

TOWN OF BELLEAIR, FLORIDA



INC. 1925

COMPREHENSIVE
ANNUAL FINANCIAL REPORT
FOR THE FISCAL
YEAR ENDED SEPTEMBER 30, 2017

TOWN OF BELLEAIR, FLORIDA

COMPREHENSIVE

ANNUAL FINANCIAL REPORT

FOR THE

FISCAL YEAR ENDED SEPTEMBER 30, 2017

**Prepared by the
Department of Finance**

TOWN OF BELLEAIR, FLORIDA

COMMISSION - MANAGER FORM OF GOVERNMENT

TOWN COMMISSION

Gary H. Katica, Mayor

Karla Rettstatt
Commissioner/Deputy Mayor

Tom Shelly, Commissioner

Michael Wilkinson, Commissioner

Tom Kurey, Commissioner

Town Manager

J. P. Murphy

Director of Support Services

Stefan Massol

Town Clerk

Christine Torok

INTRODUCTORY SECTION

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LETTER OF TRANSMITTAL

TOWN OF BELLEAIR

MR:
GARY H. KATICA
MISSIONERS:
KARLA RETTSTATT
MICHAEL WILKINSON
TOM SHELLEY
TOM KUREY
MANAGER:
JP MURPHY



INC. 1925

901 PONCE DE LEON BOULEVARD
BELLEAIR, FLORIDA 33756-1066
PHONE (727) 588-3769
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September 13, 2018

To the Honorable Mayor, Town Commission, and Citizens of the Town of Belleair, Florida

State law requires that all general-purpose local governments publish within one year of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with generally accepted, in the United States of America, auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Town of Belleair, Florida for the fiscal year ended September 30, 2017.

The Comprehensive Annual Financial Report (CAFR) is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, a copy of the Town's Certificate of Achievement for Excellence in Financial Reporting, and the primary government's organization chart. This CAFR includes all funds of the Town. The Town has no component units. The financial section includes the management's discussion and analysis (MD&A), the basic financial statements for the primary government, and the primary government's combining and individual financial statements and schedules, as well as the independent auditor's report on the financial statements and schedules. 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). The MD&A contains a narrative introduction, overview, and analysis of the Town's financial statements. It should be read in conjunction with this letter of transmittal. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. In contrast to the financial section information, the statistical section information has not been audited.

This report consists of management's representations concerning the finances of the Town of Belleair, Florida. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Town of Belleair, Florida has established a

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

The Town of Belleair, Florida's financial statements have been audited by Davidson, Jamieson & Cristini, P.L., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Belleair, Florida for the fiscal year ended September 30, 2017, 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 Town of Belleair, Florida's financial statements for the fiscal year ended September 30, 2017, 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.

Profile of the Government

The Town of Belleair, Florida was incorporated in 1925 and was chartered under Chapter 10335, Special Laws of Florida, with a Mayor form of government. The Town of Belleair, Florida currently occupies a land area of 2.5 square miles and serves a population of 4,088 according to the U.S. Census Bureau. The Town of Belleair, Florida is empowered to levy a property tax on both real and personal properties located within its boundaries.

The Town of Belleair's charter was changed in 1973 to provide for a council-manager type of government, and in 1997, due in part to additional provisions in the charter which strengthened the authority of the town manager, was officially recognized as a council-manager form of government by the International City/County Managers Association. Policy-making and legislative authority are vested in a governing commission consisting of the mayor and four other members. The Town Commission is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both the government's manager and attorney. The town manager is responsible for carrying out the policies and ordinances of the Town Commission, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. The commission is elected on a non-partisan basis. Commission members serve three-year staggered terms, with two commissioner members elected every three years. The mayor is elected to serve a three-year term. The mayor and commission members are elected at large.

The Town of Belleair, Florida provides a full range of services, including fire & rescue; police protection; the construction and maintenance of streets and other infrastructure; and recreational activities and cultural events. The Town of Belleair, Florida also provides water and solid waste services. These departments are enterprise funds and are included in this report.

In May, budget requests are submitted to the town manager. The town manager uses these requests as the starting point for developing a proposed budget. The town manager then presents this proposed budget to the commission for review before July 31st. The commission is required to hold public hearings on the proposed budget and to adopt a final budget by no later than September 30, the close of the Town of Belleair, Florida's fiscal year. The appropriated budget is prepared by fund (e.g., general), and department (e.g., recreation). Department heads may request transfers of appropriations within a department. Transfers of appropriations between departments, however, require the special approval of the Town Commission. Budget-to-actual comparisons are provided in this report for each governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented on page 21 as part of the basic financial statements for the governmental funds. There are no budget-to-actual comparisons for funds other than the General Fund. Also included in the governmental fund subsection are project-length budget-to-actual comparisons for each governmental fund for which a project length budget has been adopted (i.e., the capital projects funds).

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 Town of Belleair, Florida operates.

Local economy. The Town is mostly a residential community with three 18-hole golf courses. However, the region has a varied manufacturing and industrial base. Major industries with headquarters or divisions located within the government's boundaries or near include; computer hardware, software manufacturers, electrical controls, several financial and insurance institutions. The unemployment rate in Belleair is currently 3.9 percent, which is .2 percent lower than the national average. The median household income in Belleair is \$84,205 as compared to \$59,039 nationwide. The Town of Belleair, Florida currently has a challenging economic environment, but local indicators point to a slight upward fluctuation in the real estate market. This has had a positive impact on building permit revenues which have risen substantially from \$382,371.42 in 2015-16, to \$526,281.28 in 2016-17.

The Belleview Biltmore hotel is being redeveloped, after many years of complete closure. The hotel property owner plans to build condominiums, townhomes, and a small hotel from the original structure on the site. Preliminary estimates indicate a \$400,000 annual increase in General Fund revenues once the new development is fully operational. Demolition of the hotel property has completed, and construction is expected to be continue in different stages for approximately three to five years.

At the end of 2012 John J. Osborne, a long-time resident of Belleair, passed away and left a bequest of over \$3.4 million to the town. His generous donation has measurably improved the net position of the Town of Belleair and to show respect for this great contribution the town dedicated the Public Works building to his memory.

In February 2013, the town acquired the Belleview Biltmore Golf Club to preserve green space in Belleair and to prevent future development on the golf course property. The club was sold to Pelican Golf, LLC on June 1, 2017 and the buyer is constructing significant improvements that are expected to have a positive effect on the valuation of the property.

The region (which includes the Town of Belleair, Florida and the surrounding unincorporated area within the same county) has a population base of approximately one million people, with three surrounding counties playing a vital role in the region's economy. The town serves as a premium residential community for nearby areas in the Tampa Bay region.

Long-term financial planning. The Town of Belleair, Florida has long-range plans for infrastructure improvements (streets, drainage, and water system). The town's long-range financial plan has several roadways and drainage improvements scheduled throughout Belleair over the next five years. In recent years the town completed roadway and drainage projects along Manatee Rd., Eagle's Nest, Druid Rd., and Althea Rd. The Bayview Dr. project was completed this year, and the Rosery Road project is nearing completion. The Town has secured matching grant funding from the Southwest Florida Water Management District for the Bayview Dr., Manatee Rd., Rosery Rd. and Pinellas Rd. projects. Stormwater projects are prioritized on a west to east basis as much of the town's stormwater flows towards the west and eventually into the intracoastal waterway. As a policy, staff continually seeks cooperative funding opportunities, and sometimes defers projects to ensure their eligibility for cooperative funding. The Rosery Road project is one such project.

As of the 2016-17 fiscal year, the town has several revenue streams dedicated to capital improvements, including a stormwater fee, a municipal public services tax on electricity, the "Penny for Pinellas" discretionary sales surtax and a dedicated millage levy. These revenues are dedicated to funding the \$710,000 annual debt service on a \$10 million dollar bank note and continue to place money in capital reserve for future projects. Several of the town's advisory boards have taken up different measures to study methods in which the debt can be refinanced to provide additional funding for future projects. The Belleview Biltmore Golf Club was sold June 2017 with \$3,400,000 dollars transferred to the Capital Projects Fund.

The Water Fund has benefited from a new, more sustainable rate structure that has stopped the recurring net loss from recent years. Furthermore, this increase will enable the department to fund capital improvements in the treatment and distribution system. However, for this model to be sustainable, consistent rate increases, commensurate with controlled rise in expenses will be required. Water infrastructure was included in the Druid Rd., Bayview Dr., Althea Rd., Manatee Rd., S. Pine/Eagle's Nest, Ponce de Leon/Indian Rocks Rd. intersection improvements and Rosery Rd. projects. Many of the distribution system improvements are scheduled to coincide with the street improvements thus increasing efficiency and reducing cost.

Additionally, staff will continue to seek the best long-term solution to the town's slowly deteriorating water supply. It is estimated that in five to ten years the salinity levels in the water sources will reach a level that cannot be treated using the current methodology. Several options exist including retrofitting a reverse osmosis system, purchasing water from a neighboring entity or providing for a system sale. Town staff and engineers will continue studying this issue to ensure that residents continue to receive excellent service at a reasonable cost.

Relevant financial policies. The town implemented Governmental Accounting Standards Board (GASB) Statement No. 45 "*Accounting and Financial Reporting by Employers for Postemployment Benefits (OPEB) Other Than Pensions*" for its governmental activities and proprietary fund types. This statement establishes standards for the measurement, recognition and display of OPEB expense/expenditures and related liabilities (assets), note disclosures and if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers. The town finances the OPEB benefits on a pay-as-you-go basis but recognizes the cost of the benefits in the period when the employee's service is being received by the town. At the time of this transmittal, the town had three general retirees receiving OPEB benefits.

The Town of Belleair, Florida sponsors defined benefit pension plans for its public safety (sworn police officers) employees as is provided for under chapters 185 of state statute. Each year, an independent actuary engaged by the pension plan calculates the amount of the annual contribution that the Town of Belleair, Florida must make to the pension plan to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis. As a matter of policy, the Town of Belleair, Florida fully funds each year's annual required contribution to the pension plan as determined by the actuary.

This is the first year of implementation for GASB Statement No. 74, 78, and 82. These statements, in addition to GASB 67, 68, 71, and 72 impact the reporting of the town's pension plan by establishing standards on how the actuarial valuation date may be set with respect to the measurement date and how the net pension liability and pension expense will be calculated.

The Town of Belleair, Florida also provides a money purchase defined contribution retirement benefit for its non-public safety employees. This benefit is provided through the International City/County Managers Association Retirement Corporation. If the employee elects to contribute at least three percent (3%) to the plan, the town will contribute nine percent (9%). The Town of Belleair, Florida has no obligation in connection with employee benefits offered through this plan beyond its contribution to the employees' plan.

In addition to the implementation of GASB Statement No. 45, the Town has adopted GASB Statement No. 54 regarding "*Fund Balance Reporting and Governmental Fund Type Definitions*". The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently

applied and by clarifying the existing governmental fund type definitions. This statement 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 amounts that are considered *nonspendable*, such as fund balance associated with inventories. This statement also provides for additional classification as *restricted*, *committed*, *assigned*, and *unassigned* based on the relative strength of the constraints that control how specific amounts can be spent. The first financial statements reflecting these changes occur during the Annual Financial Audit for the fiscal year 2010-2011.

This year the town has also implemented GASB Statement No. 77 and 80. GASB 77 requires information about revenues that governments forgo to improve understanding of financial position and economic condition, inter-period equity, sources and uses of financial resources, and compliance with finance-related legal or contractual requirements. GASB 80 revises the standards of diversity in practice with some component units regarding how certain component units should be presented in the financial statements of the primary government.

Annually, the town establishes conservative estimates of ongoing revenues and expenditures. The town's revenue estimates are developed on historical trends, local economic projections and reasonable assumptions of future conditions. The town maintains, as permitted by State law, a diverse revenue base to mitigate the effects of short-term fluctuations in any one (1) revenue.

In conjunction with its review of its revenues, the town calculates the full direct cost of activities supported by user fees and considers such information while establishing user fees and other charges for service. Similarly, the town's expenditures are estimated based on the prior year's expense while considering potential increases as well as efficient decreases. The town is legally mandated to have a balanced budget in all funds.

In accordance with fiscal policy, the town's fund balance currently maintains a minimum unreserved, undesignated (or unobligated) fund balance for the General Fund of thirty-six percent of annual operating expenditures. At the close of 2016-17 unassigned fund balance was thirty-five percent of operating expenditures. To the extent that unreserved, undesignated fund balance exceeds twenty percent, the town may draw upon the fund balance to provide funding for capital projects or provide funding for nonrecurring expenses.

In two of the proprietary funds (solid waste, and wastewater funds) the budgeted unreserved, undesignated, cash reserve is set at \$250,000. In the Water Fund cash reserve is set at \$450,000. In recent years the Water Fund was below the mandatory minimum fund balance, which was addressed by implementing a new water rate structure in October 2013. The Water Fund improved from an unrestricted fund balance of \$189,713 in 2013-14, to \$389,055 in 2014-15 and most recently \$1,255,698 in 2016-17. This was achieved through transfers in the form of capital contributions related to water infrastructure installed in new roadway projects.

Risk management. By being a member of the Public Risk Management (PRM) pool, the town has been able to contain its costs by spreading the risk amongst all other members of the pool; increases or decreases are resultant as a function of a deviation factor for losses of the pool. Annually, the town evaluates its risk in a variety of areas including workers' compensation and potential natural disasters. The town in collaboration with the PRM staff continues to conduct risk assessments and subsequently implement any changes as they relate to workplace safety. The town has won numerous safety awards for its safety program which includes a safety committee that reviews all accidents and occupational hazards. Recent Florida Supreme Court decisions regarding worker's compensation and attorney's fees have led to the insurance market responding with double-digit increases to workers compensation premiums. This raises the likelihood of cost increases for the town and the pool as a whole.

Awards and Acknowledgments

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Belleair, Florida for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2016. This was the twenty-third consecutive year that the town had received this prestigious award. To be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for one year only. We believe that our current CAFR 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.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Support Services and Administration departments. The Support Services Department works very hard to maintain strong internal controls to provide accurate financial reporting, to keep the public informed and to assist the Town Commission in decision-making. We would like to express our appreciation to all members of the departments who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor and the Commission for their unfailing support for maintaining the highest standards of professionalism in the management of the Town of Belleair, Florida's finances.

Respectfully submitted,



Town Manager



Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Town of Belleair
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2016

Christopher P. Morrell

Executive Director/CEO

TOWN OF BELLEAIR, FLORIDA

ORGANIZATION CHART



TOWN OF BELLEAIR, FLORIDA

LISTING OF TOWN OFFICIALS

ELECTED OFFICIALS

Mayor	Gary H. Katica
Commissioner/Deputy Mayor	Karla Rettstatt
Commissioner	Michael Wilkinson
Commissioner	Tom Shelly
Commissioner	Tom Kurey

APPOINTED OFFICIALS

Town Manager	J. P. Murphy
Town Attorney	David Ottinger

DEPARTMENT HEADS AND SUPERVISORS

Director of Support Services	Stefan Massol
Police Chief	William Sohl
Water Department Director	David Brown
Parks and Recreation Director	Eric Wahlbeck
Town Clerk	Christine Torok

FINANCIAL SECTION

This section contains the following subsections:

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information
Other Than MD&A

Combining and Individual Fund
Financial Statements

INDEPENDENT AUDITOR'S REPORT

Davidson, Jamieson & Cristini, P.L.
Certified Public Accountants

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Karen Curran, CPA, CVA

Member
American Institute of
Certified Public Accountants
Florida Institute of
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor
and Town Commission
Town of Belleair, Florida

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the budgetary comparisons for the general fund, and the aggregate remaining fund information of Town of Belleair, Florida (Town), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the AICPA Professional Standards, AT Sections 601.55 and 601.56. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error, in making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The Honorable Mayor
and Town Commission
Town of Belleair, Florida

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Belleair, Florida as of September 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

The Honorable Mayor
and Town Commission
Town of Belleair, Florida

Other Information

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

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

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

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Accounting Standards*, we have also issued our report dated September 1, 2018, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Davidson, Jamieson & Crutcher, P.C.

September 1, 2018

MANAGEMENT'S DISCUSSION
AND ANALYSIS

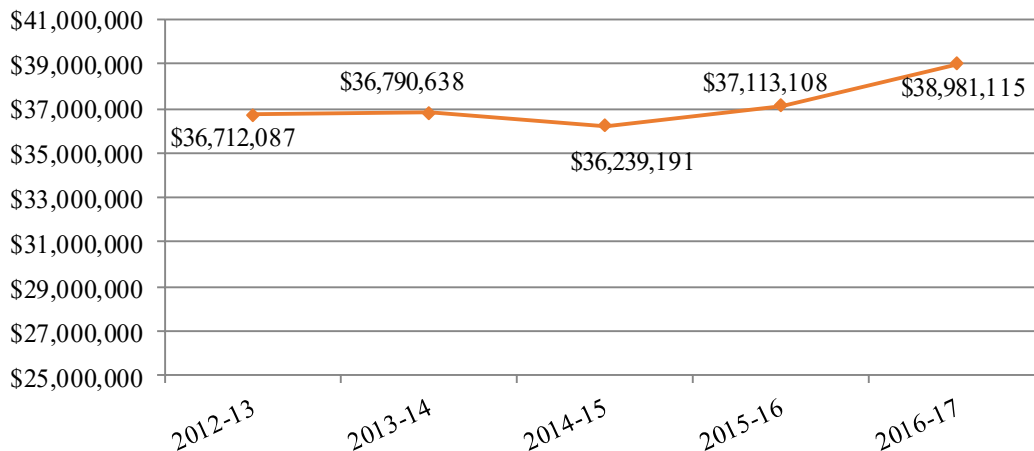
Management's Discussion and Analysis

This narrative overview and analysis of the Town of Belleair's financial statements for the fiscal year-ended September 30, 2017, provides readers with a comprehensive picture of the town's fiscal health, and its financial administration. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found starting on page vi of this report.

Financial Highlights

The assets of the Town of Belleair, Florida exceeded its liabilities at the close of the most recent fiscal year by \$38,981,115 (net position). Of this amount, \$3,965,938 (*Unrestricted*) may be used to meet the government's ongoing obligations to citizens and creditors. The government's total net position increased by \$1,868,007.

Total Net Position Government-Wide



The net position of the Town of Belleair has increased gradually, on average, since FY 2012-13. Since that time there have been relatively moderate changes in net position, increasing a cumulative 6% from the end of FY 2012-13 thru the end of FY 2016-17. Several factors have had considerable impact on the net position of Belleair these past five years, including the following:

- 1) The bequest of \$3.4 M by John J. Osborne to the Town of Belleair in 2012-13,
- 2) The acquisition of the Belleview Biltmore Golf Club by the Town of Belleair, in 2012-13 as well as sale of the property in 2016-17,
- 3) Completion of a new Public Works Building, named in honor of John J. Osborne in 2013,
- 4) Continuance of the Capital Improvement Plan to repair roads, curbs and utility structures throughout the town,
- 5) Cooperative grant funding provided by the Southwest Florida Water Management District for various water and drainage basin projects,
- 6) Donations in excess of \$300,000 from the Belleair Community Foundation for the construction of Hunter Memorial Park.

As of the close of the current fiscal year, the Town of Belleair, Florida's General (governmental) Fund reported an actual ending fund balance of \$2,128,674, an increase of \$ 891,668 in comparison with the beginning fund balance. The increase is due in large part to transfer of fund balance from the Golf Fund, following the sale of the property, to the General Fund. Of the \$4,848,365 transferred from the Golf Fund, the majority of the fund balance in the amount of \$3,960,615 was transferred to the Capital Projects Fund. \$887,750 was transferred to the General Fund.

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Belleair, Florida's basic financial statements. The Town of Belleair's basic financial statements consist of three elements: 1) Government-wide financial statements; 2) Fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Town of Belleair's finances, in a manner similar to what one may observe for a private-sector business.

The statement of net position presents information on all of the Town of Belleair's assets, deferred outflows, liabilities and deferred inflows. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town of Belleair is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the Town of Belleair that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town of Belleair include general government, public safety, transportation, and culture and recreation. The business-type activities of the Town of Belleair include water and Solid Waste Funds. A third business-type activity (wastewater) was sold to Pinellas County in 2004 though the town still manages billing operations for wastewater services.

The Water and Solid Waste Funds, although business-type funds, function as departments of the Town of Belleair, and, therefore, have been included as an integral part of the primary government.

The government-wide financial statements can be found beginning on page eighteen of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Belleair, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town of Belleair can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. The town uses *Governmental funds* to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town of Belleair maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Projects Fund, and Golf Fund, all of which are considered to be major funds. Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report. The Golf Fund was closed as of September 30, 2017.

The town adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found beginning on page twenty of this report.

Proprietary funds. The town maintains one kind of proprietary fund, *enterprise funds*, which are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The town uses enterprise funds to account for its Water and Solid Waste Funds. The other kind of proprietary fund is an *internal service fund*, an accounting device used to accumulate and allocate costs internally. This type of proprietary fund is not employed by the Town of Belleair.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water, Wastewater and Solid Waste Funds, all of which are considered to be major funds of the town.

The basic proprietary fund financial statements can be found beginning on page twenty-five of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the Town of Belleair's programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found beginning on page thirty of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 32-93 of this report.

Implementation of GASB 74, 77, 78, 80 & 82. The Town adopted GASB Statement No. 74 Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. GASB 74 requires the Town to use the Pension and OPEB standards which were updated subsequent to a review of the effectiveness of the standards – objective was to establish a consistent set of standards for all postemployment benefits, providing more transparent reporting of the liability and more useful information about the liability and costs of benefits. The town is implementing GASB 77, Tax Abatement Disclosures. GASB 77 requires information about revenues that governments forgo to improve understanding of financial position and economic condition, inter-period equity, sources and uses of financial resources, and compliance with finance related legal or contractual requirements. GASB 78, Pensions Provided through Certain Multiple- Employer Pension Plans was also implemented. GASB 78 was issued to address stakeholder concerns about application of Statement 68 to defined benefit pensions provided through federally sponsored or private multiple-employer pension plans (such as Taft-Hartley Plans. GASB 78 addresses requests to revisit existing standards when the concerns are significant and raise new issues. GASB 80, Blending Requirements for Certain Component Units was also implemented. GASB 80 revises the standards of diversity in practice with some component units regarding how certain component units should be presented in the financial statements of the primary government. For example: Primary government and component unit have substantively the same governing body AND a financial benefit/burden relationship exists, or management (below the elected official level) of the primary government has “operational responsibility” for the activities of the component unit. GASB 82, Pension Issues was also implemented. GASB 82

addresses concerns raised by stakeholders during the implementation process of Statements 67 & 68. For example, payments made by an employer to satisfy contribution requirements identified by plan terms as plan member contributions should be classified as plan member contributions for purposes of Statement 67 and as employee contributions for purposes of Statement 68.

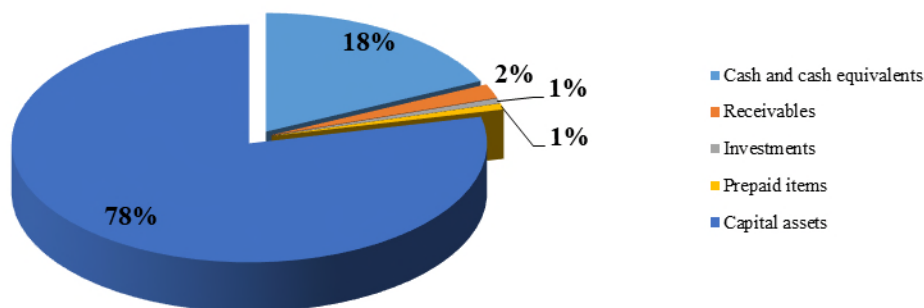
Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Town of Belleair's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page ninety-four of Notes to Financial Statements.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented beginning on page one hundred and one. Combining and individual fund statements and schedules can be found on pages 101-110 of this report.

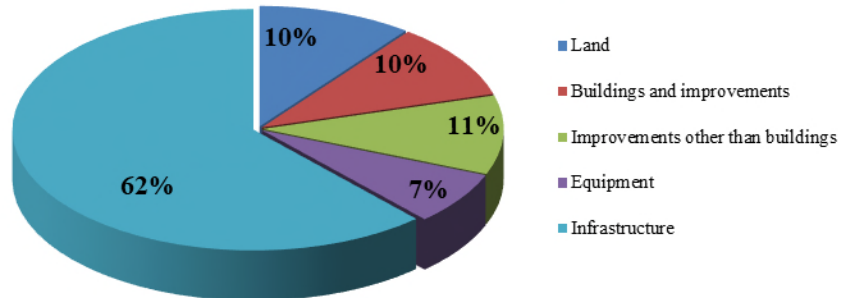
Government-wide Financial Analysis

As noted earlier, the net position may serve over time as a useful indicator of a government's financial position. In the case of Town of Belleair, Florida, net position was \$38,981,115 at the close of the most recent fiscal year.

Government-Wide Assets



Government-Wide Capital Assets



By far the largest portion of the Town of Belleair's assets (78 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that are still outstanding. The town uses these capital assets to provide service to citizens; consequently, these assets are not available for future spending. Although the town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Town of Belleair, Florida's Net Position

	Governmental Activities		Business-Type Activities		Total	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Assets						
Current and other assets	\$ 7,229,794	\$ 5,051,253	\$ 3,269,523	\$ 2,732,474	\$ 10,499,317	\$ 7,783,727
Capital assets	<u>34,851,199</u>	<u>36,030,171</u>	<u>3,701,788</u>	<u>3,797,561</u>	<u>38,552,987</u>	<u>39,827,732</u>
Total Assets	42,080,993	41,081,424	6,971,311	6,530,035	49,052,304	47,611,459
Deferred Outflows of Resources						
Deferred Outflows of Resources	25,382	276,271	-	-	25,382	276,271
Long-term liabilities outstanding	8,467,678	9,153,252	642,985	680,291	9,110,663	9,833,543
Other liabilities	<u>762,510</u>	<u>731,797</u>	<u>154,689</u>	<u>147,430</u>	<u>917,199</u>	<u>879,227</u>
Total Liabilities	9,230,188	9,885,049	797,674	827,721	10,027,862	10,712,770
Deferred Inflows of Resources						
Deferred Inflows of Resources	68,709	61,852	-	-	68,709	61,852
Net Position						
Net investment in capital assets	26,107,346	26,838,533	3,701,788	3,797,561	29,809,134	30,636,094
Restricted	5,206,043	2,951,253	-	-	5,206,043	2,951,253
Unrestricted	<u>1,494,089</u>	<u>1,621,008</u>	<u>2,471,849</u>	<u>1,904,753</u>	<u>3,965,938</u>	<u>3,525,761</u>
Total net position	<u>\$32,807,478</u>	<u>\$31,410,794</u>	<u>\$6,173,637</u>	<u>\$5,702,314</u>	<u>\$38,981,115</u>	<u>\$37,113,108</u>

An additional portion of the Town of Belleair's net position (thirteen percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of the *unrestricted portion of the net position* is \$3,965,938 and may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the town reports positive balances in all categories of net position.

