



# Town of Belleair

901 Ponce de Leon Blvd.  
Belleair, FL 33756

## Meeting Agenda

### Finance Board

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Monday, September 16, 2019

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

[19-0224](#) Approval of August 1, 2019 and August 15, 2019 Meeting Minutes

Attachments: [Minutes-August 1, 2019](#)  
[Minutes-August 15, 2019](#)

#### GENERAL AGENDA

[19-0254](#) Discussion and Evaluation of BB&T Revenue Bond Refinance

Attachments: [Preliminary Refunding Numbers -- Capital Improvement Refunding Bond, Series 2019/](#)  
[Preliminary New Money Numbers -- Capital Improvement Revenue Bond, Series 2019/](#)

[19-0252](#) Discussion of the Audited Comprehensive Annual Financial Report for Fiscal Year 2017-18

Attachments: [2018 town of belleair CAFR draft2](#)

[19-0255](#) FOP Negotiations Update

Attachments: [Belleair Police Pension Analysis 9-9-19](#)

#### OTHER BUSINESS

#### STAFF 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 #:** 19-0224      **Version:** 1      **Name:**

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

**File created:** 8/20/2019      **In control:** Finance Board

**On agenda:** 9/16/2019      **Final action:**

**Title:** Approval of August 1, 2019 and August 15, 2019 Meeting Minutes

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** [Minutes-August 1, 2019](#)  
[Minutes-August 15, 2019](#)

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 1, 2019

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

Staff present: Chief Rick Doyle; Stefan Massol, JP Murphy, Ashley Bernal

### ROLL CALL

**Present** 6 - Chairman Tom Olson, Vice Chairman Dan Hartshorne, John Prevas, Mary Griffith, John Hail, and James Ingersoll  
**Absent** 1 - Kevin Piccarreto

### CITIZENS COMMENTS

None given

### APPROVAL OF MINUTES

[19-0195](#) Approval of June 27, 2019 Meeting Minutes

**Mr. Prevas moved approval. Seconded by Ms. Griffith.**

**Aye:** 6 - Chairman Olson, Vice Chairman Hartshorne, Prevas, Griffith, Hail, and Ingersoll

**Absent:** 1 - Piccarreto

### GENERAL AGENDA

[19-0193](#) 2019-2020 Budget Discussion

Chairman Olson asked if there would be another budget meeting this month; Mr. Murphy stated yes, that there would be another meeting on the 15th; more detail of rate increase and final commentary before it goes to the Commission; the commission will be having a budget work shop on the 8th of August; the next finance board meeting will be on August 15 at 4:00 PM.

Mr. Murphy stated Cost of Living increase is 1.7%; merit increase is in the budget; at discretion of the Commission; discussed possible police department merit and COLA increase.

Mr. Murphy continued discussion with the solid waste fund; Recycling disposal costs rate increase; process and capacity of recycling in our area and others.

Discussion ensued regarding the future of recycling; increased cost of recycling; single stream trucks for recycling; regarding possible solid waste fee increase to offset recycling.

Mr. Olson asked if there was a recommend for the finance board. Mr. Murphy stated that staff would be recommending to the commission a 5% rate increase in the solid waste fees.

Discussion ensued regarding implementing a solid waste rate increase.

Mr. Olson stated in order to make solid waste whole, that there would need to be a 5% rate increase in solid waste.

Mr. Murphy continued the budget discussion with the General Fund; spoke about value adjustments; 6.7 million budget; increase in costs; setting growth policies; reviewed the detailed General Fund revenues; increase of \$373,000 increase over the current year; permit revenues; Police- Pelican contract revenues and off-sets; increase in interest revenues.

Mr. Murphy discussed Administration; discussed training and certification.

Mr. Murphy spoke about legislative bills and funding; Belleair Country Club presentation; web security; briefly discussed Building fund.

Mr. Murphy continued with the Police fund; spoke regarding pension benefits; health benefits; retirement.

Police Chief Doyle, spoke regarding pension and retirement benefits; healthcare; staffing work hours.

Mr. Murphy discussed the Public Works fund; parks mowing contract.

Mr. Murphy discussed Recreation; challenges of potential revenue earnings; discussed after-school program; was a very good revenue program; need passenger van; community and special events; possible rise in part-time salary costs; ticket admission rates; revenue and expenses.

Mr. Murphy finished his review with the Water fund; studies and engineering for RO; co-funded by SWFWMD; injection well; RO numbers needed; funding; current plant improvements.

Discussion ensued regarding RO; County costs; test pilot studies; Oldsmar RO plant; regarding obtaining experienced RO licensed personel.

Mr. Olson inquired about re-claimed water for the golf courses and augmenting with Belleair's water.

Mr. Murphy spoke regarding re-claimed water; most comes from the County; no issues with RO; SWFWMD water permit.

Mr. Hail inquired about the demolition of a property located in town. Mr. Murphy provided update on the demolition of the house; stop order for the dock.

**Mr. Prevas moved to have a 5 % increase in the solid waste fees. Motion seconded by Ms.**

**Griffith.**

**Present** 6 - Chairman Tom Olson, Vice Chairman Dan Hartshorne, John Prevas, Mary Griffith, John Hail, and James Ingersoll

**Absent** 1 - Kevin Piccarreto

**OTHER BUSINESS**

Discussion ensued regarding the strategic plan; cottages at Pelican Golf Course (PGC) and County bed tax; transient lodging; zoning laws related to PGC.

Mr. Olson asked what to say when individuals ask about housing on the golf course, to which Mr. Murphy responded that the cottages was not on the original plan for the commercial properties, they are actually planned on the R-1 properties that were purchased. The land that was purchased is not covered by the conservation easement.

Mr. Hail inquired about the FEMA reimbursement money. Mr. Massol stated he spoke to a representative who said records are currently being reviewed; making a list of final questions to staff; once staff gets those back to them, then he expects we should receive a check most likely within the next few weeks.

A resident asked about what the RO system would do to rates, which Mr. Murphy explained that Belleair has been waiting for Pinellas County to release their new rate structures in order to have a better understanding of what will happen.

Mr. Hartshorne spoke about the extremely low rates for borrowing and possibly obtaining a loan for projects; asked staff to provide information regarding this possibility and obtaining a rate under 3%. Mr. Olson asked if there were any objections for staff to provide the board this information. There were no objections.

**DIRECTOR'S REPORT**

None given

**COMMISSION ADVISOR REPORT**

None given

**ADJOURNMENT**

Meeting adjourned in due form at 5:45 PM.

**APPROVED:**

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**Chairman**



# Town of Belleair

901 Ponce de Leon Blvd.  
Belleair, FL 33756

## Meeting Minutes Finance Board

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Thursday, August 15, 2019

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 was called to order at 4:04 PM with Chairman Olson presiding.

Staff present:

Rick Doyle, Chief of Police  
Stefan Massol, Director of Support Services  
JP Murphy, Town Manager  
Ashley Bernal, Management Analyst

Others present:

Commissioner Tom Kurey  
Mr. Richard Cristini

Mr. Mike Twitty, Property Appraiser

### ROLL CALL

**Present** 6 - Chairman Tom Olson, Vice Chairman Dan Hartshorne, Mary Griffith, Kevin Piccarreto, John Hail, and James Ingersoll  
**Absent** 1 - John Prevas

### CITIZENS COMMENTS

None to be heard

### APPROVAL OF MINUTES

### GENERAL AGENDA

[19-0211](#) Fiscal Year 2019-2020 Budget Discussion

Mr. Olson asked about the budget approval meeting, to which Mr. Murphy stated that this is the final budget meeting for the Finance Board.

Mr. Murphy stated that the capital transfers were evened out and put into a more realistic point, so that the General Fund doesn't appear to be running at a deficit; stated that staff has worked to build the presentation so that prior years comparison is available; remaining meetings are September 3 and 17 for the first and second hearings; the

commission will set the mil levy on the first meeting; notices will be published.

Mr. Olson asked at what % the ad valorem is normally discounted at, to which Mr. Murphy responded that we are currently at 96% with a 1% float in order to have some give in the event that the value adjustment board changes some values.

Mr. Murphy broke down the revenue pieces, showing that Ad Valorem makes up \$4.1 million, operating fees total around \$2.1 million, and the administrative fees (paid by solid waste and water) are totaling around \$573,000.

Mr. Murphy also spoke on the major increase in Recreation revenue, \$15,000 from sponsorships related to the scoreboards, and \$24,000 related to increased fees within the programs themselves.

Mr. Murphy discussed the building department and permits.

Mr. Murphy stated staff was not proposing an overall growth, as the current ratio of staff to other expenses is about 60%. Belleair generally operates at around 58 full time employees.

Discussion ensued regarding sick leave numbers; pension increase.

Mr. Murphy stated that administration had no change.

Mr. Hartshorne spoke about bonds hitting an all time low. From 1980 to now, costs have gone up in almost every area. Mr. Hartshorne stated that Mr. Massol needs to refinance the debt of the town at this time since bond rates are at a historic low. Mr. Hartshorne also stated that the united states will not go into negative interest rates. Mr. Massol stated that he has spoken with someone from Florida League of Cities, and is currently looking into some options for re-financing the town's current debt.

Mr. Olson stated that in the next 6 weeks, conversation with bankers with refinancing at a lower rate with no prepayment penalty; stated that if there were some wonderful interest rates, to call an emergency meeting. Mr. Murphy stated that the Commission will need to review the process under the purchasing policy in order to ensure that this process is completed within 6 weeks.

Mr. Hartshorne restated that this is a major opportunity and to not let it slip. Mr. Murphy stated that the first step would be to speak with BBT, who issued the debt to the town.

Discussion ensued regarding refinancing; renegotiating with BBT.

Estelle DeMuesy-Resident-Spoke on the possibility of utilizing two parts, which only one would require a negotiation. Mr. Murphy stated that anything that requires a fee of over \$35,000 would need to go in front of Commission for approval.

Further discussion ensured regarding debt borrowing, renegotiating and refinancing; procedures needed to be taken with Commission.

Mr. Massol stated that the Largo Fire services came back even lower than we initially thought (went from 5% to under 3%); department is also focusing on generating awareness of cybersecurity; majority of the increases within the Support Services department are strictly related to contractual increases, such as Largo Fire, General Liability insurance, and computer services.



Mr. Olson asked if Mr. Massol felt he needed additional staff to help support his department. Mr. Massol stated that while he is looking for more support on the accounting side, he does not feel the need for an additional person in the headcount.

Mr. Murphy also spoke on this, stating that staff's priorities will ebb and flow; discussed management analyst position and how the responsibilities have shifted over the years.

Mr. Hail asked about the Ahlf property, to which Mr. Murphy stated that the appraisals are finished, and the property appraiser will be making an appearance at the Commission meeting on Tuesday to discuss the values and what the town could possibly do moving forward with the sale of the properties.

No questions on the Police Department.

Mr. Murphy stated Public Works only has personnel and contractual increases.

Mr. Murphy stated recreation is seeing an increase in revenue related to the expansion of programs and also new special events, such as the block parties. The addition of a van or bus may be brought in front of commission at the end of September.

Discussion ensued regarding the Enterprise leasing program.

Mr. Murphy state the largest increase in the Solid Waste department is the recycling costs (increasing by about \$50,000), to which the Finance Board had recommended increasing the fee rate by 5%. This will also be the first year that Belleair will be selling a vehicle on a 5-year depreciation basis, as opposed to a 10- or 20-year cycle.

Mr. Murphy stated no major changes in the Water department, though staff is currently working on generating a water Capital Improvement Plan; master plan to be created.

#### [19-0213](#)

#### Presentation by Pinellas County Property Appraiser's Office - Property Values Outlook for Town of Belleair

Mr. Murphy introduced Mike Twitty, Property Appraiser, to discuss the changes occurring within the town's property values; value methodology and what the growth will look like.

