



City of Belleair Beach, Florida
Comprehensive Annual Financial Report
Fiscal Year Ended September 30, 2020



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City of Belleair Beach, Florida

Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2020

Prepared by the Department of Finance

City of Belleair Beach, Florida
Council-Manager Form of Government

City Council:

Joseph A. Manzo, Mayor

Glenn Gunn, Vice-Mayor

Dave Gattis, Council Member

Robyn Ache, Council Member

Jody Shirley, Council Member

Marv Behm, Council Member

Rita Swope, Council Member

Chartered Officers:

City Manager:

Lynn Rives

City Treasurer:

Andrew Tess

City Clerk:

Patricia Gentry

INTRODUCTORY SECTION

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CITY OF BELLEAIR BEACH, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

TABLE OF CONTENTS
INTRODUCTORY SECTION

Table of Contents	i
Letter of Transmittal.....	v
Certificate of Achievement	x
Organizational Chart	1
Listing of City of Belleair Beach Officials	2

FINANCIAL SECTION

Independent Auditor’s Report.....	3
Management’s Discussion and Analysis.....	6

Basic Financial Statements

Government-Wide Financial Statements:

Statement of Net Position	15
Statement of Activities.....	16

Fund Financial Statements:

Balance Sheet - Governmental Funds	18
Reconciliation of the Balance Sheet to the Statement of Net Position - Governmental Funds	19
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities - Governmental Funds	21

TABLE OF CONTENTS
FINANCIAL SECTION (CONTINUED)

Basic Financial Statements (Continued)

Statement of Revenues, Expenditures, and Changes in Fund Balances –
 Budget to Actual:
 General Fund.....22
Statement of Net Position - Proprietary Funds23
Statement of Revenues, Expenses, and Changes in Net Position -
 Proprietary Funds25
Statement of Cash Flows - Proprietary Funds.....26
Reconciliation of Operating Income (Loss) to Net Cash Provided
 (Used) by Operating Activities.....27
Notes to Financial Statements28

Individual Fund Financial Statements and Schedules

Capital Projects Fund:
Statement of Revenues, Expenditures, and Changes in Fund Balances –
 Budget to Actual:
 Capital Projects Fund59
Enterprise Fund:
Statement of Revenues, Expenditures, and Changes in Fund Balances –
 Budget to Actual:
 Marina Fund60
Capital Assets Used in the Operation of Governmental Funds:
 Schedule by Function and Activity61
 Schedule of Changes by Function and Activity63

TABLE OF CONTENTS
STATISTICAL SECTION

Financial Trends:

Schedule 1 - Net Position by Component	64
Schedule 2 - Changes in Net Position	65
Schedule 3 - Charges for Services by Function/Program.....	67
Schedule 4 - General Governmental Revenues and Tax Revenue by Source	68
Graph of General Governmental Revenues by Source	69
Schedule 5 - Fund Balances Governmental Funds.....	70
Schedule 6 - Changes in Fund Balances Governmental Funds.....	71
Schedule 7 - General Governmental Expenditures by Function	73
Graph of General Governmental Expenditures by Function.....	74

Revenue Capacity:

Schedule 8 - Assessed and Estimated Actual Value of Taxable Property	75
Schedule 9 - Property Tax Rates - Direct and Overlapping Governments (Per \$1,000).....	76
Schedule 10 - Assessed Valuations Millage and Taxes Levied and Collected.....	78
Schedule 11 - Principal Taxpayers.....	79
Schedule 12 - Property Tax Levies and Collection.....	80

Debt Capacity:

Schedule 13 - Outstanding Debt by Type.....	81
Schedule 14 - Ratios of General Revenue and Capital Lease Debt Outstanding	82
Schedule 15 - Computation of Direct and Overlapping Debt General Obligation Bonds.....	83
Schedule 16 - Pledged-Revenue Coverage	84

TABLE OF CONTENTS
STATISTICAL SECTION (CONTINUED)

Demographic and Economic Information:

Schedule 17 - Demographics and Economic Statistics85
Schedule 18 - Principal Employers86

Operating Information:

Schedule 19 - Full Time Equivalent City Employees by Function.....87
Schedule 20 - Miscellaneous Statistical Data88
Schedule 21 - Operating Indicators By Function89
Schedule 22 - Capital Asset Statistics By Function90

Other Reports:

Report on Internal Control Over Financial Reporting and
on Compliance and Other Matters Based on Audit of
the Financial Statements Performed in Accordance with
Government Auditing Standards91
Management Letter93
Attestation Report 96
Memorandum on Review of Internal Control Structure 97
Management Response.....102

LETTER OF TRANSMITTAL

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February 19, 2021

To the Honorable Mayor, City Council and
Citizens of the City of Belleair Beach

State law (section 218.32, Florida Statutes, as amended) requires that all general-purpose local governments publish within nine months after the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with generally accepted, in the United States of America, 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 Beach, Florida (“the City”) for the fiscal year ended September 30, 2020.

This report consists of management’s representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City 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 presentation of the City’s financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City’s 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.

The City’s financial statements have been audited by Saltmarsh, Cleveland and Gund, 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 for the fiscal year ended September 30, 2020, are free of material misstatements. 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’s financial statements for the fiscal year ended September 30, 2020 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.

GAAP require 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's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City of Belleair Beach, Florida was incorporated in 1950 and was chartered pursuant to Chapter 166 Florida Statutes, with a Mayor form of government. An amendment to the charter effective March 10, 2004 adopted the council-manager form of government. The City currently occupies a land area of eight tenths of a square mile and serves an estimated population of 1,625 in 2020. The City is empowered to levy property tax on both real and personal properties located within its boundaries but is unique because it does not have any commercial businesses located within the City limits (by City Charter), therefore it has no commercial tax base.

Policy-making and legislative authority are vested in a governing council consisting of the mayor and six other members. The City Council is responsible, among other things, for passing ordinances and resolutions, adopting the budget, appointing committees and hiring the government's City Manager, City Clerk, City Treasurer and attorney. The City Manager is the chief executive officer of the City and is responsible for carrying out the policies and ordinances/resolutions and directives of the City Council. Among other things, the City Manager will direct and supervise the administration of all departments of the City, except as provided by Charter, attend all council meetings and submit to the City Council a proposed annual budget in a timely manner each year. The Council is elected on a non-partisan basis. In even-numbered years, four council members, including the mayor, shall be elected for a three-year term and three council members shall be elected to a three-year term in the odd-numbered years. The Mayor and council members are elected at large.

The City provides these services: improvement of street drainage, maintenance of streets, parks and other infrastructure. Police protection is provided by the Pinellas County Sheriff's Office effective June 1, 2007 per referendum approved by citizens in March 2007. The City's recreational facilities include parks and playgrounds, beaches, tennis courts, basketball court and library services in conjunction with the Pinellas County Public Library Cooperative. The City also has a marina available to residents. This is an Enterprise Fund and is included in this report.

Department heads submit to the City Manager their budget requests during April and May of each year. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager then presents this proposed budget to City Council for review in July. Budget workshops that are open to the public are held in July and August. The Council is required to hold two public hearings on the proposed budget and to adopt a final budget by no later than September 30th, the close of the City's fiscal year. The appropriated budget is prepared by fund and departmental details. Department heads may request transfers of appropriations within a department through a budget transfer request by the City Manager and City Treasurer provided that the total budget within a fund is not changed. However, if the total amount of budget appropriations within a fund is changed, a resolution authorizing a budget amendment is required to be approved by Council. Budget-to-actual comparisons are provided in this report for each individual government fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented on page 22 as part

of the basic financial statements for the governmental funds. For the Capital Projects Fund and the Marina Fund, budget-to-actual comparisons are presented on pages 59 and 60, respectively.

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 operates.

Internal and Budgetary Control

Effective internal accounting control is a major emphasis in the City's accounting system. The City seeks to provide reasonable assurance that assets are safeguarded and that financial records are reliable for preparing financial statements and maintaining accountability. The annual budget serves as the foundation for the City's financial planning and control. Budgets are maintained at the departmental level and changes are approved by the City Manager. The budget is prepared using conservative assumptions of revenue and moderate expenditure growth.

Local Economy

The City of Belleair Beach is a residential community that is part of a region that had been an improving economic environment within the past few years prior to the COVID-19 pandemic. In fact, the most recent estimate of property values shows a 4.95 percent increase in taxable values for 2020 as compared with 2019 values. However, like other communities throughout the country and internationally, the City of Belleair Beach faces some uncertainty going forward related to the effects of the COVID-19 pandemic. The budget for the upcoming fiscal year considers the unfavorable consequences of this situation but has not been prepared in anticipation of a worst-case scenario, for example, as if tourism related revenue derived from state funding completely ceased. This strategy has been implemented because the City has a healthy property tax base, other non-state derived revenue sources, and reserve funds available that will help to offset the short-term impacts of any decreased funding.

In the Tampa Bay area, the unemployment rate of 5.7% in September 2020 was significantly higher than 2.60% reported in 2019, as the impact of employment losses and declines in other areas of the economy have been felt close to home.

The region (which includes the City and the surrounding unincorporated area within Pinellas county) has a population base of approximately one million people, with three surrounding counties playing a vital role in the region's economy.

Long-Term Financial Planning

The City of Belleair Beach has long-range plans for infrastructure improvements (streets, drainage and bridges) and upgrades to parks and recreation facilities (docks, and seawall repairs). The city's long-range financial plan has provided approximately \$2,372,413 for capital improvement projects impacting parks, recreation and infrastructure. Street resurfacing, valley curb repair and replacement program, park renovations and upgrades, dock replacement, and stormwater improvement projects are scheduled throughout Belleair Beach over the next five years. The undergrounding of utilities for the Belle Vue Estates Island project, has an estimated project cost of \$2 million and is being funded

through a non-ad valorem special assessment to the residents of the improved area. This funding was provided by Center State Bank and has a term of 20 years that began in fiscal year 2018.

The Community Center facilities, overlooking the Intracoastal Waterway, have generated rental income from weddings, parties, banquet furniture, meetings and fitness programs. The City believes that the Community Center enhances services to citizens, improves the aesthetics of the City and provides for a structurally and environmentally sound City Hall. The City received the proceeds of a tax-exempt bank loan in fiscal year 2006 with SunTrust Bank for \$3.0 million to fund the project. Per loan agreement, quarterly principal and interest payments have been regularly made. Other sources of funding include contributions from the General Fund and distributions received from the Infrastructure Sales Tax (Penny for Pinellas).

Cash Management Policies and Practices

Cash temporarily idle during the year was primarily invested in money market funds and certificates of deposit with SunTrust Bank and Bank United. The City's surplus cash needed in the short term is invested with the State Board of Administration – Florida Prime, to maximize earnings. Additional information on the City's cash and investments can be found in Notes 3 through 5 in the financial statements.

Risk Management

A workplace safety program is in place to provide for employee accident prevention training, thus minimizing accident-related losses as well as lowering premiums. Specialized training is also undertaken for specific areas of concern. The City is insured through the Florida Municipal Insurance Trust program for general and professional liability, automobile, property and workers' compensation insurance.

Pension and Other Post-Employment Benefits

The City provides a defined contribution retirement plan for employees. This benefit is provided through the Florida League of Cities and administered by Florida Municipal Pension Trust Fund (FMPTF) as a 401(a) plan. The City contributes 10% of the employees' wages to the 401(a) plan. Each employee may also choose to make a deferred compensation deduction, which can be based on a percentage of salary or a flat dollar amount. For the City Manager, the City contributes an additional matching amount up to 5% of the City Manager's salary to the 457(b) plan and is included as additional compensation for the purposes of FICA. This deferred compensation plan is also administered by FMPTF as a 457 (b) plan.

The City does not provide post-employment benefits for employees other than pension benefits. Post-employment health care benefits are made available through the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA).

Additional information on the City's pension arrangements and post-employment benefits can be found in Notes 17 through 19 in the financial statements.

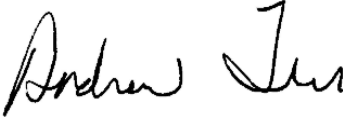
Acknowledgements

The preparation of this report would not have been possible without the efficient and dedicated services of the staff of the Finance and Administration departments. We would like to express our appreciation to all members of the departments who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor and the Council members for their support and for maintaining the highest standards of professionalism in the management of the City of Belleair Beach, Florida's finances.

Respectfully submitted,



Lynn Rives,
City Manager



Andrew Tess, CPA
City Treasurer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Belleair Beach
Florida**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

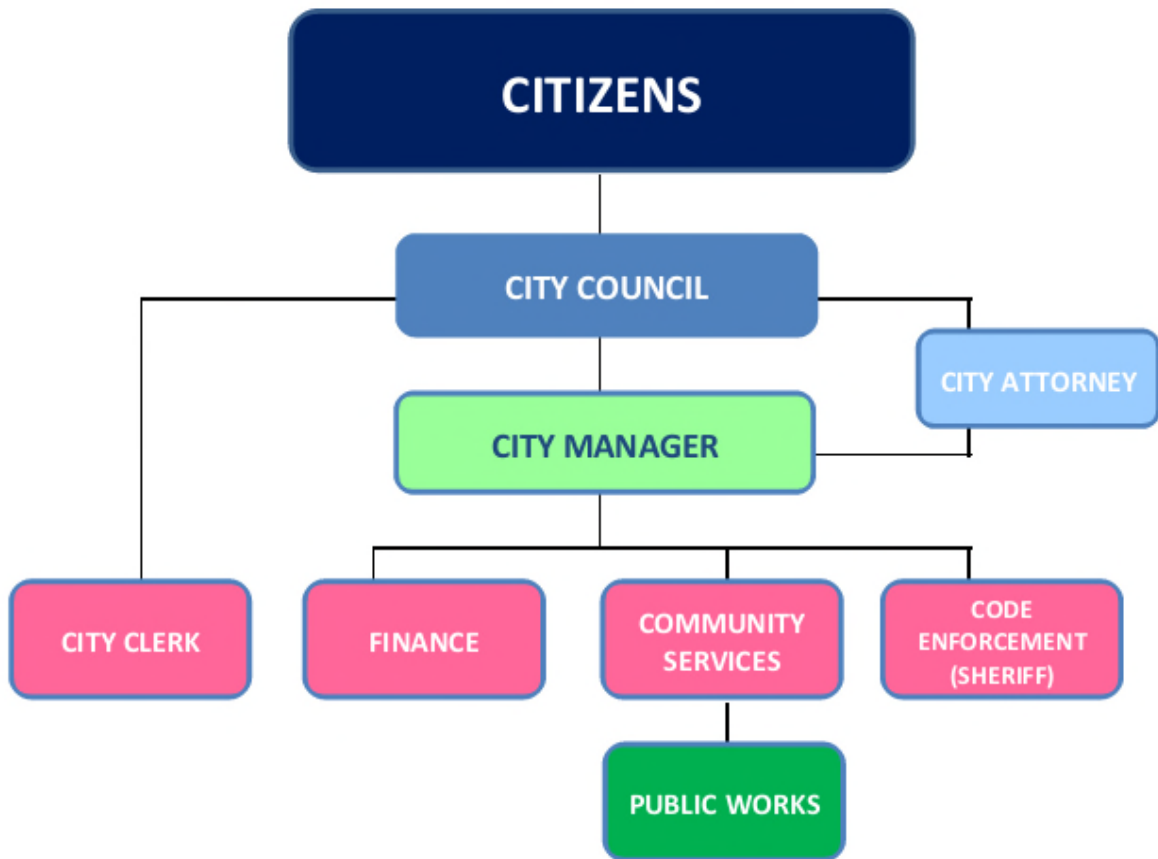
September 30, 2019

Christopher P. Morill

Executive Director/CEO



Organizational Chart



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City of Belleair Beach, Florida

Listing of City Officials

Fiscal Year 2020

Elected Officials:

Mayor	Joseph Manzo
Vice-Mayor	Glenn Gunn
Council Member	Robyn Ache
Council Member	Marv Behm
Council Member	Dave Gattis
Council Member	Jody Shirley
Council Member	Rita Swope

Appointed Officials:

City Attorney	Fred Reilly
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Chartered Officers:

City Manager	Lynn Rives
City Clerk	Patricia Gentry
City Treasurer	Andrew Tess

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FINANCIAL SECTION

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FINANCIAL SECTION

This section contains the following subsections:

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements

Combining and Individual Financial Statements
and Schedules

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor
and City Council
City of Belleair Beach, Florida

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the budgetary comparisons for the general fund, and the aggregate remaining fund information of City of Belleair Beach, Florida, as of and for the year ended September 30, 2020, 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 an opinion 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 of material misstatement.

The Honorable Mayor
and City Council
City of Belleair Beach, Florida

An audit involves performing procedures to obtain 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the budgetary comparisons for the general fund, and the aggregate remaining fund information of the City of Belleair Beach, as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund 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 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statement, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Honorable Mayor
and City Council
City of Belleair Beach, Florida

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Belleair Beach, Florida's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, schedules of capital assets, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund financial statements and schedules of capital assets 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 individual fund financial statements and schedules of capital assets are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Accounting Standards*, we have also issued our report dated February 21, 2021, 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 or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Tampa, Florida
February 21, 2021

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Belleair Beach, (the City) we offer readers of the financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our Letter of Transmittal, which is on pages v-ix of this report.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$15,100,546 (*net position*). Of this amount, \$5,666,342 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- At September 30, 2020, the City's governmental activities fund balances reported an ending fund balance of \$5,462,300, which represents an increase of \$63,512 or 1.17% in comparison with the prior year. As illustrated by the Statement of Revenue, Expenditures and Changes in Fund Balance on page 20, the Capital Projects Fund operated at a loss of \$469,400 for fiscal year 2020 resulting from significant expenditures for improvements incurred within the City. The loss experienced in the Capital Projects Fund was offset by a positive change in fund balance in the General Fund of \$532,912.
- At September 30, 2020, the unassigned fund balance of the General Fund (not restricted, committed or assigned to any specific purpose) was \$3,041,366 or 165.14% of total General Fund expenditures of \$1,841,708.
- Governmental fund revenues decreased by \$1,658,633, or 37.18% from the prior fiscal year. This is primarily due to the fact that during fiscal year 2019, the City received a substantial amount of funding from Pinellas County for capital improvement projects and these funds were not received in fiscal year 2020.
- The business-type activities operating revenue increased by \$16,814 or 25.47% overall as compared with the prior year. There was an increase in net position by \$28,735 that was largely attributed to higher parking fees from people paying to park while enjoying the outdoors during the COVID-19 pandemic.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Belleair Beach's basic financial statements. The City of Belleair Beach's basic financial statements comprise three components:

- 1) government-wide financial statements. 2) fund financial statements, and 3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner that is similar to a private-sector business.