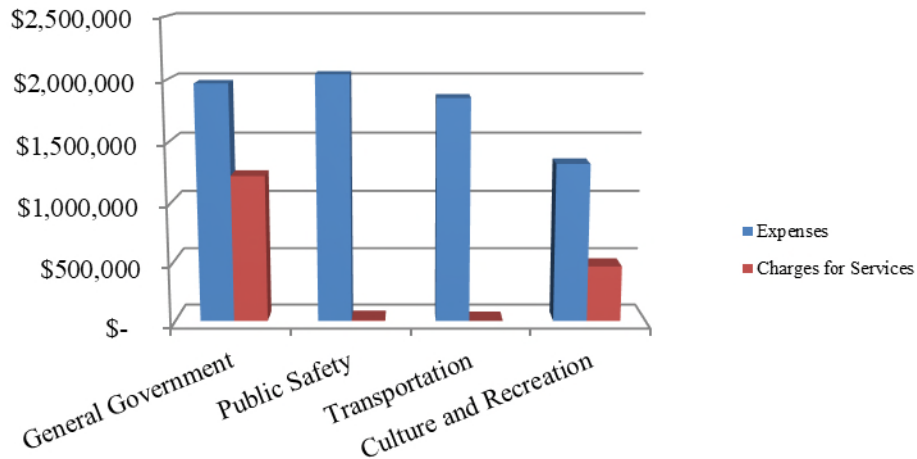
Governmental activities. Approximately one-third of the town's unrestricted net position (38 percent) are held by governmental activities.

Town of Belleair, Florida's Changes in Net Position Statement of Activities

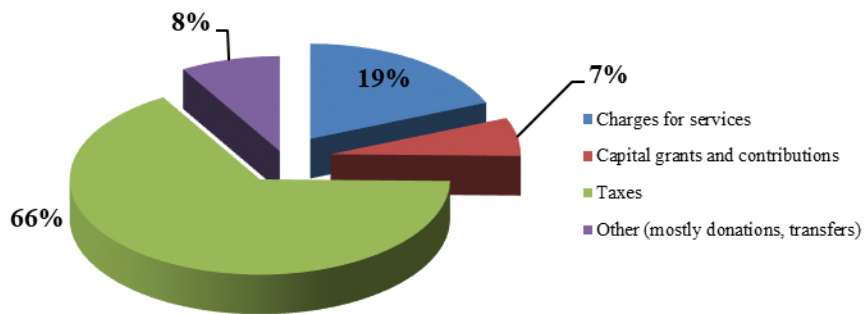
	Governmental Activities		Business-Type Activities		Total	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenues:						
Program Revenues:						
Charges for services	\$ 1,685,143	\$ 1,558,152	\$ 3,692,534	\$ 3,360,651	\$ 5,377,677	\$ 4,918,803
Capital grants and contributions	583,095	711,739	2,900	10,654	585,995	722,393
Total program revenues	2,268,238	2,269,891	3,695,434	3,371,305	5,963,672	5,641,196
General revenues:						
Taxes	5,939,795	5,648,564	-	-	5,939,795	5,648,564
Other	762,105	233,293	11,162	9,738	773,267	243,031
Total general revenues	6,701,900	5,881,857	11,162	9,738	6,713,062	5,891,595
Total revenues	8,970,138	8,151,748	3,706,596	3,381,043	12,676,734	11,532,791
Expenses:						
General government	1,967,156	2,053,304	-	-	1,967,156	2,053,304
Public safety	2,039,913	2,034,289	-	-	2,039,913	2,034,289
Transportation	1,850,840	1,526,427	-	-	1,850,840	1,526,427
Culture and recreation	1,314,695	1,593,065	-	-	1,314,695	1,593,065
Interest on long term debt	313,991	325,571			313,991	325,571
Water	-	-	1,340,841	1,258,032	1,340,841	1,258,032
Wastewater	-	-	1,161,092	1,090,771	1,161,092	1,090,771
Solid Waste	-	-	820,199	777,415	820,199	777,415
Total expenses	7,486,595	7,532,656	3,322,132	3,126,218	10,808,727	10,658,874
Increase (decrease) in net position before transfers	1,483,543	619,092	384,464	254,825	1,868,007	873,917
Transfers	(86,859)	(596,264)	86,859	596,264	-	-
Increase (decrease) in net position	1,396,684	22,828	471,323	851,089	1,868,007	873,917
Net position, Beginning	31,410,794	31,387,966	5,702,314	4,851,225	37,113,108	36,239,191
Net position, Ending	<u>\$ 32,807,478</u>	<u>\$ 31,410,794</u>	<u>\$ 6,173,637</u>	<u>\$ 5,702,314</u>	<u>\$ 38,981,115</u>	<u>\$ 37,113,108</u>

- The government-wide net position increased by \$1,868,007 at year-end.
- The net position for governmental activities increased by \$1,396,684 during the year.
- The Water Fund received updated infrastructure from drainage improvement projects financed by the Capital Projects Fund.
- The net position for business-type activities increased by \$471,323, due to updated infrastructure paid for by the Capital Projects Fund.
- Transfer expenses for governmental activities increased this year substantially as water infrastructure in the Bayview Dr. and Rosery Rd. improvements were recognized as transfer expenses in the Capital Projects Fund and transfer revenues in the Water Fund.
- Increases in governmental activities for Capital grants and contributions reflect grant revenues received from the Southwest Florida Water Management District for the Bayview Dr. Project.

Expenditure & Program Revenues: Governmental Activities



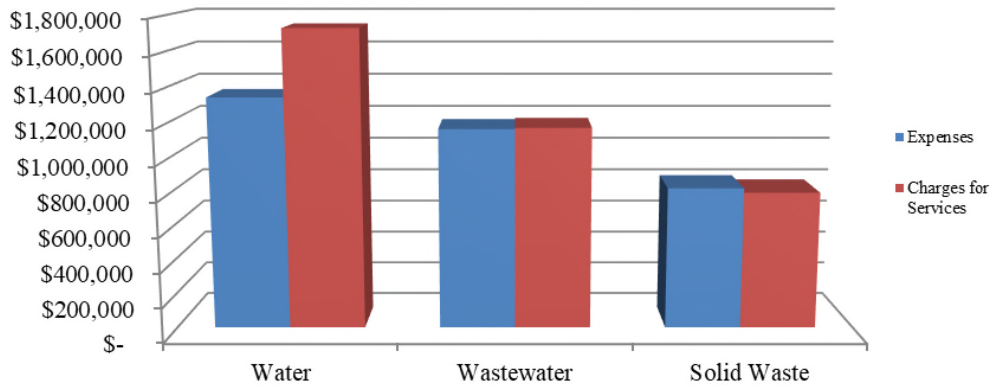
Revenues by Source: Governmental Activities



Business-type activities. Business-type activities represent 16 percent of the town's net position. Following the new rate structure implemented in October 2013, as well as an additional rate increase in January 2017 the Water Fund continues to generate sufficient revenue with service charge income exceeding operating expenses by \$389,675. Solid Waste Fund revenues and expenditures decreased due to Hurricane Irma with operating income of \$(25,795). The wastewater system is run by Pinellas County and charges for services are passed through to Pinellas County.

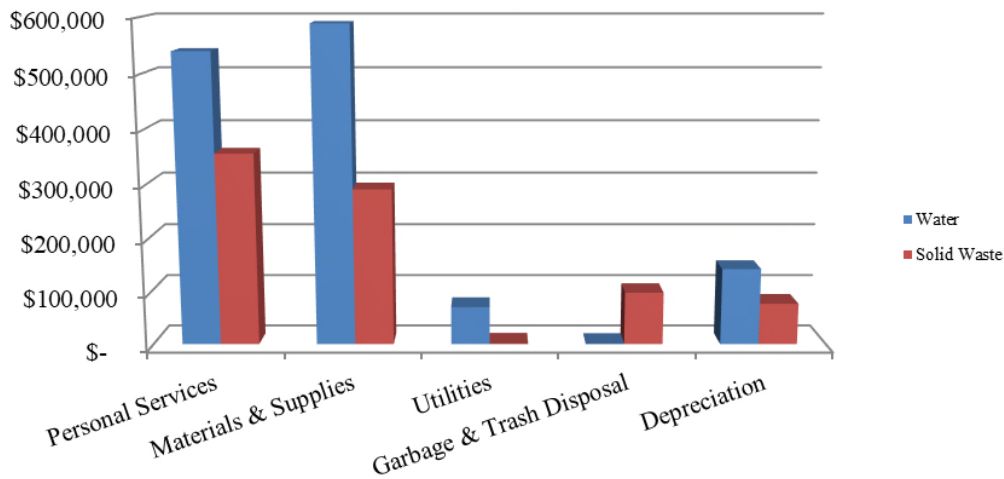
Expenses and Program Revenues - Business-type Activities

Expenses & Program Revenues: Business Type Activities



Operating Expenses by Fund - Business-type Activities

Operating Expenses by Business Type



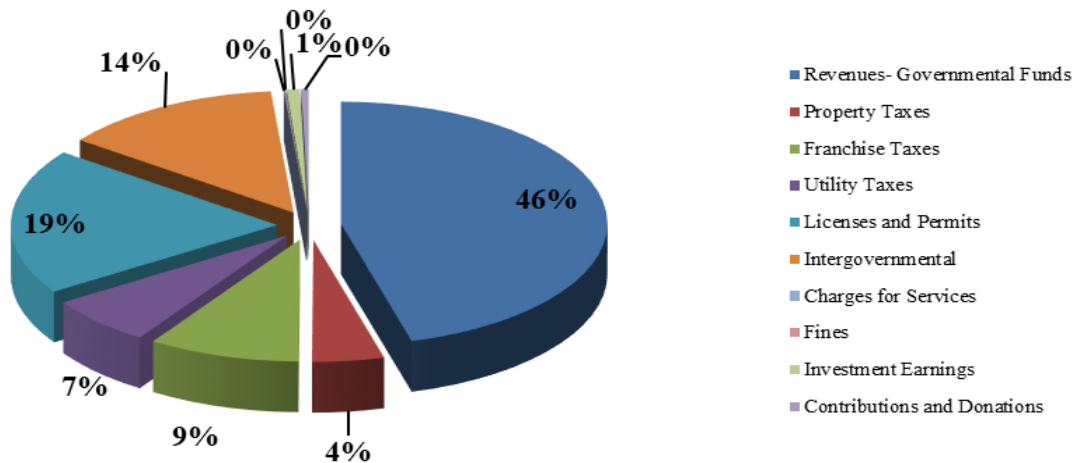
Financial Analysis of the Government's Funds

As noted earlier, the town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

Revenues- Total Governmental Funds

Revenues- Total Governmental Funds



As of the end of the current fiscal year, the Town of Belleair's governmental funds reported combined ending total fund balances of \$7,560,715 an increase of \$2,126,204 in comparison with the prior year. Approximately twenty-seven percent of total fund balance, \$2,039,028, constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund is composed of *assigned* and *restricted* balances. The *assigned* balance is \$88,029, which indicates that the amount is not available for new spending because it has already been assigned to specific purposes such as donations for the Parks and Recreation Department and the Police Department. The *restricted* balance totals to \$5,432,041, which is an amount that is earmarked for explicit purposes specified by external providers and the Town Commission, such as funding for capital improvement projects.

The General Fund is the principal operating fund of the town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$2,039,028 while total fund balance reached \$2,128,674. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 35 percent of total General Fund expenditures while unrestricted total fund balance represents 37 percent of that same amount. The current fund balance policy requires that the town maintain unrestricted fund balance in the General Fund equivalent to 20% of expenditures. The fund balance of the town's General Fund increased by \$891,668 during the current fiscal year as funds from the dissolution of the Golf Fund were transferred into the General Fund. General Fund expenditures decreased by \$(244,731) as a whole over the previous year.

Capital Projects Fund.

The Capital Projects Fund expended \$3,900,431 on \$2,407,015 of revenue. Prior to 2012, the Town Commission determined that the town would need to save for future projects and develop new sources of income to repair and improve the roads and stormwater structures throughout Belleair. To that end, the commission approved the stormwater fee and municipal public services tax, both of which went into effect in October 2012. The need for immediate improvement prompted the Town Commission to approve borrowing in the form of a \$10 million note, through BB&T, to be repaid over 20 years. Revenue sources such as the stormwater fee, municipal public services tax and the Penny for Pinellas discretionary sales surtax are dedicated to debt service of the loan. Also, the town provided BB&T a covenant to budget and appropriate as assurance of repayment. Additionally, a millage is dedicated to the Capital Projects Fund as a means to save for future projects. The town is currently discussing policies related to the strategic planning of capital projects so as to avoid further debt issuance.

Golf Fund

In the case of the Golf Fund, revenues decreased from \$205,516 in 2015-16 to \$135,301, a decrease of 13%. The Golf Fund was created following the town's purchase of the Belleview Biltmore Golf Club in February 2013. In the following year, the town entered a lease agreement with a third party to provide stewardship of the property, continued recreational and aesthetic benefit, and guaranteed revenues to the Town of Belleair. The property was sold by the Town of Belleair in June 2017 and the fund was closed. At the time of dissolution, the Golf Fund transferred \$3,863,615 to the Capital Projects Fund and \$887,750 to the General Fund.

Special Revenue funds.

The Town of Belleair's special funds include the Local Option Gas Tax Fund, Transportation Impact Fee Fund, Tree Replacement Fund, and Capital Equipment Replacement Fund. The overall fund balance of these funds is \$848,198. The special revenue funds are subject specific, and the expenditures are always used for capital improvement.

Proprietary funds. The Town of Belleair's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted portions of net position of the water, wastewater and Solid Waste Funds at the end of the year amounted to \$2,471,849, an increase of \$567,096 over the prior year. Other factors concerning the finances of these three funds have already been addressed in the discussion of the town's business-type activities. Of particular note, the unrestricted net position for the Water Fund is \$1,255,698, \$805,698 above its policy mandated level of \$450,000.

General Fund Budgetary Highlights

While there was a \$1,493,575 difference between the originally budgeted expenditures and the final amended budgeted expenditures, there were some variances between the final amended budget and the actuals. The revenue variance for the General Fund was \$249,565 (4 percent) higher than budgeted. Expenditures were \$1,271,143 (18 percent) less than budgeted partly due to Hurricane Irma as well as additional reserves fund balance transferred from the Golf Fund to the General Fund. The resulting net variance of change in fund balance was \$1,520,708.

Capital Assets and Long-Term Debt

Capital Assets. The Town of Belleair's investment in capital assets for its governmental and business-type activities as of September 30, 2017, amounts to \$29,809,134. This investment in capital assets includes land, buildings & system, improvements, machinery & equipment, park facilities, roads, highways, seawalls, and bridges. The total decrease over the prior year in the town's investment in capital assets for the current fiscal year was \$(826,960), a \$(731,187) decrease in governmental activities and a \$(95,773) decrease in business-type activities. The decrease was driven by this year's sale of the Belleview Biltmore Golf Club, partially offset by completion of several major capital projects.

Major capital asset events during the current fiscal year included the following:

- Sale of the Belleview Biltmore Golf Club
- Completion of Rosery Rd. roadway and drainage improvement project
- Completion of Bayview Drive roadway and drainage improvement project
- Completion of the Althea Rd. roadway and drainage improvement project

Town of Belleair, Florida's Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Land	\$ 5,637,015	\$ 7,588,875	\$ 22,950	\$ 22,950	\$ 5,659,965	\$ 7,611,825
Building and system	5,210,791	6,400,254	308,532	308,532	5,519,323	6,708,786
Improvements other than buildings	553,430	543,430	5,206,705	5,155,451	5,760,135	5,698,881
Machinery and equipment	2,599,662	2,658,335	1,280,733	1,209,303	3,880,395	3,867,638
Infrastructure	33,665,595	30,912,061	-	-	33,665,595	30,912,061
Accumulated depreciation	(12,815,294)	(12,072,784)	(3,117,132)	(2,898,675)	(15,932,426)	(14,971,459)
Total	<u>\$34,851,199</u>	<u>\$36,030,171</u>	<u>\$3,701,788</u>	<u>\$3,797,561</u>	<u>\$38,552,987</u>	<u>\$39,827,732</u>

Additional information on the town's capital assets can be found in Note seven on pages 60-62 of this report.

Long-term debt. At the end of the current fiscal year, the town had long-term debt obligations in the forms of a 20-year \$10,000,000 revenue bond with an outstanding liability of \$8,530,000, a five-year \$300,000 equipment loan with an outstanding liability of \$213,853, compensated absences and other post-employment benefits. Sources of income such as the stormwater fee, Penny for Pinellas surtax, municipal public services tax contribute to the repayment of the loan. Annual debt service of approximately \$710,000 will be covered by \$1,140,000 of annual revenue from those three streams. There is also a covenant to budget and appropriate other non Ad Valorem proceeds should there be a revenue shortfall.

The town receives an actuarial valuation of its other post-employment benefits (OPEB) as required under Government Accounting Standards Board (GASB) Statement No. 45 every two years. The current valuation was performed in preparation for the FY 2015-16 CAFR.

Additional information on the town's long-term debt activity can be found in Note ten on pages 64-66 of this report.

Town of Belleair, Florida's Outstanding Debt and Compensated Absences

	Governmental Activities		Business-Type Activities		Total	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenue Bonds	\$ 8,530,000	\$ 8,920,000	\$ -	\$ -	\$ 8,530,000	\$ 8,920,000
Equipment Loan	\$ 213,853	\$ 271,638			\$ 213,853	\$ 271,638
Compensated absences	\$ 316,813	\$ 309,480	\$ 85,139	\$ 80,780	\$ 401,952	\$ 390,260
Net Pension Liability	\$ 381,707	\$ 648,553	-	-	\$ 381,707	\$ 648,553
OPEB	\$ 118,736	\$ 118,736	-	-	\$ 118,736	\$ 118,736
Total	<u>\$ 9,561,109</u>	<u>\$ 10,268,407</u>	<u>\$ 85,139</u>	<u>\$ 74,903</u>	<u>\$ 9,646,248</u>	<u>\$ 10,349,187</u>

Economic Factors and Next Year's Budgets and Rates

- Outlook has not changed much from the prior year; local and national economic conditions continue to be showing gradual improvement. Per capita income has increased slightly along with property values.
- The unemployment rate for Pinellas County, Florida for 2017 is 3.8 percent, which was up from 3.7 percent in 2016.
- Inflationary trends in the region compare healthy to the national indices.
- The Belleview Biltmore Hotel property has been sold and rezoned for Planned Mixed Use. The property is expected to be redeveloped as a mixture of condominiums, townhomes, and a boutique hotel. This redevelopment could mean as additional Ad Valorem revenue in excess of \$400,000 once the project is fully completed. Significant building fees should again be collected in the coming year.
- The town sold the Belleview Biltmore Golf Club to Pelican Golf LLC, and the buyer is constructing significant improvements that are expected to have a positive effect on the valuation of the property.
- As chloride levels continue to rise, the town is exploring alternative water source options including Reverse Osmosis, wholesale purchase of water, and sale of the utility.

All of these factors were considered in preparing the Town of Belleair's annual operating and capital budget for the 2017-18 fiscal year.

Request for Information

This financial report is designed to provide a general overview of the Town of Belleair's finances for all those with an interest in such matters. Questions concerning any of the information supplied in this report or requests for additional financial information should be addressed to the town's Support Services Department, 901 Ponce de Leon Boulevard, Town of Belleair, Florida, 33756. The town's web address is <http://www.townofbelleair.com>.

BASIC FINANCIAL STATEMENTS

BASIC FINANCIAL STATEMENTS

This section contains the following subsections:

Government-Wide Financial Statements

Statement of Net Position
Statement of Activities

Fund Financial Statements

Governmental Fund Financial Statements

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

Proprietary Fund Financial Statements

Statement of Net Position - Proprietary Funds
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Proprietary Funds
Statement of Cash Flows - Proprietary Funds

Fiduciary Fund Financial Statements

Statement of Fiduciary Net Position - Fiduciary Funds
Statement of Changes in Fiduciary Net Position - Fiduciary Funds

Notes to Financial Statements

TOWN OF BELLEAIR, FLORIDA

STATEMENT OF NET POSITION

SEPTEMBER 30, 2017

ASSETS	Primary Government		
	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ 6,319,879	\$ 2,497,281	\$ 8,817,160
Investments	213,709	111,474	325,183
Receivables (net of allowance for uncollectibles)	289,589	660,768	950,357
Prepaid items	406,617	-	406,617
Capital Assets:			
Land	5,637,015	22,950	5,659,965
Buildings and improvements	5,210,791	308,532	5,519,323
Improvements other than buildings	553,430	5,206,705	5,760,135
Equipment	2,599,662	1,280,733	3,880,395
Infrastructure	33,665,595	-	33,665,595
Accumulated depreciation	<u>(12,815,294)</u>	<u>(3,117,132)</u>	<u>(15,932,426)</u>
Total Assets	42,080,993	6,971,311	49,052,304
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pension plans	25,382	-	25,382
LIABILITIES			
Accounts payable	149,946	113,624	263,570
Accrued salaries and wages	69,133	19,780	88,913
Current liabilities:			
Due Within One Year:			
Compensated absences	79,203	21,285	100,488
Equipment loan	59,228	-	59,228
Revenue bond	405,000	-	405,000
Non current liabilities:			
Due In More Than One Year:			
Deposits	-	29,131	29,131
Advance	(550,000)	550,000	-
Compensated absences	237,610	63,854	301,464
Equipment loan	154,625	-	154,625
Revenue bond	8,125,000	-	8,125,000
Net pension liability	381,707	-	381,707
Other post-employment benefits	<u>118,736</u>	<u>-</u>	<u>118,736</u>
Total Liabilities	9,230,188	797,674	10,027,862
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pension plans	68,709	-	-
NET POSITION			
Invested in capital assets	26,107,346	3,701,788	29,809,134
Restricted for:			
Capital equipment replacement	622,200	-	622,200
Capital projects	4,583,843	-	4,583,843
Unrestricted	<u>1,494,089</u>	<u>2,471,849</u>	<u>3,965,938</u>
Total Net Position	<u>\$ 32,807,478</u>	<u>\$ 6,173,637</u>	<u>\$ 38,981,115</u>

See Notes to Financial Statements.

TOWN OF BELLEAIR, FLORIDA

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Capital Grants and Contributions	Primary Government		Total
				Governmental Activities	Business-type Activities	
Functions/Programs						
Primary government:						
Governmental Activities:						
General government	\$ 1,967,156	\$ 1,214,939	\$ -	\$ (752,217)	\$ -	\$ (752,217)
Public Safety	2,039,913	7,105	-	(2,032,808)	-	(2,032,808)
Transportation	1,850,840	-	583,095	(1,267,745)	-	(1,267,745)
Culture and recreation	1,314,695	463,099	-	(851,596)	-	(851,596)
Interest on long-term debt	313,991	-	-	(313,991)	-	(313,991)
Total governmental activities	7,486,595	1,685,143	583,095	(5,218,357)	-	(5,218,357)
Business-Type Activities:						
Water	1,340,841	1,730,516	-	-	389,675	389,675
Wastewater management	1,161,092	1,167,614	-	-	6,522	6,522
Solid waste management	820,199	794,404	2,900	-	(22,895)	(22,895)
Total business-type activities	3,322,132	3,692,534	2,900	-	373,302	373,302
Total primary government	\$ 10,808,727	\$ 5,377,677	\$ 585,995	(5,218,357)	373,302	(4,845,055)
General Revenues:						
Property taxes				3,848,662	-	3,848,662
Utility taxes				773,455	-	773,455
Franchise taxes				367,097	-	367,097
Unrestricted						
Intergovernmental						
Revenues:						
State revenue sharing				101,460	-	101,460
Communication services tax				172,563	-	172,563
Half-cent sales tax				245,186	-	245,186
Local option gas tax				57,276	-	57,276
Infrastructure sales surtax				409,965	-	409,965
Other taxes				65,591	-	65,591
Unrestricted investment earnings				5,165	1,233	6,398
Gain on sale of capital assets				551,138	-	551,138
Miscellaneous				104,342	9,929	114,271
Transfers				(86,859)	86,859	-
Total General Revenues and transfers				6,615,041	98,021	6,713,062
Changes in Net Position				1,396,684	471,323	1,868,007
Net Position - Beginning				31,410,794	5,702,314	37,113,108
Net Position - Ending				\$ 32,807,478	\$ 6,173,637	\$ 38,981,115

See Notes to Financial Statements.

TOWN OF BELLEAIR, FLORIDA

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2017

ASSETS	<u>General</u>	<u>Infrastructure</u>	<u>Golf</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Cash and cash equivalents	\$ 1,426,638	\$ 3,988,730	\$ -	\$ 904,511	\$ 6,319,879
Investments	185,892	23,749	-	4,068	213,709
Receivables (net of allowance for uncollectibles):					
Taxes:					
Franchise taxes	40,295	-	-	-	40,295
Utility taxes	-	100,678	-	-	100,678
Accounts	6,995	-	-	-	6,995
Intergovernmental:					
State	66,526	-	-	-	66,526
County	-	65,686	-	9,409	75,095
Prepaid items	1,617	405,000	-	-	406,617
Advance to Water Fund	550,000	-	-	-	550,000
TOTAL ASSETS	\$ 2,277,963	\$ 4,583,843	\$ -	\$ 917,988	\$ 7,779,794

LIABILITIES AND FUND BALANCES

Liabilities:					
Accounts payable	\$ 80,156	\$ -	\$ -	\$ 69,790	\$ 149,946
Accrued payroll	69,133	-	-	-	69,133
Total liabilities	149,289	-	-	69,790	219,079
Fund balances:					
Nonspendable	1,617	405,000	-	-	406,617
Restricted	-	4,178,843	-	848,198	5,027,041
Assigned	88,029	-	-	-	88,029
Unassigned	2,039,028	-	-	-	2,039,028
Total fund balances	2,128,674	4,583,843	-	848,198	7,560,715
Total liabilities and fund balances	\$ 2,277,963	\$ 4,583,843	\$ -	\$ 917,988	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the Governmental funds.	34,851,199
Deferred outflows of resources	25,382
Long-term liabilities, including compensated absences are not due and payable in the current period and therefore are not reported in the Governmental funds.	(9,561,109)
Deferred inflows of resources	(68,709)

Net position of governmental activities \$ 32,807,478

See Notes to Financial Statements.

TOWN OF BELLEAIR, FLORIDA

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

REVENUES	General	Infrastructure	Golf	Other Governmental Funds	Total Governmental Funds
Taxes:					
Property	\$ 3,210,217	\$ 638,445	\$ -	\$ -	3,848,662
Franchise	367,097	-	-	-	367,097
Utility	-	773,455	-	-	773,455
Licenses and permits	548,624	-	-	-	548,624
Intergovernmental	580,974	993,060	-	57,276	1,631,310
Charges for services	997,732	-	135,301	-	1,133,033
Fines	3,485	-	-	-	3,485
Investment earnings	4,868	255	-	42	5,165
Contributions and donations	68,198	-	-	-	68,198
Miscellaneous	36,095	1,800	-	-	37,895
	<u>5,817,290</u>	<u>2,407,015</u>	<u>135,301</u>	<u>57,318</u>	<u>8,416,924</u>
Total Revenues	5,817,290	2,407,015	135,301	57,318	8,416,924
EXPENDITURES					
Current:					
General government	1,969,983	-	-	-	1,969,983
Public safety	2,071,733	-	-	-	2,071,733
Transportation	467,036	3,202,498	-	251,611	3,921,145
Culture and recreation	1,257,937	-	-	-	1,257,937
Debt service:					
Principal	57,785	390,000	-	-	447,785
Interest	6,058	307,933	-	-	313,991
	<u>5,830,532</u>	<u>3,900,431</u>	<u>-</u>	<u>251,611</u>	<u>9,982,574</u>
Total expenditures	5,830,532	3,900,431	-	251,611	9,982,574
Excess (deficiency) of revenues over (under) expenditures	(13,242)	(1,493,416)	135,301	(194,293)	(1,565,650)
OTHER FINANCING SOURCES (USES):					
Sale of capital assets	2,034	-	3,774,603	-	3,776,637
Proceeds from insurance	2,076	-	-	-	2,076
Transfers in	1,048,150	4,035,615	-	333,250	5,417,015
Transfers out	(147,350)	(212,959)	(4,848,365)	(295,200)	(5,503,874)
	<u>904,910</u>	<u>3,822,656</u>	<u>(1,073,762)</u>	<u>38,050</u>	<u>3,691,854</u>
Total other financing sources (uses)	904,910	3,822,656	(1,073,762)	38,050	3,691,854
Net change in fund balances	891,668	2,329,240	(938,461)	(156,243)	2,126,204
Fund balances, October 1	1,237,006	2,254,603	938,461	1,004,441	5,434,511
Fund balances, September 30	\$ <u>2,128,674</u>	\$ <u>4,583,843</u>	\$ <u>-</u>	\$ <u>848,198</u>	\$ <u>7,560,715</u>

See Notes to Financial Statements.