Mike Twitty-Property Appraiser-Provided a brief overview; stated values are on the property appraiser website, notices sent out; The Town taxable value increased by about 9%, over the prior years, average about 5%; biggest increase within the previous five years, which is largely due to the new construction; Bellview Place project brought in approximately \$33.3 million of new construction, about 93% is related to Bellview Place; 11 carriage homes came online for tax roll in 2019, as well as first tower; expected that another 20-21 million dollars of taxable value will be seen in 2019-2020.

Mr. Twitty stated the Pelican golf course is also a large portion of taxable value to be added, but if a project has not been completed by January 1, it will not be counted on the tax roll; will look at this further in the year.

Mr Twitty commented that the 9% growth rate was comprised of about 5% new construction; the remaining 4% was value growth of which, 64% were homesteaders; save our home cap.

Mrs. Griffith asked how the land value is determined related to Pelican as to the initial

purchase, and value was increased by \$5 million. Mr. Twitty stated that he included the other acquisitions around the golf course land, which increased the value.

Mr. Murphy asked how the 4% residential growth compared to other municipalities, to which Mr. Twitty stated that Belleair was slightly below the average, mostly due to Belleair being largely residential instead of commercial.

## **OTHER BUSINESS**

Mr. Olson inquired as to calling an emergency meeting of the Finance Board. Mr. Murphy stated that a notice published 24 hours in advance would be required.

## **COMMISSION ADVISOR REPORT**

No report given

## **ADJOURNMENT**

Meeting adjourned in due form at 5:04 PM.

## **APPROVED:**

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**CHAIRMAN**



## Legislation Details (With Text)

**File #:** 19-0254      **Version:** 1      **Name:**  
**Type:** Discussion Items      **Status:** Agenda Ready  
**File created:** 9/13/2019      **In control:** Finance Board  
**On agenda:** 9/16/2019      **Final action:**  
**Title:** Discussion and Evaluation of BB&T Revenue Bond Refinance  
**Sponsors:**  
**Indexes:**  
**Code sections:**  
**Attachments:** [Preliminary Refunding Numbers -- Capital Improvement Refunding Bond, Series 2019A](#)  
[Preliminary New Money Numbers -- Capital Improvement Revenue Bond, Series 2019B](#)

Date	Ver.	Action By	Action	Result
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### Summary

To: Town Commission  
From: JP Murphy, Town Manager; Stefan Massol, Finance Director  
Date: 9/17/2019

### Subject:

Discussion and Evaluation of BB&T Revenue Bond Refinance

### Summary:

Staff will present updated information relevant to a refinancing decision for the Town's Revenue Bond with BB&T.

**Previous Commission Action:** Town Commission previously determined that the Town should explore a refinance with the assistance of a financial advisor. Staff subsequently re-engaged Jay Glover with PFM to serve as the Financial Advisor on this re-issuance. Brian Fender with Gray-Robinson will again serve as bond council, given his familiarity with both issues.

**Background/Problem Discussion:** A recent and significant reduction in interest rates has resulted in increased demand for municipal debt. In response to this market condition, staff is recommending that the Town pursue a refinance of its current revenue bond through BB&T. At the close of FY 2018-19 there will be a remaining principal balance of \$7,705,000 eligible for prepayment. The current interest rate is 3.61%, and prepayment would be subject to a 1% penalty of outstanding balance (\$77,050). It is estimated that the current market interest rate would be somewhere between 2.5% and 3%, resulting in interest savings to the town ranging from \$700,000 to \$1,400,000. This assumption is based on scenarios of 20 years at borrowing of \$12,000,000 when compared to the current rate of 3.61%.

BB&T has submitted an offer for refunding, as well as a new money loan which combined would total the \$12,000,000 of borrowing requested by the town. The interest rate they are offering is 2.46%. This rate is lower than the estimates provided by the Town's financial advisor. This loan would only be for a 15-year term. Also, BB&T has waived the pre-payment penalty for the original issuance and provided more favorable options for

prepayment on the new issue. The prepayment options would be either non-callable for the first five years, with no prepayment penalty for the remainder, or a 1% prepayment penalty for the first seven years then no penalty thereafter.

The Town has the option to either accept BB&T's offer or to pursue a Request for Proposals from all banking institutions. Attached are copies of the offers submitted by BB&T.

**Financial Implications:** BB&T is offering an interest rate of 2.46% over a 15-year term. Interest cost over the term would be \$2,451,000, which is a savings of \$1,145,000 from the same loan at our current interest rate. Average annual payments for debt service would be \$909,000 annually, which is approximately \$200,000 more than our current annual debt service payment on the \$10,000,000 bond.

**Recommendation:** That the Town accept/deny BB&T's offer for a 15-year term at 2.46%

**Proposed Motion:** I move that the Town accept/deny BB&T's offer for a 15-year term at 2.46%.

SOURCES AND USES OF FUNDS

Town of Belleair, Florida  
Capital Improvement Refunding Bond, Series 2019A  
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Refunding Portion

Sources:	
<hr/>	
Bond Proceeds:	
Par Amount	7,298,000.00
<hr/>	
	7,298,000.00
<hr/>	
Uses:	
<hr/>	
Refunding Escrow Deposits:	
Cash Deposit	7,271,458.04
Delivery Date Expenses:	
Cost of Issuance	26,541.96
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	7,298,000.00
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BOND SUMMARY STATISTICS

Town of Belleair, Florida  
Capital Improvement Refunding Bond, Series 2019A

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Refunding Portion

Dated Date	10/03/2019
Delivery Date	10/03/2019
Last Maturity	10/01/2032
Arbitrage Yield	2.460013%
True Interest Cost (TIC)	2.460013%
Net Interest Cost (NIC)	2.460000%
All-In TIC	2.515874%
Average Coupon	2.460000%
Average Life (years)	7.329
Duration of Issue (years)	6.607
Par Amount	7,298,000.00
Bond Proceeds	7,298,000.00
Total Interest	1,315,865.21
Net Interest	1,315,865.21
Total Debt Service	8,613,865.21
Maximum Annual Debt Service	664,533.41
Average Annual Debt Service	662,888.30
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Bond Component	7,298,000.00	100.000	2.460%	7.329	4,724.57
	7,298,000.00			7.329	4,724.57

	TIC	All-In TIC	Arbitrage Yield
Par Value	7,298,000.00	7,298,000.00	7,298,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		-26,541.96	
- Other Amounts			
Target Value	7,298,000.00	7,271,458.04	7,298,000.00
Target Date	10/03/2019	10/03/2019	10/03/2019
Yield	2.460013%	2.515874%	2.460013%

## SUMMARY OF BONDS REFUNDED

Town of Belleair, Florida  
Capital Improvement Refunding Bond, Series 2019A

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## Refunding Portion

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Capital Improvement Revenue Bond, Series 2012, 2012:					
BOND	10/01/2020	3.610%	450,000.00	10/03/2019	100.000
	10/01/2021	3.610%	465,000.00	10/03/2019	100.000
	10/01/2022	3.610%	480,000.00	10/03/2019	100.000
	10/01/2023	3.610%	500,000.00	10/03/2019	100.000
	10/01/2024	3.610%	515,000.00	10/03/2019	100.000
	10/01/2025	3.610%	535,000.00	10/03/2019	100.000
	10/01/2026	3.610%	555,000.00	10/03/2019	100.000
	10/01/2027	3.610%	575,000.00	10/03/2019	100.000
	10/01/2028	3.610%	595,000.00	10/03/2019	100.000
	10/01/2029	3.610%	615,000.00	10/03/2019	100.000
	10/01/2030	3.610%	640,000.00	10/03/2019	100.000
	10/01/2031	3.610%	660,000.00	10/03/2019	100.000
	10/01/2032	3.610%	685,000.00	10/03/2019	100.000
			7,270,000.00		

## SUMMARY OF REFUNDING RESULTS

Town of Belleair, Florida  
Capital Improvement Refunding Bond, Series 2019A

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## Refunding Portion

Dated Date	10/03/2019
Delivery Date	10/03/2019
Arbitrage yield	2.460013%
Escrow yield	0.000000%
Value of Negative Arbitrage	
Bond Par Amount	7,298,000.00
True Interest Cost	2.460013%
Net Interest Cost	2.460000%
Average Coupon	2.460000%
Average Life	7.329
Par amount of refunded bonds	7,270,000.00
Average coupon of refunded bonds	3.610000%
Average life of refunded bonds	7.486
PV of prior debt to 10/03/2019 @ 2.460013%	7,828,056.51
Net PV Savings	530,056.51
Percentage savings of refunded bonds	7.291011%
Percentage savings of refunding bonds	7.263038%



## SAVINGS

Town of Belleair, Florida  
Capital Improvement Refunding Bond, Series 2019A---  
Refunding Portion

Date	Prior Debt Service	Refunding Debt Service	Savings	Annual Savings	Present Value to 10/03/2019 @ 2.4600125%
04/01/2020	131,223.50	88,768.01	42,455.49		41,945.33
10/01/2020	581,223.50	575,765.40	5,458.10	47,913.59	5,326.99
04/01/2021	123,101.00	83,787.60	39,313.40		37,902.84
10/01/2021	588,101.00	579,787.60	8,313.40	47,626.80	7,917.73
04/01/2022	114,707.75	77,686.80	37,020.95		34,830.54
10/01/2022	594,707.75	583,686.80	11,020.95	48,041.90	10,242.89
04/01/2023	106,043.75	71,463.00	34,580.75		31,748.89
10/01/2023	606,043.75	592,463.00	13,580.75	48,161.50	12,317.10
04/01/2024	97,018.75	65,054.70	31,964.05		28,637.65
10/01/2024	612,018.75	596,054.70	15,964.05	47,928.10	14,128.94
04/01/2025	87,723.00	58,523.40	29,199.60		25,529.01
10/01/2025	622,723.00	604,523.40	18,199.60	47,399.20	15,718.45
04/01/2026	78,066.25	51,807.60	26,258.65		22,403.25
10/01/2026	633,066.25	611,807.60	21,258.65	47,517.30	17,916.99
04/01/2027	68,048.50	44,919.60	23,128.90		19,256.40
10/01/2027	643,048.50	617,919.60	25,128.90	48,257.80	20,667.32
04/01/2028	57,669.75	37,871.70	19,798.05		16,085.11
10/01/2028	652,669.75	624,871.70	27,798.05	47,596.10	22,310.36
04/01/2029	46,930.00	30,651.60	16,278.40		12,906.09
10/01/2029	661,930.00	630,651.60	31,278.40	47,556.80	24,497.30
04/01/2030	35,829.25	23,271.60	12,557.65		9,715.67
10/01/2030	675,829.25	640,271.60	35,557.65	48,115.30	27,176.17
04/01/2031	24,277.25	15,682.50	8,594.75		6,489.02
10/01/2031	684,277.25	644,682.50	39,594.75	48,189.50	29,530.74
04/01/2032	12,364.25	7,945.80	4,418.45		3,255.35
10/01/2032	697,364.25	653,945.80	43,418.45	47,836.90	31,600.39
	9,236,006.00	8,613,865.21	622,140.79	622,140.79	530,056.51

