



# Town of Belleair

901 Ponce de Leon Blvd.  
Belleair, FL 33756

## Meeting Agenda Finance Board

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Thursday, November 16, 2017

4:00 PM

Town Hall

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**Welcome. We are glad to have you join us. If you wish to speak, please wait to be recognized, then step to the podium and state your name and address. We also ask that you please turn-off all cell phones.**

### ROLL CALL

### CITIZENS COMMENTS

*(Discussion of items not on the agenda. Each speaker will be allowed 3 minutes to speak.)*

### APPROVAL OF MINUTES

[17-0188](#) Approval of August 17, 2017 Meeting Minutes

Attachments: [Minutes-August 17, 2017](#)

### GENERAL AGENDA

[17-0242](#) Presentation of the annual financial statements for FY 2016

Attachments: [2016 town of belleair cafr](#)

[17-0244](#) Update from ABM

[17-0241](#) Discussion of program-based budgeting transition

Attachments: [finance board solid waste program based budgeting template](#)  
[crosswalk- finance board solid waste program based budgeting template](#)  
[Solid Waste Department Overview - Sample](#)  
[Programs Overview - solid waste template](#)  
[Cost Drivers and Assumptions](#)

[17-0240](#) Investments policy review and update

Attachments: [2002-26 investment policy](#)

[17-0243](#) Review of parks funding

Attachments: [CIP FINAL 1718](#)

**OTHER BUSINESS**

**DIRECTOR'S REPORT**

**COMMISSION ADVISOR REPORT**

**ADJOURNMENT**

ANY PERSON WITH A DISABILITY REQUIRING REASONABLE ACCOMMODATIONS IN ORDER TO PARTICIPATE IN THIS MEETING, SHOULD CALL (727) 588-3769 OR FAX A WRITTEN REQUEST TO (727) 588-3767.



## Legislation Details (With Text)

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**File #:** 17-0188      **Version:** 1      **Name:**

**Type:** Minutes      **Status:** Minutes Approval

**File created:** 8/28/2017      **In control:** Finance Board

**On agenda:** 11/16/2017      **Final action:**

**Title:** Approval of August 17, 2017 Meeting Minutes

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** [Minutes-August 17, 2017](#)

Date	Ver.	Action By	Action	Result
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# Town of Belleair

901 Ponce de Leon Blvd.  
Belleair, FL 33756

## Meeting Minutes Finance Board

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Thursday, August 17, 2017

4:00 PM

Town Hall

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**Welcome. We are glad to have you join us. If you wish to speak, please wait to be recognized, then step to the podium and state your name and address. We also ask that you please turn-off all cell phones.**

Meeting called to order at 4:01 PM with Chairman Olson presiding.

### CITIZENS COMMENTS

No comments to be heard.

### APPROVAL OF MINUTES

[17-0173](#) Approval of July 20, 2017 Meeting Minutes

**Mr. Whittle moved approval; seconded by Mr. Hartshorne.**

**Aye:** 7 - Chairman Olson, Vice Chairman Hartshorne, Whittle, Prevas, Griffith, Piccarreto, and Hail

### ROLL CALL

**Present** 7 - Chairman Tom Olson, Vice Chairman Dan Hartshorne, Ernest Whittle, John Prevas, Mary Griffith, Kevin Piccarreto, and John Hail

*Elected Officials Present: Mayor Gary H. Katica, Deputy Mayor Karla Rettstatt,  
Commissioner Kurey*

*Staff Members Present: JP Murphy, Stefan Massol, Doug Speta, Ashley Bernal*

### GENERAL AGENDA

[17-0136](#) Discussion of cybersecurity framework published by AICPA

Stefan Massol-Finance Director-Discussed importance of protecting data, ensuring systems have proper controls and maintaining integrity.

JP Murphy-Town Manager-Provided comments regarding current practices and techniques for minimizing exposure; staff will work on a policy to be ready in next 2-3 months.

[17-0181](#)**Discussion of 2017-2018 Annual Budget**

Mr. Murphy stated all funds are balanced; discussed general fund budget, no increase to millage; structural imbalances corrected; projected revenue increases in electric franchise and building permits; provided detail of golf course sale proceeds.

Board discussion ensued regarding BB&T loan balance; revenue from golf course and Belleair Place project.

Mr. Murphy continued budget discussion by reviewing general fund expenditures; provided summary by department; detailed departmental reorganization; addressed board questions relating to individual departments and future services.

Discussion ensued regarding police pension and 401k; board to review again at a later date.

Mr. Murphy concluded general fund expenditures; discussed enterprise fund budgets; no increases to utility rates; no changes to CIP plan previously approved.

**OTHER BUSINESS**

No other business.

**STAFF REPORT**

No report.

**COMMISSION ADVISOR REPORT**

Mayor Katica had nothing to report.

**ADJOURNMENT**

No further business; meeting adjourned in due form at 5:49 PM.

**APPROVED:**

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**Chairman**



## Legislation Details (With Text)

**File #:** 17-0242      **Version:** 1      **Name:**  
**Type:** Discussion Items      **Status:** General Agenda  
**File created:** 11/9/2017      **In control:** Finance Board  
**On agenda:** 11/16/2017      **Final action:**  
**Title:** Presentation of the annual financial statements for FY 2016  
**Sponsors:**  
**Indexes:**  
**Code sections:**  
**Attachments:** [2016 town of belleair cafr](#)

Date	Ver.	Action By	Action	Result
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### Summary

To: Finance Board  
From: Stefan Massol, Director of Support Services  
Date: 11/16/2017

#### Subject:

Acceptance of FY 2016 Comprehensive Annual Financial Report

#### Summary:

The Town of Belleair has completed its FY 2016 external audit and presents its Comprehensive Annual Financial Report (CAFR). The independent auditor's report can be found on page 1. On page vi you will find the Letter of Transmittal and on page 4 the Management Discussion & Analysis. These documents provide a narrative overview and context for the financial reports enclosed.

**Previous Commission Action:** N/A

**Background/Problem Discussion:** Each year the town undergoes an external audit in which the financial statements are reviewed for accuracy and internal controls are evaluated. The reporting requirements for local government entities are extensive, including statements of activities as well as net position for governmental funds, business-type funds, and the fiduciary fund.

This fiscal year, the town saw an overall increase of \$873,917 to the net position of its governmental and enterprise funds. Net position of the governmental funds increased by \$22,828. This amount includes the value of capital assets that were added, which total \$2,082,108. The Capital Projects Fund expended nearly \$3,000,000 on transportation expenses, which is primarily reflective of amounts for the Bayview Dr., Rosery Rd. and Althea Rd. projects.

Town staff is pleased to report that the Water Fund has successfully restored fund balance to an amount of \$766,138 of unrestricted net position. Fund balance has improved since Town Commission updated the utility

rate structure in October 2013. Likewise, the Solid Waste Fund has adequate fund balance, including \$701,557 of unrestricted net position.

**Expenditure Challenges:** N/A

**Recommendation:** N/A

**Proposed Motion:** N/A

# **TOWN OF BELLEAIR, FLORIDA**



*INC. 1925*

COMPREHENSIVE  
ANNUAL FINANCIAL REPORT  
FOR THE FISCAL  
YEAR ENDED SEPTEMBER 30, 2016



**TOWN OF BELLEAIR, FLORIDA**

**COMPREHENSIVE**

**ANNUAL FINANCIAL REPORT**

**FOR THE**

**FISCAL YEAR ENDED SEPTEMBER 30, 2016**

**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

Micah Maxwell

Assistant Town Manager/Finance Director

J. P. Murphy

Town Clerk

Christine Torok

## **INTRODUCTORY SECTION**

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TOWN OF BELLEAIR, FLORIDA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

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## **LETTER OF TRANSMITTAL**

# TOWN OF BELLEAIR

DIRECTOR:  
GARY H. KATICA

COMMISSIONERS:  
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

WWW.TOWNOFBELLEAIR.COM

October 28, 2017

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

State law requires that all general-purpose local governments publish 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 auditing standards generally accepted in the United States of America 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, 2016.

## **This Report**

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, 2016, 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 unqualified opinion that the Town of Belleair, Florida's financial statements for the fiscal year ended September 30, 2016, 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 4,022 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 commission-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 commission-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, wastewater 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 a budget calendar to present 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 23 as a 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). Budget-to-actual comparisons for enterprise funds are included in this report to meet legal compliance.

### **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 nearby include; computer hardware, software manufacturers, electrical controls, several financial and insurance institutions. The unemployment rate in Belleair is currently 3.7 percent, which is 1.3 percent lower than the national average. The median household income in Belleair is \$81,400 as compared to \$55,800 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 \$325,424.69 in 2014-15 to \$382,371.42 in 2015-16.

The Town's limited commercial sector is shrinking with the recent closure of the Fifth Third Bank local branch, and a number of professional offices have gone vacant.

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 boutique hotel from the original structure on the site. Preliminary estimates indicate a \$273,000 annual increase in General Fund revenues once the new development is fully operational. Demolition of the hotel property has begun, and construction is expected to start within the coming year.

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 has dedicated the new 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 consists of a public 18-hole golf course, restaurant, and pro-shop. The town entered into a 10-year lease agreement with Green Golf Partners beginning January 1, 2014, resulting in revenues to the town of approximately \$190,000 each year.

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 bay area.

**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. The town recently completed roadway and drainage projects along Manatee Rd., Eagle's Nest, Druid Rd., and Althea Rd. nears completion. The Bayview Dr. project is nearing completion, and construction of the Rosery Road project commenced in FY 2015-16. 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 intercostal 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 2015-16 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 revenue bond bank loan and continue to place money in capital reserve for future projects. Annual debt service on the bond is approximately \$330,000 annually. Several of the town's advisory boards have taken up different measures to study methods in which the debt can be settled earlier than scheduled. One such method that has gained traction is selling the Belleview Biltmore Golf Course, which has turned a steady profit since the Town took ownership. Additionally, joint meetings by the Finance and Infrastructure boards are nearing policy recommendations to ensure that future debt issuances are not required.

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 third year of implementation for GASB Statement No. 67. This is also the second year of implementation for GASB Statement No. 68 and 71, as well as the first year of implementation for GASB Statement No. 72. These statements 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. Collection and calculation of the information needed for implementation of GASB Statement No. 72 has delayed publishing this year's comprehensive annual financial report. This problem is not unique to Belleair and is occurring statewide.

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.

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 unassigned, undesignated (or unobligated) fund balance for the General Fund of twenty percent of annual operating expenditures. At the close of 2015-16 unreserved fund balance was twenty percent of operating expenditures. To the extent that unassigned, 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 the proprietary funds (water, solid waste, and wastewater funds) the budgeted unrestricted, undesignated, cash reserve is set at \$250,000. 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 \$799,138 in 2015-16. 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. The impacts of these increases will likely not be felt until the fiscal year 2016-2017.

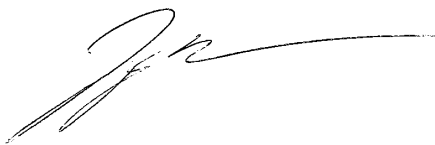
### **Awards and Acknowledgments**

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, 2015. This was the twenty-third consecutive year that the town has 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,



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Town Manager



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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, 2015**

A handwritten signature in black ink, reading "Jeffrey R. Enos". The signature is fluid and cursive.

Executive Director/CEO

## TOWN OF BELLEAIR DEPARTMENTS



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	Micah Maxwell
Town Attorney	David Ottinger

DEPARTMENT HEADS AND SUPERVISORS

Assistant Town Manager/Finance Director	J. P. Murphy
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**

1956 Bayshore Boulevard  
Dunedin, Florida 34698-2503  
(727)734-5437 or 736-0771  
FAX (727) 733-3487

*Members of the Firm*  
John N. Davidson, CPA, CVA  
Harry B. Jamieson, CPA  
Richard A. Cristini, CPA, CPPT, CGFM  
Jeanine L. Bittinger, CPA, CPPT  
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, 2016, 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, 2016, 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 29, 2017, 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, Jamison & Austin, P.C.*

September 29, 2017

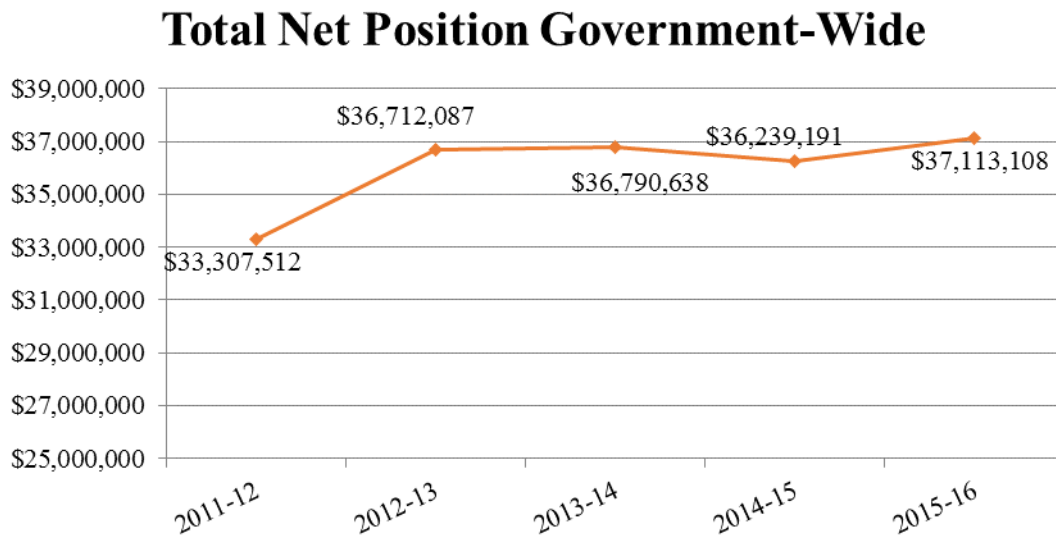
**MANAGEMENT'S DISCUSSION**  
**AND ANALYSIS**

## 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, 2016, 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 \$37,113,108 (net position). Of this amount, \$3,525,761 (*Unrestricted*) may be used to meet the government's ongoing obligations to citizens and creditors. The government's total net position increased by \$873,917.



The net position of the Town of Belleair increased notably in 2012-13. Since that time there have been less significant changes in net position, increasing a cumulative 1% from the end of FY 2012-13 thru the end of FY 2015-16. 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,
- 3) Completion of a new Public Works Building, named in honor of John J. Osborne,
- 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 \$1,237,006, a decrease of \$(244,502) in comparison with the beginning fund balance. The decrease is due in large part to substantial repairs and renovations of the Town Hall building this year which was paid by 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 that 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 government-wide financial statements include not only the Town of Belleair, Florida itself (known as the *primary government*) but also a police officer's pension plan and an employee's 401(k) retirement fund for which the Town of Belleair is financially accountable. Financial information for these funds is reported separately from the financial information represented for the primary government itself. 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 eight 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 and the Capital Projects Fund, both of which are considered to be major funds. Data from the other six 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 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 – 94 of this report.

**Implementation of GASB 72, 73, & 76.** The Town adopted GASB Statement No. 72 Fair Value Measurement and Application of investments. GASB 72 requires the Town to use valuation techniques that are appropriate, based on information available, to measure fair value of investments which are held primarily for the purpose of income or profit and have a present service capacity based solely on its ability to generate cash. GASB 73 established reporting requirements for defined benefit and defined contribution pensions that are not within the scope of Statement 68. GASB 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments formally prioritizes officially established accounting principles (GASB Statements) above other types of guidance, such as GASB Technical Bulletins; GASB Implementation Guides; and literature of the AICPA cleared by the GASB.

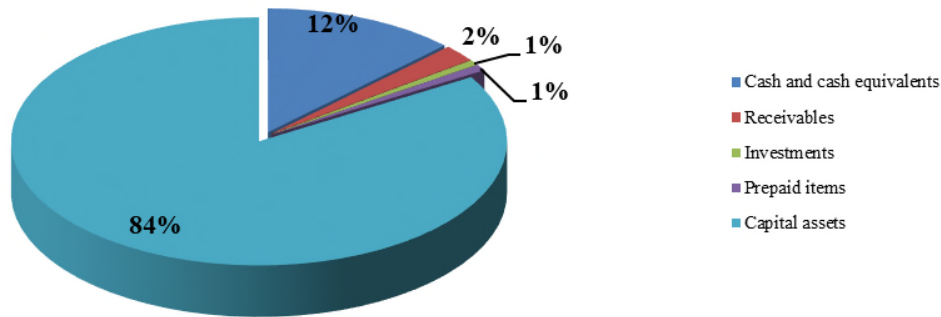
**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Town of Belleair's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page ninety-five 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 two. Combining and individual fund statements and schedules can be found on pages 102 – 111 of this report.

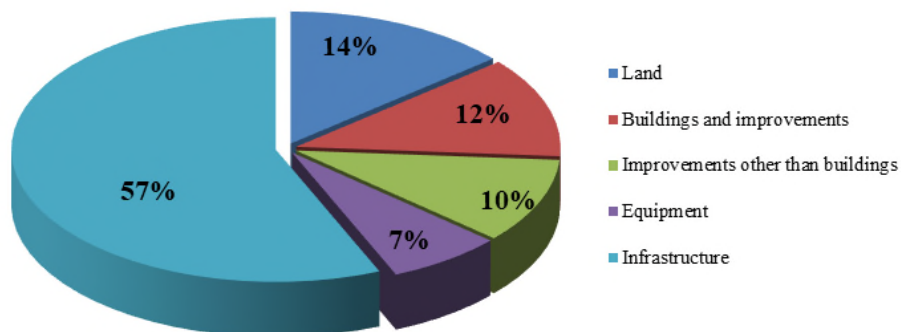
## Government-wide Financial Analysis

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 \$37,113,108 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 (57 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>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current and other assets	\$ 5,051,253	\$ 7,957,881	\$ 2,732,474	\$ 2,401,682	\$ 7,783,727	\$ 10,359,563
Capital assets	36,030,171	33,948,063	3,797,561	3,311,142	39,827,732	37,259,205
Total Assets	<u>41,081,424</u>	<u>41,905,944</u>	<u>6,530,035</u>	<u>5,712,824</u>	<u>47,611,459</u>	<u>47,618,768</u>
Long-term liabilities outstanding	9,153,252	9,047,429	680,291	715,383	9,833,543	9,762,812
Other liabilities	731,797	1,608,760	147,430	146,216	879,227	1,754,976
Total Liabilities	<u>9,885,049</u>	<u>10,656,189</u>	<u>827,721</u>	<u>861,599</u>	<u>10,712,770</u>	<u>11,517,788</u>
<b>Net Position</b>						
Net investment in capital assets	26,838,533	24,653,063	3,797,561	3,311,142	30,636,094	27,964,205
Restricted	2,951,253	4,743,141	-	-	2,951,253	4,743,141
Unrestricted	<u>1,621,008</u>	<u>1,991,762</u>	<u>1,904,753</u>	<u>1,540,083</u>	<u>3,525,761</u>	<u>3,531,845</u>
Total net position	<u>\$ 31,410,794</u>	<u>\$ 31,387,966</u>	<u>\$ 5,702,314</u>	<u>\$ 4,851,225</u>	<u>\$ 37,113,108</u>	<u>\$ 36,239,191</u>

An additional portion of the Town of Belleair's net position (eight 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 \$3,525,761 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 half of the Town's unrestricted net position (46 percent) are held by governmental activities.

