

# **CITY OF BELLEAIR BLUFFS, FLORIDA**



## **Annual Comprehensive Financial Report**

**For the Year Ended September 30, 2022**

# **CITY OF BELLEAIR BLUFFS, FLORIDA**

## **Annual Comprehensive Financial Report**

**For the Year Ended September 30, 2022**

**Prepared by  
Administration Department  
Division of Finance**

# **CITY OF BELLEAIR BLUFFS**

## **FLORIDA**

### **ELECTED OFFICIALS**

#### **Mayor**

Chris Arbutine, Sr.

#### **Commissioners**

Joseph Barkley III, Vice Mayor

Stephen McNally

Taylor Shimkus

Suzy Sofer

#### **STAFF**

City Administrator

Debra S. Sullivan, MMC

City Attorney

Thomas J. Trask, Esquire

City Clerk

Alexis A. Silcox, CMC

Finance Director

Andrew Tess, CPA

## **INTRODUCTORY SECTION**

CITY OF BELLEAIR BLUFFS, FLORIDA  
ANNUAL COMPREHENSIVE FINANCIAL REPORT

September 30, 2022

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**INTRODUCTORY SECTION**

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## **LETTER OF TRANSMITTAL**





## **CITY OF BELLEAIR BLUFFS**

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Belleair Bluffs, Florida 33770  
Tel. (727) 584-2151  
Fax: (727) 584-6175  
[www.belleairbluffs.org](http://www.belleairbluffs.org)

February 17, 2023

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

State law requires that all general-purpose local governments publish, within nine months of the close of each fiscal year, a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual comprehensive financial report (ACFR) of the City of Belleair Bluffs for the fiscal year ended September 30, 2022. The ACFR was compiled by the Office of the Administrator in conjunction with the Finance Officer who is in close cooperation with the external auditor and associates and represents the official report of the City's financial operations and condition to the citizens, City Commission, the financial community, and other persons interested in the financial affairs of the City. The report consists of management's representations concerning the finances of the City of Belleair Bluffs. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City.

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

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

The City of Belleair Bluffs' financial statements have been audited by Wells, Houser & Schatzel, P.A., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Belleair Bluffs for the fiscal year ended September 30, 2022, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Belleair Bluffs' financial statements for the fiscal year ended September 30, 2022, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.



To the Honorable Mayor, City Commission, and Citizens of the City of Belleair Bluffs, Florida  
February 17, 2023

## **Profile of the Government**

Belleair Bluffs was incorporated initially as a Town in 1963 and in 1967 was chartered as the City of Belleair Bluffs under Laws of Florida Act of 1967 Chapter 67-1106. The form of government of the City of Belleair Bluffs shall be the Mayor/Commissioner plan. There was a City Administrator position established in 2018. The City had not had a full-time management position prior. The Assistant to the City Clerk was promoted to the City Clerk position at the same time. Policy making and legislative authority are vested in a governing commission consisting of the mayor and four other members. The City Commission is responsible for passing ordinances, adopting the budget, appointing committees. The City Administrator is responsible for Administration, Public Works and Finance. The City Attorney, City Administrator and the City Clerk are subject to appointment and termination pursuant to the Charter. The remaining departments, Law Enforcement and Fire Protection are provided by interlocal contractual agreements which are negotiated annually by the City Administrator and approved by the City Commission. The Mayor is responsible for day-to-day operations or executive powers needed for the efficient conduct of day-to-day activities for city business which shall be exercised by the Mayor as provided in Article 4 of the Charter. The Commission is elected on a nonpartisan basis. Commission members serve two-year staggered terms, with two commission members elected one year and the Mayor and two Commissioners elected the next year. The Mayor and Commissioners are elected at large. The city occupies a land area of a little over  $\frac{1}{2}$  square mile with approximately 9 miles of road and serves a population of 2,332. The City of Belleair Bluffs, Florida is empowered to levy a property tax on both real and personal properties located within its boundaries.

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

## **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Belleair Bluffs operates.

## **Local Economy**

The City consists of a combination of residential homes, condominiums, retail and commercial use areas. There are many restaurants, insurance agencies, banking institutions, a major grocery store, retail stores and a large drug store among other smaller medical facilities, dentists, and clinics. There is a major intersection linking the mainland to the beaches which is heavily trafficked. The City of Belleair Bluffs, Florida recovered from a challenging economic environment and now has recognized an increase in property values. The City has seen a rise in investor purchases of real estate, with an increase of rental properties. This in turn, reflects an increase in code violations. The Pinellas County Sheriff's Office has been contracted to provide a code enforcement deputy to specifically address all code violation issues. The City is "built out" so new construction does not occur very often, although we are seeing redevelopment of some residential properties such as joining of two properties and constructing one larger home.



To the Honorable Mayor, City Commission, and Citizens of the City of Belleair Bluffs, Florida  
February 17, 2023

## **Long Term Financial Planning**

The City of Belleair Bluffs, Florida has a long-range plan for infrastructure improvements (streets, drainage and road reconstruction). The current capital improvement financial plan has approximately \$2,924,673 allocated for streets and drainage improvements scheduled throughout the city over the next 4 years with approximately \$10 million dollars scheduled for improvements past the 4-year mark. The city will continue to reserve funds in anticipation of applying for the matching SWFWMD grant to improve the residential areas draining into the inter-coastal waterway. The City has secured this type of grant five times in the past and we have improved 6,550 feet or 1.2 miles of roadway. The city engaged with Pinellas County in a cost share program to repair the county owned sewer pipes while city road and drainage repair is scheduled. The Joint Project Agreement (JPA) is an innovative method to save costs for all citizens during the capital improvement project.

In 2015 a municipal public services tax was initiated to boost the reserve account that partially funds the capital improvement fund. It was estimated that this revenue stream would provide approximately \$225,000 annually. In 2017 an additional 5% was added to the collection with the stipulation that half of the 10% collected would be reserved for road and street improvement. The utility tax reserved along with the "Penny for Pinellas" sales surtax will be dedicated to capital infrastructure projects. The financial staff and the Commission feel that this is of vital importance to keep the City in the financial position that is required to maintain as well as improve; road and street projects as well as replace capital vehicles. The City continues plans to adopt a stormwater utility fee program to aide in capital improvement road projects which are consistently being required.

## **Relevant Financial Policies**

The City adopted a Resolution in 2014 to ensure continued operations of the necessary city service in case of a catastrophic event. This policy is designed to assist the city in maintaining adequate fund balance/net position and reserves in the City's operating funds to meet the needs of our constituents during natural disasters, economic recessions, revenue shortfalls and unanticipated one-time payouts. The policy enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied. The policy establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The initial distinction that is made in reporting fund balance information is identifying classifications as *restricted*, *committed*, *assigned*, and *unassigned*. In 2017 the City established a Finance Committee. This committee is made up of residents appointed by the City Commission members. Their duties are to review and make recommendations to the City Commission regarding the City's annual budget and capital improvement programs and perform other duties as requested by the City Commission. They meet regularly and have been very active in reviewing the annual budget and the Capital Improvement Plan.



To the Honorable Mayor, City Commission, and Citizens of the City of Belleair Bluffs, Florida  
February 17, 2023

### **Internal and Budgetary Control**


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

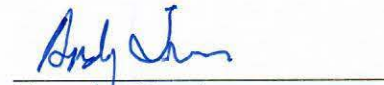
Budgetary control is maintained at the departmental level by reviewing comparisons to budgeted amounts monthly. Any increase or decrease in the total budget must be approved by the City Commission. The preparation of the report would not have been possible without the efficient and dedicated services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

### **CERTIFICATE OF ACHIEVEMENT**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Belleair Bluffs for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2021. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

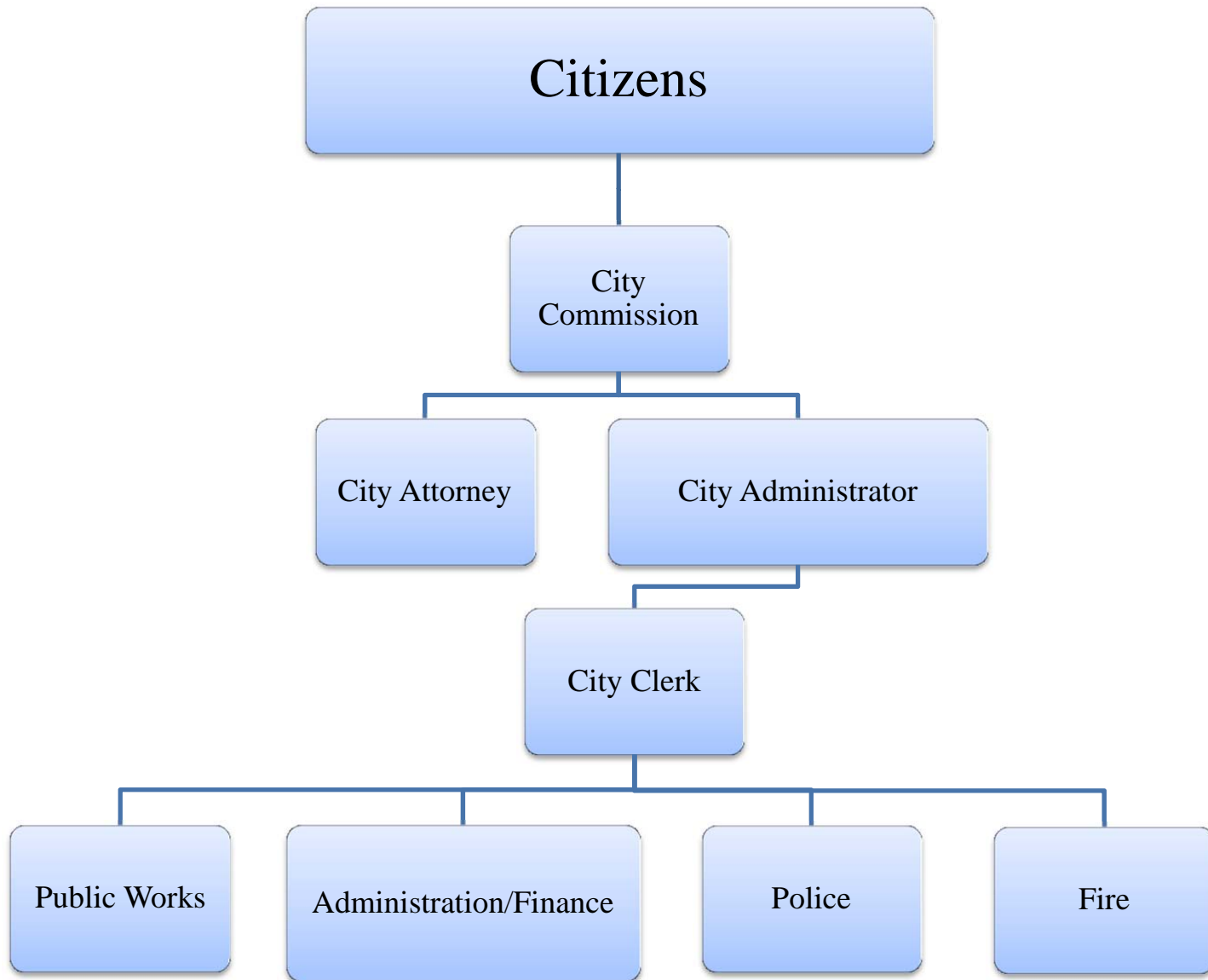
  
City Administrator  
Debra S. Sullivan, MMC

  
Finance Director  
Andy Tess, CPA

## **ORGANIZATIONAL CHART**

# City of Belleair Bluffs, Florida

## Organizational Chart



# **CERTIFICATE OF ACHIEVEMENT**



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Belleair Bluffs  
Florida**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2021

*Christopher P. Morill*

Executive Director/CEO



## **FINANCIAL SECTION**

This section contains:

INDEPENDENT AUDITOR'S REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS

BASIC FINANCIAL STATEMENTS

REQUIRED SUPPLEMENTARY INFORMATION

OTHER SUPPLEMENTARY SCHEDULES

## **INDEPENDENT AUDITOR'S REPORT**

## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Belleair Bluffs, Florida as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Belleair Bluffs, Florida's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Belleair Bluffs, Florida, as of September 30, 2022, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Belleair Bluffs, Florida and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Responsibilities of Management for the Financial Statements

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

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

#### Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.