The Statement of Net Position presents information on the City's assets and liabilities, with the difference between them reported as "Net Position". The focus of the Statement of Net Position is the "Unrestricted Net Position" which is designed to be similar to a corporate entity's presentation of "bottom-line" results for the City's activities. This statement combines and consolidates the governmental funds' current financial resources (short-term, spendable resources) with capital assets and long-term obligations. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during fiscal year 2020. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, roads and streets, sanitation, and parks and recreation. The business-type activities of the City include marina slip rentals where the fees for the service typically cover the cost of operations including depreciation.

The government-wide financial statements include the City itself (known as the primary government) and the marina slip rental operation, although legally separated, functions for all practical purposes as a department of the City and therefore has been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 15 – 17 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Belleair Beach, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds. The City does not present any fiduciary funds since the City is not responsible for any trustee responsibilities that would be reported in a fiduciary fund financial statement. The basic governmental fund financial statements can be found on pages 18-21 of this report and the proprietary fund financial statements can be found on pages 23-27.

The City adopts an annual budget for all funds and budgetary comparison statements have been provided to demonstrate compliance with these budgets.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the governmental-wide financial statements. However, as mentioned previously, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains three individual funds and they all are considered major funds. The individual governmental funds and governmental-fund totals are presented on pages 18-21 and provide a Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balance for the General Fund and Capital Projects Fund.

Proprietary Funds

The City of Belleair Beach maintains one proprietary fund, which is an enterprise fund used to account for the Marina Fund activities. Enterprise and proprietary funds are used to report the same functions and the same type of information as the government-wide financial statements but are referred to as business-type activities. The City's proprietary fund financial statements provide separate information for the Marina Fund. The basic proprietary fund financial statements can be found on pages 22-27 of this report and the budgetary comparison report for the Marina Fund is on page 60.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28-58 of this report.

Infrastructure Assets

Due to the small size of the City and infrastructure assets valued less than \$10 million, the City has elected to only record and depreciate infrastructure going forward. Historically, a government's largest group of assets (infrastructure: roads, bridges, sidewalks, curbs, underground pipes, unless associated with a utility, etc.) have not been reported or depreciated in the City's financial statements. The statements require that these assets be valued and recorded within the "Governmental" columns of the government-wide statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial conditions. In the case of the City of Belleair Beach, total assets exceeded total liabilities by \$15,100,546 at the close of fiscal year ended September 30, 2020. For more detailed information, see the full Statement of Net Position on page 15.

At September 30, 2020, a considerable portion of the City's net position is invested in capital assets (e.g., land, buildings, equipment and marina docks) at 46.67% of total assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported at net of related outstanding debt used to acquire those capital assets, (for example, the Community Center loan) it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. A large part of the City's assets (27.93%) reflects the investment in cash, cash equivalents and other investments. This is affected by the implementation of the City's investment policy that has emphasis on first: safety of principal, second: liquidity or readily available for conversion into cash in order to finance the City's operating cash flow requirements, and the third criteria: yield or earnings.

As of September 30, 2020, there are no significant external restrictions on how the City's resources may be used. The balance of unrestricted net position of \$5,666,342 or 37.52% of total net position may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City reports positive balances in all the categories of net position for the government as a whole, as well as for the governmental and business-type activities. The same situation held true for the prior fiscal year.

The following table reflects the condensed Statement of Net Position compared to the prior year.

Statement of Net Position
As of September 30

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 7,949,724	\$ 7,938,203	\$ 304,067	\$ 271,141	\$ 8,253,791	\$ 8,209,344
Capital assets (net of depreciation)	11,923,015	11,776,676	36,673	39,624	11,959,688	11,816,300
Total Assets	19,872,739	19,714,879	340,740	310,765	20,213,479	20,025,644
Current and other liabilities	2,510,239	2,567,049	9,038	7,798	2,519,277	2,574,847
Long-term liabilities:						
Due within one year	234,229	230,405	-	-	234,229	230,405
Due in more than one year	2,359,427	2,574,111	-	-	2,359,427	2,574,111
Total Liabilities	5,103,895	5,371,565	9,038	7,798	5,112,933	5,379,363
Net Position:						
Net Investment in Capital Assets	9,397,531	9,027,101	36,673	39,624	9,434,204	9,066,725
Restricted	-	-	-	-	-	-
Unrestricted	5,371,313	5,316,213	295,029	263,343	5,666,342	5,579,556
Total Net Position	\$ 14,768,844	\$ 14,343,314	\$ 331,702	\$ 302,967	\$ 15,100,546	\$ 14,646,281

Statement of Activities

The following schedule compares the revenues and expenses for the current and previous fiscal year.

Statement of Activities						
For the Years Ended September 30						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues:						
Charges for services	\$ 605,606	\$ 558,497	\$ 82,830	\$ 66,016	\$ 688,436	\$ 624,513
Operating grants and contributions	24,914	106,864	-	-	24,914	106,864
General revenues:						
Property taxes	1,117,077	1,068,618	-	-	1,117,077	1,068,618
Franchise fees	188,420	183,563	-	-	188,420	183,563
Utility taxes	288,081	267,035	-	-	288,081	267,035
Other taxes and fees	386,386	1,604,700	-	-	386,386	1,604,700
Assessments	130,311	538,794	-	-	130,311	538,794
Miscellaneous	65,577	132,892	1,741	2,494	67,318	135,386
Total Revenues	2,806,372	4,460,963	84,571	68,510	2,890,943	4,529,473
Expenses						
General Government	800,456	824,685	-	-	800,456	824,685
Public Safety	523,617	554,535	-	-	523,617	554,535
Physical Environment	1,011,544	1,004,159	-	-	1,011,544	1,004,159
Culture and Recreation	45,225	44,267	-	-	45,225	44,267
Marina Operations	-	-	55,836	62,487	55,836	62,487
Total Expenses	2,380,842	2,427,646	55,836	62,487	2,436,678	2,490,133
Excess of revenues over (under)						
expenditures: Change in Net Position	425,530	2,033,317	28,735	6,023	454,265	2,039,340
Net Position – Beginning	14,343,314	12,309,997	302,967	296,944	14,646,281	12,606,941
Net Position - Ending	\$ 14,768,844	\$ 14,343,314	\$ 331,702	\$ 302,967	\$ 15,100,546	\$ 14,646,281

Governmental Activities

Governmental Activities increased the City's net position by \$425,530 compared to the prior year's increase of \$2,033,317. This fiscal year's increase accounts for 2.88% of the governmental activities total net position at year-end of \$14,768,844. The difference between the prior and current year change in net position is largely attributed to the City receiving large FEMA reimbursements after Hurricane Irma (\$105,727) and Pinellas County capital project funding (\$1,211,989) that were both received in fiscal year 2019 and not in 2020. There was also a decrease in the non-ad valorem special assessments between 2019 (\$538,794) and 2020 (\$130,311) because some residents elected to pay off the lifetime assessment in 2019 and only the annual assessment amount was collected in 2020.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of fiscal year 2020, the City's governmental funds reported combined ending fund balances of \$5,462,300, an increase of \$63,512 in comparison with the prior year when the net change was a decrease of \$1,359,561. Government-wide expenses decreased by \$53,455 as cost-saving measures were implemented, with almost all departments showing decreased expenses in 2020 compared with fiscal year 2019. Further analysis of the activity within the governmental funds can be found in the following sections.

General Fund

The General Fund is the chief operating fund of the City. During the year ended September 30, 2020, the General Fund transferred \$100,000 to the Capital Projects Fund. This reduction in available funds combined with the \$628,870 excess revenues over expenditures and \$4,042 in proceeds from the sale of assets for the same time period resulted in an overall \$532,912 increase in the fund. Total expenditures decreased by \$70,713 compared to the prior year. Despite the decreased tourism dollars throughout the state of Florida resulting from the COVID-19 pandemic, the City only had a decrease in General Fund revenue of \$13,726. No substantial decrease was noted in state-derived revenue but increased charges for services such as parking fees helped the City continue to thrive.

At the end of fiscal year 2020, the unassigned fund balance of the General Fund, which has not been restricted, committed or assigned to specific purposes, was \$3,041,366. This is available for spending at the City's discretion.

The remainder of the General Fund balance of \$1,125,718 is not available for new spending and has been classified as "Non-spendable" (so it cannot be converted into cash) that designates an amount for prepaid items totaling \$21,718, and Assigned for catastrophic events for \$1,104,000. The total fund balance represents 226.31% of total General Fund expenditures for 2020.

General Fund Budgetary Highlights

During the fiscal year ended September 30, 2020 the significant variances between the final amended budget and the actual results are shown below:

- Revenues were higher than budgeted amount by \$178,772 with all line items coming in over budget with the exception of interest income.
- Expenditures were lower than budgeted amount by \$88,344 due to lower expenditures in all functions.

Capital Projects Fund

The Capital Projects Fund is used to account for the acquisition or construction of major capital facilities other than those financed by proprietary funds. This is also used for non-recurring capital expenditures with an estimated useful life of at least ten years and/or a minimum cost of \$1,000 in order to avoid distortion of financial trend information in the other funds.

At the end of fiscal year 2020, the fund balance of the Capital Projects Fund was \$1,255,216 and is considered "Committed" since those funds have been earmarked for expenditures in the Capital Projects Budget set forth in the City's Capital Improvement Plan.

Capital Projects Fund Budgetary Highlights

During the fiscal year ended September 30, 2020 the significant variances between the final amended budget and the actual results are shown below:

- Revenues were lower than budgeted amount by \$13,709 because of less interest income received compared to the budgeted amount.
- Expenditures were lower than budgeted amount by \$241,534 due to lower expenditures for physical environment capital projects.

Business-Type Activities

Proprietary Fund

The City's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Marina Fund

Unrestricted net position of the proprietary (Marina) fund at the end of the year in comparison to prior year amounted to \$295,029 for fiscal year 2020 compared to \$263,343 in 2019.

Business-type activities increased the City's net position by \$28,735 compared to the prior year's increase of \$6,023 with the improvement mainly from increased parking fees. For fiscal year 2020, the City-owned marina generated \$26,994 in net operating income from \$82,830 in parking fees and marina slip rental revenue. During fiscal year 2020, the Marina Fund sent a reimbursement of \$41,459 to the General Fund to cover the costs of managing and operating the marina, compared to \$43,505 in the prior year. For both years, the Marina Fund payments to the General Fund represented the entire budgeted amount for the annual reimbursement.

Marina Fund Budgetary Highlights

During the fiscal year ended September 30, 2020 the significant variances between the final amended budget and the actual results are shown below:

- Revenues were higher than budgeted amount by \$19,636 because of higher parking meter revenue.
- Expenditures were lower than budgeted amount by \$9,948 due to lower expenditures for materials and supplies.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2020 amounts to \$9,434,204 (net of accumulated depreciation and related debt). This investment in capital assets includes land, buildings, improvements other than building, equipment, marina docks and security fence and infrastructure. The net increase of the City's capital assets for the current fiscal year was \$589,272 for governmental activities and a decrease of \$2,951 for the business-type activities which represents the current depreciation expense.

During fiscal year 2020, the Capital Projects Fund invested to continue improving the City's stormwater drainage system (\$350,572), replaced buoys (\$11,505), added solar street lights (\$46,000) and undergrounding utilities (\$166,334).

**Summary of Capital Assets
As of September 30, 2020**

	Governmental Activities	Business-Type Activities	Total Primary Government
Land	\$ 1,426,738	\$ -	\$ 1,426,738
Buildings	4,192,894	-	4,192,894
Improvements other than buildings	8,066,882	364,682	8,431,564
Equipment	1,284,222	-	1,284,222
Accumulated depreciation	(3,047,721)	(328,009)	(3,375,730)
	<u>\$ 11,923,015</u>	<u>\$ 36,673</u>	<u>\$ 11,959,688</u>

Additional information on the City's capital assets can be found on pages 61-63 of this report.

Long-Term Debt

Construction of the City's City Hall and Community Center was completed in November 2009 at a cost of \$3.927 million. Funding sources consisted of a \$3 million bank loan, infrastructure sales tax (Penny for Pinellas) and contributions from the General Fund. The interest rate is a variable rate that is currently at 4.52121% annually and is payable quarterly effective October 2006. The loan principal balance as of September 30, 2020 is \$840,000. The Capital Projects Fund makes the debt payments for principal and interest on this loan.

During fiscal year 2018, the City issued revenue bonds, series 2014A, 2014B, and 2014C to fund the cost of underground utilities in the Bellevue Estates Island neighborhood. A special non-ad valorem assessment has been imposed on the impacted residents and this revenue is pledged for the bond payments. The special assessment will be assessed on the households each year for 20 years, beginning with 2018. The loan principal balance as of September 30, 2020 is \$1,685,484. The Capital Projects Fund makes the debt payments for principal and interest on these bonds.

The balances of the loan and revenue bonds are currently reported on the Statement of Net Position under governmental activities.

Compensated absences in the amount of \$68,172 are also reported on the Statement of Net Position as a noncurrent liability.

Additional information on the City's long-term debt activity can be found in Note 9 on pages 47-49 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The State of Florida, by constitution, does not have a state personal income tax and therefore the State operates primarily using sales, gasoline and corporate income taxes. Local governments (cities, counties and school boards) primarily rely on property taxes and a limited array of other taxes (sales, gasoline, utility services, etc.) and fees (franchise, etc.) for their governmental activities. There are a limited number of state-shared revenues and recurring and nonrecurring grants from the State, federal government and other grantor agencies. The level of taxes, fees, and charges for service determined by the Florida legislature will have a bearing on the amount of funding the City receives annually.

- The unemployment rate for Pinellas County at September 30, 2020 was 5.7% which was higher than the 2019 rate of 2.9%. This demonstrates the impact the COVID-19 pandemic has had on employment within the surrounding areas.
- Inflationary trends in the region compare favorably to the national trends and property values are on the rise in the City of Belleair Beach, which is entirely a residential community.
- Amendment I, approved by voters in January 2008 had a negative impact on Ad Valorem Tax revenues. Amendment I created an additional Homestead tax exemption of \$25,000 doubling regular homestead tax exemption to \$50,000, allowed “portability of save our homes cap” and eliminated some tangible personal property from the tax rolls.
- All of the above-mentioned factors were considered in preparing the City of Belleair Beach’s budget for the 2020-2021 fiscal year.
- Beginning in fiscal year 2021, the City established a new enterprise fund, the Stormwater Fund, to report the costs of stormwater improvements throughout the City. Property owners within the City will be assessed a stormwater fee on their monthly bills from Pinellas County Utilities to help cover the cost of these improvements. On September 25, 2020 the issuance of a new Stormwater Utility System Revenue Note, Series 2020, was validated by the Circuit Court of Pinellas County to be issued in the amount of \$45,000 through Center State Bank. The proceeds will be used to finance the up-front costs of the stormwater system enhancements. The term of the note is 3 years at an interest rate of 3.75% payable quarterly.

REQUEST FOR INFORMATION

This financial report is designed to present users with a general overview of the City’s finances to all those interested in the government’s finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the City’s Finance Officer at 444 Causeway Blvd., Belleair Beach, Florida 33786 or email: finance@cityofbelleairbeach.com.

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BASIC FINANCIAL STATEMENTS

This section contains the following subsections:

Government-Wide Financial Statements

Statement of Net Position
Statement of Activities

Fund Financial Statements

Governmental Fund Financial Statements

Balance Sheet - Governmental Funds
Reconciliation of the Balance Sheet to the Statement of
Net Position - Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities -
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual:
General Fund

Proprietary Fund Financial Statements

Statement of Net Position - Proprietary Funds
Statement of Revenues, Expenses, and Changes in Net Position -
Proprietary Funds
Statement of Cash Flows - Proprietary Funds

Notes to Financial Statements

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CITY OF BELLEAIR BEACH, FLORIDA

STATEMENT OF NET POSITION

SEPTEMBER 30, 2020

ASSETS	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ 1,738,663	\$ 302,098	\$ 2,040,761
Investments	3,605,620	-	3,605,620
Receivables (net of allowance for uncollectibles)	2,543,723	-	2,543,723
Prepays	61,718	1,969	63,687
Capital Assets:			
Land	1,426,738	-	1,426,738
Buildings	4,192,894	-	4,192,894
Improvements other than buildings	8,066,882	364,682	8,431,564
Equipment	1,284,222	-	1,284,222
Accumulated depreciation	<u>(3,047,721)</u>	<u>(328,009)</u>	<u>(3,375,730)</u>
Total Assets	<u>19,872,739</u>	<u>340,740</u>	<u>20,213,479</u>
LIABILITIES			
Accounts payable	82,543	298	82,841
Accrued payroll	5,300	-	5,300
Accrued interest	22,815	-	22,815
Deposits	1,000	4,918	5,918
Unearned revenue	2,398,581	3,822	2,402,403
Noncurrent Liabilities:			
Due within one year	234,229	-	234,229
Due in more than one year	<u>2,359,427</u>	<u>-</u>	<u>2,359,427</u>
Total Liabilities	<u>5,103,895</u>	<u>9,038</u>	<u>5,112,933</u>
NET POSITION			
Net investment in capital assets	9,397,531	36,673	9,434,204
Unrestricted	<u>5,371,313</u>	<u>295,029</u>	<u>5,666,342</u>
Total Net Position	<u>\$ 14,768,844</u>	<u>\$ 331,702</u>	<u>\$ 15,100,546</u>

See Notes to Financial Statements.