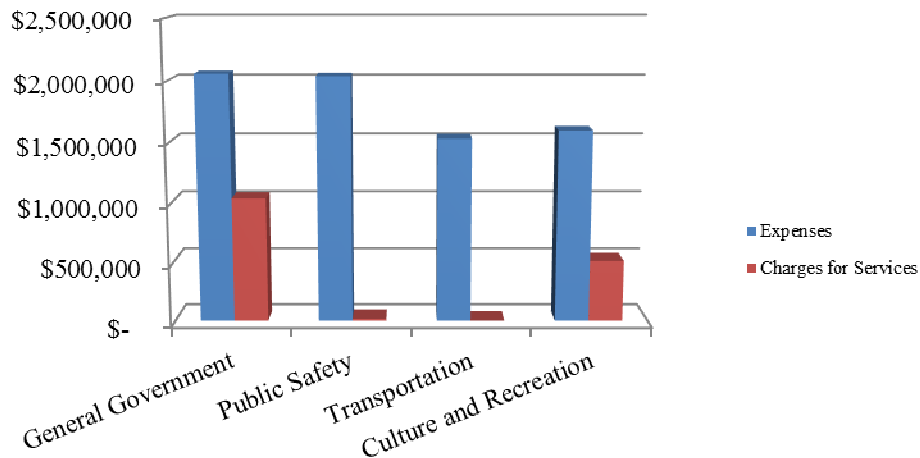


## Statement of Activities

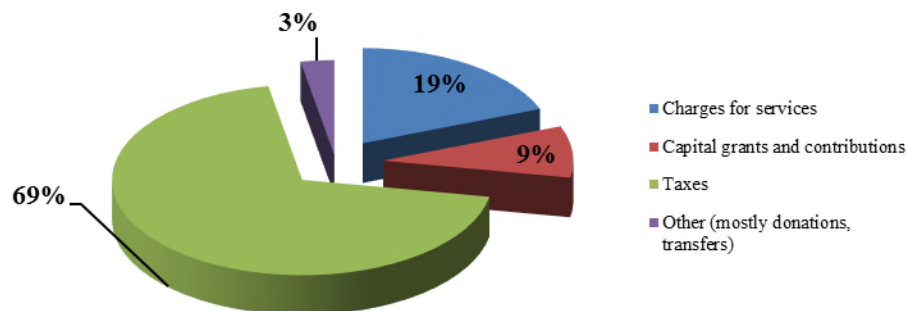
	Governmental Activities		Business-Type Activities		Total	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenues:						
Program Revenues:						
Charges for services	\$ 1,558,152	\$ 1,730,392	\$ 3,360,651	\$ 3,312,181	\$ 4,918,803	\$ 5,042,573
Capital grants and contributions	711,739	765	10,654	-	722,393	765
Total program revenues	2,269,891	1,731,157	3,371,305	3,312,181	5,641,196	5,043,338
General revenues:						
Taxes	5,648,564	5,482,905	-	-	5,648,564	5,482,905
Other	233,293	200,651	9,738	34,078	243,031	234,729
Total general revenues	5,881,857	5,683,556	9,738	34,078	5,891,595	5,717,634
Total revenues	8,151,748	7,414,713	3,381,043	3,346,259	11,532,791	10,760,972
Expenses:						
General government	2,053,304	2,054,234	-	-	2,053,304	2,054,234
Public safety	2,034,289	1,897,974	-	-	2,034,289	1,897,974
Transportation	1,526,427	1,960,039	-	-	1,526,427	1,960,039
Culture and recreation	1,593,065	1,562,682	-	-	1,593,065	1,562,682
Interest on long term debt	325,571	335,549	-	-	325,571	335,549
Water	-	-	1,258,032	1,330,521	1,258,032	1,330,521
Wastewater	-	-	1,090,771	1,029,745	1,090,771	1,029,745
Solid Waste	-	-	777,415	730,794	777,415	730,794
Total expenses	7,532,656	7,810,478	3,126,218	3,091,060	10,658,874	10,901,538
Increase (decrease) in net position before transfers	619,092	(395,765)	254,825	255,199	873,917	(140,566)
Transfers	(596,264)	(687,531)	596,264	687,531	-	-
Increase (decrease) in net position	22,828	(1,083,296)	851,089	942,730	873,917	(140,566)
Net position, Beginning	31,387,966	32,882,143	4,851,025	3,908,495	36,239,191	36,790,638
Restatement of net position - prior period adjustment	-	(410,881)	-	-	-	(410,881)
Net position, Beginning restated	-	32,421,262	-	-	-	36,379,757
Net position, Ending	\$ 31,410,794	\$ 31,387,966	\$ 5,702,314	\$ 4,851,225	\$ 37,113,108	\$ 36,239,191

- The government-wide net position increased by \$873,917 at year-end.
- The net position for governmental activities increased by \$22,828 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 \$851,089, 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



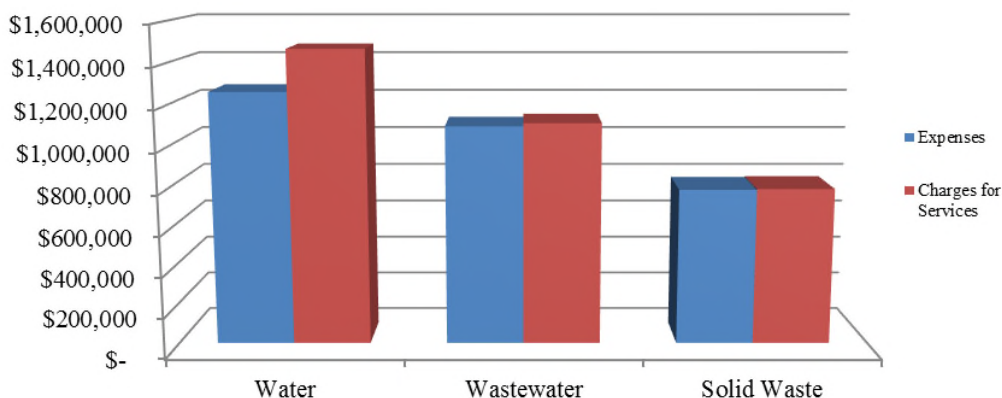
## Revenues by Source: Governmental Activities



**Business-type activities.** Business-type activities represent 15 percent of the Town's net position. Following the new rate structure implemented in October 2013, the Water Fund continues to generate sufficient revenue with service charge income exceeding operating expenses by \$207,986. Solid Waste Fund revenues and expenditures remained relatively stable with operating income of \$3,466. The wastewater system is run by Pinellas County and charges for services are passed through to Pinellas County.

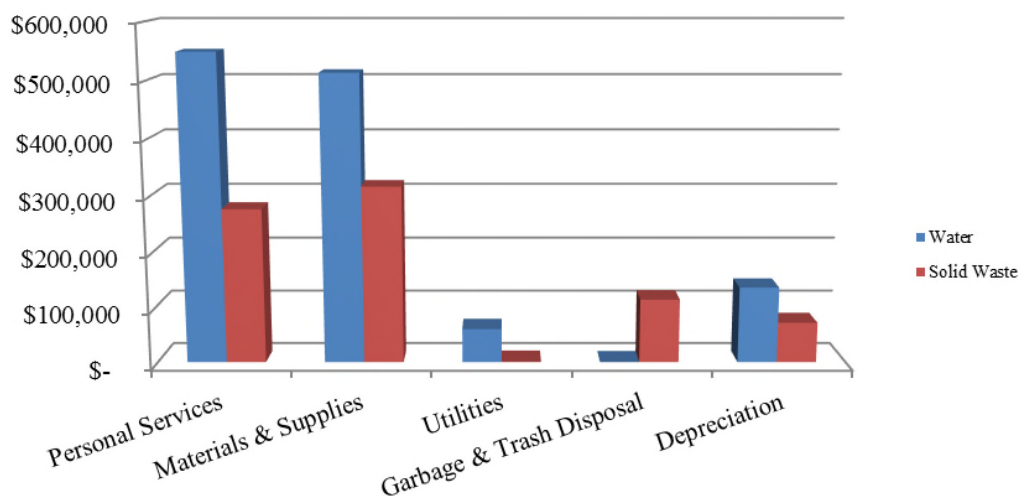
## Expenses and Program Revenues - Business-type Activities

### 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

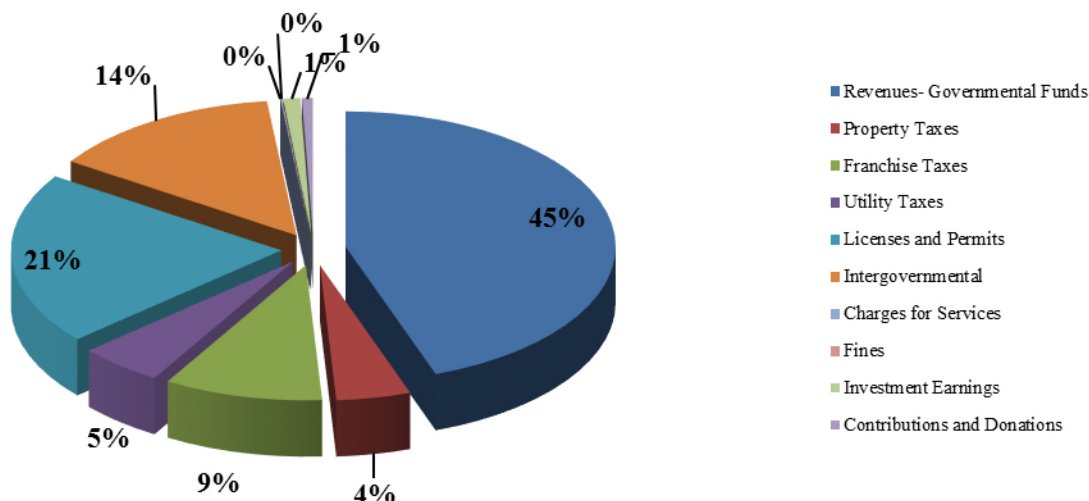
As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**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, *unassigned fund balance* may serve

as a useful measure of a government's net resources available for spending at the end of the fiscal year.

## Revenues- Total Governmental Funds

### Revenues- Total Governmental Funds



The *assigned* balance is \$95,531, 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 \$4,201,044, 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 \$1,137,936 while total fund balance reached \$1,237,006. 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 19 percent of total General Fund expenditures while unrestricted total fund balance represents 20 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 decreased by \$(244,502) during the current fiscal year as funds were devoted to repair and renovation costs for the Town Hall building. General Fund expenditures increased by \$445,471 as a whole over the previous year.

***Capital Projects Fund.***

The Capital Projects Fund expended \$3,723,397 on \$2,488,973 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 revenue bond, 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.

***Special Revenue funds.***

The Town of Belleair's special revenue 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 \$1,942,902. With the exception of the Golf fund, the special revenue funds are subject specific, and the expenditures are always used for capital improvement. In the case of the Golf Fund, revenues decreased marginally from \$238,319 in 2014-15 to \$205,519, a decrease of 13%. Revenues are calculated based on the annual gross revenues of the course, which were greater than the prior year.

***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 \$1,904,753, an increase of \$397,670 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 \$766,138; \$516,138 above its policy mandated level of \$250,000.

**General Fund Budgetary Highlights**

While there was a \$551,700 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 \$44,510 (1 percent) higher than budgeted. Expenditures were \$33,913 (1 percent) higher than budgeted partly due to costs related to renovations of town hall. The resulting net variance of change in fund balance was \$3,458.

## 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, 2016, amounts to \$30,636,094. This investment in capital assets includes land, buildings & system, improvements, machinery & equipment, park facilities, roads, highways, seawalls, and bridges. The total increase over the prior year in the town's investment in capital assets for the current fiscal year was \$2,671,889, a \$2,185,470 increase in governmental activities and a \$486,419 increase in business-type activities. The increase was driven by this year's completion of several major capital projects.

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

- Commencement of Rosery Rd. roadway and drainage improvement project
- Continuation 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>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Land	\$ 7,588,875	\$ 7,588,875	\$ 22,950	\$ 22,950	\$ 7,611,825	\$ 7,611,825
Building and system	6,400,254	6,388,029	308,532	308,532	6,708,786	6,696,561
Improvements other than buildings	543,430	374,043	5,155,451	4,585,788	5,698,881	4,959,831
Machinery and equipment	2,658,335	2,413,447	1,209,303	1,295,818	3,867,638	3,709,265
Infrastructure	30,912,061	28,370,566	-	-	30,912,061	28,370,566
Accumulated depreciation	<u>(12,072,784)</u>	<u>(11,186,897)</u>	<u>(2,898,675)</u>	<u>(2,901,946)</u>	<u>(14,971,459)</u>	<u>(14,088,843)</u>
Total	<u>\$36,030,171</u>	<u>\$33,948,063</u>	<u>\$3,797,561</u>	<u>\$3,311,142</u>	<u>\$39,827,732</u>	<u>\$37,259,205</u>

Additional information on the Town's capital assets can be found in Note 7 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 \$8,920,000, 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 three 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 10 on pages 64 – 66 of this report.

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

	Governmental Activities		Business-Type Activities		Total	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenue Bonds	\$ 8,920,000	\$ 9,295,000	\$ -	\$ -	\$ 8,920,000	\$ 9,295,000
Equipment Loan	271,638	-	-	-	271,638	-
Compensated absences	309,480	295,685	80,780	74,903	390,260	370,588
Net pension liability	648,553	494,876	-	-	648,553	494,876
OPEB	118,736	70,789	-	-	118,736	70,789
Total	<u>\$ 10,268,407</u>	<u>\$ 10,156,350</u>	<u>\$ 80,780</u>	<u>\$ 74,903</u>	<u>\$ 10,349,187</u>	<u>\$ 10,231,253</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 2016 is 3.7 percent, which was down from 5.8 percent in 2015.
- 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 be collected in the coming year.
- The Town continued its 10-year lease agreement for the Belleview Biltmore Golf Club with Green Golf Partners. The agreement provides approximately \$190,000 annual revenue to the town.
- 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 & capital budget for the 2016-17 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  
Statement of Revenues, Expenditures, and Changes in Fund Balances -  
Budget and Actual:  
General Fund

### **Proprietary Fund Financial Statements**

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

### **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, 2016

ASSETS	Primary Government		
	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ 4,009,898	\$ 2,005,790	\$ 6,015,688
Investments	211,412	110,276	321,688
Receivables (net of allowance for uncollectibles)	436,404	616,408	1,052,812
Prepaid items	393,539	-	393,539
Capital Assets:			
Land	7,588,875	22,950	7,611,825
Buildings and improvements	6,400,254	308,532	6,708,786
Improvements other than buildings	543,430	5,155,451	5,698,881
Equipment	2,658,335	1,209,303	3,867,638
Infrastructure	30,912,061	-	30,912,061
Accumulated depreciation	(12,072,784)	(2,898,675)	(14,971,459)
Total Assets	41,081,424	6,530,035	47,611,459
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pension plans	276,271	-	276,271
LIABILITIES			
Accounts payable	151,917	111,862	263,779
Accrued salaries and wages	54,825	15,373	70,198
Current liabilities:			
Due Within One Year:			
Compensated absences	77,270	20,195	97,465
Equipment loan	57,785	-	57,785
Revenue bond	390,000	-	390,000
Non current liabilities:			
Due In More Than One Year:			
Deposits	-	29,706	29,706
Advance	(590,000)	590,000	-
Compensated absences	232,110	60,585	292,695
Equipment loan	213,853	-	213,853
Revenue bond	8,530,000	-	8,530,000
Net pension liability	648,553	-	648,553
Other post-employment benefits	118,736	-	118,736
Total Liabilities	9,885,049	827,721	10,712,770
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pension plans	61,852	-	61,852
NET POSITION			
Invested in capital assets	26,838,533	3,797,561	30,636,094
Restricted for:			
Capital equipment replacement	696,650	-	696,650
Capital projects	2,254,603	-	2,254,603
Unrestricted	1,621,008	1,904,753	3,525,761
Total Net Position	\$ 31,410,794	\$ 5,702,314	\$ 37,113,108

See Notes to Financial Statements.

TOWN OF BELLEAIR, FLORIDA

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

	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	
<b>Functions/Programs</b>						
<b>Primary government:</b>						
Governmental Activities:						
General government	\$ 2,053,304	\$ 1,032,888	\$ -	\$ (1,020,416)	\$ -	\$ (1,020,416)
Public Safety	2,034,289	15,468	3,597	(2,015,224)	-	(2,015,224)
Transportation	1,526,427	-	708,142	(818,285)	-	(818,285)
Culture and recreation	1,593,065	509,796	-	(1,083,269)	-	(1,083,269)
Interest on long-term debt	325,571	-	-	(325,571)	-	(325,571)
Total governmental activities	7,532,656	1,558,152	711,739	(5,262,765)	-	(5,262,765)
Business-Type Activities:						
Water	1,258,032	1,473,926	7,713	-	223,607	223,607
Wastewater management	1,090,771	1,105,844	-	-	15,073	15,073
Solid waste management	777,415	780,881	2,941	-	6,407	6,407
Total business-type activities	3,126,218	3,360,651	10,654	-	245,087	245,087
Total primary government	\$ 10,658,874	\$ 4,918,803	\$ 722,393	(5,262,765)	245,087	(5,017,678)
General Revenues:						
Property taxes				3,634,385	-	3,634,385
Utility taxes				774,675	-	774,675
Franchise taxes				362,980	-	362,980
Unrestricted						
Intergovernmental						
Revenues:						
State revenue sharing				97,630	-	97,630
Communication services tax				173,413	-	173,413
Half-cent sales tax				244,096	-	244,096
Local option gas tax				56,790	-	56,790
Infrastructure sales surtax				398,838	-	398,838
Other taxes				3,387	-	3,387
Unrestricted investment earnings				3,853	628	4,481
Miscellaneous				131,810	9,110	140,920
Transfers				(596,264)	596,264	-
Total General Revenues and transfers				5,285,593	606,002	5,891,595
Changes in Net Position				22,828	851,089	873,917
Net Position - Beginning				31,387,966	4,851,225	36,239,191
Net Position - Ending				\$ 31,410,794	\$ 5,702,314	\$ 37,113,108

See Notes to Financial Statements.

TOWN OF BELLEAIR, FLORIDA

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2016

<b>ASSETS</b>	<u>General</u>	<u>Infrastructure</u>	<u>Golf</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Cash and cash equivalents	\$ 388,022	\$ 1,679,838	\$ 897,461	\$ 1,044,577	\$ 4,009,898
Investments	183,895	23,492	-	4,025	211,412
Receivables (net of allowance for uncollectibles):					
Taxes:					
Franchise taxes	37,439	-	-	-	37,439
Utility taxes	-	98,315	-	-	98,315
Accounts	117,670	-	41,000	-	158,670
Intergovernmental:					
State	64,648	-	-	-	64,648
County	3,584	64,674	-	9,074	77,332
Prepaid items	3,539	390,000	-	-	393,539
Advance to Water Fund	590,000	-	-	-	590,000
<b>TOTAL ASSETS</b>	<u>\$ 1,388,797</u>	<u>\$ 2,256,319</u>	<u>\$ 938,461</u>	<u>\$ 1,057,676</u>	<u>\$ 5,641,253</u>

**LIABILITIES AND FUND BALANCES**

Liabilities:					
Accounts payable	\$ 96,966	\$ 1,716	\$ -	\$ 53,235	\$ 151,917
Accrued payroll	54,825	-	-	-	54,825
Total liabilities	151,791	1,716	-	53,235	206,742
Fund balances:					
Nonspendable	3,539	-	-	-	3,539
Restricted	-	2,254,603	938,461	1,004,441	4,197,505
Assigned	95,531	-	-	-	95,531
Unassigned	1,137,936	-	-	-	1,137,936
Total fund balances	1,233,467	2,254,603	938,461	1,004,441	5,430,972
Total liabilities and fund balances	<u>\$ 1,385,258</u>	<u>\$ 2,256,319</u>	<u>\$ 938,461</u>	<u>\$ 1,057,676</u>	

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.	36,030,171
Deferred outflows of resources	276,271
Long-term liabilities, including compensated absences are not due and payable in the current period and therefore are not reported in the Governmental funds.	(10,268,307)
Deferred inflows of resources	(61,852)

Net position of governmental activities \$ 31,407,255

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, 2016

REVENUES	General	Infrastructure	Golf	Other Governmental Funds	Total Governmental Funds
Taxes:					
Property	\$ 3,031,076	\$ 603,309	\$ -	\$ -	3,634,385
Franchise	362,980	-	-	-	362,980
Utility	-	774,675	-	-	774,675
Licenses and permits	412,204	-	-	-	412,204
Intergovernmental	518,736	1,106,980	-	56,790	1,682,506
Charges for services	936,437	-	205,516	-	1,141,953
Fines	3,995	-	-	-	3,995
Investment earnings	3,704	127	-	22	3,853
Contributions and donations	78,676	3,811	-	-	82,487
Miscellaneous	21,492	71	-	31,147	52,710
	<u>5,369,300</u>	<u>2,488,973</u>	<u>205,516</u>	<u>87,959</u>	<u>8,151,748</u>
<b>EXPENDITURES</b>					
Current:					
General government	1,863,381	146,147	-	-	2,009,528
Public safety	2,014,029	-	-	-	2,014,029
Transportation	901,775	2,850,520	-	-	3,752,295
Culture and recreation	1,264,157	29,718	6,635	77,681	1,378,191
Debt service:					
Principal	28,362	375,000	-	-	403,362
Interest	3,559	322,012	-	-	325,571
	<u>6,075,263</u>	<u>3,723,397</u>	<u>6,635</u>	<u>77,681</u>	<u>9,882,976</u>
Excess (deficiency) of revenues over (under) expenditures	(705,963)	(1,234,424)	198,881	10,278	(1,731,228)
<b>OTHER FINANCING SOURCES (USES):</b>					
Sale of capital assets	3,961	-	-	-	3,961
Proceeds from debt	300,000	-	-	-	300,000
Transfers in	272,750	157,300	-	226,350	656,400
Transfers out	(115,250)	(719,664)	(140,000)	(277,750)	(1,252,664)
	<u>461,461</u>	<u>(562,364)</u>	<u>(140,000)</u>	<u>(51,400)</u>	<u>(292,303)</u>
Net change in fund balances	(244,502)	(1,796,788)	58,881	(41,122)	(2,023,531)
Fund balances, October 1	1,481,508	4,051,391	879,580	1,045,563	7,458,042
Fund balances, September 30	\$ <u>1,237,006</u>	\$ <u>2,254,603</u>	\$ <u>938,461</u>	\$ <u>1,004,441</u>	\$ <u>5,434,511</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, 2016

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

Net change in fund balances - total governmental funds	\$ (2,023,531)
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.	2,082,108
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>(35,749)</u>
Changes in net position of governmental activities	\$ <u><u>22,828</u></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, 2016

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET-POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Taxes:				
Property	\$ 2,983,000	\$ 2,983,000	\$ 3,031,076	\$ 48,076
Franchise	362,100	362,100	362,980	880
Licenses and permits	315,300	315,300	412,204	96,904
Intergovernmental	553,800	553,800	518,736	(35,064)
Charges for services	972,300	972,300	936,437	(35,863)
Fines	6,000	6,000	3,995	(2,005)
Investment earnings	9,000	9,000	3,704	(5,296)
Contributions and donations	74,590	74,590	78,676	4,086
Miscellaneous	48,700	48,700	21,492	(27,208)
TOTAL REVENUES	5,324,790	5,324,790	5,369,300	44,510
EXPENDITURES:				
Current:				
General government:				
Manager	1,224,200	1,241,770	1,231,187	10,583
Finance and administration	484,100	505,900	501,508	4,392
Comprehensive planning	163,450	144,750	130,686	14,064
Total general government	1,871,750	1,892,420	1,863,381	29,039
Public safety:				
Police	1,376,950	1,495,600	1,526,489	(30,889)
Fire	490,300	487,730	487,540	190
Total public safety	1,867,250	1,983,330	2,014,029	(30,699)
Transportation:				
Streets	582,250	886,050	901,775	(15,725)
Culture and recreation:				
Recreation	1,168,400	1,242,250	1,264,157	(21,907)
Debt service:				
Principal	-	37,300	28,362	8,938
Interest	-	-	3,559	(3,559)
TOTAL EXPENDITURES	5,489,650	6,041,350	6,075,263	(33,913)

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, 2016  
(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	\$ (164,860)	\$ (716,560)	\$ (705,963)	\$ 10,597
OTHER FINANCING SOURCES (USES):				
Transfers in:				
Golf Fund	43,000	43,000	43,000	-
Capital equipment Replacement Fund	65,050	65,050	65,050	-
Infrastructure Fund	150,000	150,000	150,000	-
Water Fund	54,700	54,700	14,700	(40,000)
Transfers out:				
Capital equipment Replacement Fund	(111,250)	(111,250)	(111,250)	-
Public District Enhancement Fund		(4,000)	(4,000)	-
Proceeds from debt	259,000	259,000	300,000	41,000
Sale of capital assets	12,100	12,100	3,961	(8,139)
Total other financing sources (uses)	472,600	468,600	461,461	(7,139)
NET CHANGE IN FUND BALANCE	307,740	(247,960)	(244,502)	3,458
FUND BALANCE, OCTOBER 1	1,481,508	1,481,508	1,481,508	-
FUND BALANCE, SEPTEMBER 30	\$ 1,789,248	\$ 1,233,548	\$ 1,237,006	\$ 3,458

See Notes to Financial Statements.