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

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

### **Required Supplementary Information – Management's Discussion and Analysis**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-12 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information and Other Required Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Belleair Bluff, Florida's basic financial statements. The accompanying required supplementary information of the Budgetary Comparison Schedule – General Fund and supplementary information of the Budgetary Comparison Schedule – Capital Projects Fund and Reconciliation Statements from Governmental to Government-wide statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Budgetary Comparison Schedule – General Fund, Budgetary Comparison Schedule – Capital Projects Fund and Reconciliation Statements from Governmental to Government-wide statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2023, on our consideration of the City of Belleair Bluff, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Belleair Bluff, Florida's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Belleair Bluff, Florida's internal control over financial reporting and compliance.

Wells, Houser & Schatzel, P.A.  
St. Petersburg, Florida  
January 17, 2023

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **MANAGEMENT’S DISCUSSION AND ANALYSIS**

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

Since the Management’s Discussion and Analysis (MD&A) is designed to focus on the current year’s activities, resulting changes and currently known facts, please read it in conjunction with the Transmittal Letter (beginning on page iii) and the City’s financial statements (beginning on page 13).

### **HIGHLIGHTS**

#### **Financial Highlights**

- The City’s total current assets increased \$658,821 (or 14.41%). This increase is primarily due to increases in cash and investments from net excess revenues over expenditures in the General Fund and Capital Fund of \$406,235 and (\$229,463), respectively. The City also received unearned revenue in the amount of \$547,683 from the American Rescue Plan Act.
- The City’s net capital assets increased by \$164,844 (or 3%) due to current year additions of \$343,266 and current depreciation of \$178,422.
- The City’s net position increased \$608,774 (or 6.7%).
- The City’s long-term debt decreased by \$267,158 (or -75.56%). This amount is comprised of a reduction in the City’s revenue note of \$274,531 and an increase in compensated absences of \$7,373.
- General Fund revenues increased \$182,349 (or 8%) primarily from an increase in property taxes of \$141,916 and an increase in investment income of \$16,017. General Fund expenditures increased \$143,752 (or 7.53%) due to an increase in general government of \$32,848, an increase in police and fire of \$35,790 and an increase in public works of \$76,834.
- The Excess of Revenues Over (Under) Expenditures in the General Fund showed a surplus of \$406,235, an increase of \$38,597 over the prior year surplus of \$367,638. The Capital Fund showed a deficit of (\$229,463), a decrease of \$28,163 over the prior year deficit of \$(257,626).

#### **Government-wide Financial Statements**

The government-wide financial statements (see pages 13-14) are designed to be corporate-like in that all governmental activities are consolidated into columns which add to a total for the Primary Government. The focus of the Statement of Net Position (the “Unrestricted Net Position”) is designed to be similar to a bottom line for the City and its governmental activities. This statement combines and consolidates governmental fund’s current financial resources (short-term spendable resources) with capital assets and long term obligations.

The Statement of Activities (see page 14) is focused on both the gross and net cost of various activities which are provided by the government’s general tax and other revenues. This is intended to summarize



and simplify the user's analysis of cost of various governmental services and/or subsidy to various business-type activities.

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

**Fund Financial Statements**

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

The Governmental Major Fund presentation (see pages 15 and 17) is presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. Funds are established for various purposes and the Fund Financial Statements allow the demonstration of sources and uses and/or budgeting compliance associated therewith.

**Infrastructure Assets**

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

**GOVERNMENT-WIDE STATEMENT**

**Statement of Net Position**

The following table reflects the condensed comparative Statement of Net Position as of September 30, 2022.

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

	2022	2021 (As Restated)
Current assets	\$ 5,230,469	\$ 4,571,648
Capital assets	5,695,395	5,530,551
Total assets	<u>10,925,864</u>	<u>10,102,199</u>
Current liabilities	1,142,556	704,432
Non-current liabilities	86,416	309,649
Total liabilities	<u>1,228,972</u>	<u>1,014,081</u>

**Table 1 (Continued)**  
**Statement of Net Position**

Net position:

Net investment in capital		
assets	5,695,395	5,256,020
Restricted	756,399	892,910
Unrestricted	3,245,098	2,939,188
Total net position	\$ 9,696,892	\$ 9,088,118

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

**Normal Impacts**

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

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

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

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

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

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

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

**Current Year Impacts**

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

**Table 2**  
**Change in Unrestricted Net Position**

	2022
Unrestricted net position 9/30/21	\$ 2,939,188
Results of operations	608,774
Adjustments:	
Restricted – infrastructure/playground	136,511
Depreciation/loss on disposals	178,422
Adjusted results of operations	923,707
Capital expenditures	(343,266)
Principal payments	(274,531)
Unrestricted net position 9/30/22	\$ 3,245,098

**Statement of Activities**

The following schedule reflects a condensed comparative Statement of Changes in Net Position as of September 30, 2022.

**Table 3**  
**Change in Net Position**

	2022	2021 (As Restated)
Revenues:		
Program revenues:		
Charges for services	\$ 42,681	\$ 51,734
Operating grants and contributions	2,189	39,911
Capital grants and contributions	124,952	249,636
General revenues		
Taxes	2,500,493	2,272,573
State revenue sharing	93,522	88,890
Investment income	21,804	6,465
Total revenues	2,785,641	2,709,209

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

	2022	2021 (As Restated)
Expenses:		
Administration	\$ 610,910	\$ 577,459
Police	585,429	566,073
Fire	358,716	342,281
Public works	595,277	487,234
Interest on long-term debt	26,535	17,367
Total expenses	2,176,867	1,990,414
Increase/(decrease) in net position	608,774	718,795
Net position – beginning – before restatement	9,088,118	8,397,326
Restatement – Note 2, page 24	-	(28,003)
Net position – beginning – after restatement	9,088,118	8,369,323
Net position – end of year	\$ 9,696,892	\$ 9,088,118

For more detailed information see the Statement of Activities (page 14)

**Normal Impacts**

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

**Revenues:**

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

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

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

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

**Expenses:**

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

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

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

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

**Current Year Impacts:**

**Revenues:**

City-wide revenues increased \$76,433 (or 2.82%) as compared to 2021. General Fund revenues increased \$182,349 and Capital Projects Fund revenues decreased \$105,916.

General Fund revenues saw an overall increase primarily comprised of an increase in Ad Valorem revenue of \$141,916 (or 10.75%), franchise fees of \$13,690 (or 6.52%), public service tax of \$9,072 (or 3.4%) and investment income of \$16,017 (or 311%).

Capital Fund revenues saw an overall decrease due to a joint project agreement with Pinellas County for water and stormwater capital expenditure reimbursements in the amount of \$149,636 in 2021 and an increase in sales tax of \$44,398 (or 15.79%).

**Expenses:**

City-wide expenditures increased \$11,100 (or .43%). This increase is comprised of an increase in General Fund expenditures of \$145,179 (or 7.61%) and a decrease in Capital Project Fund expenditures of \$134,079 (or -19.44%).

The General Fund increase was due to an increase in general government of \$32,555, police and fire of \$35,790 and public works of \$76,834.

The Capital Fund decrease was due to a decrease in capital outlay of \$373,853 for a road reconstruction project and an increase in debt principal retirement of \$230,606.

## THE CITY FUNDS

### Governmental Funds

As of year-end, the governmental funds (as presented on the balance sheet on page 15) reported a combined fund balance of \$4.088 million, which was an increase of \$176,772 (or 4.52%) as compared to the combined fund balance at the beginning of the year. The General Fund had an increase, before transfers out, of \$406,235 due to an increase of revenue over expenditures and the Capital Projects Fund had a deficit, before transfers in, of (\$229,463) as discussed above in current year impacts.

### Budgetary Highlights

The final amount of budgeted revenues (amounts available for appropriations) was \$2,357,404. Actual revenues for the fiscal year 2022 were \$2,459,397 which resulted in a favorable variance of \$101,993. The final amounts of budgeted expenditures (charges to appropriations) for 2022 were \$2,327,997. The amounts of actual expenditures were \$2,053,162 which resulted in a favorable variance of \$274,835. The overall favorable budget variance for fiscal year 2022 is \$376,828. (Please see page 29 for more detailed information.) One-half of the excess between budgeted and actual public service tax revenues (\$12,843) and one-half of the budgeted public service tax revenues (\$125,000) in the General Fund of \$137,844 represents that portion of revenues from the public service tax that will be added to reserves to assist in funding future capital projects or any other unforeseen expenditure.

## CAPITAL ASSETS AND DEBT MANAGEMENT

### Capital Assets

As of September 30, 2022, the City had \$7,564,714 (total cost) invested in a variety of capital assets as compared to \$7,279,552 as of September 30, 2021. This represents a net increase of \$285,162 or 3.92% from the end of last year.

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

	Governmental Activities	
	2022	2021
Non-depreciable assets		
Land	\$ 1,589,066	\$ 1,589,066
Construction in progress	43,736	662,100
Depreciable assets		
Buildings & improvements	5,179,396	4,518,041
Furniture, fixtures & equipment	752,516	510,345
Total at historical cost	7,564,714	7,279,552
Less accumulated depreciation		
Buildings & improvements	(1,590,512)	(1,462,926)
Furniture, fixtures & equipment	(278,807)	(286,075)
Total accumulated depreciation	(1,869,319)	(1,749,001)
Capital assets, net	\$ 5,695,395	\$ 5,530,551

The following reconciliation summarizes the Change in Capital Assets, which is presented in more detail on page 25 of the notes.