Savings Summary

PV of savings from cash flow	530,056.51
Net PV Savings	530,056.51

## BOND DEBT SERVICE

Town of Belleair, Florida  
Capital Improvement Refunding Bond, Series 2019A

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## Refunding Portion

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
04/01/2020			88,768.01	88,768.01	
10/01/2020	486,000	2.460%	89,765.40	575,765.40	664,533.41
04/01/2021			83,787.60	83,787.60	
10/01/2021	496,000	2.460%	83,787.60	579,787.60	663,575.20
04/01/2022			77,686.80	77,686.80	
10/01/2022	506,000	2.460%	77,686.80	583,686.80	661,373.60
04/01/2023			71,463.00	71,463.00	
10/01/2023	521,000	2.460%	71,463.00	592,463.00	663,926.00
04/01/2024			65,054.70	65,054.70	
10/01/2024	531,000	2.460%	65,054.70	596,054.70	661,109.40
04/01/2025			58,523.40	58,523.40	
10/01/2025	546,000	2.460%	58,523.40	604,523.40	663,046.80
04/01/2026			51,807.60	51,807.60	
10/01/2026	560,000	2.460%	51,807.60	611,807.60	663,615.20
04/01/2027			44,919.60	44,919.60	
10/01/2027	573,000	2.460%	44,919.60	617,919.60	662,839.20
04/01/2028			37,871.70	37,871.70	
10/01/2028	587,000	2.460%	37,871.70	624,871.70	662,743.40
04/01/2029			30,651.60	30,651.60	
10/01/2029	600,000	2.460%	30,651.60	630,651.60	661,303.20
04/01/2030			23,271.60	23,271.60	
10/01/2030	617,000	2.460%	23,271.60	640,271.60	663,543.20
04/01/2031			15,682.50	15,682.50	
10/01/2031	629,000	2.460%	15,682.50	644,682.50	660,365.00
04/01/2032			7,945.80	7,945.80	
10/01/2032	646,000	2.460%	7,945.80	653,945.80	661,891.60
	7,298,000		1,315,865.21	8,613,865.21	8,613,865.21

## PRIOR BOND DEBT SERVICE

Town of Belleair, Florida  
Capital Improvement Refunding Bond, Series 2019A---  
Refunding Portion

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
04/01/2020			131,223.50	131,223.50	
10/01/2020	450,000	3.610%	131,223.50	581,223.50	712,447.00
04/01/2021			123,101.00	123,101.00	
10/01/2021	465,000	3.610%	123,101.00	588,101.00	711,202.00
04/01/2022			114,707.75	114,707.75	
10/01/2022	480,000	3.610%	114,707.75	594,707.75	709,415.50
04/01/2023			106,043.75	106,043.75	
10/01/2023	500,000	3.610%	106,043.75	606,043.75	712,087.50
04/01/2024			97,018.75	97,018.75	
10/01/2024	515,000	3.610%	97,018.75	612,018.75	709,037.50
04/01/2025			87,723.00	87,723.00	
10/01/2025	535,000	3.610%	87,723.00	622,723.00	710,446.00
04/01/2026			78,066.25	78,066.25	
10/01/2026	555,000	3.610%	78,066.25	633,066.25	711,132.50
04/01/2027			68,048.50	68,048.50	
10/01/2027	575,000	3.610%	68,048.50	643,048.50	711,097.00
04/01/2028			57,669.75	57,669.75	
10/01/2028	595,000	3.610%	57,669.75	652,669.75	710,339.50
04/01/2029			46,930.00	46,930.00	
10/01/2029	615,000	3.610%	46,930.00	661,930.00	708,860.00
04/01/2030			35,829.25	35,829.25	
10/01/2030	640,000	3.610%	35,829.25	675,829.25	711,658.50
04/01/2031			24,277.25	24,277.25	
10/01/2031	660,000	3.610%	24,277.25	684,277.25	708,554.50
04/01/2032			12,364.25	12,364.25	
10/01/2032	685,000	3.610%	12,364.25	697,364.25	709,728.50
	7,270,000		1,966,006.00	9,236,006.00	9,236,006.00

ESCROW REQUIREMENTS

Town of Belleair, Florida  
Capital Improvement Refunding Bond, Series 2019A

---

Refunding Portion

Period Ending	Interest	Principal Redeemed	Total
10/03/2019	1,458.04	7,270,000.00	7,271,458.04
	1,458.04	7,270,000.00	7,271,458.04

COST OF ISSUANCE

Town of Belleair, Florida  
Capital Improvement Refunding Bond, Series 2019A

---

Refunding Portion

Cost of Issuance	\$/1000	Amount
Bond Counsel Fee	2.05536	15,000.00
Financial Advisor Fee	1.02768	7,500.00
Bank Counsel Fee	0.51384	3,750.00
Miscellaneous	0.04001	291.96
	3.63688	26,541.96

FORM 8038 STATISTICS

Town of Belleair, Florida  
Capital Improvement Refunding Bond, Series 2019A

---  
Refunding Portion

Dated Date 10/03/2019  
Delivery Date 10/03/2019

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Bond Component:						
	10/01/2020	486,000.00	2.460%	100.000	486,000.00	486,000.00
	10/01/2021	496,000.00	2.460%	100.000	496,000.00	496,000.00
	10/01/2022	506,000.00	2.460%	100.000	506,000.00	506,000.00
	10/01/2023	521,000.00	2.460%	100.000	521,000.00	521,000.00
	10/01/2024	531,000.00	2.460%	100.000	531,000.00	531,000.00
	10/01/2025	546,000.00	2.460%	100.000	546,000.00	546,000.00
	10/01/2026	560,000.00	2.460%	100.000	560,000.00	560,000.00
	10/01/2027	573,000.00	2.460%	100.000	573,000.00	573,000.00
	10/01/2028	587,000.00	2.460%	100.000	587,000.00	587,000.00
	10/01/2029	600,000.00	2.460%	100.000	600,000.00	600,000.00
	10/01/2030	617,000.00	2.460%	100.000	617,000.00	617,000.00
	10/01/2031	629,000.00	2.460%	100.000	629,000.00	629,000.00
	10/01/2032	646,000.00	2.460%	100.000	646,000.00	646,000.00
		7,298,000.00			7,298,000.00	7,298,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield
Final Maturity	10/01/2032	2.460%	646,000.00	646,000.00		
Entire Issue			7,298,000.00	7,298,000.00	7.3295	2.4600%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	26,541.96
Proceeds used for credit enhancement	0.00
Proceeds allocated to reasonably required reserve or replacement fund	0.00
Proceeds used to refund prior tax-exempt bonds	7,271,458.04
Proceeds used to refund prior taxable bonds	0.00
Remaining WAM of prior tax-exempt bonds (years)	7.4855
Remaining WAM of prior taxable bonds (years)	0.0000
Last call date of refunded tax-exempt bonds	10/03/2019

2011 Form 8038 Statistics

Proceeds used to currently refund prior issues	7,271,458.04
Proceeds used to advance refund prior issues	0.00
Remaining weighted average maturity of the bonds to be currently refunded	7.4855
Remaining weighted average maturity of the bonds to be advance refunded	0.0000

## FORM 8038 STATISTICS

Town of Belleair, Florida  
Capital Improvement Refunding Bond, Series 2019A---  
Refunding PortionRefunded Bonds

Bond Component	Date	Principal	Coupon	Price	Issue Price
Capital Improvement Revenue Bond, Series 2012:					
BOND	10/01/2020	450,000.00	3.610%	100.000	450,000.00
BOND	10/01/2021	465,000.00	3.610%	100.000	465,000.00
BOND	10/01/2022	480,000.00	3.610%	100.000	480,000.00
BOND	10/01/2023	500,000.00	3.610%	100.000	500,000.00
BOND	10/01/2024	515,000.00	3.610%	100.000	515,000.00
BOND	10/01/2025	535,000.00	3.610%	100.000	535,000.00
BOND	10/01/2026	555,000.00	3.610%	100.000	555,000.00
BOND	10/01/2027	575,000.00	3.610%	100.000	575,000.00
BOND	10/01/2028	595,000.00	3.610%	100.000	595,000.00
BOND	10/01/2029	615,000.00	3.610%	100.000	615,000.00
BOND	10/01/2030	640,000.00	3.610%	100.000	640,000.00
BOND	10/01/2031	660,000.00	3.610%	100.000	660,000.00
BOND	10/01/2032	685,000.00	3.610%	100.000	685,000.00
		7,270,000.00			7,270,000.00

	Last Call Date	Issue Date	Remaining Weighted Average Maturity
Capital Improvement Revenue Bond, Series 2012	10/03/2019	09/21/2012	7.4855
All Refunded Issues	10/03/2019		7.4855

SOURCES AND USES OF FUNDS

Town of Belleair, Florida  
Capital Improvement Revenue Bond, Series 2019B  
---  
New Money Portion

Sources:	
<hr/>	
Bond Proceeds:	
Par Amount	4,702,000.00
<hr/>	
	4,702,000.00
<hr/>	
Uses:	
<hr/>	
Project Fund Deposits:	
Project Fund	4,680,000.00
Delivery Date Expenses:	
Cost of Issuance	22,000.00
<hr/>	
	4,702,000.00
<hr/>	



BOND SUMMARY STATISTICS

Town of Belleair, Florida  
Capital Improvement Revenue Bond, Series 2019B

---  
New Money Portion

Dated Date	10/22/2019
Delivery Date	10/22/2019
Last Maturity	10/01/2034
Arbitrage Yield	2.460087%
True Interest Cost (TIC)	2.460087%
Net Interest Cost (NIC)	2.460000%
All-In TIC	2.513542%
Average Coupon	2.460000%
Average Life (years)	10.204
Duration of Issue (years)	8.889
Par Amount	4,702,000.00
Bond Proceeds	4,702,000.00
Total Interest	1,180,276.43
Net Interest	1,180,276.43
Total Debt Service	5,882,276.43
Maximum Annual Debt Service	970,296.20
Average Annual Debt Service	393,682.75
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Bond Component	4,702,000.00	100.000	2.460%	10.204	4,147.43
	4,702,000.00			10.204	4,147.43

	TIC	All-In TIC	Arbitrage Yield
Par Value	4,702,000.00	4,702,000.00	4,702,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		-22,000.00	
- Other Amounts			
Target Value	4,702,000.00	4,680,000.00	4,702,000.00
Target Date	10/22/2019	10/22/2019	10/22/2019
Yield	2.460087%	2.513542%	2.460087%

## BOND DEBT SERVICE

Town of Belleair, Florida  
Capital Improvement Revenue Bond, Series 2019B

---

## New Money Portion

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
04/01/2020			51,087.23	51,087.23	
10/01/2020	137,000	2.460%	57,834.60	194,834.60	245,921.83
04/01/2021			56,149.50	56,149.50	
10/01/2021	195,000	2.460%	56,149.50	251,149.50	307,299.00
04/01/2022			53,751.00	53,751.00	
10/01/2022	202,000	2.460%	53,751.00	255,751.00	309,502.00
04/01/2023			51,266.40	51,266.40	
10/01/2023	205,000	2.460%	51,266.40	256,266.40	307,532.80
04/01/2024			48,744.90	48,744.90	
10/01/2024	213,000	2.460%	48,744.90	261,744.90	310,489.80
04/01/2025			46,125.00	46,125.00	
10/01/2025	216,000	2.460%	46,125.00	262,125.00	308,250.00
04/01/2026			43,468.20	43,468.20	
10/01/2026	220,000	2.460%	43,468.20	263,468.20	306,936.40
04/01/2027			40,762.20	40,762.20	
10/01/2027	224,000	2.460%	40,762.20	264,762.20	305,524.40
04/01/2028			38,007.00	38,007.00	
10/01/2028	234,000	2.460%	38,007.00	272,007.00	310,014.00
04/01/2029			35,128.80	35,128.80	
10/01/2029	239,000	2.460%	35,128.80	274,128.80	309,257.60
04/01/2030			32,189.10	32,189.10	
10/01/2030	239,000	2.460%	32,189.10	271,189.10	303,378.20
04/01/2031			29,249.40	29,249.40	
10/01/2031	250,000	2.460%	29,249.40	279,249.40	308,498.80
04/01/2032			26,174.40	26,174.40	
10/01/2032	257,000	2.460%	26,174.40	283,174.40	309,348.80
04/01/2033			23,013.30	23,013.30	
10/01/2033	924,000	2.460%	23,013.30	947,013.30	970,026.60
04/01/2034			11,648.10	11,648.10	
10/01/2034	947,000	2.460%	11,648.10	958,648.10	970,296.20
	4,702,000		1,180,276.43	5,882,276.43	5,882,276.43

