

CITY OF BELLEAIR BLUFFS, FLORIDA



Annual Comprehensive Financial Report

For the Year Ended September 30, 2025

CITY OF BELLEAIR BLUFFS, FLORIDA

Annual Comprehensive Financial Report

For the Year Ended September 30, 2025

**Prepared by
Administration Department
Division of Finance**

CITY OF BELLEAIR BLUFFS

FLORIDA

ELECTED OFFICIALS

Mayor

Chris Arbutine, Sr.

Commissioners

Joseph Barkley III, Vice Mayor

Karen Rafferty

David Roberts

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, 2025

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INTRODUCTORY SECTION

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LETTER OF TRANSMITTAL



CITY OF BELLEAIR BLUFFS

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

June 24, 2026

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, 2025. The ACFR was compiled by the City Administrator in conjunction with the Finance Director who are both 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 provides 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, 2025, 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, 2025, 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
June 24, 2026

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 did not have 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 2,298. 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 April 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 30th, which is 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, 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 has continued to recognize 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
June 24, 2026

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 for the upcoming two years has approximately \$5,293,034 allocated for streets and drainage improvements scheduled throughout primarily the east side of the city. The city will continue to reserve funds in anticipation of applying for state matching fund grants 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 has continued to engage with Pinellas County in a cost sharing 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. 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 in keeping the City in the financial position that is required to maintain as well as improving road and street projects as well as replacing authorized public service vehicles. It is estimated that this revenue stream will provide approximately \$290,000 annually. 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. The Commission members rely heavily on the recommendations of this resident based finance committee during the budget process.

To the Honorable Mayor, City Commission, and Citizens of the City of Belleair Bluffs, Florida
June 24, 2026

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 maintaining 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. 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, 2024. 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

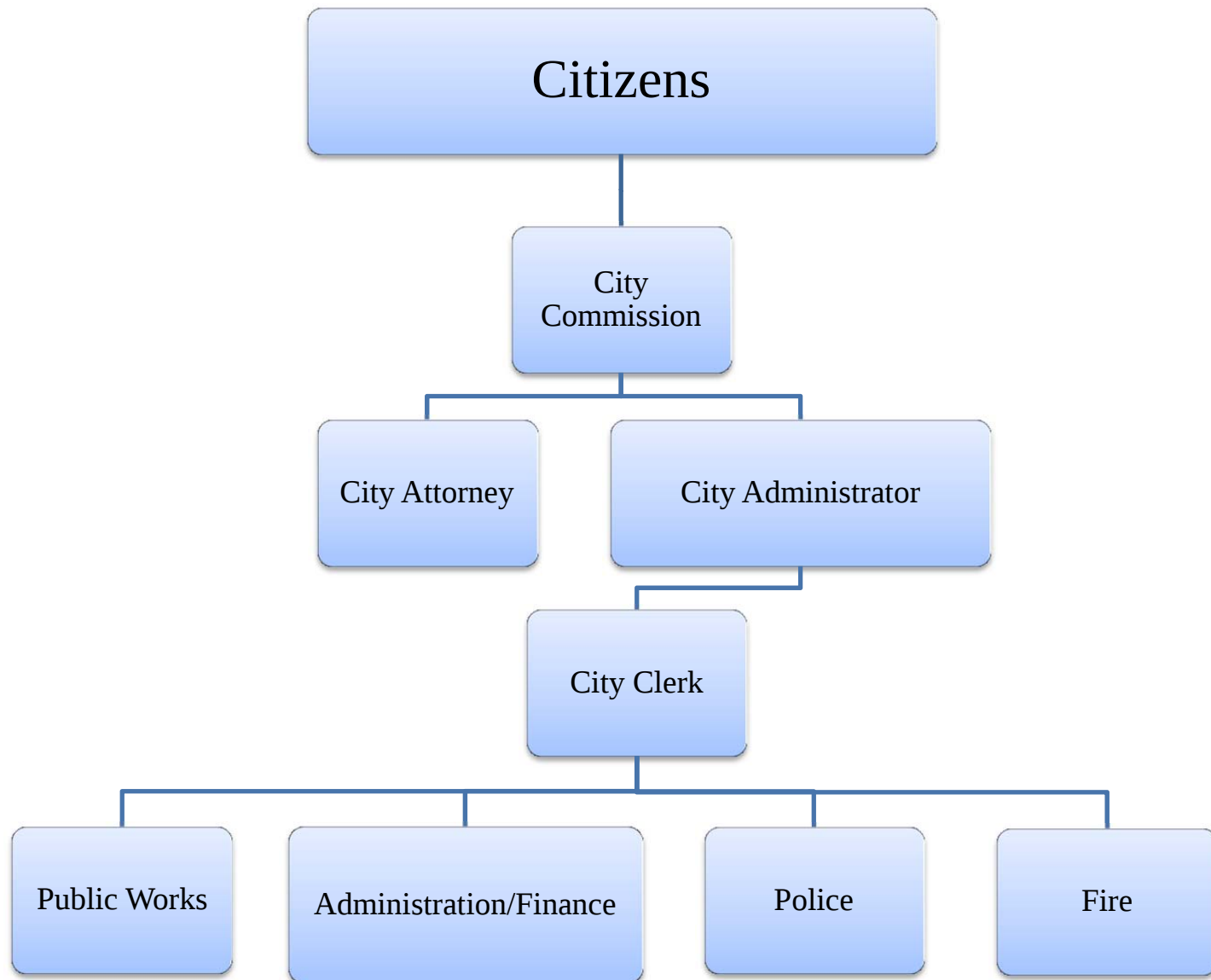


Finance Director
Andrew Tess, CPA

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, 2024

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, 2025, 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, 2025, 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.

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 10 to the financial statements, in the current year the City of Belleair Bluffs, Florida, adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences. Our opinion is not modified with respect to this matter.

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 Bluffs, Florida's basic financial statements. The accompanying required supplementary information consisting of the Budgetary Comparison Schedule – General Fund is not a required part of the basic financial statements. Although not a required part of the basic financial statements, this information is required by the Governmental Accounting Standards Board as the statement is considered to be an essential part of financial reporting for placing the basic financial statements in appropriate operational and economic context.

The additional supplementary information consisting of the Budgetary Comparison Schedule – Capital Projects Fund as well as the Reconciliation Statements from Governmental to Government-wide statements are presented for purposes of additional analysis and are also not a required part of the basic financial statements.

Such required supplementary information and additional supplementary 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, the Budgetary Comparison Schedule – Capital Projects Fund and the Reconciliation Statements from Governmental to Government-wide statements, are fairly presented, 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.

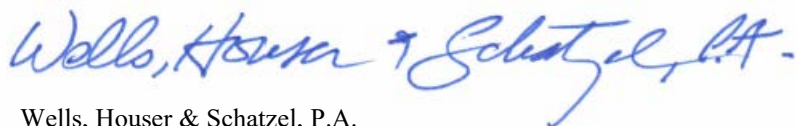
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. 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.

Report on Summarized Comparative Information

We have previously audited the City of Belleair Bluffs, Florida's September 30, 2024 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated April 3, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2026 on our consideration of the City of Belleair Bluffs, 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 Bluffs, 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 the City of Belleair Bluffs, Florida's internal control over financial reporting and compliance.

A handwritten signature in blue ink, reading "Wells, Houser & Schatzel, P.A.", is positioned above the typed name of the firm.

Wells, Houser & Schatzel, P.A.
St. Petersburg, Florida
June 17, 2026

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 \$913,069 (or 14.01%). This increase is primarily due to net increases in cash and investments from excess revenues over expenditures in the General Fund and Capital Fund of \$578,610 and \$356,610, respectively.
- The City's net capital assets decreased by \$81,507 (or -1.34%) due to current year additions of \$133,366 and current depreciation of \$214,873.
- The City's net position increased \$864,615 (or 6.5%). This increase is due to current year net excess revenues over expenditures and a decrease in net capital assets.
- The City's long-term liabilities decreased by \$9,315 (or -7.04%). This amount is comprised of an overall decrease in compensated absences of \$10,903.
- General Fund revenues increased \$243,651 (or 8.05%) primarily from an increase in property taxes of \$188,559, an increase in public service tax of \$31,981, and an increase in franchise fees of \$24,041. General Fund expenditures increased \$229,413 (or 9.31%) due to an increase in general government of \$72,227, an increase in police and fire of \$65,944, an increase in public works of \$144,704 and a decrease in capital outlay of \$53,462.