**Table 5**  
**Change in Capital Assets**

	Governmental Activities
	2022
Capital assets, beginning balance	\$ 5,530,551
Additions/transfer in	343,266
Gain/(loss) on disposal	-
Depreciation	(178,422)
Capital Assets, ending balance	\$ 5,695,395

**Debt Outstanding**

As of September 30, 2022, the City paid off the note prior to maturity as compared to a balance of \$274,531 as of September 30, 2021. This represents a net decrease of \$274,531 or -100% from the end of last year.

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

	Governmental Activities	
	2022	2021
Revenue note, Series 2007	\$ -	\$ 274,531

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

To the best of our knowledge, there has been no change in the City's credit rating.

More detail on the City's total debt outstanding as of September 30, 2022 is provided in the notes to the financial statements on pages 25-26.



## **ECONOMIC FACTORS**

Belleair Bluffs saw a 10.79% increase in property values. This was the tenth consecutive year the City has seen an increase in property values. Due to the City's geographical size, it is limited in the amount of new construction and must rely on redevelopment of existing business and residential properties, while encouraging annexation.

The City began collecting its new revenue stream from public service tax on electricity in fiscal year 2015. This new revenue stream was increased an additional 5% and will be available to fund any unexpected expenditures, as well as assist the Capital Project Fund in funding necessary infrastructure projects. Currently, the City's Capital Improvement Plan is budgeting capital projects in excess of two million dollars over the next five years. Some of these projects may qualify for matching funds from the South West Florida Water Management District.

As with most municipalities, Belleair Bluffs has received its first and second draw of America Rescue Plan Act funds in the amount of \$1,095,366 of the total allocated amount of \$1,095,366. The City is in the process of determining the best use of these funds to provide the most beneficial impact to the city and its residents.

The City has seen an increase in investment earnings due to current economic condition but continues to evaluate areas that excess funds can be invested at higher rates while still adhering to City's investment policy.

## **FINANCIAL CONTACT**

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

## **BASIC FINANCIAL STATEMENTS**

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

CITY OF BELLEAIR BLUFFS, FLORIDA

STATEMENT OF NET POSITION

September 30, 2022

With comparative amounts for September 30, 2021

	Note or Schedule References	Governmental Activities	
		2022	2021 (as restated)
<b>ASSETS</b>			
Current Assets			
Cash and cash equivalents	Note 3	\$ 2,833,249	\$ 1,745,893
Investments	Note 3	2,241,348	2,738,287
Accounts receivable		99,217	48,444
Due from other governments	Note 4	32,706	16,143
Prepaid items		23,949	22,881
Total Current Assets		<u>5,230,469</u>	<u>4,571,648</u>
Noncurrent Assets			
Capital Assets	Note 5		
Nondepreciable		1,632,802	2,251,166
Depreciable, net of accumulated depreciation		4,062,593	3,279,385
Total Capital Assets		<u>5,695,395</u>	<u>5,530,551</u>
<b>TOTAL ASSETS</b>		<u><u>\$ 10,925,864</u></u>	<u><u>\$ 10,102,199</u></u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable and accrued items		\$ 47,189	\$ 112,824
Unearned revenue		1,095,367	547,683
Current portion of long-term obligations	Note 6	-	43,925
Total Current Liabilities		<u>1,142,556</u>	<u>704,432</u>
Long-Term Liabilities			
Noncurrent portion of long-term obligations	Note 6	86,416	309,649
Total Long-Term Liabilities		<u>86,416</u>	<u>309,649</u>
Total Liabilities		1,228,972	1,014,081
<b>NET POSITION</b>			
Net investment in capital assets		5,695,395	5,256,020
Restricted for			
Infrastructure	Note 1, pg 22	756,399	792,910
Playground equipment		-	100,000
Unrestricted		3,245,098	2,939,188
Total Net Position		<u>9,696,892</u>	<u>9,088,118</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>		<u><u>\$ 10,925,864</u></u>	<u><u>\$ 10,102,199</u></u>

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

CITY OF BELLEAIR BLUFFS, FLORIDA

STATEMENT OF ACTIVITIES

For the year ended September 30, 2022

With comparative total amounts for the year ended September 30, 2021

	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	
					2022	2021 (as restated)
Function/Program Activities						
Primary Government						
Government Activities						
Administration	\$ (610,910)	\$ 42,681	\$ 2,189	\$ 124,952	\$ (441,088)	\$ (385,814)
Police	(585,429)	-	-	-	(585,429)	(566,073)
Fire	(358,716)	-	-	-	(358,716)	(342,281)
Public works	(595,277)	-	-	-	(595,277)	(337,598)
Interest on Long-Term Debt	(26,535)	-	-	-	(26,535)	(17,367)
<b>Total Primary Government</b>	<b>\$ (2,176,867)</b>	<b>\$ 42,681</b>	<b>\$ 2,189</b>	<b>\$ 124,952</b>	<b>(2,007,045)</b>	<b>(1,649,133)</b>
General Revenues						
Taxes						
Property taxes					1,462,285	1,320,369
Sales and use taxes					494,570	431,101
Franchise fees					223,594	209,904
Communication services tax					44,360	44,587
Public service tax					275,684	266,612
State revenue sharing, unrestricted					93,522	88,890
Investment income					21,804	6,465
Total general revenues					<u>2,615,819</u>	<u>2,367,928</u>
Change in Net Position					608,774	718,795
Net Position Beginning - before restatement					9,088,118	8,397,326
Restatement - Note 2, page 24					-	(28,003)
Net Position Beginning - after restatement					<u>9,088,118</u>	<u>8,369,323</u>
Net Position Ending					<u>\$ 9,696,892</u>	<u>\$ 9,088,118</u>

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

CITY OF BELLEAIR BLUFFS, FLORIDA

BALANCE SHEET - GOVERNMENTAL FUNDS

September 30, 2022

With comparative total amounts for September 30, 2021

	2022			2021
				(as restated)
	General Fund	Capital Projects Fund	Total Governmental Funds	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,292,786	\$ 540,463	\$ 2,833,249	\$ 1,745,893
Investments	2,241,348	-	2,241,348	2,738,287
Accounts receivable	99,217	-	99,217	48,444
Due from other governments	9,722	22,984	32,706	16,143
Due from other funds	-	192,952	192,952	-
Prepaid items	23,949	-	23,949	22,881
<b>TOTAL ASSETS</b>	<b>\$ 4,667,022</b>	<b>\$ 756,399</b>	<b>\$ 5,423,421</b>	<b>\$ 4,571,648</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Accounts payable and accrued expenses	\$ 47,189	\$ -	\$ 47,189	\$ 112,824
Due to other funds	192,952	-	192,952	-
Unearned revenue	1,095,367	-	1,095,367	547,683
<b>TOTAL LIABILITIES</b>	<b>1,335,508</b>	<b>-</b>	<b>1,335,508</b>	<b>660,507</b>
<b>FUND BALANCES</b>				
Nonspendable	23,949	-	23,949	22,881
Restricted				
Playground equipment	-	-	-	100,000
Infrastructure	-	756,399	756,399	792,910
Committed				
Public works - street improvements	641,655	-	641,655	503,812
Assigned				
Administration - comprehensive plan	10,289	-	10,289	10,289
Administration - disaster recovery	108,628	-	108,628	108,628
Administration - land acquisition	95,000	-	95,000	95,000
Administration - City Hall improvements	28,586	-	28,586	50,000
Administration - data processing equipment	-	-	-	1,000
Public works - equipment	61,805	-	61,805	64,233
Public works - a/c replacement	15,000	-	15,000	10,000
Public works - roof replacement	7,500	-	7,500	3,750
Public works - drainage	514,918	-	514,918	514,918
Unassigned	1,824,184	-	1,824,184	1,633,720
<b>TOTAL FUND BALANCES</b>	<b>3,331,514</b>	<b>756,399</b>	<b>4,087,913</b>	<b>3,911,141</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 4,667,022</b>	<b>\$ 756,399</b>	<b>\$ 5,423,421</b>	<b>\$ 4,571,648</b>

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

CITY OF BELLEAIR BLUFFS, FLORIDA

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

September 30, 2022

Fund balances - total governmental funds		\$	4,087,913
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in government activities are not financial resources and therefore are not reported in the governmental funds			
Governmental capital assets	7,564,714		
Less accumulated depreciation	<u>(1,869,319)</u>		5,695,395
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds			
Compensated absences			<u>(86,416)</u>
Net position of governmental activities		\$	<u><u>9,696,892</u></u>

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

CITY OF BELLEAIR BLUFFS, FLORIDA

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

Year Ended September 30, 2022

With comparative total amounts for the year ended September 30, 2021

	General Fund	Capital Projects Fund	Total General Government	
			2022	2021 (as restated)
<b>REVENUES</b>				
Property taxes	\$ 1,462,285	\$ -	\$ 1,462,285	\$ 1,320,369
Sales taxes	-	325,611	325,611	281,213
Communications services tax	44,360	-	44,360	44,587
Franchise fees	223,594	-	223,594	209,904
Public service tax	275,684	-	275,684	266,612
Licenses and permits	31,318	-	31,318	35,186
Intergovernmental revenues	263,971	-	263,971	428,125
Charges for services	248	-	248	328
Fines and forfeitures	4,073	-	4,073	3,499
Investment income	21,170	634	21,804	6,465
Miscellaneous revenues	132,694	-	132,694	112,921
<b>TOTAL REVENUES</b>	<b>2,459,397</b>	<b>326,245</b>	<b>2,785,642</b>	<b>2,709,209</b>
<b>EXPENDITURES</b>				
Current				
General government	561,789	-	561,789	528,155
Law enforcement	585,428	-	585,428	566,073
Fire protection	358,716	-	358,716	342,281
Public works	458,605	-	458,605	381,130
Capital outlay	88,624	254,642	343,266	718,839
Debt Service				
Principal retirement	-	274,531	274,531	43,925
Interest and other charges	-	26,535	26,535	17,367
<b>TOTAL EXPENDITURES</b>	<b>2,053,162</b>	<b>555,708</b>	<b>2,608,870</b>	<b>2,597,770</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>406,235</b>	<b>(229,463)</b>	<b>176,772</b>	<b>111,439</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in (out)	(192,952)	192,952	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(192,952)</b>	<b>192,952</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>213,283</b>	<b>(36,511)</b>	<b>176,772</b>	<b>111,439</b>
<b>FUND BALANCES - BEGINNING OF YEAR (before restatement)</b>	<b>3,118,231</b>	<b>792,910</b>	<b>3,911,141</b>	<b>3,786,169</b>
Restatement	-	-	-	13,533
<b>FUND BALANCES - BEGINNING OF YEAR (after restatement)</b>	<b>3,118,231</b>	<b>792,910</b>	<b>3,911,141</b>	<b>3,799,702</b>
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 3,331,514</b>	<b>\$ 756,399</b>	<b>\$ 4,087,913</b>	<b>\$ 3,911,141</b>

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

CITY OF BELLEAIR BLUFFS, FLORIDA

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

For the year ended September 30, 2022

Net change in fund balances - total governmental funds \$ 176,772

Amounts reported for governmental activities in the statement of activities are different because:

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

Expenditure for capital assets	\$ 343,266	
Less current year depreciation	<u>(178,422)</u>	164,844

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

Principal payments on long-term debt		274,531
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Change in net position of governmental activities  
Some items reported in the Statement of Activities do not require the use of or provide current financial resources and therefore are not reported as revenues or expenditures in governmental funds.