TOWN OF BELLEAIR, FLORIDA

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

SEPTEMBER 30, 2016

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	\$ 1,201,241	\$ 214,398	\$ 590,151	\$ 2,005,790
Investments	27,496	57,950	24,830	110,276
Accounts receivable (net of allowance for uncollectible accounts)	240,340	248,636	127,432	616,408
TOTAL CURRENT ASSETS	1,469,077	520,984	742,413	2,732,474
NONCURRENT ASSETS:				
Capital Assets:				
Land	22,950	-	-	22,950
Buildings	308,532	-	-	308,532
Improvements other than buildings	5,155,451	-	-	5,155,451
Equipment	555,422	-	653,881	1,209,303
	6,042,355	-	653,881	6,696,236
Less accumulated depreciation	2,617,265	-	281,410	2,898,675
TOTAL CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)	3,425,090	-	372,471	3,797,561
TOTAL ASSETS	\$ 4,894,167	\$ 520,984	\$ 1,114,884	\$ 6,530,035

See Notes to Financial Statements

TOWN OF BELLEAIR, FLORIDA

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

SEPTEMBER 30, 2016

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	\$ 10,036	\$ 83,926	\$ 17,900	\$ 111,862
Accrued payroll	10,748	-	4,625	15,373
Compensated absences	15,612	-	4,583	20,195
TOTAL CURRENT LIABILITIES	36,396	83,926	27,108	147,430
NONCURRENT LIABILITIES:				
Utility deposits	29,706	-	-	29,706
Advance from General Fund	590,000	-	-	590,000
Compensated absences	46,837	-	13,748	60,585
TOTAL NONCURRENT LIABILITIES	666,543	-	13,748	680,291
TOTAL LIABILITIES	702,939	83,926	40,856	827,721
NET POSITION				
Invested in capital assets	3,425,090	-	372,471	3,797,561
Unrestricted	766,138	437,058	701,557	1,904,753
TOTAL NET POSITION	\$ 4,191,228	\$ 437,058	\$ 1,074,028	\$ 5,702,314

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, 2016

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	\$ 1,466,018	\$ 1,105,844	\$ 780,881	\$ 3,352,743
Total operating revenues	1,466,018	1,105,844	780,881	3,352,743
OPERATING EXPENSES:				
Personal services	548,936	-	275,482	824,418
Materials and supplies	513,076	1,090,771	315,537	1,919,384
Utilities	60,372	-	706	61,078
Garbage and trash disposal	-	-	113,838	113,838
Depreciation	135,648	-	71,852	207,500
Total operating expenses	1,258,032	1,090,771	777,415	3,126,218
OPERATING INCOME (LOSS)	207,986	15,073	3,466	226,525
NONOPERATING REVENUES (EXPENSES):				
Interest revenue	181	313	134	628
Grant	7,713	-	2,941	10,654
Gain (loss) on disposal	23,162	-	(16,498)	6,664
Other income	970	-	1,476	2,446
Total nonoperating revenues	32,026	313	(11,947)	20,392
Income (loss) before contributions and transfers	240,012	15,386	(8,481)	246,917
Capital contributions - tap fees	7,908	-	-	7,908
Transfers in	596,364	-	125,700	722,064
Transfers (out)	(39,300)	-	(86,500)	(125,800)
CHANGE IN NET POSITION	804,984	15,386	30,719	851,089
NET POSITION - Beginning of Year	3,386,244	421,672	1,043,309	4,851,225
NET POSITION - End of Year	\$ 4,191,228	\$ 437,058	\$ 1,074,028	\$ 5,702,314

See Notes to Financial Statements.

TOWN OF BELLEAIR, FLORIDA

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

(CONTINUED)

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS

	<u>Water</u>	<u>Waste- Water Management</u>	<u>Solid Waste Management</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ 1,431,630	\$ 1,078,247	\$ 785,099	\$ 3,294,976
Payments to suppliers for goods and services	(570,048)	(1,089,681)	(429,210)	(2,088,939)
Payments to employees for services	<u>(559,804)</u>	<u>-</u>	<u>(281,484)</u>	<u>(841,288)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	301,778	(11,434)	74,405	364,749
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	596,364	-	125,700	722,064
Transfers to other funds	<u>(39,300)</u>	<u>-</u>	<u>(86,500)</u>	<u>(125,800)</u>
NET CASH USED BY NONCAPITAL FINANCING ACTIVITIES	557,064	-	39,200	596,264
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from capital contributions for tap fees	7,908	-	-	7,908
Purchases of capital assets	<u>(586,566)</u>	<u>-</u>	<u>(146,868)</u>	<u>(733,434)</u>
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(578,658)	-	(146,868)	(725,526)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of investments	(7,890)	-	8,934	1,044
Proceeds from sales and maturities of investments	79,735	-	(4,651)	75,084
Repayment of Advance to General Fund	(40,000)	-	-	(40,000)
Interest on investments	<u>181</u>	<u>-</u>	<u>134</u>	<u>315</u>
NET CASH PROVIDED (USED) IN INVESTING ACTIVITIES	<u>32,026</u>	<u>-</u>	<u>4,417</u>	<u>36,443</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	312,210	(11,434)	(28,846)	271,930
CASH AND CASH EQUIVALENTS, OCTOBER 1	<u>889,031</u>	<u>225,832</u>	<u>618,997</u>	<u>1,733,860</u>
CASH AND CASH EQUIVALENTS, SEPTEMBER 30	\$ <u>1,201,241</u>	\$ <u>214,398</u>	\$ <u>590,151</u>	\$ <u>2,005,790</u>

See Notes to Financial Statements.

TOWN OF BELLEAIR, FLORIDA

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

(Continued)

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS

	<u>Water</u>	<u>Waste- Water Management</u>	<u>Solid Waste Management</u>	<u>Totals</u>
<hr/>				
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
<hr/>				
Operating income (loss):	\$ 207,986	\$ 15,073	\$ 3,466	\$ 226,525
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	135,648	-	71,852	207,500
Other		-		
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	(34,888)	(27,597)	4,218	(58,267)
Increase (decrease) in accounts payable	3400	1,090	871	5,361
Increase (decrease) in accrued payroll	(3,875)	-	(1,741)	(5,616)
Increase (decrease) in compensated absences	(6,993)	-	(4,261)	(11,254)
Increase (decrease) in utility deposits	500	-	-	500
	<hr/>	<hr/>	<hr/>	<hr/>
Total adjustments	93,792	(26,507)	70,939	138,224
<hr/>				
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ <u>301,778</u>	\$ <u>(11,434)</u>	\$ <u>74,405</u>	\$ <u>364,749</u>

See Notes to Financial Statements.

TOWN OF BELLEAIR, FLORIDA

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUND

SEPTEMBER 30, 2016

Assets

	Police Pension Fund
Receivables:	
Employer	\$ 37,123
Intergovernmental revenue	48,560
Interest and dividends	<u>8,800</u>
Total receivables	94,483
Investment at fair value:	
U. S. Government securities	278,723
U. S. Government agency securities	3,727
Domestic fixed income investment fund	209,170
International fixed income investment fund	124,545
Corporate bonds	487,887
Domestic equity investment funds	390,155
Domestic stock	1,093,481
International equity investment fund	470,048
Temporary investments	<u>101,643</u>
Total investments	3,159,379
Prepaid expenses	<u>2,511</u>
Total assets	3,256,373

Liabilities

Accounts payable	<u>10,845</u>
Total liabilities	<u>10,845</u>
Net position restricted for pensions	\$ <u><u>3,245,528</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, 2016

	<u>Police Pension Fund</u>
<b>ADDITIONS:</b>	
Contributions:	
Employer	\$ 150,036
Plan members	<u>46,400</u>
Total contributions	196,436
Intergovernmental revenue:	
State excise tax rebate	48,560
Investment earnings (loss):	
Net realized and unrealized appreciation (depreciation) in fair value of investments	111,489
Interest and dividends	<u>84,413</u>
Investment earnings	195,902
Less investment expenses	<u>29,524</u>
Net investment earnings	<u>166,378</u>
Total additions	411,374
<b>DEDUCTIONS:</b>	
Benefits	158,004
Administrative expenses	<u>27,832</u>
Total deductions	<u>185,836</u>
Net increase in net position	225,538
Net position restricted for pensions: October 1	<u>3,019,990</u>
Net position restricted for pensions: September 30	<u><u>\$ 3,245,528</u></u>

See Notes to Financial Statements.



**NOTES TO**  
**FINANCIAL STATEMENTS**

## **TOWN OF BELLEAIR, FLORIDA**

### **NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2016**

#### **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, 2016**

**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, 2016**

#### **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, 2016**

**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, 2016**

**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, 2016**

**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 End 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, 2016**

**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, 2016**

**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.

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, 2016**

#### **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, 2016**

**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, 2016**

**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 2016 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, 2016**

**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, 2016**

**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 estimated fair market value at the date of donation.

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, 2016**

**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, 2016**

**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, 2016**

**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 \$2,951,253 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, 2016**

**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, 2016**

**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, 2016**

**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, 2016**

**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, 2016**

**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 \$25,976,283 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	\$	48,102,955	
Less accumulated depreciation		(12,072,784)	
		<hr/>	
	\$		36,030,171

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.		276,271
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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	(8,920,000)	
Equipment lease	(271,638)	
Compensated absences	(309,380)	
	<hr/>	
		(9,619,754)

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	(648,553)	
Deferred inflows of resources related to pension plans	(61,852)	(710,405)
	<hr/>	<hr/>

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

\$ 25,976,283

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2016**

**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 \$2,082,108 difference are as follows

Capital outlay	\$ 3,171,674
Loss on sale of equipment	(27,110)
Depreciation expense	<u>(1,062,456)</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>2,082,108</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 \$(35,749) difference are as follows:

Principal payment on bond	\$ 375,000
Principal payment on loan	28,362
Proceeds from debt	(300,000)
Compensated absences	(13,695)
OPEB obligation	(47,947)
Pension expense	<u>(77,469)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$ <u><u>(35,749)</u></u>

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2016**

**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.



**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2016**

**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, 2016 summarized as follows:

Fund	Operating Deficit
General	\$ (705,963)
Infrastructure	\$ (1,234,424)
Solid Waste Management	\$ (8,481)
Park and Public District Enhancement	\$ (46,533)

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 \$4,009,898 and the bank balance was \$4,968,461. 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, 2016**

**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>
<b>Investments not subject to categorization:</b>			
U.S. Government Securities and Agencies	\$ 282,450	AA	Daily
Fixed income investment funds	333,715	AA	Daily
Corporate bonds	487,887	AAA	Daily
Domestic Stock	1,093,481	N/A	N/A
Equity investment funds	860,203	N/A	N/A
Temporary investments	101,643	N/A	N/A
Florida State Board of Administration Local Government Pooled Investment Fund (SBA)	<u>321,688</u>	Not Rated	N/A
Total investments	\$ <u><u>3,481,067</u></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, 2016**

#### **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, 2016**

#### **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, 2016 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, 2016.

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, 2016**

**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, 2016. The Florida SBA is a 2a-7 like pool.

**6. Receivables**

Receivables at of September 30, 2016 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:

	General	Infra- structure	Golf	Water	Waste- Water Management	Solid Waste Management	Nonmajor and Other Funds	Total
Receivables:								
Taxes	\$ 37,439	\$ 98,315	\$ --	\$ -	\$ -	\$ -	\$ -	135,754
Accounts	117,670	-	41,000	240,340	248,636	127,432	-	775,078
Intergovernmental	<u>68,232</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,074</u>	<u>77,306</u>
Gross receivables	223,341	98,315	41,000	240,340	248,636	127,432	9,074	988,138
Less: Allowance for uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>--</u>	<u>-</u>
Net total receivables	<u>\$ 223,341</u>	<u>\$ 98,315</u>	<u>\$ 41,000</u>	<u>\$ 240,340</u>	<u>\$ 248,636</u>	<u>\$ 127,432</u>	<u>\$ 9,074</u>	<u>\$ 988,138</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, 2016.

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2016**

**7. Capital Assets**

Capital asset activity for the year ended September 30, 2016 was as follows:

	Balance October 1, 2015	Increases	Decreases	Balance September 30, 2016
<u>Governmental activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 7,588,875	\$ -	\$ -	\$ 7,588,875
Construction in progress	<u>1,873,660</u>	<u>2,310,945</u>	<u>994,340</u>	<u>3,190,265</u>
Total capital assets, not being depreciated	9,462,535	2,310,945	994,340	10,779,140
Capital assets, being depreciated:				
Buildings	6,388,029	12,225	-	6,400,254
Improvements other than buildings	374,043	204,725	353,380	543,430
Machinery and Equipment	2,413,447	413,229	1,683,410	2,658,335
Infrastructure	<u>26,496,906</u>	<u>1,224,890</u>	<u>-</u>	<u>27,721,796</u>
Total capital assets, being depreciated	35,672,425	1,855,069	2,036,790	37,323,815
Less accumulated depreciation for:				
Buildings	(1,202,509)	(180,949)	-	(1,383,458)
Improvements other than buildings	(172,869)	(30,478)	35,338	(168,009)
Machinery and equipment	(1,145,667)	(248,250)	141,231	(1,252,686)
Infrastructure	<u>(8,665,852)</u>	<u>(602,779)</u>	<u>-</u>	<u>(9,268,631)</u>
Total accumulated depreciation	<u>(11,186,897)</u>	<u>(1,062,456)</u>	<u>176,569</u>	<u>(12,072,784)</u>
Total capital assets, being depreciated, net	<u>24,485,528</u>	<u>792,613</u>	<u>27,110</u>	<u>25,251,031</u>
Governmental activities capital assets, net	<u>\$ 33,948,063</u>	<u>\$ 3,103,558</u>	<u>\$ 1,021,450</u>	<u>\$ 36,030,171</u>

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2016**

**7. Capital Assets (Continued)**

	Balance October 1, 2015	Increases	Decreases	Balance September 30, 2016
<u>Business-type activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 22,950	\$ -	\$ -	\$ 22,950
Construction in progress	479,170	569,663	354,599	694,234
Total capital assets, not being depreciated	502,120	569,663	354,599	717,184
Capital assets, being depreciated:				
Buildings	308,532	-	-	308,532
Improvements other than buildings	4,106,618	354,599	-	4,461,217
Machinery and Equipment	1,295,818	146,868	233,383	1,209,303
Total capital assets, being depreciated	5,710,968	501,467	233,383	5,979,052
Less accumulated depreciation for:				
Buildings	(268,265)	(7,304)	-	(275,569)
Improvements other than buildings	(1,784,624)	(105,831)	-	(1,890,455)
Machinery and equipment	(849,057)	(94,365)	210,771	(1,154,193)
Total accumulated depreciation	(2,901,946)	(207,500)	210,771	(2,898,675)
Total capital assets, being depreciated, net	2,809,022	293,967	22,612	3,080,377
Business-type activities capital assets, net	\$ 3,311,142	\$ 863,630	\$ 377,211	\$ 3,797,561

**TOWN OF BELLEAIR, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**7. Capital Assets (Continued)**

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

Governmental activities:

General government	\$ 51,522
Public safety	61,952
Streets	687,438
Culture and recreation	<u>261,544</u>
Total depreciation expenses - governmental activities	\$ <u><u>1,062,456</u></u>

Business-type activities:

Water	\$ 135,648
Wastewater	-
Solid waste	<u>71,852</u>
Total depreciation expense - business-type activities	\$ <u><u>207,500</u></u>



**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2016**

**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, 2016.

The remaining transfers were made to cover budgeted expenses/expenditures for 2016.

	<u>Transfers In</u>	<u>Transfers Out</u>
General fund	\$ 272,750	\$ 115,250
Nonmajor governmental funds	226,350	277,750
Infrastructure fund	157,300	719,664
Water fund	596,364	39,300
Solid waste fund	125,700	86,500
Golf fund	<u>-</u>	<u>140,000</u>
Total	\$ <u><u>1,378,464</u></u>	\$ <u><u>1,378,464</u></u>

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2016**

**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, 2016, as shown in the following table:

<u>Enterprise Fund</u>	<u>Administrative Costs Allocated</u>
Water	\$ 313,400
Solid Waste Management	<u>172,350</u>
Total	<u>\$ 485,750</u>

**10. Long-Term Debt**

Long-term debt includes accrued leave as of September 30, 2016:

During the fiscal year ended September 30, 2016, 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	\$ 9,295,000	\$ -	\$ 375,000	\$ 8,920,000	\$ 390,000
Equipment loan	-	300,000	28,362	271,638	57,785
Accrued leave	295,685	155,996	142,301	309,380	77,270
Net pension liability	494,876	153,677	-	648,553	-
Other post-employment benefits (OPEB)	<u>70,789</u>	<u>47,947</u>	<u>-</u>	<u>118,736</u>	<u>-</u>
Total Government activities	<u>10,156,350</u>	<u>657,620</u>	<u>545,663</u>	<u>\$ 10,268,307</u>	<u>\$ 525,055</u>
Business-type activities:					
Accrued leave	<u>\$ 74,903</u>	<u>\$ 57,385</u>	<u>\$ 51,508</u>	<u>\$ 80,780</u>	<u>\$ 20,195</u>

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2016**

**10. Long-Term Debt (Continued)**

Compensated absences are generally liquidated by the general fund for governmental activities. Since the only OPEB obligation is the implicit rate subsidy under Florida Statutes, the Town has elected not to provide or fund these postretirement benefits.

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, 2016:	\$8,920,000

Debt service requirements to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>
2017	\$ 390,000	\$ 322,012
2018	405,000	307,933
2019	420,000	293,312
2020	435,000	278,150
2021	450,000	262,447
2022-2026	2,495,000	1,057,188
2027-2031	2,980,000	573,089
2032-2033	<u>1,345,000</u>	<u>73,283</u>
	<u>\$ 8,920,000</u>	<u>\$ 3,167,414</u>

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2016**

**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, 2016:	\$271,638

Debt service requirements to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
2017	\$ 57,785	\$ 6,058	\$ 63,843
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>\$ 271,638</u>	<u>\$ 15,655</u>	<u>\$ 287,293</u>

**TOWN OF BELLEAIR, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**11. Detail of Constraints on Fund Balances of General Fund**

	<u>General Fund</u>
Fund balances:	
Nonspendable:	
Prepaid items	\$ 3,539
Assigned:	
Park improvement	6,955
Recreation donations	63,564
Master landscaping	12,533
Police equipment	<u>12,479</u>
Total assigned	95,531
Unassigned:	<u>1,137,936</u>
Total fund balances	<u><u>\$ 1,237,006</u></u>

**12. Lease Commitments**

The Town currently leases certain equipment under a four and five year noncancellable operating leases. Total lease expense for 2016 was \$9,820. The following is a schedule of future minimum annual lease payments remaining under these leases.

<u>Year</u>	<u>Amount</u>
2017	\$ 7,996
2018	1,576
2019	<u>1,576</u>
Total	<u><u>\$ 11,148</u></u>

## **TOWN OF BELLEAIR, FLORIDA**

### **NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2016**

#### **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 (\$12,000,000) is exhausted, stop loss insurance is provided. The only deductible payable by members is \$500 for property, inland marine, automobile physical damage and crime. 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, 2016**

**13. Risk Management (Continued)**

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

Carrier	Coverage
Princeton E45	excess property
Liberty Mutual	excess workers' compensation
American Safety Indemnity	excess liability

The PRM program provides specified insurance coverages for 143 school systems and local 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.

**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, 2017 is between \$6,500,000 and \$7,500,000. The funding for these projects will come from the countywide one percent infrastructure sales surtax.

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2016**

**14. Contingent Liabilities (Continued)**

The Town did not receive federal grant funds during the fiscal year ended September 30, 2016, 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, 2016.



**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2016**

**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, 2016**

**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, 2016:

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2016**

**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, 2016**

**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, 2016:

		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, 2016			
Debt Securities:				
U.S. Government securities	\$ 278,723	\$ -	\$ 278,723	\$ -
U.S. Government agency securities	3,727	-	3,727	-
Domestic fixed income investment fund	209,170	209,170	-	-
International fixed income investment fund	124,545	124,545	-	-
Corporate bonds	<u>487,887</u>	<u>-</u>	<u>487,887</u>	<u>-</u>
Total debt securities	1,104,052	333,715	770,337	-
Equity securities:				
Domestic equity investment funds	390,155	390,155	-	-
Domestic stock	1,093,481	1,093,481	-	-
International equity investment fund	<u>470,048</u>	<u>470,048</u>	<u>-</u>	<u>-</u>
Total equity securities	1,953,684	1,953,684	-	-
Temporary investments	<u>423,331</u>	<u>423,331</u>	<u>-</u>	<u>-</u>
Total investments at fair value level	\$ <u>3,481,067</u>	\$ <u>2,710,730</u>	\$ <u>770,337</u>	\$ <u>-</u>

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2016**

**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, 2016**

**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, 2016. 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, 2016.

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, 2016**

**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, 2016**

**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, 2016.

The measurement period for the pension expense was October 1, 2015 to September 30, 2016.

The reporting period is October 1, 2015 through September 30, 2016.

The Town's net liability was measured as of September 30, 2016.