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 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, 2025.

Table 1
Statement of Net Position
As of September 30,

	2025	(Restated) 2024
Current assets	\$ 7,431,310	\$ 6,518,241
Non-current assets	839,043	802,208
Capital assets	5,997,226	6,078,733
Total assets	<u>14,267,579</u>	<u>13,339,182</u>

Table 1 (Continued)
Statement of Net Position

	2025	(Restated) 2024
Current liabilities	69,020	55,923
Non-current liabilities	123,077	132,392
Total liabilities	192,097	188,315
Net Position:		
Net Investment in capital		
assets	5,990,737	6,069,205
Restricted	3,073,987	2,695,241
Unrestricted	5,010,758	4,446,421
Total net position	\$ 14,075,482	\$ 13,210,867

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

	2025
Unrestricted net position 9/30/24, (Restated)	\$ 4,446,421
Results of operations	864,615
Adjustments:	
Restricted – infrastructure/playground	(378,746)
Depreciation/loss on disposals	214,873
Adjusted results of operations	700,742
Capital expenditures adjusted for accounts payable	(136,405)
Unrestricted net position 9/30/25	\$ 5,010,758

Statement of Activities

The following schedule reflects a condensed comparative Statement of Changes in Net Position as of September 30, 2025.

Table 3
Change in Net Position

	2025	(Restated) 2024
Revenues:		
Program revenues:		
Charges for services	\$ 59,385	\$ 36,938
Operating grants and contributions	8,660	23,441
Capital grants and contributions	-	-
General revenues		
Taxes	3,172,996	2,910,946
State revenue sharing	98,727	98,695
Investment income	360,662	379,784
Gain on disposals	1,580	-
Total revenues	3,702,010	3,449,804

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Table 3 (Continued)
Change in Net Position

	2025	(Restated) 2024
Expenses:		
Administration	\$ 836,366	\$ 760,369
Police	704,843	658,673
Fire	415,258	395,484
Public works	880,928	755,442
Total expenses	<u>2,837,395</u>	<u>2,569,968</u>
Increase/(decrease) in net position	864,615	879,836
Net position – beginning of year	13,210,867	12,342,865
Prior period adjustment	-	(11,834)
Net position – beginning of year – as restated	<u>13,210,867</u>	<u>12,331,031</u>
Net position – end of year	<u><u>\$ 14,075,482</u></u>	<u><u>\$ 13,210,867</u></u>

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 \$250,626 (or 7.26%) as compared to 2024. General Fund revenues increased \$243,651 and Capital Projects Fund revenues increased \$6,975.

General Fund revenues saw an overall increase primarily comprised of an increase in Ad Valorem revenue of \$188,559 (or 10.45%) due to a 10% increase in gross taxable property values, an increase in communication services tax of \$15,758 (or 28.06%), an increase in franchise fees of \$24,041 (or 10.24%) an increase in public service tax revenue of \$31,981 (or 10.99%) presumably from higher utility rates, and a decrease in investment income of \$21,274 (or -7.23%) from lower rates of investment return.

Capital Fund revenues saw an overall increase due to an increase in sales tax of \$4,823 (or 1.43%) and, an increase in investment income of \$2,152 (2.52%) from higher rates of investment returns.

Expenses:

City-wide expenditures increased \$7,652 (or .277%). This increase is comprised of an increase in General Fund expenditures of \$229,413 (or 9.31%) and a decrease in Capital Project Fund expenditures of \$221,761 (or -75.44%).

The General Fund increase was due to an increase in general government of \$72,227, police and fire of \$65,944 due to increase in contracted service costs, public works of \$144,704 and a decrease in capital outlay of \$53,462. General government and public works increases were primarily from a 5% increase in salaries and related personnel costs and an increase in employee benefit costs including health, dental and life insurance. Public works also saw an increase of \$45,916 in costs related to hurricane cleanup efforts.

The Capital Fund decrease was due to a decrease in capital outlay of \$221,761 for a road reconstruction project.

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 \$8.212 million, which was an increase of \$935,220 (or 12.85%) as compared to the combined fund balance at the beginning of the year. The General Fund had an increase of \$578,610 due to an increase of revenue over expenditures and the Capital Projects Fund had an increase of \$356,610 as discussed above in current year impacts.

Budgetary Highlights

The final amount of budgeted general fund revenues (amounts available for appropriations) was \$3,087,456. Actual revenues for the fiscal year 2025 were \$3,273,218 which resulted in a favorable variance of \$185,762. This variance is primarily due to investment income being higher than estimated. The final amounts of budgeted expenditures (charges to appropriations) for 2025 were \$3,087,456. The amounts of actual expenditures were \$2,694,608 which resulted in a favorable variance of \$392,848. The overall favorable budget variance for fiscal year 2025 is \$578,610. (Please see page 29 for more detailed information.) One-half of the excess between budgeted and actual public service tax revenues (\$16,484) and one-half of the budgeted public service tax revenues (\$145,000) in the General Fund of \$161,484 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, 2025, the City had \$8,444,396 (total cost) invested in a variety of capital assets as compared to \$8,320,151 as of September 30, 2024. This represents a net increase of \$124,245 or 1.49% from the end of last year.

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

	Governmental Activities	
	2025	2024
Non-depreciable assets		
Land	\$ 1,589,066	\$ 1,589,066
Construction in progress	129,283	49,863
Depreciable assets		
Buildings & improvements	5,909,737	5,909,737
Furniture, fixtures & equipment	816,310	771,485
Total at historical cost	<u>8,444,396</u>	<u>8,320,151</u>
Less accumulated depreciation		
Buildings & improvements	(2,033,059)	(1,864,419)
Furniture, fixtures & equipment	(414,111)	(376,999)
Total accumulated depreciation	<u>(2,447,170)</u>	<u>(2,241,418)</u>
Capital assets, net	<u>\$ 5,997,226</u>	<u>\$ 6,078,733</u>

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
	<u>2025</u>
Capital assets, beginning balance	\$ 6,078,733
Additions/transfer in	133,366
Gain/(loss) on disposal	-
Depreciation	<u>(214,873)</u>
Capital Assets, ending balance	<u>\$ 5,997,226</u>

Debt Outstanding

As of September 30, 2025, the City has no outstanding debt, excluding compensated absences.

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, 2025 is provided in Note 5 to the financial statements beginning on page 25.

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ECONOMIC FACTORS

Belleair Bluffs saw a 10.58% increase in property values. This was the thirteenth 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 Projects Fund in funding necessary infrastructure projects. Currently, the City's Capital Improvement Plan is budgeting capital projects in excess of four million dollars over the next five years. Some of these projects may qualify for matching funds from the Florida Department of Environmental Protection's Resilient Florida Program.

The City has seen an increase in investment earnings due to current economic conditions 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, 2025

With comparative amounts for September 30, 2024

	Governmental Activities	
		(as restated)
	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 833,000	\$ 1,344,749
Investments	6,492,361	5,080,105
Accounts receivable	57,213	50,481
Due from other governments	34,647	31,631
Prepaid items	14,089	11,275
Total Current Assets	7,431,310	6,518,241
Noncurrent Assets		
Investments, restricted	839,043	802,208
Capital Assets		
Nondepreciable	1,718,350	1,638,930
Depreciable, net of accumulated depreciation	4,278,876	4,439,803
Total Capital Assets	5,997,226	6,078,733
Total Noncurrent Assets	6,836,269	6,880,941
TOTAL ASSETS	\$ 14,267,579	\$ 13,399,182
LIABILITIES		
Current Liabilities		
Accounts payable and accrued items	\$ 55,765	\$ 43,623
Deferred revenue	2,500	-
Due to other governments	43	-
Current portion of long-term liabilities	10,712	12,300
Total Current Liabilities	69,020	55,923
Long-Term Liabilities		
Noncurrent portion of long-term liabilities	123,077	132,392
Total Long-Term Liabilities	123,077	132,392
Total Liabilities	192,097	188,315
NET POSITION		
Net investment in capital assets	5,990,737	6,069,205
Restricted for		
Infrastructure	2,249,642	1,893,033
Playground equipment	824,345	802,208
Unrestricted	5,010,758	4,446,421
Total Net Position	14,075,482	13,210,867
TOTAL LIABILITIES AND NET POSITION	\$ 14,267,579	\$ 13,399,182