Compensated absences		<u>(7,373)</u>
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Change in net position - governmental activities		<u><u>\$ 608,774</u></u>
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The accompanying notes to financial statements are an integral part of this statement.



CITY OF BELLEAIR BLUFFS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

The accounting policies of the City conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of these accounting policies are summarized below.

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

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

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

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

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

September 30, 2022

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

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

Governmental Fund Types:

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

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

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

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

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

**6. Budget and Budgetary Accounting**

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

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

September 30, 2022

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

**7. Assets, Liabilities and Fund Equity**

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

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

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

Capital Assets: Capital assets acquired or constructed in excess of \$5,000 are capitalized at historical cost. Donated assets are recorded at acquisition value as of the date received. Additions, improvements, and other capital outlays that extend the useful life of an asset are capitalized. Other costs incurred for repair and maintenance are expensed as incurred. Depreciation is provided using the straight-line method. The estimated useful lives of the classes of depreciable assets are as follows: Buildings – 40 years; improvements – 20 years; furniture and fixtures – 10 years; equipment – 7 years; vehicles – 5 years; data processing equipment – 3 years. Depreciation charged to expense for the year amounted to \$178,422.

Unearned revenue: composed of the unexpended first and second tranche from the American Rescue Plan Act (ARPA) in the amount of \$1,095,367.

Compensated Absences: Employees accrue sick and vacation time at varying amounts based on employment classification and length of employment. Sick time of up to 520 hours may be accumulated and will be paid upon voluntary termination at the rate of 25% of the hourly salary at the time of the voluntary termination. Supervisors will be paid their full-calculated sick hours upon retirement or voluntary termination. Unused accumulated vacation time is capped at 160 hours for regular employees employed less than 5 years and 240 hours for regular employees employed 5 or more years. Department heads will be paid for all accrued accumulated hours without cap upon retirement or voluntary termination. Any unused vacation will be paid upon termination. The City has recorded a liability for these amounts at September 30, 2022.

CITY OF BELLEAIR BLUFFS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Postretirement Health and Life Insurance Benefits: The City does not fund any postretirement health and life insurance benefits. Florida Statutes 112.0801 provides that municipalities that provide life and health insurance to their employees must allow all retired personnel and their eligible dependents the option of continuing to participate in the group plan. The City offers its group policies to all retirees and their dependents, with retirees bearing the responsibility for the premiums. Under the Consolidated Omnibus Reconciliation Act of 1985 (COBRA), the City is required to offer an election to deceased or terminated participants, their spouses and dependents, to continue coverage in the health plan provided by the City. The cost of coverage that the City may charge the participants may not exceed 102% of the applicable premium. The City has not recognized a liability for other postemployment benefits (OPEB) as premiums are age rated and there is no implicit rate subsidy attributed to health insurance premiums offered under COBRA.

Net Position: The government-wide financial statements utilize a net position presentation. Net Position is presented in three components – net investment in capital assets, restricted and unrestricted. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any related long-term debt. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Restricted Infrastructure net position of \$756,399 is restricted by a Pinellas County Ordinance. The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position. When both restricted and unrestricted resources are available for use, it is the option of the City to use restricted resources first, then unrestricted resources as they are needed.

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

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

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

Infrastructure: represents unexpended revenues legally restricted for infrastructure improvements.

Playground equipment: represents an unexpended contribution restricted by the donor to purchase playground equipment

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

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September 30, 2022

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

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

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

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

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

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

Unassigned: represents the residual classification for the general fund that has not been restricted or assigned to specific purposes within the general fund. Resolution 2014-03 establishes a minimum unassigned fund balance of two months operating expenditures. At September 30, 2022 that amount was determined to be \$382,166. The City is deemed in compliance with the minimum unassigned fund balance requirement of the resolution. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes it may be necessary to report a negative unassigned fund balance in that fund.

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

**8. Property Taxes**

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

**9. Other**

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

Interfund Activity: Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other

CITY OF BELLEAIR BLUFFS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

interfund transactions are treated as transfers.

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

**NOTE 2 – RESTATEMENT**

The September 30, 2021 amounts have been restated to correct presentation of two items: prepaid insurance and compensated absences sick accrual for supervisors.

Accounts payable at September 30, 2021 included \$14,960 for insurance premiums that covered the period 10/01/21 – 12/31/21 and should have been reflected as a prepaid expense. The September 30, 2021 beginning fund balance and net assets have been increased \$13,533, the September 30, 2021 General Fund operating expenses were decreased \$1,427 and the September 30, 2021 prepaid expense was increased \$14,960.

The City determined that it had not properly reflected 100% of the sick time accrual for supervisors compensated absences pursuant to Resolution 2017-17. The September 30, 2021 beginning net assets were decreased \$41,536, expenses in the Statement of Activities were increased \$3,652 and noncurrent long term liabilities were increased \$45,187.

The net affect of the above is to decrease the 2021 beginning net assets in the Statement of Activities by \$28,003.

**NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS**

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

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

Interest Rate Risk: The City attempts to minimize interest rate risk, related to the decline in market value of securities due to rising interest rates, by investing funds in the State Board of Administration investment pool, thereby avoiding the need to sell securities in the secondary market prior to maturity. The weighted average days to maturity of Florida PRIME at September 30, 2022 is 21 days.

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

CITY OF BELLEAIR BLUFFS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

**NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)**

The carrying amounts are separately displayed on the Statement of Net Position as cash and investments. A summary of the carrying amounts of total deposits and bank balance/fair value at September 30, 2022 is as follows:

	Carrying Amounts	Bank Balance/ Fair Value
Cash on hand	\$ 5,300	\$ -
Cash – bank accounts	2,827,949	2,891,951
<b>Total Cash and cash equivalents</b>	<b>\$ 2,833,249</b>	<b>\$ 2,891,951</b>
Investments		
State Board of Administration - Prime	\$ 2,241,348	\$ 2,241,348
<b>Total Investments</b>	<b>\$ 2,241,348</b>	<b>\$ 2,241,348</b>

**NOTE 4 – DUE FROM OTHER GOVERNMENTS**

The amount of \$32,706 due from other governments as of September 30, 2022 consists of the following: Communications Services Tax due from the State of Florida in the amount of \$7,044; Court Fines due from Pinellas County in the amount of \$428, Infrastructure Sales Surtaxes of \$20,735 and Local Option Gas Taxes of \$2,249 both due from Pinellas County and Traffic Signal Maintenance from Town of Belleair in the amount of \$2,250. These amounts are unsecured and represent concentrations of credit risk in the event that any of the governmental entities were unable to remit the amounts due the City.

**NOTE 5 - CHANGES IN CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2022, was as follows:

	Beginning Balance 10/01/21	Additions	Deletions	Transfers In (Out)	Ending Balance 9/30/22
Non-Depreciable Assets					
Land	\$ 1,589,066	\$ -	\$ -	\$ -	\$ 1,589,066
Construction in Progress	662,100	19,578	-	(637,942)	43,736
Depreciable Assets					
Buildings & improvements	4,518,041	23,413	-	637,942	5,179,396
Furniture, fixtures & equipment	510,345	300,725	(58,104)	-	752,516
<b>Totals at historical cost</b>	<b>7,279,552</b>	<b>343,266</b>	<b>(58,104)</b>	<b>-</b>	<b>7,564,714</b>
Less accumulated depreciation					
Buildings & improvements	(1,462,926)	(127,586)	-	-	(1,590,512)
Furniture, fixtures & equipment	(286,075)	(50,836)	58,104	-	(278,807)
<b>Total accumulated depreciation</b>	<b>(1,749,001)</b>	<b>(178,422)</b>	<b>58,104</b>	<b>-</b>	<b>(1,869,319)</b>
<b>Capital assets, net</b>	<b>\$ 5,530,551</b>	<b>\$ 164,844</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,695,395</b>

Depreciation expense was charged to governmental functions as follows:

Administration	\$ 44,780
Public works	133,642
	<b>\$ 178,422</b>

CITY OF BELLEAIR BLUFFS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

**NOTE 6 - LONG-TERM LIABILITIES**

The following is a summary of changes in long-term debt for the year ended September 30, 2022:

	Beginning Balance (as restated)	Increases	Decreases	Ending Balance	Amount due in one year
Direct borrowings	\$ 274,531	\$ -	\$ 274,531	\$ -	\$ -
Compensated absences	79,043	13,388	6,015	86,416	-
<b>Total long-term debt</b>	<b>\$ 353,574</b>	<b>\$ 13,388</b>	<b>\$ 280,546</b>	<b>\$ 86,416</b>	<b>\$ -</b>

Interest costs of \$26,535 were incurred for the year ended September 30, 2022. The total principal and interest paid during 2022 for the direct borrowings was \$301,066 or 100.95% of the pledged revenue. Infrastructure sales surtax revenue pledged for the payment of the debt totaled \$298,247 for a debt coverage ratio of .99:1.00. The debt was paid off prior to maturity on March 9, 2022.

Accrued compensated absences are liquidated in the funds that incur the respective liabilities, which is the general fund in the case of the City. Compensated absences are only paid out upon termination of employment from the City. The City is not aware of any pending retirements and estimates the amount of compensated absences to be due within one year to be zero.

Long-term debt is comprised of the following as of September 30, 2022:

<u>Accrued compensated absences</u> : consisting of that portion of accrued sick and vacation pay for governmental funds.	\$ 86,416
Total long-term liabilities	86,416
Less amount due in one year	-
Noncurrent portion of long-term liabilities	<u>\$ 86,416</u>

**NOTE 7 - RETIREMENT PLANS**

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

*Funding Policy.* The City contributes 10% of eligible wages (12% for City Administrator) each pay period. For fiscal years ended September 30, 2022, 2021 and 2020 the City contributed \$34,976, \$31,787, and \$26,569, respectively. The contributions were equal to the required contributions for each year. Employees vest in non-elective contributions 20% each year from date of hire and are 100% vested at five years of service. Forfeitures of \$0 were available to the City during the 2022 fiscal year and the City used \$0 of the amount to meet its contribution obligation for the year ended September 30, 2022.