TOWN OF BELLEAIR, FLORIDA

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

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

Net change in fund balances - total governmental funds	\$ 2,126,204
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceed depreciation in the current period.	2,046,527
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(2,776,047)</u>
Changes in net position of governmental activities	<u>\$ 1,396,684</u>

See Notes to Financial Statements.

TOWN OF BELLEAIR, FLORIDA

GENERAL FUND

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	<u>BUDGETED AMOUNTS</u>			
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET-POSITIVE (NEGATIVE)</u>
REVENUES:				
Taxes:				
Property	\$ 3,154,000	\$ 3,154,000	\$ 3,210,217	\$ 56,217
Franchise	389,000	389,000	367,097	(21,903)
Licenses and permits	333,300	333,300	548,624	215,324
Intergovernmental	553,450	553,450	580,974	27,524
Charges for services	1,026,375	1,026,375	997,732	(28,643)
Fines	6,000	6,000	3,485	(2,515)
Investment earnings	9,000	9,000	4,868	(4,132)
Contributions and donations	11,700	11,700	68,198	56,498
Miscellaneous	84,900	84,900	36,095	(48,805)
TOTAL REVENUES	5,567,725	5,567,725	5,817,290	249,565
EXPENDITURES:				
Current:				
General government:				
Manager	1,247,700	2,056,750	1,245,360	811,390
Finance and administration	556,250	594,150	589,372	4,778
Comprehensive planning	142,250	135,950	135,251	699
Total general government	1,946,200	2,786,850	1,969,983	816,867
Public safety:				
Police	1,346,300	1,477,900	1,512,139	(34,239)
Fire	559,000	559,000	559,594	(594)
Emergency & Disaster Relief		400,000	79,735	320,265
Total public safety	1,905,300	2,436,900	2,071,733	365,167
Transportation:				
Streets	483,900	488,650	467,036	21,614
Culture and recreation:				
Recreation	1,216,850	1,325,425	1,257,937	67,488
Debt service:				
Principal	49,750	57,750	57,785	(35)
Interest	6,100	6,100	6,058	42
TOTAL EXPENDITURES	5,608,100	7,101,675	5,830,532	1,271,143

See Notes to Financial Statements.

TOWN OF BELLEAIR, FLORIDA

GENERAL FUND

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017
(CONTINUED)

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH FINAL BUDGET-POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL AMOUNTS</u>	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (40,375)	\$ (1,533,950)	\$ (13,242)	\$ 1,520,708
OTHER FINANCING SOURCES (USES):				
Transfers in:				
Golf Fund	887,750	887,750	887,750	-
Capital equipment				
Replacement Fund	25,400	25,400	25,400	-
Infrastructure Fund	135,000	135,000	135,000	-
Local Option Gas Tax Fund	34,300	34,300	-	(34,300)
Transfers out:				
Capital equipment				
Replacement Fund	(116,100)	(87,350)	(87,350)	-
Infrastructure Fund	(60,000)	(60,000)	(60,000)	-
Proceeds from insurance	-	-	2,076	2,076
Proceeds from debt	28,600	28,600	-	(28,600)
Sale of capital assets	-	-	2,034	2,034
Total other financing sources (uses)	<u>934,950</u>	<u>963,700</u>	<u>904,910</u>	<u>(58,790)</u>
NET CHANGE IN FUND BALANCE	894,575	(570,250)	891,668	1,461,918
FUND BALANCE, OCTOBER 1	<u>1,237,006</u>	<u>1,237,006</u>	<u>1,237,006</u>	<u>-</u>
FUND BALANCE, SEPTEMBER 30	\$ <u><u>2,131,581</u></u>	\$ <u><u>666,756</u></u>	\$ <u><u>2,128,674</u></u>	\$ <u><u>1,461,918</u></u>

See Notes to Financial Statements.

TOWN OF BELLEAIR, FLORIDA

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

SEPTEMBER 30, 2017

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS

ASSETS

	<u>Water</u>	<u>Waste- Water Management</u>	<u>Solid Waste Management</u>	<u>Totals</u>
CURRENT ASSETS:				
Cash and cash equivalents	\$ 1,635,347	\$ 199,045	\$ 662,889	\$ 2,497,281
Investments	27,795	58,579	25,100	111,474
Accounts receivable (net of allowance for uncollectible accounts)	245,029	282,042	133,697	660,768
TOTAL CURRENT ASSETS	1,908,171	539,666	821,686	3,269,523
NONCURRENT ASSETS:				
Capital Assets:				
Land	22,950	-	-	22,950
Buildings	308,532	-	-	308,532
Improvements other than buildings	5,206,705	-	-	5,206,705
Equipment	626,852	-	653,881	1,280,733
	6,165,039	-	653,881	6,818,920
Less accumulated depreciation	2,759,111	-	358,021	3,117,132
TOTAL CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)	3,405,928	-	295,860	3,701,788
TOTAL ASSETS	\$ 5,314,099	\$ 539,666	\$ 1,117,546	\$ 6,971,311

See Notes to Financial Statements

TOWN OF BELLEAIR, FLORIDA

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

SEPTEMBER 30, 2017

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS

LIABILITIES AND NET POSITION

	<u>Water</u>	<u>Waste- Water Management</u>	<u>Solid Waste Management</u>	<u>Totals</u>
CURRENT LIABILITIES:				
Accounts payable	\$ 8,803	\$ 95,457	\$ 9,364	\$ 113,624
Accrued payroll	12,005	-	7,775	19,780
Compensated absences	13,134	-	8,151	21,285
TOTAL CURRENT LIABILITIES	33,942	95,457	25,290	154,689
NONCURRENT LIABILITIES:				
Utility deposits	29,131	-	-	29,131
Advance from General Fund	550,000	-	-	550,000
Compensated absences	39,400	-	24,454	63,854
TOTAL NONCURRENT LIABILITIES	618,531	-	24,454	642,985
TOTAL LIABILITIES	652,473	95,457	49,744	797,674
NET POSITION				
Invested in capital assets	3,405,928	-	295,860	3,701,788
Unrestricted	1,255,698	444,209	771,942	2,471,849
TOTAL NET POSITION	\$ 4,661,626	\$ 444,209	\$ 1,067,802	\$ 6,173,637

See Notes to Financial Statements

TOWN OF BELLEAIR, FLORIDA

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION

PROPRIETARY FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS

	<u>Water</u>	<u>Waste- Water Management</u>	<u>Solid Waste Management</u>	<u>Totals</u>
OPERATING REVENUES:				
Charges for sales and services	\$ 1,730,516	\$ 1,167,614	\$ 794,404	\$ 3,692,534
Total operating revenues	1,730,516	1,167,614	794,404	3,692,534
OPERATING EXPENSES:				
Personal services	539,699	-	355,504	895,203
Materials and supplies	589,096	1,161,092	290,128	2,040,316
Utilities	70,201	-	602	70,803
Garbage and trash disposal	-	-	97,354	97,354
Depreciation	141,845	-	76,611	218,456
Total operating expenses	1,340,841	1,161,092	820,199	3,322,132
OPERATING INCOME (LOSS)	389,675	6,522	(25,795)	370,402
NONOPERATING REVENUES (EXPENSES):				
Interest revenue	334	629	270	1,233
Grant	-	-	2,900	2,900
Other income	5,855	-	899	6,754
Total nonoperating revenues	6,189	629	4,069	10,887
Income (loss) before contributions and transfers	395,864	7,151	(21,726)	381,289
Capital contributions - tap fees	3,175	-	-	3,175
Transfers in	104,759	-	100,500	205,259
Transfers (out)	(33,400)	-	(85,000)	(118,400)
CHANGE IN NET POSITION	470,398	7,151	(6,226)	471,323
NET POSITION - Beginning of Year	4,191,228	437,058	1,074,028	5,702,314
NET POSITION - End of Year	\$ 4,661,626	\$ 444,209	\$ 1,067,802	\$ 6,173,637

See Notes to Financial Statements.

TOWN OF BELLEAIR, FLORIDA

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

(CONTINUED)

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS

	Water	Waste- Water Management	Solid Waste Management	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ 1,725,252	\$ 1,134,208	\$ 791,139	\$ 3,650,599
Payments to suppliers for goods and services	(660,530)	(1,149,561)	(395,821)	(2,205,912)
Payments to employees for services	(548,357)	-	(338,080)	(886,437)
NET CASH PROVIDED BY OPERATING ACTIVITIES	516,365	(15,353)	57,238	558,250
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	104,759	-	100,500	205,259
Transfers to other funds	(33,400)	-	(85,000)	(118,400)
NET CASH USED BY NONCAPITAL FINANCING ACTIVITIES	71,359	-	15,500	86,859
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from capital contributions for tap fees	3,175	-	-	3,175
Purchases of capital assets	(117,426)	-	-	(117,426)
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(114,251)	-	-	(114,251)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of investments	(1,569)	-	-	(1,569)
Proceeds from sales and maturities of investments	1,868	-	-	1,868
Repayment of Advance to General Fund	(40,000)	-	-	(40,000)
Interest on investments	334	-	-	334
NET CASH PROVIDED (USED) IN INVESTING ACTIVITIES	(39,367)	-	-	(39,367)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	434,106	(15,353)	72,738	491,491
CASH AND CASH EQUIVALENTS, OCTOBER 1	1,201,241	214,398	590,151	2,005,790
CASH AND CASH EQUIVALENTS, SEPTEMBER 30	\$ 1,635,347	\$ 199,045	\$ 662,889	\$ 2,497,281

See Notes to Financial Statements.

TOWN OF BELLEAIR, FLORIDA

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

(Continued)

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS

	<u>Water</u>	<u>Waste- Water Management</u>	<u>Solid Waste Management</u>	<u>Totals</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss):	\$ 389,675	\$ 6,522	\$ (25,795)	\$ 370,402
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	141,845	-	76,611	218,456
Other		-		
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	(4,689)	(33,406)	(6,265)	(44,360)
Increase (decrease) in accounts payable	(1,233)	11,531	(4,737)	5,561
Increase (decrease) in accrued payroll	1,257	-	3,150	4,407
Increase (decrease) in compensated absences	(9,915)	-	14,274	4,359
Increase (decrease) in utility deposits	(575)	-	-	(575)
Total adjustments	126,690	(21,875)	83,033	187,848
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ <u>516,365</u>	\$ <u>(15,353)</u>	\$ <u>57,238</u>	\$ <u>558,250</u>

See Notes to Financial Statements.

TOWN OF BELLEAIR, FLORIDA

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUND

SEPTEMBER 30, 2017

Assets

	Police Pension Fund
Receivables:	
Employer	\$ 932
Intergovernmental revenue	8,466
Interest and dividends	<u>48,160</u>
Total receivables	57,558
Investment at fair value:	
U. S. Government securities	268,581
U. S. Government agency securities	288,289
International fixed income investment fund	151,268
Corporate bonds	595,697
Domestic equity investment funds	980,571
Domestic stock	659,779
International equity investment fund	567,039
Temporary investments	<u>191,503</u>
Total investments	3,702,727
Prepaid expenses	<u>2,511</u>
Total assets	3,762,796

Liabilities

Accounts payable	11,688
Accounts payable, broker-dealers	<u>30,245</u>
Total liabilities	<u>41,933</u>
Net position restricted for pensions	\$ <u><u>3,720,863</u></u>

See Notes to Financial Statements.

TOWN OF BELLEAIR, FLORIDA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FIDUCIARY FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	<u>Police Pension Fund</u>
ADDITIONS:	
Contributions:	
Employer	\$ 176,105
Plan members	<u>52,223</u>
Total contributions	228,328
Intergovernmental revenue:	
State excise tax rebate	48,160
Investment earnings (loss):	
Net realized and unrealized appreciation (depreciation) in fair value of investments	342,792
Interest and dividends	<u>97,368</u>
Investment earnings	440,160
Less investment expenses	<u>31,356</u>
Net investment earnings	<u>408,804</u>
Total additions	685,292
DEDUCTIONS:	
Benefits	180,671
Administrative expenses	<u>29,286</u>
Total deductions	<u>209,957</u>
Net increase in net position	475,335
Net position restricted for pensions: October 1	<u>3,245,528</u>
Net position restricted for pensions: September 30	<u><u>\$ 3,720,863</u></u>

See Notes to Financial Statements.

NOTES TO
FINANCIAL STATEMENTS

TOWN OF BELLEAIR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

1. Summary of Significant Accounting Policies

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

Reporting Entity - The Town is a political subdivision of the State of Florida, located in Pinellas County in the west central portion of the state. The Town was incorporated in 1925 under the provisions of the Laws of Florida, Chapter 10335 and since that time has operated under the same charter. The Town is approximately 2.5 square miles in area. The Town is a full service municipality providing its citizens with a full complement of municipal services. In addition, the Town owns and operates three utilities including: a water production and distribution system; a wastewater collection and treatment system; and a solid waste removal system.

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

This governmental accounting standard requires that this financial statement present the Town of Belleair (the primary government) and its component units. Component units generally are legally separate entities for which a primary government is financially accountable. Financial accountability ordinarily involves meeting both of the following criteria: the primary government is accountable for the potential component unit (i.e., the primary government appoints the voting majority of its board) and the primary government is able to impose its will upon the potential component unit, or there is a possibility that the potential component unit may provide specific financial benefits or impose specific financial burdens on the primary government. The Town's police officers' defined benefit pension fund is included in these financial statements as a pension fund.

TOWN OF BELLEAIR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

1. Summary of Significant Accounting Policies (Continued)

Police Officers' Pension Fund - The Town's police officers participate in the police officers' pension plan. The plan was created by the Town Commission under Florida Statutes Chapter 185 to provide pension services solely to the Town, functions for the benefit of these employees and is governed by a five-member pension board. Two police officers, two Town residents and a fifth member elected by the other four members constitute the pension board. The Town and the plan participants are obligated to fund all plan costs based upon actuarial valuations. The Town is authorized to establish benefit levels and the board of pension trustees approves the actuarial assumptions used in the determination of contribution levels.

During the fiscal year ended September 30, 2014 the Town adopted Governmental Accounting Standards Board (GASB) Statement 67, Financial Reporting for Pension Plans which became effective for fiscal year ended September 30 2014 (Note 15). During the fiscal year ended September 30, 2015, the Town adopted (GASB) Statement 68, *Accounting and Financial Reporting for Pensions*. Since separate trust financial statements have not been issued for this police pension plan and are only reported as a fiduciary fund in these statements. All of the disclosures required by GASB 67 have been reported in these statements. Further, the Town has chosen to use September 30, 2016 as the measurement date for GASB 68 reporting purposes. This statement changes the focus of pension accounting for employers from where they are responsibly funding their plan over time to a point-in-time liability that is reflected in the employer's financial statements for any actuarially unfunded portion of pension benefits to date.

The Police Officers' Pension Fund financial statements include solely the account of the plan which include all programs, activities and functions relating to the accumulation and investment of the assets and related income necessary to provide the service, disability and death benefits required under the terms of the plan and the amendments thereto.

TOWN OF BELLEAIR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

1. Summary of Significant Accounting Policies (Continued)

Employees' 401 (K) Fund - The Town's full-time employees not covered under the police officers' pension plan participate in the Employees' 401(K) Plan. The plan is governed by a four-member retirement plan committee. The Town manager, the mayor and two representatives of the Town's finance committee constitute the retirement plan committee. The plan provides that the Town will match the participants' contributions with an employer contribution of nine percent of earnings. The participants are required to contribute at least three percent of their compensation to be eligible for the matching contribution.

Complete custodial statements of the above individual funds can be obtained from: Town of Belleair, finance director's office, 901 Ponce de Leon Boulevard, Belleair, Florida 33756.

Government-Wide and Fund Financial Statements - As discussed more fully in Note 20 the town has adopted the provisions of GASB Statement No. 34, "Basic Financial Statements and Management Discussion and Analysis for State and Local Governments." The government-wide financial statements required under this statement (the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

TOWN OF BELLEAIR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

1. Summary of Significant Accounting Policies (Continued)

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds. Fiduciary funds (i.e. the pension trust fund) are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

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

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

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

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

TOWN OF BELLEAIR, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

1. Summary of Significant Accounting Policies (Continued)

Deferred Outflows of Resources/Deferred Inflows of Resources (Continued)

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

The Town has the following items that qualify for reporting in this category:

- A. Pension contributions after measurement date. These contributions are deferred and recognized in the following fiscal year.
- B. Difference in projected and actual earning on pension assets - This difference is deferred and amortized over a closed five year period.

All tax, accounts and intergovernmental receivables, are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 180 days comprise the trade accounts receivable allowance for uncollectibles including those for the sewer and solid waste management enterprise funds.

TOWN OF BELLEAIR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

1. Summary of Significant Accounting Policies (Continued)

Complete custodial statements of the above individual funds can be obtained from: Town of Belleair, finance director's office, 901 Ponce de Leon Boulevard, Belleair, Florida 33756.

Government-Wide and Fund Financial Statements - As discussed more fully in Note 20 the town has adopted the provisions of GASB Statement No. 34, "Basic Financial Statements and Management Discussion and Analysis for State and Local Governments." The government-wide financial statements required under this statement (the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds. Fiduciary funds (i.e. the pension trust fund) are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

TOWN OF BELLEAIR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

1. Summary of Significant Accounting Policies (Continued)

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

The Town's fiduciary funds are presented in the fund financial statements by type (pension). Since by definition these assets are being held for the benefit of a third-party (pension participants) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

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

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

TOWN OF BELLEAIR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

1. Summary of Significant Accounting Policies (Continued)

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

The Town reports the following major governmental funds:

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

The *infrastructure fund* accounts for the capital projects funded by the infrastructure sales surtax.

The *golf fund* accounts for the golf course operations. This fund was closed as of the fiscal year ended September 30 2017.

The Town reports the following major proprietary funds:

Water fund - to account for the assets, operation and maintenance of the town-owned water system.

Wastewater management - to account for operation of the sewer system.

Solid waste management - accounts for the assets, operation and maintenance of the town-owned refuse disposal system.

Additionally, the Town reports the following fund type:

Pension fund - accounts for the activities of the public safety employees' pension plan, which accumulates resources for pension benefit payments to qualified public safety employees.

TOWN OF BELLEAIR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

1. Summary of Significant Accounting Policies (Continued)

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

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's water, wastewater management and solid waste management enterprise funds are charges to customers for sales and services. The Town also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

Assets, Liabilities, and Net Position or Equity:

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

TOWN OF BELLEAIR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

1. Summary of Significant Accounting Policies (Continued)

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

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

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

The Florida State Board of Administration Local Government Pooled Investment Fund has met the criteria to be considered a "2A-7 like" Investment Fund as defined by GASB Statement No. 31. Therefore, amortized cost may be used for valuation. The fair value of the Town's investment in this pool is determined by the pool's share price (account balance).

TOWN OF BELLEAIR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

1. Summary of Significant Accounting Policies (Continued)

Investments held by the Town's police officers' pension plan are reported at fair value. Short-term investments are reported at amortized cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair values.

New Accounting Pronouncements - The GASB has issued the following statement which became effective for fiscal year 2016.

Government Accounting Standards Board (GASB) Statement No. 72, "Fair Value Measurement and Application" requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. Governments should organize these disclosures by type of asset or liability reported in certain entities that calculate net asset value per share (or its equivalent).

Property Taxes - Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the county property appraiser and county tax collector.

The tax levy of the town is established by the town commission prior to October 1 of each year and the Pinellas County Property Appraiser incorporates the town's millages into the total tax levy, which includes the Pinellas County School Board tax requirements. The town is permitted by state law to levy taxes up to ten mills of assessed valuation, exclusive of taxes levied for the payment of bonds. The 2017 millage rate assessed by the town was 5.9257.

All property is reassessed according to its fair market value January 1 of each year. Each assessment roll is submitted to the executive director of the state department of revenue for review to determine if the rolls meet all of the appropriate requirements of state statutes.

TOWN OF BELLEAIR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

1. Summary of Significant Accounting Policies (Continued)

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All tax, accounts and intergovernmental receivables, are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 180 days comprise the trade accounts receivable allowance for uncollectibles including those for the water, wastewater and solidwaste management enterprise funds.

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

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

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

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

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

TOWN OF BELLEAIR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

1. Summary of Significant Accounting Policies (Continued)

Franchise Fees - The Town's franchise fees are based on payments to the Town which equal a percentage of the grantees' gross revenues net of any customer credits. The Town's current grantees include the electric and the natural gas utilities.

Capital assets - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., streets, bridges, seawalls and stormlines), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the date of donation.

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

During the fiscal year ended September 30, 2003 the Town elected to implement the retroactive addition of infrastructure assets acquired prior to October 1, 2002.

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings	45 - 55
Building improvements	20 - 30
Improvements other than buildings	45 - 55
Machinery and equipment	5 - 15
Infrastructure	45 - 60

TOWN OF BELLEAIR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

1. Summary of Significant Accounting Policies (Continued)

Compensated absences - It is the Town's policy to permit employees to accumulate earned but unused vacation and sick pay benefits.

Regular, full-time, permanent employees earn vacation and sick leave starting with the first day of employment.

Vacation leave is earned based on years of continuous and creditable service as follows:

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

A maximum of thirty days vacation leave may be carried over from one year to the next. An employee who has served one year or more and who voluntarily terminates employment with the Town is paid for any unused vacation leave accumulated to the time of termination.

Sick leave is earned at the rate of eight hours for each month of service and shall be cumulative up to a maximum of two hundred forty hours for union employees and four hundred eighty hours for non-union employees. Each year employees have the option of receiving a lump-sum payment for sick leave earned in excess of eighty hours. Upon termination, providing the employee has two continuous years of service and that termination is not a dismissal, the employee is entitled to a lump-sum payment for all accrued unused sick leave.

TOWN OF BELLEAIR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

1. Summary of Significant Accounting Policies (Continued)

Vested or accumulated vacation and sick leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation and sick leave that are not expected to be liquidated with expendable available financial resources are reported in long-term debt. No expenditure is reported for these amounts. Vested or accumulated vacation and sick leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

All sick and vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

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

Fund equity - In the fund financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

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

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

TOWN OF BELLEAIR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

1. Summary of Significant Accounting Policies (Continued)

Restricted - This component consists of net position that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$5,206,043 of restricted net position, which is restricted by enabling legislation.

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

Nature and Purpose of Classifications of Fund Equity - In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Amounts that are restricted to specific purposes either by

a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or

b) imposed by law through constitutional provisions or enabling legislation are classified as restricted fund balances.

Amounts that can only be used for specific purposes pursuant to constraints imposed by the Commission through a resolution are classified as committed fund balances. Amounts that are constrained by the Town’s intent to be used for specific purposes but are not either restricted nor committed are classified as assigned fund balances. Assignments are made by the Town’s management based on Commission direction. Non-spendable fund balances include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the governmental funds.

TOWN OF BELLEAIR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

1. Summary of Significant Accounting Policies (Continued)

Fund Balance Policy

The Town hereby establishes and will maintain Fund Balance, as defined herein, in accordance with Governmental Accounting and Financial Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Fund Balance shall be composed of non-spendable, restricted, committed, assigned and unassigned amounts.

A Fund Balance Policy is adopted in order to secure and maintain investment-grade credit ratings, meet seasonal shortfalls in cash flow, and reduce susceptibility to emergency or unanticipated expenditures and/or revenue shortfalls. Fund balance information is used to identify the available resources to repay long-term debt, reduce property taxes, add new governmental programs, expand existing ones, or enhance the financial position of the Town, in accordance with policies established by the Town Commission.

This Fund Balance Policy establishes:

- a. Fund balance policy for the general fund;
- b. The method of budgeting the amount of estimated unrestricted fund balance (also known as estimated beginning fund balance) available for appropriation during the annual budget adoption process (prior to the actual, audited fund balance being known) and what actions may need to be taken if the actual fund balance is significantly different than the budgeted fund balance; and
- c. Establish the spending order of fund balances.

TOWN OF BELLEAIR, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

1. Summary of Significant Accounting Policies (Continued)

NON-SPENDABLE FUND BALANCE

Amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact.

RESTRICTED FUND BALANCE

Amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

COMMITTED FUND BALANCE

Amounts that can be used only for the specific purposes determined by a formal action (resolution) of the Town Commission, the highest level of decision making authority. Commitments may be changed or lifted only by the Town Commission taking the same formal action (resolution) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

ASSIGNED FUND BALANCE

This includes spendable fund balance amounts established by the Town Manager that are intended to be used for specific purposes that are neither considered restricted or committed. Assignments are made by the Town Manager based on Commission direction.

TOWN OF BELLEAIR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

1. Summary of Significant Accounting Policies (Continued)

UNASSIGNED FUND BALANCE

Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

MINIMUM LEVEL OF UNASSIGNED FUND BALANCE

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

The Manager will prepare and submit a plan for Commission for assigned fund balance reduction, expenditure reductions and/or revenue increases to Commission. The Town shall take action necessary to restore the unassigned fund balance to acceptable levels within two years.

TOWN OF BELLEAIR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

1. Summary of Significant Accounting Policies (Continued)

ASSIGNED FUND BALANCE

The Town policy hereby established the following assigned fund balance reserves in the General Fund:

Assignment to Subsequent Year's Budget - the subsequent year's budget fund balance reserve is assigned by Commission as set forth in the annual budget (and any amendments thereto) to appropriate a portion of existing unassigned fund balance to eliminate a projected deficit in the subsequent year's budget in an amount no greater than the projected excess of expected expenditures over revenues.

Comparative data/reclassifications - Comparative total data for the prior year have been presented only for individual pension funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

Subsequent Events - Management has adopted the provisions set forth in GASB Statement No. 56, *Subsequent Events*, and considered subsequent events through the date of the audit report which is the date that the financial statements were available to be issued.

TOWN OF BELLEAIR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

2. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds and net position - governmental activities* as reported in the government-wide statement of net position. The detail of this \$25,246,763 difference is as follows:

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

Governmental capital assets	\$ 47,666,493	
Less accumulated depreciation	(12,815,294)	
		\$ 34,851,199

Certain deferred outflows of resources are not available to pay current period expenditures and therefore are not reported in the funds.

Deferred outflows of resources related to pension plan.	25,382
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Long-term liabilities are not due and payable in the current period therefore are not reported in the governmental funds.

Other post-employment benefits (OPEB)	(118,736)	
Revenue bond	(8,530,000)	
Equipment lease	(213,853)	
Compensated absences	(316,813)	
		(9,179,402)

Certain liabilities and deferred inflows of resources are not due and payable in the current period and therefore are not reported in the funds.