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, 2025

With comparative total amounts for the year ended September 30, 2024

Function/Program Activities	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	
					(as restated)	
					2025	2024
Primary Government						
Government Activities						
Administration	\$ (836,366)	\$ 59,385	\$ 8,660	\$ -	\$ (768,321)	\$ (699,990)
Police	(704,843)	-	-	-	(704,843)	(658,673)
Fire	(415,258)	-	-	-	(415,258)	(395,484)
Public works	(880,928)	-	-	-	(880,928)	(755,442)
Total Primary Government	<u>\$ (2,837,395)</u>	<u>\$ 59,385</u>	<u>\$ 8,660</u>	<u>\$ -</u>	(2,769,350)	(2,509,589)
General Revenues						
Taxes						
Property taxes					1,992,277	1,803,718
Sales and use taxes					527,097	525,387
Franchise fees					258,733	234,692
Communication services tax					71,921	56,163
Public service tax					322,968	290,986
State revenue sharing, unrestricted					98,727	98,695
Investment income					360,662	379,784
Gain on disposals					1,580	-
Total general revenues					<u>3,633,965</u>	<u>3,389,425</u>
Change in Net Position					864,615	879,836
Net Position Beginning - before restatement					13,210,867	12,342,865
Prior period adjustment - Note 10					-	(11,834)
Net Position Beginning - as restated					<u>13,210,867</u>	<u>12,331,031</u>
Net Position Ending					<u>\$ 14,075,482</u>	<u>\$ 13,210,867</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, 2025

With comparative total amounts for September 30, 2024

	2025			2024
	General Fund	Capital Projects Fund	Total Governmental Funds	Total
ASSETS				
Cash and cash equivalents	\$ 411,172	\$ 421,828	\$ 833,000	\$ 1,344,749
Investments	4,681,705	1,810,656	6,492,361	5,080,105
Accounts receivable	57,213	-	57,213	50,481
Due from other governments	10,999	23,648	34,647	31,631
Prepaid items	14,089	-	14,089	11,275
Investments, restricted	839,043	-	839,043	802,208
TOTAL ASSETS	<u>\$ 6,014,221</u>	<u>\$ 2,256,132</u>	<u>\$ 8,270,353</u>	<u>\$ 7,320,449</u>
LIABILITIES AND FUND BALANCES				
Accounts payable and accrued expenses	\$ 49,275	\$ 6,490	\$ 55,765	\$ 43,624
Deferred revenue	2,500	-	2,500	-
Due to other governments	43	-	43	-
TOTAL LIABILITIES	51,818	6,490	58,308	43,624
FUND BALANCES				
Nonspendable	14,089	-	14,089	11,275
Restricted				
Playground equipment	824,345	-	824,345	802,208
Infrastructure	-	2,249,642	2,249,642	1,893,033
Committed				
Public works - street improvements	1,098,351	-	1,098,351	936,868
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	2,951	-	2,951	951
Administration - data processing equipment	76,061	-	76,061	75,061
Public works - equipment	105,027	-	105,027	105,973
Public works - a/c replacement	45,000	-	45,000	25,000
Public works - roof replacement	18,750	-	18,750	15,000
Public works - drainage	709,132	-	709,132	639,477
Unassigned	2,854,780	-	2,854,780	2,558,062
TOTAL FUND BALANCES	<u>5,962,403</u>	<u>2,249,642</u>	<u>8,212,045</u>	<u>7,276,825</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 6,014,221</u>	<u>\$ 2,256,132</u>	<u>\$ 8,270,353</u>	<u>\$ 7,320,449</u>

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, 2025

Fund balances - total governmental funds	\$	8,212,045
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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	8,444,397	
Less accumulated depreciation	<u>(2,447,171)</u>	5,997,226

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

Compensated absences	<u>(133,789)</u>
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Net position of governmental activities	<u><u>\$</u></u>	<u>14,075,482</u>
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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, 2025

With comparative total amounts for the year ended September 30, 2024

	General Fund	Capital Projects Fund	Total General Government	
			2025	2024
REVENUES				
Property taxes	\$ 1,992,277	\$ -	\$ 1,992,277	\$ 1,803,718
Sales taxes	-	341,098	341,098	336,275
Communications services tax	71,921	-	71,921	56,163
Franchise fees	258,733	-	258,733	234,692
Public service tax	322,968	-	322,968	290,987
Licenses and permits	37,305	-	37,305	24,421
Intergovernmental revenues	292,386	-	292,386	310,247
Charges for services	210	-	210	66
Fines and forfeitures	3,810	-	3,810	3,399
Investment income	272,968	87,694	360,662	379,784
Miscellaneous revenues	19,060	-	19,060	10,052
TOTAL REVENUES	3,271,638	428,792	3,700,430	3,449,804
EXPENDITURES				
Current				
General government	787,444	-	787,444	715,217
Law enforcement	704,843	-	704,843	658,673
Fire protection	415,258	-	415,258	395,484
Public works	725,879	-	725,879	581,175
Capital outlay	61,184	72,182	133,366	408,589
TOTAL EXPENDITURES	2,694,608	72,182	2,766,790	2,759,138
OTHER FINANCING SOURCES				
Proceeds from sale of capital assets	1,580	-	1,580	-
NET CHANGE IN FUND BALANCES	578,610	356,610	935,220	690,666
FUND BALANCES - BEGINNING OF YEAR	5,383,793	1,893,032	7,276,825	6,586,159
FUND BALANCES - END OF YEAR	\$ 5,962,403	\$ 2,249,642	\$ 8,212,045	\$ 7,276,825

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, 2025

Net change in fund balances - total governmental funds	\$	935,220
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Amounts reported for governmental activities in the statement of
activities are different because:

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

Expenditure for capital assets	\$	133,366	
Less current year depreciation		<u>(214,873)</u>	(81,507)

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>10,902</u>
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Change in net position - governmental activities	\$	<u><u>864,615</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, 2025

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, 2025

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 the fund presents 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 are approved by the City Commission in September and adopted as budget resolutions.

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

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 the 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 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 (SBA) and Florida Cooperative Liquid Assets Securities System (FL CLASS), 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 \$214,873.

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, 2025.

In accordance with GASB Statement No. 101, Compensated Absences, the City recognizes a liability for leave that has been earned but not used and for which (1) the leave is attributable to services already rendered, (2) the leave accumulates, and (3) the leave is more likely than not to be used for time off or otherwise paid or settled.

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CITY OF BELLEAIR BLUFFS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

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 as well as accounts and retainages payable related to the acquisition, construction or improvement of capital assets. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Restricted for Infrastructure net position of \$2,249,642 is restricted by a Pinellas County Ordinance. Restricted for Playground equipment net position of \$824,345 is donor restricted. 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 maintain the City park playground and 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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NOTES TO FINANCIAL STATEMENTS

September 30, 2025

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, 2025 that amount was determined to be \$447,682. 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 interfund transactions are treated as transfers.

CITY OF BELLEAIR BLUFFS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 – 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: Florida statutes authorize the City to invest in the Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, 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. Amounts reported as investments are funds invested with the Florida State Board of Administration Local Government Surplus Funds Trust Fund Investment Pool (Florida PRIME) or Florida Cooperative Liquid Assets Securities System (FL CLASS).

Florida Prime is 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.

FL CLASS is an external investment pool managed by Public Trust Advisors, LLC (fund administrator). The fund is managed as a stable value Net Asset Value pool and the pool account balance as shown on the September 30, 2025 statement is used to determine the fair value of the investment.

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. At September 30, 2025 the weighted average days to maturity of Florida PRIME was 47 days, and for FL CLASS was 85 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 or FL CLASS investment pools. Florida PRIME and FL CLASS are rated by Standard and Poor's as AAAM.