CITY OF BELLEAIR BEACH, FLORIDA

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

		<u>Program Revenues</u>	
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Function / Program Activities			
Primary Government:			
Governmental Activities:			
General Government	\$ 698,293	\$ 49,544	\$ 8,432
Public Safety	523,617	27,892	-
Physical Environment	1,011,544	527,756	16,482
Culture and Recreation	45,225	414	-
Interest on Long-Term Debt	102,163	-	-
Total Governmental Activities	<u>2,380,842</u>	<u>605,606</u>	<u>24,914</u>
Business-Type Activities:			
Marina	55,836	82,830	-
Total Business-Type Activities	<u>55,836</u>	<u>82,830</u>	<u>-</u>
Total Primary Government	\$ <u>2,436,678</u>	\$ <u>688,436</u>	\$ <u>24,914</u>

GENERAL REVENUES:

- Property taxes
- Franchise taxes
- Utility taxes
- Unrestricted Intergovernmental Revenue:
 - State revenue sharing
 - Half-cent sales tax
 - Local option gas tax
 - Local option sales tax
 - Communications tax
- Investment income
- Assessments
- Miscellaneous
- Total General Revenues
- Change in Net Position
- Net Position - Beginning
- Net Position - Ending

See Notes to Financial Statements.

Net (Expense) Revenue and
Changes in Net Position

Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (640,317)	\$ -	\$ (640,317)
(495,725)	-	(495,725)
(467,306)	-	(467,306)
(44,811)	-	(44,811)
(102,163)	-	(102,163)
(1,750,322)	-	(1,750,322)
-	26,994	26,994
-	26,994	26,994
(1,750,322)	26,994	(1,723,328)
1,117,077	-	1,117,077
188,420	-	188,420
288,081	-	288,081
44,303	-	44,303
98,652	-	98,652
20,049	-	20,049
171,098	-	171,098
52,284	-	52,284
54,689	1,741	56,430
130,311	-	130,311
10,888	-	10,888
2,175,852	1,741	2,177,593
425,530	28,735	454,265
14,343,314	302,967	14,646,281
\$ 14,768,844	\$ 331,702	\$ 15,100,546

See Notes to Financial Statements.

CITY OF BELLEAIR BEACH, FLORIDA

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2020

ASSETS

	General Fund	Capital Projects Fund	Total Governmental Funds
Cash and cash equivalents	\$ 1,140,927	\$ 597,736	\$ 1,738,663
Investments	2,989,955	615,665	3,605,620
Receivables (net of allowance for uncollectible accounts):			
Taxes:			
Franchise	22,131	-	22,131
Utility	34,041	-	34,041
Accounts	62,829	-	62,829
Intergovernmental:			
State	11,424	-	11,424
County	4,947	41,815	46,762
Prepaid items	21,718	40,000	61,718
Total Assets	<u>\$ 4,287,972</u>	<u>\$ 1,295,216</u>	<u>\$ 5,583,188</u>

LIABILITIES AND FUND BALANCES

Liabilities:			
Accounts payable	\$ 82,543	\$ -	\$ 82,543
Deposit	1,000	-	1,000
Accrued payroll	5,300	-	5,300
Unearned revenue	32,045	-	32,045
Total Liabilities	120,888	-	120,888
Fund Balances:			
Nonspendable	21,718	40,000	61,718
Committed	-	1,255,216	1,255,216
Assigned	1,104,000	-	1,104,000
Unassigned	3,041,366	-	3,041,366
Total Fund Balances	<u>4,167,084</u>	<u>1,295,216</u>	<u>5,462,300</u>
Total Liabilities and Fund Balances	<u>\$ 4,287,972</u>	<u>\$ 1,295,216</u>	<u>\$ 5,583,188</u>

See Notes to Financial Statements.

CITY OF BELLEAIR BEACH, FLORIDA

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

SEPTEMBER 30, 2020

Fund balances - total governmental funds \$ 5,462,300

Amounts reported for governmental activities in the Statement of
Net Position are different because:

Capital assets used in governmental activities are not financial
resources and therefore are not reported in governmental funds.

Governmental capital assets	\$ 14,970,736	
Less accumulated depreciation	<u>(3,047,721)</u>	
		11,923,015

Long-term liabilities are not due and payable in the
current period therefore are not reported in the
governmental funds.

Revenue bond payable	(1,685,484)	
Revenue note payable	(840,000)	
Accrued interest payable	(22,815)	
Compensated absences	<u>(68,172)</u>	
		<u>(2,616,471)</u>

Net Position of Governmental Activities \$ 14,768,844

See Notes to Financial Statements.

CITY OF BELLEAIR BEACH, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
Revenues:			
Taxes:			
Ad valorem	\$ 1,117,077	\$ -	\$ 1,117,077
Franchise taxes	188,420	-	188,420
Utility	288,081	-	288,081
Intergovernmental	224,864	186,436	411,300
Assessments	-	130,311	130,311
Charges for services	457,157	-	457,157
Fines	15,869	-	15,869
Licenses and permits	132,580	-	132,580
Interest	39,684	15,005	54,689
Miscellaneous	6,846	-	6,846
Total Revenues	2,470,578	331,752	2,802,330
Expenditures:			
Current:			
General government	593,860	-	593,860
Public safety	523,617	-	523,617
Physical environment	697,403	-	697,403
Culture and recreation	7,635	-	7,635
Capital outlay	19,193	570,079	589,272
Debt service:			
Principal	-	224,091	224,091
Interest	-	106,982	106,982
Total Expenditures	1,841,708	901,152	2,742,860
Excess of Revenues Over (Under) Expenditures	628,870	(569,400)	59,470
Other Financing Sources (Uses):			
Proceeds from sale of equipment	4,042	-	4,042
Transfers in (out)	(100,000)	100,000	-
Total Other Financing Sources (Uses)	(95,958)	100,000	4,042
Net Change in Fund Balances	532,912	(469,400)	63,512
Fund Balance - Beginning of Year	3,634,172	1,764,616	5,398,788
Fund Balance - End of Year	\$ <u>4,167,084</u>	\$ <u>1,295,216</u>	\$ <u>5,462,300</u>

See Notes to Financial Statements.

CITY OF BELLEAIR BEACH, FLORIDA

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

Net change in fund balances - total governmental funds	\$	63,512	
Amounts reported for governmental activities in the Statement of Activities are different because:			
Capital outlay	\$	589,272	
Depreciation expense		<u>(442,933)</u>	
			146,339
Loan proceeds provide current financial resources to governmental funds, but issuing debt, increasing long-term liabilities in the statement of net assets. Repayment of loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount of the repayments for the fiscal year.			
Principal payments		224,091	
Change in accrued interest		<u>4,819</u>	
			228,910
Some expenses reported in the statement of activities require the use of current financial resources and therefore are not reported as expenditures in governmental funds.			
Changes in long-term compensated absences		<u>(13,231)</u>	
			<u>(13,231)</u>
Changes in Net Position of Governmental Activities	\$	<u><u>425,530</u></u>	

See Notes to Financial Statements.

CITY OF BELLEAIR BEACH, FLORIDA

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Ad valorem	\$ 1,104,892	\$ 1,104,892	\$ 1,117,077	\$ 12,185
Franchise taxes	164,700	164,700	188,420	23,720
Utility	249,500	249,500	288,081	38,581
Intergovernmental	221,810	221,810	224,864	3,054
Charges for services	471,544	471,544	589,737	118,193
Fines	15,000	15,000	15,869	869
Interest	59,185	59,185	39,684	(19,501)
Miscellaneous	5,175	5,175	6,846	1,671
Total Revenues	<u>2,291,806</u>	<u>2,291,806</u>	<u>2,470,578</u>	<u>178,772</u>
Expenditures:				
Current:				
General Government:				
Legislative	26,431	26,431	19,048	7,383
Executive	538,287	538,287	498,489	39,798
Financial administration	75,225	75,225	76,323	(1,098)
	<u>639,943</u>	<u>639,943</u>	<u>593,860</u>	<u>46,083</u>
Public Safety:				
Police	491,127	491,127	491,174	(47)
Protective inspections	39,200	39,200	32,443	6,757
	<u>530,327</u>	<u>530,327</u>	<u>523,617</u>	<u>6,710</u>
Physical Environment:				
Public Works	460,407	454,407	402,578	51,829
Sanitation	290,775	290,775	314,018	(23,243)
	<u>751,182</u>	<u>745,182</u>	<u>716,596</u>	<u>28,586</u>
Culture and Recreation:				
Library	6,500	6,500	2,550	3,950
Parks and recreation	8,100	8,100	5,085	3,015
	<u>14,600</u>	<u>14,600</u>	<u>7,635</u>	<u>6,965</u>
Total Expenditures	<u>1,936,052</u>	<u>1,930,052</u>	<u>1,841,708</u>	<u>88,344</u>
Excess (deficiency) of revenues over (under) expenditures	355,754	361,754	628,870	267,116
Other Financing Sources (Uses):				
Transfers out	<u>(780,600)</u>	<u>(780,600)</u>	<u>(100,000)</u>	<u>680,600</u>
Total other financing sources (uses)	<u>(780,600)</u>	<u>(780,600)</u>	<u>(100,000)</u>	<u>680,600</u>
Net Change in Fund Balances	(424,846)	(418,846)	528,870	947,716
Fund Balance, Beginning of Year	<u>3,634,172</u>	<u>3,634,172</u>	<u>3,634,172</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 3,209,326</u>	<u>\$ 3,215,326</u>	<u>\$ 4,163,042</u>	<u>\$ 947,716</u>

See Notes to Financial Statements.

CITY OF BELLEAIR BEACH, FLORIDA

STATEMENT OF NET POSITION

PROPRIETARY FUND

SEPTEMBER 30, 2020

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND

ASSETS

	<u>Marina</u>
Current Assets:	
Cash and cash equivalents	\$ 302,098
Prepaid expenses	<u>1,969</u>
Total Current Assets	304,067
Noncurrent Assets:	
Capital Assets:	
Improvements other than buildings	<u>364,682</u>
Total Capital Assets:	364,682
Less Accumulated Depreciation	<u>328,009</u>
Total Noncurrent Assets	<u>36,673</u>
Total Assets	<u><u>\$ 340,740</u></u>

See Notes to Financial Statements

CITY OF BELLEAIR BEACH, FLORIDA

STATEMENT OF NET POSITION

PROPRIETARY FUND

September 30, 2020

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND

LIABILITIES

	<u>Marina</u>
Current Liabilities:	
Accounts payable	\$ 298
Unearned revenue	<u>3,822</u>
Total Current Liabilities	4,120
Noncurrent Liabilities:	
Deposits	<u>4,918</u>
Total Noncurrent Liabilities	4,918
Total Liabilities	<u><u>9,038</u></u>

NET POSITION

Net investment in capital assets	36,673
Unrestricted	<u>295,029</u>
Total Net Position	\$ <u><u>331,702</u></u>

See Notes to Financial Statements

CITY OF BELLEAIR BEACH, FLORIDA

STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION

PROPRIETARY FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND

	<u>Marina</u>
Operating Revenues:	
Charges for sales and services	\$ 82,830
Operating Expenses:	
Materials and supplies	47,365
Utilities	5,520
Depreciation	<u>2,951</u>
Total operating expenses	<u>55,836</u>
Operating Income	26,994
Nonoperating Revenues:	
Interest revenue	<u>1,741</u>
Total nonoperating revenues	<u>1,741</u>
Change in Net Position	<u>28,735</u>
Net Position - Beginning of Year	<u>302,967</u>
Net Position - End of Year	\$ <u><u>331,702</u></u>

See Notes to Financial Statements

CITY OF BELLEAIR BEACH, FLORIDA

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>Business-Type Activities - Enterprise Fund</u>
	<u>Marina</u>
<u>Cash Flows From Operating Activities:</u>	
Cash received from customers	\$ 85,085
Cash payments to suppliers for goods and services	<u>(52,954)</u>
Net Cash Provided (Used) By Operating Activities	32,131
<u>Cash Flows From Investing Activities:</u>	
Interest income	<u>1,741</u>
Net Cash Provided (Used) For Investing Activities	1,741
Net Increase (Decrease) in Cash and Cash Equivalents	33,872
Cash and Cash Equivalents at Beginning of Year	<u>268,226</u>
Cash and Cash Equivalents at End of Year	<u>\$ 302,098</u>

See Notes to Financial Statements

CITY OF BELLEAIR BEACH, FLORIDA

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>Business-Type Activities - Enterprise Fund</u>	
	<u>Marina</u>	
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>		
Operating income (loss):	\$	26,994
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		2,951
Change in assets and liabilities:		
(Increase) decrease in accounts receivable		1,014
(Increase) decrease in prepaid expenses		(68)
Increase (decrease) in accounts payable		(1)
Increase (decrease) in unearned revenue		1,531
Increase (decrease) in deposits		<u>(290)</u>
Total adjustments		<u>5,137</u>
Net Cash Provided by Operating Activities:	\$	<u><u>32,131</u></u>

See Notes to Financial Statements.

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NOTES TO
FINANCIAL STATEMENTS

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CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

1. Summary of Significant Accounting Policies

The City of Belleair Beach (City) maintains its accounting records in accordance with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below:

Reporting Entity - The City is a political subdivision of the State of Florida, located in Pinellas County in the west central portion of the State. The City was incorporated in 1950. The original Charter was revised in 1959. This revised Charter was recorded on May 18, 1959 in the Municipal Charter Book IV. The Charter was revised in 1968 and again in 2004. The amended Charter (effective as of March 10, 2004) adopted the council-manager form of government. The City is approximately .484 square miles in area. The City is a full service municipality providing its citizens with a full complement of municipal services. In addition, the City owns and operates an enterprise activity for the marina.

In evaluating how to define the City of Belleair Beach, Florida (the primary government), for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement No. 14.

This governmental accounting standard requires that this financial statement present the City of Belleair Beach (the primary government) and its component unit. Component units generally are legally separate entities for which a primary government is financially accountable. Financial accountability ordinarily involves meeting both of the following criteria: the primary government is accountable for the potential component unit (i.e., the primary government appoints the voting majority of its board) and the primary government is able to impose its will upon the potential component unit, or there is a possibility that the potential component unit may provide specific financial benefits or impose specific financial burdens on the primary government.

The City has no component units as of September 30, 2020.

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

1. Summary of Significant Accounting Policies (Continued)

Government-Wide and Fund Financial Statements - The City has adopted the provisions of GASB Statement No. 34, "Basic Financial Statements and Management Discussion and Analysis for State and Local Governments." The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds and proprietary fund. Major individual governmental funds and the individual enterprise fund are reported as separate columns in the fund financial statements.

Since the governmental fund financial statements are presented on a different measurement focus and basis of accounting than the government-wide statements, governmental activities column, a reconciliation is presented on the same page or the page following each statement, which briefly explains the adjustments necessary to reconcile the fund based financial statements to the governmental activities column of the government-wide presentation.

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

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

1. Summary of Significant Accounting Policies (Continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major funds:

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

The *Capital Projects Fund* which is a governmental fund that accumulates resources for the construction of capital projects.

The *Marina Fund* accounts for the assets, operations and maintenance of the City-owned marina.

Private-sector standards of accounting and financial reporting are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct cost and program revenues reported for the various functions concerned.

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

1. Summary of Significant Accounting Policies (Continued)

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

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

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 they are needed.

Assets, Liabilities, and Net Position or Equity:

Deposits and investments - The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of twelve months or less from the date of acquisition.

The City's investment policy is to maintain funds in investments which yield the highest possible efficiency and return within the limitations established by Florida Statutes, Chapter 166.261. Provisions of those statutes authorize the City to invest in:

- a) Florida State Board of Administration Local Government Pooled Investment Fund.
- b) Bonds, notes or other obligations of the United States or for which the credit of the United States is pledged for the payment thereof.
- c) Interest-bearing time deposits, savings accounts or collective investment funds in banks or savings and loan associations organized under the laws of the United States.

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

1. Summary of Significant Accounting Policies (Continued)

- d) Obligations of the federal farm credit banks and the Federal Home Loan Mortgage Corporation.
- e) Obligations of the Federal National Mortgage Association and the Government National Mortgage Association.

Investments in fixed income securities are stated at fair value. Fair value is the amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Receivables and payables - Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

All tax, accounts and intergovernmental receivables are shown net of an allowance for uncollectibles. Trade accounts receivables in excess of 180 days, if any, compromise the trade accounts receivable allowance for uncollectible including those for the Marina Enterprise Fund.

Property Taxes - Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector.

The tax levy of the City is established by the City Council prior to October 1 of each year and the Pinellas County Property Appraiser incorporates the City’s millages into the total tax levy, which includes the Pinellas County School Board tax requirements. The City is permitted by state law to levy taxes up to ten mills of assessed valuation, exclusive of taxes levied for the payment of bonds. The millage rate assessed by the City was 2.0394.

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

1. Summary of Significant Accounting Policies (Continued)

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

All taxes are due and payable on November 1 of each year or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January and 1% in the month of February. The taxes paid in March are without discount.