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, 2015 updated to September 30, 2016 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, 2016**

**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, 2015 valuation were based on the results of an actuarial experience study performed October 19<sup>th</sup>, 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, 2016**

**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, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Long Term Expected</u>	
	<u>Target Allocations</u>	<u>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, 2016**

**16. Employee Retirement System (Continued)**

Police Officers Pension Fund (continued)

Plan Description (continued)

**CHANGES IN NET PENSION LIABILITY**

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (a)-(b)</u>
Reporting period ending September 30, 2015	\$ 3,514,866	\$ 3,019,990	\$ 494,876
Changes for a year:			
Service cost	237,141	-	237,141
Interest	280,727	-	280,727
Differences between expected and actual experience	(123,703)	-	(123,703)
Changes of assumptions	143,054	-	143,054
Changes of benefit terms	-	-	-
Contributions - Employer	-	150,036	(150,036)
Contributions - State	-	48,560	(48,560)
Contributions - Employees	-	46,400	(46,400)
Net Investment Income	-	166,378	(166,378)
Benefit Payments, including			
Refunds of Employee Contributions	(158,004)	(158,004)	-
Administration expense	-	(27,832)	27,832
Net changes	<u>379,215</u>	<u>225,538</u>	<u>153,677</u>
Reporting period ending September 30, 2016	<u>\$ 3,894,081</u>	<u>\$ 3,245,528</u>	<u>\$ 648,553</u>

**TOWN OF BELLEAIR, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**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	Current Discount	1% Increase
	6.75%	Rate	8.75%
	<u>6.75%</u>	<u>7.75%</u>	<u>8.75%</u>
Town' Net Pension Liability	\$ <u>1,037,960</u>	\$ <u>648,553</u>	\$ <u>317,329</u>

Rate of Return - For the year ended September 30, 2016 the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 5.68 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, 2016**

**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, 2016</u>
Retirees and beneficiaries currently receiving benefits	7
Terminated plan members entitled to but not yet receiving benefits	6
Active plan members:	
Fully vested	2
Nonvested	10

**TOWN OF BELLEAIR, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**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, 2016, the Town will recognize a pension expense of \$276,065. On September 30, 2016 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
Differences between expected and actual experience	\$ -	\$ 61,852
Changes of assumptions	71,527	-
Net difference between projected and actual earnings on pension plan investments	204,744	-
Total	<u>\$ 276,271</u>	<u>\$ 61,852</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:

2017	\$ 73,469
2018	63,794
2019	63,794
2020	13,362
2021	-
Thereafter	-

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2016**

**16. Employee Retirement System (Continued)**

Plan Description (Continued)	Net Pension Liability	Deferred Outflows	Deferred Inflows	Pension Expense
<u>COMPONENTS OF PENSION EXPENSE</u>				
Beginning balance	\$ 494,876	\$ 63,517	\$ 201,728	\$ -
Total Pension Liability Factor:				
Service cost	237,141	-	-	237,141
Interest	280,727	-	-	280,727
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	-	-	-	-
with regard to economic or demographic assumptions	(123,703)	123,703	-	-
Current year amortization of experience difference	-	(125,368)	-	(125,368)
Changes in assumptions about future economic or demographics				
factors or other inputs	143,054	-	143,054	-
Current year amortization of changes in assumptions	-	-	(71,527)	71,527
Benefit payments	(158,004)	-	-	(158,004)
Net change	379,215	61,852	71,527	306,023
Plan fiduciary Net Position:				
Contributions - employer	\$ 150,036	\$ -	\$ -	\$ -
Contributions - state	48,560	-	-	-
Contributions - employee	46,400	-	-	(46,400)
Net investment income	166,378	-	-	(166,378)
Difference between projected and actual earnings on				
pension plan investments	(66,810)	-	66,810	-
Current year amortization	-	-	(63,794)	63,794
Benefit payments	(91,194)	-	-	91,194
Administrative xpenses	(27,832)	-	-	27,832
Net change	225,538	-	3,016	29,958
Ending balance	\$ 648,553	\$ 61,852	\$ 276,271	\$ 276,065

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2016**

**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, 2016 there were 40 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 2016 was \$2,972,489. The Town's contributions were calculated using the participants' salary amount of \$1,916,821. 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
	<hr/>	<hr/>
Required:		
Town	\$ 172,514	9.0 %
Employee	57,504	3.0
Voluntary:		
Employee	<hr/> 38,198	
Total contributions	\$ <u><u>268,216</u></u>	



**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2016**

**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, 2016.

**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, 2016**

**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.

**18. Subsequent Event**

On June 1, 2017 the Town sold the Golf Course to Pelican Golf LLC. The purchase price was \$3,800,000.

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2016**

**19. 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.

**20. 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, 2016 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, 2016**

**20. 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:

	<u>Annual OPEB Cost</u>	
	<u>9/30/16</u>	<u>9/30/15</u>
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>

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2016**

**20. 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><u>558,688</u></u>	\$ <u><u>766,215</u></u>
Funded ratio	<u>0%</u>	<u>0%</u>
Covered payroll	\$ <u><u>2,534,483</u></u>	\$ <u><u>2,751,961</u></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, 2016**

**20. 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, 2016**

**20. 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, 2016**

**20. 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, 2016**

**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	\$ -	0.0%
September 30, 2015	80,871	-	0.0
September 30, 2016	63,772	-	0.0

**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 Three Fiscal Years**

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

**TOWN OF BELLEAIR, FLORIDA**

**POLICE OFFICERS' PENSION TRUST FUND**

**REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A**

**SCHEDULE OF RATIOS**

**Last Three Fiscal Years**

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

*\*For the fiscal year 2016, the Covered Payroll is shown in compliance with GASB 82.*

**TOWN OF BELLEAIR, FLORIDA**

**POLICE OFFICERS' PENSION TRUST FUND**

**REQUIRED SUPPLEMENTARY INFORMATION OTHR THAN MD&A**

**SCHEDULE OF CONTRIBUTIONS**

**Last Three Fiscal Years**

Report period ending	9/30/2016			
Measurement date	9/30/2016			
		September 30, 2016	September 30, 2015	September 30, 2014
		<u>                    </u>	<u>                    </u>	<u>                    </u>
Actuarially determined contributions		\$ 197,989	\$ 261,051	\$ 286,371
Contributions in relation to the actuarially determined contributions		<u>198,596</u>	<u>261,051</u>	<u>286,371</u>
Contribution deficiency (excess)		\$ <u>(607)</u>	\$ <u>-</u>	\$ <u>-</u>
Covered employee payroll		\$ <u>773,326</u>	\$ <u>783,615</u>	\$ <u>738,422</u>
Contributions as a percentage of covered employee payroll		<u>25.60%</u>	<u>33.31%</u>	<u>38.78%</u>

**TOWN OF BELLEAIR, FLORIDA**

**POLICE OFFICERS' PENSION TRUST FUND**

**REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A**

**NOTES TO SCHEDULE OF CONTRIBUTIONS**

**Last Three Fiscal Years**

Notes to Schedule

Valuation date 10/01/2014

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 10/1/14 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 Three 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 Three Fiscal Years**

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

**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, 2016

	Special Revenue				Capital Projects Capital Equipment Replacement	Total Nonmajor Governmental Funds
	Public District Enhancement	Local Option Gas Tax	Transportation Impact Fee	Total		
<b>ASSETS</b>						
Cash and cash equivalents	\$ 72,619	\$ 211,338	\$ 63,970	\$ 347,927	\$ 696,650	\$ 1,044,577
Investments	122	2,898	1,005	4,025	-	4,025
Receivables (net of allowance for uncollectible accounts):						
Accounts	-	-	-	-	-	-
County	-	9,074	-	9,074	-	9,074
<b>TOTAL ASSETS</b>	<b>\$ 72,741</b>	<b>\$ 223,310</b>	<b>\$ 64,975</b>	<b>\$ 361,026</b>	<b>\$ 696,650</b>	<b>\$ 1,057,676</b>
<b>LIABILITIES AND FUND BALANCES</b>						
Accounts payable	\$ 53,235	\$ -	\$ -	\$ 53,235	\$ -	\$ 53,235
<b>TOTAL LIABILITIES</b>	<b>53,235</b>	<b>-</b>	<b>-</b>	<b>53,235</b>	<b>-</b>	<b>53,235</b>
<b>FUND BALANCES</b>						
<b>FUND BALANCES:</b>						
Restricted	19,506	223,310	64,975	307,791	696,650	1,004,441
<b>TOTAL FUND BALANCES</b>	<b>19,506</b>	<b>223,310</b>	<b>64,975</b>	<b>307,791</b>	<b>696,650</b>	<b>1,004,441</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 72,741</b>	<b>\$ 223,310</b>	<b>\$ 64,975</b>	<b>\$ 361,026</b>	<b>\$ 696,650</b>	<b>\$ 1,057,676</b>

TOWN OF BELLEAIR, FLORIDA

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

	Special Revenue				Capital Projects Capital Equipment Replacement	Total Nonmajor Governmental Funds
	Park and Public District Enhancement	Local Option Gas Tax	Transportation Impact Fee	Total		
<b>Revenues:</b>						
Intergovernmental	\$ -	\$ 56,790	\$ -	\$ 56,790	\$ -	\$ 56,790
Charges for services	-	-	-	-	-	-
Miscellaneous	31,147	-	-	31,147	-	31,147
Interest earned	<u>1</u>	<u>16</u>	<u>5</u>	<u>22</u>	<u>-</u>	<u>22</u>
 TOTAL REVENUES	 31,148	 56,806	 5	 87,959	 -	 87,959
 <b>EXPENDITURES:</b>						
Current:						
Recreation	77,681	-	-	77,681	-	77,681
Transportation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 TOTAL EXPENDITURES	 77,681	 -	 -	 77,681	 -	 77,681
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(46,533)	56,806	5	10,278	-	10,278
 <b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in:						
Solid Waste Management Fund	-	-	-	-	86,500	86,500
Water Fund	-	-	-	-	24,600	24,600
General Fund	4,000	-	-	4,000	111,250	115,250
Infrastructure Fund	-	-	-	-	-	-
Transfers out:						
General Fund		-	-	-	(65,050)	(65,050)
Infrastructure Fund		(60,300)	-	(60,300)	-	(60,300)
Water Fund	-	-	-	-	(26,700)	(26,700)
Solid Waste Management Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(125,700)</u>	<u>(125,700)</u>
Total other financing sources and (uses)	<u>4,000</u>	<u>(60,300)</u>	<u>-</u>	<u>(56,300)</u>	<u>4,900</u>	<u>(51,400)</u>
 NET CHANGE IN FUND BALANCES	 (42,533)	 (3,494)	 5	 (46,022)	 4,900	 (41,122)
 FUND BALANCES, OCTOBER 1	 <u>62,039</u>	 <u>226,804</u>	 <u>64,970</u>	 <u>353,813</u>	 <u>691,750</u>	 <u>1,045,563</u>
 FUND BALANCES, SEPTEMBER 30	 <u>\$ 19,506</u>	 <u>\$ 223,310</u>	 <u>\$ 64,975</u>	 <u>\$ 307,791</u>	 <u>\$ 696,650</u>	 <u>\$ 1,004,441</u>

**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, 2016

	Infrastructure Fund			
	Project Authorization	Prior Years	Current Year	Total to Date
REVENUES:				
Taxes:				
Property	\$ 2,717,300	\$ 6,388,351	\$ 603,309	\$ 6,991,660
Utility	750,000	2,091,591	774,675	2,866,266
Intergovernmental:				
Infrastructure sales surtax	1,537,600	5,340,217	398,838	5,739,055
Grant	3,553,000	66,928	708,142	775,070
Interest earned	193,000	193,628	127	193,755
Donations	4,098,000	4,098,060	3,811	4,101,871
Miscellaneous	-	116,648	71	116,719
TOTAL REVENUES	12,848,900	18,295,423	2,488,973	20,784,396
EXPENDITURES:				
Capital outlay:				
Manager	-	709,597	-	709,597
Finance and administration	-	1,416,655	146,147	1,562,802
Streets	32,205,000	20,473,573	2,850,520	23,324,093
Culture and recreation	-	6,912,085	29,718	6,941,803
Debt service:				
Principal	-	705,000	375,000	1,080,000
Interest and fees	-	1,206,124	322,012	1,528,136
TOTAL EXPENDITURES	32,205,000	31,423,034	3,723,397	35,146,431
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(19,356,100)	(13,127,611)	(1,234,424)	(14,362,035)
OTHER FINANCING SOURCES (USES):				
Proceeds from debt	10,000,000	10,000,000	-	10,000,000
Transfers in (out):				
General Fund	3,100,000	6,713,671	(150,000)	6,563,671
Golf Fund	-	(33,675)	97,000	63,325
Local Option Gas Tax	-	500,300	60,300	560,600
Water Fund	-	(334,393)	(569,664)	(904,057)
Wastewater Management Fund	-	100,000	-	100,000
Park and Public District Enhancement Fund	-	21,100	-	21,100
Equipment Replacement Fund	-	95,200	-	95,200
Total other financing sources (uses)	13,100,000	17,062,203	(562,364)	16,499,839
NET CHANGE IN FUND BALANCE	\$ (6,256,100)	\$ 3,934,592	(1,796,788)	\$ 2,137,804
FUND BALANCE, OCTOBER 1			4,051,391	
FUND BALANCE, SEPTEMBER 30			\$ 2,254,603	

## **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, 2016

	<u>ORIGINAL AND FINAL BUDGETED AMOUNTS</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)</u>
OPERATING REVENUES:			
Charges for sales and services	\$ <u>1,425,000</u>	\$ <u>1,466,018</u>	\$ <u>41,018</u>
Total operating revenues	<u>1,425,000</u>	<u>1,466,018</u>	<u>41,018</u>
OPERATING EXPENSES:			
Personal services	537,950	548,936	(10,986)
Materials and supplies	700,014	513,076	186,938
Utilities	61,200	60,372	828
Depreciation	<u>135,648</u>	<u>135,648</u>	<u>-</u>
Total operating expenses	<u>1,434,812</u>	<u>1,258,032</u>	<u>176,780</u>
OPERATING INCOME (LOSS)	(9,812)	207,986	217,798
NONOPERATING REVENUES (EXPENSES):			
Interest revenue	1,000	181	(819)
Gain on disposal of assets	-	23,162	23,162
Grant	-	7,713	7,713
Other income	<u>2,500</u>	<u>970</u>	<u>(1,530)</u>
Total nonoperating revenues	<u>3,500</u>	<u>32,026</u>	<u>28,526</u>
Income (loss) before contributions and transfers	(6,312)	240,012	246,324
Capital contributions - tap fees	600	7,908	7,308
Transfers in	26,700	596,364	569,664
Transfers (out)	<u>(39,300)</u>	<u>(39,300)</u>	<u>-</u>
CHANGE IN NET POSITION	(18,312)	804,984	823,296
NET POSITION, OCTOBER 1	<u>3,386,244</u>	<u>3,386,244</u>	<u>-</u>
NET POSITION, SEPTEMBER 30	\$ <u><u>3,367,932</u></u>	\$ <u><u>4,191,228</u></u>	\$ <u><u>823,296</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, 2016

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)
OPERATING REVENUES:			
Charges for sales and services	\$ 750,000	\$ 1,105,844	\$ 355,844
OPERATING EXPENSES:			
Materials and supplies	750,000	1,090,771	340,771
Utilities	-	-	-
Depreciation	-	-	-
Total operating expenses	750,000	1,090,771	340,771
OPERATING INCOME (LOSS)	-	15,073	15,073
NONOPERATING REVENUES (EXPENSES):			
Interest revenue	-	313	313
Other income	-	-	-
Loss on disposal of fixed assets	-	-	-
Total nonoperating revenues (expenses)	-	313	313
Income (loss) before contributions and transfers	-	15,386	15,386
Capital contributions - tap fees	-	-	-
Transfers out	-	-	-
CHANGE IN NET POSITION	-	15,386	15,386
NET POSITION, OCTOBER 1	421,672	421,672	-
NET POSITION, SEPTEMBER 30	\$ 421,672	\$ 437,058	\$ 15,386

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, 2016

	<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	\$ 800,500	\$ 800,500	\$ 780,881	\$ (19,619)
Total operating revenues	800,500	800,500	780,881	(19,619)
OPERATING EXPENSES:				
Personal services	286,150	286,150	275,482	10,668
Materials and supplies	536,050	536,050	315,537	220,513
Utilities	1,450	1,450	706	744
Garbage and trash disposal	110,000	110,000	113,838	(3,838)
Depreciation	55,000	71,852	71,852	-
Total operating expenses	988,650	1,005,502	777,415	228,087
OPERATING INCOME (LOSS)	(188,150)	(205,002)	3,466	208,468
NONOPERATING REVENUES (EXPENSES):				
Interest revenue	500	500	134	(366)
Grant	3,000	3,000	2,941	(59)
Gain (loss) on disposal	18,000	1,502	(16,498)	(18,000)
Other income	-	-	1,476	1,476
Total nonoperating revenues	21,500	5,002	(11,947)	(16,949)
Income (loss) before transfers	(166,650)	(200,000)	(8,481)	191,519
Transfers in	125,700	125,700	125,700	-
Transfers out	(86,500)	(86,500)	(86,500)	-
CHANGE IN NET POSITION	(127,450)	(160,800)	30,719	191,519
NET POSITION, OCTOBER 1	1,043,309	1,043,309	1,043,309	-
NET POSITION, SEPTEMBER 30	<u>\$ 915,859</u>	<u>\$ 882,509</u>	<u>\$ 1,074,028</u>	<u>\$ 191,519</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, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Governmental Funds Capital Assets:		
Land	\$ 7,588,875	\$ 7,588,875
Buildings and improvements	6,400,254	6,388,029
Improvements other than buildings	543,430	374,043
Equipment	2,658,335	2,413,447
Infrastructure	27,721,796	26,496,906
Construction in progress	<u>3,190,265</u>	<u>1,873,660</u>
Total Governmental Funds Capital Assets	\$ <u>48,102,955</u>	\$ <u>45,134,960</u>
Governmental Funds Capital Assets by Source:		
General Fund	\$ 24,014,427	\$ 21,046,432
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>48,102,955</u>	\$ <u>45,134,960</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, 2016 AND 2015

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  
COMPARATIVE SCHEDULES BY FUNCTION AND ACTIVITY(1)

SEPTEMBER 30, 2016 AND 2015

Function and Activity	2015						
	Total	Land	Buildings and Improvements	Improvements Other Than Buildings	Equipment	Construction in Progress	Infra-structure
General Government:							
Manager	\$ 272,312	\$ -	\$ -	\$ 88,980	\$ 183,332	\$ -	\$ -
Finance and Administration	6,026,325	3,185,475	2,244,841	35,076	560,933	-	-
Comprehensive Planning	34,422	-	-	-	34,422	-	-
Town Clerk	51,293	-	-	-	51,293	-	-
Total general government	6,384,352	3,185,475	2,244,841	124,056	829,980	-	-
Public Safety:							
Police	455,488	-	-	-	455,488	-	-
Transportation:							
Streets	29,996,123	1,598,000	-	-	27,557	1,873,660	26,496,906
Culture and Recreation:							
Parks	1,278,292	749,300	-	101,928	427,064	-	-
Recreation	7,020,705	2,056,100	4,143,188	148,059	673,358	-	-
Total culture and recreation	8,298,997	2,805,400	4,143,188	249,987	1,100,422	-	-
Total governmental funds Capital Assets	\$ 45,134,960	\$ 7,588,875	\$ 6,388,029	\$ 374,043	\$ 2,413,447	\$ 1,873,660	\$ 26,496,906

(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<sup>(1)</sup>

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

<u>Function and Activity</u>	Governmental Funds Capital Assets October 1, 2015	Additions	Deductions	Governmental Funds Capital Assets September 30, 2016
General Government:				
Manager	\$ 272,312	\$ 27,614	\$ -	\$ 299,926
Finance and Administration	6,026,325	41,910	75,906	5,992,329
Comprehensive Planning	34,422	-	-	34,422
Town Clerk	51,293	-	19,171	32,122
	<u>6,384,352</u>	<u>69,524</u>	<u>95,077</u>	<u>6,358,799</u>
Total general government				
Public Safety:				
Police	455,488	142,444	94,665	503,267
Transportation:				
Streets	29,996,123	3,907,376	1,002,891	32,900,608
Culture and Recreation:				
Parks	1,278,292	46,670		1,324,962
Recreation	7,020,705	-	5,386	7,015,319
	<u>8,298,997</u>	<u>46,670</u>	<u>5,386</u>	<u>8,340,281</u>
Total culture and recreation				
Total governmental funds				
Capital Assets	\$ <u>45,134,960</u>	\$ <u>4,166,014</u>	\$ <u>1,198,019</u>	\$ <u>48,102,955</u>

<sup>(1)</sup> 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	112
<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	123
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
Debt Capacity	128
<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	132
<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	134
<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, 2016**

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

LAST TEN FISCAL YEARS

(accrual basis of accounting)

		<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>
Governmental activities:											
Invested in capital assets	\$	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	\$ 17,263,828
Restricted		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	3,876,735
Unrestricted		<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>	<u>4,921,633</u>
Total governmental activities net position	\$	<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>	<u>\$ 26,062,196</u>
Business-type activities:											
Invested in capital assets	\$	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	\$ 3,603,775
Restricted		-	-	-	-	-	1,560,745	1,568,889	1,611,695	1,873,027	1,863,083
Unrestricted		<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>	<u>465,073</u>
Total business-type activities net position	\$	<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>	<u>\$ 5,931,931</u>
Primary government:											
Invested in capital assets	\$	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	\$ 20,867,583
Restricted		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	5,739,818
Unrestricted		<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>5,386,706</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>	<u>\$ 31,994,107</u>

TOWN OF BELLEAIR, FLORIDA

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
EXPENSES										
Governmental Activities:										
General government	\$ 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	\$ 1,403,027
Public safety	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	1,557,471
Physical environment	-	-	-	-	-	-	-	-	-	202,014
Transportation	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	751,716
Culture and recreation	1,593,065	1,562,682	2,103,713	2,643,548	1,328,378	631,017	631,840	752,449	879,286	770,902
Interest on long-term debt	325,571	335,549	348,726	371,028	-	-	-	-	-	-
Total governmental activities expenses	7,532,656	7,810,478	8,470,818	7,479,751	6,683,377	4,755,299	6,298,087	5,940,073	4,781,511	4,685,130
Business-type activities:										
Water	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	1,112,227
Waste water management	1,090,771	1,029,745	1,018,861	1,088,648	898,706	817,919	838,632	991,631	964,857	987,112
Solid waste management	777,415	730,794	768,853	779,554	801,014	827,307	789,649	760,528	749,590	776,201
Total business-type activities expenses	3,126,218	3,091,060	3,144,769	3,154,380	2,993,183	2,940,657	2,856,897	3,134,674	2,796,653	2,875,540
Total primary government expenses	<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>	<u>\$ 7,560,670</u>
PROGRAM REVENUES										
Governmental activities:										
Charges for services	\$ 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	\$ 645,755
Capital grants and contributions	711,739	765	67,928	28,527	29,360	4,465	540	2,534,079	163,832	102,745
Total governmental activities program revenues	2,269,891	1,731,157	2,143,731	2,382,348	1,223,850	1,184,182	1,097,163	3,293,912	930,689	748,500
Business-type activities:										
Charges for services:										
Water	1,473,926	1,430,682	1,664,602	889,344	905,418	989,853	829,194	986,824	954,185	964,856
Waste water management	1,105,844	1,089,009	1,059,708	1,056,848	946,043	811,867	778,319	803,723	826,863	792,362
Solid waste management	780,881	792,490	802,262	834,709	818,764	792,796	770,832	725,643	720,799	720,268
Total business-type activities revenues	3,360,651	3,312,181	3,526,572	2,780,901	2,670,225	2,594,516	2,378,345	2,516,190	2,501,847	2,477,486
Total primary government program revenues	<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>	<u>\$ 3,225,986</u>
NET (EXPENSE) REVENUE										
Governmental activities	\$ (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)	\$ (3,936,630)
Business-type activities	245,087	221,121	381,803	(373,479)	(322,958)	(346,141)	(478,552)	(618,484)	(294,806)	(398,054)
Total primary government net expense	<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>	<u>\$ (4,334,684)</u>