CITY OF BELLEAIR BLUFFS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

**NOTE 8 - RISK FINANCING**

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

The Florida Municipal Liability Self Insurers Program is a risk pool that assumes the risk of loss for all participating members. The members are subject to additional premium assessments in the event that the risk pool required additional funding to satisfy all claims. The City has not been assessed any additional insurance premiums during the years ended September 30, 2022, 2021, or 2020 nor is the City aware of any contingent assessments. For the same three fiscal years, the City has not decreased its insurance coverage nor have any settlements been in excess of such coverage. The City does not self-insure against any risks. To the extent that the City has purchased commercial insurance, all risk of loss has been transferred to the insurance underwriter.

**NOTE 9 - COMMITMENTS**

Law Enforcement Service: The City has contracted with the Pinellas County Sheriff's Department to provide law enforcement services from October 1, 2022 through September 30, 2023 in the amount of \$582,504. The expenditure for the year ended September 30, 2022 was \$557,640.

Fire Suppression Services: Effective October 1, 2015 the City entered into an agreement with the City of Largo for the provision of Fire Suppression and Inspection Services. The agreement shall remain in effect through September 30, 2030. After the initial term, there is a fifteen (15) year renewal option that would extend the term to September 30, 2045. The annual contribution for the fiscal year ending September 30, 2023 is \$376,651 or \$31,387 monthly. For the fiscal year ended September 30, 2022 the City of Belleair Bluffs paid the City of Largo an annual contribution of \$358,716 or \$29,883 monthly. The annual contribution will be adjusted by the per capita distribution formula detailed in the contract, but in no event shall the increase exceed 5% annually.

Interlocal agreement for Station 43: The City has entered into interlocal agreements with the City of Largo and Town of Belleair as it relates to Fire Station 43. The agreement states that the cost of construction is amortized on a 30-year lease at which time the station reverts the full ownership to the City of Belleair Bluffs.

The construction cost was \$2,190,000 on property owned by Belleair Bluffs and leased to Largo for \$1 annually. If the City or Town terminates the contract with Largo for the provision of fire services each will proportionately pay Largo for the unamortized cost of the original construction. As of September 30, 2022 the 30-year lease unamortized cost is \$1,679,000.

Construction commitment: There were no outstanding construction commitments at September 30, 2022.

**NOTE 10 – INTERFUND TRANSFERS**

In fiscal year 2022 the General Fund transferred \$192,952 to the Capital Projects fund for donations received by the City for the construction of playground improvements paid for in the Capital Projects fund. The amount is reflected as Due from other funds and Due to other funds in the Balance Sheet – Governmental Funds.

There were no interfund transfers in fiscal year 2021.

CITY OF BELLEAIR BLUFFS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

**NOTE 11 – SUBSEQUENT EVENTS**

The City has evaluated whether any events have occurred subsequent to September 30, 2022 and before the issuance of the financial statements that would have an impact on the City's financial condition as of September 30, 2022 or would influence the conclusions reached by a reader of the financial statements regarding the City's overall financial condition. Management has evaluated such events through January 17, 2023 which is the date the financial statements were available to be issued and determined there are no events that should be disclosed.

## **REQUIRED SUPPLEMENTARY INFORMATION**

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

CITY OF BELLEAIR BLUFFS, FLORIDA

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

For the Year Ended September 30, 2022

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)
	Original	Final		
<b>RESOURCES (INFLOWS):</b>				
Property taxes	\$ 1,471,817	\$ 1,471,817	\$ 1,462,285	\$ (9,532)
Communications service tax	40,000	40,000	44,360	4,360
Franchise fees	198,500	198,500	223,594	25,094
Public service tax	250,000	250,000	275,684	25,684
Licenses, permits and fees	33,850	33,850	31,318	(2,532)
Intergovernmental revenues	218,000	218,000	263,971	45,971
Charges for services	150	150	248	98
Fines and forfeitures	4,000	4,000	4,073	73
Investment income	7,500	7,500	21,170	13,670
Miscellaneous revenues	8,500	133,587	132,694	(893)
<b>AMOUNTS AVAILABLE FOR APPROPRIATION</b>	<b>2,232,317</b>	<b>2,357,404</b>	<b>2,459,397</b>	<b>101,993</b>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>				
General Government Administration				
Operating	593,879	593,879	561,789	(32,090)
Capital outlay	6,000	38,000	38,532	532
Reserves	3,000	3,000	-	(3,000)
Total General Government	602,879	634,879	600,321	(34,558)
Public Safety				
Law enforcement	585,315	585,440	585,428	(12)
Fire protection	358,710	358,720	358,716	(4)
Total Public Safety	944,025	944,160	944,144	(16)
Public Works				
Operating	566,958	548,958	458,605	(90,353)
Capital outlay	65,000	51,000	50,092	(908)
Reserves	149,000	149,000	-	(149,000)
Total Public Works	780,958	748,958	508,697	(240,261)
<b>TOTAL CHARGES TO APPROPRIATIONS</b>	<b>2,327,862</b>	<b>2,327,997</b>	<b>2,053,162</b>	<b>(274,835)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer out	-	(192,952)	(192,952)	-
<b>EXCESS (DEFICIT) OF RESOURCES OVER CHARGES TO APPROPRIATIONS</b>	<b>(95,545)</b>	<b>(163,545)</b>	<b>213,283</b>	<b>376,828</b>
<b>FUND BALANCES- BEGINNING</b>	<b>3,118,231</b>	<b>3,118,231</b>	<b>3,118,231</b>	<b>-</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 3,022,686</b>	<b>\$ 2,954,686</b>	<b>\$ 3,331,514</b>	<b>\$ 376,828</b>

(continued)

CITY OF BELLEAIR BLUFFS, FLORIDA

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (continued)

For the Year Ended September 30, 2022

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

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 2,459,397
Differences - budget to GAAP:	
None	<u>-</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u><u>\$ 2,459,397</u></u>

USES/OUTFLOWS OF RESOURCES

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 2,053,162
Differences - budget to GAAP:	
None	<u>-</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u><u>\$ 2,053,162</u></u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Governmental Fund types budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Although there are no current year reconciling items the above reconciliation is presented as a placeholder for any future reconciling items that may arise.

## **OTHER SUPPLEMENTARY SCHEDULES**

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

CITY OF BELLEAIR BLUFFS, FLORIDA

BUDGETARY COMPARISON SCHEDULE - CAPITAL PROJECTS FUND

For the Year Ended September 30, 2022

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)
	Original	Final		
RESOURCES (INFLOWS):				
Sales taxes	\$ 255,000	\$ 255,000	\$ 325,611	\$ 70,611
Intergovernmental revenue	599,000	-	-	-
Investment income	2,500	2,500	634	(1,866)
AMOUNTS AVAILABLE FOR APPROPRIATION	856,500	257,500	326,245	68,745
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Operating				
Operating expenditures	-	-	-	-
Total operating	-	-	-	-
Capital outlay	1,203,000	261,100	254,642	(6,458)
Debt Service				
Principal payments	44,000	275,000	274,531	(469)
Interest payments	15,000	27,000	26,535	(465)
Total debt service	59,000	302,000	301,066	(934)
TOTAL CHARGES TO APPROPRIATIONS	1,262,000	563,100	555,708	(7,392)
OTHER FINANCING SOURCES (USES)				
Transfer in	-	192,952	192,952	-
EXCESS OF RESOURCES OVER (UNDER) CHARGES TO APPROPRIATIONS	(405,500)	(112,648)	(36,511)	76,137
FUND BALANCES- BEGINNING	792,910	792,910	792,910	-
FUND BALANCES - ENDING	\$ 387,410	\$ 680,262	\$ 756,399	\$ 76,137

(continued)

CITY OF BELLEAIR BLUFFS, FLORIDA

BUDGETARY COMPARISON SCHEDULE - CAPITAL PROJECTS FUND (continued)

For the Year Ended September 30, 2022

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

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 326,245
Differences - budget to GAAP:	
None	<u>-</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u><u>\$ 326,245</u></u>

USES/OUTFLOWS OF RESOURCES

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 555,708
Differences - budget to GAAP:	
None	<u>-</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u><u>\$ 555,708</u></u>



CITY OF BELLEAIR BLUFFS, FLORIDA

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

September 30, 2022

	Total Governmental Funds	Long-term Assets, Liabilities	Reclasses & Eliminations	Statement of Net Position Totals
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,833,249	\$ -	\$ -	\$ 2,833,249
Investments	2,241,348	-	-	2,241,348
Accounts receivable	99,217	-	-	99,217
Due from other governments	32,706	-	-	32,706
Due from other funds	192,952	-	(192,952)	-
Prepaid items	23,949	-	-	23,949
Capital assets	-	7,564,714	-	7,564,714
Accumulated depreciation	-	(1,869,319)	-	(1,869,319)
<b>TOTAL ASSETS</b>	<b>\$ 5,423,421</b>	<b>\$ 5,695,395</b>	<b>\$ (192,952)</b>	<b>\$ 10,925,864</b>
<b>LIABILITIES AND FUND BALANCES/NET POSITION</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued items	\$ 47,189	\$ -	\$ -	\$ 47,189
Unearned revenue	1,095,367	-	-	1,095,367
Due to other funds	192,952	-	(192,952)	-
Compensated absences	-	86,416	(86,416)	-
Noncurrent portion of long-term obligations	-	-	86,416	86,416
<b>TOTAL LIABILITIES</b>	<b>1,335,508</b>	<b>86,416</b>	<b>(192,952)</b>	<b>1,228,972</b>
<b>TOTAL FUND BALANCES / NET POSITION</b>	<b>4,087,913</b>	<b>5,608,979</b>	<b>-</b>	<b>9,696,892</b>
<b>TOTAL LIABILITIES AND FUND BALANCES / NET POSITION</b>	<b>\$ 5,423,421</b>	<b>\$ 5,695,395</b>	<b>\$ (192,952)</b>	<b>\$ 10,925,864</b>