Delinquent taxes on real property bear interest at 18% per year. On or prior to June 1 following the tax year, certificates are sold for all delinquent taxes on property. After sale, tax certificates bear interest at 18% per year or at any lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years.

Delinquent taxes on personal property bear interest at 18% per year until the tax is satisfied either by seizure and sale of the property or by the five-year statute of limitations.

Because of the Pinellas County Tax Collector's Office efficient system for selling tax certificates and remitting the proceeds to the City any delinquent or uncollected property taxes at year end are immaterial. The City's tax calendar is as follows:

Valuation Date:	January 1
Levy Date:	November 1
Due Date:	March 31, succeeding year
Lien Date:	April 1, succeeding year

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

1. Summary of Significant Accounting Policies (Continued)

Capital Assets - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the date of acquisition.

Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement should be reported at acquisition value rather than fair value.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred, if any, during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government, as well as the component units, is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	45-55
Building improvements	20-30
Public domain infrastructure	45-55
Machinery and equipment	5-15

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

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

1. Summary of Significant Accounting Policies (Continued)

Compensated Absences - It is the City's policy to permit employees to accumulate earned but unused annual leave and sick pay benefits. Regular and full-time employees earn annual leave and sick leave after three months of employment.

Annual leave is earned based on years of continuous and credible service as follows:

<u>Total Years of Service</u>	<u>Days Per Year</u>
1	5
2 to 4	10
5 to 10	15
10 years and over	20

A maximum amount of annual leave an employee may have to their credit at any time is forty days.

An employee who has served six months or more and who terminates employment with the City is paid for any unused annual leave accumulated to the time of termination up to the maximum. This is provided that a two week written notice is given.

Sick leave for regular full-time employees is earned at the rate of eight hours for each month of service (at the completion of three months of continuous service) and may be accrued with no maximum. Upon termination, the employee is entitled to a lump-sum payment for accrued unused sick leave (up to a maximum of 720 hours).

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

1. Summary of Significant Accounting Policies (Continued)

Upon termination, providing that the employee has given the department head no less than two weeks prior written notice, the following amount of sick pay leave will be received:

<u>Years of Service</u>	<u>% of Accrued Hours (With Maximum of 720 Hours)</u>
Less than 10 years	25%
10 years or more	100%

Vested or accumulated annual leave and sick leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. No expenditure is reported for these amounts. Vested or accumulated annual leave and sick leave of the proprietary fund is recorded as an expense and liability of those funds as the benefits accrue to employees.

All annual leave and sick pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured.

Deferred Outflows of Resources/Deferred Inflows of Resources - Government Accounting Standards Board (GASB) Concept Statement No. 4, "Elements of Financial Statements", introduced two new elements of the financial statements in addition to Assets, Liabilities and Net Position which are:

Deferred Outflows of Resources is a consumption of net position by the government that is applicable to a future reporting period.

Deferred Inflows of Resources is an acquisition of net position by the government that is applicable to a future reporting period.

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

1. Summary of Significant Accounting Policies (Continued)

Government Accounting Standards Board (GASB) Statement No. 63, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position” provide financial reporting guidance for Deferred Outflows of Resources and Deferred Inflows of Resources and also identifies Net Position as the residual of all the elements (Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflow of Resources) presented in a statement of financial position.

Government Accounting Standards Board (GASB) Statement No. 65, “Items Previously Reported as Assets and Liabilities” establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflow of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

Unearned Revenue - Unearned revenue recorded in the General Fund is for local rental registrations and community center rentals that are for the next fiscal year. Unearned revenue in the Marina Fund is for marina slip rentals that are for the next fiscal year.

Assessments - Assessments recorded in the Capital Projects Fund are to fund the cost of capital improvements and essential services providing a special benefit to real property of certain residents of the City.

Future assessments are recorded as accounts receivable and unearned revenue in the Statement of Net Position.

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

1. Summary of Significant Accounting Policies (Continued)

Net Position:

The government-wide and business-type fund financial statements utilize a net position presentation. Net position is presented in three components - net investment in capital assets, restricted and unrestricted.

Net Investment in Capital Assets - This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings attributable to the acquisition, construction, or improvement of those assets. This component does not include the portion of debt attributable to the unspent proceeds.

Restricted - This component consists of net position that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or law or regulations of other governments) or by law through constitutional provisions or enabling legislation.

Unrestricted - This component consists of net position that does not meet the definition of “net investment in capital assets” and “restricted”.

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 they are needed.

Fund Balance:

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components - nonspendable, restricted, committed, assigned and unassigned.

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

1. Summary of Significant Accounting Policies (Continued)

Statistical Section:

The City's comprehensive financial report is presented in accordance with the provisions of Statement Number 44, "Economic Condition Reporting: The Statistical Section," which improves the understandability and usefulness of the information that local governments present as supplementary information in the statistical section. Furthermore, this standard incorporates the government-wide accrual-based information established by GASB Statement Number 34.

Subsequent Events - Management has adopted the provisions set forth in GASB Statement Number 56, *Subsequent Events*, and considered subsequent events through February 21, 2021.

2. Stewardship, Compliance, and Accountability

Budget Information - Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund and the enterprise fund and are controlled on a fund and department level. On or before May 31 of each year, all departments of the City submit requests for appropriation to the Finance Officer so that a budget may be prepared. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year. All annual appropriations lapse at fiscal year end.

The proposed budget is presented by the City Manager to the City Council for review in July. The City Council holds public hearings and may add to, subtract from, or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available by the Finance Officer or the revenue estimates must be changed by an affirmative vote of a majority of the City Council.

Expenditures may not legally exceed budgeted appropriations at the departmental level. During the year there were no supplementary appropriations.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

2. Stewardship, Compliance, and Accountability

Establishment/Elimination of Funds - No funds were established or eliminated during the fiscal year ended September 30, 2020.

3. Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of twelve months or less from the date of acquisition.

4. Deposits

At year-end the carrying amount of the City's deposits was \$2,040,761 and the bank balance was \$1,997,060. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Security for Public Deposits Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of the securities pledged by the defaulting depository, are assessed against the other qualified public depositories of the same type as the depository in default.

5. Investments

Fair Value of Investments - The City categorizes its fair value of investments within the fair value hierarchy established by generally accepted accounting principles pursuant to GASB Statement No. 72, Fair Value Measurement and Application. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are significant other observable input, and Level 3 are significant unobservable inputs.

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

5. Investments (Continued)

Investments that are not evidenced by securities that exist in physical or book-entry form include investments in open-ended mutual funds and pools managed by other governments.

	<u>Fair Value</u>	<u>Overall Credit Rating</u>	<u>Rating Agency</u>	<u>Hierarchy Level</u>
Florida State Board of Administration Local Government Pooled Investment Fund (Florida Prime)	\$ <u>3,605,620</u>	AAAm	S&P	1
Total investments	\$ <u><u>3,605,620</u></u>			

Interest Rate Risk - The City manages its exposure to fair value losses arising from increasing interest rates through its adopted investment policies. The City limits the effective duration of its investment portfolio through the adoption of nationally recognized risk measure bench marks such as the Lehman Brothers Aggregate Bond Index.

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

5. Investments (Continued)

The City has adopted a written investment policy in accordance with Florida Statute 218(16). That statute is intended to minimize interest rate and credit risk by directing the City to invest only in authorized investments summarized as follows:

- (a) The Local Government Surplus Funds Trust Fund or any Intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in s. 163.01.
- (b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
- (c) Interest-bearing time deposits or savings accounts in qualified public depositories as defined in s. 280.02.
- (d) Direct obligations of the United States Treasury.
- (e) Federal agencies and instrumentalities.
- (f) Securities of, or other interests in, any open-end or closed-end management-type investment company or investment trust registered under the Investment Company Act of 1940, 15 U.S.C. ss. 80a-1 et seq., as amended from time to time, provided that the portfolio of such investment company or investment trust is limited to obligations of the United States Government or any agency or instrumentality thereof and to repurchase agreements fully collateralized by such United States Government obligations, and provided that such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian.

Credit Risk - Consistent with chapter 218 of the Florida Statutes the City's investment guidelines limit its fixed income investments to a quality rating of 'A' or equivalent as rated by one or more recognized bond rating service at the time of purchase. Fixed income investments which are downgraded to 'BAA' or equivalent must be liquidated within a reasonable period of time not to exceed twelve months. Fixed income investments which are downgraded below 'BAA' shall be liquidated immediately.

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

5. Investments (Continued)

The Local Government Surplus Funds Trust Fund (Florida PRIME) is an investment pool administered by the Florida State Board of Administration that is governed by Chapters 215 and 218, Florida Statutes, and Chapter 19-7 of the Florida Administrative Code. A three-member Board of Trustees governs the State Board of Administration and is made up of the State’s Governor as chairman, Chief Financial Officer, and Attorney General. This Board is empowered by Florida law to invest funds at the request of local governments. They delegate authority to the Executive Director and Chief Investment Officer to carry out the strategic direction of the organization. Florida PRIME provides eligible participants a cost-effective investment vehicle for their surplus funds. Its investment strategy emphasizes, in order of importance, safety, liquidity and competitive yield. Florida PRIME is managed by an industry leader in professional money management, maintains conservative investment policies, a Standard & Poor’s AAA(m) rating, has enhanced transparency, and extensive governance oversight. The Florida PRIME is treated as “2a-7 like” pool in accordance with GASB Statements Number 31 and Number 59 and is valued using the pooled-share price (amortized cost), which approximates fair value. The Florida PRIME funds may be withdrawn upon demand. Investment income is recognized as earned and is allocated to participants of the Fund based on their equity participation.

6. Receivables

Receivables at September 30, 2020 in the Governmental Fund consist of the following:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Receivables:			
Taxes	\$ 56,172	\$ -	\$ 56,172
Accounts	2,429,365	-	2,429,365
Intergovernmental	16,371	41,815	58,186
	<hr/>	<hr/>	<hr/>
Gross receivables	2,501,908	41,815	2,543,723
Less: Allowance for uncollectibles	<hr/> -	<hr/> -	<hr/> -
Net total receivables	<u>\$ 2,501,908</u>	<u>41,815</u>	<u>\$ 2,543,723</u>

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

7. Capital Assets

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

	Balance October 1, 2019	Increases	Decreases	Balance September 30, 2020
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ <u>1,426,738</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,426,738</u>
Total capital assets, not being depreciated	1,426,738	-	-	1,426,738
Capital assets, being depreciated:				
Buildings	4,202,073	1,600	(10,779)	4,192,894
Improvements other than buildings	7,485,340	581,542	-	8,066,882
Equipment	<u>1,315,254</u>	<u>6,130</u>	<u>(37,162)</u>	<u>1,284,222</u>
Total capital assets, being depreciated	13,002,667	589,272	(47,941)	13,543,998
Less accumulated depreciation for:				
Buildings	(895,231)	(89,813)	10,779	(974,265)
Improvements other than buildings	(1,330,088)	(301,779)	-	(1,631,867)
Equipment	<u>(427,410)</u>	<u>(51,341)</u>	<u>37,162</u>	<u>(441,589)</u>
Total accumulated depreciation	<u>(2,652,729)</u>	<u>(442,933)</u>	<u>47,941</u>	<u>(3,047,721)</u>
Total capital assets, being depreciated, net	<u>10,349,938</u>	<u>146,339</u>	<u>-</u>	<u>10,496,277</u>
Governmental activities				
Capital assets, net	<u>\$ 11,776,676</u>	<u>\$ 146,339</u>	<u>\$ -</u>	<u>\$ 11,923,015</u>

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

7. Capital Assets (Continued)

	Balance October 1, 2019	Increases	Decreases	September 30, 2020
<u>Business-type activities:</u>				
Capital assets, being depreciated:				
Improvements other than buildings	\$ 364,682	\$ -	\$ -	\$ 364,682
Total capital assets, being depreciated	364,682	-	-	364,682
Less accumulated depreciation for:				
Improvements other than buildings	(325,058)	(2,951)	-	(328,009)
Total accumulated depreciation	(325,058)	(2,951)	-	(328,009)
Total capital assets, being depreciated, net	39,624	(2,951)	-	36,673
Business-type activities capital assets, net	<u>\$ 39,624</u>	<u>\$ (2,951)</u>	<u>\$ -</u>	<u>\$ 36,673</u>

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

7. Capital Assets (Continued)

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

Governmental activities:	
General government	\$ 103,563
Physical environment	301,780
Culture and recreation	<u>37,590</u>
Total depreciation expenses - governmental activities	<u>\$ 442,933</u>
Business-type activities:	
Marina	<u>\$ 2,951</u>
Total depreciation expense - business-type activities	<u>\$ 2,951</u>

8. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and distribution of assets; errors and omissions; injuries to employees; and natural disasters.

The City continues to carry commercial insurance for risks of loss including health, life, building and contents, employee bonds, mobile property, flood, windstorm and employee accident insurance. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The City has not had any significant coverage reductions under these policies from the prior years.

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

9. Long-Term Debt

Changes in long-term liabilities

Long-term liability activity for the fiscal year ended September 30, 2020 was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Due Within</u> <u>One Year</u>
Governmental activities:					
Compensated absences	\$ 54,941	\$ 13,354	\$ 123	\$ 68,172	\$ 6,817
Revenue note	1,000,000	-	160,000	840,000	160,000
Revenue bonds	<u>1,749,575</u>	<u>-</u>	<u>64,091</u>	<u>1,685,484</u>	<u>67,412</u>
Governmental activity long-term liabilities	<u>\$ 2,804,516</u>	<u>\$ 13,354</u>	<u>\$ 224,214</u>	<u>\$ 2,593,656</u>	<u>\$ 234,229</u>

Compensated absences are generally liquidated by the General Fund from Governmental Activities.

Revenue Note

On October 3, 2005, the City Council adopted Resolution 2005-24 to approve a loan agreement with SunTrust Bank providing for a \$3,000,000 loan to finance the construction of a new City Hall.

Pledged revenue for this loan is all nonadvalorem revenue for the General Fund and the Capital Projects Fund.

SunTrust Loan Agreement:

Term: October 4, 2005 through October 4, 2025

Amount borrowed: \$3,000,000

Principal payments: \$40,000 quarterly

Interest rate: 4.52%

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

9. Long-Term Debt (Continued)

Debt service requirements to maturity are as follows:

	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 160,000	\$ 35,264
2022	160,000	28,032
2023	160,000	20,798
2024	160,000	13,564
2025	160,000	6,330
2026	<u>40,000</u>	<u>452</u>
	<u>\$ 840,000</u>	<u>\$ 104,440</u>

Revenue note balance as of September 30, 2020 was \$840,000.

Special Assessment Revenue Bonds, Series 2018

On March 5, 2018, the City Council adopted Resolution 2018-04 to approve the issuance of Series 2018A and Series 2018B bonds.

On September 25, 2018, the City Council adopted Resolution 2018-04 to approve the issuance of Series 2018C bonds.

Pledged revenue for the bonds is from the imposition of assessments to fund the cost of capital improvements and essential services providing a special benefit to real property within the City. The capital project is for utility undergrounding.

In the Statement of Net Position the accounts receivable has been recorded for the assessments. The balance of that receivable as of 9/30/20 was \$2,366,536.

	<u>Series 2018A</u>	<u>Series 2018B</u>	<u>Series 2018C</u>	<u>Total Bond Issuance</u>
Term:	9/27/18-5/1/38	9/27/18-5/1/38	9/27/18-5/1/38	
Amount borrowed:	\$ 1,012,724	\$ 261,630	\$ 551,712	\$ 1,826,066
Annual debt service:	71,584	20,254	38,997	130,835
Interest rate:	3.65%	4.62%	3.65%	

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

9. Long-Term Debt (Continued)

Debt Service requirements to maturity are as follows:

	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2021 \$	67,412	\$ 63,423
2022	70,009	60,826
2023	72,708	58,128
2024	75,512	55,324
2025	78,423	52,411
2026-2030	439,923	214,251
2031-2035	531,741	122,432
2036-2038	<u>349,756</u>	<u>54,257</u>
	<u>\$ 1,685,484</u>	<u>\$ 681,052</u>

Revenue bonds balance as of September 30, 2020 was \$1,685,484.

10. Intra-Governmental Charges

The costs of certain general and administrative functions of the City are recorded and controlled in the General Fund. These administrative costs have been allocated to the City's Marina Fund for the year ended September 30, 2020 as shown in the following table:

<u>Enterprise Fund</u>	<u>Administrative Costs Allocated</u>
Marina	\$ <u>41,459</u>

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

11. Fund Balance/Net Position Policy

Restricted

Restricted represents the amount that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), service/contractual agreement, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. This may be budgeted and reported in either the General Fund or the Capital Projects Fund. Reserved fund balances indicate those portions of fund balances that are legally segregated for a specific use or not available for appropriation or expenditure.

Committed

Commitment may be made for such purposes as, (a) major maintenance and repair projects; (b) meeting future obligations resulting from a natural disaster; (c) accumulating resources pursuant to stabilization arrangements; (d) establishing reserves for disasters; and/or (e) for setting aside amounts for specific projects.

Assigned

Assigned may or may not be appropriated for expenditures during the budget process and in the subsequent year depending on the timing of the project/reserve for which it was assigned. This reflects management's (City Manager, Committee or Department Head) intended use of resources and does not need further action by City Council.

Resolution 2008-04 was approved by the City Council to establish a reserved amount with the intention of utilizing these resources for emergencies arising from catastrophic events such as hurricanes or other natural disasters.

Non-Spendable

Non-spendable is established to report items that are not expected to be converted to cash such as inventory and prepaid items; items not currently in cash form such as the long-term amount of loans and notes receivable as well as property acquired for resale; and items legally or contractually required to be maintained intact such as the corpus (or principal) of a permanent fund.