The carrying amounts are separately displayed on the Statement of Net Position as cash and investments. A summary of the carrying amounts of total deposits and bank balance/fair value at September 30, 2025 is as follows:

	Carrying Amounts	Bank Balance/ Fair Value
Cash on hand	\$ 5,400	\$ -
Cash – bank accounts	827,600	835,902
Total Cash and cash equivalents	<u>\$ 833,000</u>	<u>\$ 835,902</u>
Investments		
State Board of Administration - Prime	\$ 3,746,261	\$ 3,746,261
FL CLASS	2,746,100	2,746,100
	6,492,361	6,492,361
Investments, restricted		
FL CLASS	839,043	839,043
Total Investments	<u>\$ 7,331,404</u>	<u>\$ 7,331,404</u>

CITY OF BELLEAIR BLUFFS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

NOTE 3 – DUE FROM OTHER GOVERNMENTS

The amount of \$34,647 due from other governments as of September 30, 2025 consists of the following: Communications Services Tax due from the State of Florida in the amount of \$6,920; Infrastructure Sales Surtax and Local Option Gas Tax due from Pinellas County in the amounts of \$21,467 and 2,181, respectively, Court Fines due from Pinellas County in the amount of \$169, recycling grant in the amount of \$1,660 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 4 - CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2025, was as follows:

	Beginning Balance 10/01/24	Additions	Deletions	Transfers In (Out)	Ending Balance 9/30/25
Non-Depreciable Assets					
Land	\$ 1,589,066	\$ -	\$ -	\$ -	\$ 1,589,066
Construction in Progress	49,863	79,420	-	-	129,283
Depreciable Assets					
Buildings & improvements	5,909,737	-	-	-	5,909,737
Furniture, fixtures & equipment	771,485	53,946	(9,121)	-	816,310
Totals at historical cost	<u>8,320,151</u>	<u>133,366</u>	<u>(9,121)</u>	<u>-</u>	<u>8,444,396</u>
Less accumulated depreciation					
Buildings & improvements	(1,864,419)	(168,640)	-	-	(2,033,059)
Furniture, fixtures & equipment	(376,999)	(46,233)	9,121	-	(414,111)
Total accumulated depreciation	<u>(2,241,418)</u>	<u>(214,873)</u>	<u>9,121</u>	<u>-</u>	<u>(2,447,170)</u>
Capital assets, net	<u>\$ 6,078,733</u>	<u>\$ (81,507)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,997,226</u>

Depreciation expense was charged to governmental functions as follows:

Administration	\$ 32,153
Public works	182,720
	<u>\$ 214,873</u>

NOTE 5 - LONG-TERM LIABILITIES

The following is a summary of changes in long-term debt for the year ended September 30, 2025:

	(as restated) Beginning Balance	Increases	Decreases	Ending Balance	Amount due in one year
Compensated absences	\$ 144,692	\$ 18,229	\$ 10,902	\$ 133,789	\$ 10,712
Total long-term liabilities	<u>\$ 144,692</u>	<u>\$ 18,229</u>	<u>\$ 10,902</u>	<u>\$ 133,789</u>	<u>\$ 10,712</u>

The beginning balance has been retroactively restated to reflect the implementation of GASB Statement No. 101, Compensated Absences. The effect was to increase the beginning balance at 10/01/24 in the amount of \$13,730. Accrued compensated absences are liquidated in the funds that incur the respective liabilities, which is the general fund in the case of the City.

CITY OF BELLEAIR BLUFFS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

NOTE 5 - LONG-TERM LIABILITIES (continued)

Long-term liabilities are comprised of the following as of September 30, 2025:

<u>Accrued compensated absences:</u> consisting of that portion of accrued sick and vacation pay for governmental funds.	\$ 133,789
Total long-term liabilities	133,789
Less amount due in one year	10,712
Noncurrent portion of long-term liabilities	<u>\$ 123,077</u>

NOTE 6 - RETIREMENT PLANS

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

Funding Policy. The City contributes 10% of eligible wages (15% for City Administrator) each pay period. For fiscal years ended September 30, 2025, 2024 and 2023 the City contributed \$54,839, \$46,054, and \$37,638, 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. There were no forfeitures available to the City during the fiscal year 2025 to meet its contribution obligation for the year ended September 30, 2025.

NOTE 7 - RISK FINANCING

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

The Florida Municipal Liability Self Insurers Program is a risk pool that assumes the risk of loss for all participating members. The members are subject to additional premium assessments in the event that the risk pool required additional funding to satisfy all claims. The City has not been assessed any additional insurance premiums during the years ended September 30, 2025, 2024, or 2023 nor is the City aware of any contingent assessments. For the same three fiscal years, the City has not decreased its insurance coverage nor have any settlements been in excess of such coverage. The City does not self-insure against any risks. To the extent that the City has purchased commercial insurance, all risk of loss has been transferred to the insurance underwriter.

NOTE 8 - COMMITMENTS

Law Enforcement Service: The City has contracted with the Pinellas County Sheriff's Department to provide law enforcement services from October 1, 2025 through September 30, 2026 in the amount of \$724,704. The expenditure for the year ended September 30, 2024 was \$673,260.

Fire Suppression Services: Effective October 1, 2025 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

CITY OF BELLEAIR BLUFFS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

NOTE 8 – COMMITMENTS (continued)

30, 2030. After the initial term, there is a five (5) year renewal option that would extend the term to September 30, 2035. The annual contribution for the fiscal year ending September 30, 2026 is \$552,075 or \$46,006 monthly. For the fiscal year ended September 30, 2025 the City of Belleair Bluffs paid the City of Largo an annual contribution of \$415,252 or \$34,604 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 paid by the City of Largo 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 pay Largo one-half of the unamortized cost of the original construction. At September 30, 2025, the 30-year lease unamortized cost was \$1,460,000.

Construction commitment: There were no construction commitments at September 30, 2025. Future construction projects are currently in the design phase.

NOTE 9 – SUBSEQUENT EVENTS

The City has evaluated whether any events have occurred subsequent to September 30, 2025 and before the issuance of the financial statements that would have an impact on the City's financial condition as of September 30, 2025 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 June 17, 2026 which is the date the financial statements were available to be issued and determined no subsequent events requiring disclosure occurred.

NOTE 10 – RESTATEMENT OF PRIOR PERIOD

The City retroactively implemented GASB Statement No. 101, Compensated Absences, in the fiscal year September 30, 2025. Although the City has been recording a liability for compensated absences that have been earned by employees, GASB Statement No. 101 further clarified that compensated absences should include amounts more likely than not to be used for time off or otherwise paid along with all directly related costs that would be due with the payment of earned amounts.

As a result of the implementation the City has reported an adjustment to opening net position as of October 1, 2023 (fiscal year ended September 30, 2024) for the change that would have affected the September 30, 2023 amounts. The opening net position was decreased \$11,834. For the comparative fiscal year 2024 amount they have been restated to reflect an increase in expenses in the amount of \$13,730.

A summary of those restatements is as follows:

Statement of Activities – Fiscal year ended September 30, 2024	
Beginning net position as originally reported on 10/01/2023	\$ 12,342,865
Decrease in net position due to compensated absences expense	
Related to fiscal year 09/30/23 and prior	<u>(11,834)</u>
Beginning net position as restated	<u>\$ 12,331,031</u>
Administration net (expense) as originally reported at 09/30/24	
Additional 09/30/24 expense for compensated absences	<u>(1,058)</u>
Administration net (expense) as restated at 09/30/24	<u><u>\$ (699,990)</u></u>

CITY OF BELLEAIR BLUFFS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

NOTE 10 – RESTATEMENT OF PRIOR PERIOD (continued)

Public works net (expense) as originally reported at 09/30/24	\$ (754,605)
Additional 09/30/24 expense for compensated absences	<u>(837)</u>
Administration net (expense) as restated at 09/30/24	<u>\$ (755,442)</u>
Change in net position as originally reported at 09/30/24	\$ 881,731
Additional 09/30/24 Administration expense	(1,058)
Additional 09/30/24 Public works expense	<u>(837)</u>
Change in net position as restated at 09/30/24	<u>\$ 879,836</u>
Statement of Net Position – Fiscal year ended September 30, 2024	
Current portion of long-term liabilities before restatement	\$ 10,891
Noncurrent portion of long-term liabilities before restatement	<u>120,072</u>
Compensated absences before restatement	130,963
Restatement	<u>13,729</u>
	144,692
Less: Current portion as restated	<u>(12,300)</u>
Long-term portion as restated	<u>\$ 132,392</u>
Unrestricted Net Position before restatement	\$ 4,460,150
Restatement for compensated absences	<u>(13,729)</u>
Unrestricted Net Position after restatement	<u>\$ 4,446,421</u>

