,621	396,702	-	199,698	228,998	45,732	1,958,751
2017	1,018,328	383,875	-	190,472	112,988	41,668	1,747,331
2016	955,456	376,006	-	194,489	114,114	83,021	1,723,086
2015	888,002	358,431	-	207,575	85,408	96,435	1,635,851
2014	844,925	336,197	-	209,554	-	98,137	1,488,813
2013	821,451	318,920	48,061	192,743	-	105,950	1,487,125
2012	831,974	303,780	-	199,248	-	110,788	1,445,790
2011	733,586	296,312	23,677	209,577	-	1,070,325	2,333,477
2010	818,775	306,860	24,843	225,960	-	112,123	1,488,561

(1) Fire Insurance Premium Taxes represent on behalf payments from the State of Florida that are earmarked for Firefighter's pension contributions. Payments discontinued upon closure of Fire Pension Plan.

(2) Public Service Tax adopted by Ordinance 2014-02 on August 18, 2014.
Public Service Tax amended by Ordinance 2017-02 on October 1, 2017 to increase the tax from 5% to 10% with 50% of the proceeds committed to street improvements, repairs and maintenance.

Schedules of Revenue Capacity Information

These schedules contain information to help the reader assess the City's most significant local revenue source - the property tax.

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City of Belleair Bluffs
Schedule 7
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended September 30,	Residential Property	Commercial Property	Governmental Property	Institutional Property	Leasehold Interests
2019	\$ 217,672,937	\$ 49,680,014	\$ 5,404,673	\$ 843,800	\$ 85
2018	196,028,953	56,650,965	4,984,793	825,547	515,504
2017	192,476,765	43,534,062	3,257,319	805,888	500,341
2016	180,187,912	42,234,480	3,102,897	783,308	610,510
2015	170,073,072	40,492,381	2,846,042	754,231	594,252
2014	159,216,069	39,765,381	2,743,034	744,473	577,408
2013	152,035,768	37,967,870	2,648,262	740,264	558,271
2012	148,829,217	37,589,355	2,617,259	736,102	536,468
2011	150,671,897	39,485,751	901,797	740,073	522,992
2010	161,863,934	41,659,440	887,500	795,766	491,504

Source: Pinellas County Property Appraiser

Total Assessed Value	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
\$ 273,601,509	\$ (42,675,257)	\$ 230,926,252	5.3500
259,005,762	(41,663,356)	217,342,406	5.3500
240,574,375	(39,701,330)	200,873,045	5.3500
226,919,107	(39,386,277)	187,532,830	5.3500
214,759,978	(38,430,804)	176,329,174	5.3500
203,046,365	(38,177,130)	164,869,235	5.3500
193,950,435	(38,263,887)	155,686,548	5.3500
190,308,401	(38,736,141)	151,572,260	5.3500
192,322,510	(39,306,724)	153,015,786	4.3500
205,698,144	(40,933,083)	164,765,061	4.3500

City of Belleair Bluffs
Schedule 8
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rates per \$1,000 of assessed value)

Fiscal Year	City	Total County Operating	School Board	Transit District	Emergency Medical Services	Southwest Florida Water Management District	Juvenile Welfare Board	Pinellas County Planning Council	Total
2019	5.3500	5.3590	6.5840	0.7500	0.9158	0.2801	0.8981	0.0150	20.1520
2018	5.3500	5.3590	6.7270	0.7500	0.9158	0.2955	0.8981	0.0150	20.3104
2017	5.3500	5.3377	7.3180	0.7500	0.9158	0.3317	0.8981	0.0150	20.9163
2016	5.3500	5.3377	7.7700	0.7305	0.9158	0.3488	0.8981	0.0160	21.3669
2015	5.3500	5.3377	7.8410	0.7305	0.9158	0.3658	0.8981	0.0160	21.4549
2014	5.3500	5.3377	8.0600	0.7305	0.9158	0.3818	0.8981	0.0160	21.6899
2013	5.3500	5.0727	8.3020	0.7305	0.9158	0.3928	0.8981	0.0125	21.6744
2012	5.3500	4.8730	8.3850	0.7305	0.8506	0.3928	0.8337	0.0125	21.4281
2011	4.3500	4.8730	8.3400	0.5601	0.5832	0.3770	0.7915	0.0125	19.8873
2010	4.3500	4.8730	8.3460	0.5601	0.5832	0.3866	0.7915	0.0125	19.9029