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

11. Fund Balance/Net Position Policy (Continued):

Minimum Level of Unassigned Fund Balance

Unassigned fund balance is the residual classification for the General Fund and represents fund balance that has not been restricted, committed or assigned to specific purposes within the general fund.

If, after the annual audit, prior committed or assigned fund balance causes the unassigned fund balance to fall below 20% of general fund operating expenditures, the City Manager will so advise City Council in order for the necessary action to be taken to restore the unassigned fund balance to at least 20% of General Fund operating expenditures.

The City Manager and Finance Officer will prepare and submit a plan for committed and/or assigned fund balance reduction, expenditure reduction and/or revenue increase to City Council. The City shall take action necessary to restore the unassigned fund balance to acceptable levels within two years.

12. Details of Constraints on Fund Balances

Details of constraints on fund balances of governmental funds:

	<u>General Fund</u>	<u>Capital Project Fund</u>	<u>Total</u>
Fund balances:			
Nonspendable:			
Prepays	\$ 21,718	\$ 40,000	\$ 61,718
Committed:			
Capital projects	-	1,255,216	1,255,216
Assigned:			
Contingencies	1,104,000	-	1,104,000
Unassigned:	<u>3,041,366</u>	<u>-</u>	<u>3,041,366</u>
Total fund balances	<u>\$ 4,167,084</u>	<u>\$ 1,295,216</u>	<u>\$ 5,462,300</u>

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

13. Budgetary - GAAP Reporting Reconciliation

The accompanying financial statements present comparisons of the legally adopted budget with actual data on a GAAP (generally accepted accounting principles) basis. Accounting principles applied by the City for purposes of developing data on a budgetary basis did not differ significantly from those used to present financial statements in conformity with generally accepted accounting principles for the year ended September 30, 2020.

14. Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the State of Florida. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

The City did not receive federal grant funds during the fiscal year ended September 30, 2020 and is not, therefore, subject to the program compliance audit by the grantee under the Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations".

As of September 30, 2020 the City had a five year cancelable operating lease for the copier equipment. Lease expense during the year ended September 30, 2020 was \$5,413.

The City has not entered into any operating leases with scheduled rent increases as of September 30, 2020.

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

15. Interfund Transfers

Transfers were made from the General Fund to subsidize the budgeted acquisition of capital asset additions and debt payments for the fiscal year ended September 30, 2020.

The remaining transfers were made to cover budgeted expenditures for 2020.

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 100,000
Capital Projects Fund	<u>100,000</u>	<u>-</u>
Total	<u>\$ 100,000</u>	<u>\$ 100,000</u>

16. Assessments

The property owners of Bellevue Estates Island (BEI) were asked to sign a petition to City Council regarding the imposition of special assessments for fund utility undergrounding.

The special assessment area consists of a total of 115 properties. The cost of the utility undergrounding will be repaid as a non-ad valorem special assessment imposed against each property. The property owners may voluntarily prepay the special assessment, in full, at any time. Special assessments which are not prepaid will be collected in annual installments on the property tax bill mailed by the county tax collector each November, over a period not to exceed 20 years. Collection of annual installments began November 2018. The special assessment will be secured by a lien against the property in case of default.

The original assessments were imposed by City Resolution No. 2018-03 adopted by City Council on March 5, 2018. In July 2018 the City received binding construction cost estimates for the project which are higher than the estimates used to calculate the original assessments resulting in the need for additional assessment funding in order to pay for the project.

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

16. Assessments (Continued)

The Supplemental Assessment will be in addition to the Original Assessments imposed in March 2018. An additional \$640,000 in revenue will be collected through the Special Assessments. The City Council adopted Resolution No. 2018-16 to impose the Special Assessments on August 16, 2018.

Annual installments include annual interest of 3.65% plus annual collection and administration cost incurred by the City each year. The annual assessment revenue was \$130,311 for the year ended September 30, 2020.

There are two categories of property owners in Bellevue Estates Island. The first category chose to have the undergrounding done on their property prior to the City's undergrounding project. The properties in this category have a low annual assessment because they do not have to pay for any onsite improvements since they already had their utilities undergrounded. The annual assessment is as follows:

Rate of Assessment per dwelling unit	\$	11,078
Rate of supplemental assessment per dwelling unit		<u>5,518</u>
Total	\$	<u><u>16,596</u></u>
Maximum annual payment	\$	1,267.70
Maximum payment term		20 years

The second category of homeowners did not previously have the utilities from the poles to their homes underground prior to the City's undergrounding project. These properties pay a higher annual assessment that includes their proportionate share of the improvements on their property. The annual assessment is as follows:

Rate of Assessment per dwelling unit	\$	11,078
Rate of supplemental assessment per dwelling unit		5,518
Onsite improvements		<u>4,500</u>
Total	\$	<u><u>21,096</u></u>
Maximum annual payment	\$	1,611.70
Maximum payment term		20 years

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

17. Employee Retirement Systems

The City maintains a defined contribution 401(a) plan which covers the City's general employees.

Employees' 401(a) Fund

The City provides retirement benefits for all of its full-time employees through a defined contribution 401(a) plan administered by the Florida League of Cities, Inc. under their prototype Profit-Sharing Plan and Trust Agreement. At September 30, 2020 there were ten plan members. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate after ninety days of employment. The Plan requires the City contribute ten percent of their compensation. The City's contributions for each employee (and interest allocated to the employee's account) are fully vested after five years of continuous service. City contributions for, and interest forfeited by, employees who leave employment before five years of service are used to reduce the City's current-period contribution requirement. Plan provisions and contribution requirements are established and may be amended by the City Council.

The City's total payroll in fiscal year was \$377,613. The City's contributions were calculated using the participants' salary amount of \$350,300. The City made the required contributions summarized as follows:

	<u>Contribution Amount</u>	<u>Percentage of Current Covered Payroll</u>
Required:		
City	\$ 35,030	10.0 %
Forfeitures applied	<u>-</u>	<u>-</u>
Total contributions	<u>\$ 35,030</u>	<u>10.0 %</u>

On November 5, 2001, the City Council adopted a resolution establishing this defined contribution for the City's general employees. This resolution authorizes participation in the Florida Municipal Pension Trust Funds which are administered by the Florida League of Cities, Inc.

Resolution 2012-06 amended the eligibility period from one year to ninety days.

The plan has not issued an audited stand-alone financial report for the year ended September 30, 2020.

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

18. Deferred Compensation Plan

The City maintains a deferred compensation plan (plan) under the provisions of Section 457 of the Internal Revenue Code, as amended. This law stipulates that all assets and income of the plan must be held in trust for the exclusive benefit of the Plan participants and their beneficiaries. The City's plan is administered by the Florida League of Cities, Inc. and provides the plan participants with the option to invest in thirteen different registered investment funds (mutual funds). Although the City is the Trustee of the plan, the City has no administrative involvement and performs no investing function for the plan and has not therefore, reported the plan in this financial report.

19. Post-Employment Health Care Benefits

Postemployment health care benefits are made available to the City's terminated employees in accordance with the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). Under COBRA, the City is required to offer an election to deceased or terminated participants, their spouses or dependents, to continue coverage in the health plan provided by the City. The cost of coverage which the City may charge the participant may not exceed 102% of the applicable premium.

GASB Statement No. 75: *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* (OPEB), established new accounting standards for postretirement benefits. The effective date for implementation of GASB 75 by the City of Belleair Beach is October 1, 2017.

Plan Description and Funding Policy

Employees who retire from the City of Belleair Beach (City), and eligible dependents and survivors, are eligible to continue to participate in the City's health insurance programs at the "blended" employee group rate which is determined annually by the City and approved by the City Council. Retirees have 31 days to elect to enroll in the City's health insurance plan in which they were participating at the time of retirement unless otherwise stated in a plan document or collective bargaining agreement. As of September 30, 2020, there were no eligible retirees and dependents participating in the City's health program.

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

19. Post-Employment Health Care Benefits (Continued)

The City provides no funding for any portion of the premiums after retirement. However, the City recognizes that there may be an “implicit subsidy” arising as a result of the blended rate premium when retiree health care costs, on average, are higher than active employee healthcare costs. The plan is not accounted for as a trust fund as an irrevocable trust has not been established to fund the plan. The plan does not issue a separate financial report.

As of September 30, 2020, the current health care premiums for the City’s health plan are already age adjusted. Therefore, the contributions of the retirees and the age adjusted premiums would be equal. According to the actuary, this would create a liability of \$0.

It is important to note that if the City switches to a group plan with blended premiums or decides to pay for retirees healthcare benefits in the future, then this liability will no longer be \$0, and a full actuarial valuation will need to be performed.

20. Subsequent Events

On July 6, 2020 the City Council passed Ordinance No. 2020-03 for purposes of creating a stormwater utility to address stormwater issues including administration of stormwater management regulations, stormwater planning, and funding the operation, construction and improvement of stormwater facilities. The Ordinance establishes a stormwater fee which becomes effective for the fiscal year ending September 30, 2021.

Proceeds of the stormwater fee shall be deposited into a utility trust fund and may only be expended for purposes related to the stormwater utility. The City may pledge the proceeds of the stormwater fee to the payment of debt service for bonds, notes or other debt obligations issued to finance or refinance capital improvements for the stormwater management system and to pay the costs of issuing such debt obligations.

On July 6, 2020 the City Council adopted the Note Resolution (Resolution 2020-09). The Note Resolution authorized issuance of the Series 2020 Note in an aggregate principal amount not to exceed \$45,000 for the purpose of financing capital improvements. The loan will mature three years from the date of closing. The interest rate will be a fixed rate of 3.75%.

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

20. Subsequent Events (Continued)

On January 30, 2020, the World Health Organization (“WHO”) declared that the outbreak of the coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) constituted a Public Health Emergency of International Concern (“PHEIC”), creating risks to the international community as the virus spread globally beyond its point of origin. On March 11, 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. This pandemic has adversely affected global economic activity and greatly contributed to significant deterioration and instability in financial markets. As a result, there has been heightened market risk. Because the values of the City’s individual investments may fluctuate in response to changing market conditions, the amount of losses that will be recognized in subsequent periods, if any, and the related impact on the City’s liquidity cannot be determined at this time.

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INDIVIDUAL FUND
FINANCIAL STATEMENTS
AND SCHEDULES

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CAPITAL PROJECTS FUND

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CITY OF BELLEAIR BEACH, FLORIDA

CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>ORIGINAL BUDGETED AMOUNTS</u>	<u>FINAL BUDGETED AMOUNTS</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)</u>
Revenues:				
Intergovernmental	\$ 167,000	\$ 167,000	\$ 186,436	\$ 19,436
Assessments	132,061	132,061	130,311	(1,750)
Interest	<u>46,400</u>	<u>46,400</u>	<u>15,005</u>	<u>(31,395)</u>
Total Revenues	345,461	345,461	331,752	(13,709)
Expenditures:				
Physical environment	791,500	808,125	570,079	238,046
Debt service:				
Principal	224,912	224,912	224,091	821
Interest	<u>109,649</u>	<u>109,649</u>	<u>106,982</u>	<u>2,667</u>
Total Expenditures	<u>1,126,061</u>	<u>1,142,686</u>	<u>901,152</u>	<u>241,534</u>
Excess of Revenues Over (Under) Expenditures	(780,600)	(797,225)	(569,400)	227,825
Other Financing Sources				
Transfers in	<u>780,600</u>	<u>797,225</u>	<u>100,000</u>	<u>(697,225)</u>
Net Change in Fund Balances	-	-	(469,400)	(469,400)
Fund Balance - Beginning of Year	<u>1,764,616</u>	<u>1,764,616</u>	<u>1,764,616</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 1,764,616</u>	<u>1,764,616</u>	<u>1,295,216</u>	<u>(469,400)</u>

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ENTERPRISE FUND

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CITY OF BELLEAIR BEACH, FLORIDA

MARINA FUND

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>ORIGINAL AND FINAL BUDGETED AMOUNTS</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)</u>
Operating Revenues:			
Service charges	\$ 63,194	\$ 82,830	\$ 19,636
Operating Expenses:			
Materials and supplies	55,409	47,365	8,044
Utilities	7,250	5,520	1,730
Depreciation	<u>3,125</u>	<u>2,951</u>	<u>174</u>
Total Operating Expenses	<u>65,784</u>	<u>55,836</u>	<u>9,948</u>
Operating Income	(2,590)	26,994	29,584
Nonoperating Revenues:			
Interest revenue	<u>2,590</u>	<u>1,741</u>	<u>(849)</u>
Total Nonoperating Revenues	<u>2,590</u>	<u>1,741</u>	<u>(849)</u>
Change in Net Position	-	28,735	28,735
Net Position - Beginning of Year	<u>302,967</u>	<u>302,967</u>	<u>-</u>
Net Position - End of Year	<u>\$ 302,967</u>	<u>\$ 331,702</u>	<u>\$ 28,735</u>

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CAPITAL ASSETS
USED IN THE OPERATIONS
OF GOVERNMENTAL FUNDS

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CITY OF BELLEAIR BEACH, FLORIDA

CAPITAL ASSETS USED IN THE OPERATION
OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULES BY FUNCTION AND ACTIVITY ⁽¹⁾

SEPTEMBER 30, 2020 AND 2019

Function and Activity	2020				
	Total	Land	Buildings	Improvements Other Than Buildings	Equipment
General Government:					
Control:					
Administrative	\$ 13,719,784	\$ 1,426,738	\$ 4,192,894	\$ 8,066,882	\$ 33,270
Executive	16,722	-	-	-	16,722
Legislative	<u>61,072</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>61,072</u>
Total General Government	13,797,578	1,426,738	4,192,894	8,066,882	111,064
Public Works	142,705	-	-	-	142,705
Recreation	<u>1,030,453</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,030,453</u>
Total Governmental Funds					
Capital Assets	<u>\$ 14,970,736</u>	<u>\$ 1,426,738</u>	<u>\$ 4,192,894</u>	<u>\$ 8,066,882</u>	<u>\$ 1,284,222</u>

⁽¹⁾ This schedule represents only the capital asset balances related to governmental funds.

CITY OF BELLEAIR BEACH, FLORIDA

CAPITAL ASSETS USED IN THE OPERATION
OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULES BY FUNCTION AND ACTIVITY ⁽¹⁾

SEPTEMBER 30, 2020 AND 2019

2019					
Function and Activity	Total	Land	Buildings	Improvements Other Than Buildings	Equipment
General Government:					
Control:					
Administrative	\$ 13,150,698	\$ 1,426,738	\$ 4,202,073	\$ 7,485,340	\$ 36,547
Executive	16,722	-	-	-	16,722
Legislative	<u>54,942</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,942</u>
Total General Government	13,222,362	1,426,738	4,202,073	7,485,340	108,211
Public Safety:					
Police protection	-	-	-	-	-
Public Works	176,590	-	-	-	176,590
Recreation	<u>1,030,453</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,030,453</u>
Total Governmental Funds					
Capital Assets	<u>\$ 14,429,405</u>	<u>\$ 1,426,738</u>	<u>\$ 4,202,073</u>	<u>\$ 7,485,340</u>	<u>\$ 1,315,254</u>

⁽¹⁾ This schedule represents only the capital asset balances related to governmental funds.

CITY OF BELLEAIR BEACH, FLORIDA

CAPITAL ASSETS USED IN THE OPERATION
OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY ⁽¹⁾

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

Function and Activity	Governmental Fund Capital Assets 10/01/19	Additions	Deductions	Governmental Fund Capital Assets 09/30/20
General Government:				
Control:				
Administrative	\$ 13,150,698	\$ 583,142	\$ 14,056	\$ 13,719,784
Executive	16,722	-	-	16,722
Legislative	54,942	6,130	-	61,072
Total General Government	13,222,362	589,272	14,056	13,797,578
Public Safety:				
Police protection				-
Public Works	176,590	-	33,885	142,705
Recreation	1,030,453	-	-	1,030,453
Total Governmental Funds Capital Assets	<u>\$ 14,429,405</u>	<u>\$ 589,272</u>	<u>\$ 47,941</u>	<u>\$ 14,970,736</u>

⁽¹⁾ This schedule represents only the capital asset balances related to governmental funds.