## AGGREGATE DEBT SERVICE

Town of Belleair, Florida  
Capital Improvement Revenue Bond, Series 2019B

---

New Money Portion

Period Ending	Capital Improvement Revenue Bond, Series 2019B	Series 2019A	Aggregate Debt Service
10/01/2020	245,921.83	667,714.55	913,636.38
10/01/2021	307,299.00	662,526.00	969,825.00
10/01/2022	309,502.00	660,349.00	969,851.00
10/01/2023	307,532.80	662,926.00	970,458.80
10/01/2024	310,489.80	660,134.00	970,623.80
10/01/2025	308,250.00	662,096.00	970,346.00
10/01/2026	306,936.40	663,689.00	970,625.40
10/01/2027	305,524.40	664,913.00	970,437.40
10/01/2028	310,014.00	660,768.00	970,782.00
10/01/2029	309,257.60	661,377.00	970,634.60
10/01/2030	303,378.20	666,617.00	969,995.20
10/01/2031	308,498.80	661,365.00	969,863.80
10/01/2032	309,348.80	660,867.00	970,215.80
10/01/2033	970,026.60		970,026.60
10/01/2034	970,296.20		970,296.20
	5,882,276.43	8,615,341.55	14,497,617.98

## COST OF ISSUANCE

Town of Belleair, Florida  
Capital Improvement Revenue Bond, Series 2019B

---

## New Money Portion

Cost of Issuance	\$/1000	Amount
Bond Counsel Fee	2.12675	10,000.00
Financial Advisor Fee	1.59507	7,500.00
Bank Counsel Fee	0.79753	3,750.00
Miscellaneous	0.15951	750.00
	4.67886	22,000.00

FORM 8038 STATISTICS

Town of Belleair, Florida  
Capital Improvement Revenue Bond, Series 2019B

---  
New Money Portion

Dated Date 10/22/2019  
Delivery Date 10/22/2019

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Bond Component:						
	10/01/2020	137,000.00	2.460%	100.000	137,000.00	137,000.00
	10/01/2021	195,000.00	2.460%	100.000	195,000.00	195,000.00
	10/01/2022	202,000.00	2.460%	100.000	202,000.00	202,000.00
	10/01/2023	205,000.00	2.460%	100.000	205,000.00	205,000.00
	10/01/2024	213,000.00	2.460%	100.000	213,000.00	213,000.00
	10/01/2025	216,000.00	2.460%	100.000	216,000.00	216,000.00
	10/01/2026	220,000.00	2.460%	100.000	220,000.00	220,000.00
	10/01/2027	224,000.00	2.460%	100.000	224,000.00	224,000.00
	10/01/2028	234,000.00	2.460%	100.000	234,000.00	234,000.00
	10/01/2029	239,000.00	2.460%	100.000	239,000.00	239,000.00
	10/01/2030	239,000.00	2.460%	100.000	239,000.00	239,000.00
	10/01/2031	250,000.00	2.460%	100.000	250,000.00	250,000.00
	10/01/2032	257,000.00	2.460%	100.000	257,000.00	257,000.00
	10/01/2033	924,000.00	2.460%	100.000	924,000.00	924,000.00
	10/01/2034	947,000.00	2.460%	100.000	947,000.00	947,000.00
		4,702,000.00			4,702,000.00	4,702,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield
Final Maturity	10/01/2034	2.460%	947,000.00	947,000.00		
Entire Issue			4,702,000.00	4,702,000.00	10.2039	2.4601%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	22,000.00
Proceeds used for credit enhancement	0.00
Proceeds allocated to reasonably required reserve or replacement fund	0.00



## Legislation Details (With Text)

**File #:** 19-0252      **Version:** 1      **Name:**  
**Type:** Discussion Items      **Status:** General Agenda  
**File created:** 9/12/2019      **In control:** Finance Board  
**On agenda:** 9/16/2019      **Final action:**  
**Title:** Discussion of the Audited Comprehensive Annual Financial Report for Fiscal Year 2017-18  
**Sponsors:**  
**Indexes:**  
**Code sections:**  
**Attachments:** [2018 town of belleair CAFR draft2](#)

Date	Ver.	Action By	Action	Result
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### Summary

To: Finance Board  
From: Stefan Massol, Director of Support Services  
Date: 9/16/2019

### Subject:

Acceptance of the Audited Comprehensive Annual Financial Report for Fiscal Year 2017-18

### Summary:

Town Staff will provide an overview of the audited financials for FY 2017-18.

**Background/Problem Discussion:** Each year the Town undergoes an extensive financial audit by a licensed CPA to assess compliance with laws and best practices as well as to verify the financial information presented in the Comprehensive Annual Financial Report. Once again, the Town has received an unqualified opinion that the financial statements present fairly, in all material respects, the respective financial position of the Town of Belleair, Florida as of September 30, 2018.

Additionally, each year the Town Commission must receive the audited CAFR and accept the report at a public meeting.

The report contains four main sections: 1) Financial Section; 2) Notes to Financial Statements; 3) Non-major Combining and Individual Fund Financial Statements and Schedules and 4) Statistical Section. Included in the Financial Section is the Management Discussion and Analysis, consisting of charts and analysis of major financial events and trends in the Town of Belleair. This is a useful section to reference that can assist with understanding the remainder of the report, including the financial statements. A complete version of the report will be provided at the meeting for acceptance.

**Financial Implications:** The net position for the town as a whole increased from \$38,540,872 in FYE 2017 to \$39,162,069 in FYE 2018, an increase of \$621,197. Fund Balance in General Fund remains over \$1,960,000, which is equivalent to 30 percent of total General Fund expenditures while policy requires a minimum of 20 percent. Fund balance in all funds exceed their policy required minimums.

**Recommendation:** None. This item is for discussion purposes only.

**Proposed Motion:** None. This item is for discussion purposes only.

# **TOWN OF BELLEAIR, FLORIDA**



*INC. 1925*

COMPREHENSIVE  
ANNUAL FINANCIAL REPORT  
FOR THE FISCAL  
YEAR ENDED SEPTEMBER 30, 2018

*draft*



**TOWN OF BELLEAIR, FLORIDA**

**COMPREHENSIVE**

**ANNUAL FINANCIAL REPORT**

**FOR THE**

**FISCAL YEAR ENDED SEPTEMBER 30, 2018**

**Prepared by the  
Department of Finance**

TOWN OF BELLEAIR, FLORIDA

COMMISSION - MANAGER FORM OF GOVERNMENT

TOWN COMMISSION

Gary H. Katica, Mayor

Karla Rettstatt  
Commissioner/Deputy Mayor

Tom Shelly, Commissioner

Michael Wilkinson, Commissioner

Tom Kurey, Commissioner

Town Manager

J. P. Murphy

Director of Support Services

Stefan Massol

Town Clerk

Christine Torok

## **INTRODUCTORY SECTION**

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TOWN OF BELLEAIR, FLORIDA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

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TOWN OF BELLEAIR, FLORIDA  
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TOWN OF BELLEAIR, FLORIDA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

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TOWN OF BELLEAIR, FLORIDA  
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## **LETTER OF TRANSMITTAL**



September 13, 2019

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

State law requires that all general-purpose local governments publish within one year of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with generally accepted, in the United States of America, auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Town of Belleair, Florida for the fiscal year ended September 30, 2018.

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, 2018, 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, 2018, 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 4,217 according to the U.S. Census Bureau. The Town of Belleair, Florida is empowered to levy a property tax on both real and personal properties located within its boundaries.

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

The Town of Belleair, Florida provides a full range of services, including police protection; permitting and development review; the construction and maintenance of streets and other infrastructure; and recreational activities and cultural events. Fire & rescue services are provided on a contractual basis by the City of Largo.

The Town of Belleair, Florida also provides water and solid waste services. These departments are enterprise funds and are included in this report. Wastewater services are provided on a contractual basis by Pinellas County Utilities, and those financial impacts are also included in this report.

In May, budget requests are submitted to the town manager. The town manager uses these requests as the starting point for developing a proposed budget. The town manager then presents this proposed budget to the commission for review before July 31st. The commission is required to hold public hearings on the proposed budget and to adopt a final budget by no later than September 30, the close of the Town of Belleair, Florida's fiscal year. The appropriated budget is prepared by fund (e.g., general), and department (e.g., recreation). Department heads may request transfers of appropriations within a department. Transfers of appropriations between departments, however, require the special approval of the Town Commission. Budget-to-actual comparisons are provided in this report for each governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented on page 23 as part of the basic financial statements for the governmental funds. There are no budget-to-actual comparisons for funds other than the General Fund. Also included in the governmental fund subsection are project-length budget-to-actual comparisons for each governmental fund for which a project length budget has been adopted (i.e., the capital projects funds).

### **Factors Affecting Financial Condition**

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

**Local economy.** The Town is mostly a residential community with three 18-hole golf courses. However, the region has a varied manufacturing and industrial base. Major industries with headquarters or divisions located within the government's boundaries or near include; computer hardware, software manufacturers, electrical controls, and several financial and insurance institutions. The unemployment rate in Belleair is currently 3.3 percent, which is 0.4 percent lower than the national average. The median household income in Belleair is \$85,900 as compared to \$60,336 nationwide. The Town of Belleair, Florida currently has a challenging economic environment, but local indicators point to a slight upward fluctuation in the real estate market. This has had a positive impact on building permit revenues which have risen substantially from \$382,371 in 2015-16, to \$526,281 in 2016-17, and most recently remained fairly stable at \$500,360 in 2017-18. It is expected that building permit revenues will decline in future years as major development activities are completed.

Major developments are making significant progress towards completion, including Belleview Place and the Pelican Golf Club. Preliminary estimates indicate a \$400,000 annual increase in General Fund revenues once the new developments are fully operational. Full completion is expected for both properties sometime in early 2021.

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

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

In September 2017 the Town of Belleair was impacted significantly by Hurricane Irma. Large amounts of debris were collected from roadways, parks and public rights-of-way. In total, Hurricane Irma cost the town nearly \$700,000 in both personnel and operating costs. The majority of this cost will be reimbursed by the Federal Emergency Management Agency (FEMA) and State of Florida, however repayment is a lengthy process that can take many months to complete.

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

**Long-term financial planning.** The Town of Belleair, Florida has long-range plans for infrastructure improvements (streets, drainage, and water system). The town's long-range financial plan has several roadways and drainage improvements scheduled throughout Belleair over the next five years. In recent years the town completed roadway and drainage projects along Manatee Rd., Eagle's Nest, Druid Rd., Althea Rd. and Bayview Dr. The Rosery Road project was completed in fiscal year 2017-18. The Town has secured matching grant funding from the Southwest Florida Water Management District (SWFWMD) for the Bayview Dr., Manatee Rd., Rosery Rd. and Pinellas Rd. projects. In fiscal year 2018-19 the Town will begin construction on the Pinellas/Ponce stormwater improvements project, which is also a cooperatively funded project with SWFWMD. Stormwater projects are prioritized on a west to east basis as much of the town's stormwater flows towards the west and eventually into the intracoastal waterway. As a policy, staff continually seeks cooperative funding opportunities, and sometimes defers projects to ensure their eligibility for cooperative funding. The Rosery Road project is one such project.

As of the 2017-18 fiscal year, the town has several revenue streams dedicated to capital improvements, including a stormwater fee, a municipal public services tax on electricity, the "Penny for Pinellas" discretionary sales surtax and a dedicated millage levy. These revenues are dedicated to funding the \$710,000 annual debt service on a \$10 million dollar bank note and continue to place money in capital reserve for future projects. Several of the town's advisory boards have taken up different measures to study methods in which the debt can be refinanced to provide additional funding for future projects. The Belleview Biltmore Golf Club was sold June 2017 with \$3,400,000 dollars transferred to the Capital Projects Fund. In preparation for future capital needs the town will consider additional financing opportunities.