Net pension liability	(381,707)	
Deferred inflows of resources related to pension plans	(68,709)	(450,416)

Net adjustment to increase *fund balance - total Governmental funds* to arrive at *net position - Governmental activities*

\$ 25,246,763

TOWN OF BELLEAIR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

2. Reconciliation of Government-wide and Fund Financial Statements (Continued)

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds and changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expenses.” The details of this \$2,046,527 difference are as follows

Capital outlay	\$ 3,124,827
Depreciation expense	<u>(1,078,300)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at changes in net position of governmental activities	\$ <u><u>2,046,527</u></u>

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this \$(2,776,047) difference are as follows:

Principal payment on bond	\$ 390,000
Principal payment on loan	57,785
Proceeds from sale of capital assets	(3,225,499)
Compensated absences	(7,433)
OPEB obligation	-
Pension expense	<u>9,100</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at changes in net position of governmental activities	\$ <u><u>(2,776,047)</u></u>

TOWN OF BELLEAIR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

3. Stewardship, Compliance, and Accountability

Budgetary information - Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund and the enterprise funds and are controlled on a fund and department level. The Town adopts project-length budgets for its infrastructure capital projects fund. All annual appropriations lapse at fiscal year end.

In accordance with the requirements of Section 4.04(c) of the Town's charter, budgetary data for the Town's enterprise funds have been reported in the combining and individual fund section of this report. The Town Manager is authorized to transfer budget amounts within departments; however, any revision that alters the total expenditures of any department or fund must be approved by the Town Commission.

On or before May 31 of each year, all departments of the Town submit requests for appropriation to the Town Manager so that a budget may be prepared. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

The proposed budget is presented to the Town Commission for review before August 1. The Town Commission holds public hearings and may add to, subtract from, or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available by the Town Manager or the revenue estimates must be changed by an affirmative vote of a majority of the Town Commission.

Expenditures may not legally exceed budgeted appropriations at the departmental level. During the year one supplementary appropriation was necessary.

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

Establishment/Elimination of Funds - No funds were established during the fiscal year ended September 30, 2017. The Golf Fund was eliminated during the fiscal year.

TOWN OF BELLEAIR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

3. Stewardship, Compliance, and Accountability (Continued)

Excess of expenditures (expenses) over revenues - The following funds had an operating deficit for the fiscal year ended September 30, 2017 summarized as follows:

Fund	Operating Deficit
General	\$ <u>(13,242)</u>
Infrastructure	\$ <u>(1,493,416)</u>
Solid Waste Management	\$ <u>(25,795)</u>
Local Option Gas Tax	\$ <u>(194,304)</u>

The Town's Board of Commissioners will use the available fund balances in the above funds to cover these deficits.

4. Deposits

At year-end the carrying amount of the Town's deposits was \$8,817,160 and the bank balance was \$8,814,905. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Security for Public Deposits Act. Provisions of the act require that public deposits may only be made at qualified public depositories. The act requires each qualified public depository to deposit with the state treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of the securities pledged by the defaulting depository, are assessed against the other qualified public depositories of the same type as the depository in default.

TOWN OF BELLEAIR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

5. Investments

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

	<u>Fair Value</u>	<u>Bond Rating</u>	<u>Weighted Average Duration (Years)</u>
Investments not subject to categorization:			
U.S. Government Securities and Agencies	\$ 556,870	AA	Daily
Fixed income investment funds	151,268	AA	Daily
Corporate bonds	595,697	AAA	Daily
Domestic Stock	659,779	N/A	N/A
Domestic equity investment funds	980,571	N/A	N/A
International equity investment fund	567,039	N/A	N/A
Temporary investments	191,503	N/A	N/A
Florida State Board of Administration Local Government Pooled Investment Fund (SBA)	<u>325,183</u>	Not Rated	N/A
Total investments	<u>\$ 4,027,910</u>		

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment in debt securities. Generally, the longer the time to maturity, the greater the exposure to interest rate risk. The Town manages its exposure to fair value losses arising from increasing interest rates through its adopted investment policies. The Town limits the effective duration of its investment portfolio through the adoption of nationally recognized risk measure bench marks.

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

TOWN OF BELLEAIR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

5. Investments (Continued)

Custodial Credit Risk - Custodial credit risk is defined as the risk that the Plan may not recover cash and investments held by another party in the event of a financial failure. The Plan requires all securities to be held by a third party custodian in the name of the Plan. Securities transactions between a broker-dealer and the custodian involving the purchase or sale of securities must be made on a “delivery vs. payment” basis to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction. The investments in mutual funds are considered *unclassified* pursuant to the custodial credit risk categories of GASB Statement No. 3, because they are not evidenced by securities that exist in physical or book-entry form.

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

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

TOWN OF BELLEAIR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

5. Investments (Continued)

The investment in the MBS-FNMA 30 year conventional represents the purchase of a security as a part of an overnight repurchase agreement under a bank sweep account contract. Terms of the master repurchase agreement permit investment only in U.S. government or agency securities. At September 30, 2017 this investment was held by the Town's bank in the Town's name and is recorded in the general fund.

Investments in common stock, U.S. government and agency bonds are assets of the Town's police officers' pension plan and are traded on a national securities exchange and are valued at the last reported sales price on the last business day of the year.

The federated treasury fund is an asset of the Town's police officers' pension plan. The fair value of these investments was determined by the funds' share price as of September 30, 2017.

The State Board of Administration (SBA) was established on June 21, 1928, pursuant to chapter 14486, 1929, Laws of Florida. The SBA was subsequently created as a constitutional body corporate on January 1, 1943, under the provisions of senate joint resolution No. 324, 1941; approved by the electorate in November 1942. The SBA is composed of the Governor, as chairman, the state treasurer, as treasurer, and the state Comptroller, as Secretary, and provides the following services by law: (1) investment of funds of the Florida Retirement System (FRS); (2) administration of debt service funds; (3) investment of trust and agency funds; and (4) distribution of the "second gas tax."

The local government pooled investment fund is governed by ch. 19-7 of the Florida Administrative Code, which identifies the rules of the State Board of Administration. These rules provide guidance and establish the general operating procedures for the administration of the local government pooled investment fund. Additionally, the Office of the Auditor General performs the operational audit of the activities and investments of the State Board of Administration.

Since the Florida State Board of Administration (SBA) local government pooled investment fund typically owns a substantial amount of treasury bills and notes, the fund has utilized security lending programs to generate supplemental income. This income is used to pay a significant portion of the fees associated with the fund which otherwise would have

TOWN OF BELLEAIR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

5. Investments (Continued)

to be paid from regular fund earnings. Any residual is used to build the fund's reserve on behalf of participants. Both of these goals have been accomplished without impacting the regular earnings in the fund with no change in the fund's investment strategy. The investment in the Florida SBA pool is carried at the pool's share price at September 30, 2017. The Florida SBA is a 2a-7 like pool.

6. Receivables

Receivables at of September 30, 2017 for the government's individual major funds and nonmajor, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are summarized as follows:

	<u>General</u>	<u>Infra- structure</u>	<u>Water</u>	<u>Waste- Water Management</u>	<u>Solid Waste Management</u>	<u>Nonmajor and Other Funds</u>	<u>Police Pension</u>	<u>Total</u>
Receivables:								
Taxes	\$ 40,295	\$ 100,678	\$ -	\$ -	\$ -	\$ -	\$ -	140,973
Accounts	6,995	-	270,029	297,042	143,697	-	49,092	766,855
Intergovernmental	<u>66,526</u>	<u>65,686</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,409</u>	<u>8,466</u>	<u>150,087</u>
Gross receivables	113,816	166,364	270,029	297,042	143,697	9,409	57,558	1,057,915
Less: Allowance for uncollectibles	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>15,000</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
Net total receivables	<u>\$ 113,816</u>	<u>\$ 166,364</u>	<u>\$ 245,029</u>	<u>\$ 282,042</u>	<u>\$ 133,697</u>	<u>\$ 9,409</u>	<u>\$ 57,558</u>	<u>\$ 1,007,915</u>

As the operator of three utilities, (water, wastewater management and solid waste management enterprise funds) the Town grants credit to their customers, substantially all of whom are Town residents.

Revenues of the water, wastewater and solid waste funds are reported net of uncollectible amounts. There were no uncollectible amounts related to revenues that were written off during the fiscal year ended September 30, 2017.

TOWN OF BELLEAIR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

7. Capital Assets

Capital asset activity for the year ended September 30, 2017 was as follows:

	Balance October 1, 2016	Increases	Decreases	Balance September 30, 2017
<u>Governmental activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 7,588,875	\$ 1,000	\$ (1,952,860)	\$ 5,637,015
Construction in progress	<u>3,190,265</u>	<u>-</u>	<u>(3,190,265)</u>	<u>-</u>
Total capital assets, not being depreciated	10,779,140	1,000	(5,143,125)	5,637,015
Capital assets, being depreciated:				
Buildings	6,400,254	17,677	(1,207,140)	5,210,791
Improvements other than buildings	543,430	10,000	-	553,430
Machinery and Equipment	2,658,335	342,616	(401,289)	2,599,662
Infrastructure	<u>27,721,796</u>	<u>5,943,799</u>	<u>-</u>	<u>33,665,595</u>
Total capital assets, being depreciated	37,323,815	6,314,092	(1,608,429)	42,029,478
Less accumulated depreciation for:				
Buildings	(1,383,458)	(161,418)	141,218	(1,403,658)
Improvements other than buildings	(168,009)	(35,134)	-	(203,143)
Machinery and equipment	(1,252,686)	(248,992)	194,572	(1,307,106)
Infrastructure	<u>(9,268,631)</u>	<u>(632,756)</u>	<u>-</u>	<u>(9,901,387)</u>
Total accumulated depreciation	<u>(12,072,784)</u>	<u>(1,078,300)</u>	<u>335,790</u>	<u>(12,815,294)</u>
Total capital assets, being depreciated, net	<u>25,251,031</u>	<u>5,235,792</u>	<u>(1,272,639)</u>	<u>29,214,184</u>
Governmental activities capital assets, net	<u>\$ 36,030,171</u>	<u>\$ 5,236,792</u>	<u>\$ (6,415,764)</u>	<u>\$ 34,851,199</u>

TOWN OF BELLEAIR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

7. Capital Assets (Continued)

	Balance October 1, 2016	Increases	Decreases	Balance September 30, 2017
<u>Business-type activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 22,950	\$ -	\$ -	\$ 22,950
Construction in progress	694,234	-	(694,234)	-
Total capital assets, not being depreciated	717,184	-	(694,234)	22,950
Capital assets, being depreciated:				
Buildings	308,532	-	-	308,532
Improvements other than buildings	4,461,217	745,488	-	5,206,705
Machinery and Equipment	1,209,303	71,430	-	1,280,733
Total capital assets, being depreciated	5,979,052	816,918	-	6,795,970
Less accumulated depreciation for:				
Buildings	(275,569)	(6,654)	-	(282,223)
Improvements other than buildings	(1,890,455)	(107,691)	-	(1,998,146)
Machinery and equipment	(732,652)	(104,111)	-	(836,763)
Total accumulated depreciation	(2,898,676)	(218,456)	-	(3,117,132)
Total capital assets, being depreciated, net	3,080,376	598,462	-	3,678,838
Business-type activities capital assets, net	\$ 3,797,560	\$ 598,462	\$ (694,234)	\$ 3,701,788

TOWN OF BELLEAIR, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

7. Capital Assets (Continued)

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

Governmental activities:

General government	\$	59,797
Public safety		68,545
Streets		727,051
Culture and recreation		<u>222,907</u>
Total depreciation expenses - governmental activities	\$	<u><u>1,078,300</u></u>

Business-type activities:

Water	\$	141,845
Wastewater		-
Solid waste		<u>76,611</u>
Total depreciation expense - business-type activities	\$	<u><u>218,456</u></u>

TOWN OF BELLEAIR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

8. Interfund Transfers

Transfers were made from the Capital Equipment Replacement and Infrastructure Funds to subsidize the budgeted acquisition of capital asset additions for the fiscal year ended September 30, 2017.

The remaining transfers were made to cover budgeted expenses/expenditures for 2017.

	<u>Transfers In</u>	<u>Transfers Out</u>
General fund	\$ 1,048,150	\$ 147,350
Nonmajor governmental funds	333,250	295,200
Infrastructure fund	4,035,615	212,959
Water fund	104,759	33,400
Solid waste fund	100,500	85,000
Golf fund	<u>-</u>	<u>4,848,365</u>
Total	<u>\$ 5,622,274</u>	<u>\$ 5,622,274</u>

TOWN OF BELLEAIR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

9. Intra-Governmental Charges

The costs of certain general and administrative functions of the Town are recorded and controlled in the general fund. These administrative costs have been allocated to the Town's enterprise funds for the year ended September 30, 2017, as shown in the following table:

<u>Enterprise Fund</u>	<u>Administrative Costs Allocated</u>
Water	\$ 323,700
Solid Waste Management	<u>182,100</u>
Total	<u>\$ 505,800</u>

10. Long-Term Debt

Long-term debt includes accrued leave as of September 30, 2017:

During the fiscal year ended September 30, 2017, the following changes occurred in liabilities reported in long-term debt:

	<u>Balance October 1</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30</u>	<u>Due Within One Year</u>
Governmental activities:					
Revenue bonds	\$ 8,920,000	\$ -	\$ 390,000	\$ 8,530,000	\$ 405,000
Equipment loan	271,638	-	57,785	213,853	59,228
Accrued leave	309,380	161,065	153,632	316,813	79,203
Net pension liability	648,553	-	266,846	381,707	-
Other post-employment benefits (OPEB)	<u>118,736</u>	<u>-</u>	<u>-</u>	<u>118,736</u>	<u>-</u>
Total Government activities	<u>10,268,307</u>	<u>161,065</u>	<u>868,263</u>	<u>\$ 9,561,109</u>	<u>\$ 543,431</u>
Business-type activities:					
Accrued leave	<u>\$ 80,780</u>	<u>\$ 42,525</u>	<u>\$ 38,166</u>	<u>\$ 85,139</u>	<u>\$ 21,285</u>

TOWN OF BELLEAIR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

10. Long-Term Debt (Continued)

Compensated absences are generally liquidated by the general fund for governmental activities. The general fund has typically been used to liquidate pension liabilities. The general fund, water fund, and solidwaste management fund typically have been used to liquidate other post-employment benefit liabilities.

Capital Improvement Revenue Bond, Series 2012

On September 19, 2012, the Town Commission adopted Resolution 2012-37 to approve the issuance of \$10,000,000 of revenue bonds. The bonds are to finance a portion of the construction of stormwater and roadway improvements and a new municipal services building.

Pledged revenues for these bonds are sales surtax revenues, public service utility tax revenues, and stormwater fee revenues.

BB&T Bond Issuance

Term:	September 21, 2012 through October 1, 2032
Amount issued:	\$10,000,000
Interest rate:	3.61%
Annual Principal Payments:	\$340,000 to \$685,000
Amount outstanding at September 30, 2017:	<u>\$ 8,530,000</u>

Debt service requirements to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>
2018	\$ 405,000	\$ 307,933
2019	420,000	293,312
2020	435,000	278,150
2021	450,000	262,447
2022	465,000	246,202
2023-2027	2,585,000	967,119
2028-2032	3,085,000	465,511
2033	<u>685,000</u>	<u>24,728</u>
	<u>\$ 8,530,000</u>	<u>\$ 2,845,402</u>

TOWN OF BELLEAIR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

10. Long-Term Debt (Continued)

SunTrust Equipment Loan

On March 30, 2016 the Town entered into a loan agreement with SunTrust Bank for \$300,000. The Town Commission adopted Resolution 2016-03 authorizing the execution of the loan agreement.

Term:	March 30, 2016 through September 30, 2018
Amount issued:	\$300,000
Interest rate:	2.47%
Annual Debt Service	\$63,843
Amount outstanding at September 30, 2017:	<u>\$ 213,853</u>

Debt service requirements to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
2018	\$ 59,228	\$ 4,615	\$ 63,843
2019	60,708	3,135	63,843
2020	62,224	1,618	63,842
2021	<u>31,693</u>	<u>229</u>	<u>31,922</u>
	<u>\$ 213,853</u>	<u>\$ 9,597</u>	<u>\$ 223,450</u>

TOWN OF BELLEAIR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

11. Detail of Constraints on Fund Balances of General Fund

	<u>General Fund</u>
Fund balances:	
Nonspendable:	
Prepaid items	\$ 1,617
Assigned:	
Park improvement	3,255
Recreation donations	58,342
Master landscaping	12,533
Police equipment	<u>13,899</u>
Total assigned	88,029
Unassigned:	<u>2,039,028</u>
Total fund balances	<u><u>\$ 2,128,674</u></u>

12. Lease Commitments

The Town currently leases certain equipment under a four and five year noncancellable operating leases. Total lease expense for 2017 was \$4,883. The following is a schedule of future minimum annual lease payments remaining under these leases.

<u>Year</u>	<u>Amount</u>
2018	\$ 1,576
2019	<u>1,576</u>
Total	<u><u>\$ 3,152</u></u>

TOWN OF BELLEAIR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

13. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In an effort to reduce the rising costs of commercial insurance, the Town purchases all of its insurance coverages from Public Risk Management of Florida (PRM). The Town does not retain any risk of loss as a member of the PRM program which operates as any commercial insurance carrier.

The PRM program is structured under a protected self-insured retention insurance program with the following retention levels:

· Property	\$200,000
· Liability	\$200,000
· Errors and Omissions	\$200,000
· Workers' Compensation	\$650,000
· Crime	\$ 25,000

This is a “protected self-insurance retention program,” not a self-funded program with insurance.

Specific excess insurance provides coverage to losses above the self-insured retention. A loss fund which is funded 100% by the program's members on a pro-rata basis pays the self insured retention amounts.

In the event that the loss fund (\$14,646,382) is exhausted, stop loss insurance is provided. The only deductible payable by members is \$1,000 for property, inland marine, automobile physical damage and crime. In the event of a hurricane a Shared Named Wind Deductible is 3% of total value per Unit involved in the loss. Cyber liability has been recently added to the coverage and the deductible is \$5,000 per loss. Members' contributions are allocated into three categories as follows:

- insurance premiums
- loss fund (paid annually as part of the Town’s insurance premium)
- administrative costs

TOWN OF BELLEAIR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

13. Risk Management (Continued)

The excess insurance carriers and their coverage areas are summarized as follows:

<u>Carrier</u>	<u>Coverage</u>
Markel	excess property, general liability & law enforcement
Markel & NY Marine & General Insurance Company	excess workers' compensation
Chartis	crime

The PRM program provides specified insurance coverages for 61 governmental entities. The major benefits of such a pooling approach include:

- 1) Broader insurance coverage through mass purchasing power;
- 2) The reduction of insurance costs, with some measure of cost stabilization;
- 3) The availability of insurance from year to year; and
- 4) The development of a loss prevention program common to all members.

As indicated above, the Town continues to carry commercial insurance for employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

TOWN OF BELLEAIR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

14. Contingent Liabilities

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

The Town is involved in certain ongoing construction projects. Management's estimate of the costs of these projects through the next two fiscal years ending September 30, 2019 is between \$5,500,000 and \$6,500,000. The funding for these projects will come from the countywide one percent infrastructure sales surtax.

The Town did not receive federal grant funds during the fiscal year ended September 30, 2017, and is not, therefore, subject to the program compliance audit by the grantee under the Office of Management and Budget circular A-133, "Audits of States, Local Governments and Non-profit Organizations".

The Town is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Town attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Town.

The Town has not entered into any operating leases with scheduled rent increases as of September 30, 2017.

TOWN OF BELLEAIR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

15. Investment Measurement at Fair Value

Fair Value Hierarchy

The accounting standards break down the fair value hierarchy into three levels based on how observable the inputs are that make up the valuation. The most observable inputs are classified as Level 1 where the unobservable inputs are classified as Level 3.

Level 1 inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Town and Police Officers' Pension Fund (Plan) has the ability to access.

As a general rule, any asset that has a daily closing price and is actively traded will be classified as a Level 1 input.

Level 2 inputs are inputs (other than quoted prices included within Level 1) that are observable for the asset or liability, either directly or indirectly. Inputs to the valuation methodology include: (1) quoted market prices for similar assets or liabilities in active markets, (2) quoted prices for identical or similar assets or liabilities in active markets, (3) inputs other than quoted prices that are observable for the asset or liability, and (4) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

As a general rule, if an asset or liability does not fall into the requirements of a Level 1 or Level 3 input, it would default to Level 2. With Level 2 inputs, there is usually data that can be easily obtained to support the valuation, even though it is not as easily obtained as a Level 1 input would be.

TOWN OF BELLEAIR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

15. Investment Measurement at Fair Value (Continued)

Fair Value Hierarchy (Continued)

Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement.

As a general rule, Level 3 inputs are those that are difficult to obtain on a regular basis and require verification from an outside party, such as an auditor or an appraisal, to validate the valuation.

Net asset value (NAV) is a common measurement of fair value for Level 1, Level 2, and Level 3 investments. A fund's NAV is simply its assets less its liabilities, and is often reported as a per share amount for fair value measurement purposes. The Town and Plan would multiply the NAV per share owned to arrive at fair value. Level 1 investment in funds such as mutual funds report at a daily NAV per share and are actively traded. NAV also comes in to play for Level 2 and 3 investments. As a matter of convenience (or referred to in accounting literature as a "practical expedient"), a Plan can use the NAV per share for investments in a nongovernmental entity that does not have a readily determined fair value, such as an alternative investment. Investments measured at NAV as a practical expedient would be excluded from the fair value hierarchy because the valuation is not based on actual market inputs but rather is quantified using the fund's reported NAV as a matter of convenience. The Town and Plan have no NAV investments.

The Town and Plan categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The Town and Plan have the following total recurring fair value measurements as of September 30, 2017:

TOWN OF BELLEAIR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

15. Investment Measurement at Fair Value (Continued)

Fair Value Hierarchy (Continued)

- *Debt securities* - Debt securities classified in Level 1 or Level 2 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used by International Data Pricing and Reference Data, LLC to value securities based on the securities' relationship to benchmark quoted prices.
- *Mutual funds* - The rationale for inclusion in Level 1 or Level 2 points to the unobservable inputs involved in mutual fund pricing. Mutual funds do not trade using bid and ask, as with ETF's or common stock. Instead, the prices are determined by the net asset value of the underlying investments at the close of business for the next day's open. The underlying assets themselves may include a variety of Level 1 and Level 2 securities and some may be valued using matrix pricing which interpolates the price of a security based on the price of similar securities.
- *Fixed income funds* - Valued using pricing models maximizing the use of observable input for similar securities. This includes basing value on yield currently available on comparable securities of issues with similar credit ratings.
- *Equity funds* - Valued at market prices for similar assets in active markets.
- *Common stock* - Valued at quoted market prices for identical assets in active markets.

TOWN OF BELLEAIR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

15. Investment Measurement at Fair Value (Continued)

Fair Value Hierarchy (Continued)

The Plan categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The Town and Plan have the following total recurring fair value measurements as of September 30, 2017:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments at fair value level	September 30, 2017			
Debt Securities:				
U.S. Government securities	\$ 268,581	\$ -	\$ 268,581	\$ -
U.S. Government agency securities	288,289	-	288,289	-
International fixed income investment fund	151,268	151,268	-	-
Corporate bonds	<u>595,697</u>	<u>-</u>	<u>595,697</u>	<u>-</u>
Total debt securities	1,303,835	151,268	1,152,567	-
Equity securities:				
Domestic equity investment funds	980,571	980,571	-	-
Domestic stock	659,779	659,779	-	-
International equity investment fund	<u>567,039</u>	<u>567,039</u>	<u>-</u>	<u>-</u>
Total equity securities	2,207,389	2,207,389	-	-
Temporary investments	<u>191,503</u>	<u>191,503</u>	<u>-</u>	<u>-</u>
Total investments at fair value level	<u>\$ 3,702,727</u>	<u>\$ 2,550,160</u>	<u>\$ 1,152,567</u>	<u>\$ -</u>

TOWN OF BELLEAIR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

16. Employee Retirement System

The Town maintains a single employer, defined benefit pension plan (police officers' pension plan) which covers all of its police officers as well as a defined contribution 401(k) plan which covers substantially all of the Town's remaining general employees.

Police Officers' Pension Fund

Plan Description:

The following brief description of the Town of Belleair police officers' retirement plan (plan) is provided for general information purposes only. Participants should refer to the plan ordinance for more complete information.

The plan is a single employer defined benefit pension plan covering all full-time sworn police officers of the Town of Belleair, Florida (Town). Participation in the plan is required as a condition of employment. Originally established by Town ordinance in 1977 and amended in 1986, 1993, 1995, 1997, 2002 and 2007 the plan provides for pension, death and disability benefits. The plan is subject to provisions of chapter 185 of the State of Florida statutes.

Basis of accounting is the method by which revenues and expenses are recognized in the accounts and are reported in the financial statements. The accrual basis of accounting is used for the plan. Under the accrual basis of accounting, revenues are recognized when they are earned and collection is reasonably assured, and expenses are recognized when the liability is incurred. Plan member contributions are recognized in the period in which the contributions are due. Town contributions to the plan, as calculated by the plan's actuary, are recognized as revenue when due and the Town has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

TOWN OF BELLEAIR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

16. Employee Retirement System (Continued)

Police Officers Pension Fund (continued)

Plan Description (continued)

Basis of accounting:

A State excise tax (rebate) collected from the Town's residents by the State of Florida is restricted to fund the plan under Florida Statutes, Chapter 185. This rebate has been included in the general fund's revenues and expenditures for the fiscal year ended September 30, 2017. Contributions are received from the Town in amounts sufficient to fund the plan at an actuarially determined rate specified by state statute, chapter 185. The plan's administrative costs are financed through investment earnings. The plan has no undue investment concentrations.

The plan has not issued a stand-alone financial report for the fiscal year ended September 30, 2017.

The plan, in accordance with the above statute, is governed by a five member pension board. Two police officers who are elected by a majority of the members of the plan, two are residents of the Town who are appointed by the Town Commission and a fifth member elected by the other four members constitute the pension board. The Town and the plan participants are obligated to fund all plan costs based upon actuarial valuations. The Town is authorized to establish benefit levels and the board of trustees approve the actuarial assumptions used in the determination of contribution levels.

TOWN OF BELLEAIR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

16. Employee Retirement System (Continued)

Police Officers Pension Fund (continued)

Plan Description (continued)

Benefits Provided:

The Plan provides retirement, termination, disability and death benefits.

Normal Retirement:

Eligibility: Earlier of age 55 and the completion of 5 years of Credited Service or the completion of 25 years of Credited Service, regardless of age.

Benefit Amount: 3.50% of Average Final Compensation times Credited Service.

Early Retirement:

Eligibility: Age 50 and 10 years of Credited Service.

Benefit Amount: Accrued benefit, reduced 3% for each year that benefit commencement precedes normal retirement.

Disability:

Eligibility: Total and permanent disability prior to Normal Retirement Date. 10 years of Creditable Service required for non-service related disability.

Benefit Amount: (Service): Unreduced accrued benefit, but not less than 42% of Average Final Compensation.

Pre-Retirement Death Benefits:

Vested or On-Duty: Member's accrued benefit payable at what would have been the Member's Normal or Early (reduced) retirement date for 10 years.

Non-Vested, Off-Duty: Refund of Member contributions.

Vesting (Termination):

Less than 10 years of Credited Service: Refund of Member's contributions.

10 or more years of Credited Service Accrued benefit payable at age 50 or later, on Credited an actuarially reduced basis if to commence prior to Normal Retirement Date, or a refund of member's contributions with interest.

TOWN OF BELLEAIR, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

16. Employee Retirement System (Continued)

Police Officers Pension Fund (continued)

Plan Description (continued)

Contributions:

Employee 6% of salary.

Remaining amounts required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Chapter 112, Florida Statutes.

Net Pension Liability

The measurement date is September 30, 2017.