TOWN OF BELLEAIR, FLORIDA

CHANGE IN NET POSITION (CONTINUED)

LAST TEN FISCAL YEARS

(accrual basis of accounting)

	<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>
Governmental Activities:										
Taxes:										
Property taxes	\$ 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	\$ 3,599,002
Utility taxes	774,675	762,198	781,857	547,536	-	-	-	-	-	34,699
Franchise fees	362,980	388,063	395,205	359,533	372,119	401,711	436,393	438,850	401,851	411,183
Intergovernmental revenues:										
Infrastructure sale surtax	398,838	379,217	352,312	330,116	312,431	295,159	305,641	355,186	395,810	410,122
Sales taxes	244,096	237,384	225,502	214,026	213,743	204,003	198,117	198,650	235,242	222,439
Communications										
service tax	173,413	182,916	187,353	201,448	205,018	198,023	202,368	237,782	224,192	207,663
Other taxes	60,177	58,013	59,345	57,738	56,922	57,961	59,260	58,694	62,393	52,932
State revenue sharing	97,630	96,097	91,596	88,164	86,813	86,232	85,640	85,290	94,298	100,959
Investment earnings	3,853	19,784	13,562	9,713	14,704	21,001	19,669	63,857	232,747	405,157
Miscellaneous	131,810	84,770	451,656	3,714,808	129,120	120,188	104,794	67,938	16,195	70,032
Gain on sale of capital assets	-	-	8,883	-	-	-	-	-	3,395	684
Transfers	(596,264)	(687,531)	117,500	81,300	49,500	(18,500)	(368,100)	367,730	33,900	(27,100)
Lawsuit, Settlement	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<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>	<u>5,487,772</u>
Business-type activities:										
Capital contributions	-	-	-	925	1,957	3,988	-	2,345	4,325	7,280
Investment earnings	628	7,394	163	130	99	1,768	10,311	31,912	104,608	191,078
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	5,760
Miscellaneous	9,110	26,684	52,405	9,664	13,626	18,983	3,130	15,173	17,019	25,916
Transfers	<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>	<u>27,100</u>
Total business-type activities	<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>	<u>257,134</u>
Total primary government	<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>	<u>\$ 5,744,906</u>
CHANGE IN NET POSITION										
Governmental activities	\$ 22,828	\$ (1,083,296)	\$ (238,320)	\$ (591,638)	\$ 892,141	\$ (1,042,992)	\$ 2,676,301	\$ 1,275,820	\$ 1,551,142	\$ 2,007,434
Business-type activities	<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>	<u>(8,353)</u>
Total primary government	<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>	<u>\$ 1,999,081</u>



TOWN OF BELLEAIR, FLORIDA

PROGRAM REVENUES BY FUNCTIONS/PROGRAM

LAST TEN FISCAL YEARS

(accrual basis of accounting)

	PROGRAM REVENUES									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<u>FUNCTIONS/PROGRAMS</u>										
Governmental Activities:										
General government	\$ 1,032,888	\$ 989,962	\$ 876,498	\$ 693,805	\$ 864,629	\$ 430,752	\$ 457,775	\$ 362,674	\$ 426,495	\$ 472,487
Public safety	15,468	161,572	79,047	8,093	13,659	197,073	170,508	106,999	110,808	16,163
Physical environment	-	-	-	-	-	-	-	-	-	1,120
Transportation	509,796	578,858	-	-	-	72,704	72,704	43,392	23,354	22,163
Culture and recreation	-	-	1,120,258	1,651,923	316,202	479,188	395,636	246,768	206,200	236,567
Subtotal governmental activities	<u>1,558,152</u>	<u>1,730,392</u>	<u>2,075,803</u>	<u>2,353,821</u>	<u>1,194,490</u>	<u>1,179,717</u>	<u>1,096,623</u>	<u>759,833</u>	<u>766,857</u>	<u>748,500</u>
Business-type activities:										
Water	1,473,926	1,430,682	1,417,237	889,344	905,418	989,853	829,194	986,824	954,185	964,856
Waste water management	1,105,844	1,089,009	1,059,708	1,056,848	946,043	811,867	778,319	803,723	826,863	792,362
Solid waste management	780,881	792,490	802,262	834,709	818,764	792,796	770,832	725,643	720,799	720,268
Subtotal business-type activities	<u>3,360,651</u>	<u>3,312,181</u>	<u>3,279,207</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>	<u>2,477,486</u>
Total primary government	<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>	<u>\$ 3,225,986</u>

TOWN OF BELLEAIR, FLORIDA

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

	<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>
General Fund:										
Nonspendable	\$ 3,539	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned	95,531	109,505	102,220	101,510	93,173	107,113	20,211	966,411	896,082	919,832
Unassigned	<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>	<u>3,893,786</u>
Total general fund	<u>\$ 1,237,006</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>	<u>\$ 4,813,618</u>
All Other Governmental Funds:										
Restricted, reported in:										
Capital projects fund	\$ 2,254,603	\$ 4,051,391	\$ 6,653,456	\$ 5,981,668	\$ 6,356,164	\$ 4,860,157	\$ 5,326,735	\$ 4,395,745	\$ 4,504,934	\$ 3,876,735
Special revenue funds	<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>	<u>293,769</u>
Total all other governmental funds	<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>	<u>\$ 4,170,504</u>

TOWN OF BELLEAIR, FLORIDA

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>REVENUES</b>										
Taxes	\$ 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	\$ 3,599,002
Utility taxes	774,675	762,198	781,857	547,536	-	-	-	-	-	34,699
Franchise fees	362,980	388,063	395,205	359,533	372,119	401,711	436,393	438,850	401,851	411,183
Licenses, fees and permits	412,204	352,039	387,263	208,161	232,258	234,098	303,606	272,733	325,853	205,706
Intergovernmental	1,682,506	954,392	979,203	915,803	899,012	839,415	844,344	935,577	1,011,936	991,670
Charges for services	1,141,953	1,375,347	1,686,268	2,142,641	955,660	912,815	786,853	460,481	432,463	425,383
Fines and forfeits	3,995	3,006	2,272	3,019	6,573	32,804	6,163	8,254	8,542	14,668
Contributions and donations	82,487	18,985	319,435	3,630,924	28,179	29,065	72,805	90,439	163,832	101,745
Investment earnings	3,853	19,784	13,562	9,713	14,704	21,001	19,669	78,836	247,150	405,157
Resource management fees	-	-	-	-	-	2,382	2,579	-	-	3,445
Miscellaneous	52,710	119,517	135,791	84,320	66,814	95,169	36,633	71,968	16,192	70,032
Total revenues	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	6,262,690
<b>EXPENDITURES</b>										
General government	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	1,369,451
Public safety	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	1,573,869
Physical environment	-	-	-	-	-	-	-	-	-	194,188
Transportation	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	380,419
Culture and recreation	1,378,191	1,446,373	1,934,255	5,851,451	1,256,015	693,292	593,142	701,794	735,991	858,480
Debt service:										
Principal	403,362	365,000	340,000	-	-	-	-	-	-	-
Interest	325,571	509,912	354,863	190,528	-	-	-	14,979	14,403	13,849
Total expenditures	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	4,390,256
Excess of revenues over (under) expenditures	(1,731,228)	(1,791,204)	(4,381,559)	(5,280,455)	(1,228,348)	(376,296)	(96,673)	406,177	1,624,981	1,872,434
<b>OTHER FINANCING SOURCES (USES)</b>										
Proceeds from debt issuance	300,000	-	4,750,341	5,214,659	35,000	-	-	-	-	-
Proceeds from insurance	-	1,000	1,263	3,780	39,401	-	-	-	-	-
Sale of equipment	3,961	241,106	18,615	2,707	5,283	13,075	-	25,003	3,395	684
Transfers in	656,400	717,150	653,900	1,150,775	2,188,700	94,300	1,268,165	239,600	212,600	945,100
Transfers out	(1,252,664)	(1,404,681)	(536,400)	(1,069,475)	(2,139,200)	(112,800)	(1,636,265)	(205,000)	(178,700)	(972,200)
Total other financing sources (uses)	(292,303)	(445,425)	4,887,719	5,302,446	129,184	(5,425)	(368,100)	59,603	37,295	(26,416)
Net change in fund balances	\$ (2,023,531)	\$ (2,236,629)	\$ 506,160	\$ 21,991	\$ (1,099,164)	\$ (381,721)	\$ (464,773)	\$ 465,780	\$ 1,662,276	\$ 1,846,018
Debt service as a percentage of noncapital expenditures	7.96%	11.81%	8.66%	1.20%	0.00%	0.00%	0.00%	0.28%	0.33%	0.32%

TOWN OF BELLEAIR, FLORIDA

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION<sup>(1)</sup>  
LAST TEN FISCAL YEARS

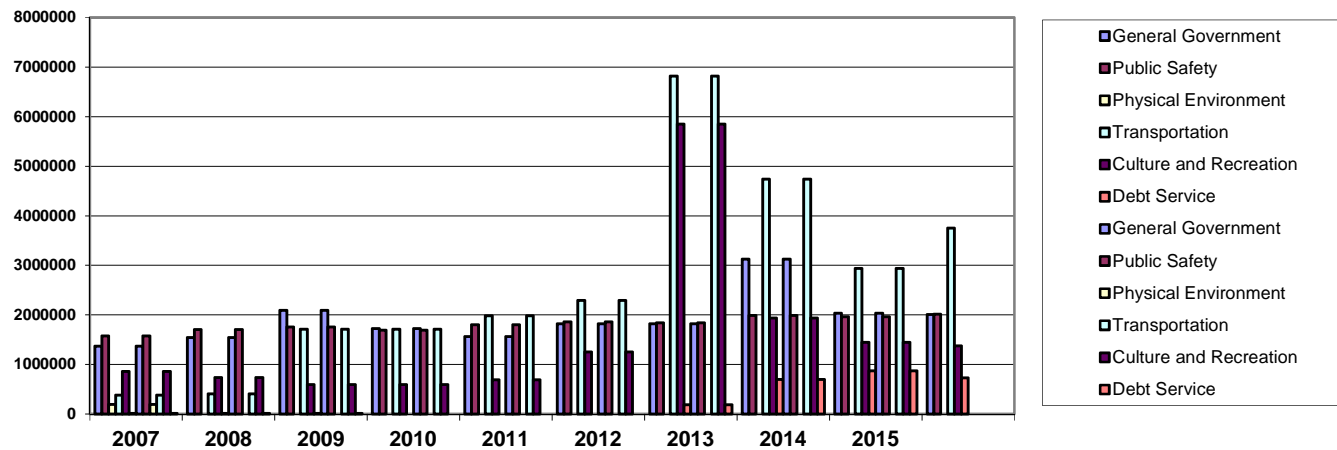
<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Physical <sup>(2)</sup> Environment</u>	<u>Transportation</u>	<u>Culture and Recreation</u>	<u>Debt Service</u>	<u>Total</u>
2007	\$ 1,369,451	\$ 1,573,869	\$ 194,188	\$ 380,419	\$ 858,480	\$ 13,849	\$ 4,390,256
2008	1,545,964	1,707,072	-	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

<sup>(1)</sup> Includes general, special revenue and capital projects funds.

<sup>(2)</sup> Mechanical department services outsourced in 2008.

## TOWN OF BELLEAIR, FLORIDA

### GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION - LAST TEN FISCAL YEARS



TOWN OF BELLEAIR, FLORIDA

GENERAL GOVERNMENTAL REVENUES BY SOURCE<sup>(1)</sup>  
LAST TEN FISCAL YEARS

Fiscal Year	Taxes	License and Permits	Intergovernmental	Charge for Services	Fines	Resource Management Fees	Interest	Contributions and Donations <sup>(2)</sup>	Miscellaneous	Total
2006	\$ 3,509,878	\$ 230,182	\$ 1,040,249	\$ 293,553	\$ 23,687	\$ 1,589	\$ 318,054	\$ 79,575	\$ 33,942	\$ 5,530,709
2007	4,044,884	205,706	991,670	425,383	14,668	3,445	405,157	101,745	70,032	6,262,690
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

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE  
LAST TEN FISCAL YEARS

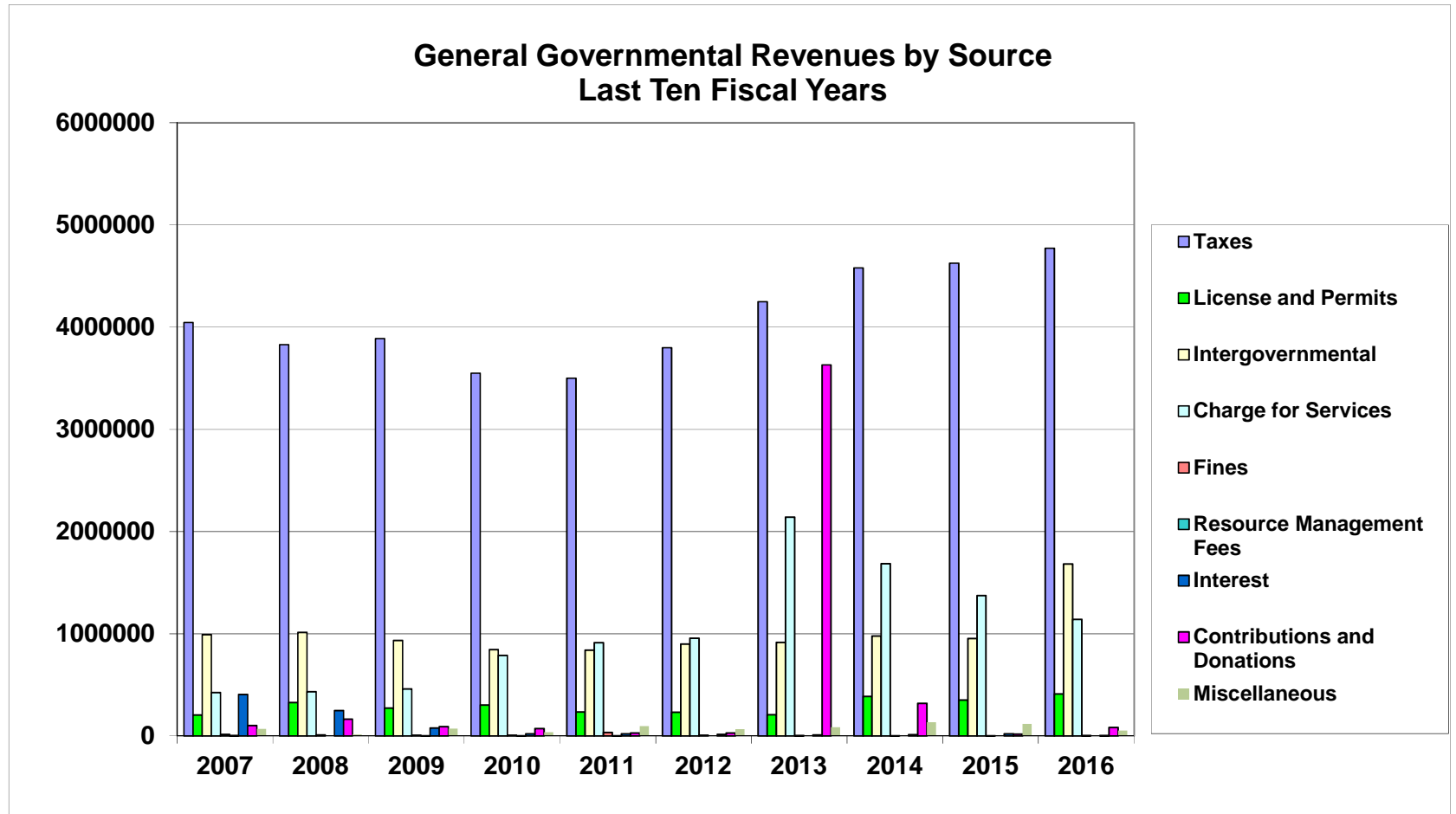
Fiscal Year	Property Tax	Utility Tax	Franchise Taxes	Total
2007	\$ 3,599,002	\$ 34,699	\$ 411,183	\$ 4,044,884
2008	3,426,619	-	401,851	3,828,470
2009	3,448,485	-	438,850	3,887,335
2010	3,114,150	-	436,393	3,550,543
2011	3,097,480	-	401,711	3,499,191
2012	3,427,519	-	372,119	3,799,638
2013	3,341,656	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

<sup>(1)</sup> Includes general, special revenue and capital projects funds.

<sup>(2)</sup> Public contributions to community center construction campaign.

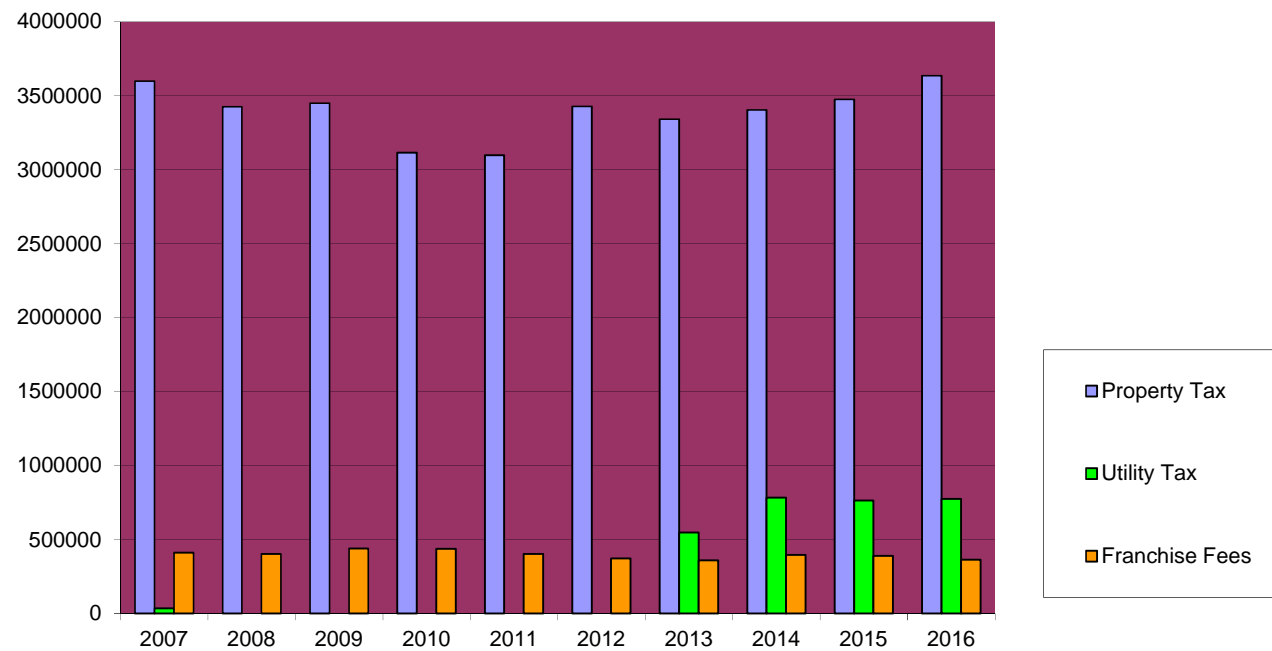
<sup>(3)</sup> Town rescinded the utility tax ordinance effective October 2006.  
The ordinance was reinstated effective October 2013.

**TOWN OF BELLEAIR, FLORIDA**



## TOWN OF BELLEAIR, FLORIDA

**General Governmental Tax Revenues by Source  
Last Ten Fiscal Years**





## **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		
	Residential	Commercial						Taxable	Total	
2007	1,143,928,500	52,210,100	8,933,060	800,688,388	404,403,272	1,205,071,660	100	13.9	17.8	4.6389
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	726,160,817	37,716,905	6,647,392	670,528,380	99,996,734	770,525,114	100	10.2	8.65	5.9257

Source: Pinellas County Property Appraiser.

TOWN OF BELLEAIR, FLORIDA

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total valuations	\$ 1,205,071,660	\$ 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
Real estate exemptions:										
Government exemption	13,059,647	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
Institutional exemption	8,373,220	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
Assessment differential (F.S. 193.155) <sup>(3)</sup>	342,770,405	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
Individual or homestead exemptions	40,200,000	42,515,407	79,592,234	78,186,512	78,914,247	78,141,194	77,141,904	78,680,862	81,702,389	80,918,774
Total exemptions and adjustments	404,403,272	396,284,058	335,349,803	224,702,728	147,729,065	138,100,957	123,257,680	- 144,657,715	- 232,262,940	- 275,144,552
Total taxable valuation	\$ 800,668,388	\$ 839,447,742	\$ 768,079,157	\$ 701,587,679	\$ 621,988,012	\$ 595,307,227	\$ 580,712,681	\$ 583,340,612	\$ 608,453,321	\$ 634,941,314
Millage levied	4.6389	4.2118	4.5605	4.5605	5.1465	5.9432	5.9432	6.0257	5.9257	5.9257
Total taxes levied	\$ 3,714,221	\$ 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
Less: Adjustments and discounts	115,219	108,967	54,340	54,441	101,897	110,511	109,636			
Net taxes levied	\$ 3,599,002	\$ 3,426,619	\$ 3,448,485	\$ 3,145,150	\$ 3,097,480	\$ 3,427,519	\$ 3,341,656	\$ 3,515,036	\$ 3,605,512	\$ 3,762,472
Net collected <sup>(1)(2)</sup>	\$ 3,599,002	\$ 3,426,619	\$ 3,448,485	\$ 3,145,150	\$ 3,097,480	\$ 3,427,519	\$ 3,341,656	\$ 3,515,036	\$ 3,605,512	\$ 3,762,472

Source: Pinellas County Property Appraiser

<sup>(1)</sup> 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

<sup>(2)</sup> Net collected includes penalties or late payments.