The Water Fund has benefited from a new, more sustainable rate structure that has stopped the recurring net loss from recent years. Furthermore, this rate structure will enable the department to fund capital improvements in the treatment and distribution system. However, for this model to be sustainable, consistent rate increases, commensurate with controlled rise in expenses will

be required. Water infrastructure was included in the Druid Rd., Bayview Dr., Althea Rd., Manatee Rd., S. Pine/Eagle's Nest, Ponce de Leon/Indian Rocks Rd. intersection improvements and Rosery Rd. projects. Many of the distribution system improvements are scheduled to coincide with the street improvements thus increasing efficiency and reducing cost.

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

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

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

This is the first year of implementation for GASB Statement No. 75, which impacts the accounting and financial reporting requirements for other postemployment benefits (OPEB). A valuation study was performed for this year's report.

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 Comprehensive Annual Financial Report for the fiscal year 2010-11.

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.

At the close of 2017-18 unassigned fund balance was twenty-eight percent of operating expenditures. To the extent that unreserved, undesignated fund balance exceeds twenty percent, the town may draw upon the fund balance to provide funding for capital projects or provide funding for nonrecurring expenses.

In two of the proprietary funds (solid waste, and wastewater funds) the budgeted unreserved, undesignated, cash reserve is set at \$250,000. In the Water Fund cash reserve is set at \$450,000. The Water Fund maintains an unrestricted fund balance of \$1,691,533. Meanwhile, Solid Waste holds an unrestricted fund balance of \$1,000,746. The Wastewater Fund has an unrestricted fund balance of \$326,324. All enterprise funds have sufficient fund balance to meet financial obligations at their present levels of service.

**Risk management.** By being a member of the Public Risk Management (PRM) pool, the town has been able to contain its costs by spreading the risk amongst all other members of the pool; increases or decreases are resultant as a function of a deviation factor for losses of the pool. Annually, the town evaluates its risk in a variety of areas including workers’ compensation and potential natural disasters. The town in collaboration with the PRM staff continues to conduct risk assessments and subsequently implement any changes as they relate to workplace safety.

The town has won numerous safety awards for its safety program which includes a safety committee that reviews all accidents and occupational hazards. Recent Florida Supreme Court decisions regarding worker's compensation and attorney's fees have led to the insurance market responding with double-digit increases to workers compensation premiums. This raises the likelihood of cost increases for the town and the pool as a whole.

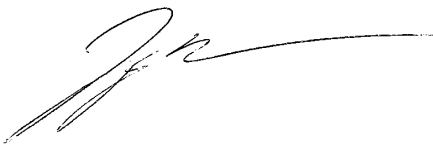
### **Awards and Acknowledgments**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Belleair, Florida for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2017. This was the thirtieth consecutive year that the town had received this prestigious award. To be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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

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

Respectfully submitted,



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Town Manager



---

Finance Director



Government Finance Officers Association

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

**Presented to**

**Town of Belleair  
Florida**

**For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended**

**September 30, 2017**

*Christopher P. Morill*

Executive Director/CEO

**TOWN OF BELLEAIR, FLORIDA**

**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	J. P. Murphy
Town Attorney	David Ottinger

DEPARTMENT HEADS AND SUPERVISORS

Director of Support Services	Stefan Massol
Police Chief	William Sohl
Water Department Director	David Brown
Director of Parks, Recreation and Public Works	Richard Allison
Town Clerk	Christine Torok

## **FINANCIAL SECTION**

*This section contains the following subsections:*

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information  
Other Than MD&A

Combining and Individual Fund  
Financial Statements

## **INDEPENDENT AUDITOR'S REPORT**

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

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Karen Curran, CPA, CVA

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

**INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor  
and Town Commission  
Town of Belleair, Florida

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the budgetary comparisons for the general fund, and the aggregate remaining fund information of Town of Belleair, Florida (Town), as of and for the year ended September 30, 2018, 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, 2018, 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 August 16, 2019, 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.

August 16, 2019

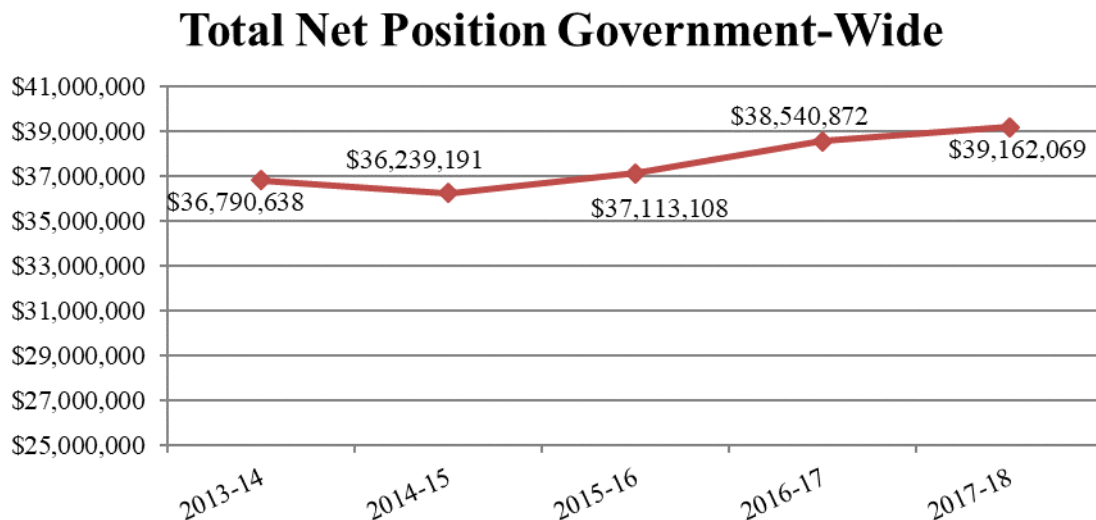
**MANAGEMENT'S DISCUSSION**  
**AND ANALYSIS**

## 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, 2018, 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 \$39,162,069 (net position). Of this amount, \$3,883,966 (*Unrestricted*) may be used to meet the government's ongoing obligations to citizens and creditors. The government's total net position increased by \$621,197.



The net position of the Town of Belleair has increased gradually, on average, since FY 2013-14. Since that time there have been relatively moderate changes in net position, increasing a cumulative 6% from the end of FY 2013-14 thru the end of FY 2017-18. Several factors have had considerable impact on the net position of Belleair these past five years, including the following:

- 1) The sale of the Belleview Biltmore Golf Club by the Town of Belleair, in 2016-17,
- 2) Continuance of the Capital Improvement Plan to repair roads, curbs and utility structures throughout the town,
- 3) Cooperative grant funding provided by the Southwest Florida Water Management District for various water and drainage basin projects,
- 4) Donations from the Belleair Community Foundation for various projects, including Hunter Memorial Park, Magnolia/Wall park updates, and other projects throughout town.

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 \$1,960,687, a decrease of \$(167,987) in comparison with the beginning fund balance. Recovery from Hurricane Irma was a significant cost that was unplanned, resulting in more than \$600,000 of additional expenditures to the General Fund.

## **Overview of Financial Statements**

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

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

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

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

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

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

The 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-one 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 32-97 of this report.

**Implementation of GASB 75.** The Town adopted GASB Statement No. 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. This statement has been implemented in conjunction with the Town's actuarial valuation study for fiscal year 2017-18. Additionally, the government-wide financial schedules in this report include a restatement of ending net position for FY 2016-17 for governmental activities, which amounts to a reduction of \$(440,243). The originally stated net position combined for all funds was originally \$38,981,115 and is now \$38,540,872.

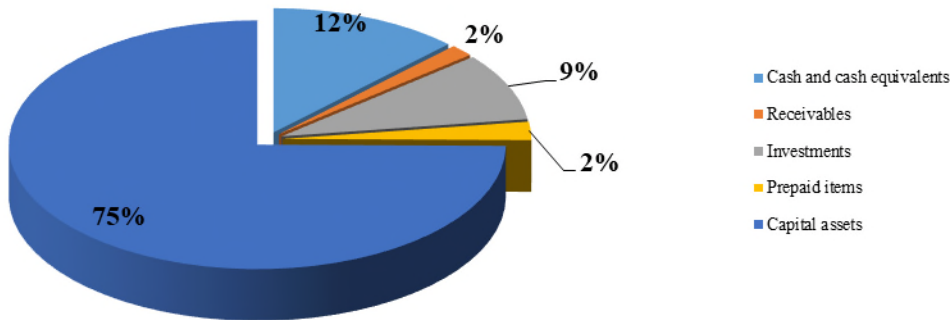
**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Town of Belleair's progress in funding its obligation to provide pension benefits to its employees. Required supplementary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

The combining statements referred to earlier in connection with nonmajor governmental funds are presented beginning on page ninety-eight. Combining and individual fund statements and schedules can be found on pages 105-110 of this report.

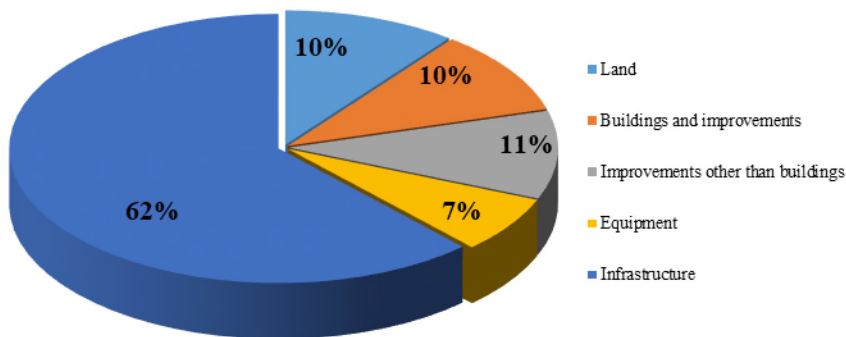
## **Government-wide Financial Analysis**

As noted earlier, the net position may serve over time as a useful indicator of a government's financial position. In the case of Town of Belleair, Florida, net position was \$39,162,069 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 (75 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	
	2018	2017	2018	2017	2018	2017
<b>Assets</b>						
Current and other assets	\$ 8,780,047	\$ 7,229,794	\$ 3,788,641	\$ 3,269,523	\$ 12,568,688	\$ 10,499,317
Capital assets	33,909,359	34,851,199	3,481,032	3,701,788	37,390,391	38,552,987
Total Assets	42,689,406	42,080,993	7,269,673	6,971,311	49,959,079	49,052,304
<b>Deferred Outflows of Resources</b>						
Deferred Outflows of Resources	61,965	25,382	-	-	\$ 61,965	\$ 25,382
Long-term liabilities outstanding	9,291,340	8,467,678	611,358	642,985	9,902,698	9,110,663
Other liabilities	797,597	762,510	158,680	154,689	956,277	917,199
Total Liabilities	10,088,937	9,230,188	770,038	797,674	10,858,975	10,027,862
<b>Deferred Inflows of Resources</b>						
Deferred Inflows of Resources	-	68,709	-	-	\$ -	\$ 68,709
<b>Net Position</b>						
Net investment in capital assets	24,865,070	26,107,346	3,481,032	3,701,788	28,346,102	29,809,134
Restricted	6,932,001	5,206,043	-	-	6,932,001	5,206,043
Unrestricted	865,363	1,494,089	3,018,603	2,471,849	3,883,966	3,965,938
Net Position Original Stated	\$ 32,662,434	\$ 32,807,478	\$ 6,499,635	\$ 6,173,637	\$ 39,162,069	\$ 38,981,115
Prior Period Adjustment for GASB 75		(440,243)			-	(440,243)
Total net position	\$ 32,662,434	\$ 32,367,235	\$ 6,499,635	\$ 6,173,637	\$ 39,162,069	\$ 38,540,872

An additional portion of the Town of Belleair's net position (eighteen 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 \$3,883,966 and may be used to meet the government's ongoing obligations to citizens and creditors.