The measurement period for the pension expense was October 1, 2016 to September 30, 2017.

The reporting period is October 1, 2016 through September 30, 2017.

The Town's net liability was measured as of September 30, 2017.

The total pension liability used to calculate the net pension liability was determined as of that date.

Actuarial Assumptions:

The total pension liability (asset) was determined by an actuarial valuation as of October 1, 2016 updated to September 30, 2017 using the following actuarial assumptions:

Inflation	2.50%
Salary increases	6.50%
Discount rate	7.75%
Investment rate of return	7.75%

TOWN OF BELLEAIR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

16. Employee Retirement System (Continued)

Police Officers Pension Fund (continued)

Plan Description (continued)

Mortality Rate Healthy Lives:

Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.

Male: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB.

Mortality Rate Disabled Lives:

Female: 60% RP2000 Disabled Female set forward two years/ 40% Annuitant White Collar with no setback, no projection scale.

Male: 60% RP2000 Disabled Male setback four years/ 40% Annuitant White Collar with no setback, no projection scale.

The actuarial assumptions used in the October 1, 2016 valuation were based on the results of an actuarial experience study performed October 19th, 2010, for the period 1990-2010.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns; Net of Pension Plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

TOWN OF BELLEAIR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

16. Employee Retirement System (Continued)

Police Officers Pension Fund (continued)

Plan Description (continued)

Best estimate of arithmetic real rates of return for each major asset class included in the Pension Plan's target asset allocation as of September 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic Equity	45%	7.5%
International Equity	15%	5.65%
Domestic Fixed Income	35%	2.5%
Global Fixed Income	<u>5%</u>	3.5%
Total	<u>100%</u>	

Discount Rate:

The discount rate used to measure the total pension liability was 7.75 percent.

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TOWN OF BELLEAIR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

16. Employee Retirement System (Continued)

Police Officers Pension Fund (continued)

Plan Description (continued)

CHANGES IN NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Reporting period ending September 30, 2016	\$ 3,894,081	\$ 3,245,528	\$ 648,553
Changes for a year:			
Service cost	235,024	-	235,024
Interest	321,366	-	321,366
Differences between expected and actual experience	(137,418)	-	(137,418)
Changes of assumptions	-	-	-
Changes of benefit terms	(29,812)	-	-
Contributions - Employer	-	176,105	(176,105)
Contributions - State	-	48,160	(48,160)
Contributions - Employees	-	52,223	(52,223)
Net Investment Income	-	408,804	(408,804)
Benefit Payments, including			
Refunds of Employee Contributions	(180,671)	(180,671)	-
Administration expense	-	(29,286)	29,286
Net changes	208,489	475,335	(237,034)
Reporting period ending September 30, 2017	<u>\$ 4,102,570</u>	<u>\$ 3,720,863</u>	<u>\$ 381,707</u>

TOWN OF BELLEAIR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

16. Employee Retirement System (Continued)

Police Officers Pension Fund (continued)

Plan Description (continued)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate - The following presents the net pension liability (asset) of the Town calculated using the discount rate of 7.75%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate.

	1% Decrease 6.75%	Current Discount Rate 7.75%	1% Increase 8.75%
Town' Net Pension Liability	\$ <u>786,634</u>	\$ <u>381,707</u>	\$ <u>36,614</u>

Rate of Return - For the year ended September 30, 2017 the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 12.48 percent.

The money-weighted rate of return expenses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Concentrations:

The Plan did not hold investments in any one organization that represents 5 percent or more of the Pension Plan's fiduciary net position.

TOWN OF BELLEAIR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

16. Employee Retirement System (Continued)

Police Officers Pension Fund (continued)

Plan Description (continued)

Current membership in the plan is comprised of all full-time sworn police officers of the Town of Belleair and is summarized as follows:

<u>Group</u>	<u>September 30, 2017</u>
Retirees and beneficiaries currently receiving benefits	8
Terminated plan members entitled to but not yet receiving benefits	6
Active plan members:	
Fully vested	3
Nonvested	10

TOWN OF BELLEAIR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

16. Employee Retirement System (Continued)

Police Officers Pension Fund (continued)

Plan Description (continued)

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

For the year ended September 30, 2017, the Town will recognize a pension expense of \$214,296. On September 30, 2017 the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>Resources</u>	<u>Resources</u>
Differences between expected and actual experience	\$ -	\$ 68,709
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	<u>25,382</u>	<u>-</u>
Total	<u>\$ 25,382</u>	<u>\$ 68,709</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension plans will be recognized in pension expense as follows:

Year ended September 30:

2018	\$ (33,807)
2019	34,902
2020	(15,530)
2021	(28,892)
2022	-
Thereafter	-

TOWN OF BELLEAIR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

16. Employee Retirement System (Continued)

Employees' 401(k) fund

The Town provides retirement benefits for all of its full-time employees not covered under the police officers' pension plan through a defined contribution 401(k) plan administered by the ICMA Retirement Corporation as a third party administrator and investment advisor under their prototype profit-sharing plan and trust agreement. At September 30, 2017 there were 42 plan members. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate after one year of employment. The 401(k) plan requires that participants contribute at least three percent (but not to exceed fourteen percent or the maximum amount allowed by the Internal Revenue Code whichever is greater) of their compensation which, if made, will be matched by a nine percent Town contribution. The Town's contributions for each employee (and interest allocated to the employee's account) are fully vested after three years of continuous service. Town contributions for, and interest forfeited by, employees who leave employment before three years of service are used to reduce the Town's current-period contribution requirement. The 401(k) plan provisions and contribution requirements are established and may be amended by the Town Commission.

The Town's total payroll in fiscal year 2017 was \$3,193,386. The Town's contributions were calculated using the participants' salary amount of \$1,845,989. Both the Town and the covered employees made the required contributions in addition to certain voluntary participant contributions summarized as follows:

	Contribution amount	Percentage of current covered payroll
Required:		
Town	\$ 166,139	9.0 %
Employee	55,380	3.0
Voluntary:		
Employee	45,396	
Total contributions	\$ <u><u>266,915</u></u>	

TOWN OF BELLEAIR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

16. Employee Retirement System (Continued)

Employees' 401(k) Plan (Continued)

During the fiscal year ended September 30, 2001 the 401(k) plan was amended to increase the amount that the Town will contribute to the 401(k) plan from 6% of earnings to 9% of earnings for each plan year starting with the first pay period commencing after October 1, 2001.

The 401(k) plan has not issued a stand alone financial report for the fiscal year ended September 30, 2017.

17. Implementation of New GASB Statements

Government Accounting Standards Board (GASB) Statement No. 71, "Pension Transition for Contributions made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68". The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, "Accounting and Financial Reporting for Pensions". The requirements of GASB 71 are effective in fiscal year 2015. The Town has implemented this standard.

Governmental Accounting Standards Board (GASB) Statement No. 72, "Fair Value Measurement and Application", addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement provides guidance for determining a fair value measurement for financial reporting purposes. This statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

TOWN OF BELLEAIR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

17. Implementation of New GASB Statements (Continued)

Fair value is described as an exit price. Fair value measurements assume a transaction takes place in a government's principal market, or a government's most advantageous market in the absence of a principal market. The fair value also should be measured assuming that general market participants would act in their economic best interest. Fair value should not be adjusted for transaction costs. The Town has implemented this standard..

The GASB has issued the following statements which will become effective in future years.

Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" - This statement changes the focus of accounting for postemployment benefits other than pensions from whether they are responsibility funding benefits over time to a point-in-time liability that is reflected on the employer's financial statements for any actuarially unfunded portion of benefits earned to date. This statement will become effective for the Town in fiscal year 2018.

Statement No. 77, "Tax Abatement Disclosures" - This statement requires governments that enter into tax abatement agreements to provide certain disclosures regarding these commitments.

TOWN OF BELLEAIR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

18. Deferred Compensation Plan

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

19. Post-Employment Health Care Benefits

In addition to the pension benefits described in Note 14, the Town provides postretirement health care benefits in accordance with an employment policy adopted for the Town's seven full-time department heads during the year ended September 30, 1993. Under terms of this policy, department heads who retire from the Town on or after attaining age fifty-five with at least twenty-five years of service will receive family medical coverage (medical, dental and hospitalization) until age sixty-five at which time a medicare supplement will be provided until the age of seventy. The Town will pay for this supplemental coverage for the employee and his or her spouse, at the rate in effect at the time of the employee's retirement with the employee paying any increased cost after that date. During the year ended September 30, 2017 the Town had three employee eligible to receive these benefits. These postemployment benefits are financed on a pay-as-you-go basis.

Except for the department heads who qualify for postretirement health care benefits (as previously discussed), the Town provides no funding for any portion of the premiums after retirement. However, the Town recognizes that there is an "implicit subsidy" arising as a result of the blended rate premium since retiree health care costs, on average, are higher than active employee healthcare costs. The plan is not accounted for as a trust fund as an irrevocable trust has not been established to fund the plan. The plan does not issue a separate financial report.

The employer is the sole employer in a plan with fewer than one hundred plan members.

TOWN OF BELLEAIR, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

19. Post-Employment Health Care Benefits (Continued)

Annual OPEB Cost and Net OPEB Obligation

The Town's annual other post-employment benefits (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The Town's annual OPEB cost for its plan for the fiscal years ended September 30, 2016 and 2015 is as follows:

	Annual OPEB Cost	
	9/30/16	9/30/15
Annual required contribution (ARC)	\$ 63,772	\$ 80,871
Interest on net OPEB obligation	4,748	3,790
Adjustment to ARC	<u>(4,717)</u>	<u>(3,765)</u>
Annual OPEB cost	63,803	80,896
Contribution made (pay-as-you-go basis)*	<u>(63,772)</u>	<u>(56,935)</u>
Change in net OPEB obligation	31	23,961
Net OPEB obligation, beginning of year	<u>118,705</u>	<u>94,744</u>
Net OPEB obligation, end of year	<u><u>\$ 118,736</u></u>	<u><u>\$ 118,705</u></u>

*Funding is provided by the General Fund.

TOWN OF BELLEAIR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

19. Post-Employment Health Care Benefits (Continued)

Funded Status and Funding Progress

Annual OPEB Cost

<u>As of</u>	<u>Annual OPEB Cost</u>	<u>% of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligations</u>
September 30, 2014	\$ 80,890	70.40%	\$ 94,744
September 30, 2015	80,896	70.40	118,705
September 30, 2016	63,803	100.00	118,736

The funded status of the plan as of October 1, 2016 and 2015 was as follows:

	<u>10/01/16</u>	<u>10/01/15</u>
Actuarial accrued liability	\$ 558,688	\$ 766,215
Actuarial value of plan assets	<u>-</u>	<u>-</u>
Unfunded actuarial accrued liability	<u>\$ 558,688</u>	<u>\$ 766,215</u>
Funded ratio	<u>0%</u>	<u>0%</u>
Covered payroll	<u>\$ 2,534,483</u>	<u>\$ 2,751,961</u>
Unfunded actuarial accrued liability as a percentage of covered payroll	<u>22.0%</u>	<u>27.8%</u>

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the status of the plan and the annual required contributions of the Town are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information in the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Since this is the first year of implementation there is no prior year information.

TOWN OF BELLEAIR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

19. Post-Employment Health Care Benefits (Continued)

Funded Status and Funding Progress (Continued)

The actuarial assumptions used in this report are prescribed in GASB 45 under the Alternate Measurement Method.

Measurement Date	September 30, 2016 with results actuarially rolled-back to October 1, 2015 on a “no loss/gain” basis
Discount Rate	4.0%
Covered Payroll Growth	3.0%
Inflation Rate	3.0%
Census Data	Census data was provided as of December 2017. No material modifications have been made.
Cost Method	Projected Unit Credit with linear proration to decrement
Amortization	Level percentage of pay over thirty years based on an open group
Employer Funding Policy	Pay-as-you-go cash basis
Mortality	RPH-2015 Total Dataset Mortality Table fully generational using scale MP-2015 (RPH-2015 table is based on RPH-2014 table with 8 years of mortality improvement using scale MP-2014 backed out and projected to 2015 using scale MP-2015)

TOWN OF BELLEAIR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

19. Post-Employment Health Care Benefits (Continued)

Funded Status and Funding Progress (Continued)

Turnover Rate Assumption used to project annual terminations (voluntary and involuntary) prior to meeting minimum retirement eligibility for retirees health coverage. The rates represent the probability of termination in the next 12 months.

<u>Age</u>	<u>Raise</u>
25	6.8%
35	3.2%
45	1.6%

Disability Rate None

Retirement Rate General employees are assumed to retire at age 61 and police employees are assumed to retire at age 58 subject to the minimum age/service retirement eligibility.

Per Capita Costs Annual per capita costs were calculated based on the 2016/17 premium rates increased using health index factors and current enrollment. The costs are assumed to increase with medical trend rates. All employees are assumed to elect the plan they are currently enrolled in at retirement. Annual per capita costs by plan are as shown below:

<u>Age</u>	<u>HMO</u>	<u>PPO</u>
65	\$ 15,600	\$ 14,200

TOWN OF BELLEAIR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

19. Post-Employment Health Care Benefits (Continued)

Funded Status and Funding Progress (Continued)

Health Care Trend Rates	<u>FYE</u>	<u>Medical/RX</u>	<u>FYE</u>	<u>Medical/RX</u>
	2017	9.0%	2022	6.5%
	2018	8.5%	2023	6.0%
	2019	8.0%	2024	5.5%
	2020	7.5%	2025+	5.0%
	2021	7.0%	-	-

Retirement Contributions Retiree contributions are assumed to increase according to health care trend rates.

Health Care Coverage
Election Rate General and Police active employees with current coverage: 30%
Department Heads active employees with current coverage: 100%.
Active employees with no coverage: 0%

Inactive employees with current coverage: 100%
Inactive employees with no coverage: 0%

Spousal Coverage Based on actual data for future and current retirees.
Husbands are assumed to be three years older than wives.

Benefits not Valued Post-65 Medicare coverage for General and Police employees. Post-70 Medicare coverage for Department Heads; Dental benefits paid 100% by the retiree. These benefits have not been valued because the retiree contributions are anticipated to equal the costs.

REQUIRED

SUPPLEMENTARY INFORMATION

OTHER THAN MD&A

OTHER POST-EMPLOYMENT

BENEFITS

TOWN OF BELLEAIR

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

OTHER POST-EMPLOYMENT BENEFITS

SEPTEMBER 30, 2017

Schedule of Employer Contributions:

<u>Year ended</u>	<u>Annual Required Contribution</u>	<u>Estimated Contributions</u>	<u>Percentage Contributed</u>
September 30, 2014	\$ 46,841	\$ 32,976	70.4%
September 30, 2015	80,871	56,935	70.4
September 30, 2016	63,772	63,772	100.0

Schedule of Funding Progress:

<u>Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) Projected Unit Credit (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
October 1, 2013	\$ -	\$ 483,120	\$ 483,120	0.00%	\$ 2,593,987	18.6%
October 1, 2014	-	766,215	766,215	0.00	2,534,483	27.8
October 1, 2015	-	558,688	558,688	0.00	2,534,483	22.0

POLICE OFFICERS'

PENSION FUND

GASB STATEMENT 68

TOWN OF BELLEAIR, FLORIDA

POLICE OFFICERS' PENSION TRUST FUND

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

SCHEDULE OF CHANGES IN NET PENSION LIABILITY

Last Four Fiscal Years*

Reporting period ending Measurement date	9/30/2017 9/30/2017	September 30, 2017	September 30, 2016	September 30, 2015	September 30, 2014
Total pension liability:					
Service cost		\$ 235,024	\$ 237,141	\$ 202,940	\$ 239,594
Interest		321,366	280,727	270,052	236,179
Changes of benefit terms		(29,812)	-	-	-
Difference between expected and actual experience		(137,418)	(123,703)	(127,034)	-
Change in assumptions		-	143,054	-	-
Benefit payments, including refunds of employee contributions		<u>(180,671)</u>	<u>(158,004)</u>	<u>(141,005)</u>	<u>(141,832)</u>
Net change in total pension liability		208,489	379,215	204,953	333,941
Total pension liability - beginning		<u>3,894,081</u>	<u>3,514,866</u>	<u>3,309,913</u>	<u>2,975,972</u>
Total pension liability ending (a)		<u>\$ 4,102,570</u>	<u>\$ 3,894,081</u>	<u>\$ 3,514,866</u>	<u>\$ 3,309,913</u>
Plan fiduciary net position:					
Contributions - employer		\$ 176,105	\$ 150,036	\$ 213,760	\$ 237,836
Contributions - state		48,160	48,560	47,291	44,305
Contributions - employees		52,223	46,400	47,017	46,612
Net investment income (loss)		408,804	166,378	(17,732)	242,548
Benefit payments including refunds of employee contributions		(180,671)	(158,004)	(141,005)	(141,832)
Administrative expenses		<u>(29,286)</u>	<u>(27,832)</u>	<u>(28,373)</u>	<u>(20,917)</u>
Net change in plan fiduciary net position		475,335	225,538	120,958	408,552
Plan fiduciary net position - beginning		<u>3,245,528</u>	<u>3,019,990</u>	<u>2,899,032</u>	<u>2,490,480</u>
Plan fiduciary net position - ending (b)		<u>\$ 3,720,863</u>	<u>\$ 3,245,528</u>	<u>\$ 3,019,990</u>	<u>\$ 2,899,032</u>
Net pension liability (asset) (a) - (b)		<u>\$ 381,707</u>	<u>\$ 648,553</u>	<u>\$ 494,876</u>	<u>\$ 410,881</u>

*Schedule will continue to be expanded until ten years are presented.

TOWN OF BELLEAIR, FLORIDA

POLICE OFFICERS' PENSION TRUST FUND

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

SCHEDULE OF RATIOS

Last Four Fiscal Years*

	September 30, 2017	September 30, 2016	September 30, 2015	September 30, 2014
Plan fiduciary net position as a percentage of the total pension liability	<u>90.70%</u>	<u>83.34%</u>	<u>85.92%</u>	<u>87.59%</u>
Covered employee payroll**	\$ <u>870,386</u>	\$ <u>773,326</u>	\$ <u>783,615</u>	\$ <u>738,422</u>
Net pension liability as a percentage of covered payroll	<u>43.85%</u>	<u>83.87%</u>	<u>63.15%</u>	<u>55.64%</u>

*Schedule will continue to be expanded until ten years are presented.

**For the fiscal year 2017, the Covered Payroll is shown in compliance with GASB 82.

TOWN OF BELLEAIR, FLORIDA

POLICE OFFICERS' PENSION TRUST FUND

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

SCHEDULE OF CONTRIBUTIONS

Last Four Fiscal Years*

Report period ending 9/30/2017
Measurement date 9/30/2017

	September 30, 2017	September 30, 2016	September 30, 2015	September 30, 2014
Actuarially determined contributions	\$ 223,396	\$ 197,989	\$ 261,051	\$ 286,371
Contributions in relation to the actuarially determined contributions	223,396	198,596	261,051	286,371
Contribution deficiency (excess)	\$ -	\$ (607)	\$ -	\$ -
Covered employee payroll	\$ 870,386	\$ 773,326	\$ 783,615	\$ 738,422
Contributions as a percentage of covered employee payroll	25.67%	25.60%	33.31%	38.78%

**Schedule will continue to be expanded until ten years are presented.*

TOWN OF BELLEAIR, FLORIDA

POLICE OFFICERS' PENSION TRUST FUND

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

NOTES TO SCHEDULE OF CONTRIBUTIONS

Last Four Fiscal Years

Notes to Schedule

Valuation date 10/01/2016

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding method:	Frozen entry age actuarial cost method.
Amortization method:	Level percentage of pay, closed
Remaining amortization period:	26 years (as of 10/01/2014).
Inflation:	3% per year.
Mortality rate:	RP-2000 combined healthy - sex distinct. Disabled lives set forward five years. Based upon a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements.
Interest rate:	7.75% per year compounded annually, net of investment related expenses.
Retirement age:	Earlier of age 55 with 5 years of credited service or 25 years of credited service, regardless of age. Also, any member who has reached Normal Retirement is assumed to continue employment for one additional year.
Early retirement:	Commencing with the earliest early retirement (Age 50 with 10 years of credited service), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.
Disability rate:	See table below. (65% of which are assumed to be regular in-line of duty, 10% catastrophic, and 25% not-in-line of duty).
Termination rate:	See table below.
Salary increases:	6.5% per year until the assumed retirement age. Projected salary at retirement is increased 20% to account for final non-regular compensation.
Payroll growth:	Up to 3.0% per year (3.0% for 10/1/15 Valuation).
Asset valuation method:	Each year the prior Actuarial Value of Assets is brought forward utilizing the historical geometric four-year average Market Value return (net of fees). It is possible that over time this technique will produce an insignificant bias above or below Market Value of Assets.

TOWN OF BELLEAIR, FLORIDA

POLICE OFFICERS' PENSION TRUST FUND

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

NOTES TO SCHEDULE OF CONTRIBUTIONS (CONTINUED)

Last Four Fiscal Years

Termination and
Disability Rate Table:

<u>Age</u>	<u>% Terminating During the Year</u>	<u>% Becoming Disabled During the Year</u>
20	12.0%	0.03%
30	10.0%	0.04%
40	5.2%	0.07%
50	1.6%	0.18%

TOWN OF BELLEAIR, FLORIDA

POLICE OFFICERS' PENSION TRUST FUND

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

SCHEDULE OF INVESTMENT RETURNS

Last Four Fiscal Years*

	September 30, 2017	September 30, 2016	September 30, 2015	September 30, 2014
Annual money-weighted rate of return net of investment expense	<u>12.48%</u>	<u>5.68%</u>	<u>-0.75%</u>	<u>9.80%</u>

*Schedule will continue to be expanded until ten years are presented.

NONMAJOR
COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS
AND SCHEDULES

SPECIAL REVENUE FUNDS

Special Revenue Funds are established to finance particular activities and are created out of receipts of specific taxes or other earmarked revenues. Such funds are authorized by legal, regulatory or administrative action to pay for certain activities with some form of continuing revenues.

Park and Public District Enhancement Fund - to account for the receipt of fees in lieu of the replacement of trees removed from Town property as required by the Town's Land Development Code. All fees collected must be used for landscape planning, tree and other plantings and maintenance of public properties.

Local Option Gas Tax Fund - to account for proceeds from the local option gas tax as levied by the Pinellas County, Florida Board of County Commissioners.

Transportation Impact Fee Fund - to account for proceeds from the transportation impact fee as levied by the Pinellas County, Florida Board of County Commissioners.

CAPITAL PROJECTS FUND

Capital projects fund is used to account for the acquisition and construction of capital facilities other than those financed by proprietary funds and trust funds.

Capital Equipment Replacement Fund - To account for the planned acquisition of equipment, tools, and vehicles. The general fund and enterprise funds will transfer the funding for these purchases to the capital equipment replacement fund.

TOWN OF BELLEAIR, FLORIDA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2017

	Special Revenue				Capital Projects Capital Equipment Replacement	Total Nonmajor Governmental Funds
	Public District Enhancement	Local Option Gas Tax	Transportation Impact Fee	Total		
ASSETS						
Cash and cash equivalents	\$ 74,173	\$ 144,168	\$ 63,970	\$ 282,311	\$ 622,200	\$ 904,511
Investments	123	2,929	1,016	4,068	-	4,068
Receivables (net of allowance for uncollectible accounts):						
Accounts	-	-	-	-	-	-
County	-	9,409	-	9,409	-	9,409
TOTAL ASSETS	\$ 74,296	\$ 156,506	\$ 64,986	\$ 295,788	\$ 622,200	\$ 917,988
LIABILITIES AND FUND BALANCES						
Accounts payable	\$ 69,790	\$ -	\$ -	\$ 69,790	\$ -	\$ 69,790
TOTAL LIABILITIES	69,790	-	-	69,790	-	69,790
FUND BALANCES						
FUND BALANCES:						
Restricted	4,506	156,506	64,986	225,998	622,200	848,198
TOTAL FUND BALANCES	4,506	156,506	64,986	225,998	622,200	848,198
TOTAL LIABILITIES AND FUND BALANCES	\$ 74,296	\$ 156,506	\$ 64,986	\$ 295,788	\$ 622,200	\$ 917,988

TOWN OF BELLEAIR, FLORIDA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Special Revenue				Capital Projects Capital Equipment Replacement	Total Nonmajor Governmental Funds
	Park and Public District Enhancement	Local Option Gas Tax	Transportation Impact Fee	Total		
Revenues:						
Intergovernmental	\$ -	\$ 57,276	\$ -	\$ 57,276	\$ -	\$ 57,276
Charges for services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Interest earned	-	31	11	42	-	42
TOTAL REVENUES	-	57,307	11	57,318	-	57,318
EXPENDITURES:						
Current:						
Recreation	-	-	-	-	-	-
Transportation	-	251,611	-	251,611	-	251,611
TOTAL EXPENDITURES	-	251,611	-	251,611	-	251,611
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(194,304)	11	(194,293)	-	(194,293)
OTHER FINANCING SOURCES (USES):						
Transfers in:						
Solid Waste Management Fund	-	-	-	-	85,000	85,000
Water Fund	-	-	-	-	33,400	33,400
General Fund	-	-	-	-	87,350	87,350
Capital Equipment Replacement	-	127,500	-	127,500		127,500
Infrastructure Fund	-	-	-	-	-	-
Transfers out:						
General Fund	-	-	-	-	(25,400)	(25,400)
Infrastructure Fund	(15,000)	-	-	(15,000)	-	(15,000)
Local Option Gas Tax Fund	-	-	-	-	(127,500)	(127,500)
Water Fund	-	-	-	-	(26,800)	(26,800)
Solid Waste Management Fund	-	-	-	-	(100,500)	(100,500)
Total other financing sources and (uses)	(15,000)	127,500	-	112,500	(74,450)	38,050
NET CHANGE IN FUND BALANCES	(15,000)	(66,804)	11	(81,793)	(74,450)	(156,243)
FUND BALANCES, OCTOBER 1						
	19,506	223,310	64,975	307,791	696,650	1,004,441
FUND BALANCES, SEPTEMBER 30						
	\$ 4,506	\$ 156,506	\$ 64,986	\$ 225,998	\$ 622,200	\$ 848,198

CAPITAL PROJECTS FUND -
BUDGET AND ACTUAL - FROM INCEPTION

Infrastructure fund

To account for proceeds from the Pinellas County, Florida one-cent sales surtax collections, other governmental resources and grant revenues used for the acquisition or construction of capital assets identified in the town's five-year capital improvement plan.