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, 2025

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Over (Under)
RESOURCES (INFLOWS):				
Property taxes	\$ 2,001,756	\$ 2,001,756	\$ 1,992,277	\$ (9,479)
Communications service tax	75,000	75,000	71,921	(3,079)
Franchise fees	229,500	229,500	258,733	29,233
Public service tax	290,000	290,000	322,968	32,968
Licenses, permits and fees	32,050	32,050	37,305	5,255
Intergovernmental revenues	273,000	273,000	292,386	19,386
Charges for services	150	150	210	60
Fines and forfeitures	4,000	4,000	3,810	(190)
Investment income	172,500	172,500	272,968	100,468
Proceeds from sale of capital assets	-	-	1,580	1,580
Miscellaneous revenues	9,500	9,500	19,060	9,560
AMOUNTS AVAILABLE FOR APPROPRIATION	3,087,456	3,087,456	3,273,218	185,762
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
General Government Administration				
Operating	795,500	795,500	787,444	(8,056)
Capital outlay	7,500	7,500	7,238	(262)
Reserves	3,000	3,000	-	(3,000)
Total General Government	806,000	806,000	794,682	(11,318)
Public Safety				
Law enforcement	706,674	706,674	704,843	(1,831)
Fire protection	415,252	415,252	415,258	6
Total Public Safety	1,121,926	1,121,926	1,120,101	(1,825)
Public Works				
Operating	788,125	788,125	725,879	(62,246)
Capital outlay	80,000	80,000	53,946	(26,054)
Reserves	291,405	291,405	-	(291,405)
Total Public Works	1,159,530	1,159,530	779,825	(379,705)
TOTAL CHARGES TO APPROPRIATIONS	3,087,456	3,087,456	2,694,608	(392,848)
EXCESS (DEFICIT) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	-	-	578,610	578,610
FUND BALANCES- BEGINNING	5,383,793	5,383,793	5,383,793	-
FUND BALANCES - ENDING	\$ 5,383,793	\$ 5,383,793	\$ 5,962,403	\$ 578,610

(continued)

CITY OF BELLEAIR BLUFFS, FLORIDA

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (continued)

For the Year Ended September 30, 2025

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.	\$ 3,273,218
Differences - budget to GAAP:	
Proceeds from the sale of capital assets are inflows of budgetary resources not revenue for financial reporting purposes	<u>(1,580)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u><u>\$ 3,271,638</u></u>

USES/OUTFLOWS OF RESOURCES

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 2,694,608
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>\$ 2,694,608</u></u>

OTHER SUPPLEMENTARY SCHEDULES

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

CITY OF BELLEAIR BLUFFS, FLORIDA

BUDGETARY COMPARISON SCHEDULE - CAPITAL PROJECTS FUND

For the Year Ended September 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Over (Under)
RESOURCES (INFLOWS):				
Sales taxes	\$ 327,000	\$ 327,000	\$ 341,098	\$ 14,098
Intergovernmental revenue	1,000,000	-	-	-
Investment income	25,000	25,000	87,694	62,694
AMOUNTS AVAILABLE FOR APPROPRIATION	1,352,000	352,000	428,792	76,792
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Capital outlay	1,852,803	148,774	72,182	(76,592)
Reserve for infrastructure	-	203,226	-	(203,226)
TOTAL CHARGES TO APPROPRIATIONS	1,852,803	352,000	72,182	(279,818)
EXCESS OF RESOURCES OVER (UNDER) CHARGES TO APPROPRIATIONS	(500,803)	-	356,610	356,610
FUND BALANCES- BEGINNING	1,893,032	1,893,032	1,893,032	-
FUND BALANCES - ENDING	<u>\$ 1,392,229</u>	<u>\$ 1,893,032</u>	<u>\$ 2,249,642</u>	<u>\$ 356,610</u>

(continued)

CITY OF BELLEAIR BLUFFS, FLORIDA

BUDGETARY COMPARISON SCHEDULE - CAPITAL PROJECTS FUND (continued)

For the Year Ended September 30, 2025

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.	\$ 428,792
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>\$ 428,792</u></u>

USES/OUTFLOWS OF RESOURCES

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 72,182
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>\$ 72,182</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, 2025

	Total Governmental Funds	Long-term Assets, Liabilities	Reclasses & Eliminations	Statement of Net Position Totals
ASSETS				
Cash and cash equivalents	\$ 833,000	\$ -	\$ -	\$ 833,000
Investments	6,492,361	-	-	6,492,361
Accounts receivable	57,213	-	-	57,213
Due from other governments	34,647	-	-	34,647
Prepaid items	14,089	-	-	14,089
Investments, restricted	839,043	-	-	839,043
Capital assets	-	8,444,397	-	8,444,397
Accumulated depreciation	-	(2,447,171)	-	(2,447,171)
TOTAL ASSETS	<u>\$ 8,270,353</u>	<u>\$ 5,997,226</u>	<u>\$ -</u>	<u>\$ 14,267,579</u>
LIABILITIES AND FUND BALANCES/NET POSITION				
LIABILITIES				
Accounts payable and accrued items	\$ 55,765	\$ -	\$ -	\$ 55,765
Deferred revenue	2,500	-	-	2,500
Due to other governments	43	-	-	43
Compensated absences	-	133,789	(123,077)	10,712
Noncurrent portion of long-term obligations	-	-	123,077	123,077
TOTAL LIABILITIES	<u>58,308</u>	<u>133,789</u>	<u>-</u>	<u>192,097</u>
TOTAL FUND BALANCES / NET POSITION	<u>8,212,045</u>	<u>5,863,437</u>	<u>-</u>	<u>14,075,482</u>
TOTAL LIABILITIES AND FUND BALANCES / NET POSITION	<u>\$ 8,270,353</u>	<u>\$ 5,997,226</u>	<u>\$ -</u>	<u>\$ 14,267,579</u>

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, 2025

	Total Governmental Funds	Capital Related Items	Long-term Liabilities Transactions	Rounding, Reclasses & Eliminations	Statement of Activities Totals
REVENUES					
Property taxes	\$ 1,992,277	\$ -	\$ -	\$ -	\$ 1,992,277
Sales taxes	341,098	-	-	185,999	527,097
Communications services tax	71,921	-	-	-	71,921
Franchise fees	258,733	-	-	-	258,733
Public service tax	322,968	-	-	-	322,968
Licenses and permits	37,305	-	-	(37,305)	-
Intergovernmental revenue	292,386	-	-	(292,386)	-
State revenue sharing, unrestricted	-	-	-	98,727	98,727
Charges for services	210	-	-	59,175	59,385
Fines and forfeitures	3,810	-	-	(3,810)	-
Investment income	360,662	-	-	-	360,662
Miscellaneous revenues	19,060	-	-	(19,060)	-
Gain on disposals	-	-	-	1,580	1,580
Operating grants and contributions	-	-	-	8,660	8,660
Capital grants and contributions	-	-	-	-	-
TOTAL REVENUES	3,700,430	-	-	1,580	3,702,010
EXPENDITURES					
Current					
General Government	787,444	32,153	16,769	-	836,366
Law Enforcement	704,843	-	-	-	704,843
Fire Protection	415,258	-	-	-	415,258
Public Works	725,879	182,720	(27,671)	-	880,928
Capital Outlay	133,366	(133,366)	-	-	-
TOTAL EXPENDITURES	2,766,790	81,507	(10,902)	-	2,837,395
EXCESS OF REVENUES OVER EXPENDITURES	933,640	(81,507)	10,902	1,580	864,615
OTHER FINANCING SOURCES					
Proceeds from sale of capital assets	1,580	-	-	(1,580)	-
NET CHANGE IN FUND BALANCE / NET POSITION	\$ 935,220	\$ (81,507)	\$ 10,902	\$ -	\$ 864,615

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STATISTICAL SECTION

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

Schedules of Financial Trends Information

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

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

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Governmental activities				
Net investment in capital assets	\$ 4,588,173	\$ 4,527,028	\$ 4,543,377	\$ 4,685,758
Restricted	436,798	625,652	765,798	864,241
Unrestricted	<u>1,008,461</u>	<u>1,086,721</u>	<u>1,934,186</u>	<u>2,377,021</u>
Total governmental activities net position	<u>\$ 6,033,432</u>	<u>\$ 6,239,401</u>	<u>\$ 7,243,361</u>	<u>\$ 7,927,020</u>

2023 and 2024 unrestricted net position have been restated to reflect the implementation of GASB Statement No. 101, Compensated Absences.