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

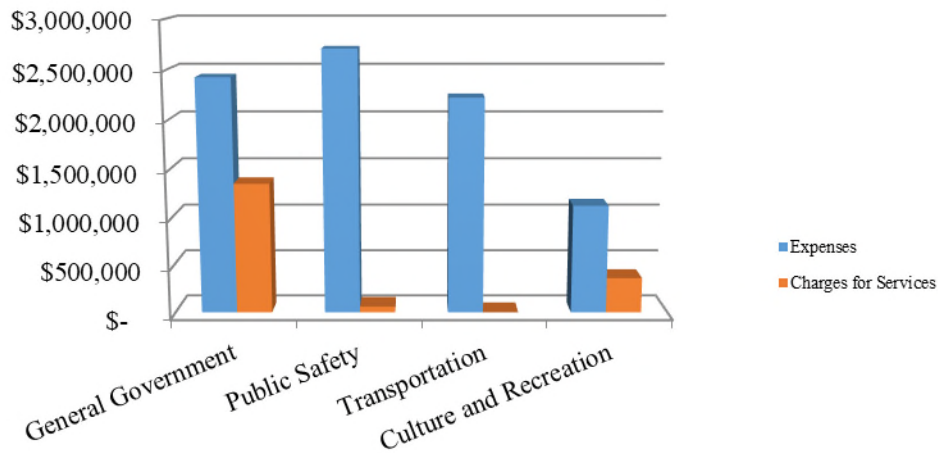
**Governmental activities.** Approximately one-fourth of the town's unrestricted net position (twenty-two percent) are held by governmental activities.

## Town of Belleair, Florida's Statement of Activities

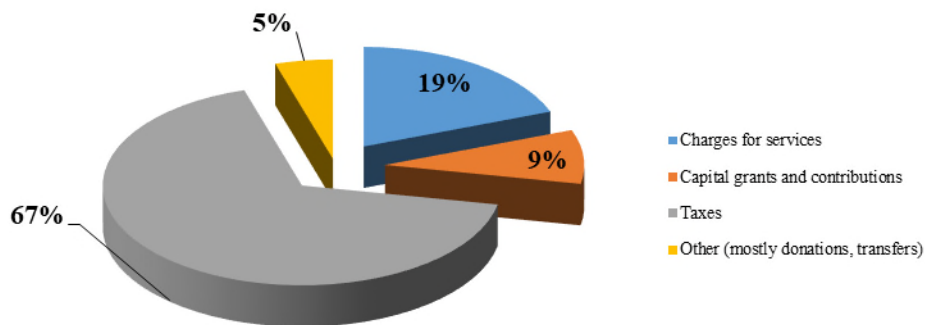
	Governmental Activities		Business-Type Activities		Total	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenues:						
Program Revenues:						
Charges for services	\$ 1,767,065	\$ 1,685,143	\$ 3,630,562	\$ 3,692,534	\$ 5,397,627	\$ 5,377,677
Capital grants and contributions	799,683	583,095	2,883	2,900	802,566	585,995
Total program revenues	2,566,748	2,268,238	3,633,445	3,695,434	6,200,193	5,963,672
General revenues:						
Taxes	6,156,302	5,939,795	-	-	6,156,302	5,939,795
Other	510,721	762,105	19,432	11,162	773,267	773,267
Total general revenues	6,667,023	6,701,900	19,432	11,162	6,713,062	6,713,062
Total revenues	9,233,771	8,970,138	3,652,877	3,706,596	12,676,734	12,676,734
Expenses:						
General government	2,421,895	1,967,156	-	-	2,421,895	1,967,156
Public safety	2,706,521	2,039,913	-	-	2,706,521	2,039,913
Transportation	2,218,908	1,850,840	-	-	2,218,908	1,850,840
Culture and recreation	1,117,694	1,314,695	-	-	1,117,694	1,314,695
Interest on long term debt	315,254	313,991	-	-	315,254	313,991
Water	-	-	1,510,558	1,340,841	1,510,558	1,340,841
Wastewater	-	-	1,120,917	1,161,092	1,120,917	1,161,092
Solid Waste	-	-	853,704	820,199	853,704	820,199
Total expenses	8,780,272	7,486,595	3,485,179	3,322,132	12,265,451	10,808,727
Increase (decrease) in net position before transfers	453,499	1,483,543	167,698	384,464	411,283	1,868,007
Transfers	(158,300)	(86,859)	158,300	86,859	-	-
Increase (decrease) in net position	295,199	1,396,684	325,998	471,323	621,197	1,868,007
Net position, Beginning	32,807,478	31,410,794	6,173,637	5,702,314	38,981,115	37,113,108
Net position, Beginning Restated - GASB 75	32,367,235	31,410,794	6,173,637	5,702,314	38,540,872	37,113,108
Net position, Ending	\$ 32,662,434	\$ 32,807,478	\$ 6,499,635	\$ 6,173,637	\$ 39,162,069	\$ 38,981,115

- The government-wide net position increased by \$621,197 at year-end.
- The net position for governmental activities increased by \$295,199 during the year, due in part to increased building permit revenues, donations received and deferred capital projects funds expenses.
- The net position for business-type activities increased by \$325,998, largely due to a modest surplus in the Water Fund and enterprise funds receiving capital equipment transfers.
- Transfer expenses and revenues increased this year to accommodate deferred utility expenses between governmental and enterprise funds, as well as reapportionment of capital equipment reserves to enterprise funds.

## Expenditure & Program Revenues: Governmental Activities



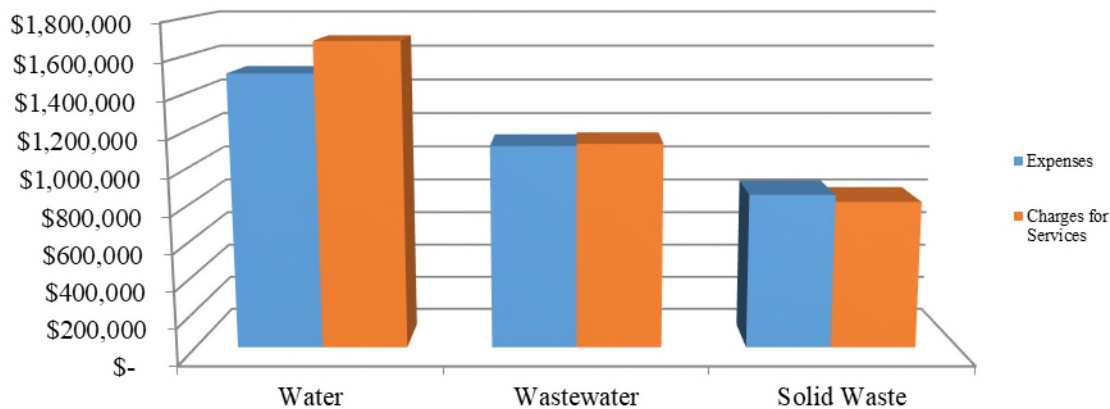
## Revenues by Source: Governmental Activities



**Business-type activities.** Business-type activities represent 17 percent of the town's net position. Following the new rate structure implemented in October 2013, as well as an additional rate increase in January 2017 the Water Fund continues to generate sufficient revenue with service charge income exceeding operating expenses by \$173,184. Solid Waste Fund began to normalize after Hurricane Irma with operating income of \$(38,916). The wastewater system is run by Pinellas County and charges for services are passed through to Pinellas County.

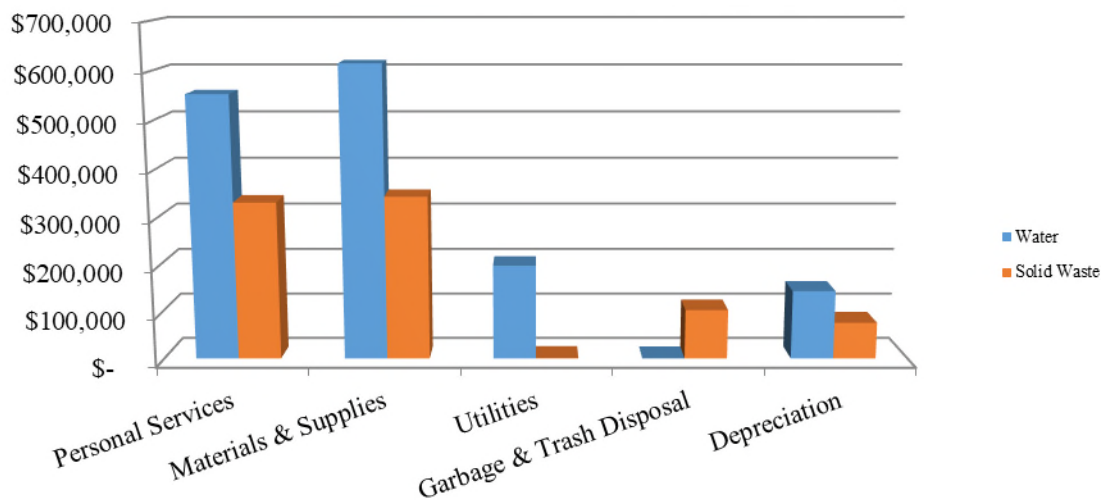
## Expenses and Program Revenues - Business-type Activities

### Expenses & Program Revenues: Business Type Activities



## Operating Expenses by Fund - Business-type Activities

### Operating Expenses by Business Type



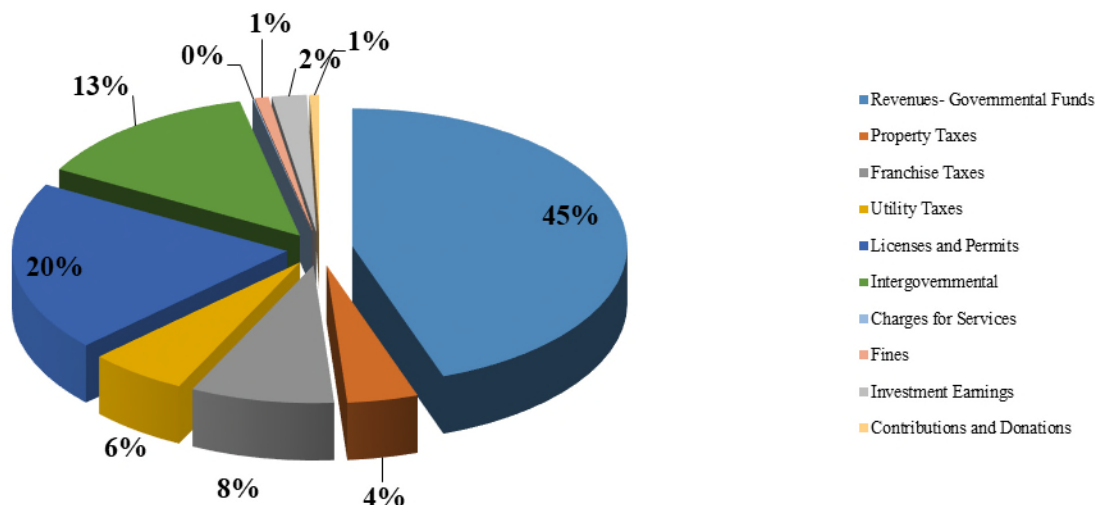
## Financial Analysis of the Government's Funds

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

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

## Revenues- Total Governmental Funds

### Revenues- Total Governmental Funds



As of the end of the current fiscal year, the Town of Belleair's governmental funds reported combined ending total fund balances of \$9,132,274 an increase of \$1,571,559 in comparison with the prior year. Approximately twenty percent of total fund balance, \$1,868,171, constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund is composed of *assigned* and *restricted* balances. The *assigned* balance is \$88,029, which indicates that the amount is not available for new spending because it has already been assigned to specific purposes such as donations for the Parks and Recreation Department and the Police Department. The *restricted* balance totals to \$5,989,197, 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 \$1,868,171 while total fund balance reached \$1,960,687. 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 28 percent of total General Fund expenditures while unrestricted total fund balance represents 30 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 \$(167,987) during the current fiscal year as emergency reserves were transferred into the General Fund to satisfy expenses related to Hurricane Irma. General Fund expenditures increased by \$798,814 as a whole over the previous year.