Note:

Source: Pinellas County Tax Collector

City of Belleair Bluffs
Schedule 9
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Belleair Plaza, LLC	\$ 6,710,000	1	2.91%	\$ -	-	-
Jasue, LLC	5,795,000	2	2.51%	4,575,000	3	2.78%
Harbor Bluffs Venture, LLC	5,760,000	3	2.49%	4,650,000	2	2.82%
Palms of Belleair, LLC	4,900,000	4	2.12%	4,370,000	4	2.65%
100 Indian Rocks Road, LLC	3,993,000	5	1.73%	-	-	-
Safee, Edward F	3,227,930	6	1.40%	-	-	-
Artist's Way, LLC	2,746,966	7	1.19%	-	-	-
Anderson, Timothy B	2,503,228	8	1.08%	-	-	-
Murphy, Jacqueline Ann Trust	2,465,000	9	1.07%	-	-	-
Moore, Ted	2,194,503	10	0.95%	-	-	-
Skyview Enterprises, LLC	-	-	-	5,125,000	1	3.11%
Berolzheimer, David Trust	-	-	-	2,942,500	5	1.79%
Johnson, Robert K	-	-	-	2,016,892	6	1.22%
Murphy, John J	-	-	-	1,930,000	7	1.17%
Holcolm, Gary L	-	-	-	1,626,141	8	0.99%
Lucas, Sky M	-	-	-	1,623,019	9	0.99%
Chivas, Frank R	-	-	-	1,608,981	10	0.98%
Total Principal Taxpayers	40,295,627		17.45%	30,467,533		18.49%
All Other Taxpayers	190,630,625		82.55%	134,297,528		81.51%
Total	\$ 230,926,252		100.00%	\$ 164,765,061		100.00%

Note:

Source: Pinellas County Property Appraiser's Office

City of Belleair Bluffs
Schedule 10
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended September 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Total Collections to Date	
		Amount	Percentage of Levy	Amount	Percentage of Levy
2019	\$ 1,213,837	\$ 1,170,588	96.44%	\$ 1,170,588	96.44%
2018	1,129,031	1,087,621	96.33%	1,087,621	96.33%
2017	1,054,570	1,018,328	96.56%	1,018,328	96.56%
2016	981,447	955,456	97.35%	955,456	97.35%
2015	924,556	888,002	96.05%	888,002	96.05%
2014	875,078	844,925	96.55%	844,925	96.55%
2013	849,825	821,451	96.66%	821,451	96.66%
2012	860,236	831,974	96.71%	831,974	96.71%
2011	756,284	733,586	97.00%	733,586	97.00%
2010	844,257	818,775	96.98%	818,775	96.98%

Notes:

Source: Pinellas County Property Appraiser

The Pinellas County Property Appraiser does not provide information on subsequent year collections by year. Therefore, this column represents collections for prior year tax levies that were received in the year indicated.

Schedules of Debt Capacity Information

These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.

The City Charter makes no provision for a general obligation debt margin. There has been no general obligation bonded debt outstanding for the prior ten fiscal years.

City of Belleair Bluffs
 Schedule 11
 Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Percentage of Personal Income	Per Capita
	Revenue Note Series 2007	Total		
2019	\$ 362,381	\$ 362,381	0.47%	\$ 167
2018	406,306	406,306	0.61%	197
2017	450,230	450,230	0.79%	216
2016	494,155	494,155	0.84%	246
2015	538,080	538,080	0.91%	262
2014	591,881	591,881	1.07%	288
2013	657,344	657,344	1.22%	323
2012	722,808	722,808	1.37%	356
2011	788,272	788,272	1.51%	385
2010	853,735	853,735	1.68%	420

Notes:

The City has had no general obligation bonded debt in the last ten years.

The Constitution of the State of Florida, Florida Statute 200.181 and the Charter of the City of Belleair Bluffs, Florida set no legal debt margin.

City of Belleair Bluffs
Schedule 12
Direct and Overlapping Governmental Activities Debt
As of September 30, 2019

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>(1) Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Overlapping debt:			
Pinellas County School Board	\$ 618,000		
Capital leases			
Pinellas County School Board	4,752,393		
Pinellas County	298,264		
Pinellas County Governmental Activities Bonds	<u>18,634,328</u>		
Total overlapping debt	\$ 24,302,985	0.270%	\$ 65,655
City direct debt		100%	<u>362,381</u>
Total direct and overlapping debt			<u><u>\$ 428,036</u></u>

Notes:

Source: Pinellas County

(1) The City's share is calculated based on the ratio of the 2019 City Taxable Value of \$230,926,252 to the County's Taxable Value of \$85,480,410,458.