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>(as restated) 2023</u>	<u>(as restated) 2024</u>	<u>2025</u>
\$ 4,641,741	\$ 5,256,020	\$ 5,548,565	\$ 5,825,946	\$ 6,069,205	\$ 5,990,737
1,050,536	892,910	756,399	2,527,256	2,695,241	3,073,987
2,705,049	2,939,188	3,245,098	3,977,829	4,446,421	5,010,758
<u>\$ 8,397,326</u>	<u>\$ 9,088,118</u>	<u>\$ 9,550,062</u>	<u>\$12,331,031</u>	<u>\$13,210,867</u>	<u>\$14,075,482</u>

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

	2016	2017	2018	2019
Expenses				
Governmental activities:				
Administration	\$ 417,780	\$ 485,201	\$ 491,310	\$ 486,102
Police	476,544	507,087	518,524	535,738
Fire	286,539	294,724	304,583	317,559
Public works	477,588	438,135	477,460	438,263
Interest and fiscal charges on long-term debt	24,810	22,706	23,509	22,482
Total governmental activities expenses	<u>\$ 1,683,261</u>	<u>\$ 1,747,853</u>	<u>\$ 1,815,386</u>	<u>\$ 1,800,144</u>
Program Revenues				
Governmental activities:				
Charges for services	\$ 84,089	\$ 88,941	\$ 59,936	\$ 55,853
Operating grants and contributions	10,085	2,530	16,935	198,847
Capital grants and contributions	-	-	-	-
Total governmental activities program revenues	<u>\$ 94,174</u>	<u>\$ 91,471</u>	<u>\$ 76,871</u>	<u>\$ 254,700</u>
Net (Expense)/Revenue	<u>\$ (1,589,087)</u>	<u>\$ (1,656,382)</u>	<u>\$ (1,738,515)</u>	<u>\$ (1,545,444)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	\$ 955,456	\$ 1,018,328	\$ 1,087,621	\$ 1,170,588
Sales and use taxes	376,006	383,875	396,702	411,987
Franchise fees	194,489	190,472	199,698	215,218
Communication services tax	83,021	41,668	45,732	44,829
Public service tax	114,114	112,988	228,998	250,360
State revenue sharing	86,519	86,929	87,428	87,877
Gain on disposal of assets	-	-	684,673	-
Investment income	5,215	8,428	11,623	48,244
Total governmental activities	<u>1,814,820</u>	<u>1,842,688</u>	<u>2,742,475</u>	<u>2,229,103</u>
Change in Net Position	<u><u>\$ 225,733</u></u>	<u><u>\$ 186,306</u></u>	<u><u>\$ 1,003,960</u></u>	<u><u>\$ 683,659</u></u>

2024 amounts have been restated to reflect the implementation of
GASB 101 Statement No. 101, Compensated Absences.

2020	2021	2022	2023	(as restated) 2024	2025
\$ 529,047	\$ 577,459	\$ 610,910	\$ 680,617	\$ 760,369	\$ 836,366
552,817	566,073	585,429	611,097	658,673	704,843
325,983	342,281	358,716	376,651	395,484	415,258
455,985	487,234	592,471	639,311	755,442	880,928
19,924	17,367	26,535	-	-	-
<u>\$ 1,883,756</u>	<u>\$ 1,990,414</u>	<u>\$ 2,174,061</u>	<u>\$ 2,307,676</u>	<u>\$ 2,569,968</u>	<u>\$ 2,837,395</u>
\$ 43,036	\$ 51,734	\$ 42,681	\$ 44,244	\$ 36,938	\$ 59,385
27,783	39,911	2,189	1,598,885	23,441	8,660
17,207	249,636	124,952	325,441	-	-
<u>\$ 88,026</u>	<u>\$ 341,281</u>	<u>\$ 169,822</u>	<u>\$ 1,968,570</u>	<u>\$ 60,379</u>	<u>\$ 68,045</u>
\$ (1,795,730)	\$ (1,649,133)	\$ (2,004,239)	\$ (339,106)	\$ (2,509,589)	\$ (2,769,350)
\$ 1,238,133	\$ 1,320,369	\$ 1,462,285	\$ 1,637,134	\$ 1,803,718	\$ 1,992,277
387,597	431,101	494,570	532,847	525,387	527,097
210,680	209,904	223,594	236,342	234,692	258,733
47,732	44,587	44,360	83,119	56,163	71,921
261,656	266,612	275,684	299,439	290,986	322,968
87,227	88,890	93,522	100,077	98,695	98,727
-	-	-	-	-	1,580
33,011	6,465	21,804	242,951	379,784	360,662
<u>2,266,036</u>	<u>2,367,928</u>	<u>2,615,819</u>	<u>3,131,909</u>	<u>3,389,425</u>	<u>3,633,965</u>
<u>\$ 470,306</u>	<u>\$ 718,795</u>	<u>\$ 611,580</u>	<u>\$ 2,792,803</u>	<u>\$ 879,836</u>	<u>\$ 864,615</u>

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

	2016	2017	2018	2019
General Fund				
Nonspendable	\$ 13,005	\$ 50,437	\$ 5,363	\$ 6,946
Restricted				
Emergency medical services	45,588	45,588	-	-
Playground equipment	-	-	-	-
Committed to:				
Public works - street improvements	-	-	114,499	239,679
Assigned to:				
Administration - comp plan	9,289	9,289	10,289	10,289
Administration - disaster recovery	47,794	47,794	31,578	100,000
Administration - land acquisition	95,000	95,000	95,000	95,000
Administration - data processing equip	4,611	6,611	11,525	-
Administration - City Hall improvements	2,000	6,000	20,000	30,000
Public works - capital assets	53,185	63,185	51,185	21,030
Public works - drainage	339,912	459,192	479,660	514,918
Unassigned	481,555	340,994	1,107,001	1,351,058
Total General Fund	<u>\$ 1,091,939</u>	<u>\$ 1,124,090</u>	<u>\$ 1,926,100</u>	<u>\$ 2,368,920</u>
All Other Governmental Funds				
Restricted for:				
Infrastructure	\$ 391,210	\$ 580,064	\$ 765,798	\$ 864,241
Assigned to:				
Fire	15,766	15,766	15,766	15,766
Infrastructure	25,146	21,429	20,678	20,678
Total all Other Governmental Funds	<u>\$ 432,122</u>	<u>\$ 617,259</u>	<u>\$ 802,242</u>	<u>\$ 900,685</u>

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 7,005	\$ 22,881	\$ 23,949	\$ 10,588	\$ 11,275	\$ 14,089
-	-	-	-	-	-
-	100,000	-	762,097	802,208	824,345
370,507	503,812	641,655	791,374	936,868	1,098,351
10,289	10,289	10,289	10,289	10,289	10,289
100,000	108,628	108,628	108,628	108,628	108,628
95,000	95,000	95,000	95,000	95,000	95,000
-	1,000	-	161	75,061	76,061
40,000	50,000	28,586	7,901	951	2,951
53,983	77,983	84,305	127,640	145,973	168,777
514,918	514,918	514,918	605,828	639,477	709,132
1,543,931	1,633,720	1,824,184	2,301,495	2,558,063	2,854,780
<u>\$ 2,735,633</u>	<u>\$ 3,118,231</u>	<u>\$ 3,331,514</u>	<u>\$ 4,821,001</u>	<u>\$ 5,383,793</u>	<u>\$ 5,962,403</u>
\$ 1,050,536	\$ 792,910	\$ 756,399	\$ 1,765,159	\$ 1,893,033	\$ 2,249,642
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 1,050,536</u>	<u>\$ 792,910</u>	<u>\$ 756,399</u>	<u>\$ 1,765,159</u>	<u>\$ 1,893,033</u>	<u>\$ 2,249,642</u>