***Capital Projects Fund.***

The Capital Projects Fund expended \$1,571,440 on \$2,828,402 of revenue. Prior to 2012, the Town Commission determined that the town would need to save for future projects and develop new sources of income to repair and improve the roads and stormwater structures throughout Belleair. To that end, the commission approved the stormwater fee and municipal public services tax, both of which went into effect in October 2012. The need for immediate improvement prompted the Town Commission to approve borrowing in the form of a \$10 million note, through BB&T, to be repaid over 20 years. Revenue sources such as the stormwater fee, municipal public services tax and the Penny for Pinellas discretionary sales surtax are dedicated to debt service of the loan. Also, the town provided BB&T a covenant to budget and appropriate as assurance of repayment. Additionally, a millage is dedicated to the Capital Projects Fund as a means to save for future projects. Additionally, the town has entered into a lease agreement for facility upgrades related to HVAC, lighting, electrical upgrades and a roof covering for the Town Hall building. The improvements covered by the lease are valued at \$762,390.

***Special Revenue funds.***

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

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

*Unrestricted portions of net position* of the water, wastewater and Solid Waste Funds at the end of the year amounted to \$3,018,603, an increase of \$546,754 over the prior year. Other factors concerning the finances of these three funds have already been addressed in the discussion of the town's business-type activities. Of particular note, the unrestricted net position for the Water Fund is \$1,691,533; \$1,241,533 above its policy mandated level of \$450,000.

**General Fund Budgetary Highlights**

While there was a \$722,646 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 \$67,261 (1 percent) higher than budgeted. The town generally uses conservative estimates for budgeted revenues so that actual revenues closely align or slightly exceed the established budget. Expenditures were \$277,100 (4 percent) less than budgeted partly due to Hurricane Irma. Not all of the funds that the town set-aside for hurricane recovery were ultimately expended as the scope and scale of debris removal and monitoring cost was not fully known at the time of budgeting. Total other financing sources (uses) was also \$77,098 less than budgeted. The resulting net variance of change in fund balance was \$421,459.

## 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, 2018, amounts to \$28,346,102. This investment in capital assets includes land, buildings & system, improvements, machinery & equipment, park facilities, roads, highways, seawalls, and bridges. The total decrease over the prior year in the town's investment in capital assets for the current fiscal year was \$(1,463,032), a \$(1,242,276) decrease in governmental activities and a \$(220,756) decrease in business-type activities. This change was driven by the deferring of new capital improvement projects into future years for the Capital Projects Fund along with significant removals of capital equipment that was disposed in the current year.

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

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 5,637,015	\$ 5,637,015	\$ 22,950	\$ 22,950	\$ 5,659,965	\$ 5,659,965
Building and system	5,210,791	5,210,791	308,532	308,532	5,519,323	5,519,323
Improvements other than buildings	554,625	553,430	5,206,705	5,206,705	5,761,330	5,760,135
Machinery and equipment	2,479,406	2,599,662	1,242,932	1,280,733	3,722,338	3,880,395
Infrastructure	33,665,595	33,665,595	-	-	33,665,595	33,665,595
Accumulated depreciation	(13,638,073)	(12,815,294)	(3,300,087)	(3,117,132)	(16,938,160)	(15,932,426)
Total	\$ 33,909,359	\$ 34,851,199	\$ 3,481,032	\$ 3,701,788	\$ 37,390,391	\$ 38,552,987

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

**Long-term debt.** At the end of the current fiscal year, the town had long-term debt obligations in the forms of a 20-year \$10,000,000 revenue bond with an outstanding liability of \$8,125,000, a five-year \$300,000 equipment loan with an outstanding liability of \$156,899, a lease for facility improvements in the amount of \$762,390, compensated absences and other post-employment benefits. Sources of income such as the stormwater fee, Penny for Pinellas surtax, municipal public services tax contribute to the repayment of the loan. Annual debt service of approximately \$710,000 will be covered by \$1,140,000 of annual revenue from those three streams. There is also a covenant to budget and appropriate other non Ad Valorem proceeds should there be a revenue shortfall.

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

Additional information on the town's long-term debt activity can be found in Note 10 on pages 64-67 of this report.

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

	Governmental Activities		Business-Type Activities		Total	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenue Bonds	\$ 8,125,000	\$ 8,530,000	\$ -	\$ -	\$ 8,125,000	\$ 8,530,000
Equipment Lease	\$ 213,853	\$ 213,853			\$ 271,638	213,853
Facility Lease	\$ 762,390				762,390	-
Compensated absences	374,847	316,813	74,903	74,903	390,260	391,716
Net Pension Liability	648,553	381,707	-	-	648,553	381,707
OPEB	420,076	118,736	-	-	420,076	118,736
Total	<u>\$ 10,544,719</u>	<u>\$ 10,268,407</u>	<u>\$ 74,903</u>	<u>\$ 74,903</u>	<u>\$ 10,617,917</u>	<u>\$ 10,343,310</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 2018 is 3.3 percent, which was down from 3.8 percent in 2017.
- Inflationary trends in the region compare healthy to the national indices.
- The Belleview Place development is nearing completion with townhomes already receiving certificates of occupancy and mid-rise buildings nearly finished. This redevelopment, is projected to generate additional Ad Valorem revenue in excess of \$400,000 once the project is fully completed. Significant building permit fees should again be collected in the coming year.

The town sold the Belleview Biltmore Golf Club to Pelican Golf LLC, and the buyer is constructing significant improvements that are expected to have a positive effect on the valuation of the property.

- As chloride levels continue to rise, the town is exploring alternative water source options including Reverse Osmosis, wholesale purchase of water, and sale of the utility.

All of these factors were considered in preparing the Town of Belleair's annual operating & capital budget for the 2018-19 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, 2018

ASSETS	Primary Government		
	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ 2,944,739	\$ 3,257,108	\$ 6,201,847
Investments	4,286,354	114,184	4,400,538
Receivables (net of allowance for uncollectibles)	362,077	417,349	779,426
Prepaid items	1,186,877	-	1,186,877
Capital Assets:			
Land	5,637,015	22,950	5,659,965
Buildings and improvements	5,210,791	308,532	5,519,323
Improvements other than buildings	554,625	5,206,705	5,761,330
Equipment	2,479,406	1,242,932	3,722,338
Infrastructure	33,665,595	-	33,665,595
Accumulated depreciation	(13,638,073)	(3,300,087)	(16,938,160)
Total Assets	42,689,406	7,269,673	49,959,079
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pension plans	61,965	-	61,965
LIABILITIES			
Accounts payable	72,203	113,089	185,292
Accrued salaries and wages	85,570	21,098	106,668
Accrued interest	15,432	-	15,432
Current liabilities:			
Due Within One Year:			
Compensated absences	93,712	24,493	118,205
Lease	49,934	-	49,934
Equipment loan	60,746	-	60,746
Revenue bond	420,000	-	420,000
Non current liabilities:			
Due In More Than One Year:			
Deposits	-	27,880	27,880
Advance	(510,000)	510,000	-
Compensated absences	281,135	73,478	354,613
Lease	712,456	-	712,456
Equipment loan	96,153	-	96,153
Revenue bond	7,705,000	-	7,705,000
Net pension liability	586,520	-	586,520
Other post-employment benefits	420,076	-	420,076
Total Liabilities	10,088,937	770,038	10,858,975
NET POSITION			
Invested in capital assets	24,865,070	3,481,032	28,346,102
Restricted for:			
Capital equipment replacement	328,806	-	328,806
Capital projects	6,603,195	-	6,603,195
Unrestricted	865,363	3,018,603	3,883,966
Total Net Position	\$ 32,662,434	\$ 6,499,635	\$ 39,162,069

See Notes to Financial Statements.

TOWN OF BELLEAIR, FLORIDA

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	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	\$ 2,421,895	\$ 1,344,599	\$ -	\$ (1,077,296)	\$ -	\$ (1,077,296)
Public Safety	2,706,521	60,100	-	(2,646,421)	-	(2,646,421)
Transportation	2,218,908	-	799,683	(1,419,225)	-	(1,419,225)
Culture and recreation	1,117,694	362,366	-	(755,328)	-	(755,328)
Interest on long-term debt	315,254	-	-	(315,254)	-	(315,254)
Total governmental activities	8,780,272	1,767,065	799,683	(6,213,524)	-	(6,213,524)
Business-Type Activities:						
Water	1,510,558	1,683,742	-	-	173,184	173,184
Wastewater management	1,120,917	1,132,032	-	-	11,115	11,115
Solid waste management	853,704	814,788	2,883	-	(36,033)	(36,033)
Total business-type activities	3,485,179	3,630,562	2,883	-	148,266	148,266
Total primary government	\$ 12,265,451	\$ 5,397,627	\$ 802,566	(6,213,524)	148,266	(6,065,258)
General Revenues:						
Property taxes				4,079,505	-	4,079,505
Utility taxes				772,139	-	772,139
Franchise taxes				381,011	-	381,011
Unrestricted						
Intergovernmental						
Revenues:						
State revenue sharing				103,932	-	103,932
Communication services tax				177,863	-	177,863
Half-cent sales tax				255,019	-	255,019
Local option gas tax				55,336	-	55,336
Infrastructure sales surtax				434,396	-	434,396
Other taxes				1,033	-	1,033
Unrestricted investment earnings				75,121	2,747	77,868
Gain on sale of capital assets				81,795	-	81,795
Miscellaneous				249,873	16,685	266,558
Transfers				(158,300)	158,300	-
Total General Revenues and transfers				6,508,723	177,732	6,686,455
Changes in Net Position				295,199	325,998	621,197
Net Position - Beginning, Restated				32,367,235	6,173,637	38,540,872
Net Position - Ending				\$ 32,662,434	\$ 6,499,635	\$ 39,162,069

See Notes to Financial Statements.

TOWN OF BELLEAIR, FLORIDA

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2018

<b>ASSETS</b>	<u>General</u>	<u>Infrastructure</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Cash and cash equivalents	\$ 627,123	\$ 2,061,422	\$ 256,194	\$ 2,944,739
Investments	828,006	3,154,181	304,167	4,286,354
Receivables (net of allowance for uncollectibles):				
Taxes:				
Franchise taxes	38,919	-	-	38,919
Utility taxes	-	94,454	-	94,454
Accounts	29,970	50,000	-	79,970
Intergovernmental:				
State	68,501	-	-	68,501
County	-	71,169	9,064	80,233
Prepaid items	4,487	1,182,390	-	1,186,877
Advance to Water Fund	510,000	-	-	510,000
<b>TOTAL ASSETS</b>	<b>\$ 2,107,006</b>	<b>\$ 6,613,616</b>	<b>\$ 569,425</b>	<b>\$ 9,290,047</b>

**LIABILITIES AND FUND BALANCES**

Liabilities:				
Accounts payable	\$ 60,749	\$ 10,421	\$ 1,033	\$ 72,203
Accrued payroll	85,570	-	-	85,570
Total liabilities	146,319	10,421	1,033	157,773
Fund balances:				
Nonspendable	4,487	1,182,390	-	1,186,877
Restricted	-	5,420,805	568,392	5,989,197
Assigned	88,029	-	-	88,029
Unassigned	1,868,171	-	-	1,868,171
Total fund balances	1,960,687	6,603,195	568,392	9,132,274
Total liabilities and fund balances	\$ 2,107,006	\$ 6,613,616	\$ 569,425	

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.	33,909,359
Deferred outflows of resources	61,965
Long-term liabilities, including compensated absences are not due and payable in the current period and therefore are not reported in the Governmental funds.	(10,441,164)

Net position of governmental activities \$ #REF!