City of Belleair Bluffs
Schedule 13
Pledged-Revenue Coverage
Last Ten Fiscal Years

Year	Electric Franchise Fees	Revenue Note Series 1997			Infrastructure Sales Tax	Revenue Note Series 2007		
		Principal	Interest	Coverage		Principal	Interest	Coverage
2019	\$ -	\$ -	\$ -	\$ -	\$ 246,811	\$ 43,925	\$ 22,482	3.72
2018	-	-	-	-	233,887	43,925	23,509	3.47
2017	-	-	-	-	223,003	43,925	22,706	3.35
2016	-	-	-	-	216,737	43,925	24,810	3.15
2015	-	-	-	-	205,188	53,801	27,043	2.54
2014	-	-	-	-	189,874	65,463	30,050	1.99
2013	-	-	-	-	177,973	65,463	33,185	1.80
2012	-	-	-	-	168,953	65,463	36,321	1.66
2011	-	-	-	-	159,688	65,463	39,457	1.52
2010	213,657	114,942	1,840	1.83	172,409	65,463	42,592	1.60

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Schedules of Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

City of Belleair Bluffs
 Schedule 14
 Demographic and Economic Statistics
 Last Ten Calendar Years

Year	Population (1)	Personal Income (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
2019	2,167	\$ 77,658,779	\$ 35,837	3.3%
2018	2,061	66,621,825	32,325	3.0%
2017	2,089	62,995,884	30,156	3.3%
2016	2,011	57,323,555	28,505	4.8%
2015	2,052	59,163,264	28,832	5.2%
2014	2,052	55,547,189	27,070	5.3%
2013	2,037	54,059,943	26,539	5.8%
2012	2,029	52,770,678	26,008	7.9%
2011	2,048	52,199,538	25,488	9.5%
2010	2,031	50,730,916	24,978	11.2%

Note:

Sources:

- (1) Pinellas County Economic Development
- (2) Extrapolated from Per Capita info, times the population
- (3) Pinellas County Economic Development
- (4) Florida Department of Economic Opportunity, Local Area Unemployment Statistics
 Tampa-St. Petersburg-Clearwater, FL Unemployment Rate (seasonally adjusted) for December 2018

City of Belleair Bluffs
Schedule 15
Principal Employers
Current Year and Nine Years Ago

Employer	2019			2010		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage Total City Employment
Raymond James	4,000	1	N/A	2,850	3	N/A
Home Shopping Network	2,000	2	N/A	1,600	10	N/A
Tech Data Corp.	2,000	3	N/A	1,800	9	N/A
Spectrum	2,000	4	N/A	N/A		N/A
Fidelity Information Svc	1,500	5	N/A	N/A		N/A
Nielsen Media Research	1,500	6	N/A	3,560	1	N/A
Jabil Circuit, Inc.	1,500	7	N/A	N/A		N/A
Honeywell Aerospace	1,500	8	N/A	N/A		N/A
Valpak	1,500	9	N/A	N/A		N/A
Superior Uniform Group	1,000	10	N/A	N/A		N/A
Times Publishing Corp.	N/A		N/A	3,187	2	N/A
Morton Plant Hospital	N/A		N/A	2,448	4	N/A
Raytheon	N/A		N/A	2,200	5	N/A
All Children's Health Systems	N/A		N/A	2,000	6	N/A
Bayfront Medical Center, Inc.	N/A		N/A	2,000	7	N/A
Progress Energy, Florida	N/A		N/A	1,950	8	N/A
	<u>18,500</u>		<u>-</u>	<u>23,595</u>		<u>-</u>

Note:

N/A - Total employment within the City is not available.

Data is based on Pinellas County since numbers for Belleair Bluffs are not available.

Source: Pinellas County Economic Development Department.

Schedules of Operating Information

These schedules offer detailed operations information to help the reader understand the services provided by the City.