STATISTICAL SECTION

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STATISTICAL SECTION

This part of the City of Belleair Beach, Florida's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Content	Page
Financial Trends	64
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	
Revenue Capacity	75
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
Debt Capacity	81
<i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue debt in the future.</i>	
Demographic and Economic Information	85
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	
Operating Information	87
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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FINANCIAL TRENDS

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City of Belleair Beach, Florida
Schedule 1
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental activities:										
Net investment in capital assets:										
Unrestricted	\$ 9,397,531	\$ 9,027,101	\$ 5,613,438	\$ 6,203,405	\$ 5,859,020	\$ 5,564,233	\$ 4,940,157	\$ 4,819,447	\$ 4,815,617	\$ 4,763,065
	<u>5,371,313</u>	<u>5,316,213</u>	<u>6,696,559</u>	<u>5,027,157</u>	<u>4,964,934</u>	<u>4,788,500</u>	<u>4,790,048</u>	<u>4,590,761</u>	<u>4,368,877</u>	<u>4,255,462</u>
Total governmental activities net position	<u>\$ 14,768,844</u>	<u>\$ 14,343,314</u>	<u>\$ 12,309,997</u>	<u>\$ 11,230,562</u>	<u>\$ 10,823,954</u>	<u>\$ 10,352,733</u>	<u>\$ 9,730,205</u>	<u>\$ 9,410,208</u>	<u>\$ 9,184,494</u>	<u>\$ 9,018,527</u>
Business-type activities:										
Net investment in capital assets:										
Unrestricted	\$ 36,673	\$ 39,624	\$ 42,489	\$ 46,549	\$ 48,977	\$ 37,683	\$ 25,831	\$ 35,240	\$ 44,694	\$ 57,108
	<u>295,029</u>	<u>263,343</u>	<u>254,455</u>	<u>240,676</u>	<u>224,516</u>	<u>221,210</u>	<u>207,954</u>	<u>196,227</u>	<u>183,022</u>	<u>168,879</u>
Total business-type activities net position	<u>\$ 331,702</u>	<u>\$ 302,967</u>	<u>\$ 296,944</u>	<u>\$ 287,225</u>	<u>\$ 273,493</u>	<u>\$ 258,893</u>	<u>\$ 233,785</u>	<u>\$ 231,467</u>	<u>\$ 227,716</u>	<u>\$ 225,987</u>
Primary government:										
Net investment in capital assets:										
Unrestricted	\$ 9,434,204	\$ 9,066,725	\$ 5,655,927	\$ 6,249,954	\$ 5,907,997	\$ 5,601,916	\$ 4,965,988	\$ 4,854,687	\$ 4,860,311	\$ 4,820,173
	<u>5,666,342</u>	<u>5,579,556</u>	<u>6,951,014</u>	<u>5,267,833</u>	<u>5,189,450</u>	<u>5,009,710</u>	<u>4,998,002</u>	<u>4,786,988</u>	<u>4,551,899</u>	<u>4,424,521</u>
Total primary government net position	<u>\$ 15,100,546</u>	<u>\$ 14,646,281</u>	<u>\$ 12,606,941</u>	<u>\$ 11,517,787</u>	<u>\$ 11,097,447</u>	<u>\$ 10,611,626</u>	<u>\$ 9,963,990</u>	<u>\$ 9,641,675</u>	<u>\$ 9,412,210</u>	<u>\$ 9,244,694</u>

City of Belleair Beach, Florida
Schedule 2
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

EXPENSES	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental Activities:										
General government	\$ 698,293	\$ 708,107	\$ 813,544	\$ 387,746	\$ 467,329	\$ 684,320	\$ 488,624	\$ 591,967	\$ 583,354	\$ 583,919
Public safety	523,617	554,535	492,171	469,979	470,532	454,371	438,853	435,287	445,486	443,474
Physical environment	1,011,544	1,004,159	561,055	1,086,669	882,622	682,547	803,110	599,649	602,300	549,682
Transportation	-	-	-	-	-	-	-	17,279	11,585	12,212
Culture and recreation	45,225	44,267	31,612	23,050	44,156	15,595	43,711	36,196	39,198	35,074
Interest on long-term debt	102,163	116,578	53,330	51,386	57,507	63,306	69,258	75,429	80,661	84,564
Total governmental activities expenses	<u>2,380,842</u>	<u>2,427,646</u>	<u>1,951,712</u>	<u>2,018,830</u>	<u>1,922,146</u>	<u>1,900,139</u>	<u>1,843,556</u>	<u>1,755,807</u>	<u>1,762,584</u>	<u>1,708,925</u>
Business-type activities:										
Marina	55,836	62,487	57,794	49,985	46,109	33,034	47,190	51,109	52,763	50,982
Total business-type activities expenses	<u>55,836</u>	<u>62,487</u>	<u>57,794</u>	<u>49,985</u>	<u>46,109</u>	<u>33,034</u>	<u>47,190</u>	<u>51,109</u>	<u>52,763</u>	<u>50,982</u>
Total primary government expenses	<u>\$ 2,436,678</u>	<u>\$ 2,490,133</u>	<u>\$ 2,009,506</u>	<u>\$ 2,068,815</u>	<u>\$ 1,968,255</u>	<u>\$ 1,933,173</u>	<u>\$ 1,890,746</u>	<u>\$ 1,806,916</u>	<u>\$ 1,815,347</u>	<u>\$ 1,759,907</u>
PROGRAM REVENUES										
Governmental activities:										
Charges for services	\$ 605,606	\$ 558,497	\$ 522,831	\$ 483,299	\$ 444,068	\$ 422,884	\$ 408,474	\$ 406,761	\$ 416,264	\$ 381,214
Operating grants and contributions	24,914	106,864	4,836	1,166	1,189	1,200	1,201	1,198	5,439	2,417
Total governmental activities program revenues	<u>630,520</u>	<u>665,361</u>	<u>527,667</u>	<u>484,465</u>	<u>445,257</u>	<u>424,084</u>	<u>409,675</u>	<u>407,959</u>	<u>421,703</u>	<u>383,631</u>
Business-type activities:										
Charges for services: Marina	82,830	66,016	65,845	62,750	59,937	57,535	48,955	51,109	53,538	53,300
Total business-type activities revenues	<u>82,830</u>	<u>66,016</u>	<u>65,845</u>	<u>62,750</u>	<u>59,937</u>	<u>57,535</u>	<u>48,955</u>	<u>51,109</u>	<u>53,538</u>	<u>53,300</u>
Total primary government program revenues	<u>\$ 713,350</u>	<u>\$ 731,377</u>	<u>\$ 593,512</u>	<u>\$ 547,215</u>	<u>\$ 505,194</u>	<u>\$ 481,619</u>	<u>\$ 458,630</u>	<u>\$ 459,068</u>	<u>\$ 475,241</u>	<u>\$ 436,931</u>
Net Revenue/(Expense)										
Governmental activities	\$ (1,750,322)	\$ (1,762,285)	\$ (1,424,045)	\$ (1,424,045)	\$ (1,534,365)	\$ (1,476,889)	\$ (1,476,055)	\$ (1,433,881)	\$ (1,347,848)	\$ (1,340,881)
Business-type activities	<u>26,994</u>	<u>3,529</u>	<u>8,051</u>	<u>8,051</u>	<u>12,765</u>	<u>13,828</u>	<u>24,501</u>	<u>1,765</u>	<u>2,882</u>	<u>2,318</u>
Total primary government net expense	<u>\$ (1,723,328)</u>	<u>\$ (1,758,756)</u>	<u>\$ (1,415,994)</u>	<u>\$ (1,415,994)</u>	<u>\$ (1,521,600)</u>	<u>\$ (1,463,061)</u>	<u>\$ (1,451,554)</u>	<u>\$ (1,432,116)</u>	<u>\$ (1,344,966)</u>	<u>\$ (1,338,563)</u>

City of Belleair Beach, Florida
Schedule 2 (Continued)
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Revenues and Other										
Changes in Net Position										
Governmental Activities:										
Taxes:										
Property taxes	\$ 1,117,077	\$ 1,068,618	\$ 1,014,430	\$ 926,891	\$ 883,698	\$ 843,286	\$ 783,665	\$ 741,269	\$ 734,011	\$ 711,981
Franchise taxes	188,420	183,563	165,829	157,015	156,936	167,080	168,469	150,040	154,559	166,415
Sales taxes	269,750	276,874	274,629	261,390	262,590	244,972	227,014	216,612	206,577	196,877
Other taxes	360,414	1,550,055	945,416	486,692	553,302	772,722	521,486	344,195	327,205	339,537
State revenue sharing	44,303	44,806	44,529	44,257	44,022	43,889	39,733	42,905	42,569	42,273
Investment earnings	54,689	107,440	49,691	28,828	22,295	22,952	9,162	25,210	35,011	32,479
Assessments	130,311	538,794	-	-	-	-	-	-	-	-
Miscellaneous	10,888	25,452	8,956	35,900	25,267	10,140	4,349	53,331	6,736	4,187
Total governmental activities	<u>2,175,852</u>	<u>3,795,602</u>	<u>2,503,480</u>	<u>1,940,973</u>	<u>1,948,110</u>	<u>2,105,041</u>	<u>1,753,878</u>	<u>1,573,562</u>	<u>1,506,668</u>	<u>1,493,749</u>
Business-type activities:										
Investment earnings	1,741	2,494	1,668	967	772	607	553	869	954	1,434
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>1,741</u>	<u>2,494</u>	<u>1,668</u>	<u>967</u>	<u>772</u>	<u>607</u>	<u>553</u>	<u>869</u>	<u>954</u>	<u>1,434</u>
Total primary government	<u>\$ 2,177,593</u>	<u>\$ 3,798,096</u>	<u>\$ 2,505,148</u>	<u>\$ 1,941,940</u>	<u>\$ 1,948,882</u>	<u>\$ 2,105,648</u>	<u>\$ 1,754,431</u>	<u>\$ 1,574,431</u>	<u>\$ 1,507,622</u>	<u>\$ 1,495,183</u>
CHANGE IN NET POSITION										
Governmental activities:	\$ 425,530	\$ 2,033,317	\$ 1,079,435	\$ 406,608	\$ 471,221	\$ 628,986	\$ 319,997	\$ 225,714	\$ 165,787	\$ 168,455
Business-type activities	<u>28,735</u>	<u>6,023</u>	<u>9,719</u>	<u>13,732</u>	<u>14,600</u>	<u>25,108</u>	<u>2,318</u>	<u>3,751</u>	<u>1,729</u>	<u>3,752</u>
Total primary government	<u>\$ 454,265</u>	<u>\$ 2,039,340</u>	<u>\$ 1,089,154</u>	<u>\$ 420,340</u>	<u>\$ 485,821</u>	<u>\$ 654,094</u>	<u>\$ 322,315</u>	<u>\$ 229,465</u>	<u>\$ 167,516</u>	<u>\$ 172,207</u>

City of Belleair Beach, Florida
Schedule 3
Charges for Services by Function/Program
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
FUNCTION/PROGRAM										
Governmental activities:										
General government	\$ 49,544	\$ 44,378	\$ 51,164	\$ 55,071	\$ 64,065	\$ 63,989	\$ 55,712	\$ 63,421	\$ 75,562	\$ 38,662
Public safety	27,892	35,617	53,443	24,826	18,245	12,632	17,857	10,754	14,641	21,216
Physical environment	527,756	477,632	417,794	402,367	360,959	346,095	334,599	331,772	325,513	320,743
Transportation	-	-	-	-	-	-	-	398	168	231
Culture and recreation	414	870	430	1,035	799	168	306	416	380	362
Subtotal general governmental activities	<u>605,606</u>	<u>558,497</u>	<u>522,831</u>	<u>483,299</u>	<u>444,068</u>	<u>422,884</u>	<u>408,474</u>	<u>406,761</u>	<u>416,264</u>	<u>381,214</u>
Business-type activities:										
Marina	<u>82,830</u>	<u>66,016</u>	<u>65,845</u>	<u>62,750</u>	<u>59,937</u>	<u>57,535</u>	<u>48,955</u>	<u>53,991</u>	<u>53,538</u>	<u>53,300</u>
Total business-type activities	<u>82,830</u>	<u>66,016</u>	<u>65,845</u>	<u>62,750</u>	<u>59,937</u>	<u>57,535</u>	<u>48,955</u>	<u>53,991</u>	<u>53,538</u>	<u>53,300</u>
Total primary government	<u>\$ 688,436</u>	<u>\$ 624,513</u>	<u>\$ 588,676</u>	<u>\$ 546,049</u>	<u>\$ 504,005</u>	<u>\$ 480,419</u>	<u>\$ 457,429</u>	<u>\$ 460,752</u>	<u>\$ 469,802</u>	<u>\$ 434,514</u>

City of Belleair Beach, Florida
 Schedule 4
 General Governmental Revenues by Source(1)

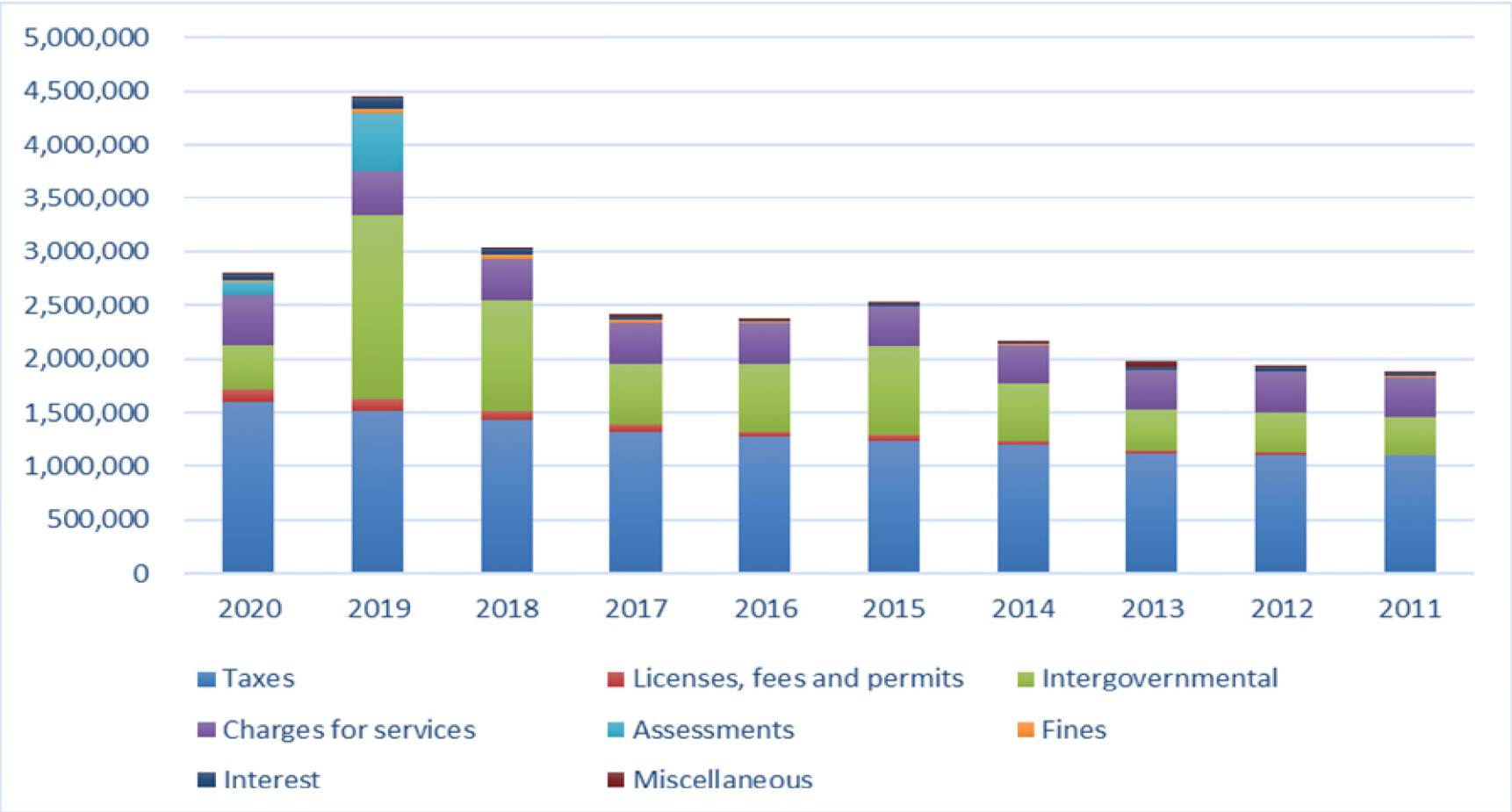
Fiscal Year	Taxes	Licenses and Permits	Intergovernmental	Charge for Services	Assessments	Fines and Forfeits	Interest	Miscellaneous	Total
2011	\$ 1,103,922	\$ 2,719	\$ 355,578	\$ 365,672	\$ -	\$ 12,823	\$ 32,479	\$ 4,187	\$ 1,877,380
2012	1,096,444	28,795	373,916	379,305	-	8,164	35,011	6,736	1,928,371
2013	1,112,869	33,264	383,350	370,205	-	3,292	25,210	53,331	1,981,521
2014	1,196,656	38,711	544,912	356,950	-	12,813	9,162	4,349	2,163,553
2015	1,242,786	46,514	830,363	368,649	-	7,721	22,952	10,140	2,529,125
2016	1,278,269	49,127	623,468	383,086	-	11,855	22,295	5,345	2,373,445
2017	1,324,141	70,010	553,270	396,751	-	16,538	28,828	35,900	2,425,438
2018	1,424,880	91,232	1,024,789	389,800	-	41,799	49,691	8,956	3,031,147
2019	1,519,216	106,938	1,711,564	419,857	538,794	31,702	107,440	25,452	4,460,963
2020	1,593,578	132,580	411,300	457,157	130,311	15,869	54,689	6,846	2,802,330

General Governmental Tax Revenue by Source⁽¹⁾

Fiscal Year	Property Tax	Franchise Tax	Utility Tax	Total
2011	\$ 711,981	\$ 166,415	\$ 225,526	\$ 1,103,922
2012	734,011	154,559	207,874	1,096,444
2013	741,269	150,040	221,560	1,112,869
2014	783,665	168,469	244,522	1,196,656
2015	843,286	167,080	232,420	1,242,786
2016	883,698	156,936	237,635	1,278,269
2017	926,891	157,015	240,235	1,324,141
2018	1,014,430	165,829	244,621	1,424,880
2019	1,068,618	183,563	267,035	1,519,216
2020	1,117,077	188,420	288,081	1,593,578

⁽¹⁾ Includes general fund and capital projects fund.