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

	2016	2017	2018	2019
Revenues				
Property taxes	\$ 955,456	\$ 1,018,328	\$ 1,087,621	\$ 1,170,588
Sales taxes	247,451	254,229	263,683	275,495
Communications service tax	83,021	41,668	45,732	44,829
Franchise fees	194,489	190,472	199,698	215,218
Public service tax	114,114	112,988	228,998	250,360
Licenses and permits	34,173	27,506	41,604	31,809
Intergovernmental revenue	219,371	218,540	236,607	422,066
Charges for services	35,939	37,106	132	211
Fines and forfeitures	3,038	4,047	4,554	5,442
Investment income	5,215	8,428	11,623	48,244
Miscellaneous revenue	16,727	20,847	14,421	19,540
Total revenues	<u>1,908,994</u>	<u>1,934,159</u>	<u>2,134,673</u>	<u>2,483,802</u>
Expenditures				
General government	389,275	451,076	475,612	458,885
Law enforcement	476,544	507,087	518,524	535,738
Fire protection	284,682	293,755	302,475	317,559
Public works	352,891	385,969	374,655	339,094
Capital outlay	9,391	12,953	102,940	224,856
Debt service				
Principal retirement	43,925	43,925	43,925	43,925
Interest and fiscal charges	24,810	22,706	23,509	22,482
Total expenditures	<u>1,581,518</u>	<u>1,717,471</u>	<u>1,841,640</u>	<u>1,942,539</u>
Excess of revenues over (under) expenditures	327,476	216,688	293,033	541,263
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	600	693,960	-
Insurance recoveries	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>600</u>	<u>693,960</u>	<u>-</u>
Net change in fund balances	327,476	217,288	986,993	541,263
Fund balances - beginning of year	1,196,585	1,524,061	1,741,349	2,728,342
Restatement - prepaid insurance	-	-	-	-
Fund balances - beginning of year	<u>1,196,585</u>	<u>1,524,061</u>	<u>1,741,349</u>	<u>2,728,342</u>
Fund balances - end of year	<u>\$ 1,524,061</u>	<u>\$ 1,741,349</u>	<u>\$ 2,728,342</u>	<u>\$ 3,269,605</u>
Debt service as a percentage of noncapital expenditures	4.4%	3.9%	3.9%	3.9%

2020	2021	2022	2023	2024	2025
\$ 1,238,133	\$ 1,320,369	\$ 1,462,285	\$ 1,637,134	\$ 1,803,718	\$ 1,992,277
256,783	281,213	325,611	336,800	336,275	341,098
47,732	44,587	44,360	83,119	56,163	71,921
210,680	209,904	223,594	236,342	234,692	258,733
261,656	266,612	275,684	299,439	290,987	322,968
31,363	35,186	31,318	29,267	24,421	37,305
229,300	428,125	263,971	1,444,165	310,247	292,386
132	328	248	277	66	210
3,328	3,499	4,073	4,813	3,399	3,810
33,011	6,465	21,804	242,951	379,784	360,662
14,362	112,921	132,694	786,172	10,052	19,060
2,326,480	2,709,209	2,785,642	5,100,479	3,449,804	3,700,430
491,441	528,155	561,789	625,529	715,217	787,444
552,817	566,073	585,428	611,098	658,673	704,843
325,983	342,281	358,716	376,652	395,484	415,258
350,986	381,130	458,605	483,572	581,175	725,879
52,422	718,839	343,266	505,381	408,589	133,366
43,925	43,925	274,531	-	-	-
19,924	17,367	26,535	-	-	-
1,837,498	2,597,770	2,608,870	2,602,232	2,759,138	2,766,790
488,982	111,439	176,772	2,498,247	690,666	933,640
-	-	-	-	-	1,580
27,582	-	-	-	-	-
36,444	-	192,952	775,709	-	-
(36,444)	-	(192,952)	(775,709)	-	-
27,582	-	-	-	-	1,580
516,564	111,439	176,772	2,498,247	690,666	935,220
3,269,605	3,786,169	3,911,141	4,087,913	6,586,160	7,276,825
-	13,533	-	-	-	-
3,269,605	3,799,702	3,911,141	4,087,913	6,586,160	7,276,825
\$ 3,786,169	\$ 3,911,141	\$ 4,087,913	\$ 6,586,160	\$ 7,276,826	\$ 8,212,045
3.6%	3.3%	13.3%	0.0%	0.0%	0.0%

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

	2016	2017	2018	2019
Function / Program				
Governmental activities :				
Charges for services				
Administration	\$ 48,267	\$ 52,045	\$ 59,936	\$ 55,853
Fire	35,822	36,896	-	-
Total charges for services	84,089	88,941	59,936	55,853
Operating grants and contributions				
Administration	4,835	2,530	16,935	198,847
Public Works	5,250	-	-	-
Total operating grants and contributions	10,085	2,530	16,935	198,847
Capital grants and contributions				
Administration	-	-	-	-
Public Works	-	-	-	-
Total capital grants and contributions	-	-	-	-
Total primary government revenues	\$ 94,174	\$ 91,471	\$ 76,871	\$ 254,700

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 43,036	\$ 51,734	\$ 42,681	\$ 44,244	\$ 36,938	\$ 59,385
-	-	-	-	-	-
<u>43,036</u>	<u>51,734</u>	<u>42,681</u>	<u>44,244</u>	<u>36,938</u>	<u>59,385</u>
27,783	39,911	2,189	1,598,885	23,441	8,660
-	-	-	-	-	-
<u>27,783</u>	<u>39,911</u>	<u>2,189</u>	<u>1,598,885</u>	<u>23,441</u>	<u>8,660</u>
17,207	100,000	124,952	-	-	-
-	149,636	-	325,441	-	-
<u>17,207</u>	<u>249,636</u>	<u>124,952</u>	<u>325,441</u>	<u>-</u>	<u>-</u>
<u>\$ 88,026</u>	<u>\$ 341,281</u>	<u>\$ 169,822</u>	<u>\$ 1,968,570</u>	<u>\$ 60,379</u>	<u>\$ 68,045</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	Franchise Fees	Public Service Tax (1)	Communications Service Tax	Total
2025	\$ 1,992,277	\$ 341,095	\$ 258,733	\$ 322,968	\$ 71,921	\$ 2,986,994
2024	1,803,718	336,275	234,692	290,987	56,163	2,721,835
2023	1,637,134	336,800	236,342	299,439	83,119	2,592,834
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

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

Schedules of Revenue Capacity Information

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

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

Fiscal Year Ended September 30,	Residential Property	Commercial Property	Governmental Property	Institutional Property
2025	\$ 351,722,544	\$ 64,587,533	\$ 8,181,573	\$ 1,133,063
2024	317,427,616	61,587,215	7,717,484	1,100,379
2023	288,160,764	58,286,354	7,147,525	1,002,730
2022	258,339,019	54,403,198	6,497,750	911,573
2021	231,945,931	52,886,988	5,907,046	879,694
2020	217,672,937	49,680,014	5,404,673	843,800
2019	196,028,953	56,650,965	4,984,793	825,547
2018	192,476,765	43,534,062	3,257,319	805,888
2017	180,187,912	42,234,480	3,102,897	783,308
2016	170,073,072	40,492,381	2,846,042	754,231

Source: Pinellas County Property Appraiser

Leasehold Interests		Total Assessed Value	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
\$	85	\$ 425,624,798	\$ (49,237,380)	\$ 376,387,418	5.3500
	85	387,832,779	(48,190,269)	339,642,510	5.3500
	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

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
2025	5.3500	4.6136	6.2930	0.7300	0.8050	0.1831	0.8250	0.0175	18.8172
2024	5.3500	4.8111	5.9380	0.7500	0.8418	0.2043	0.8250	0.0210	18.7412
2023	5.3500	4.8188	5.9630	0.7500	0.8775	0.2260	0.8508	0.0210	18.8571
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

Note:

Source: Pinellas County Tax Collector

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

Taxpayer	2025			2016		
	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	\$ 9,735,148	1	2.59%	\$ -	-	-
Belleair Plaza, LLC	7,800,000	2	2.07%	-	-	-
2942 West Bay LLC	7,500,000	3	1.99%	-	-	-
Jasue, LLC	7,120,000	4	1.89%	5,515,000	1	3.13%
Harbor Bluffs Venture LLC	6,831,000	5	1.81%	5,175,000	2	2.93%
Palms of Belleair, LLC	6,575,000	6	1.75%	4,100,000	4	2.33%
Morgan, Larry C	5,684,643	7	1.51%	-	-	-
Elks Plaza, LLC	5,290,000	8	1.41%	-	-	-
Guthrie, Sarah Moores Walker Rev Trust	4,198,259	9	1.12%	-	-	-
Artist's Way, LLC	4,126,100	10	1.10%	1,795,673.00	9	1.02%
Skyview Enterprises, LLC	-	-	-	5,025,000	3	2.85%
Safee, Edward F	-	-	-	3,035,844	6	1.72%
Berolzheimber, David Trust	-	-	-	3,316,000	5	1.88%
Anderson, Timothy B	-	-	-	2,353,609	7	1.33%
Murphy, Jacqueline Ann Trust	-	-	-	1,975,000	8	1.12%
Chivas, Frank R	-	-	-	1,723,250	10	0.98%
Total Principal Taxpayers	64,860,150		17.23%	34,014,376		19.29%
All Other Taxpayers	311,527,268		82.77%	142,314,798		80.71%
Total	<u>\$ 376,387,418</u>		<u>100.00%</u>	<u>\$ 176,329,174</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
2025	\$ 2,062,290	\$ 1,992,277	96.61%	\$ 1,992,277	96.61%
2024	1,866,348	1,803,718	96.64%	1,803,718	96.64%
2023	1,695,796	1,637,134	96.54%	1,637,134	96.54%
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%

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		
2025	\$ -	\$ -	0.00%	\$ -
2024	-	-	0.00%	-
2023	-	-	0.00%	-
2022	-	-	0.00%	-
2021	274,531	274,531	0.32%	127
2020	318,456	318,456	0.41%	152
2019	362,381	362,381	0.47%	173
2018	406,306	406,306	0.61%	197
2017	450,230	450,230	0.71%	216
2016	494,155	494,155	0.86%	246

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 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		
2025	\$ -	\$ -	0.00%	\$ -
2024	-	-	0.00%	-
2023	-	-	0.00%	-
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

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, 2025

Governmental Unit	Debt Outstanding	(1) Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Overlapping debt:			
Pinellas County School Board Certificates of Participation	\$ 116,321,197		
Pinellas County School District Capital Lease	1,636,739		
Pinellas County Capital Lease	27,162,465		
Subscription based IT agreements	11,385,648		
Governmental Activities Bonds	-		
Total overlapping debt	\$ 156,506,049	0.278%	\$ 435,600
City direct debt		100%	-
Total direct and overlapping debt			\$ 435,600

Notes:

Source: Pinellas County

(1) The City's share is calculated based on the ratio of the 2025 City Taxable Value of \$376,387,418 to the County's Taxable Value of \$135,231,638,681

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

Year	Infrastructure Sales Tax	Revenue Note Series 2007		
		Principal	Interest	Coverage
2025	\$ -	\$ -	\$ -	N/A
2024	-	-	-	N/A
2023	-	-	-	N/A
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

The Revenue Note Series 2007 was paid off early in fiscal year 2022, therefore the Infrastructure Sales Tax is no longer pledged as security for debt service.

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.

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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)
2025	2,298	\$ 149,002,320	\$ 64,840	3.3%
2024	2,313	149,974,920	64,840	3.3%
2023	2,324	152,010,516	65,409	3.0%
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%

Note:

Sources:

- (1) Bureau of Economic and Business Research, University of Florida
- (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 2024

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

Employer	2025			2016		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage Total City Employment
Publix	7,575	1	N/A	N/A		N/A
Wal-Mart	4,676	2	N/A	N/A		N/A
Raymond James	4,600	3	N/A	3,500	1	N/A
All Children's Health System	3,865	4	N/A	N/A		N/A
Mortan Plant Hospital	3,363	5	N/A	N/A		N/A
Mease Hospital Trustees	2,498	6	N/A	N/A		N/A
Honeywell Aerospace	2,200	7	N/A	1,500	8	N/A
St. Anthony's Hospital	2,113	8	N/A	N/A		N/A
Charter Communications	2,023	9	N/A	2,000	3	N/A
Jabil Circuit, Inc.	1,987	10	N/A	1,600	6	N/A
Home Shopping Network	N/A		N/A	2,800	2	N/A
Fidelity Information Svc.	N/A		N/A	1,800	4	N/A
Nielsen Media Research	N/A		N/A	1,800	5	N/A
Tech Data Corp.	N/A		N/A	1,500	7	N/A
Think Direct Marketing Group	N/A		N/A	1,000	9	N/A
Ceridian Benefits Services	N/A		N/A	1,000	10	N/A
	<u>34,900</u>		<u>-</u>	<u>18,500</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, Top Employers in Pinellas County

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,					
	2016	2017	2018	2019	2020	2021
General government						
City Administrator	-	-	1.0	1.0	1.0	1.0
City Clerk	1.0	1.0	1.0	1.0	1.0	1.0
Administrative Services	1.5	2.5	1.5	1.5	1.5	1.5
Public Safety						
Fire	*	*	*	*	*	*
Police	*	*	*	*	*	*
Protective Inspections/Planning	-	-	-	-	-	-
Public Works						
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	1.0	1.0	1.0	1.0	1.0	1.0
	<u>5.5</u>	<u>5.5</u>	<u>6.5</u>	<u>6.5</u>	<u>6.5</u>	<u>6.5</u>

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

2022	2023	2024	2025
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	2.0	2.0	2.0
6.5	7.5	7.5	7.5

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

<u>Function/Program</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Police (1)						
Physical arrests	64	59	98	71	41	37
Parking violations	5	32	146	85	51	10
Traffic violations	163	194	317	264	119	143
Fire (2)						
Emergency responses	637	356	284	386	373	331
Fires extinguished	47	59	37	90	48	44
Inspections	32	82	162	52	80	179
Public works (3)						
Street resurfacing (miles)	0.10	-	-	-	-	0.15

Sources:

- (1) Pinellas County Sheriff's Office
- (2) City of Largo Fire Department
- (3) City of Belleair Bluffs Public Works Department

2022	2023	2024	2025
35	54	48	43
45	3	1	2
180	165	160	114
375	566	572	426
138	34	6	7
76	64	107	74
-	-	0.37	-

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

<u>Function/Program</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Police (1)						
Stations	-	-	-	-	-	-
Fire (2)						
Stations	1	1	1	1	1	1
Public works (3)						
Streets (miles)	9.60	9.60	9.60	9.60	9.60	9.60

Sources:

- (1) Pinellas County Sheriff's Office
- (2) City of Largo Fire Department
- (3) City of Belleair Bluffs Public Works Department

<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
-	-	-	-
1	1	1	1
9.60	9.60	9.60	9.60

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OTHER REPORTS

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

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City of Belleair Bluffs, Florida (the City) as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 17, 2026.

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.

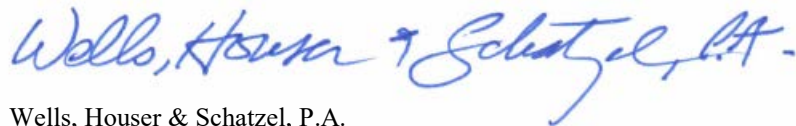
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not 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
June 17, 2026

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, 2025 and have issued our report thereon dated June 17, 2026.

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 June 17, 2026, 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.

Property Assessed Clean Energy (PACE) Programs

Section 10.554(1)(i)6.a., Rules of the Auditor General, requires the City provide a statement as to whether or not a PACE program authorized pursuant to Section 163.801 or 163.082, Florida Statutes was operated within the City's geographical boundaries during the fiscal year under audit. Such a program did not operate within the City's geographical boundaries during the fiscal year under audit.

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.

A handwritten signature in blue ink, reading "Wells, Houser & Schatzel, P.A.", is positioned above the typed name of the firm.

Wells, Houser & Schatzel, P.A.
St. Petersburg, Florida
June 17, 2026

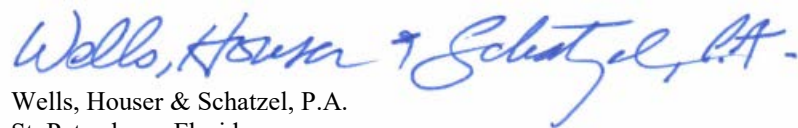
INDEPENDENT AUDITOR'S REPORT
REGARDING COMPLIANCE REQUIREMENTS IN RULES
OF THE AUDITOR GENERAL 10.556(10)

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, 2025. 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, 2025.



Wells, Houser & Schatzel, P.A.
St. Petersburg, Florida
June 17, 2026