<sup>(3)</sup> 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>2007</u>	<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>
Town of Belleair:										
Operating	4.6389	4.2118	4.5605	4.5605	5.1465	5.9432	5.9432	6.0257	5.9257	5.9257
Debt service	-	-	-	-	-	-				
Total Town millage	4.6389	4.2118	4.5605	4.5605	5.1465	5.9432	5.9432	6.0257	5.9257	5.9257
Pinellas County School Board:										
Operating	8.2100	7.7310	8.3460	8.3460	8.3400	8.3850	8.3020	8.0600	7.8410	7.3180
Pinellas County										
Operating	5.4700	4.8730	4.8730	4.8108	4.8730	4.8730	5.0727	5.2755	5.2755	5.2755
Debt service	-	-	-	-	-	-	-	-	-	-
Total County millage	5.4700	4.8730	4.8730	4.8108	4.8730	4.8730	5.0727	5.2755	5.2755	5.2755
County-wide millage set by other taxing authorities:										
-Pinellas Suncoast Transit Authority	0.6074	0.5601	0.5601	0.5601	0.5601	0.7305	0.7305	0.7305	0.7305	0.7500
-Pinellas County Planning Council	0.0195	0.0170	0.0125	0.0125	0.0125	0.0125	0.0125	0.0160	0.0160	0.0150
-Juvenile Welfare Board	0.7963	0.7384	0.7915	0.7915	0.7915	0.8337	0.8981	0.8981	0.8981	0.8981
-South West Florida Water Management District	0.4220	0.3866	0.3866	0.3866	0.3770	0.3928	0.3928	0.3818	0.3658	0.3317
-Pinellas Anclote River Basin	0.4000	0.3701	0.3200	0.3200	0.2600	-	-	-	-	-
-Health								0.0622	0.0622	0.0622
-EMS	0.6300	0.5832	0.5832	0.5832	0.5832	0.8506	0.9158	0.9158	0.9158	0.9158
Total County-wide millage	2.8752	2.6554	2.6539	2.6539	2.5843	2.8201	2.9497	3.0044	2.9884	2.9728
TOTAL	<u>\$ 21.1941</u>	<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>\$ 21.4920</u>

Source: Pinellas County Tax Collector

TOWN OF BELLEAIR, FLORIDA

PRINCIPAL PROPERTY TAXPAPERS  
CURRENT YEAR AND NINE YEARS AGO

Principal Property Taxpayers	2016				2007		
	Rank	Taxable Assessed Value	Percentage of Total Taxable Assessed Value		Rank	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Chateau Galinski, 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
St Louis, James	3	6,601,111	1.08		Muma, Leslie	3	6,664,894 0.79
Muma, Leslie M	4	6,277,950	1.03		St Louis, James	4	6,414,751 0.76
Belleview Place Land, LLC	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
Doyle, Daniel M JR	7	3,373,542	0.55		Rinker, Mary E	7	4,013,513 0.48
Doganiero, B Dawn	8	3,121,672	0.51		Thomas, Fred A	8	3,849,727 0.46
Hakim, Jean F	9	3,102,689	0.51		Doganiero, Philip	9	3,246,686 0.39
Rawson, Siri	10	<u>3,068,722</u>	0.50		Boesch, Gary	10	<u>2,891,690</u> 0.34
TOTAL		<u>\$ 53,069,818</u>	8.72 %			<u>\$ 57,032,959</u>	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
2007	1,205,071,660	800,668,388	3,714,221	3,563,643	97%	35,359	3,599,002	97%
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%	-	3,463,754	96%
2016	736,945,145	634,941,314	3,762,472	3,634,384	97%	2	3,634,386	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 OTHER DEBT  
LAST TEN FISCAL YEARS

Fiscal Year	Debt Service					Total General Governmental Expenditures <sup>(1)</sup>	Percentage of Debt Service to General Governmental Expenditures
	General Obligation Bonded Debt		Paying Agent Fees	Other Debt	Total Debt		
	Principal	Interest					
2007	-	-	-	-	-	4,390,256	-
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	10,966,221	6.4 %
2016	-	-	-	728,933	728,933	9,882,976	7.4 %

<sup>(1)</sup> Includes general and special revenue funds, and capital projects funds.



TOWN OF BELLEAIR, FLORIDA

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

Fiscal Year	Population <sup>(1)</sup>	Taxable Assessed Valuation	Gross General Obligation Bonded Debt	Revenue Bond Debt	Equipment Financing Debt	Less Sinking Fund	Net General Obligation Bonded Debt	Percent of Net General Obligation Bonded Debt to Assessed Valuation	Net General Obligation Bonded Debt Per Capita
2007	4,160	800,668,388	-	-	-	-	-	-	-
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	3,903	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%	2,285.34

<sup>(1)</sup> 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, 2016

	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	\$ -	\$ 9,191,638	9,191,638	100%	\$ 9,191,638
Overlapping debt:					
Pinellas County School Board (1) Pinellas County, Florida	17,953,097	-	17,953,097	0.91%	163,492
Pinellas County (2)	11,230,104		11,230,104	1.00%	112,115
Total Overlapping debt	29,183,201	-	29,183,201	0.94%	275,607
Total Overall Debt	<u>\$ 29,183,201</u>	<u>\$ 9,191,638</u>	<u>\$ 38,374,839</u>	<u>24.67%</u>	<u>\$ 9,467,245</u>
RATIO:					
Overall debt to 2016 taxable value				<u>1.49%</u>	
Overall debt per capita				\$ <u>2,426</u>	

(1) The Town's share is calculated based on the ratio of the 2016 School Board Taxable Value of \$69,723,230,712 to the Town's Taxable Value of \$634,941,314

(2) The Town's share is calculated based on the ratio of the 2015 County Taxable Value of \$63,599,221,882 to the Town's Taxable Value of \$634,941,314

TOWN OF BELLEAIR, FLORIDA

PLEDGED REVENUE COVERAGE  
LAST TEN FISCAL YEARS

Year	Public Service (Electric) Tax <sup>(2)</sup>	Infrastructure Sales Surtax	Stormwater Fee <sup>(3)</sup>	Net Available Revenue	Debt Service		Coverage
					Principal	Interest	
2007	-	410,122	-	431,804	-	-	- %
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

(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<sup>(1)</sup></u>	<u>Number of Households<sup>(2)</sup></u>	<u>Per Capita Income<sup>(3)</sup></u>	<u>Median Age<sup>(1)</sup></u>	<u>Unemployment Rate<sup>(1)</sup></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	3,903	2,238	57,307	44.7	5.8
2016	4,022	2,163	59,164	53.0	3.7

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

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

(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  
CURRENT YEAR AND TEN YEARS AGO

	<u>2016</u>				<u>2006</u>		
	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total Town Employment</u>		<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total Town Employment</u>
Bellevue Biltmore Hotel	-	-	0.00%	Bellevue Biltmore Hotel	312	1	37.10%
Belleair Country Club	189	1	37.57%	Morton Plant Rehabilitation Center	206	2	24.49%
Morton Plant Rehabilitation Center	176	2	34.99%	Belleair Country Club	147	3	17.48%
Town of Belleair	60	3	11.93%	Town of Belleair	57	4	6.78%
Biltmore Construction Co.	22	5	4.37%	Bellevue Biltmore Country Club	54	5	6.42%
Bellevue Biltmore Golf Club	42	4	8.35%	Biltmore Construction Co.	42	6	4.99%
Belleair Montessori School	12	6	2.39%	Belleair Montessori School	15	7	1.78%
Dr. George Pavlidakey	<u>2</u>	7	<u>0.40%</u>	Carlson Wildwood Florist	<u>8</u>	8	<u>0.95%</u>
	<u>503</u>		<u>100%</u>		<u>841</u>		<u>100%</u>

Source: Town Clerk's Office, Town of Belleair

**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, 2016										
<u>FUNCTION</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>
General Government	11.00	14.00	16.00	14.00	12.00	11.00	10.00	11.00	11.00	11.00
Public Safety:										
Police:										
- Police Officers	12.00	13.00	13.00	14.00	13.00	13.00	13.00	13.00	12.00	12.00
- General employees	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Physical Environment	6.00	4.00	6.00	6.50	6.50	6.00	7.00	7.00	7.00	7.00
Transportation	3.00	5.00	5.00	4.00	3.00	2.00	2.00	3.50	3.50	3.50
Culture and Recreation	4.00	4.00	4.00	5.00	4.50	5.00	5.00	5.00	5.00	5.00
Water	8.50	10.00	12.00	10.00	10.00	10.00	10.00	10.50	9.00	10.00
Solid Waste Management	7.5	5.5	5.5	6.5	6.00	6.00	6.00	6.00	6.00	6.00
Total	<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>

Sourte Town Finance Department



TOWN OF BELLEAIR, FLORIDA

OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS

FUNCTION	Fiscal Year Ended September 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Police:										
Physical arrests	12	31	46	56	45	125	146	70	72	70
Parking violations	21	12	142	140	10	12	9	23	1	-
Traffic violations	76	110	157	7	397	397	133	156	328	411
					194					
Transportation:										
Resurfacing	0.7	0.5	0.5	4.5 miles	0.5	1	-	-	-	-
Pothole repaired	50	110	120	150	~100	240	184	150	110	192
Culture and Recreation:										
Athletic permits issued	800	800	822	832	600	600	600	400	510	480
Water:										
New connections	3	6	5	0	2	2	3	2	8	43
Main breaks	3	0	0	10	12	12	8	11	6	11
Average consumption	762,427	613,627	517,567	681,789	693,150	768,950	692,830	807,000	911,000	895,000
Solid Waste Management:										
Refuse collected tons per/day	10.5	7.12	7.19	7.78	11.83	8.01	10.06	10.75	11.95	11.28
Recyclables collected	2.78	0.60	1.19	0.43	0.80	0.75	0.76	1.14	0.91	0.95

\*Source of Data is town records as reported by each Department

TOWN OF BELLEAIR, FLORIDA

CAPITAL ASSETS STATISTICS  
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30, 2016										
<u>FUNCTION</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>
Public Safety:										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	9	5	5	5	6	6	5	5	4	4
Transportation:										
Streets (Miles)	22	22	22	22	22	22	22	22	22	22
Traffic signs	250	250	250	250	0.5	0.5	0.5	0.5	0.5	0.5
Culture and Recreation:										
Park acreage	33	24	33	33	33	33	33	33	32	32
Parks	19	17	19	19	19	19	19	19	19	18
Tennis Courts	3	3	3	3	3	3	3	3	4	4
Community Centers	1	1	1	1	1	1	1	1	1	1
Water Mains (Miles)	36	36	36	36	80	80	80	80	80	80
Fire hydrants	135	135	135	135	135	135	135	135	135	135
Maximum daily capacity (thousands of gallons)	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	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 <sup>(2)</sup> (In Thousands)
	Number of Permits	Value	Number of Permits	Value	Permits <sup>(1)</sup>	Value	
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	Not Available
2012	-	-	3	1,319,123	550	8,022,895	Not Available
2013	-	-	1	392,000	555	8,372,952	Not Available
2014	-	-	7	6,465,452	683	16,508,591	Not Available
2015	-	-	7	6,649,064	721	9,943,615	Not Available
2016	-	-	18	14,863,390	641	9,758,896	Not Available

(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.

# TOWN OF BELLEAIR, FLORIDA

## MISCELLANEOUS STATISTICAL DATA

September 30, 2016

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
Form of Government: Commission-Manager		Average Annual Temperature - 74 degrees
Commission Composed of: Mayor and Four Commissioners		Average Annual Rainfall - 54.7 inches
		Area - 2.50 square miles

## MUNICIPAL UTILITIES, SERVICES AND EVENTS

Police Protection		Parks and Recreation	
Number of Employees	17	Community Centers	1
Number of Vehicular Patrol L	9	Playgrounds	2
Number of Law Violations:		Athletic Fields	2
Physical Arrestss	12	Parkland Acreage	24
Traffic Violations	21	Walking Trails	1
Parking Violations	76	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	2,684	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,	
Major Annual Community Events:	<u>People Attending</u>	Tampa, FloridaSt. Petersburg, Florida	
Halloween Party	900	Asolo Performing Arts Center,	
Christmas Tree Lighting	900	Sarasota, Florida	
Easter Egg Hunt	500	Ruth Eckerd Hall,	
Arbor Day Celebration	500	Clearwater, Florida	
Run for the Rec. 5k race	500		
Concerts	6000		

1) Police data is for 2016 calandar year (January 1, 2016 - December 31, 2016)

TOWN OF BELLEAIR, FLORIDA

SCHEDULE OF INSURANCE IN FORCE  
September 30, 2016

Term for all types of coverage listed below is from October 1, 2015 through September 30, 2016.

Type of Coverage	Policy Number	Company	Association Self-Insurance Retention (SIR)	Limited Liability (Includes SIR)	Original Premium
Stoploss Carriers:	PRM015-002	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	3,000,000	
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			300,000	2,000,000 Aggregate 6,000,000 per member	
Travel Accident	ADDN01063091	ACE American Insurance Co.		250,000 max 10,000 medical 2,500,000 Aggregate limit	
Boiler & Machinery	MSJ-BME1-8751M435-TIL-15	Travelers Property Casualty Company		50,000,000/ 100,000 object sublimit 10,000 deductible 1,000 per occurrence	
**Pollution Liability	PEC001275012	XL Insurance Compar	25,000	1,000,000 per occurrence 21,000,000 PRM Pool Annual Aggregate	\$ 215,474
**Accidental Death and Dismemberment - Police	ADDNO4823138	ACE American Insurance Co.		\$66,000 line of duty and \$199,000 frsh pursuit and unlawful/ intentional death	973
				Total	\$ 216,447
** Paid to Public Risk Management					

TOWN OF BELLEAIR, FLORIDA

WATER, WASTEWATER MANAGEMENT AND SOLID WASTE MANAGEMENT FUNDS  
STATISTICAL DATA  
LAST TEN FISCAL YEARS

Fiscal Year	Number of Connections/Customers			Combined Operating Revenues	Combined Operating Expenses	Combined Operating Income (Loss)	Combined Nonoperating Revenues (Expenses)	Income (Loss) before Capital Contributions and Transfer
	Water	Wastewater Management Control	Solid Waste Management					
2007	1,545	-	1,588	2,477,486	2,875,540	(398,054)	222,754	(175,300)
2008	1,545	-	1,588	2,501,847	2,796,653	(294,806)	121,627	(173,179)
2009	1,545	-	1,588	2,516,190	3,050,572	534,382	(37,017)	(571,399)
2010	1,545	-	1,588	2,378,345	2,856,897	(478,552)	13,441	(465,111)
2011	1,545	-	1,588	2,594,516	2,910,657	(346,141)	43,239	(302,902)
2012	1,545	-	1,588	2,670,225	2,993,183	(322,958)	13,725	(309,233)
2013	1,545	-	1,588	2,780,901	3,154,380	(373,479)	9,794	(363,685)
2014	1,545	-	1,588	3,588,639	3,271,269	317,370	126,064	191,306
2015	1,545	-	1,588	3,163,316	3,190,980	(27,664)	(22,840)	(4,824)
2016	1,545	-	1,588	3,352,743	3,126,218	226,525	20,392	246,917

<sup>(1)</sup> The town sold the wastewater system to Pinellas County in fiscal year 2006.

## TOWN OF BELLEAIR, FLORIDA

### WATER FUND

#### SERVICE EFFORTS & ACCOMPLISHMENTS

For the Fiscal Year ended September 30, 2016

#### OVERVIEW

The Water Department continued to replace water lines in conjunction with the stormwater infrastructure projects. These water line replacements have provided better water quality and flows which in turn helps lower energy consumption and the overall demand on our pumps. We continue to meet all regulatory requirements without any violations or public notices being issued. With help from our engineering consultants, the Southwest Florida Water Management District, and staff, the Town developed a preliminary engineering report to investigate the feasibility to treat our changing water quality by reverse osmosis treatment.

TOWN OF BELLEAIR, FLORIDA

WATER FUND (CONTINUED)

SERVICE EFFORTS AND ACCOMPLISHMENTS  
Years ended September 30, 2016, 2015 and 2014

Inputs	2016	2015	2014
1. Total cost of operations	\$ 1,274,170	\$ 1,375,713	\$ 1,395,055
2. Cost per capita	589.08	614.71	600.54
3. Miles of pipeline	36	36	36
4. Number of treatment plants	1	1	1
5. Capacity of town's treatment plant	2.2 MGD	2.2 MGD	2.2 MGD
6. Number of employee hours	23,920	23,920	23,920
Outputs			
7. Miles of water pipe maintained, repaired and inspected	36	36	36
8. Feet of new line constructed	6,215	3,000	3,000
9. Number of new customers connected	3	5	5
10. Number of breaks, leaks repaired	3	17	17
11. Total gallons pumped, metered and treated	278 Million Gallons	255 Million Gallons	258 Million Gallons
12. Percentage of total gallons pumped by user category:			
A. Residential	88%	81%	82%
B. Commercial	12%	5%	6%
C. Used by department	0%	5%	5%
D. Unaccounted for	0%	6%	7%
13. Percentage of total gallons pumped that were metered	95%	95%	93%
14. Number of calls about interrupted services	5	4	0

\* Mg = millions of gallons



TOWN OF BELLEAIR, FLORIDA

WATER FUND (CONTINUED)

SERVICE EFFORTS AND ACCOMPLISHMENTS  
Years ended September 30, 2016, 2015 and 2014

<u>Outcomes</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
15. Number of main breaks	3	10	0
16. Number of breaks, leaks per mile	0.08	0.2	17
17. Percentage of service interruptions cleared in goal period of time	100%	100%	100%
18. Percentage of breaks and leaks repaired within eight hours of notification	100%	100%	100%
19. Watering violations	155	122	152
20. Number of complaints	5	5	<10
<u>Explanatory</u>			
22. Type of source of water supply and distance to source	Florida Aquifer - All wells within 0.5 miles of plant		
23. Quality of water at intake and treatments	Water quality is to specifications for the area of the Southwest Florida Water Management District		
24. Average daily demands	762,427 gal.	699,957 gal.	517,567 gal.

TOWN OF BELLEAIR, FLORIDA

WATER FUND (CONTINUED)

SERVICE EFFORTS AND ACCOMPLISHMENTS  
Years ended September 30, 2016, 2015 and 2014

Pending Information

Explanatory (Continued)	2016	2015	2014
25. Billing rates			
A. Current Residential Billing Rates			
Base	\$ 12.37	12.37 \$	12.37
Tier 1: 0 - 4,000 gallons	1.86	1.86	1.86
Tier 2: 4,001 - 25,000 gallons	6.21	6.21	6.21
Tier 3: Over 25,001 gallons	7.45	7.45	7.45
B. Residential Billing Rates Prior to 2014			
Base			
9,000 - 36,000 gallons			
36,001 - 60,000 gallons			
60,001 - 100,000 gallons			
100,001 - 150,000 gallons			
Over 150,001 gallons			
26. Total revenue from customer billing/total cost	116%	107%	104%
27. Population served <sup>(1)</sup>	4022	3,903	3,887
28. Square miles served	2.0	2.0	2.0
29. Maximum daily demand	900	900	900
30. Treatment plant capacity	2.2 MGD	2.2 MGD	2.2 MGD
31. Holding-tank capacity (in gallons)	800,000	800,000	800,000
32. Projected water demand	1.65/2.2	1.65/2.2	1.65/2.2

MGD - Million gallons per day

(1) Data reflects actual town population.

TOWN OF BELLEAIR, FLORIDA

SOLID WASTE MANAGEMENET FUND

**SERVICE EFFORTS & ACCOMPLISHMENTS**

For the Fiscal Year ended September 30, 2016

OVERVIEW

The town continued contracting the City of Clearwater to provide single-stream recycling collection. Residential recycling bins increased from eighteen (18) gallon capacity to single stream sixty-four (64) gallon capacity. The increased capacity and ease of single stream collection led to a threefold increase in tonnage of recycled materials. Over time, the diversion of waste to recycling resulted in decreases in disposal expenses.

Solid Waste also purchased a new refuse vehicle with an automated tipping mechanism, assisting staff with lifting heavy bins, such as the recycle carts.

The department also partnered with Pinellas County to organize and supervise two Hazard-to-Go events. This allowed residents to safely dispose of their hazardous materials

TOWN OF BELLEAIR, FLORIDA

SOLID WASTE MANAGEMENT FUND (CONTINUED)

SERVICE EFFORTS AND ACCOMPLISHMENTS

Years ended September 30, 2016, 2015 and 2014

<u>Inputs</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
1. Number of personnel	5.5	5.5	5.5
2. Number of vehicles	8	8	8
<u>Outputs</u>			
3. Number of customers served	4,022	3,903	3,887
4. Tons of waste collected	2,861	2,600	2,714
<u>Outcomes</u>			
5. Number of customer complaints	<4	<5	<10
6. Percentage of collection missed	<1%	<1%	<1%
<u>Efficiency</u>			
7. Cost per ton of solid waste collected	\$307.76	\$306.84	\$315.90
8. Cost per customer served	\$218.90	\$204.41	\$207.48
9. Tons of solid waste collected per employee	520.13	472.73	706.73
10. Frequency of collection	Twice Weekly	Twice Weekly	Twice Weekly
11. Average cost of employees	\$51,031	\$49,063	\$53,839
12. Average crew size on vehicle	2.5	2.5	2.5
13. Percentage of recyclable waste recycled	99.1%	99.8%	72%



## Legislation Details (With Text)

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**File #:** 17-0244      **Version:** 1      **Name:**  
**Type:** Discussion Items      **Status:** General Agenda  
**File created:** 11/9/2017      **In control:** Finance Board  
**On agenda:** 11/16/2017      **Final action:**  
**Title:** Update from ABM  
**Sponsors:**  
**Indexes:**  
**Code sections:**  
**Attachments:**

Date	Ver.	Action By	Action	Result
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### Summary

To: Finance Board  
From: Stefan Massol, Director of Support Services  
Date: 11/16/2017

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**Subject:**

Update on the ABM process

**Summary:**

Representatives from ABM will be providing an update to the Finance Board regarding their energy audit findings and presenting options and recommendations.