TOWN OF BELLEAIR, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

CAPITAL PROJECTS FUND

FROM INCEPTION AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Infrastructure Fund			
	Project Authorization	Prior Years	Current Year	Total to Date
REVENUES:				
Taxes:				
Property	\$ 3,344,600	\$ 6,991,660	\$ 638,445	\$ 7,630,105
Utility	1,150,000	2,866,266	773,455	3,639,721
Intergovernmental:				
Infrastructure sales surtax	1,992,600	5,739,055	409,965	6,149,020
Grant	5,162,800	775,070	583,095	1,358,165
Interest earned	193,000	193,755	255	194,010
Donations	4,098,000	4,101,871	-	4,101,871
Miscellaneous	-	116,719	1,800	118,519
TOTAL REVENUES	15,941,000	20,784,396	2,407,015	23,191,411
EXPENDITURES:				
Capital outlay:				
Manager	-	709,597	-	709,597
Finance and administration	-	1,562,802	-	1,562,802
Streets	43,131,628	23,324,093	3,202,498	26,526,591
Culture and recreation	-	6,941,803	-	6,941,803
Debt service:				
Principal	-	1,080,000	390,000	1,470,000
Interest and fees	-	1,528,136	307,933	1,836,069
TOTAL EXPENDITURES	43,131,628	35,146,431	3,900,431	39,046,862
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(27,190,628)	(14,362,035)	(1,493,416)	(15,855,451)
OTHER FINANCING SOURCES (USES):				
Proceeds from debt	10,000,000	10,000,000	-	10,000,000
Transfers in (out):				
General Fund	3,160,000	6,563,671	(75,000)	6,488,671
Golf Fund	3,960,614	63,325	3,960,615	4,023,940
Local Option Gas Tax	-	560,600	-	560,600
Water Fund	-	(904,057)	(77,959)	(982,016)
Wastewater Management Fund	-	100,000	-	100,000
Park and Public District Enhancement Fund	-	21,100	15,000	36,100
Equipment Replacement Fund	-	95,200	-	95,200
Total other financing sources (uses)	17,120,614	16,499,839	3,822,656	20,322,495
NET CHANGE IN FUND BALANCE	\$ (10,070,014)	\$ 2,137,804	2,329,240	\$ 4,467,044
FUND BALANCE, OCTOBER 1			2,254,603	
FUND BALANCE, SEPTEMBER 30			\$ 4,583,843	

ENTERPRISE FUNDS

Enterprise funds are used to account for the acquisition, operation and maintenance of governmental facilities and services which are entirely or predominantly self-supporting by user charges.

water fund - to account for the assets, operation and maintenance of the town-owned water system.

wastewater management - to account for the assets, operation and maintenance of the town-owned sewer system.

solid waste management fund - to account for the assets, operation and maintenance of the town-owned refuse disposal system.

TOWN OF BELLEAIR, FLORIDA

WATER ENTERPRISE FUND

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	<u>ORIGINAL BUDGETED AMOUNTS</u>	<u>FINAL BUDGETED AMOUNTS</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)</u>
OPERATING REVENUES:				
Charges for sales and services	<u>1,457,000</u>	<u>\$ 1,457,000</u>	<u>\$ 1,730,516</u>	<u>\$ 273,516</u>
Total operating revenues	1,457,000	1,457,000	1,730,516	273,516
OPERATING EXPENSES:				
Personal services	553,300	553,300	539,699	13,601
Materials and supplies	577,850	613,800	589,096	24,704
Utilities	64,000	76,850	70,201	6,649
Depreciation	<u>127,500</u>	<u>127,500</u>	<u>141,845</u>	<u>(14,345)</u>
Total operating expenses	<u>1,322,650</u>	<u>1,371,450</u>	<u>1,340,841</u>	<u>30,609</u>
OPERATING INCOME (LOSS)	134,350	85,550	389,675	304,125
NONOPERATING REVENUES (EXPENSES):				
Interest revenue	1,000	1,000	334	(666)
Gain on disposal of assets	-	-	(4,278)	(4,278)
Grant	-	-	-	-
Other income	<u>-</u>	<u>-</u>	<u>10,133</u>	<u>10,133</u>
Total nonoperating revenues	<u>1,000</u>	<u>1,000</u>	<u>6,189</u>	<u>5,189</u>
Income (loss) before contributions and transfers	135,350	86,550	395,864	309,314
Capital contributions - tap fees	600	600	3,175	2,575
Transfers in	26,800	26,800	104,759	77,959
Transfers (out)	<u>(33,400)</u>	<u>(33,400)</u>	<u>(33,400)</u>	<u>-</u>
CHANGE IN NET POSITION	129,350	80,550	470,398	389,848
NET POSITION, OCTOBER 1	<u>4,191,228</u>	<u>4,191,228</u>	<u>4,191,228</u>	<u>-</u>
NET POSITION, SEPTEMBER 30	<u><u>4,320,578</u></u>	<u><u>\$ 4,271,778</u></u>	<u><u>\$ 4,661,626</u></u>	<u><u>\$ 389,848</u></u>

TOWN OF BELLEAIR, FLORIDA

WASTEWATER MANAGEMENT ENTERPRISE FUND

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	<u>ORIGINAL BUDGETED AMOUNTS</u>	<u>FINAL BUDGETED AMOUNTS</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)</u>
OPERATING REVENUES:				
Charges for sales and services \$	1,160,000	\$ 1,160,000	\$ 1,167,614	\$ 7,614
OPERATING EXPENSES:				
Materials and supplies	750,000	1,160,000	1,161,092	1,092
Utilities	-	-	-	-
Depreciation	-	-	-	-
Total operating expenses	<u>750,000</u>	<u>1,160,000</u>	<u>1,161,092</u>	<u>1,092</u>
OPERATING INCOME (LOSS)	410,000	-	6,522	6,522
NONOPERATING REVENUES (EXPENSES):				
Interest revenue	-	-	629	629
Other income	-	-	-	-
Loss on disposal of fixed assets	-	-	-	-
Total nonoperating revenues (expenses)	<u>-</u>	<u>-</u>	<u>629</u>	<u>629</u>
Income (loss) before contributions and transfers	410,000	-	7,151	7,151
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	410,000	-	7,151	7,151
NET POSITION, OCTOBER 1	<u>437,058</u>	<u>437,058</u>	<u>437,058</u>	<u>-</u>
NET POSITION, SEPTEMBER 30	<u><u>847,058</u></u>	<u><u>\$ 437,058</u></u>	<u><u>\$ 444,209</u></u>	<u><u>\$ 7,151</u></u>

TOWN OF BELLEAIR, FLORIDA

SOLID WASTE MANAGEMENT ENTERPRISE FUND

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	<u>ORIGINAL BUDGETED AMOUNTS</u>	<u>FINAL BUDGETED AMOUNTS</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)</u>
OPERATING REVENUES:				
Charges for sales and services	\$ 826,400	\$ 826,400	\$ 794,404	\$ (31,996)
Total operating revenues	826,400	826,400	794,404	(31,996)
OPERATING EXPENSES:				
Personal services	300,350	300,350	355,504	(55,154)
Materials and supplies	390,900	393,900	290,128	103,772
Utilities	1,450	1,450	602	848
Garbage and trash disposal	125,400	122,400	97,354	25,046
Depreciation	136,200	136,200	76,611	59,589
Total operating expenses	954,300	954,300	820,199	134,101
OPERATING INCOME (LOSS)	(127,900)	(127,900)	(25,795)	102,105
NONOPERATING REVENUES (EXPENSES):				
Interest revenue	500	500	270	(230)
Grant	3,000	3,000	2,900	(100)
Gain (loss) on disposal	10,000	10,000		(10,000)
Other income	-	-	899	899
Total nonoperating revenues	13,500	13,500	4,069	(9,431)
Income (loss) before transfers	(114,400)	(114,400)	(21,726)	92,674
Transfers in	100,500	100,500	100,500	-
Transfers out	(85,000)	(85,000)	(85,000)	-
CHANGE IN NET POSITION	(98,900)	(98,900)	(6,226)	92,674
NET POSITION, OCTOBER 1	1,074,028	1,074,028	1,074,028	-
NET POSITION, SEPTEMBER 30	<u>\$ 975,128</u>	<u>\$ 975,128</u>	<u>\$ 1,067,802</u>	<u>\$ 92,674</u>

CAPITAL ASSETS
USED IN THE OPERATION
OF GOVERNMENTAL FUNDS

TOWN OF BELLEAIR, FLORIDA

CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULES BY SOURCE(1)

SEPTEMBER 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Governmental Funds Capital Assets:		
Land	\$ 5,637,015	\$ 7,588,875
Buildings and improvements	5,210,791	6,400,254
Improvements other than buildings	553,430	543,430
Equipment	2,599,662	2,658,335
Infrastructure	33,665,595	27,721,796
Construction in progress	<u>-</u>	<u>3,190,265</u>
Total Governmental Funds Capital Assets	\$ <u>47,666,493</u>	\$ <u>48,102,955</u>
Governmental Funds Capital Assets by Source:		
General Fund	\$ 23,577,965	\$ 24,014,427
Special revenue funds	3,576,547	3,576,547
Capital projects fund	20,480,912	20,480,912
Federal revenue sharing entitlements	<u>31,069</u>	<u>31,069</u>
Total Governmental Funds Capital Assets	\$ <u>47,666,493</u>	\$ <u>48,102,955</u>

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

TOWN OF BELLEAIR, FLORIDA

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

SEPTEMBER 30, 2017 AND 2016

Function and Activity	2017						
	Total	Land	Buildings and Improvements	Improvements Other Than Buildings	Equipment	Construction in Progress	Infra-structure
General Government:							
Manager	\$ 293,170	\$ -	\$ -	\$ 53,642	\$ 239,528	\$ -	\$ -
Finance and Administration	6,029,648	3,186,475	2,257,066	239,800	346,307	-	-
Comprehensive Planning	34,422	-	-	-	34,422	-	-
Town Clerk	16,430	-	-	-	16,430	-	-
Total general government	6,373,670	3,186,475	2,257,066	293,442	636,687	-	-
Public Safety:							
Police	594,532	-	-	-	594,532	-	-
Transportation:							
Streets	35,696,166	1,598,000	6,592	-	425,979		33,665,595
Culture and Recreation:							
Parks	1,383,723	749,300	-	111,929	522,494	-	-
Recreation	3,618,402	103,240	2,947,133	148,059	419,970	-	-
Total culture and recreation	5,002,125	852,540	2,947,133	259,988	942,464	-	-
Total governmental funds Capital Assets	\$ 47,666,493	\$ 5,637,015	\$ 5,210,791	\$ 553,430	\$ 2,599,662	\$ -	\$ 33,665,595

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

TOWN OF BELLEAIR, FLORIDA

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

SEPTEMBER 30, 2017 AND 2016

Function and Activity	2016						
	Total	Land	Buildings and Improvements	Improvements Other Than Buildings	Equipment	Construction in Progress	Infra-structure
General Government:							
Manager	\$ 299,926	\$ -	\$ -	\$ 53,643	\$ 246,283	\$ -	\$ -
Finance and Administration	5,992,329	3,185,475	2,257,066	239,800	309,988	-	-
Comprehensive Planning	34,422	-	-	-	34,422	-	-
Town Clerk	32,122	-	-	-	32,122	-	-
Total general government	6,358,799	3,185,475	2,257,066	293,443	622,815	-	-
Public Safety:							
Police	503,267	-	-	-	503,267	-	-
Transportation:							
Streets	32,900,608	1,598,000	-	-	390,547	3,190,265	27,721,796
Culture and Recreation:							
Parks	1,324,962	749,300	-	101,928	473,734	-	-
Recreation	7,015,319	2,056,100	4,143,188	148,059	667,972	-	-
Total culture and recreation	8,340,281	2,805,400	4,143,188	249,987	1,141,706	-	-
Total governmental funds Capital Assets	\$ 48,102,955	\$ 7,588,875	\$ 6,400,254	\$ 543,430	\$ 2,658,335	\$ 3,190,265	\$ 27,721,796

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

TOWN OF BELLEAIR, FLORIDA

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

<u>Function and Activity</u>	Governmental Funds Capital Assets October 1, 2016	Additions	Deductions	Governmental Funds Capital Assets September 30, 2017
General Government:				
Manager	\$ 299,926	\$ -	\$ 6,756	\$ 293,170
Finance and Administration	5,992,329	70,057	32,738	6,029,648
Comprehensive Planning	34,422	-	-	34,422
Town Clerk	32,122	-	15,692	16,430
	<u>6,358,799</u>	<u>70,057</u>	<u>55,186</u>	<u>6,373,670</u>
Total general government				
Public Safety:				
Police	503,267	91,265	-	594,532
Transportation:				
Streets	32,900,608	5,987,621	3,192,063	35,696,166
Culture and Recreation:				
Parks	1,324,962	63,066	4,305	1,383,723
Recreation	7,015,319	103,083	3,500,000	3,618,402
	<u>8,340,281</u>	<u>166,149</u>	<u>3,504,305</u>	<u>5,002,125</u>
Total culture and recreation				
Total governmental funds				
Capital Assets	\$ <u>48,102,955</u>	\$ <u>6,315,092</u>	\$ <u>6,751,554</u>	\$ <u>47,666,493</u>

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

STATISTICAL SECTION

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

Content	Page
Financial Trends	111
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time</i>	
Revenue Capacity	122
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
Debt Capacity	127
<i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue debt in the future.</i>	
Demographic and Economic Information	131
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	
Operating Information	133
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	

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

COMMENTS ON THE STATISTICAL SECTION

September 30, 2017

The following statistical tables recommended by GASB Statement No. 44 are not included for the reasons stated below:

A table on ratios of outstanding debt by type, ratios of general bonded debt outstanding, and pledged revenue coverage has been omitted because the town has no general obligation or revenue bonded debt.

A table on the computation of legal debt margin has been omitted because the constitution of the State of Florida, Florida Statutes 200.181 and the charter of the Town of Belleair, Florida have no set legal debt margin.

Additional schedules which are felt to be useful to various users, principally investors, underwriters, and rating agencies, have been included in this section.

FINANCIAL TRENDS

TOWN OF BELLEAIR, FLORIDA

NET POSITION BY COMPONENT

(accrual basis of accounting)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental activities:										
Invested in capital assets	\$ 26,107,346	\$ 26,838,533	\$ 24,653,063	\$ 23,677,895	\$ 24,452,960	\$ 20,407,306	\$ 19,934,854	\$ 18,612,877	\$ 19,122,641	\$ 16,867,388
Restricted	5,206,043	2,951,253	4,743,141	7,109,356	6,257,868	6,605,664	4,821,760	5,710,035	4,918,345	5,141,934
Unrestricted	<u>1,494,089</u>	<u>1,621,008</u>	<u>1,991,762</u>	<u>2,094,892</u>	<u>2,409,635</u>	<u>2,258,858</u>	<u>5,106,852</u>	<u>4,648,413</u>	<u>5,973,331</u>	<u>5,328,694</u>
Total governmental activities net position	<u>\$ 32,807,478</u>	<u>\$ 31,410,794</u>	<u>\$ 31,387,966</u>	<u>\$ 32,882,143</u>	<u>\$ 33,120,463</u>	<u>\$ 29,271,828</u>	<u>\$ 29,863,466</u>	<u>\$ 28,971,325</u>	<u>\$ 30,014,317</u>	<u>\$ 27,338,016</u>
Business-type activities:										
Invested in capital assets	\$ 3,701,788	\$ 3,797,561	\$ 3,311,142	\$ 2,581,793	\$ 2,394,821	\$ 2,929,249	\$ 1,141,684	\$ 2,919,090	\$ 2,894,524	\$ 3,421,613
Restricted	-	-	-	-	-	-	1,560,745	1,568,889	1,611,695	1,873,027
Unrestricted	<u>2,471,849</u>	<u>1,904,753</u>	<u>1,540,083</u>	<u>1,326,702</u>	<u>1,196,803</u>	<u>1,106,435</u>	<u>1,690,031</u>	<u>207,383</u>	<u>286,154</u>	<u>434,517</u>
Total business-type activities net position	<u>\$ 6,173,637</u>	<u>\$ 5,702,314</u>	<u>\$ 4,851,225</u>	<u>\$ 3,908,495</u>	<u>\$ 3,591,624</u>	<u>\$ 4,035,684</u>	<u>\$ 4,392,460</u>	<u>\$ 4,695,362</u>	<u>\$ 4,792,373</u>	<u>\$ 5,729,157</u>
Primary government:										
Invested in capital assets	\$ 29,809,134	\$ 30,636,094	\$ 27,964,205	\$ 26,259,688	\$ 26,847,781	\$ 23,336,555	\$ 21,076,538	\$ 21,531,967	\$ 22,017,165	\$ 20,289,001
Restricted	5,206,043	2,951,253	4,743,141	7,109,356	6,257,868	6,605,664	6,382,505	7,278,924	6,530,040	7,014,961
Unrestricted	<u>3,965,938</u>	<u>3,525,761</u>	<u>3,531,845</u>	<u>3,421,594</u>	<u>3,606,438</u>	<u>3,365,293</u>	<u>6,796,883</u>	<u>4,855,796</u>	<u>6,259,485</u>	<u>5,763,211</u>
	<u>\$ 38,981,115</u>	<u>\$ 37,113,108</u>	<u>\$ 36,239,191</u>	<u>\$ 36,790,638</u>	<u>\$ 36,712,087</u>	<u>\$ 33,307,512</u>	<u>\$ 34,255,926</u>	<u>\$ 33,666,687</u>	<u>\$ 34,806,690</u>	<u>\$ 33,067,173</u>

TOWN OF BELLEAIR, FLORIDA

CHANGE IN NET POSITION
LAST TEN FISCAL YEARS
 (accrual basis of accounting)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
EXPENSES										
Governmental Activities:										
General government	\$ 1,967,156	\$ 2,053,304	\$ 2,054,234	\$ 1,184,964	\$ 1,342,208	\$ 1,773,552	\$ 1,697,883	\$ 1,837,143	\$ 2,159,122	\$ 1,430,491
Public safety	2,039,913	2,034,289	1,897,974	1,983,092	1,894,025	1,853,235	1,818,641	1,717,806	1,812,338	1,684,888
Transportation	1,850,840	1,526,427	1,960,039	2,850,323	1,228,942	1,728,212	607,758	2,111,298	1,216,164	786,846
Culture and recreation	1,314,695	1,593,065	1,562,682	2,103,713	2,643,548	1,328,378	631,017	631,840	752,449	879,286
Interest on long-term debt	313,991	325,571	335,549	348,726	371,028	-	-	-	-	-
Total governmental activities expenses	<u>7,486,595</u>	<u>7,532,656</u>	<u>7,810,478</u>	<u>8,470,818</u>	<u>7,479,751</u>	<u>6,683,377</u>	<u>4,755,299</u>	<u>6,298,087</u>	<u>5,940,073</u>	<u>4,781,511</u>
Business-type activities:										
Water	1,340,841	1,258,032	1,330,521	1,357,055	1,286,178	1,293,463	1,295,431	1,228,616	1,382,515	1,082,206
Waste water management	1,161,092	1,090,771	1,029,745	1,018,861	1,088,648	898,706	817,919	838,632	991,631	964,857
Solid waste management	820,199	777,415	730,794	768,853	779,554	801,014	827,307	789,649	760,528	749,590
Total business-type activities expenses	<u>3,322,132</u>	<u>3,126,218</u>	<u>3,091,060</u>	<u>3,144,769</u>	<u>3,154,380</u>	<u>2,993,183</u>	<u>2,940,657</u>	<u>2,856,897</u>	<u>3,134,674</u>	<u>2,796,653</u>
Total primary government expenses	<u>\$ 10,808,727</u>	<u>\$ 10,658,874</u>	<u>\$ 10,901,538</u>	<u>\$ 11,615,587</u>	<u>\$ 10,634,131</u>	<u>\$ 9,676,560</u>	<u>\$ 7,695,956</u>	<u>\$ 9,154,984</u>	<u>\$ 9,074,747</u>	<u>\$ 7,578,164</u>
PROGRAM REVENUES										
Governmental activities:										
Charges for services	\$ 1,685,143	\$ 1,558,152	\$ 1,730,392	\$ 2,075,803	\$ 2,353,821	\$ 1,194,490	\$ 1,179,717	\$ 1,096,623	\$ 759,833	\$ 766,857
Capital grants and contributions	583,095	711,739	765	67,928	28,527	29,360	4,465	540	2,534,079	163,832
Total governmental activities program revenues	<u>2,268,238</u>	<u>2,269,891</u>	<u>1,731,157</u>	<u>2,143,731</u>	<u>2,382,348</u>	<u>1,223,850</u>	<u>1,184,182</u>	<u>1,097,163</u>	<u>3,293,912</u>	<u>930,689</u>
Business-type activities:										
Charges for services:										
Water	1,730,516	1,473,926	1,430,682	1,664,602	889,344	905,418	989,853	829,194	986,824	954,185
Waste water management	1,167,614	1,105,844	1,089,009	1,059,708	1,056,848	946,043	811,867	778,319	803,723	826,863
Solid waste management	794,404	780,881	792,490	802,262	834,709	818,764	792,796	770,832	725,643	720,799
Total business-type activities revenues	<u>3,692,534</u>	<u>3,360,651</u>	<u>3,312,181</u>	<u>3,526,572</u>	<u>2,780,901</u>	<u>2,670,225</u>	<u>2,594,516</u>	<u>2,378,345</u>	<u>2,516,190</u>	<u>2,501,847</u>
Total primary government program revenues	<u>\$ 5,960,772</u>	<u>\$ 5,630,542</u>	<u>\$ 5,043,338</u>	<u>\$ 5,670,303</u>	<u>\$ 5,163,249</u>	<u>\$ 3,894,075</u>	<u>\$ 3,778,698</u>	<u>\$ 3,475,508</u>	<u>\$ 5,810,102</u>	<u>\$ 3,432,536</u>
NET (EXPENSE) REVENUE										
Governmental activities	\$ (5,218,357)	\$ (5,262,765)	\$ (6,079,321)	\$ (6,327,087)	\$ (5,097,403)	\$ (5,459,527)	\$ (3,571,117)	\$ (5,200,924)	\$ (2,646,161)	\$ (3,850,822)
Business-type activities	<u>373,302</u>	<u>245,087</u>	<u>221,121</u>	<u>381,803</u>	<u>(373,479)</u>	<u>(322,958)</u>	<u>(346,141)</u>	<u>(478,552)</u>	<u>(618,484)</u>	<u>(294,806)</u>
Total primary government net expense	<u>\$ (4,845,055)</u>	<u>\$ (5,017,678)</u>	<u>\$ (5,858,200)</u>	<u>\$ (5,945,284)</u>	<u>\$ (5,470,882)</u>	<u>\$ (5,782,485)</u>	<u>\$ (3,917,258)</u>	<u>\$ (5,679,476)</u>	<u>\$ (3,264,645)</u>	<u>\$ (4,145,628)</u>

TOWN OF BELLEAIR, FLORIDA

CHANGE IN NET POSITION (CONTINUED)

LAST TEN FISCAL YEARS

(accrual basis of accounting)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Governmental Activities:										
Taxes:										
Property taxes	\$ 3,848,662	\$ 3,634,385	\$ 3,475,114	\$ 3,403,996	\$ 3,341,656	\$ 3,427,519	\$ 3,097,480	\$ 3,114,150	\$ 3,448,485	\$ 3,426,619
Utility taxes	773,455	774,675	762,198	781,857	547,536	-	-	-	-	-
Franchise fees	367,097	362,980	388,063	395,205	359,533	372,119	401,711	436,393	438,850	401,851
Intergovernmental revenues:										
Infrastructure sale surtax	409,965	398,838	379,217	352,312	330,116	312,431	295,159	305,641	355,186	395,810
Sales taxes	245,186	244,096	237,384	225,502	214,026	213,743	204,003	198,117	198,650	235,242
Communications										
service tax	172,563	173,413	182,916	187,353	201,448	205,018	198,023	202,368	237,782	224,192
Other taxes	122,867	60,177	58,013	59,345	57,738	56,922	57,961	59,260	58,694	62,393
State revenue sharing	101,460	97,630	96,097	91,596	88,164	86,813	86,232	85,640	85,290	94,298
Investment earnings	5,165	3,853	19,784	13,562	9,713	14,704	21,001	19,669	63,857	232,747
Miscellaneous	104,342	131,810	84,770	451,656	3,714,808	129,120	120,188	104,794	67,938	16,195
Gain on sale of capital assets	551,138	-	-	8,883	-	-	-	-	-	3,395
Transfers	<u>(86,859)</u>	<u>(596,264)</u>	<u>(687,531)</u>	<u>117,500</u>	<u>81,300</u>	<u>49,500</u>	<u>(18,500)</u>	<u>(368,100)</u>	<u>367,730</u>	<u>33,900</u>
Total governmental activities	<u>6,615,041</u>	<u>5,285,593</u>	<u>4,996,025</u>	<u>6,088,767</u>	<u>8,946,038</u>	<u>4,867,889</u>	<u>4,463,258</u>	<u>4,157,932</u>	<u>5,322,462</u>	<u>5,126,642</u>
Business-type activities:										
Capital contributions	-	-	-	-	925	1,957	3,988	-	2,345	4,325
Investment earnings	1,233	628	7,394	163	130	99	1,768	10,311	31,912	104,608
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	-
Miscellaneous	9,929	9,110	26,684	52,405	9,664	13,626	18,983	3,130	15,173	17,019
Transfers	<u>86,859</u>	<u>596,264</u>	<u>687,531</u>	<u>(117,500)</u>	<u>(81,300)</u>	<u>(49,500)</u>	<u>18,500</u>	<u>368,100</u>	<u>(367,730)</u>	<u>(33,900)</u>
Total business-type activities	<u>98,021</u>	<u>606,002</u>	<u>721,609</u>	<u>(64,932)</u>	<u>(70,581)</u>	<u>(33,818)</u>	<u>43,239</u>	<u>381,541</u>	<u>(318,300)</u>	<u>92,052</u>
Total primary government	<u>\$ 6,713,062</u>	<u>\$ 5,891,595</u>	<u>\$ 5,717,634</u>	<u>\$ 6,023,835</u>	<u>\$ 8,875,457</u>	<u>\$ 4,834,071</u>	<u>\$ 4,506,497</u>	<u>\$ 4,539,473</u>	<u>\$ 5,004,162</u>	<u>\$ 5,218,694</u>
CHANGE IN NET POSITION										
Governmental activities	\$ 1,396,684	\$ 22,828	\$ (1,083,296)	\$ (238,320)	\$ (591,638)	\$ 892,141	\$ (1,042,992)	\$ 2,676,301	\$ 1,275,820	\$ 1,551,142
Business-type activities	<u>471,323</u>	<u>851,089</u>	<u>942,730</u>	<u>316,871</u>	<u>(356,776)</u>	<u>(302,902)</u>	<u>(97,011)</u>	<u>(936,784)</u>	<u>(202,754)</u>	<u>(140,920)</u>
Total primary government	<u>\$ 1,868,007</u>	<u>\$ 873,917</u>	<u>\$ (140,566)</u>	<u>\$ 78,551</u>	<u>\$ (948,414)</u>	<u>\$ 589,239</u>	<u>\$ (1,140,003)</u>	<u>\$ 1,739,517</u>	<u>\$ 1,073,066</u>	<u>\$ 1,410,222</u>

TOWN OF BELLEAIR, FLORIDA

PROGRAM REVENUES BY FUNCTIONS/PROGRAM

LAST TEN FISCAL YEARS

(accrual basis of accounting)

	PROGRAM REVENUES									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<u>FUNCTIONS/PROGRAMS</u>										
Governmental Activities:										
General government	\$ 1,214,939	\$ 1,032,888	\$ 989,962	\$ 876,498	\$ 693,805	\$ 864,629	\$ 430,752	\$ 457,775	\$ 362,674	\$ 426,495
Public safety	7,105	15,468	161,572	79,047	8,093	13,659	197,073	170,508	106,999	110,808
Transportation	-	509,796	578,858	-	-	-	72,704	72,704	43,392	23,354
Culture and recreation	463,099	-	-	1,120,258	1,651,923	316,202	479,188	395,636	246,768	206,200
Subtotal governmental activities	1,685,143	1,558,152	1,730,392	2,075,803	2,353,821	1,194,490	1,179,717	1,096,623	759,833	766,857
Business-type activities:										
Water	1,730,516	1,473,926	1,430,682	1,417,237	889,344	905,418	989,853	829,194	986,824	954,185
Waste water management	1,167,614	1,105,844	1,089,009	1,059,708	1,056,848	946,043	811,867	778,319	803,723	826,863
Solid waste management	794,404	780,881	792,490	802,262	834,709	818,764	792,796	770,832	725,643	720,799
Subtotal business-type activities	3,692,534	3,360,651	3,312,181	3,279,207	2,780,901	2,670,225	2,594,516	2,378,345	2,516,190	2,501,847
Total primary government	\$ <u>5,377,677</u>	\$ <u>4,918,803</u>	\$ <u>5,042,573</u>	\$ <u>5,355,010</u>	\$ <u>5,134,722</u>	\$ <u>3,864,715</u>	\$ <u>3,774,233</u>	\$ <u>3,474,968</u>	\$ <u>3,276,023</u>	\$ <u>3,268,704</u>