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City of Belleair Bluffs
 Schedule 16
 Full-time Equivalent City Government Employees by Function/Program
 Last Ten Fiscal Years

Function/Program	Full time equivalent employees as of September 30,					
	2010	2011	2012	2013	2014	2015
General government						
City Administrator	-	-	-	-	-	-
City Clerk	1.0	1.0	1.0	1.0	1.0	1.0
Administrative Services	2.0	2.0	2.0	2.0	2.0	1.5
Public Safety						
Fire	*	*	*	*	*	*
Police	*	*	*	*	*	*
Protective Inspections/Planning	1.0	1.0	1.0	1.0	1.0	1.0
Public Works						
Technical Services/Building	1.0	1.0	1.0	1.0	1.0	1.0
Grounds Beautification	1.0	1.0	1.0	1.0	1.0	1.0
Road and Street Facilities	2.0	2.0	2.0	2.0	1.0	1.0
	<u>8.0</u>	<u>8.0</u>	<u>8.0</u>	<u>8.0</u>	<u>7.0</u>	<u>6.5</u>

* Note: The City contracts for Law Enforcement Services through a contract with the Pinellas County Sheriff's Office and beginning in 2009 for Fire Suppression Services through a contract with the City of Largo.

2016	2017	2018	2019
-	-	1.0	1.0
1.0	1.0	1.0	1.0
1.5	2.5	1.5	1.5
*	*	*	*
*	*	*	*
-	-	-	-
1.0	-	1.0	1.0
1.0	1.0	1.0	1.0
1.0	1.0	1.0	1.0
<u>5.5</u>	<u>5.5</u>	<u>5.5</u>	<u>5.5</u>

City of Belleair Bluffs
 Schedule 17
 Operating Indicators by Function/Program
 Last Ten Fiscal Years

<u>Function/Program</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Police						
Physical arrests	55	51	88	52	81	68
Parking violations	23	27	42	7	17	36
Traffic violations	922	847	505	322	352	161
Fire						
Emergency responses	573	589	626	652	626	732
Fires extinguished	51	74	79	119	44	54
Inspections	153	121	34	233	39	43
Public works						
Street resurfacing (miles)	-	0.47	-	0.29	0.42	0.42

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
64	59	98	71
5	32	146	85
163	194	317	264
637	356	284	386
47	59	37	90
32	82	162	52
0.10	-	-	-

City of Belleair Bluffs
 Schedule 18
 Capital Asset Statistics by Function/Program
 Last Ten Fiscal Years

<u>Function/Program</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Police Stations	-	-	-	-	-	-	-
Fire Stations	1	1	1	1	1	1	1
Public works Streets (miles)	9.60	9.60	9.60	9.60	9.60	9.60	9.60

<u>2017</u>	<u>2018</u>	<u>2019</u>
-	-	-
1	1	1
9.60	9.60	9.60

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OTHER REPORTS

This section contains Auditor's Reports required by *Government Auditing Standards* (issued by the Comptroller General of the United States) and the Auditor General of the State of Florida.

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*

The Honorable Mayor and City Commission
City of Belleair Bluffs, Florida

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

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Wells, Houser & Schatzel, P.A.

Wells, Houser & Schatzel, P.A.
St. Petersburg, Florida
January 30, 2020

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

The Honorable Mayor and City Commission
City of Belleair Bluffs, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Belleair Bluffs, Florida, as of and for the fiscal year ended September 30, 2019 and have issued our report thereon dated January 30, 2020.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Reports on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Florida Auditor General. Disclosures in those reports and schedules, which are dated January 30, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The City of Belleair Bluffs, Florida, a municipal corporation, was established in 1967 under Chapter 67-1106, Laws of Florida, Acts of 1967.

Financial Condition and Management

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

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

Special District Component Units

Section 10.554(1)(i)5.c. Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we determined that the City had no special district component units.

Additional Matters

Sections 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 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 note 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 and other granting agencies, City Commission Members, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



Wells, Houser & Schatzel, P.A.
St. Petersburg, Florida
January 30, 2020

INDEPENDENT AUDITOR'S REPORT
REGARDING COMPLIANCE REQUIREMENTS IN RULES
OF THE AUDITOR GENERAL 10.556(10)

Honorable Mayor and City Commission
City of Belleair Bluffs, Florida

We have examined the City of Belleair Bluffs, Florida's (the City's) compliance with the requirements of Section 218.415, Florida Statutes during the year ended September 30, 2019. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City of Belleair Bluffs, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

Wells, Houser & Schatzel, P.A.

Wells, Houser & Schatzel, P.A.
St. Petersburg, Florida
January 30, 2020