CITY OF BELLEAIR BLUFFS, FLORIDA

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

For the Year Ended September 30, 2022

	Total Governmental Funds	Capital Related Items	Long-term Debt Transactions	Rounding, Reclasses & Eliminations	Statement of Activities Totals
<b>REVENUES</b>					
Property taxes	\$ 1,462,285	\$ -	\$ -	\$ -	\$ 1,462,285
Sales taxes	325,611	-	-	168,959	494,570
Communications services tax	44,360	-	-	-	44,360
Franchise fees	223,594	-	-	-	223,594
Public service tax	275,684	-	-	-	275,684
Licenses and permits	31,318	-	-	(31,318)	-
Intergovernmental revenue	263,971	-	-	(263,971)	-
State revenue sharing, unrestricted				93,522	93,522
Charges for services	248	-	-	42,433	42,681
Fines and forfeitures	4,073	-	-	(4,073)	-
Investment income	21,804	-	-	-	21,804
Operating grants and contributions	-	-	-	2,189	2,189
Capital grants and contributions	-	-	-	124,952	124,952
Miscellaneous revenues	132,694	-	-	(132,694)	-
<b>TOTAL REVENUES</b>	<b>2,785,642</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>2,785,641</b>
<b>EXPENDITURES</b>					
<b>Current</b>					
General Government	561,789	44,780	4,341	-	610,910
Law Enforcement	585,428	-	-	1	585,429
Fire Protection	358,716	-	-	-	358,716
Public Works	458,605	133,642	3,031	(1)	595,277
Capital Outlay	343,266	(343,266)	-	-	-
<b>Debt service</b>					
Principal retirement	274,531	-	(274,531)	-	-
Interest and fiscal charges	26,535	-	-	-	26,535
<b>TOTAL EXPENDITURES</b>	<b>2,608,870</b>	<b>(164,844)</b>	<b>(267,159)</b>	<b>-</b>	<b>2,176,867</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>176,772</b>	<b>164,844</b>	<b>267,159</b>	<b>(1)</b>	<b>608,774</b>
<b>OTHER FINANCING SOURCES</b>					
None	-	-	-	-	-
<b>NET CHANGE IN FUND BALANCE / NET POSITION</b>	<b>\$ 176,772</b>	<b>\$ 164,844</b>	<b>\$ 267,159</b>	<b>\$ (1)</b>	<b>\$ 608,774</b>

## **STATISTICAL SECTION**

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

## **Schedules of Financial Trends Information**

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

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental activities				
Net investment in capital assets	\$ 3,848,603	\$ 3,837,199	\$ 4,655,146	\$ 4,588,173
Restricted	486,898	583,740	257,270	436,798
Unrestricted	760,039	753,127	895,283	1,008,461
Total governmental activities net position	<u>\$ 5,095,540</u>	<u>\$ 5,174,066</u>	<u>\$ 5,807,699</u>	<u>\$ 6,033,432</u>

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 4,527,028	\$ 4,543,377	\$ 4,685,758	\$ 4,641,741	\$ 5,256,020	\$ 5,695,395
625,652	765,798	864,241	1,050,536	892,910	756,399
1,086,721	1,934,186	2,377,021	2,705,049	2,939,188	3,245,098
<u>\$ 6,239,401</u>	<u>\$ 7,243,361</u>	<u>\$ 7,927,020</u>	<u>\$ 8,397,326</u>	<u>\$ 9,088,118</u>	<u>\$ 9,696,892</u>

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

	2013	2014	2015	2016
<b>Expenses</b>				
Governmental activities:				
Administration	\$ 554,653	\$ 412,362	\$ 404,460	\$ 417,780
Police	451,201	455,444	466,690	476,544
Fire	282,383	270,185	271,287	286,539
Public works	404,403	418,451	392,825	477,588
Interest and fiscal charges on long-term debt	33,186	30,050	27,043	24,810
Total governmental activities expenses	<u>\$ 1,725,826</u>	<u>\$ 1,586,492</u>	<u>\$ 1,562,305</u>	<u>\$ 1,683,261</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services	\$ 86,938	\$ 81,643	\$ 75,937	\$ 84,089
Operating grants and contributions	7,860	8,918	8,676	10,085
Capital grants and contributions	-	-	379,795	-
Total governmental activities program revenues	<u>\$ 94,798</u>	<u>\$ 90,561</u>	<u>\$ 464,408</u>	<u>\$ 94,174</u>
<b>Net (Expense)/Revenue</b>	<u>\$ (1,631,028)</u>	<u>\$ (1,495,931)</u>	<u>\$ (1,097,897)</u>	<u>\$ (1,589,087)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Taxes				
Property taxes	\$ 821,451	\$ 844,925	\$ 888,002	\$ 955,456
Sales and use taxes	318,920	336,197	358,431	376,006
Fire insurance premium tax	48,061	-	-	-
Franchise fees	192,743	209,554	207,575	194,489
Communication services tax	105,950	98,137	96,435	83,021
Public service tax	-	-	85,408	114,114
State revenue sharing	85,149	85,639	86,473	86,519
Gain on disposal of assets	-	-	-	-
Investment income	10,975	5	9,206	5,215
Special items	(395,934)	-	-	-
Total governmental activities	<u>1,187,315</u>	<u>1,574,457</u>	<u>1,731,530</u>	<u>1,814,820</u>
<b>Change in Net Position</b>	<u>\$ (443,713)</u>	<u>\$ 78,526</u>	<u>\$ 633,633</u>	<u>\$ 225,733</u>

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

2017	2018	2019	2020	2021	2022
\$ 485,201	\$ 491,310	\$ 486,102	\$ 529,047	\$ 577,459	\$ 610,910
507,087	518,524	535,738	552,817	566,073	585,429
294,724	304,583	317,559	325,983	342,281	358,716
438,135	477,460	438,263	455,985	487,234	595,277
22,706	23,509	22,482	19,924	17,367	26,535
<u>\$ 1,747,853</u>	<u>\$ 1,815,386</u>	<u>\$ 1,800,144</u>	<u>\$ 1,883,756</u>	<u>\$ 1,990,414</u>	<u>\$ 2,176,867</u>
\$ 88,941	\$ 59,936	\$ 55,853	\$ 43,036	\$ 51,734	\$ 42,681
2,530	16,935	198,847	27,783	39,911	2,189
-	-	-	17,207	249,636	124,952
<u>\$ 91,471</u>	<u>\$ 76,871</u>	<u>\$ 254,700</u>	<u>\$ 88,026</u>	<u>\$ 341,281</u>	<u>\$ 169,822</u>
\$ (1,656,382)	\$ (1,738,515)	\$ (1,545,444)	\$ (1,795,730)	\$ (1,649,133)	\$ (2,007,045)
\$ 1,018,328	\$ 1,087,621	\$ 1,170,588	\$ 1,238,133	\$ 1,320,369	\$ 1,462,285
383,875	396,702	411,987	387,597	431,101	494,570
-	-	-	-	-	-
190,472	199,698	215,218	210,680	209,904	223,594
41,668	45,732	44,829	47,732	44,587	44,360
112,988	228,998	250,360	261,656	266,612	275,684
86,929	87,428	87,877	87,227	88,890	93,522
-	684,673	-	-	-	-
8,428	11,623	48,244	33,011	6,465	21,804
-	-	-	-	-	-
<u>1,842,688</u>	<u>2,742,475</u>	<u>2,229,103</u>	<u>2,266,036</u>	<u>2,367,928</u>	<u>2,615,819</u>
<u>\$ 186,306</u>	<u>\$ 1,003,960</u>	<u>\$ 683,659</u>	<u>\$ 470,306</u>	<u>\$ 718,795</u>	<u>\$ 608,774</u>



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

	2013	2014	2015	2016
General Fund				
Nonspendable	\$ -	\$ -	\$ 5,315	\$ 13,005
Restricted				
Emergency medical services	45,588	45,588	45,588	45,588
Playground equipment	-	-	-	-
Committed to:				
Public works - street improvements	-	-	-	-
Assigned to:				
Administration - comp plan	9,289	9,289	9,289	9,289
Administration - disaster recovery	47,794	47,794	47,794	47,794
Administration - land acquisition	95,000	95,000	95,000	95,000
Administration - contingency reserve	77,069	-	-	-
Administration - data processing equip	2,000	4,000	2,611	4,611
Administration - City Hall improvements	-	-	-	2,000
Public works - capital assets	37,185	37,185	42,185	53,185
Public works - drainage	188,500	188,500	251,721	339,912
Unassigned	305,125	372,657	446,769	481,555
Total General Fund	<u>\$ 807,550</u>	<u>\$ 800,013</u>	<u>\$ 946,272</u>	<u>\$ 1,091,939</u>
All Other Governmental Funds				
Restricted for:				
Infrastructure	\$ 441,310	\$ 538,152	\$ 211,682	\$ 391,210
Assigned to:				
Fire	15,766	15,766	15,766	15,766
Subsequent years expenditures	-	2,301	-	-
Infrastructure	18,794	19,372	22,865	25,146
Total all Other Governmental Funds	<u>\$ 475,870</u>	<u>\$ 575,591</u>	<u>\$ 250,313</u>	<u>\$ 432,122</u>

2017	2018	2019	2020	2021	2022
\$ 50,437	\$ 5,363	\$ 6,946	\$ 7,005	\$ 22,881	\$ 23,949
45,588	-	-	-	-	-
-	-	-	-	100,000	-
-	114,499	239,679	370,507	503,812	641,655
9,289	10,289	10,289	10,289	10,289	10,289
47,794	31,578	100,000	100,000	108,628	108,628
95,000	95,000	95,000	95,000	95,000	95,000
-	-	-	-	-	-
6,611	11,525	-	-	1,000	-
6,000	20,000	30,000	40,000	50,000	28,586
63,185	51,185	21,030	53,983	77,983	84,305
459,192	479,660	514,918	514,918	514,918	514,918
340,994	1,107,001	1,351,058	1,543,931	1,633,720	1,824,184
<u>\$ 1,124,090</u>	<u>\$ 1,926,100</u>	<u>\$ 2,368,920</u>	<u>\$ 2,735,633</u>	<u>\$ 3,118,231</u>	<u>\$ 3,331,514</u>
\$ 580,064	\$ 765,798	\$ 864,241	\$ 1,050,536	\$ 792,910	\$ 756,399
15,766	15,766	15,766	-	-	-
-	-	-	-	-	-
21,429	20,678	20,678	-	-	-
<u>\$ 617,259</u>	<u>\$ 802,242</u>	<u>\$ 900,685</u>	<u>\$ 1,050,536</u>	<u>\$ 792,910</u>	<u>\$ 756,399</u>