TOWN OF BELLEAIR, FLORIDA

FUND BALANCES OF
GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
General Fund:										
Nonspendable	\$ 1,617	\$ 3,599	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned	88,029	95,531	109,505	102,220	101,510	93,173	107,113	20,211	966,411	896,082
Unassigned	<u>2,039,028</u>	<u>1,137,936</u>	<u>1,372,003</u>	<u>1,275,946</u>	<u>1,631,544</u>	<u>1,931,887</u>	<u>4,473,212</u>	<u>4,486,941</u>	<u>4,852,783</u>	<u>4,287,714</u>
Total general fund	<u>\$ 2,128,674</u>	<u>\$ 1,237,066</u>	<u>\$ 1,481,508</u>	<u>\$ 1,378,166</u>	<u>\$ 1,733,054</u>	<u>\$ 2,025,060</u>	<u>\$ 4,580,325</u>	<u>\$ 4,507,152</u>	<u>\$ 5,819,194</u>	<u>\$ 5,183,796</u>
All Other Governmental Funds:										
Nonspendable	\$ 405,000	\$ 390,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted, reported in:										
Capital projects fund	4,178,843	1,864,603	4,051,391	6,653,456	5,981,668	6,356,164	4,860,157	5,326,735	4,395,745	4,504,934
Special revenue funds	<u>848,198</u>	<u>1,942,902</u>	<u>1,925,143</u>	<u>1,663,049</u>	<u>1,473,789</u>	<u>785,296</u>	<u>825,202</u>	<u>813,518</u>	<u>897,239</u>	<u>957,668</u>
Total all other governmental funds	<u>\$ 5,432,041</u>	<u>\$ 4,197,505</u>	<u>\$ 5,976,534</u>	<u>\$ 8,316,505</u>	<u>\$ 7,455,457</u>	<u>\$ 7,141,460</u>	<u>\$ 5,685,359</u>	<u>\$ 6,140,253</u>	<u>\$ 5,292,984</u>	<u>\$ 5,462,602</u>

TOWN OF BELLEAIR, FLORIDA

CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
REVENUES										
Taxes	\$ 3,848,662	\$ 3,634,385	\$ 3,475,114	\$ 3,403,996	\$ 3,341,656	\$ 3,427,519	\$ 3,097,480	\$ 3,114,150	\$ 3,448,485	\$ 3,426,619
Utility taxes	773,455	774,675	762,198	781,857	547,536	-	-	-	-	-
Franchise fees	367,097	362,980	388,063	395,205	359,533	372,119	401,711	436,393	438,850	401,851
Licenses, fees and permits	548,624	412,204	352,039	387,263	208,161	232,258	234,098	303,606	272,733	325,853
Intergovernmental	1,631,310	1,682,506	954,392	979,203	915,803	899,012	839,415	844,344	935,577	1,011,936
Charges for services	1,133,033	1,141,953	1,375,347	1,686,268	2,142,641	955,660	912,815	786,853	460,481	432,463
Fines and forfeits	3,485	3,995	3,006	2,272	3,019	6,573	32,804	6,163	8,254	8,542
Contributions and donations	68,198	82,487	18,985	319,435	3,630,924	28,179	29,065	72,805	90,439	163,832
Investment earnings	5,165	3,853	19,784	13,562	9,713	14,704	21,001	19,669	78,836	247,150
Resource management fees	-	-	-	-	-	-	2,382	2,579	-	-
Miscellaneous	37,895	52,710	119,517	135,791	84,320	66,814	95,169	36,633	71,968	16,192
Total revenues	8,416,924	8,151,748	7,468,445	8,104,852	11,243,306	6,002,838	5,665,940	5,623,195	5,805,623	6,034,438
EXPENDITURES										
General government	1,969,983	2,009,528	2,036,543	3,125,430	1,822,605	1,822,411	1,562,911	1,722,371	2,092,080	1,545,964
Public safety	2,071,733	2,014,029	1,965,930	1,989,357	1,839,766	1,860,604	1,805,437	1,692,031	1,755,475	1,707,072
Transportation	3,921,145	3,752,295	2,935,891	4,742,506	6,819,411	2,292,156	1,980,596	1,712,324	835,118	406,027
Culture and recreation	1,257,937	1,378,191	1,446,373	1,934,255	5,851,451	1,256,015	693,292	593,142	701,794	735,991
Debt service:										
Principal	447,785	403,362	365,000	340,000	-	-	-	-	-	-
Interest	313,991	325,571	509,912	354,863	190,528	-	-	-	14,979	14,403
Total expenditures	9,982,574	9,882,976	9,259,649	12,486,411	16,523,761	7,231,186	6,042,236	5,719,868	5,399,446	4,409,457
Excess of revenues over (under) expenditures	(1,565,650)	(1,731,228)	(1,791,204)	(4,381,559)	(5,280,455)	(1,228,348)	(376,296)	(96,673)	406,177	1,624,981
OTHER FINANCING SOURCES (USES)										
Proceeds from debt issuance	-	300,000	-	4,750,341	5,214,659	35,000	-	-	-	-
Proceeds from insurance	2,076	-	1,000	1,263	3,780	39,401	-	-	-	-
Sale of equipment	3,776,637	3,961	241,106	18,615	2,707	5,283	13,075	-	25,003	3,395
Transfers in	5,417,015	656,400	717,150	653,900	1,150,775	2,188,700	94,300	1,268,165	239,600	212,600
Transfers out	(5,503,874)	(1,252,664)	(1,404,681)	(536,400)	(1,069,475)	(2,139,200)	(112,800)	(1,636,265)	(205,000)	(178,700)
Total other financing sources (uses)	3,691,854	(292,303)	(445,425)	4,887,719	5,302,446	129,184	(5,425)	(368,100)	59,603	37,295
Net change in fund balances	\$ 2,126,204	\$ (2,023,531)	\$ (2,236,629)	\$ 506,160	\$ 21,991	\$ (1,099,164)	\$ (381,721)	\$ (464,773)	\$ 465,780	\$ 1,662,276
Debt service as a percentage of noncapital expenditures	12.50%	12.19%	11.81%	8.66%	1.20%	0.00%	0.00%	0.00%	0.28%	0.33%

TOWN OF BELLEAIR, FLORIDA

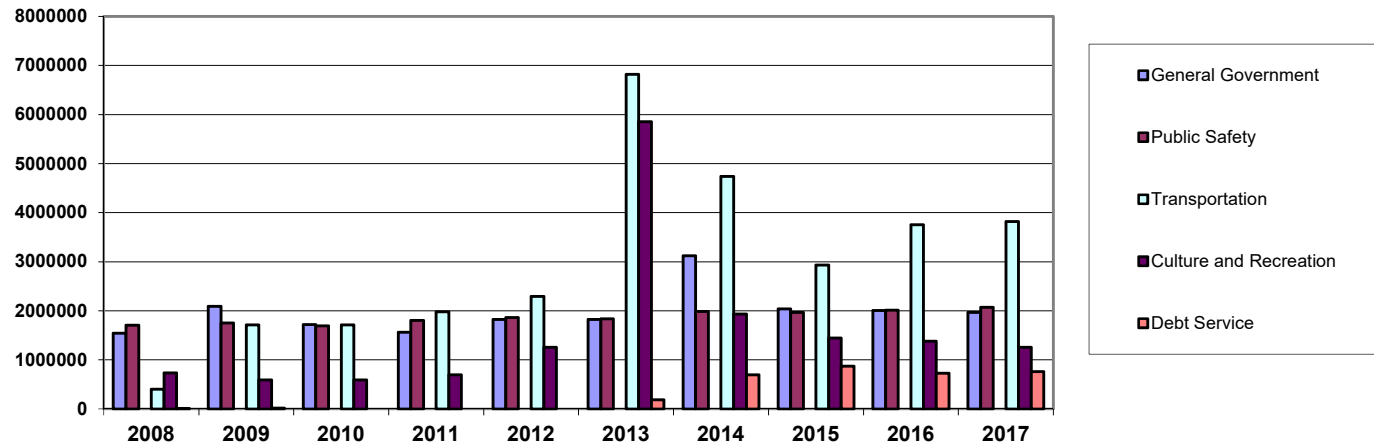
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION⁽¹⁾
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Transportation</u>	<u>Culture and Recreation</u>	<u>Debt Service</u>	<u>Total</u>
2008	\$ 1,545,964	\$ 1,707,072	\$ 406,027	\$ 735,991	\$ 14,403	\$ 4,409,457
2009	2,092,080	1,755,475	835,118	701,794	14,979	5,399,446
2010	1,722,371	1,692,031	1,712,324	593,142	-	5,719,868
2011	1,562,911	1,805,437	1,980,596	693,292	-	6,042,236
2012	1,822,411	1,860,604	2,292,156	1,256,015	-	7,231,186
2013	1,822,605	1,839,766	6,819,411	5,851,451	190,528	16,523,761
2014	3,125,430	1,989,357	4,742,506	1,934,255	694,863	12,486,411
2015	2,036,543	1,965,930	2,935,891	1,446,373	874,912	9,259,649
2016	2,009,528	2,014,029	3,752,295	1,378,191	728,933	9,882,976
2017	1,969,983	2,071,733	3,921,145	1,257,937	761,776	9,982,574

⁽¹⁾ Includes general, special revenue and capital projects funds.

TOWN OF BELLEAIR, FLORIDA

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION - LAST TEN FISCAL YEARS



TOWN OF BELLEAIR, FLORIDA

GENERAL GOVERNMENTAL REVENUES BY SOURCE⁽¹⁾
LAST TEN FISCAL YEARS

Fiscal Year	Taxes	License and Permits	Intergovernmental	Charge for Services	Fines	Resource Management Fees	Interest	Contributions and Donations ⁽²⁾	Miscellaneous	Total
2008	\$ 3,828,470	\$ 325,883	\$ 1,011,936	\$ 432,463	\$ 8,542	\$ -	\$ 247,150	\$ 163,832	\$ 16,192	\$ 6,034,468
2009	3,887,335	272,733	935,577	460,481	8,254	25	78,836	90,439	71,943	5,805,623
2010	3,550,543	303,606	844,344	786,853	6,163	2,579	19,669	72,805	36,633	5,623,195
2011	3,499,191	234,098	839,415	912,815	32,804	2,382	21,001	29,065	95,169	5,665,940
2012	3,799,638	232,258	899,012	955,660	6,573	-	14,704	28,179	66,814	6,002,838
2013	4,248,725	208,161	915,803	2,142,641	3,019	-	9,713	3,630,924	84,320	11,243,306
2014	4,581,058	387,263	979,203	1,686,268	2,272	-	13,562	319,435	135,791	8,104,852
2015	4,625,375	352,039	954,392	1,375,347	3,006	-	19,784	18,985	119,517	7,468,445
2016	4,772,040	412,204	1,682,506	1,141,953	3,995	-	3,853	82,487	52,710	8,151,748
2017	4,989,214	548,624	1,631,310	1,133,033	3,485	-	5,165	68,198	37,895	8,416,924

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS

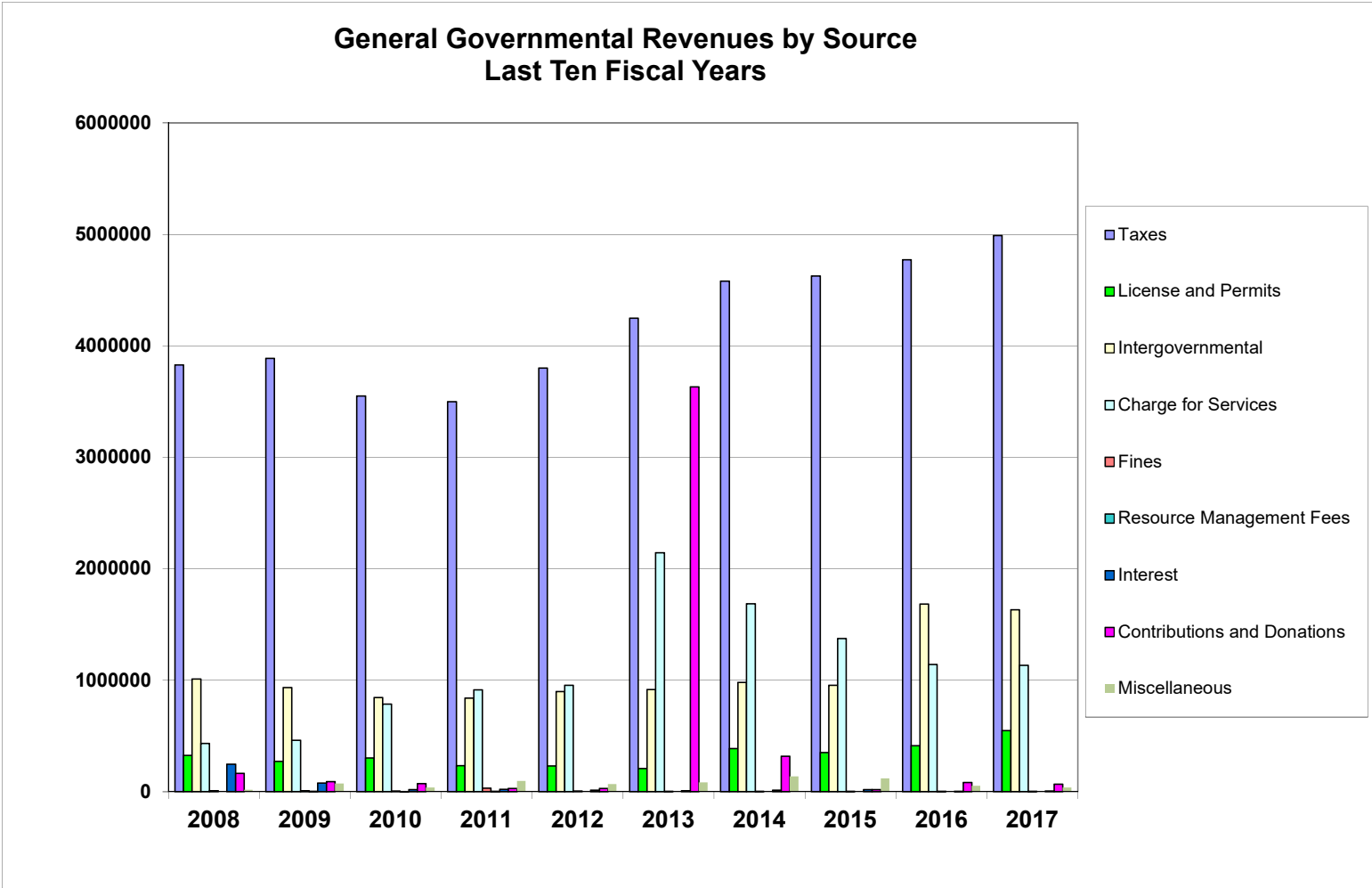
Fiscal Year	Property Tax	Utility Tax	Franchise Taxes	Total
2008	\$ 3,426,619	\$ -	\$ 401,851	\$ 3,828,470
2009	3,448,485	-	438,850	3,887,335
2010	3,114,150	-	436,393	3,550,543
2011	3,097,480	-	401,711	3,499,191
2012	3,427,519	-	372,119	3,799,638
2013	3,341,656	547,536	359,533	4,248,725
2014	3,403,996	781,857	395,205	4,581,058
2015	3,475,114	762,198	388,063	4,625,375
2016	3,634,385	774,675	362,980	4,772,040
2017	3,848,662	773,455	367,097	4,989,214

⁽¹⁾ Includes general, special revenue and capital projects funds.

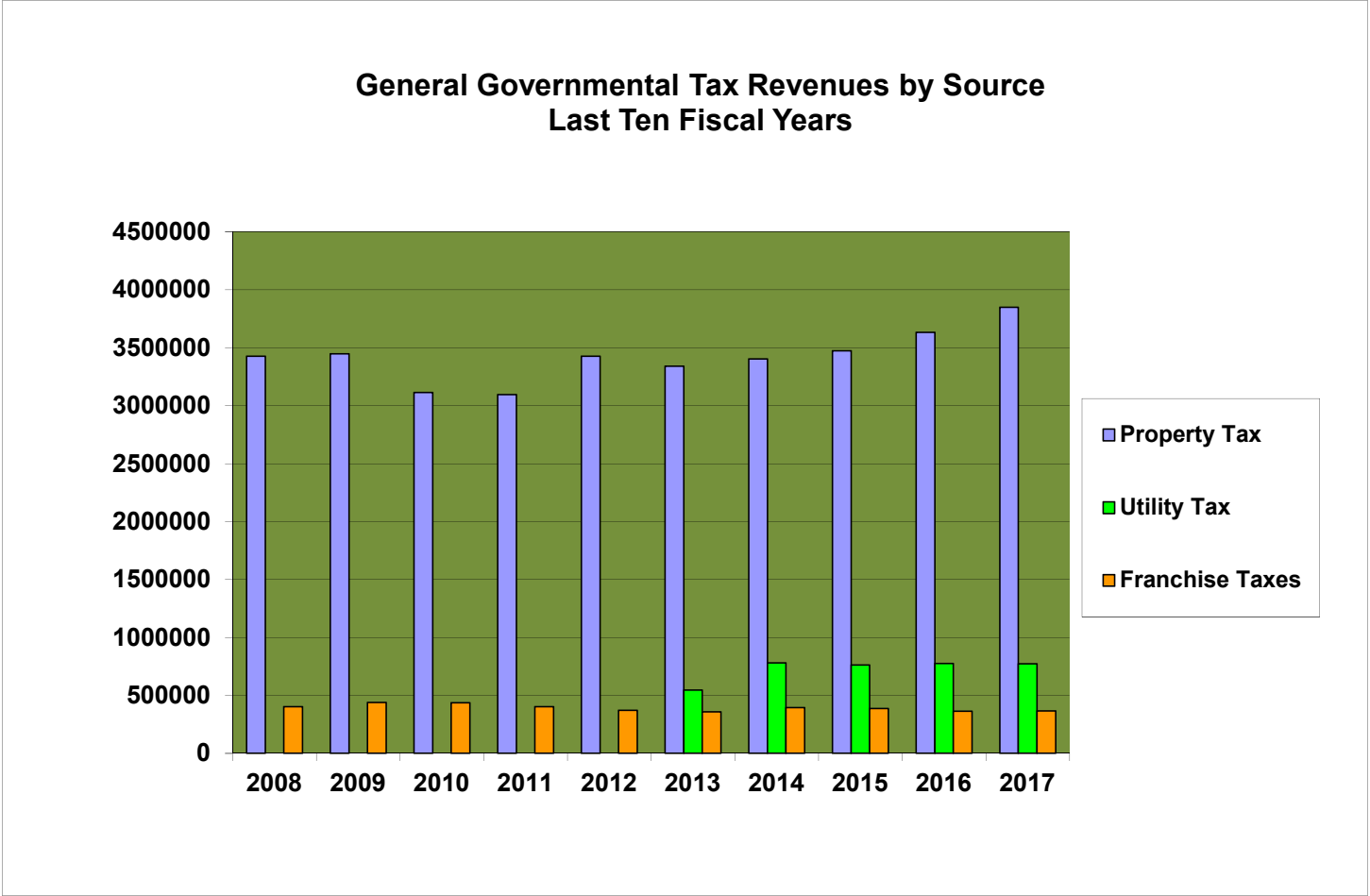
⁽²⁾ Public contributions to community center construction campaign.

⁽³⁾ Town rescinded the utility tax ordinance effective October 2006.
The ordinance was reinstated effective October 2013.

TOWN OF BELLEAIR, FLORIDA



TOWN OF BELLEAIR, FLORIDA



REVENUE CAPACITY

TOWN OF BELLEAIR, FLORIDA

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year	Assessed Valuations					Total All	Assessed Values to Estimated Market	Percentage		Total Direct Tax Rate
	Real Property		Personal Property	Total Taxable	Total Exempt			Yearly Increases Taxable	Total	
	Residential	Commercial								
2008	1,172,994,800	52,926,700	9,810,300	839,447,822	396,283,978	1,235,731,800	100	4.6	0.7	4.2118
2009	1,038,776,100	55,036,100	9,616,760	780,937,423	322,491,537	1,103,428,960	100	(7.0)	(11.00)	4.5605
2010	872,679,953	47,687,999	7,657,863	701,587,679	226,438,136	928,795,522	100	(10.2)	(2.00)	4.5605
2011	716,297,284	42,395,511	6,544,496	621,660,713	98,321,464	765,237,291	100	2.6	(33.00)	5.1465
2012	646,755,411	38,131,356	6,371,040	595,307,227	93,950,580	691,257,807	100	(4.2)	(3.99)	5.9432
2013	631,565,876	37,570,826	6,271,935	580,712,681	94,695,956	675,408,637	100	(2.5)	(2.29)	5.9432
2014	638,202,678	35,915,734	6,155,922	583,340,612	96,933,722	680,274,334	100	0.5	0.72	6.0257
2015	665,671,571	37,040,034	6,493,542	608,453,321	100,751,826	709,205,147	100	4.3	4.25	5.9257
2016	693,397,101	37,338,994	6,209,050	634,941,314	102,003,831	736,945,145	100	4.4	3.91	5.9257
2017	726,160,817	37,716,905	6,647,392	670,528,380	99,996,734	770,525,114	100	5.6	4.56	5.9257

Source: Pinellas County Property Appraiser.

TOWN OF BELLEAIR, FLORIDA

ASSESSED VALUATIONS, MILLAGE AND TAXES LEVIED AND COLLECTED
LAST TEN FISCAL YEARS

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Total valuations	\$ 1,235,731,800	\$ 1,103,428,960	\$ 928,795,222	\$ 765,237,291	\$ 733,408,184	\$ 703,970,361	\$ 727,998,327	\$ 840,716,261	\$ 910,085,866	\$ 980,956,983
Real estate exemptions:										
Government exemption	13,002,360	12,702,060	11,947,320	10,926,288	9,948,748	9,917,835	10,151,058	10,959,550	12,930,053	12,917,336
Institutional exemption	8,494,170	8,408,970	9,060,366	8,153,630	7,860,638	7,636,217	8,101,802	8,089,887	8,155,004	8,190,515
Assessment differential (F.S. 193.155) ⁽³⁾	332,272,121	234,646,539	125,508,530	45,255,114	42,150,377	28,561,724	47,723,993	131,511,114	173,140,721	210,431,869
Individual or homestead exemptions	<u>42,515,407</u>	<u>79,592,234</u>	<u>78,186,512</u>	<u>78,914,247</u>	<u>78,141,194</u>	<u>77,141,904</u>	<u>78,680,862</u>	<u>81,702,389</u>	<u>80,918,774</u>	<u>78,888,883</u>
Total exemptions and adjustments	<u>396,284,058</u>	<u>335,349,803</u>	<u>224,702,728</u>	<u>147,729,065</u>	<u>138,100,957</u>	<u>- 123,257,680</u>	<u>- 144,657,715</u>	<u>- 232,262,940</u>	<u>- 275,144,552</u>	<u>310,428,603</u>
Total taxable valuation	\$ <u>839,447,742</u>	\$ <u>768,079,157</u>	\$ <u>701,587,679</u>	\$ <u>621,988,012</u>	\$ <u>595,307,227</u>	\$ <u>580,712,681</u>	\$ <u>583,340,612</u>	\$ <u>608,453,321</u>	\$ <u>634,941,314</u>	\$ <u>670,528,380</u>
Millage levied	<u>4.2118</u>	<u>4.5605</u>	<u>4.5605</u>	<u>5.1465</u>	<u>5.9432</u>	<u>5.9432</u>	<u>6.0257</u>	<u>5.9257</u>	<u>5.9257</u>	<u>5.9257</u>
Total taxes levied	\$ 3,535,586	\$ 3,502,825	\$ 3,199,591	\$ 3,199,377	\$ 3,538,030	3,451,292	3,515,036	3,605,512	3,762,472	3,973,350
Less: Adjustments and discounts	<u>108,967</u>	<u>54,340</u>	<u>85,441</u>	<u>101,897</u>	<u>110,511</u>	<u>109,636</u>	<u>111,040</u>	<u>130,398</u>	<u>128,087</u>	<u>124,688</u>
Net taxes levied	\$ <u>3,426,619</u>	\$ <u>3,448,485</u>	\$ <u>3,114,150</u>	\$ <u>3,097,480</u>	\$ <u>3,427,519</u>	\$ <u>3,341,656</u>	\$ <u>3,403,996</u>	\$ <u>3,475,114</u>	\$ <u>3,634,385</u>	\$ <u>3,848,662</u>
Net collected ⁽¹⁾⁽²⁾	\$ <u>3,426,619</u>	\$ <u>3,448,485</u>	\$ <u>3,114,150</u>	\$ <u>3,097,480</u>	\$ <u>3,427,519</u>	\$ <u>3,341,656</u>	\$ <u>3,403,996</u>	\$ <u>3,475,114</u>	\$ <u>3,634,385</u>	\$ <u>3,848,662</u>

Source: Pinellas County Property Appraiser

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

The Town, after all tax certificates are sold, has fully collected all ad valorem revenues

⁽²⁾ Net collected includes penalties or late payments.