City of Belleair Beach General Governmental Revenues by Source Last Ten Fiscal Years



City of Belleair Beach
 Schedule 5
 Fund Balances - Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Fund:										
Nondisposable	\$ 21,718	\$ 10,225	\$ 8,069	\$ 7,741	\$ 9,767	\$ 10,763	\$ 17,176	\$ 7,762	\$ 15,031	\$ 14,592
Committed	1,104,000	1,000,000	1,000,000	840,000	840,000	840,000	840,000	840,000	840,000	840,000
Assigned	-	-	-	-	-	-	-	-	-	6,576
Unassigned	<u>3,041,366</u>	<u>2,623,947</u>	<u>2,253,167</u>	<u>2,844,738</u>	<u>3,193,880</u>	<u>3,161,321</u>	<u>3,129,744</u>	<u>3,203,575</u>	<u>3,043,820</u>	<u>2,927,858</u>
Total general fund	\$ <u>4,167,084</u>	\$ <u>3,634,172</u>	\$ <u>3,261,236</u>	\$ <u>3,692,479</u>	\$ <u>4,043,647</u>	\$ <u>4,012,084</u>	\$ <u>3,986,920</u>	\$ <u>4,051,337</u>	\$ <u>3,898,851</u>	\$ <u>3,789,026</u>
All Other Governmental Funds:										
Nondisposable	\$ 40,000	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Committed	<u>1,255,216</u>	<u>1,724,616</u>	<u>3,497,113</u>	<u>1,358,689</u>	<u>1,005,960</u>	<u>873,480</u>	<u>902,075</u>	<u>640,146</u>	<u>567,663</u>	<u>547,616</u>
Total all other governmental funds	\$ <u>1,295,216</u>	\$ <u>1,764,616</u>	\$ <u>3,497,113</u>	\$ <u>1,358,689</u>	\$ <u>1,005,960</u>	\$ <u>873,480</u>	\$ <u>902,075</u>	\$ <u>640,146</u>	\$ <u>567,663</u>	\$ <u>547,616</u>

City of Belleair Beach
Schedule 6
Changes in Fund Balance - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

REVENUES	2020	2019	2018	2017	2016
Taxes	\$ 1,593,578	\$ 1,519,216	\$ 1,424,880	\$ 1,324,141	\$ 1,278,269
Licenses, fees and permits	132,580	106,938	91,232	70,010	49,127
Intergovernmental	411,300	1,711,564	1,024,789	553,270	623,468
Charges for services	457,157	419,857	389,800	396,751	383,086
Assessments	130,311	538,794	-	-	-
Fines	15,869	31,702	41,799	16,538	11,855
Interest	54,689	107,440	49,691	28,828	22,295
Miscellaneous	6,846	25,452	8,956	35,900	5,345
Total revenues	2,802,330	4,460,963	3,031,147	2,425,438	2,373,445
EXPENDITURES					
General government	593,860	624,436	605,378	592,627	545,877
Public safety	523,617	554,535	492,171	469,979	470,532
Physical environment	1,286,675	4,286,830	1,826,924	1,137,155	907,660
Transportation	-	-	-	-	-
Culture and recreation	7,635	15,936	13,714	11,292	66,557
Debt service:					
Principal	224,091	236,491	160,000	160,000	160,000
Interest	106,982	102,296	51,845	52,824	58,776
Total expenditures	2,742,860	5,820,524	3,150,032	2,423,877	2,209,402
Excess of revenues over (under) expenditures	59,470	(1,359,561)	(118,885)	1,561	164,043
OTHER FINANCING SOURCES (USES)					
Issuance of debt	-	-	1,826,066	-	-
Total other financing sources (uses)	-	-	1,826,066	-	-
Net change in fund balances	\$ 59,470	\$ (1,359,561)	\$ 1,707,181	\$ 1,561	\$ 164,043
Debt service as a percentage of noncapital expenditures	15%	15%	12%	12%	10%

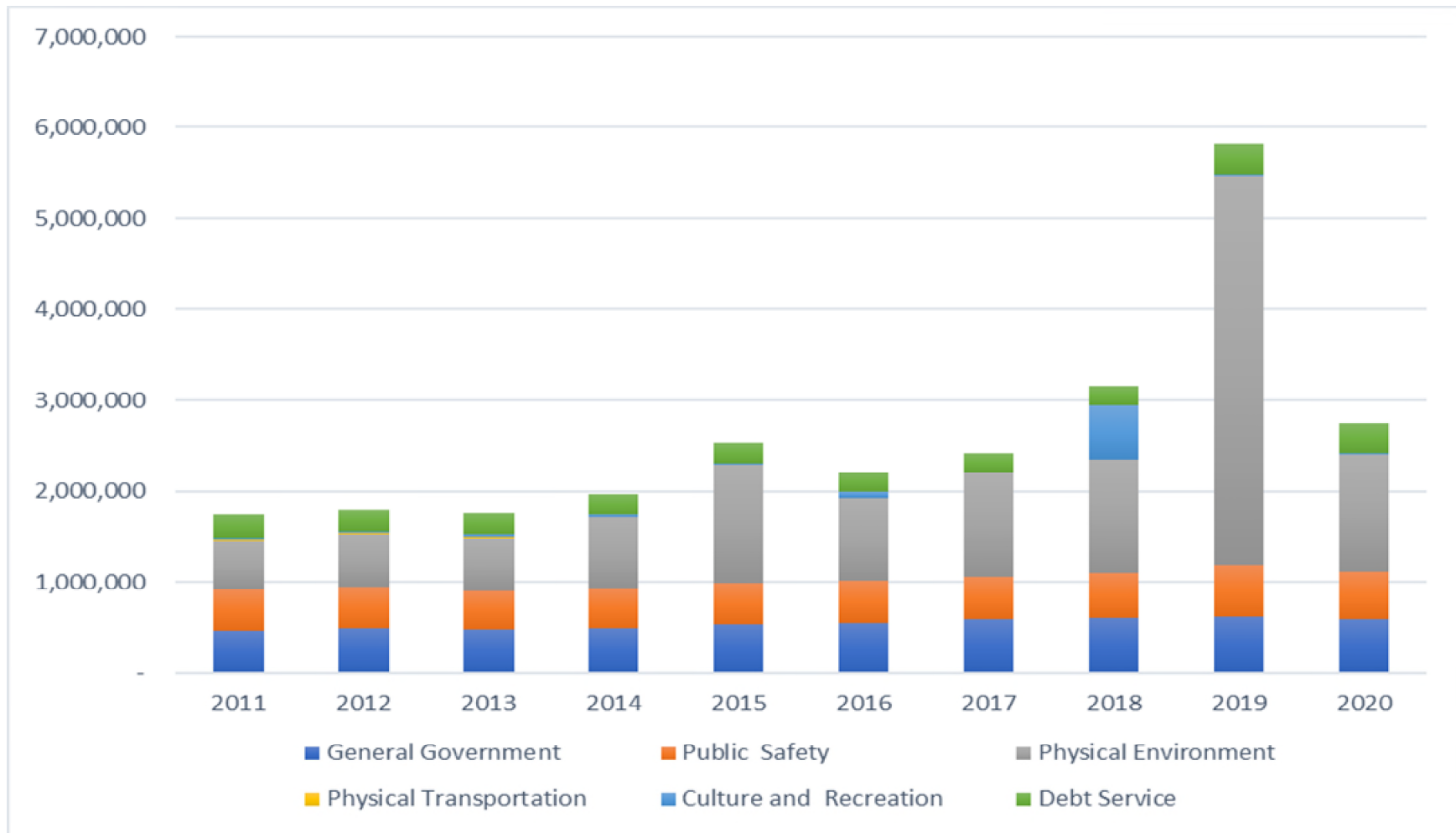
	2015	2014	2013	2012	2011
\$	1,242,786	\$ 1,196,656	\$ 1,112,869	\$ 1,096,444	\$ 1,103,922
	46,514	38,711	33,264	28,795	2,719
	830,363	544,912	383,350	373,916	355,578
	368,649	356,950	370,205	379,305	365,672
	-	-	-	-	-
	7,721	12,813	3,292	8,164	12,823
	22,952	9,162	25,210	35,011	32,479
	10,140	4,349	53,331	6,736	4,187
	<u>2,529,125</u>	<u>2,163,553</u>	<u>1,981,521</u>	<u>1,928,371</u>	<u>1,877,380</u>
	535,415	489,456	472,378	494,227	464,941
	454,371	438,765	435,136	445,335	443,323
	1,302,460	780,482	575,203	581,239	547,066
	-	-	17,279	11,585	12,212
	15,582	26,658	19,924	26,126	19,123
	160,000	160,000	160,000	160,000	160,000
	64,728	70,680	76,632	82,584	88,536
	<u>2,532,556</u>	<u>1,966,041</u>	<u>1,756,552</u>	<u>1,801,096</u>	<u>1,735,201</u>
	(3,431)	197,512	224,969	127,275	142,179
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$	<u>(3,431)</u>	<u>197,512</u>	<u>224,969</u>	<u>127,275</u>	<u>142,179</u>
	<u>12%</u>	<u>12%</u>	<u>12%</u>	<u>12%</u>	<u>15%</u>

City of Belleair Beach
 Schedule 7
 General Governmental Expenditures by Function ⁽¹⁾
 Last Ten Fiscal Years

Fiscal Year	General Government	Public Safety	Physical Environment	Transportation	Culture and Recreation	Debt Service	Total
2011	\$ 464,941	\$ 443,323	\$ 547,066	\$ 12,212	\$ 19,123	\$ 248,536	1,735,201
2012	494,227	445,335	581,239	11,585	26,126	242,584	1,801,096
2013	472,378	435,136	575,203	17,279	19,924	236,632	1,756,552
2014	489,456	438,765	780,482	-	26,658	230,680	1,966,041
2015	535,415	454,371	1,302,460	-	15,582	224,728	2,532,556
2016	545,877	470,532	907,660	-	66,557	218,776	2,209,402
2017	592,627	469,979	1,137,155	-	11,292	212,824	2,423,877
2018	605,378	492,171	1,257,165	-	583,473	211,845	3,150,032
2019	624,436	554,535	4,286,830	-	15,936	338,787	5,820,524
2020	593,860	523,617	1,286,675	-	7,635	331,073	2,742,860

⁽¹⁾ Includes General Fund and Capital Projects Fund.

City of Belleair Beach General Governmental Expenditures by Function Last Ten Fiscal Years



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REVENUE CAPACITY

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City of Belleair Beach
 Schedule 8
 Assessed Value and Actual Value of Taxable Property
 Last Ten Fiscal Years

Fiscal Year Ended September 30,	Real Property	Personal Property	Total Assessed Value	Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2011	\$ 380,980,811	\$ 2,304,900	\$ 383,285,711	\$ 81,472,380	\$ 464,758,091	1.9880
2012	372,308,501	2,019,596	374,328,097	63,895,719	438,223,816	2.3094
2013	394,583,151	1,940,046	396,523,197	79,546,569	476,069,766	2.3094
2014	419,789,096	2,019,477	421,808,573	157,845,919	579,654,492	2.3094
2015	446,072,813	1,868,800	447,941,613	151,562,391	599,504,004	2.3094
2016	475,752,224	1,816,732	477,568,956	156,051,630	633,620,586	2.3094
2017	510,863,592	1,931,873	512,795,465	169,797,907	682,593,372	2.0394
2018	540,493,808	1,848,540	542,342,348	182,548,030	724,890,378	2.0394
2019	564,693,910	1,948,272	566,642,182	181,008,334	747,650,516	2.0394
2020	592,261,368	1,971,273	594,232,641	172,559,265	766,791,906	2.0394

Source: Pinellas County Property Appraiser

City of Belleair Beach
 Schedule 9
 Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years
 (rates per \$1,000 of assessed value)

<u>Fiscal Year</u>	<u>City</u>	<u>Pinellas County General Fund</u>	<u>Pinellas County Health Department</u>	<u>Pinellas County Planning Council</u>
2011	1.9800	4.8108	0.0622	0.0125
2012	2.0394	5.0105	0.0622	0.0125
2013	2.0394	5.2133	0.0622	0.0160
2014	2.0394	5.2133	0.0622	0.0160
2015	2.0394	5.2133	0.0622	0.0160
2016	2.0394	5.2133	0.0622	0.0150
2017	2.0394	5.2133	0.0622	0.0150
2018	2.0394	5.2133	0.0622	0.0150
2019	2.0394	5.2755	0.0835	0.0150
2020	2.0394	5.2755	0.0835	0.0150

Source: Pinellas County Tax Collector

Pinellas County School Board	Emergency Medical Services	Southwest Florida Water Management District	Juvenile Welfare Board	Total
8.3850	0.8506	0.3928	0.8337	17.3276
8.3020	0.9158	0.3928	0.8981	17.6333
8.1222	0.9158	0.3818	0.8981	17.6488
7.9032	0.9158	0.3658	0.8981	17.4138
7.8322	0.9158	0.3488	0.8981	17.3258
7.3802	0.9158	0.3317	0.8981	16.8557
7.0925	0.9158	0.3131	0.8981	16.5494
6.8105	0.9158	0.2955	0.8981	16.2498
6.5840	0.9158	0.2801	0.8981	16.0914
6.4270	0.9158	0.2669	0.8981	15.9212

City of Belleair Beach
Schedule 10
Assessed Valuations, Millage and Taxes Levied and Collected

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
City millage levied	1.9800	2.0394	2.0394	2.0394	2.0394	2.0394	2.0394	2.0394	2.0394	2.0394
Total valuations	\$ 464,758,091	\$ 438,223,816	\$ 476,069,766	\$ 580,291,128	\$ 599,504,004	\$ 633,620,586	\$ 682,593,372	\$ 724,890,378	\$ 747,650,516	\$ 766,791,906
Real estate exemptions:										
Government exemptions	9,621,087	9,245,039	9,578,326	10,260,480	11,113,631	11,811,011	12,611,161	13,326,715	14,651,314	15,119,057
Assessment differentials ⁽³⁾	39,954,488	23,709,958	38,911,319	115,815,715	108,990,187	113,277,158	125,399,330	137,227,909	133,745,766	124,536,381
Individual or homestead exemptions	31,896,805	30,940,722	31,056,924	31,769,724	31,458,573	30,963,461	31,787,416	31,993,406	32,611,254	32,903,827
Total exemptions and adjustments	81,472,380	63,895,719	79,546,569	157,845,919	151,562,391	156,051,630	169,797,907	182,548,030	181,008,334	172,559,265
Total valuation	\$ 383,285,711	\$ 374,328,097	\$ 396,523,197	\$ 422,445,209	\$ 447,941,613	\$ 477,568,956	\$ 512,795,465	\$ 542,342,348	\$ 566,642,182	\$ 594,232,641
Total taxes levied	\$ 736,633	\$ 759,895	\$ 764,292	\$ 810,195	\$ 860,681	\$ 914,383	\$ 975,678	\$ 1,046,825	\$ 1,106,053	\$ 1,155,678
Less: Adjustments and discounts	(25,764)	(26,459)	(25,863)	(26,607)	(30,088)	(31,647)	(33,467)	(36,307)	(37,606)	(39,293)
Net taxes levied	\$ 710,869	\$ 733,436	\$ 738,429	\$ 783,588	\$ 830,593	\$ 882,736	\$ 942,211	\$ 1,010,518	\$ 1,068,447	\$ 1,116,385
Net collected ⁽¹⁾⁽²⁾	\$ 711,981	\$ 734,011	\$ 741,269	\$ 783,665	\$ 843,286	\$ 883,698	\$ 926,891	\$ 1,014,430	\$ 1,068,618	\$ 1,117,077

(1) Florida Statutes provide for a discount of up to four percent for early payment of ad valorem taxes.
All unpaid taxes become delinquent on April 1, and are sold at auction on June 1 or each year as tax certificates.
The City, after all tax certificates are sold, has fully collected all ad valorem revenues.

(2) Net collected includes penalties or late payments.

(3) Florida Statutes (F.S. 193.155) provide for a three percent maximum increase in annual taxable property values.

Source: Pinellas County Tax Collector

City of Belleair Beach
 Schedule 11
 Principal Property Taxpayers
 Current Year and Nine Years Ago

	2020				2011		
	Taxable Assessed Real Property	Rank	Percentage of Total City Taxable Assessed Value		Taxable Assessed Real Property	Rank	Percentage of Total City Taxable Assessed Value
Alanik Properties LLC	\$ 6,020,000	1	1.02%	Radke, Heather M Revocable Trust	\$ 5,421,056	1	1.42%
Marion, Joel G	5,535,541	2	0.93%	Steslicki, Sarah L.	1,958,445	2	0.51%
7S Investments LLC	4,299,431	3	0.73%	Prescott, Gerald Revocable Int	1,761,835	3	0.46%
1004 Ten Museum Park LLC	2,810,960	4	0.47%	Brinton, Anthony	1,687,582	4	0.44%
Loulourgas, Demetre	2,699,791	5	0.46%	Emmanuel, James M.	1,629,192	5	0.43%
Glynn, Ellen M Rev Trust	2,440,007	6	0.41%	Prescott, Gerald Trust	1,592,976	6	0.42%
Shukla, Rahul	2,379,356	7	0.40%	Ewing, Owen C	1,576,713	7	0.41%
BBC Acquisition Group LLC	2,275,650	8	0.38%	Tabahi, Falah	1,539,248	8	0.40%
Arfman, Dale C.	2,249,171	9	0.38%	Fifth Third Bank	1,431,600	9	0.38%
Braun, Drew P.	2,229,105	10	0.38%	Herron, James M. Jr.	1,411,312	10	0.37%
Total Principal Taxpayers	32,939,012		5.56%	Total Principal Taxpayers	20,009,959		5.25%
All Other Taxpayers	559,322,356		94.44%	All Other Taxpayers	360,970,852		94.75%
Total	\$ 592,261,368		100%	Total	\$ 380,980,811		100%

Data represents taxpayers in Pinellas County since there are no commercial businesses within Belleair Beach City limits
 Source: Pinellas County Property Appraiser

City of Belleair Beach
Schedule 12
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Assessed Valuation	Taxable Assessed Valuation	Levy	Collection Within the Fiscal Year of Levy		Collections to Date	
				Amount	Percentage ⁽¹⁾ of Levy	Amount	Percentage of Levy
2011	\$ 464,758,091	\$ 383,285,711	\$ 736,633	\$ 710,869	97%	\$ 711,981	97%
2012	438,223,816	374,328,097	759,895	733,436	97%	734,011	97%
2013	476,069,766	396,523,197	763,299	738,429	97%	741,269	97%
2014	580,291,128	421,808,573	810,195	783,588	97%	783,665	97%
2015	599,504,004	447,941,613	860,681	831,259	97%	843,286	98%
2016	633,620,586	477,568,956	914,383	879,447	96%	883,698	97%
2017	682,593,372	512,795,465	975,678	926,891	95%	926,891	95%
2018	724,890,378	542,342,348	1,046,825	1,014,430	97%	1,014,430	97%
2019	747,650,516	566,642,182	1,106,053	1,068,618	97%	1,068,618	97%
2020	766,791,906	594,232,641	1,155,678	1,117,077	97%	1,117,077	97%

(1) Florida Statutes provide for a discount of up to four percent for early payment of ad valorem taxes. All unpaid taxes become delinquent on April 1, and are sold at auction on June 1 of each year as tax certificates. The City, after all tax certificates are sold, has fully collected all ad valorem tax revenues.