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

	2013	2014	2015	2016
<b>Revenues</b>				
Property taxes	\$ 821,451	\$ 844,925	\$ 888,002	\$ 955,456
Sales taxes	206,821	219,312	235,290	247,451
Fire insurance premium tax	48,061	-	-	-
Communications service tax	105,950	98,137	96,435	83,021
Franchise fees	192,743	209,554	207,575	194,489
Public service tax	-	-	85,408	114,114
Licenses and permits	29,488	33,349	32,288	34,173
Intergovernmental revenue	198,808	204,087	590,965	219,371
Charges for services	33,058	32,980	32,992	35,939
Fines and forfeitures	5,791	3,620	2,659	3,038
Investment income	10,975	6	9,206	5,215
Miscellaneous revenue	24,901	19,048	15,118	16,727
Total revenues	<u>1,678,047</u>	<u>1,665,018</u>	<u>2,195,938</u>	<u>1,908,994</u>
<b>Expenditures</b>				
General government	524,551	381,478	373,812	389,275
Law enforcement	451,201	455,444	466,690	476,544
Fire protection	655,551	264,077	269,649	284,682
Public works	329,220	347,911	316,075	352,891
Capital outlay	74,780	28,411	867,887	9,391
Debt service				
Principal retirement	65,463	65,463	53,801	43,925
Interest and fiscal charges	33,186	30,050	27,043	24,810
Total expenditures	<u>2,133,952</u>	<u>1,572,834</u>	<u>2,374,957</u>	<u>1,581,518</u>
Excess of revenues over (under) expenditures	(455,905)	92,184	(179,019)	327,476
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of capital assets	-	-	-	-
Insurance recoveries	-	-	-	-
Transfers in	98,900	-	-	-
Transfers out	(98,900)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(455,905)	92,184	(179,019)	327,476
Fund balances - beginning of year	1,739,325	1,283,420	1,375,604	1,196,585
Restatement - prepaid insurance	-	-	-	-
Fund balances - beginning of year	<u>1,739,325</u>	<u>1,283,420</u>	<u>1,375,604</u>	<u>1,196,585</u>
Fund balances - end of year	<u>\$ 1,283,420</u>	<u>\$ 1,375,604</u>	<u>\$ 1,196,585</u>	<u>\$ 1,524,061</u>
Debt service as a percentage of noncapital expenditures	4.8%	6.2%	5.4%	4.4%

2017	2018	2019	2020	2021	2022
\$ 1,018,328	\$ 1,087,621	\$ 1,170,588	\$ 1,238,133	\$ 1,320,369	\$ 1,462,285
254,229	263,683	275,495	256,783	281,213	325,611
-	-	-	-	-	-
41,668	45,732	44,829	47,732	44,587	44,360
190,472	199,698	215,218	210,680	209,904	223,594
112,988	228,998	250,360	261,656	266,612	275,684
27,506	41,604	31,809	31,363	35,186	31,318
218,540	236,607	422,066	229,300	428,125	263,971
37,106	132	211	132	328	248
4,047	4,554	5,442	3,328	3,499	4,073
8,428	11,623	48,244	33,011	6,465	21,804
20,847	14,421	19,540	14,362	112,921	132,694
<u>1,934,159</u>	<u>2,134,673</u>	<u>2,483,802</u>	<u>2,326,480</u>	<u>2,709,209</u>	<u>2,785,642</u>
451,076	475,612	458,885	491,441	528,155	561,789
507,087	518,524	535,738	552,817	566,073	585,428
293,755	302,475	317,559	325,983	342,281	358,716
385,969	374,655	339,094	350,986	381,130	458,605
12,953	102,940	224,856	52,422	718,839	343,266
43,925	43,925	43,925	43,925	43,925	274,531
22,706	23,509	22,482	19,924	17,367	26,535
<u>1,717,471</u>	<u>1,841,640</u>	<u>1,942,539</u>	<u>1,837,498</u>	<u>2,597,770</u>	<u>2,608,870</u>
216,688	293,033	541,263	488,982	111,439	176,772
600	693,960	-	-	-	-
-	-	-	27,582	-	-
-	-	-	36,444	-	192,952
-	-	-	(36,444)	-	(192,952)
<u>600</u>	<u>693,960</u>	<u>-</u>	<u>27,582</u>	<u>-</u>	<u>-</u>
217,288	986,993	541,263	516,564	111,439	176,772
1,524,061	1,741,349	2,728,342	3,269,605	3,786,169	3,911,141
-	-	-	-	13,533	-
<u>1,524,061</u>	<u>1,741,349</u>	<u>2,728,342</u>	<u>3,269,605</u>	<u>3,799,702</u>	<u>3,911,141</u>
<u>\$ 1,741,349</u>	<u>\$ 2,728,342</u>	<u>\$ 3,269,605</u>	<u>\$ 3,786,169</u>	<u>\$ 3,911,141</u>	<u>\$ 4,087,913</u>
3.9%	3.9%	3.9%	3.6%	3.3%	13.3%

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

<b>Function / Program</b>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental activities :				
Charges for services				
Administration	\$ 54,156	\$ 48,861	\$ 43,155	\$ 48,267
Fire	32,782	32,782	32,782	35,822
Total charges for services	<u>86,938</u>	<u>81,643</u>	<u>75,937</u>	<u>84,089</u>
Operating grants and contributions				
Administration	1,560	2,618	2,376	4,835
Public Works	6,300	6,300	6,300	5,250
Total operating grants and contributions	<u>7,860</u>	<u>8,918</u>	<u>8,676</u>	<u>10,085</u>
Capital grants and contributions				
Administration	-	-	-	-
Public Works	-	-	379,795	-
Total capital grants and contributions	<u>-</u>	<u>-</u>	<u>379,795</u>	<u>-</u>
Total primary government revenues	<u>\$ 94,798</u>	<u>\$ 90,561</u>	<u>\$ 464,408</u>	<u>\$ 94,174</u>

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 52,045	\$ 59,936	\$ 55,853	\$ 43,036	\$ 51,734	\$ 42,681
36,896	-	-	-	-	-
<u>88,941</u>	<u>59,936</u>	<u>55,853</u>	<u>43,036</u>	<u>51,734</u>	<u>42,681</u>
2,530	16,935	198,847	27,783	39,911	2,189
-	-	-	-	-	-
<u>2,530</u>	<u>16,935</u>	<u>198,847</u>	<u>27,783</u>	<u>39,911</u>	<u>2,189</u>
-	-	-	17,207	100,000	124,952
-	-	-	-	149,636	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>17,207</u>	<u>249,636</u>	<u>124,952</u>
<u>\$ 91,471</u>	<u>\$ 76,871</u>	<u>\$ 254,700</u>	<u>\$ 88,026</u>	<u>\$ 341,281</u>	<u>\$ 169,822</u>

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

Fiscal Year Ended September 30,	Ad Valorem	Sales and Use Taxes	Fire Insurance Premium Tax (1)	Franchise Fees	Public Service Tax (2)	Communications Service Tax	Total
2022	\$ 1,462,285	\$ 494,570	\$ -	\$ 223,594	\$ 275,684	\$ 44,360	\$ 2,500,493
2021	1,320,369	431,101	-	209,904	266,612	44,587	2,272,573
2020	1,238,133	387,597	-	210,680	261,656	47,732	2,145,798
2019	1,170,588	411,987	-	215,218	250,360	44,829	2,092,982
2018	1,087,621	396,702	-	199,698	228,998	45,732	1,958,751
2017	1,018,328	383,875	-	190,472	112,988	41,668	1,747,331
2016	955,456	376,006	-	194,489	114,114	83,021	1,723,086
2015	888,002	358,431	-	207,575	85,408	96,435	1,635,851
2014	844,925	336,197	-	209,554	-	98,137	1,488,813
2013	821,451	318,920	48,061	192,743	-	105,950	1,487,125

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

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

## **Schedules of Revenue Capacity Information**

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



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

Fiscal Year Ended September 30,	Residential Property	Commercial Property	Governmental Property	Institutional Property
2022	\$ 288,160,764	\$ 58,286,354	\$ 7,147,525	\$ 1,002,730
2021	258,339,019	54,403,198	6,497,750	911,573
2020	231,945,931	52,886,988	5,907,046	879,694
2019	217,672,937	49,680,014	5,404,673	843,800
2018	196,028,953	56,650,965	4,984,793	825,547
2017	192,476,765	43,534,062	3,257,319	805,888
2016	180,187,912	42,234,480	3,102,897	783,308
2015	170,073,072	40,492,381	2,846,042	754,231
2014	159,216,069	39,765,381	2,743,034	744,473
2013	152,035,768	37,967,870	2,648,262	740,264

Source: Pinellas County Property Appraiser

Leasehold Interests	Total Assessed Value	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
\$ 85	\$ 354,597,458	(46,531,511)	\$ 308,065,947	5.3500
85	320,151,625	(44,548,985)	275,602,640	5.3500
85	291,619,744	(43,905,115)	247,714,629	5.3500
85	273,601,509	(42,675,257)	230,926,252	5.3500
515,504	259,005,762	(41,663,356)	217,342,406	5.3500
500,341	240,574,375	(39,701,330)	200,873,045	5.3500
610,510	226,919,107	(39,386,277)	187,532,830	5.3500
594,252	214,759,978	(38,430,804)	176,329,174	5.3500
577,408	203,046,365	(38,177,130)	164,869,235	5.3500
558,271	193,950,435	(38,263,887)	155,686,548	5.3500

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

Fiscal Year	City	Total County Operating	School Board	Transit District	Emergency Medical Services	Southwest Florida Water Management District	Juvenile Welfare Board	Pinellas County Planning Council	Total
2022	5.3500	5.2092	6.3250	0.7500	0.9158	0.2535	0.8981	0.0150	19.7166
2021	5.3500	5.3590	6.4270	0.7500	0.9158	0.2669	0.8981	0.0150	19.9818
2020	5.3500	5.3590	6.4270	0.7500	0.9158	0.2669	0.8981	0.0150	19.9818
2019	5.3500	5.3590	6.5840	0.7500	0.9158	0.2801	0.8981	0.0150	20.1520
2018	5.3500	5.3590	6.7270	0.7500	0.9158	0.2955	0.8981	0.0150	20.3104
2017	5.3500	5.3377	7.3180	0.7500	0.9158	0.3317	0.8981	0.0150	20.9163
2016	5.3500	5.3377	7.7700	0.7305	0.9158	0.3488	0.8981	0.0160	21.3669
2015	5.3500	5.3377	7.8410	0.7305	0.9158	0.3658	0.8981	0.0160	21.4549
2014	5.3500	5.3377	8.0600	0.7305	0.9158	0.3818	0.8981	0.0160	21.6899
2013	5.3500	5.0727	8.3020	0.7305	0.9158	0.3928	0.8981	0.0125	21.6744

Note:

Source: Pinellas County Tax Collector

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

Taxpayer	2022			2013		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Waldrep Enterprises, LLP	\$ 8,045,577	1	2.61%	\$ -	-	-
Belleair Plaza, LLC	7,335,000	2	2.38%	-	-	-
Jasue, LLC	6,792,500	3	2.20%	4,800,000	1	3.08%
Palms of Belleair, LLC	6,380,300	4	2.07%	4,040,000	3	2.59%
Harbor Bluffs Venture LLC	6,095,000	5	1.98%	3,650,000	4	2.34%
Morgan, Larry C	5,355,451	6	1.74%	-	-	-
Elks Plaza, LLC	4,820,000	7	1.56%	-	-	-
Artist's Way, LLC	3,618,363	8	1.17%	-	-	-
Guthrie, Sarah Moores Walker Rev Trust	3,256,766	9	1.06%	-	-	-
Doe, Janet T Tre	3,251,053	10	1.06%	-	-	-
Skyview Enterprises, LLC	-	-	-	4,800,000	2	3.08%
Safee, Edward F	-	-	-	2,895,079	5	1.86%
Berolzheimber, David Trust	-	-	-	2,720,000	6	1.75%
Murphy, John J	-	-	-	1,850,000	7	1.19%
Johnson, Robert K	-	-	-	1,711,481	8	1.10%
South River Realty LLC	-	-	-	1,600,000	9	1.03%
Chivas, Frank R	-	-	-	1,563,982	10	1.00%
Total Principal Taxpayers	54,950,010		17.84%	29,630,542		19.03%
All Other Taxpayers	253,115,937		82.16%	126,056,006		80.97%
Total	<u>\$ 308,065,947</u>		<u>100.00%</u>	<u>\$ 155,686,548</u>		<u>100.00%</u>

Note:

Source: Pinellas County Property Appraiser's Office

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

Fiscal Year Ended September 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Total Collections to Date	
		Amount	Percentage of Levy	Amount	Percentage of Levy
2022	\$ 1,517,337	\$ 1,462,285	96.37%	\$ 1,462,285	96.37%
2021	1,369,713	1,320,369	96.40%	1,320,369	96.40%
2020	1,283,759	1,238,133	96.45%	1,238,133	96.45%
2019	1,213,837	1,170,588	96.44%	1,170,588	96.44%
2018	1,129,031	1,087,621	96.33%	1,087,621	96.33%
2017	1,054,570	1,018,328	96.56%	1,018,328	96.56%
2016	981,447	955,456	97.35%	955,456	97.35%
2015	924,556	888,002	96.05%	888,002	96.05%
2014	875,078	844,925	96.55%	844,925	96.55%
2013	849,825	821,451	96.66%	821,451	96.66%

Notes:

Source: Pinellas County Property Appraiser

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

## **Schedules of Debt Capacity Information**

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

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

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

Fiscal Year	Governmental Activities		Percentage of Personal Income	Per Capita
	Revenue Note Series 2007	Total		
2022	\$ -	\$ -	0.00%	\$ -
2021	274,531	274,531	0.32%	127
2020	318,456	318,456	0.41%	152
2019	362,381	362,381	0.46%	173
2018	406,306	406,306	0.61%	197
2017	450,230	450,230	0.79%	216
2016	494,155	494,155	0.84%	246
2015	538,080	538,080	0.91%	262
2014	591,881	591,881	1.07%	288
2013	657,344	657,344	1.22%	323

Notes:

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

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

The Revenue Note Series 2007 was paid off early in fiscal year 2022.

City of Belleair Bluffs  
 Schedule 12  
 Direct and Overlapping Governmental Activities Debt  
 As of September 30, 2022

Governmental Unit	Debt Outstanding	(1) Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Overlapping debt:			
Pinellas County School Board	\$ -		
Lease liabilities			
Pinellas County School Board	9,314,547		
Pinellas County	35,905,598		
Pinellas County Governmental Activities Bonds	<u>6,318,081</u>		
Total overlapping debt	\$ 51,538,226	0.292%	\$ 150,434
City direct debt		100%	<u>-</u>
Total direct and overlapping debt			<u><u>\$ 150,434</u></u>

Notes:

Source: Pinellas County

(1) The City's share is calculated based on the ratio of the 2022 City Taxable Value of \$308,315,135 to the County's Taxable Value of \$105,627,946,782



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

Year	Infrastructure Sales Tax	Revenue Note Series 2007		
		Principal	Interest	Coverage
2022	\$ 298,247	\$ 274,531	\$ 26,535	0.99
2021	254,439	43,925	17,367	4.15
2020	230,467	43,925	19,924	3.61
2019	246,811	43,925	22,482	3.72
2018	233,887	43,925	23,509	3.47
2017	223,003	43,925	22,706	3.35
2016	216,737	43,925	24,810	3.15
2015	205,188	53,801	27,043	2.54
2014	189,874	65,463	30,050	1.99
2013	177,973	65,463	33,185	1.80

The Revenue Note Series 2007 was paid off early in fiscal year 2022.

# **Schedules of Demographic and Economic Information**

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

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

Year	Population (1)	Personal Income (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
2022	2,332	\$ 116,957,841	\$ 51,051	2.4%
2021	2,317	84,555,360	39,146	3.6%
2020	2,094	78,091,542	37,293	5.7%
2019	2,167	77,658,779	35,837	3.3%
2018	2,061	66,621,825	32,325	3.0%
2017	2,089	62,995,884	30,156	3.3%
2016	2,011	57,323,555	28,505	4.8%
2015	2,052	59,163,264	28,832	5.2%
2014	2,052	55,547,189	27,070	5.3%
2013	2,037	54,059,943	26,539	5.8%

Note:

Sources:

- (1) Pinellas County Economic Development
- (2) Extrapolated from Per Capita info, times the population
- (3) Pinellas County Economic Development
- (4) Florida Department of Economic Opportunity, Local Area Unemployment Statistics  
 Tampa-St. Petersburg-Clearwater, FL Unemployment Rate (not seasonally adjusted) for September 2022

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

Employer	2022			2013		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage Total City Employment
Raymond James	4,000	1	N/A	2,850	3	N/A
Home Shopping Network	2,000	2	N/A	1,600	10	N/A
Tech Data Corp.	2,000	3	N/A	1,800	9	N/A
Spectrum	2,000	4	N/A	N/A		N/A
Fidelity Information Svc	1,500	5	N/A	N/A		N/A
Nielsen Media Research	1,500	6	N/A	3,560	1	N/A
Jabil Circuit, Inc.	1,500	7	N/A	N/A		N/A
Honeywell Aerospace	1,500	8	N/A	N/A		N/A
Valpak	1,500	9	N/A	N/A		N/A
Superior Uniform Group	1,000	10	N/A	N/A		N/A
Times Publishing Corp.	N/A		N/A	3,187	2	N/A
Morton Plant Hospital	N/A		N/A	2,448	4	N/A
Raytheon	N/A		N/A	2,200	5	N/A
All Children's Health Systems	N/A		N/A	2,000	6	N/A
Bayfront Medical Center, Inc.	N/A		N/A	2,000	7	N/A
Progress Energy, Florida	N/A		N/A	1,950	8	N/A
	<u>18,500</u>		<u>-</u>	<u>23,595</u>		<u>-</u>

Note:

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

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

Source: Pinellas County Economic Development Department.

## **Schedules of Operating Information**

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

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

<u>Function/Program</u>	Full time equivalent employees September 30,					
	2013	2014	2015	2016	2017	2018
<b>General government</b>						
City Administrator	-	-	-	-	-	1.0
City Clerk	1.0	1.0	1.0	1.0	1.0	1.0
Administrative Services	2.0	2.0	1.5	1.5	2.5	1.5
<b>Public Safety</b>						
Fire	*	*	*	*	*	*
Police	*	*	*	*	*	*
Protective Inspections/Planning	1.0	1.0	1.0	-	-	-
<b>Public Works</b>						
Technical Services/Building	1.0	1.0	1.0	1.0	-	1.0
Grounds Beautification	1.0	1.0	1.0	1.0	1.0	1.0
Road and Street Facilities	2.0	1.0	1.0	1.0	1.0	1.0
	<u>8.0</u>	<u>7.0</u>	<u>6.5</u>	<u>5.5</u>	<u>5.5</u>	<u>6.5</u>

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

2019	2020	2021	2022
1.0	1.0	1.0	1.0
1.0	1.0	1.0	1.0
1.5	1.5	1.5	1.5
*	*	*	*
*	*	*	*
-	-	-	-
1.0	1.0	1.0	1.0
1.0	1.0	1.0	1.0
1.0	1.0	1.0	1.0
6.5	6.5	6.5	6.5

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

<u>Function/Program</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Police						
Physical arrests	52	81	68	64	59	98
Parking violations	7	17	36	5	32	146
Traffic violations	322	352	161	163	194	317
Fire						
Emergency responses	652	626	732	637	356	284
Fires extinguished	119	44	54	47	59	37
Inspections	233	39	43	32	82	162
Public works						
Street resurfacing (miles)	0.29	0.42	0.42	0.10	-	-



<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
71	41	37	35
85	51	10	45
264	119	143	180
386	373	331	375
90	48	44	138
52	80	179	76
-	-	0.15	-

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

<u>Function/Program</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Police Stations	-	-	-	-	-	-	-
Fire Stations	1	1	1	1	1	1	1
Public works Streets (miles)	9.60	9.60	9.60	9.60	9.60	9.60	9.60

<u>2020</u>	<u>2021</u>	<u>2022</u>
-	-	-
1	1	1
9.60	9.60	9.60

## **OTHER REPORTS**

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

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City of Belleair Bluffs, Florida (the City) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 17, 2023.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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


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

Report on Compliance and Other Matters

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

Purpose of this Report

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

  
Wells, Houser & Schatzel, P.A.  
St. Petersburg, Florida  
January 17, 2023



## INDEPENDENT AUDITOR'S MANAGEMENT LETTER

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

### **Report on the Financial Statements**

We have audited the financial statements of the City of Belleair Bluffs, Florida, as of and for the fiscal year ended September 30, 2022 and have issued our report thereon dated January 17, 2023.

### **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 Comptroller General of the United States and Chapter 10.550, Rules of the Auditor General.

### **Other Reporting Requirements**

We have issued our Independent Auditors' Reports 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 Independent Auditor'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, which are dated January 17, 2023, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

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

### **Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The City of Belleair Bluffs, Florida, a municipal corporation, was established in 1967 under Chapter 67-1106, Laws of Florida, Acts of 1967. The City has no component units.

### **Financial Condition and Management**

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results as to whether or not the City of Belleair Bluffs, Florida 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 of Belleair Bluffs, Florida, did not meet any of the specific conditions described in Section 218.503(1), Florida Statutes.

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

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

### **Special District Component Units**

Section 10.554(1)(i)5.c. Rules of the Auditor General, requires that we determine whether or not a special district that is a component unit of a county, municipality, or special district, provided the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we determined that the City had no special district component units.

### **Additional Matters**

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

### **Purpose of this Letter**

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

Wells, Houser & Schatzel, P.A.  
St. Petersburg, Florida  
January 17, 2023

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

Honorable Mayor and City Commission  
City of Belleair Bluffs, Florida

We have examined the City of Belleair Bluffs, Florida's (the City's) compliance with the requirements of Section 218.415, Florida Statutes during the year ended September 30, 2022. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

In our opinion, the City of Belleair Bluffs, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2022.



Wells, Houser & Schatzel, P.A.  
St. Petersburg, Florida  
January 17, 2023