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

TOWN OF BELLEAIR, FLORIDA

PROPERTY TAX RATES - DIRECT AND ALL OVERLAPPING GOVERNMENTS (PER \$1,000)
LAST TEN FISCAL YEARS

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Town of Belleair:										
Operating	4.2118	4.5605	4.5605	5.1465	5.9432	5.9432	6.0257	5.9257	5.9257	5.9257
Debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Town millage	4.2118	4.5605	4.5605	5.1465	5.9432	5.9432	6.0257	5.9257	5.9257	5.9257
Pinellas County School Board:										
Operating	7.7310	8.3460	8.3460	8.3400	8.3850	8.3020	8.0600	7.8410	7.7700	7.3180
Pinellas County										
Operating	4.8730	4.8730	4.8108	4.8730	4.8730	5.0727	5.2755	5.2755	5.2755	5.2755
Debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total County millage	4.8730	4.8730	4.8108	4.8730	4.8730	5.0727	5.2755	5.2755	5.2755	5.2755
County-wide millage set by other										
taxing authorities:										
-Pinellas Suncoast Transit A	0.5601	0.5601	0.5601	0.5601	0.7305	0.7305	0.7305	0.7305	0.7305	0.7500
-Pinellas County Planning C	0.0170	0.0125	0.0125	0.0125	0.0125	0.0125	0.0160	0.0160	0.0160	0.0150
-Juvenile Welfare Board	0.7384	0.7915	0.7915	0.7915	0.8337	0.8981	0.8981	0.8981	0.8981	0.8981
-South West Florida Water										
Management District	0.3866	0.3866	0.3866	0.3770	0.3928	0.3928	0.3818	0.3658	0.3488	0.3317
-Pinellas Anclote River Basin	0.3701	0.3200	0.3200	0.2600	-	-	-	-	-	-
-Health							0.0622	0.0622	0.0622	0.0622
-EMS	<u>0.5832</u>	<u>0.5832</u>	<u>0.5832</u>	<u>0.5832</u>	<u>0.8506</u>	<u>0.9158</u>	<u>0.9158</u>	<u>0.9158</u>	<u>0.9158</u>	<u>0.9158</u>
Total County-wide millage	<u>2.6554</u>	<u>2.6539</u>	<u>2.6539</u>	<u>2.5843</u>	<u>2.8201</u>	<u>2.9497</u>	<u>3.0044</u>	<u>2.9884</u>	<u>2.9714</u>	<u>2.9728</u>
TOTAL	<u>\$ 19.4712</u>	<u>\$ 20.4334</u>	<u>\$ 20.3712</u>	<u>\$ 20.9438</u>	<u>\$ 22.0213</u>	<u>\$ 22.2676</u>	<u>\$ 22.3656</u>	<u>\$ 22.0306</u>	<u>\$ 21.9426</u>	<u>21.4920</u>

Source: Pinellas County Tax Collector

TOWN OF BELLEAIR, FLORIDA

PRINCIPAL PROPERTY TAXPAPERS
CURRENT YEAR AND NINE YEARS AGO

Principal Property Taxpayers	2017			2008		
	Rank	Taxable Assessed Value	Percentage of Total Taxable Assessed Value	Rank	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Belleview Biltmore Owner, LLC	1	\$ 11,272,026	1.85 %	Belleview Biltmore Owner, LLC	1	\$ 10,794,762 1.29 %
Belleview Biltmore Country Club	2	7,189,240	1.18	Belleview Biltmore Country Club	2	7,894,621 0.94
Muma, Leslie	3	6,601,111	1.08	Muma, Leslie	3	6,664,894 0.79
St Louis, James	4	6,277,950	1.03	St Louis, James	4	6,414,751 0.76
Bollea, Terry Gene	5	5,304,500	0.87	Bollea, Terry Gene	5	5,912,908 0.70
Heye, Hans F	6	3,758,366	0.62	Heye, Hans F	6	5,349,407 0.64
Rinker, Mary E	7	3,373,542	0.55	Rinker, Mary E	7	4,013,513 0.48
Thomas, Fred A	8	3,121,672	0.51	Thomas, Fred A	8	3,849,727 0.46
Doganiero, Philip	9	3,102,689	0.51	Doganiero, Philip	9	3,246,686 0.39
Boesch, Gary	10	3,068,722	0.50	Boesch, Gary	10	2,891,690 0.34
TOTAL		\$ 53,069,818	8.70 %		\$ 57,032,959	6.79 %

Source: Pinellas County Property Appraiser.

TOWN OF BELLEAIR, FLORIDA

PROPERTY LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

Fiscal Year	Total Assessed Valuation	Taxable Assessed Valuation	Levy	Collections within the Fiscal Year of Levy		Collections in Subsequent Years	Collections to Date	
				Amount	Percentage of Levy		Amount	Percentage of Levy
2008	1,235,731,800	781,945,072	3,535,586	3,426,619	96%	-	3,426,619	97%
2009	1,103,438,960	780,937,423	3,502,825	3,448,485	98%	-	3,448,485	98%
2010	928,795,222	701,587,679	3,199,591	3,114,150	99%	-	3,114,150	99%
2011	765,237,291	621,660,713	3,199,377	3,097,480	97%	-	3,097,480	97%
2012	733,408,184	595,307,227	3,538,029	3,427,529	97%	-	3,427,519	97%
2013	703,970,361	580,712,681	3,451,292	3,341,656	97%	-	3,341,656	97%
2014	727,998,327	583,340,612	3,515,036	3,403,996	97%	-	3,403,996	97%
2015	840,716,261	608,453,321	3,605,512	3,463,754	96%	-	3,475,114	96%
2016	736,945,145	634,941,314	3,762,472	3,634,384	97%	2	3,634,385	97%
2017	770,525,114	634,941,314	3,973,350	3,848,662	97%	-	3,848,662	97%

(1) Florida Statutes provide for a discount of up to four percent for early retirement of ad valorem taxes.

All unpaid taxes become delinquent on April 1, and are sold at auction on June 1 of each year as tax certificates.

The Town, after all tax certificates are sold, has fully collected all ad valorem tax revenues.

Source: Pinellas County Property Appraiser.

DEBT CAPACITY

TOWN OF BELLEAIR, FLORIDA

PERCENTAGE OF ANNUAL GENERAL DEBT SERVICE TO
GENERAL GOVERNMENTAL EXPENDITURES -
GENERAL OBLIGATION BONDED DEBT AND MORTGAGE NOTE
LAST TEN FISCAL YEARS

Fiscal Year	Debt Service					Total General Governmental Expenditures ⁽¹⁾	Percentage of Debt Service to General Governmental Expenditures
	General Obligation Bonded Debt		Paying Agent Fees	Mortgage Note	Total Debt		
	Principal	Interest					
2008	-	-	-	-	-	\$ 4,409,457	-
2009	-	-	-	-	-	5,399,446	-
2010	-	-	-	-	-	5,719,868	-
2011	-	-	-	-	-	6,042,236	-
2012	-	-	-	35,000	35,000	7,231,186	0.5 %
2013	-	-	-	190,528	190,528	16,523,761	1.2 %
2014	-	-	-	694,863	694,863	12,486,411	5.6 %
2015	-	-	-	707,138	707,138	9,259,649	7.6 %
2016	-	-	-	728,933	728,933	9,882,976	7.4 %
2017	-	-	-	761,776	761,776	9,982,574	7.7 %

⁽¹⁾ Includes general and special revenue funds, and capital projects funds.

TOWN OF BELLEAIR, FLORIDA

PERCENTAGE OF DEBT TO
TAXABLE ASSESSED VALUATION AND DEBT
PER CAPITA
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Population⁽¹⁾</u>	<u>Taxable Assessed Valuation</u>	<u>Gross General Obligation Bonded Debt</u>	<u>Capital Project Revenue Note</u>	<u>Equipment Financing Note</u>	<u>Total</u>	<u>Percent of Actual Taxable Value of Real Property</u>	<u>Per Capita</u>
2008	4,151	839,447,822	\$ -	\$ -	\$ -	\$ -	-	-
2009	4,145	701,587,679	-	-	-	-	-	-
2010	4,145	621,660,713	-	-	-	-	-	-
2011	3,869	595,307,227	-	-	-	-	-	-
2012	3,877	595,307,227	-	35,000	-	35,000	0.01%	9.03
2013	3,795	580,712,681	-	5,214,659	-	5,214,659	0.90%	1,374.09
2014	3,887	583,340,612	-	9,660,000	-	9,660,000	1.66%	2,485.21
2015	3,958	608,453,321	-	9,295,000	-	9,295,000	1.53%	2,381.50
2016	4,022	634,941,314	-	8,920,000	271,638	9,191,638	1.45%	2,285.34
2017	4,088	670,528,380	-	8,530,000	213,853	8,743,853	1.30%	2,138.91

⁽¹⁾ U.S. Bureau of Census estimate and the University of Florida.

TOWN OF BELLEAIR, FLORIDA

DIRECT AND OVERLAPPING DEBT
GENERAL OBLIGATION BONDS
AND REVENUE BONDS
SEPTEMBER 30, 2017

	Net General Obligation Bonded Debt Outstanding	Net General Nonself- Supporting Revenue Debt	Total	Percentage Applicable to Town of Belleair	Amount Applicable to Town of Belleair
Direct debt:					
Town of Belleair	\$ -	\$ 8,743,853	8,743,853	100%	\$ 8,743,853
Overlapping debt:					
Pinellas County School Board (1)					-
Pinellas County, Florida	6,045,000	-	6,045,000	0.90%	112,223
Pinellas County (2)	9,018,561		9,018,561	0.98%	93,015
Total Overlapping debt	\$ 15,063,561	\$ 8,743,853	\$ 23,807,414		\$ 8,949,091

RATIO:

Overall debt to 2017 taxable value	1.33%
Overall debt per capita	\$ 2,189

(1) The Town's share is calculated based on the ratio of the 2017 School Board Taxable Value of \$74,667,304,252 to the Town's Taxable Value of \$670,528,380

(2) The Town's share is calculated based on the ratio of the 2017 County Taxable Value of \$68,171,229,061 to the Town's Taxable Value of \$670,528,380

TOWN OF BELLEAIR, FLORIDA

PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS

Year	Public Service (Electric) Tax ⁽²⁾	Infrastructure Sales Surtax	Stormwater Fee ⁽³⁾	Net Available Revenue	Debt Service		Coverage
					Principal	Interest	
2008	-	395,810	-	392,058	-	-	-
2009	-	355,186	-	355,186	-	-	-
2010	-	305,641	-	305,641	-	-	-
2011	-	295,159	-	295,159	-	-	-
2012	-	312,431	-	312,431 ⁽¹⁾	-	-	-
2013	224,919	330,116	322,617	877,652	-	190,528	460.6
2014	442,298	352,312	339,559	1,134,168	340,000	354,863	163.2
2015	423,379	379,217	309,400	1,111,996	365,000	342,138	157.3
2016	437,310	398,838	337,365	1,173,513	375,000	322,012	168.4
2017	436,610	409,965	336,845	1,183,420	390,000	307,933	169.6

(1) First year of debt

(2) Debt issue in last month of Reporting Period, MPST enacted in 2012-2013

(3) Debt issue last month of Reporting Period, Stormwater fee enacted in 2012-2013

DEMOGRAPHIC AND

ECONOMIC

INFORMATION

TOWN OF BELLEAIR, FLORIDA

DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

<u>Year</u>	<u>Population⁽¹⁾</u>	<u>Number of Households⁽²⁾</u>	<u>Per Capita Income⁽³⁾</u>	<u>Median Age⁽¹⁾</u>	<u>Unemployment Rate⁽¹⁾</u>
2007	4,160		70,723	51.8	4.8
2008	4,151		71,221	51.6	4.5
2009	4,145		78,242	52.7	4.3
2010	4,145		84,280	54.9	11.8
2011	3,869		57,740	57.4	9.8
2012	3,888		57,097	54.9	8.6
2013	3,795	*1,783	50,011	56.7	8.5
2014	3,887	2,323	53,133	53.6	7.1
2015	3,958	2,238	57,307	44.7	5.8
2016	4,022	2,163	59,164	53.0	3.7
2017	4,088	2,230	66,244	53.1	3.8

(1) U.S. Bureau of Census estimate.

(2) New Statistic As of 2013, Estimate provided by factfinder.census.gov, 2013 did not include condos

(3) Data is for Pinellas County. Published by the Office of Economic & Demographic Research

NOTE: Data is for an unspecified point each year, not specifically September 30.

TOWN OF BELLEAIR, FLORIDA
PRINCIPAL EMPLOYERS, PINELLAS COUNTY
CURRENT YEAR AND NINE YEARS AGO

Employer	2017	Rank	2008	Rank
	Employees Full-Time		Employees Full-Time	
Raymond James Financial	4,000	1	2,850	3
Home Shopping Club	2,000	2	1,600	10
Tech Data Corp.	2,000	3	1,800	9
Spectrum	2,000	4	0	0
Fidelity Information Services	1,500	5	0	0
The Nielsen Company	1,500	6	3,650	1
Jabil Circuit, Inc.	1,500	7	0	0
Honeywell Aerospace	1,500	8	0	0
Valpak	1,500	9	0	0
Superior Uniform Group	1,000	10	0	0
Times Publishing Corp.	0	0	3,187	2
Morton Plant Hospital	0	0	2,448	4
Raytheon	0	0	2,200	5
All Childrens Health Systems	0	0	2,000	6
Bayfront Medical Center, Inc.	0	0	2,000	7
Progress Energy, Florida	0	0	1,950	8
TOTAL	18,500		23,685	

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

Source: Pinellas County Economic Development Department.

OPERATING
INFORMATION

TOWN OF BELLEAIR, FLORIDA
FULL-TIME EQUIVALENT
TOWN EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Full-Time Equivalent Employees as of September 30,												
<u>FUNCTION</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Government	14.00	11.00	14.00	16.00	14.00	12.00	11.00	10.00	11.00	11.00	11.00	12.00
Public Safety:												
Police:												
- Police Officers	15.00	12.00	13.00	13.00	14.00	13.00	13.00	13.00	13.00	12.00	12.00	11.00
- General employees	2.00	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	5.50
Physical Environment	5.00	6.00	4.00	6.00	6.50	6.50	6.00	7.00	7.00	7.00	7.00	6.00
Transportation	3.00	3.00	5.00	5.00	4.00	3.00	2.00	2.00	3.50	3.50	3.50	2.50
Culture and Recreation	6.00	4.00	4.00	4.00	5.00	4.50	5.00	5.00	5.00	5.00	5.00	3.00
Water	8.00	8.50	10.00	12.00	10.00	10.00	10.00	10.00	10.50	9.00	10.00	10.50
Solid Waste Management	5	7.5	5.5	5.5	6.5	6.00	6.00	6.00	6.00	6.00	6.00	6.50
Total	<u>58.00</u>	<u>54.00</u>	<u>57.50</u>	<u>62.50</u>	<u>61.00</u>	<u>56.00</u>	<u>54.00</u>	<u>54.00</u>	<u>57.00</u>	<u>54.50</u>	<u>55.50</u>	<u>57.00</u>

Source Town Finance Department

TOWN OF BELLEAIR, FLORIDA

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

FUNCTION	Fiscal Year Ended September 30,										
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Police:											
Physical arrests	41	26	31	46	56	45	125	146	70	72	70
Parking violations	20	22	12	142	140	10	12	9	23	1	-
Traffic violations	116	76	110	157	7	397	397	133	156	328	411
						194					
Transportation:											
Resurfacing	0.77	0.7	0.5	0.5	4.5 miles	0.5	1	-	-	-	-
Pothole repaired	50	50	110	120	150	~100	240	184	150	110	192
Culture and Recreation:											
Athletic permits issued	800	800	800	822	832	600	600	600	400	510	480
Water:											
New connections	6	3	6	5	0	2	2	3	2	8	43
Main breaks	4	9	0	0	10	12	12	8	11	6	11
Average consumption	818,622	767,968	699,957	517,567	681,789	693,150	768,950	692,830	807,000	911,000	895,000
Solid Waste Management:											
Refuse collected tons per/day	10.03	10.5	7.12	7.19	7.78	11.83	8.01	10.06	10.75	11.95	11.28
Recyclables collected	0.95	2.78	0.60	1.19	0.43	0.80	0.75	0.76	1.14	0.91	0.95

TOWN OF BELLEAIR, FLORIDA

CAPITAL ASSETS STATISTICS

LAST TEN FISCAL YEARS

	Fiscal Year Ended September 30,										
FUNCTION	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Public Safety:											
Police:											
Stations	1	1	1	1	1	1	1	1	1	1	1
Patrol units	7	9	5	5	5	6	6	5	5	4	4
Transportation:											
Streets (Miles)	22	22	22	22	22	22	22	22	22	22	22
Traffic signs	250	250	250	250	250	0.5	0.5	0.5	0.5	0.5	0.5
Culture and Recreation:											
Park acreage	24	24	33	33	33	33	33	33	33	32	32
Parks	17	17	19	19	19	19	19	19	19	19	18
Tennis Courts	3	3	3	3	3	3	3	3	3	4	4
Community Centers	1	1	1	1	1	1	1	1	1	1	1
Water Mains (Miles)	36	36	36	36	36	80	80	80	80	80	80
Fire hydrants	135	135	135	135	135	135	135	135	135	135	135
Maximum daily capacity (thousands of gallons)	2.2MGD	2.2 MGD	2.2 MGD	2.2 MGD	2.2 MGD	2.2 MGD	2.2 MGD	2.2 MGD	2.2 MGD	2.2 MGD	2.2 MGD
Solid Waste Management:											
Trucks	8	8	8	8	9	9	10	10	10	10	10

TOWN OF BELLEAIR, FLORIDA

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS
LAST TEN FISCAL YEARS

Fiscal Year	New Commercial Construction		New Residential Construction		Additions, Improvements and Miscellaneous Construction		Bank Deposits ⁽²⁾ (In Thousands)
	Number of Permits	Value	Number of Permits	Value	Permits ⁽¹⁾	Value	
2006	- %	-	6	3,995,471	777 %	11,781,729 \$	13,652,970
2007	-	-	7	4,763,613	657	7,168,298	13,552,327
2008	-	-	5	5,373,430	600	9,612,837	13,453,426
2009	-	-	7	6,807,298	462	5,047,852	13,789,762
2010	-	-	-	810,000	570	7,140,071	13,513,967
2011	-	-	-	817,398	584	8,069,923	*
2012	-	-	3	1,319,123	550	8,022,895	*
2013	-	-	1	392,000	555	8,372,952	*
2014	-	-	7	6,465,452	683	16,508,591	*
2015	-	-	7	6,649,064	721	9,943,615	*
2016	-	-	18	14,863,390	641	9,758,896	*
2017	2	9,682,000	6	18,143,720	733	19,812,585	*

(1) Includes institutional, seawalls, pools, and non-valued building permits.

(2) Includes balances in commercial, savings, savings and loan, and building and loan banking institutions for Pinellas County. Data from the Tampa Bay Times Research Bureau. Subsequent to 2010, the Tampa Bay Times is no longer providing this information.

(3) Significant increase is caused by destruction and rebuilding of many residential homes during the fiscal year.

* Data is not available.

TOWN OF BELLEAIR, FLORIDA

MISCELLANEOUS STATISTICAL DATA

September 30, 2017

Date of Incorporation	1925	Term of Office:
Date First Charter Adopted	1925	Mayor - 3 Years
Date Present Charter Adopted	1970	Commissioners - 3 Years
		Manager - Appointed by Commission
		Average Annual Temperature - 83 degrees
Form of Government: Commission-Manager		Average Annual Rainfall - 50.8 inches
Commission Composed of: Mayor and Four Commissioners		Area - 2.50 square miles

MUNICIPAL UTILITIES, SERVICES AND EVENTS

Police Protection		Parks and Recreation	
Number of Employees	14	Community Centers	1
Number of Vehicular Patrol L	9	Playgrounds	2
Number of Law Violations:		Athletic Fields	2
Physical Arrestss	41	Parkland Acreage	24
Traffic Violations	116	Walking Trails	1
Parking Violations	20	Tennis Courts	3
		Basketball Courts	1
		Restroom Building	1
		Picnic Shelter	1
Sanitation Service System:		Transporation:	
Number of accounts	1,588	Paved Street	22 miles
Annual tonnage	2,729	Stormwater Lines	18 miles
		Sidewalks	23 miles
Water System:		Cultural Facilities Available in Belleair	
Miles of Water Mains	36	and the Tampa Bay Area:	
Daily Average Consumption (MGD)	.762	Florida Gulf Coast Art Center, Inc.,	
Number of Lift Stations	0	Largo, Florida	
Plant Capacity (MGD)	2.2 MGD	Performing Arts Center and Theatre,	
Number of Service Collections	1,545	Clearwater, Florida	
Deep Wells Active	7	Bayfront Center, Mahaffey Theater,	
Number of Fire Hydrants	135	St. Petersburg, Florida	
Number of customers	1,565	Tampa Bay Performing Arts Center,	
		Tampa, FloridaSt. Petersburg, Florida	
Major Annual Community Events:	<u>People Attending</u>	Asolo Performing Arts Center,	
Halloween Party	1,000	Sarasota, Florida	
Christmas Tree Lighting	900	Ruth Eckerd Hall,	
Easter Egg Hunt	500	Clearwater, Florida	
Arbor Day Celebration	500		
Run for the Rec. 5k race	1,000		
Concerts	6,000		

1) Police data is for 2017 calandar year (January 1, 2017 - December 31, 2017)

TOWN OF BELLEAIR, FLORIDA

SCHEDULE OF INSURANCE IN FORCE
September 30, 2017

Term for all types of coverage listed below is from October 1, 2016 through September 30, 2017.

Type of Coverage	Policy Number	Company	Association Self-Insurance Retention (SIR)	Limited Liability (Includes SIR)	Original Premium
Stoploss Carriers:	PRM09-012	Public Risk Management of FL			Total for all primary and excess risk coverage-
Property			100,000	100,000	
General Liability/Auto Liability			100,000	2,000,000	
Excess Workers' Compensation and Employers' Liability			650,000	1,000,000	
Employee Benefits Liability			200,000	2,000,000	
Excess Workers' Compensation				Statutory 3,000,000	
Crime:					
Monies/Securities			25,000	500,000	
Forgery/Alteration			25,000	500,000	
Employee Dishonesty			25,000	500,000	
Public Officials' Errors and Omissions			100,000	2,000,000 Aggregate 6,000,000 per member	
			1,000,000	5,000,000 per pool	
			5,000 deductible	aggregate	
Travel Accident	ADDN01063091	ACE American Insurance Co.		250,000 max 10,000 medical 5,000,000 Aggregate limit	
Boiler & Machinery	M5J-BM21-8751M435-	Travelers Property Casualty Company		50,000,000/ 100,000 object sublimit 10,000 deductible 1,000 per occurrence	
**Pollution Liability	PEC001275007	America Inc.	25,000	1,000,000 per occurrence 21,000,000 PRM Pool Annual Aggregate \$	226,113
**Accidental Death and Dismemberment -					
Police	ADDNO4823138	ACE American Insurance Co.		\$66,000 line of duty/ add'l 67,000 fresh pursuit and \$199,000 unlawful and intentional death	
					973
					\$ 227,086

** Paid to Public Risk Management

OTHER REPORTS

TOWN OF BELLEAIR, 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

AND

MANAGEMENT LETTER

AND

ATTESTATION REPORT
ON COMPLIANCE WITH SECTION 218.415
FLORIDA STATUTES

AND

MANAGEMENT MEMORANDUM
ON REVIEW OF INTERNAL CONTROL STRUCTURE

September 30, 2017

DAVIDSON, JAMIESON & CRISTINI, P.L.
Certified Public Accountants

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

Davidson, Jamieson & Cristini, P.L.
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The Honorable Mayor
and Town Commissioners
Town of Belleair, Florida

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the AICPA Professional Standards AT Sections 601.55 and 601.56, the financial statements of the governmental activities, the business-type activities, each major fund, the budgetary comparisons for the general fund and the aggregate remaining fund information of the Town of Belleair, Florida, as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Town of Belleair, Florida's (Town) basic financial statements, and have issued our report thereon dated September 1, 2018.

Internal Control Over Financial Reporting

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

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

The Honorable Mayor
and Town Commissioners
Town of Belleair, Florida

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

Compliance and Other Matters

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

Purpose of this Report

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

Davidson, Jamieson & Cristine, P.L.

September 1, 2018

MANAGEMENT LETTER

Davidson, Jamieson & Cristini, P.L.
Certified Public Accountants

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The Honorable Mayor
and Town Commission
Town of Belleair, Florida

Report on the Financial Statements

We have audited the financial statements of the Town of Belleair, Florida as of and for the fiscal year ended September 30, 2017 and have issued our report thereon dated September 1, 2018.

Auditor's Responsibility

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

We have issued our Independent Auditors Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General Disclosures in those reports and schedule, which are dated September 1, 2018, should be considered in conjunction with this management letter.

Prior Audit Findings

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

The Honorable Mayor
and Town Commission
Town of Belleair, Florida

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This disclosure has been included in the Town's Comprehensive Annual Financial Report for the fiscal year ended September 30, 2017.

Financial Condition

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

Pursuant to Section 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the Town of Belleair, 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 same.

Annual Financial Report

Sections 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether the annual financial report for the Town for the fiscal year ended September 30, 2017, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2017. In connection with our audit, we determined that these two reports were in agreement.

The Honorable Mayor
and Town Commission
Town of Belleair, Florida

Other Matters

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

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

Purpose of this Letter

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

Davidson, Jamison & Crutcher, P.L.

September 1, 2018

ATTESTATION REPORT
ON COMPLIANCE WITH SECTION 218.415
FLORIDA STATUTES

Davidson, Jamieson & Cristini, P.L.

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INDEPENDENT ACCOUNTANT'S REPORT

The Honorable Mayor and
Town Commission
Town of Belleair, Florida

We have examined the Town of Belleair, Florida 's compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2017. Management is responsible for the Town's compliance with those requirements. Our responsibility is to express an opinion on the Town's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test bases, evidence about the Town'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 Town's compliance with specified requirements.

In our opinion, the Town complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2017.

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

Davidson, Jamieson & Cristini, P.L.

September 1, 2018

**MEMORANDUM ON REVIEW
OF INTERNAL CONTROL STRUCTURE**

Davidson, Jamieson & Cristini, P.L.

Certified Public Accountants

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September 1, 2018

The Honorable Mayor
and Town Commissioners
Town of Belleair, Florida

We have audited the basic financial statements of the governmental activities, the business-type activities, each major fund, the budgetary comparisons for the general fund and the aggregate remaining fund information which collectively comprise the basic financial statements of the Town of Belleair, Florida as of and for the year ended September 30, 2017, and have issued our report thereon dated September 1, 2018.

We have issued our Report on Compliance and Internal Accounting Controls in Accordance with *Government Auditing Standards* dated September 1, 2018. Disclosures in that report, if any, should be considered in conjunction with this management memorandum.

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

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

However, during our audit we observed a matter that is an opportunity for strengthening internal control and operating efficiency.

2016-2017

2017-1 New Pronouncements

2015-2016

2016-1 Financial Statement Analysis

A. New Pronouncements

The GASB has issued the following statements:

1. Statement No. 74, “Financial Reporting for Postemployment Benefit Plants Other Than Pension Plans.” The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2017.
2. Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pension Plans.” The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2018.
3. Statement No. 77, “Tax Abatement Disclosures.” The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends December 31, 2016.
4. Statement No. 78, “Pension Provided through Certain Multiple Employer Defined Benefit Pension Plans.” The requirements of this Statement will take effect for fiscal years that end December 31, 2016.
5. Statement No. 80, “Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14.” The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2017.
6. Statement No. 81, “Irrevocable Split-Interest Agreements.” The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends December 31, 2017.

2016-2017

A. New Pronouncements (Continued)

7. Statement No. 82, “Pension Issues—an amendment of GASB Statement No. 67, No. 68, and No. 73.” The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2017, except for the requirements of this Statement for the selection of assumptions in a circumstance in which the employer’s pension liability is measured as of a date other than the employer’s most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions will take effect for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017.

We recommend that both the Finance Director and Assistance Finance Director become familiar with these new standards.

2015-2016

2016 -1 Financial Statement Analysis

Last year we recommended that the Finance Department spend time at year end doing an analysis of the September 30 financial statements.

The analysis should be completed prior to the audit fieldwork. The purpose is to reduce the number of journal entries that are required after the audit process begins.

This recommendation has been implemented.

* * * * *

This memorandum is intended solely for the use of the Town of Belleair, Florida and the Florida Auditor General and is not intended to be and should not be used by anyone other than those specified parties.

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

DAVIDSON, JAMIESON & CRISTINI, P.L.

MANAGEMENT'S RESPONSE

TOWN OF BELLEAIR

MAYOR:
GARY H. KATICA

COMMISSIONERS:
KARLA RETTSTATT
MICHAEL WILKINSON
TOM SHELLY
TOM KUREY

TOWN MANAGER:
JP MURPHY



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TO: Mayor and Town Commissioners

FROM: JP Murphy, Town Manager

DATE: September 13, 2018

SUBJECT: Response to auditor's report and management letter for the fiscal year
2016-2017

Town staff has reviewed the auditor's report and management letter for the fiscal year ended September 30, 2017. I offer the following comments in response to their recommendations and observations:

New Pronouncements

The external auditor has provided a list of additional GASB Statements taking effect this fiscal year. The Support Services Department will continue to provide employees with training opportunities considered necessary to stay informed on current and future standards and best practices in governmental financial management.