**Previous Commission Action:** Commission authorized ABM to perform an energy audit for the town in developing a proposal for energy-saving measures.

**Background/Problem Discussion:** In recent months ABM has been performing a review of the town's expenditures on maintenance items and energy to identify opportunities for long-term savings. Having completed their review, ABM will be presenting a proposal to the town.

**Expenditure Challenges** N/A

**Financial Implications:** To be presented at meeting.

**Recommendation:** This is for discussion purposes only.

**Proposed Motion** N/A



## Legislation Details (With Text)

<b>File #:</b>	17-0241	<b>Version:</b>	1	<b>Name:</b>	
<b>Type:</b>	Discussion Items	<b>Status:</b>		Agenda Ready	
<b>File created:</b>	11/9/2017	<b>In control:</b>		Finance Board	
<b>On agenda:</b>	11/16/2017	<b>Final action:</b>			
<b>Title:</b>	Discussion of program-based budgeting transition				
<b>Sponsors:</b>					
<b>Indexes:</b>					
<b>Code sections:</b>					
<b>Attachments:</b>	<a href="#">finance board solid waste program based budgeting template</a> <a href="#">crosswalk- finance board solid waste program based budgeting template</a> <a href="#">Solid Waste Department Overview - Sample</a> <a href="#">Programs Overview - solid waste template</a> <a href="#">Cost Drivers and Assumptions</a>				

Date	Ver.	Action By	Action	Result
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### Summary

To: Finance Board  
From: Stefan Massol  
Date: 11/16/2017

### Subject:

Discussion of program-based budgeting transition

### Summary:

In preparation for the fiscal year 2018-19 budget staff will begin incorporating program-based budgeting techniques. As an example, staff will be discussing how this would generally look for the Solid Waste Department and ask for feedback from the board.

**Previous Commission Action:** None.

**Background/Problem Discussion:** The town has historically presented the annual budget in terms of the line item amounts to the Finance Board and Town Commission. While the line-item budget is the current means of budgetary control, it does not always show the full picture of how each line-item affects the programs that are funded.

Moving forward, management plans to incorporate a program-based budgeting approach for the town. In this method, budgeted expenditures would be depicted as programs, described in terms of the actual outputs they produce and any related programmatic revenues that they receive. It is staff's hope that this will make it easier for the public to understand the budget that is proposed each year.

As a program is analyzed the personnel, equipment and other related costs would be operationally studied in terms of the actual resources used. This would include hours of labor and equipment as well as amounts of

materials and contractual services purchased for each program. Some costs would need to be allocated, such as the cost of electricity, office supplies and management. Staff will be working to develop cost allocation methods that appropriately account for these indirect expenses.

I have attached a rough draft of what a program-based budget might look like for the Solid Waste Department. Staff would like to hear any questions or suggestions the board may have on this budgeting approach.

**Expenditure Challenges** None

**Financial Implications:** None

**Recommendation:** This item is for discussion purposes only.

**Proposed Motion** N/A.

## Program Budget Solid Waste - SAMPLE

Sample Program Budget for Solid Waste							
REVENUES	SW Collection	SW Disposal	Rec. Collection	Rec. Disposal	SubTTL	Technical Services	TOTAL
RECYCLING	\$ -	\$ -	\$ 2,640	\$ 360	\$ 3,000	-	\$ 3,000.00
SANITATION	\$ 484,968	\$ 46,859	\$ 242,264	\$ 52,309	\$ 826,400	-	\$ 826,400.00
GENERAL	\$ 293	\$ 28	\$ 147	\$ 32	\$ 500	-	\$ 500.00
CAPITAL	\$ 64,827	\$ 6,261	\$ 32,413	\$ 6,999	\$ 110,500	-	\$ 110,500.00
TOTAL	\$ 550,088	\$ 53,149	\$ 277,464	\$ 59,699	\$ 940,400	-	\$ 940,400.00
EXPENDITURES	SW Collection	SW Disposal	Rec. Collection	Rec. Disposal	SubTTL	Technical Services	TOTAL
PERSONNEL	\$ 242,733	\$ 32,364	\$ 26,296	\$ 5,057	\$ 306,450	-	\$ 306,450.00
OPERATING	\$ 75,245	\$ 59,914	\$ 37,623	\$ 66,968	\$ 239,750	-	\$ 239,750.00
CAPITAL/MAINT	\$ 147,041	\$ 15,754	\$ 12,604	\$ 4,201	\$ 179,600	-	\$ 179,600.00
ADMIN/OVERHEAD					\$ -	\$ 313,500	\$ 313,500.00
TOTAL	\$ 465,019	\$ 108,033	\$ 76,522	\$ 76,226	\$ 725,800	\$ 313,500	\$ 1,039,300.00

Sample Solid Waste Collection by User Type						
REVENUES	Single Family	Multifamily	Commercial	SubTTL	Technical Services	TOTAL
TOTAL	\$ 354,371.24	\$ 98,727.40	\$ 31,429.36	\$ 484,528.00		\$ 484,528.00
EXPENDITURES	Single Family	Multifamily	Commercial	SubTTL	Technical Services	TOTAL
PERSONNEL	\$ 182,050	\$ 48,547	\$ 12,137	\$ 242,733		\$ 242,732.67
OPERATING	\$ 56,434	\$ 15,049	\$ 3,762	\$ 75,245		\$ 75,245.33
CAPITAL/MAINT	\$ 110,281	\$ 29,408	\$ 7,352	\$ 147,041		\$ 147,040.94
ADMIN/OVERHEAD	\$ -	\$ -	\$ -	\$ -		\$ -
TOTAL	\$ 348,764	\$ 93,004	\$ 23,251	\$ 465,019		\$ 465,018.94

Sample Solid Waste Disposal by User Type						
REVENUES	Single Family	Multifamily	Commercial	SubTTL	Technical Services	TOTAL
TOTAL	\$ 34,227.62	\$ 9,535.77	\$ 3,035.66	\$ 46,799.06	-	\$ 46,799.06
EXPENDITURES	Single Family	Multifamily	Commercial	SubTTL	Technical Services	TOTAL
PERSONNEL	\$ 24,273	\$ 6,473	\$ 1,618	\$ 32,364	-	\$ 32,364.36
OPERATING	\$ 44,936	\$ 11,983	\$ 2,996	\$ 59,914	-	\$ 59,914.02
CAPITAL/MAINT	\$ 11,816	\$ 3,151	\$ 788	\$ 15,754	-	\$ 15,754.39
ADMIN/OVERHEAD	\$ -	\$ -	\$ -	\$ -	-	\$ -
TOTAL	\$ 81,025	\$ 21,607	\$ 5,402	\$ 108,033	-	\$ 108,032.76

Sample Recycling Collection by User Type						
REVENUES	Single Family	Multifamily	Commercial	SubTTL	Technical Services	TOTAL
TOTAL	\$ 177,185.62	\$ 49,363.70	\$ 15,714.68	\$ 242,264.00		\$ 242,264.00
EXPENDITURES	Single Family	Multifamily	Commercial	SubTTL	Technical Services	TOTAL
PERSONNEL	\$ 19,722	\$ 5,259	\$ 1,315	\$ 26,296		\$ 26,296.04
OPERATING	\$ 28,217	\$ 7,525	\$ 1,881	\$ 37,623		\$ 37,622.67
CAPITAL/MAINT	\$ 9,453	\$ 2,521	\$ 630	\$ 12,604		\$ 12,603.51
ADMIN/OVERHEAD	\$ -	\$ -	\$ -	\$ -		\$ -
TOTAL	\$ 57,392	\$ 15,304	\$ 3,826	\$ 76,522		\$ 76,522.22

Sample Recycling Disposal by User Type						
REVENUES	Single Family	Multifamily	Commercial	SubTTL	Technical Services	TOTAL
TOTAL	\$ 38,257.40	\$ 10,658.47	\$ 3,393.07	\$ 52,308.94		\$ 52,308.94
EXPENDITURES	Single Family	Multifamily	Commercial	SubTTL	Technical Services	TOTAL
PERSONNEL	\$ 3,793	\$ 1,011	\$ 253	\$ 5,057		\$ 5,056.93
OPERATING	\$ 50,226	\$ 13,394	\$ 3,348	\$ 66,968		\$ 66,967.98
CAPITAL/MAINT	\$ 3,151	\$ 840	\$ 210	\$ 4,201		\$ 4,201.17
ADMIN/OVERHEAD	\$ -	\$ -	\$ -	\$ -		\$ -
TOTAL	\$ 57,170	\$ 15,245	\$ 3,811	\$ 76,226		\$ 76,226.08



## Sample Program-Based Budgeting Template - CROSSWALK

Solid Waste Department

			88%	12%	88%	12%	
			RECYC Collection	RECYC Disposal	SW Collection	TTL	SW Disposal T Tech Svcs
REVENUES		BUDGET					TTL
Recycling	RECYC GRANT (STATE OF FLORIDA)	3,000	2,640	360			3,000
RECYCLING SUBTTL		3,000	2,640	360	0	0	3,000
Sanitation	SANITATION	825,900	242,264	52,309	484,528	46,799	825,900
Sanitation	PERMIT-ROLL OFF CONTAINER	500	0	0	440	60	500
SANITATION SUBTTL		826,400	242,264	52,309	484,968	46,859	826,400
General	INTEREST	500	147	32	293	28	500
GENERAL SUBTTL		500	147	32	293	28	500
Capital	GAIN ON SALE OF FIXED ASSETS	10,000	2,933	633	5,867	567	10,000
Capital	TRANSFER FROM 301	100,500	29,480	6,365	58,960	5,695	100,500
CAPITAL SUBTTL		110,500	32,413	6,999	64,827	6,261	110,500
TTL REVENUES		940,400	277,464	59,699	550,088	53,149	940,400
EXPENDITURES							
Personnel	SALARIES	207,000	17,762	3,416	163,960	21,861	207,000
Personnel	Unused Medical	2,923	251	48	2,316	309	2,923
Personnel	OVERTIME	2,500	215	41	1,980	264	2,500
Personnel	SICK LEAVE	950	82	16	752	100	950
Personnel	FICA	15,800	1,356	261	12,515	1,669	15,800
Personnel	RETIREMENT-401K GENERAL PENSION	18,650	1,600	308	14,772	1,970	18,650
Personnel	LIFE/HOSP. INS.	48,050	4,123	793	38,059	5,075	48,050
Personnel	MEDICAL BENEFIT	3,977	341	66	3,150	420	3,977
Personnel	PHYSICAL EXAMS	500	43	8	396	53	500
Personnel	CONTRAC. LABOR	5,000	429	83	3,960	528	5,000
Personnel	TRAV & PER DIEM	100	9	2	79	11	100
Personnel	TRAINING, AIDS	1,000	86	17	792	106	1,000
PERSONNEL SUBTTL		306,450	26,296	5,057	242,733	32,364	306,450
Operating	TELEPHONE	1,450	425	92	851	82	1,450
Operating	POSTAGE	5,250	1,540	333	3,080	297	5,250
Operating	GAR. & TRA DIS.	122,400	0	64,602	0	57,798	122,400
Operating	RECYCLING	80,000	26,667	0	53,333	0	80,000
Operating	MAINT. - EQUIP	1,200	352	76	704	68	1,200
Operating	BAD DEBT	500	147	32	293	28	500
Operating	OFFICE SUPPLIES	250	73	16	147	14	250
Operating	OPERATING SUPPL	6,500	1,907	412	3,813	368	6,500
Operating	GASOLINE & OIL	16,000	4,693	1,013	9,387	907	16,000
Operating	TOOLS	300	88	19	176	17	300
Operating	UNIFORMS	2,350	689	149	1,379	133	2,350
Operating	PROTECT. CLOTH.	2,350	689	149	1,379	133	2,350
Operating	COMPUTER SYSTEM	1,200	352	76	704	68	1,200
OPERATING SUBTTL		239,750	37,623	66,968	75,245	59,914	239,750
Capital/Maint	CARS	150,000	0	0	0	0	21,400
Capital/Maint	MAIN. - VEHICLE	25,000	0	0	0	0	25,000
Capital/Maint	TRANSFER TO 301	85,000	0	0	0	0	85,000
Capital/Maint	DEPRECIATION	51,000	12,604	4,201	147,041	15,754	179,600
CAPITAL/MAINT SUBTTL		311,000	12,604	4,201	147,041	15,754	311,000
Admin/Overhe	FEES-SPT SERVIC	136,200	39,952	8,626	79,904	7,718	136,200
Admin/Overhe	FEES-PUB. WORKS	45,900	13,464	2,907	26,928	2,601	45,900
ADMIN/OVERHEAD SUBTTL		182,100	0	0	0	0	182,100
TTL EXPENDITURES		1,039,300	76,522	76,226	465,019	108,033	1,039,300

	PROGRAM BUDGET
SW Collection	\$ 465,018.94
SW Disposal	\$ 108,032.76
Rec. Collection	\$ 76,522.22
Rec. Disposal	\$ 76,226.08
Subtotal	\$ 725,800.00
Technical Svcs	\$ 313,500.00
TOTAL	\$ 1,039,300.00

TOWN OF BELLEAIR, FLORIDA

SOLID WASTE MANAGEMENT FUND (CONTINUED)

SERVICE EFFORTS AND ACCOMPLISHMENTS

Inputs	SAMPLE 2017-18	2016	2015	2014
1. Number of personnel	5.5	5.5	5.5	5.5
2. Number of vehicles	8	8	8	8
3. Total Cost of Solid Waste	\$ 907,900	\$ 880,413	\$ 797,793	\$ 857,353
<u>Outputs</u>				
4. Number of customers served	4,022	4,022	3,903	3,887
a Single-Family				
b Multi-Family				
c Commercial				
	SAMPLE %	SAMPLE Tonnage		
4. Tons of waste collected		2,861	2,600	2,714
a Single-Family	75%	2,146		
b Multi-Family	20%	572		
c Commercial	5%	143		
5. Tons of recycling collected		3,000		
a Single-Family	75%	2,250		
b Multi-Family	20%	600		
c Commercial	5%	150		
<u>Outcomes</u>				
6. Number of customer complaints	<4	<4	<5	<10
7. Percentage of collection missed	<1%	<1%	<1%	<1%
<u>Efficiency</u>				
8. Cost per ton of solid waste collected	\$317.37	\$307.76	\$306.84	\$315.90
9. Cost per customer served	\$225.73	\$218.90	\$204.41	\$207.48
10. Tons of solid waste collected per employee	520.13	520.13	472.73	706.73
11. Frequency of collection	Twice Weekly	Twice Weekly	Twice Weekly	Twice Weekly
12. Average cost of employees	\$55,718	\$51,031	\$49,063	\$53,839
13. Average crew size on vehicle	2.5	2.5	2.5	2.5
14. Percentage of recyclable waste recycled	99.1%	99.1%	99.8%	72%

**Sample Programs Overview: To be completed annually with Departments**

Programs - Weekly Overview				
	SW Collection	SW Disposal	Rec. Collection	Rec. Disposal
SFR	Collection of ~1450 homes, 4 days per week, 100 man hours and 60 equipment hours per week	12 man hours and 6 equipment hours per week	Collection of ~1450 homes - 64 gal. totter - 11 man hours and 5 equipment hours	2 man hours and 1 equipment hour
MF	Collection of 39 condos, Dumpsters in RPD, 15 man hours and 7.5 equipment hours	2 man hours and 1 equipment hours per week	.5 man hours, .5 equipment hours	.25 man hours and .5 equipment hour
COM	6 Dumpsters and 11 non-dumpster, 5 man hours and 2.5 equipment hours	1 man hour and .5 equipment hours per week	.5 man hours, .5 equipment hours	.25 man hours and .5 equipment hour

Equipment Overview										
	Desc	Acq. Cost less salvage	Useful Life	Annual Deprec	Est. Annual Maint	Est. Annual Fuel	Est. Cost Subttl	Est. Hours per week	per year	Cost per hour
	4X Hino 338	\$ 500,000.00	5	\$ 100,000	\$ 18,000	\$ 12,000	\$ 130,000	60	3120	\$ 41.67
	Grapple Truck	\$ 125,000.00	5	\$ 25,000	\$ 6,000	\$ 1,000	\$ 32,000	4	208	\$ 153.85
	F150	\$ 18,000.00	5	\$ 3,600	\$ 500	\$ 2,500	\$ 6,600	18.5	962	\$ 6.86
	2X Cushman Truckster	\$ 50,000.00	5	\$ 10,000	\$ 500	\$ 500	\$ 11,000	3.00	156	\$ 70.51
						COMPOSITE COST	\$ 179,600	85.50	4446	\$ 40.40
	<b>Personnel Overview</b>									
	# of staff	Base wages+FICA	Benefits/Medical	Training	Total Cost	# of hours	Cost per hour			
	5.5	\$ 231,250.00	\$ 74,100.00	\$ 1,100.00	\$ 306,450.00	7878	\$ 38.90			

	HOURS ALLOCATED:	PERSONNEL				HOURS ALLOCATED:	EQUIPMENT			
	PERSONNEL COST PER HOUR		\$ 38.90			EQUIPMENT COST PER HOUR		\$ 40.40		
	SW Collection	SW Disposal	Rec. Collection	Rec. Disposal	SubTTL	SW Collection	SW Disposal	Rec. Collection	Rec. Disposal	SubTTL
	100	12	12	2	126	60	6	5	1	72
	15	3	0.5	0.25	18.75	7.5	1	0.5	0.5	9.5
	5	1	0.5	0.25	6.75	2.5	0.5	0.5	0.5	4
WEEKLY	120	16	13	2.5	151.5	70	7.5	6	2	85.5
ANNUAL	6240	832	676	130	7878	3640	390	312	104	4446
	<b>COST ALLOCATED:</b>	<b>PERSONNEL</b>				<b>COST ALLOCATED:</b>	<b>PERSONNEL</b>			
	PERSONNEL COST PER HOUR		\$ 38.90			EQUIPMENT COST PER HOUR		\$ 40.40		
	SW Collection	SW Disposal	Rec. Collection	Rec. Disposal	SubTTL	SW Collection	SW Disposal	Rec. Collection	Rec. Disposal	SubTTL
	\$ 3,890	\$ 467	\$ 467	\$ 78	\$ 4,901	\$ 2,424	\$ 242	\$ 202	\$ 40	\$ 2,909
	\$ 583	\$ 117	\$ 19	\$ 10	\$ 729	\$ 303	\$ 40	\$ 20	\$ 20	\$ 384
	\$ 194	\$ 39	\$ 19	\$ 10	\$ 263	\$ 101	\$ 20	\$ 20	\$ 20	\$ 162
WEEKLY	\$ 4,668	\$ 622	\$ 506	\$ 97	\$ 5,893	\$ 2,828	\$ 303	\$ 242	\$ 81	\$ 3,454
ANNUAL	\$ 242,733	\$ 32,364	\$ 26,296	\$ 5,057	\$ 306,450	\$ 147,041	\$ 15,754	\$ 12,604	\$ 4,201	\$ 179,600

SOLID WASTE SAMPLE - COST DRIVERS AND ASSUMPTIONS				
	Stops per week	% multiplier	# of tons	% multiplier
Solid Waste Collection	2,800	67%	2,684	47%
Recycling	1,400	33%	3,000	53%
TOTAL	4,200	100%	5,684	100%
	Personnel Cost per week			
	Collection	Disposal	Total	
Solid Waste Collection	\$ 4,668	\$ 622	\$ 5,290	
Recycling	\$ 506	\$ 97	\$ 603	
TOTAL	\$ 5,174	\$ 720	\$ 5,893	
% Multiplier	88%	12%	100%	
SANITATION REVENUES BY USER TYPE				
	17-Oct		Annualized	
SFR	\$ 47,309.25	73%	\$ 604,041.89	
MF	\$ 13,180.30	20%	\$ 168,285.34	
COM	\$ 4,195.88	6%	\$ 53,572.76	
	\$ 64,685.43		\$ 825,900.00	
BUDGETED REVENUE	\$ 825,900			



## Legislation Details (With Text)

**File #:** 17-0240      **Version:** 1      **Name:**  
**Type:** Action Item      **Status:** General Agenda  
**File created:** 11/9/2017      **In control:** Finance Board  
**On agenda:** 11/16/2017      **Final action:**  
**Title:** Investments policy review and update  
**Sponsors:**  
**Indexes:**  
**Code sections:**  
**Attachments:** [2002-26 investment policy](#)

Date	Ver.	Action By	Action	Result
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### Summary

To: Finance Board  
From: Stefan Massol  
Date: 11/16/2017

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**Subject:**

Investments policy review and update

**Summary:**

Staff will review the investment policy as currently constructed with members of the Finance Board for their review.

**Previous Commission Action:** Commission approved Resolution No. 2002-26 as the Town's investment policy, which is enclosed.

**Background/Problem Discussion:** The town investment policy was approved in 2002 to attain the town's primary investment objectives, which are 1) safety of principal, 2) liquidity, and 3) return on investment.

Having reviewed the liquidity of the town, staff is of the belief that sufficient reserves now exist for the town to revisit its investment strategy to maximize returns. The current policy does not allow for investment in 2a-7 like pools or to utilize an investments manager, however it is possible that broadening the investment vehicles available and engaging qualified firms would provide opportunities for additional gains to be realized in the current marketplace.

**Expenditure Challenges** None

**Financial Implications:** None

**Recommendation:** For Finance Board to recommend that Town Commission revise the investment policy to allow for an investments manager.

**Proposed Motion** Recommendation that Resolution No. 2002-26 be amended to allow for an investments manager.

**RESOLUTION NO. 2002-26**

**A RESOLUTION OF THE TOWN OF BELLEAIR, FLORIDA,  
ADOPTING AN INVESTMENT POLICY FOR THE TOWN OF  
BELLEAIR.**

**WHEREAS**, the Town Commission of the Town of Belleair, Florida, is desirous of obtaining the maximum income possible on the Town's investments; and

**WHEREAS**, the Town is desirous of providing a policy to allow the Town to obtain the best interest rate and to provide for the proper cash flow to operate the Town, and further providing the standards to be addressed in the required written policies; and

**WHEREAS**, the Florida Legislature passed FS 218.415, mandating that local government units shall have an investment policy for any public funds in excess of the amounts needed to meet current expenses.

**NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COMMISSION OF THE TOWN OF BELLEAIR, FLORIDA**, that the Town hereby adopt the following alternative investment policy:

**A. INVESTMENT DECISIONS**

The Finance staff shall adhere to the guidelines of the Town of Belleair Investment Policy regarding all investments purchases and investment transactions.

**B. SCOPE**

This investment policy applies to all financial assets of the Town of Belleair. These funds are accounted for in the Town's Comprehensive Annual Financial Report and include:

- General Fund
- Capital Projects Fund
- Special Revenue Funds
- Water, Wastewater and Solid Waste Enterprise Funds
- Trust and Agency Funds
- Any new fund created by the Town, unless specifically exempted by the legislative body.

This investment policy applies to all transactions involving the financial assets and related activity of all the foregoing funds.



**C. CHAIN OF COMMAND**

The Town commission delegates the authority and responsibilities for control of the Town's cash and investments to the Town Manager and the Town Finance Director who shall establish written procedures for the operation of the investment program consistent with this investment policy. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Town Manager and Town Finance Director. The Town Manager and the Town Finance Director shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinates.

For the purpose of obtaining approval on investment matters not addressed in the Investment Policy, the following chain of command is appropriate:

1. Town Commission
2. Town Manager
3. Finance Director

**D. INVESTMENT OBJECTIVES**

The primary objectives, in priority order, of the Town of Belleair's investment activities shall be:

**SAFETY:** Safety of principal is the foremost objective of the investment program. Investments of the Town shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

**LIQUIDITY:** The investment portfolio of the Town of Belleair will remain sufficiently liquid to enable the Town to meet all operating requirements, which might be reasonably anticipated.

**RETURN ON INVESTMENT:** In investing public funds, the Town will strive to maximize the return on the portfolio and to preserve the purchasing power but will avoid assuming unreasonable investment risk.

**E. PRUDENCE AND ETHICAL STANDARDS**

Investments shall be made with judgment and care (under circumstances then prevailing) which persons of prudence discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved



of personal responsibility for an individual security's credit risk or market price change, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the Finance Administrator any material financial interest in financial institutions that conduct business within this jurisdiction and they shall further disclose any material personal financial/investment positions that could be related to the performance of the portfolio. Employees and officers shall subordinate their personal investment transactions to those transactions made in the portfolio, particularly with regard to the time of purchase and sales.

Bond swaps are appropriate when undertaken with the prudent person test and overall portfolio objectives in order to (a) increase yield to maturity without affecting the asset liability match; (b) reduce maturity while maintaining or increasing the yield to maturity or (c) increasing portfolio quality without affecting the asset liability match while maintaining or increasing the yield to maturity.

The Town should not however, have a policy against selling securities at a loss if undertaken in connection with prudent portfolio management. For the protection of the Town it is imperative that full disclosure be made by the Commission, Manager and Finance Director any material interests which they may hold in a financial institution (broker/dealers, banks, etc.), which conducts business with the Town of Belleair. This disclosure shall be reported to the Town Commission.

#### ***F. AUTHORIZED INVESTMENTS***

In accordance with Section 125.31, Florida Statutes, authorized investments include:

- a. The Florida Local Government Surplus Funds Trust Fund. (administered by the State Board of Administration and commonly referred to as the "SBA").
- b. Direct obligations of the U.S. Government, such as U.S. Treasury obligations.
- c. Obligations guaranteed by the U.S. Government as to principal and interest.
- d. Interest bearing savings accounts, money market accounts, certificates of deposit, money market certificates or time deposits constituting direct obligations of any bank or savings and loan association certified as a Qualified Public Depository by the State of Florida.
- e. Obligations of the:
  - Federal Farm Credit Banks (FFCB)
  - Federal Home Loan Bank Mortgage Corporation (FHLMC) (participation certificate)
  - Federal Home Loan Bank (FHLB) or its banks
  - Government National Mortgage Association (GNMA)
  - Federal National Mortgage Association (FNMA)
  - Student Loan Marketing Association

- f. Securities or, 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, provided the portfolio is limited to U.S. Government obligations and repurchase agreements fully collateralized by such U.S. Government obligations (i.e. Mutual Funds).

**G. MATURITY AND LIQUIDITY REQUIREMENTS**

The objective will be to match investment cash flow and maturity with known cash needs and anticipated cash flow requirements (i.e., match assets to liabilities) to the extent possible.

Investment of funds shall have final maturities of not more than five (5) years, except for:

1. SBA - No stated final maturity.
2. Certificates of Deposits as approved by Town Commission.

**H. PORTFOLIO COMPOSITION**

<u>Investment Type</u>	<u>Maximum</u>
1. Florida Local Government Surplus Trust Fund (SBA)	100%
2. US Government Securities	100%
3. US Federal Agencies**	100%
4. Instrumentalities**	50%
5. Certificates of Deposits	30%
6. Repurchase Agreements	20%

Funds in the Depository Account will not be considered a part of the portfolio for purpose of the section.

\*Does not include bond proceeds invested in construction funds established under a bond resolution.

**I. RISK AND DIVERSIFICATION**

The Town will diversify its investments by security type, specific maturity, dealer or bank through which financial instruments are bought or sold. Subject to limitation under Portfolio Composition, the following are the limits on individual issuers or dealers of bank:

1. No limitation on SBA, now accounts, US Government Securities, US Federal Agencies or US Federal Instrumentalities.
2. Limitations on other approved investments are 10% of total portfolio.

**J. AUTHORIZED INVESTMENT INSTITUTIONS AND DEALERS**

The Financial Administrator will maintain a list of the financial institutions authorized to provide investment services. No public deposit shall be made except in a qualified public depository as established by state laws.



All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Finance Administrator with the following:

1. audited financial statements,
2. certification that no material adverse events have occurred since the issue of their most recent financial statements,
3. proof of National Association of Securities Dealers, the registration (where applicable) or other securities registration,
4. proof of state registration, when required,
5. certification of having read and agreeing to abide by the investment Policy and depository contracts in place with the Town, and
6. a copy of the firms established internal oversight and review guidelines controlling business with government entities.

Criteria for addition to or deletion from the list will be based on the following:

1. state law or investment police requirement where applicable,
2. perceived financial difficulties,
3. consistent lack of competitiveness,
4. lack of experience or familiarity of the account representative in providing service to large institutional accounts,
5. request of the institution or broker/dealer, and
6. when deemed in the best interest of the Town.

***K. THIRD PARTY CUSTODIAL AGREEMENTS***

All security transactions including collateral for repurchase agreements, entered into by the Town shall be conducted on a delivery-versus-payment (DVP) basis.

All securities shall be properly designated as an asset of the Town. Securities will be held by a third party custodian authorized by the Finance Administrator and evidenced by safekeeping receipts or advice of the transaction. The third party custodian shall be a third party custodian bank or other third party custodial institution with certified fiduciary powers chartered by the United States Government or the State of Florida and have combined capital and surplus of at least \$100,000,000.

The Finance Administrator will execute third party custodial agreements approved by the Town with the banks and depository institutions. Such agreement will include letters of authority from the Finance Administrator with details as to the responsibility of each party, notification of security purchases, sales, delivery, repurchase agreements and wire transfers, safekeeping and transaction costs, procedures in case of wire failure of other unforeseen mishaps including liability of each party.

***L. MASTER REPURCHASE AGREEMENTS***

1. Each firm involved in a repurchase agreement must execute the Town's Master Repurchase Agreement that will be based on the Public Securities Association (PSA) Master Repurchase Agreement.

2. A third party custodian shall hold collateral for all repurchase agreements with a term of more than one business day.
3. Custodial agreements shall be based on economic and financial conditions existing at the time of execution, as well as the credit risk of the institution that enters into the repurchase agreement with the Town.

***M. REPORTING REQUIREMENTS***

The Town Finance Director shall provide to the Town Manager and to the Town Commission a quarterly investment report which provides a comprehensive review of investment activity and performance for the quarter. The Town Finance Director shall provide to the independent auditors and to the Town Commission an annual report of types of investments, book value, market value, risk characteristics and rate of return.

The Town Finance Director shall provide other such reports and information as deemed reasonable, upon request, from other internal and external sources.

***N. SELECTION OF DEALERS AND BANKERS***

As stated in the Town Investment Policy, only primary dealers as designated by the Federal Reserve Bank of New York and through secondary government securities dealers shall be permitted to conduct business with the Town, furthermore, only institutional brokers from institutional departments shall be selected.

***O. SECURITY SELECTION PROCESS***

When purchasing or selling securities, the Town Commission shall approve the security which provides both the highest rate of return within the established parameters for the Investment Policy and satisfies the current objectives and needs of the portfolio. These selections shall be made based on a minimum of three (3) quotes from banks or dealers.

It is also realized that in certain very limited cases the Town will not be able to get three quotes on a certain security. For those cases the Town will obtain market prices from various sources including a daily market pricing provided by the Town custody agent or their corresponding institution.

The Finance Department shall utilize the three (3) quote process to select the securities to be purchased or sold. If for some reason the highest to purchase quote is not selected, then the reason leading to the decision will be clearly indicated in the authorization.

***P. OPERATIONS***

An operation is defined as a necessary procedures and duty required to provide for properly authorized transactions, timely processing, segregation of duties and proper internal controls.

These procedures revolve around the monitoring of the Banks Pooled Cash Account on a monthly basis by the Finance Director.



The basic policy is to ensure that there are the necessary funds available to cover the weekly expenditures. The majority of cash receipts are deposited regularly into the Bank. Some revenue from the State, County, and Florida Power have been set up to be electronically deposited into the Bank thereby saving administrative time in depositing of these proceeds and thus increasing interest earnings.

The policy will be to transfer any excess funds in the Bank, over \$50,000 into the SBA accounts keeping in mind the funds that will be necessary for upcoming expenditures. There may be occasions based on capital project drawdowns that the balance in the Bank may exceed this threshold for short periods of time. The SBA on average pays interest at approximately 25 basis points or one-quarter of one percent more than the Bank. If the balance in the Bank falls below \$10,000 it will be closely monitored keeping in mind upcoming cash receipts and expenditures, and if it is deemed necessary a transfer will be done from the SBA into the Bank.

The balance in the Bank can be found by a weekly review of the Accounts Payable Reconciliation.

If it is established that a transfer is necessary, the following procedures are followed:

- 1. The following are the procedures that the Town will follow in transferring funds between the State Board of Administration (SBA) and the Bank.**

**BANK to SBA**

The Finance Director will initiate a wire transfer.

In order to receive credit to our account as soon as possible, it is required that we call the SBA and inform them of the funds that are being transferred to the SBA.

A Journal Entry Form is completed to provide the accounting entries. This is signed by the preparer. In the Finance Director's absence the Town Manager will initial the wire transfer.

The completed forms are then given to the Finance Director or Accounts Payable Clerk for entry into the General Ledger.

- 2. The following are the procedures that the Town will follow in transferring funds between the SBA and the Bank.**

This process is followed in the event funds are necessary to cover a shortage in the Pooled Cash Account. This process can be initiated by the Finance Director or Town Manager. The first step is to prepare a form authorizing the transfer. It must be signed by the Finance Director or Town Manager. The money transferred out of all SBA accounts is established per agreement to only go into the Bank. The transfer is completed using the SBA automated authorized service. Transfers done before 11:00 A.M. will be posted in the Pooled Cash Account that same day.

The next step is to complete a Journal Entry Form. This form will provide the accounting entries for input into the General Ledger.

The completed forms are then given to the Finance Director or Accounts Payable Clerk for entry into the General Ledger.

### **3. Securities' Confirmations**

The processing of securities' confirmations, including filing and reconciling, shall be conducted by the Finance Director. All confirmations for securities, including certificates of deposit, shall be held in the Town's Safety Deposit Box.

Upon receipt, all current investment confirmations shall be reconciled against the appropriate investment documents.

### **4. Safekeeping Procedures**

Upon purchasing a security, the confirmation from the purchasing agent (faxed confirmation of purchase and settlement date is normally received within two days of purchase) will be attached to a faxed copy of the notification. The faxed copy should state the security, book value of the security and accrued interest to agree to the settlement amount. The settlement date on the fax must be the same date as the settlement date on the confirmation.

The Safekeeping Agent will only accept instructions from the authorized staff identified under C, Chain of Command.

The Safekeeping Account statements will be mailed monthly and reconciled to the supporting documentation and maintained in a file by month for each custodian.

Certificates of deposit are permitted to be safe kept at the issuing bank; however, all certificate of deposit confirmations must be verified against the appropriate investment reports on a quarterly basis.

## **Q. ACCOUNTING FOR INVESTMENT TRANSACTIONS**

The investment function and the accounting staff will work closely together to ensure the transactions are reported in the month in which they occur. Accounting entries will be prepared by the finance staff and overseen by the Finance Director. Whenever possible, persons who perform investment transactions shall not be responsible for the reconciliation of the accounts; furthermore, adequate separation of duties requires that persons who perform investment transactions should not also be responsible for journalizing or reconciling the confirmations and monthly custodial statements.



***R.     INTERNAL CONTROL REVIEW***

The Town Finance Director and the Town External Auditor will review the Internal Control Manual on an annual basis. As part of the annual financial audit, the external auditor will review the internal controls and verify compliance with the Town's Investment Policy.

***S.     INVESTMENT TRAINING***

Periodic training and educational opportunities will be provided to authorized staff responsible for the investment function of the Town of Belleair. Those Town officials responsible for making investment decisions should seek continuing education in subjects or course of study related to investment practices and products on an annual basis.

**PASSED AND ADOPTED BY THE TOWN COMMISSION OF THE TOWN OF BELLEAIR, FLORIDA, this 17<sup>th</sup> day of SEPTEMBER, A.D., 2002.**

  
\_\_\_\_\_  
Mayor

**ATTEST:**

  
\_\_\_\_\_  
Town Clerk



## Legislation Details (With Text)

**File #:** 17-0243      **Version:** 1      **Name:**  
**Type:** Discussion Items      **Status:** General Agenda  
**File created:** 11/9/2017      **In control:** Finance Board  
**On agenda:** 11/16/2017      **Final action:**  
**Title:** Review of parks funding  
**Sponsors:**  
**Indexes:**  
**Code sections:**  
**Attachments:** [CIP FINAL 1718](#)

Date	Ver.	Action By	Action	Result
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### Summary

To: Finance Board  
From: Stefan Massol, Director of Support Services  
Date: 11/16/2017

**Subject:**  
Review of parks funding

**Summary:**  
Staff will provide information regarding the budgeted expenditures and funding sources for park improvements  
**Previous Commission Action:** The Town Commission approved the Capital Improvement Plan as part of the annual budget.

**Background/Problem Discussion:** Enclosed you will find a copy of the approved CIP for FY 2017-18. Included in the CIP is a total of \$75,000 of funding specifically for parks and park improvements. This amount is expected to increase to \$125,000 for FY 2018-19 and then decrease to a recurring level of \$25,000.

**Expenditure Challenges** N/A.

**Financial Implications:** Park improvements are funded through a combination of charitable donations, cooperative maintenance contributions of \$1700 annually, and general Capital Projects Fund revenues.

**Recommendation:** This item is for discussion purposes only.

**Proposed Motion** N/A



Column2	Revenues	Budget 16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31
	Infrastructure Mill	\$ 627,300	\$ 639,850	\$ 652,650	\$ 665,700	\$ 679,000	\$ 692,600	\$ 706,450	\$ 720,600	\$ 735,000	\$ 749,700	\$ 764,700	\$ 780,000	\$ 795,600	\$ 811,500	\$ 827,750
	Penny	\$ 455,000	\$ 464,100	\$ 473,400	\$ 482,850	\$ 492,500	\$ 502,350	\$ 512,400	\$ 522,650	\$ 533,100	\$ 543,750	\$ 554,650	\$ 565,750	\$ 577,050	\$ 588,600	\$ 600,350
	Electric Utility Tax	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000
	Grant SWFWMD	\$ 1,609,800	\$ 550,000	\$ 580,000	\$ 580,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Stormwater Fee	\$ 337,400	\$ 337,400	\$ 337,400	\$ 337,400	\$ 337,400	\$ 337,400	\$ 337,400	\$ 337,400	\$ 337,400	\$ 337,400	\$ 337,400	\$ 337,400	\$ 337,400	\$ 337,400	\$ 337,400
	Reserves Prior Years	\$ 2,552,600	\$ 984,650	\$ -	\$ -	\$ 9,100	\$ 646,275	\$ 179,160	\$ 182,488	\$ 455,150	\$ -	\$ -	\$ 247,975	\$ -	\$ 385,275	\$ -
	Transfer From 110	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,300	\$ 60,300	\$ 60,300	\$ 60,300
	Transfer From 115	\$ 97,000	\$ 97,000	\$ 97,000	\$ 97,000	\$ 97,000	\$ 97,000	\$ 97,000	\$ 97,000	\$ 97,000	\$ 97,000	\$ 97,000	\$ 97,000	\$ 97,000	\$ 97,000	\$ 97,000
	Totals	\$ 6,226,600	\$ 3,533,000	\$ 2,600,450	\$ 2,622,950	\$ 2,075,000	\$ 2,735,625	\$ 2,292,410	\$ 2,320,138	\$ 2,617,650	\$ 2,187,850	\$ 2,213,750	\$ 2,488,425	\$ 2,267,350	\$ 2,680,075	\$ 2,322,800
	Expenditures	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31
	Capital Programs															
	Park Improvements	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
	Small Roadway Projects	\$ 130,000	\$ 178,000	\$ 205,500	\$ 216,500	\$ 242,500	\$ 247,500	\$ 247,500	\$ 268,100	\$ 273,600	\$ 283,600	\$ 286,436	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
	Street Light Replacement	\$ 50,000	\$ 250,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
	Capital Parks	\$ -	\$ 50,000	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Priority	Projects Years 1-5															
X	Pinellas/Ponce	\$ 1,650,000	\$ 1,100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
X	Rosery Rd	\$ 2,219,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
X	Harold's Lake Cleanout	\$ 175,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 175,000	\$ -	\$ -	\$ -	\$ -	\$ 175,000	\$ -	\$ -	\$ -
14	Palmetto	\$ 445,000	\$ 445,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14	Carl	\$ -	\$ 600,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	Belforest	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14	Bayview Bridge to IRR	\$ -	\$ -	\$ 1,161,000	\$ 1,161,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16/13/8	Shirley/Varona/Sunny	\$ -	\$ -	\$ 31,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	IRR Poinsettia to Melenbacher	\$ -	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 767,000	\$ 767,000
14/13	Ponce from Roundabout to Trail	\$ -	\$ -	\$ -	\$ -	\$ 1,017,500	\$ 1,017,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Projects Years 6-10															
17/15	The Mall/Gardenia	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 680,625	\$ 680,625	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14*	Osceola East of IRR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 525,000	\$ 525,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	IRR Bayview to Belleview	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 179,160	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 676,000	\$ 676,000
12	Ponce from Manatee to Oleander	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,007,050	\$ 1,007,050	\$ -	\$ -	\$ -	\$ -	\$ -
11/12	Wildwood/Woodlawn	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 182,488	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	IRR Hunter Bayview to Poinsettia	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 650,925	\$ 650,925	\$ -	\$ -	\$ -
12	Poinsettia	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	Osecola from Oleander to Manatee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 372,075	\$ 372,075	\$ -
11	Ponce from Manatee to Rosery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 797,500	\$ 797,500	\$ -	\$ -
	Other Expenses															
	Transfer to Reserves	\$ 682,000	\$ -	\$ 37,950	\$ 405,450	\$ -	\$ -	\$ 245,125	\$ 554,550		\$ 132,200	\$ 511,389		\$ 232,775	\$ -	\$ 14,800
	BB&T Debt Service	\$ 715,000	\$ 715,000	\$ 715,000	\$ 715,000	\$ 715,000	\$ 715,000	\$ 715,000	\$ 715,000	\$ 715,000	\$ 715,000	\$ 715,000	\$ 715,000	\$ 715,000	\$ 715,000	\$ 715,000
	GF Debt Service	\$ 135,000	\$ 120,000	\$ 100,000	\$ 75,000	\$ 50,000	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Totals	\$ 6,226,600	\$ 3,533,000	\$ 2,600,450	\$ 2,622,950	\$ 2,075,000	\$ 2,735,625	\$ 2,292,410	\$ 2,320,138	\$ 2,617,650	\$ 2,187,850	\$ 2,213,750	\$ 2,488,425	\$ 2,267,350	\$ 2,680,075	\$ 2,322,800
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
	Fund Balance	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31
	Exp	\$ 5,544,600	\$ 3,533,000	\$ 2,562,500	\$ 2,217,500	\$ 2,075,000	\$ 2,735,625	\$ 2,047,285	\$ 1,765,588	\$ 2,617,650	\$ 2,055,650	\$ 1,702,361	\$ 2,488,425	\$ 2,034,575	\$ 2,680,075	\$ 2,308,000
	Rev	\$ 3,674,000	\$ 2,548,350	\$ 2,600,450	\$ 2,622,950	\$ 2,065,900	\$ 2,089,350	\$ 2,113,250	\$ 2,137,650	\$ 2,162,500	\$ 2,187,850	\$ 2,213,750	\$ 2,240,450	\$ 2,267,350	\$ 2,294,800	\$ 2,322,800
	Change in FB	\$ (1,870,600)	\$ (984,650)	\$ 37,950	\$ 405,450	\$ (9,100)	\$ (646,275)	\$ 65,965	\$ 372,062	\$ (455,150)	\$ 132,200	\$ 511,389	\$ (247,975)	\$ 232,775	\$ (385,275)	\$ 14,800
	Fund Balance	\$ 2,118,841	\$ 1,134,191	\$ 1,172,141	\$ 1,577,591	\$ 1,568,491	\$ 922,216	\$ 988,181	\$ 1,360,243	\$ 905,093	\$ 1,037,293	\$ 1,548,682	\$ 1,300,707	\$ 1,533,482	\$ 1,148,207	\$ 1,163,007