Source: Pinellas County Property Appraiser and Pinellas County Tax Collector

DEBT CAPACITY

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City of Belleair Beach
 Schedule 13
 Outstanding Debt by Type
 Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Per Capita
	General Obligation Bonds	Revenue Loan / Bonds	Capital Leases	General Obligation Bonds	Revenue Loan / Bonds	Capital Leases		
2011	\$ -	\$ 2,280,000	\$ -	\$ -	\$ -	\$ -	\$ 2,280,000	1,459
2012	-	2,120,000	-	-	-	-	2,120,000	1,361
2013	-	1,960,000	-	-	-	-	1,960,000	1,269
2014	-	1,800,000	-	-	-	-	1,800,000	1,164
2015	-	1,640,000	-	-	-	-	1,640,000	1,140
2016	-	1,480,000	-	-	-	-	1,480,000	920
2017	-	1,320,000	-	-	-	-	1,320,000	888
2018	-	2,986,066	-	-	-	-	2,986,066	1,962
2019	-	2,749,575	-	-	-	-	2,749,575	1,804
2020	-	2,525,484	-	-	-	-	2,525,484	1,554

Notes:

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Population data is from the University of Florida, Bureau of Economic & Business Research

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

City of Belleair Beach
 Schedule 14
 Ratios of General Revenue and Capital Lease Debt Outstanding
 Last Ten Fiscal Years

Fiscal Year	General Revenue and Capital Lease Debt	Percentage of Estimated Actual Taxable Value of Property ⁽¹⁾	Per Capita ⁽²⁾
2011	\$ 2,280,000	0.59%	1,459
2012	2,120,000	0.56%	1,361
2013	1,960,000	0.49%	1,269
2014	1,800,000	0.43%	1,164
2015	1,640,000	0.39%	1,140
2016	1,480,000	0.33%	920
2017	1,320,000	0.28%	888
2018	2,986,066	0.55%	1,962
2019	2,749,575	0.49%	1,804
2020	2,525,484	0.42%	1,657

Notes:

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

⁽¹⁾ See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

⁽²⁾ Population data can be found in the Schedule of Demographic and Economic Statistics.

City of Belleair Beach
 Schedule 15
 Computation of Direct and Overlapping Debt General Obligation Bonds ⁽²⁾
 As of September 30, 2020

	<u>Taxable Values</u>	<u>Debt Outstanding</u>	<u>(1) Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
City Taxable Value	\$ 766,791,906			
County Taxable Value	85,468,863,997			
Overlapping debt:				
Capital leases		\$ 615,497		
Pinellas County School Board		<u>12,691,808</u>		
Total overlapping debt		\$ 13,307,305	0.90%	\$ 119,766
City direct debt		2,525,484	100.00%	<u>2,525,484</u>
Total direct and overlapping debt				<u><u>\$ 2,645,250</u></u>

⁽¹⁾ The City's share is calculated based on the ratio of the 2020 City's Taxable Value of \$766,791,906 to the County's Taxable Value of \$85,468,863,997

⁽²⁾ The City has no direct general obligation bonded debt.

Population data can be found in the Schedule of Demographic and Economic Statistics

City of Belleair Beach
 Schedule 16
 Pledged-Revenue Coverage
 For the year ended September 30, 2020

	Revenue Loan Pledged Revenues Non-Ad Valorem Revenue	Debt Service ⁽¹⁾		
		Principal	Interest	Coverage
		\$ 224,091	\$ 106,982	100%
<u>General Fund</u>				
Local Option Gas Tax	\$ 20,049			
Franchise Fees	188,420			
Public Service Tax	288,081			
Communications Service Tax	52,284			
Rental Registrations	24,995			
State Revenue Sharing	44,303			
BOCC - Garbage	341,678			
Fines & Forfeitures	15,869			
Parking Meter Fees	126,794			
Community Center Rentals	10,423			
Other Revenue *	55,707			
	<u>1,168,603</u>			
<u>Capital Projects Fund</u>				
Infrastructure Sales Tax	<u>171,098</u>			
Total	<u>\$ 1,339,701</u>			

⁽¹⁾ Interest expense was for the full Fiscal Year 2020 and is accounted for in the Capital Projects Fund

* Other revenue consists of foreclosure registrations, claim of liens, NPDES fees, miscellaneous and Marina fund contributions.

DEMOGRAPHIC AND ECONOMIC
INFORMATION

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City of Belleair Beach
 Schedule 17
 Demographic and Economic Statistics
 Last Ten Calendar Years

	(1)	(2)	(3)	(4)	(5)	(6)
Year	Population	Personal Income (amounts expressed in thousands)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2011	1,563	\$ 77,778	\$ 63,475	59.5	71	10.80%
2012	1,558	70,862	50,820	58.0	67	8.50%
2013	1,544	90,306	73,750	59.5	151	6.70%
2014	1,547	83,433	55,454	59.0	148	5.80%
2015	1,439	87,426	56,243	59.5	228	5.00%
2016	1,609	91,250	63,047	56.8	N/A	4.60%
2017	1,487	91,810	65,436	60.0	N/A	3.30%
2018	1,522	94,031	67,363	60.7	N/A	2.90%
2019	1,524	106,778	75,739	61.0	N/A	2.90%
2020	1,625	105,316	72,690	61.1	N/A	5.70%

Data Sources:

- (1) University of Florida, Bureau of Economic & Business Research
- (2) to (5) Pinellas County Economic Development Research
- (6) U.S. Department of Labor Bureau of Statistics for the Tampa / St. Pete / Clearwater Metro Area

City of Belleair Beach
 Schedule 18
 Principal Employers
 Current Year and Nine Years Ago

Employer	2020		Employer	2011	
	Number of Employees	Rank		Number of Employees	Rank
Raymond James	4,000+	1	Nielsen Media Research	3,560	1
Home Shopping Network	2,000+	2	Times Publishing Corp.	3,187	2
Tech Data Corp.	2,000+	3	Raymond James	2,850	3
Spectrum	2,000+	4	Morton Plant Hospital	2,448	4
Fidelity Information Services	1,500+	5	Raytheon	2,200	5
The Nielsen Company	1,500+	6	All Children's Health Systems	2,000	6
Jabil Circuit, Inc.	1,500+	7	Bayfront Medical Center, Inc.	2,000	7
Honeywell Aerospace	1,500+	8	Progress Energy, Florida	1,950	8
Valpak	1,500+	9	Tech Data Corp.	1,800	9
Superior Uniform Group	1,000+	10	Home Shopping Network	1,600	10

Data represents employers in Pinellas County since there are no commercial businesses within Belleair Beach City limits
 Source: Pinellas County Economic Development Research

OPERATING
INFORMATION

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City of Belleair Beach
 Schedule 19
 Full-Time Equivalent City Government Employees by Function
 Last Ten Fiscal Years

Function:	Full-Time Equivalent Employees as of September 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Government	3	4	5	4	4	4	4	4	4	4
Public Works	3	3	3	2	3	3	3	3	3	3
Public Safety - Police	-	-	-	-	-	-	-	-	-	-
Total	<u>6</u>	<u>7</u>	<u>8</u>	<u>6</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>

Notes:

The City contracts with the Pinellas County Sheriff for police protection, which became effective in fiscal year 2007.

City of Belleair Beach
 Schedule 20
 Miscellaneous Statistical Data
 For the fiscal year ended September 30, 2020

Date of Incorporation 1950
 Form of Government City Council / City Manager
 Number of Employees 6
 Paved Streets 7.25 miles
 Law Enforcement Pinellas County Sheriff's Office effective June 1, 2007
 Resident Utilities: Duke Energy - electricity
 Pinellas County Utilities - water, reclaimed water, sewer
 Waste Management - garbage and recycling
 Clearwater Gas - gas

Recreation Facilities:
 Parks 11 and access to additional 3
 Playgrounds 1
 Beaches 4,500 feet
 Tennis 2 courts
 Basketball Court 1 court
 Marina 19 boat slips
 Boat Ramp 1
 Fishing Docks 5

Population and Source:

Year	Population	Source
1960	563	historical City data
1970	952	historical City data
1980	1643	historical City data
1990	2,070	historical City data
2000	1,633	historical City data
2010	1,608	University of Florida
2011	1,563	University of Florida
2012	1,558	University of Florida
2013	1,544	U.S. Census Bureau
2014	1,547	www.esri demographic estimates
2015	1,439	www.esri demographic estimates
2015	1,439	www.esri demographic estimates
2016	1,609	fact finder US Census Bureau
2017	1,497	www.esri demographic estimates
2018	1,522	Pinellas County Economic Development Research
2019	1,524	Pinellas County Economic Development Research
2020	1,625	University of Florida, Bureau of Economic & Business Research

City of Belleair Beach
 Schedule 21
 Operating Indicators by Function
 Last Ten Fiscal Years

FUNCTION	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Public Safety *										
Police arrests	74	31	66	63	38	51	56	44	10	55
Parking violations	301	30	265	240	245	174	227	102	307	402
Traffic violations	136	207	254	164	137	148	176	143	107	168
Warning citations	835	1,404	1,471	756	796	724	422	373	356	353
Culture and Recreation										
Beach parking permits & parking decals issued **	772	890	884	760	733	825	629	548	732	1,152
Library card reimbursements ***	48	93	120	101	108	105	115	119	122	131
Marina										
Boat Slips ****	19	19	19	19	19	19	20	20	20	20

* Effective June 1, 2007 law enforcement was contracted out to the Pinellas County Sheriff's Office.

** Includes beach parking permits for owners, renters, and marina slip renters

*** The City of Belleair Beach offers payment for residents' library cards by reimbursement to the resident.

**** Slips 19 and 20 were combined in 2014 to make a larger slip

City of Belleair Beach
 Schedule 22
 Capital Asset Statistics by Function
 Last Ten Fiscal Years

FUNCTION	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Public Safety										
Police stations *	-	-	-	-	-	-	-	-	-	-
Highways and streets										
Bridges	2	2	2	2	2	2	2	2	2	2
Street (miles)	8	8	8	8	8	8	8	8	8	8
Curb (miles)	16	16	16	16	16	16	16	16	16	16
Intersection traffic signal - Gulf Blvd / Causeway	1	1	1	1	1	1	1	1	1	1
Pedestrian beacons / crosswalks	5	5	5	5	5	5	5	5	5	5
Culture and Recreation										
Cul de Sacs	8	8	8	8	8	8	8	8	8	8
Docks	5	5	5	5	5	5	5	5	5	5
Park acreage	5	5	5	5	5	5	5	5	5	5
Parks **	11	11	11	11	11	11	11	11	11	11
Tennis Courts	2	2	2	2	2	2	2	2	2	2

* Effective June 1, 2007 law enforcement service was contracted out to the Pinellas County Sheriff's Office

** City of Belleair Beach residents are allowed access to additional 3 parks at Belleair Shore and 1 at Bayside Park. These parks are maintained by the City of Belleair Beach.

OTHER REPORTS

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

AND

MANAGEMENT LETTER

AND

ATTESTATION REPORT
ON COMPLIANCE WITH SECTION 218.415
FLORIDA STATUTES

AND

MANAGEMENT MEMORANDUM
ON REVIEW OF INTERNAL CONTROL STRUCTURE

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The Honorable Mayor
and City Council
City of Belleair Beach, Florida

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the budgetary comparisons for the general fund and the aggregate remaining fund information of the City of Belleair Beach, Florida, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Belleair Beach, Florida's (City) basic financial statements, and have issued our report thereon dated February 21, 2021.

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 opinion 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 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

The Honorable Mayor
and City Council
City of Belleair Beach, Florida

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Tampa, Florida
February 21, 2021

MANAGEMENT LETTER

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The Honorable Mayor
and City Council
Belleair Beach, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Belleair Beach, Florida as of and for the fiscal year ended September 30, 2020 and have issued our report thereon dated February 21, 2021.

Auditor's Responsibility

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

Other Reports and Schedule

We have issued our Independent Auditors Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General Disclosures in those reports and schedule, which are dated February 21, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

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

The Honorable Mayor
and City Council
Belleair Beach, Florida

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. This disclosure has been included in the City's Comprehensive Annual Financial Report for the fiscal year ended September 30, 2020.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7) Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether or not the City of Belleair Beach has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Section 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the City of Belleair Beach's financial condition, and our financial condition assessment procedures through the date of the audit report were based in part on representations made by management and the review of financial information provided by same.

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

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, require that we address 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 have any such findings.

The Honorable Mayor
and City Council
Belleair Beach, Florida

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, the Board of Commissioners, and applicable management, and is not intended to be and should not be used by anyone other than those specified parties.



Tampa, Florida
February 21, 2021

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ATTESTATION REPORT

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INDEPENDENT ACCOUNTANT'S REPORT

The Honorable Mayor
and City Council
City of Belleair Beach, Florida

We have examined the City of Belleair Beach's compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2020. 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 bases, 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 complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.

This report is intended solely for the information and use of the City and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.



Tampa, Florida
February 21, 2021

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MANAGEMENT MEMORANDUM
ON REVIEW
OF INTERNAL CONTROL STRUCTURE

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February 21, 2021

The Honorable Mayor
and City Council
City of Belleair Beach, Florida

We have audited the basic financial statements of the governmental activities, the business-type activities, each major fund, the budgetary comparisons for the general fund and the aggregate remaining fund information which collectively comprise the basic financial statements of the City of Belleair Beach, Florida as of and for the year ended September 30, 2020, and have issued our report thereon dated February 21, 2021.

We have issued our Report on Compliance and Internal Accounting Controls in Accordance with *Government Auditing Standards* dated February 21, 2021. Disclosures in that report, if any, should be considered in conjunction with this management memorandum.

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

In planning and performing our audit of the financial statements of City of Belleair Beach, Florida we considered the City's internal control structure to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

2019-2020

A. Performance Audit

2018-2019

A. New Pronouncements

A. Performance Audit

Recently the State legislature passed HB 1103 relating to special district accountability. This bill could create a new section of law, Section 189.0695. It provides that certain specified independent special districts must contract with an independent entity to conduct a performance audit. Performance audit means an examination of a program, activity of function of a governmental entity, conducted in accordance with applicable government auditing standards or auditing and evaluation standards of other appropriate authoritative bodies.

At this time the proposed requirement only applies to special districts which include independent special fire control districts.

We recommend that the City Treasurer and Manager follow this potential new legislation.

2018-2019

A. New Pronouncements

The GASB has issued the following statements:

Statement No. 84, “Fiduciary Activities.” The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends December 31, 2019.

Statement No. 87, “Leases.” The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends December 31, 2020.

Statement No. 89, “Accounting for Interest Cost Incurred before the End of a Construction Period.” The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends December 31, 2020.

Statement No. 90, “Majority Equity Interests—as amendment of GASB Statements No. 14 and No. 61.” The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends December 31, 2019.

Last year we recommended that the City Treasurer and Manager become familiar with the new GASB pronouncements.

This recommendation has been implemented.

* * * * *

This memorandum is intended solely for the use of the Mayor and City Council, and the State of Florida Office of the Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

We appreciate the courtesy and assistance provided to us by the City's personnel during our audit. We will review the status of the above comments during our next audit engagement. We have already discussed many of these comments and suggestions with City personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

SALTMARSH, CLEVELAND & GUND, P.A.

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MANAGEMENT RESPONSE

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February 21, 2021

The Honorable Mayor and City Council
City of Belleair Beach, Florida

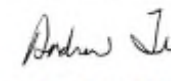
This is in response to the "Management Memorandum on Review of Internal Control Structure" prepared by the City's independent auditor Saltmarsh, Cleaveland & Gund, Certified Public Accountants and Consultants.

RESPONSE TO AUDITORS' COMMENTS: FISCAL YEAR 2020

The auditor noted that the GASB has multiple new statements becoming effective in upcoming years. City staff will undertake the necessary research to ensure that these new pronouncements are appropriately implemented for the necessary time periods. Our comments below address the specific statements that were identified by the auditors.

- The City will not be subject to the terms of HB 1103 pertaining to performance audits.
- GASB Statement 84 (Fiduciary Activities) will have no impact on the City since the City does not function in any fiduciary capacity.
- GASB Statement 87 (Leases) may have implications if the City engages in any leasing arrangements. The effective date of this standard would impact the City beginning in fiscal year 2021.
- GASB Statement 89 (Accounting for Interest Cost Incurred before the End of a Construction Period) may have implications for the City if there are active construction projects that have incurred interest at the time of the statement's effective date, which will pertain to the City beginning with fiscal year 2021.
- GASB Statement 90 (Majority Equity Interests – Amending GASB Statements 14 and 61) will have no impact on the City since the City does not hold any equity interests.


Lynn Givens,
City Manager


Andrew Tess, CPA
City Treasurer

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