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, 2018

REVENUES	General	Infrastructure	Governmental Funds	Governmental Funds
Taxes:				
Property	\$ 3,402,766	\$ 676,739	\$ -	\$ 4,079,505
Franchise	381,011	-	-	381,011
Utility	-	772,139	-	772,139
Licenses and permits	528,529	-	-	528,529
Intergovernmental	586,813	1,184,079	56,369	1,827,261
Charges for services	1,145,309	-	86,485	1,231,794
Fines	6,742	-	-	6,742
Investment earnings	44,676	30,445	-	75,121
Contributions and donations	23,193	165,000	-	188,193
Miscellaneous	50,640	-	100	50,740
Total Revenues	6,169,679	2,828,402	142,954	9,141,035
<b>EXPENDITURES</b>				
Current:				
General government	2,326,690	176,938	-	2,503,628
Public safety	2,541,087	-	-	2,541,087
Transportation	846,899	658,929	41,388	1,547,216
Culture and recreation	850,827	37,640	24,128	912,595
Debt service:				
Principal	56,954	405,000	-	461,954
Interest	6,889	292,933	-	299,822
Total expenditures	6,629,346	1,571,440	65,516	8,266,302
Excess (deficiency) of revenues over (under) expenditures	(459,667)	1,256,962	77,438	874,733
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of capital assets	81,796	-	-	81,796
Proceeds from debt	-	762,390	-	762,390
Proceeds from insurance	10,940	-	-	10,940
Transfers in	250,394	-	51,450	301,844
Transfers out	(51,450)	-	(408,694)	(460,144)
Total other financing sources (uses)	291,680	762,390	(357,244)	696,826
Net change in fund balances	(167,987)	2,019,352	(279,806)	1,571,559
Fund balances, October 1	2,128,674	4,583,843	848,198	7,560,715
Fund balances, September 30	\$ 1,960,687	\$ 6,603,195	\$ 568,392	\$ 9,132,274

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, 2018

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

Net change in fund balances - total governmental funds	\$ 1,571,559
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.	(941,840)
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>(334,520)</u>
Changes in net position of governmental activities	<u>\$ 295,199</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, 2018

	<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	\$ 3,410,250	\$ 3,410,250	\$ 3,402,766	\$ (7,484)
Franchise	389,000	389,000	381,011	(7,989)
Licenses and permits	403,300	415,300	528,529	113,229
Intergovernmental	718,650	590,940	586,813	(4,127)
Charges for services	890,110	971,400	1,145,309	173,909
Fines	4,000	4,000	6,742	2,742
Investment earnings		25,000	44,676	19,676
Contributions and donations	155,390	192,078	23,193	(168,885)
Miscellaneous		104,450	50,640	(53,810)
TOTAL REVENUES	5,970,700	6,102,418	6,169,679	67,261
EXPENDITURES:				
Current:				
General government:				
Manager	1,475,600	1,634,122	1,595,975	38,147
Finance and administration	628,390	651,390	598,061	53,329
Comprehensive planning	151,010	133,010	132,654	356
Total general government	2,255,000	2,418,522	2,326,690	91,832
Public safety:				
Police	1,489,200	1,553,100	1,492,312	60,788
Fire	575,600	575,600	575,525	75
Emergency & Disaster Relief	150,000	475,400	473,250	2,150
Total public safety	2,214,800	2,604,100	2,541,087	63,013
Transportation:				
Streets	838,150	943,517	846,899	96,618
Culture and recreation:				
Recreation	818,450	876,457	850,827	25,630
Debt service:				
Principal	50,400	56,850	56,954	(104)
Interest	7,000	7,000	6,889	111
TOTAL EXPENDITURES	6,183,800	6,906,446	6,629,346	277,100

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, 2018  
(CONTINUED)

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET-POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (213,100)	\$ (804,028)	\$ (459,667)	\$ 344,361
OTHER FINANCING SOURCES (USES):				
Transfers in:				
Capital equipment Replacement Fund		121,394	57,544	(63,850)
Wastewater Management Fund	63,850	129,000	129,000	-
Local Option Gas Tax Fund			63,850	63,850
Transfers out:				
Capital equipment Replacement Fund	(52,550)	(51,450)	(51,450)	-
Infrastructure Fund				-
Proceeds from insurance	-	9,638	10,940	1,302
Sale of capital assets	<u>2,000</u>	<u>6,000</u>	<u>81,796</u>	<u>75,796</u>
Total other financing sources (uses)	<u>13,300</u>	<u>214,582</u>	<u>291,680</u>	<u>77,098</u>
NET CHANGE IN FUND BALANCE	(199,800)	(589,446)	(167,987)	421,459
FUND BALANCE, OCTOBER 1	<u>2,128,674</u>	<u>2,128,674</u>	<u>2,128,674</u>	<u>-</u>
FUND BALANCE, SEPTEMBER 30	\$ <u><u>1,928,874</u></u>	\$ <u><u>1,539,228</u></u>	\$ <u><u>1,960,687</u></u>	\$ <u><u>421,459</u></u>

See Notes to Financial Statements.

TOWN OF BELLEAIR, FLORIDA

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

SEPTEMBER 30, 2018

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	\$ 2,105,208	\$ 226,696	\$ 925,204	\$ 3,257,108
Investments	29,895	58,579	25,710	114,184
Accounts receivable (net of allowance for uncollectible accounts)	173,956	133,903	109,490	417,349
TOTAL CURRENT ASSETS	2,309,059	419,178	1,060,404	3,788,641
NONCURRENT ASSETS:				
Capital Assets:				
Land	22,950	-	-	22,950
Buildings	308,532	-	-	308,532
Improvements other than buildings	5,206,705	-	-	5,206,705
Equipment	614,572	-	628,360	1,242,932
	6,152,759	-	628,360	6,781,119
Less accumulated depreciation	2,890,977	-	409,110	3,300,087
TOTAL CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)	3,261,782	-	219,250	3,481,032
TOTAL ASSETS	\$ <u>5,570,841</u>	\$ <u>419,178</u>	\$ <u>1,279,654</u>	\$ <u>7,269,673</u>

See Notes to Financial Statements

TOWN OF BELLEAIR, FLORIDA

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

SEPTEMBER 30, 2018

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	\$ 4,630	\$ 92,854	\$ 15,605	\$ 113,089
Accrued payroll	13,571	-	7,527	21,098
Compensated absences	<u>15,361</u>	<u>-</u>	<u>9,132</u>	<u>24,493</u>
TOTAL CURRENT LIABILITIES	33,562	92,854	32,264	158,680
NONCURRENT LIABILITIES:				
Utility deposits	27,880	-	-	27,880
Advance from General Fund	510,000	-	-	510,000
Compensated absences	<u>46,084</u>	<u>-</u>	<u>27,394</u>	<u>73,478</u>
TOTAL NONCURRENT LIABILITIES	<u>583,964</u>	<u>-</u>	<u>27,394</u>	<u>611,358</u>
TOTAL LIABILITIES	617,526	92,854	59,658	770,038
NET POSITION				
Invested in capital assets	3,261,782	-	219,250	3,481,032
Unrestricted	<u>1,691,533</u>	<u>326,324</u>	<u>1,000,746</u>	<u>3,018,603</u>
TOTAL NET POSITION	<u>\$ 4,953,315</u>	<u>\$ 326,324</u>	<u>\$ 1,219,996</u>	<u>\$ 6,499,635</u>

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, 2018

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	\$ 1,683,742	\$ 1,132,032	\$ 814,788	\$ 3,630,562
Total operating revenues	1,683,742	1,132,032	814,788	3,630,562
OPERATING EXPENSES:				
Personal services	552,990	1,120,917	330,364	2,004,271
Materials and supplies	615,046		342,536	957,582
Utilities	198,376	-	553	198,929
Garbage and trash disposal	-	-	103,640	103,640
Depreciation	144,146	-	76,611	220,757
Total operating expenses	1,510,558	1,120,917	853,704	3,485,179
OPERATING INCOME (LOSS)	173,184	11,115	(38,916)	145,383
NONOPERATING REVENUES (EXPENSES):				
Interest revenue	2,137	-	610	2,747
Other income	2,066	-	6,000	8,066
Total nonoperating revenues	4,203	-	6,610	10,813
Income (loss) before contributions and transfers	177,387	11,115	(32,306)	156,196
Capital contributions - tap fees	11,502	-	-	11,502
Transfers in	102,800	-	184,500	287,300
Transfers (out)	-	(129,000)	-	(129,000)
CHANGE IN NET POSITION	291,689	(117,885)	152,194	325,998
NET POSITION - Beginning of Year	4,661,626	444,209	1,067,802	6,173,637
NET POSITION - End of Year	\$ 4,953,315	\$ 326,324	\$ 1,219,996	\$ 6,499,635

See Notes to Financial Statements.

TOWN OF BELLEAIR, FLORIDA

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

(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	\$ 1,753,564	\$ 1,280,171	\$ 838,995	\$ 3,872,730
Payments to suppliers for goods and services	(796,641)	(1,123,520)	(440,488)	(2,360,649)
Payments to employees for services	(563,467)	-	(326,692)	(890,159)
NET CASH PROVIDED BY OPERATING ACTIVITIES	393,456	156,651	71,815	621,922
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Other income	2,066		6,000	8,066
Transfers from other funds	102,800	-	184,500	287,300
Transfers to other funds		(129,000)		(129,000)
NET CASH USED BY NONCAPITAL FINANCING ACTIVITIES	104,866	(129,000)	190,500	166,366
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from capital contributions for tap fees	11,502	-	-	11,502
Purchases of capital assets	-	-	-	-
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	11,502	-	-	11,502
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of investments	(3,141)	-	(610)	(3,751)
Proceeds from sales and maturities of investments	1,041	-	-	1,041
Repayment of Advance to General Fund	(40,000)	-	-	(40,000)
Interest on investments	2,137	-	610	2,747
NET CASH PROVIDED (USED) IN INVESTING ACTIVITIES	(39,963)	-	-	(39,963)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	469,861	27,651	262,315	759,827
CASH AND CASH EQUIVALENTS, OCTOBER 1	1,635,347	199,045	662,889	2,497,281
CASH AND CASH EQUIVALENTS, SEPTEMBER 30	\$ 2,105,208	\$ 226,696	\$ 925,204	\$ 3,257,108

See Notes to Financial Statements.

TOWN OF BELLEAIR, FLORIDA

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

(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):	\$ 173,184	\$ 11,115	\$ (38,916)	\$ 145,383
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	144,146	-	76,611	220,757
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	71,073	148,139	24,207	243,419
Increase (decrease) in accounts payable	(4173)	(2,603)	6,240	(536)
Increase (decrease) in accrued payroll	1,566	-	(248)	1,318
Increase (decrease) in compensated absences	8,911	-	3,921	12,832
Increase (decrease) in utility deposits	(1,251)	-	-	(1,251)
Total adjustments	<u>220,272</u>	<u>145,536</u>	<u>110,731</u>	<u>476,539</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ <u>393,456</u>	\$ <u>156,651</u>	\$ <u>71,815</u>	\$ <u>621,922</u>

See Notes to Financial Statements.

TOWN OF BELLEAIR, FLORIDA

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUND

SEPTEMBER 30, 2018

Assets

	Police Pension Fund
Receivables:	
Plan members	\$ 747
Employer	42,802
Intergovernmental revenue	52,650
Interest and dividends	<u>1,116</u>
Total receivables	97,315
Investment at fair value:	
U. S. Government agency securities	1,593
Domestic fixed income investment funds	1,153,394
International fixed income investment fund	148,323
Domestic equity investment funds	1,171,214
Domestic stock	752,648
International equity investment fund	575,369
Temporary investments	<u>137,078</u>
Total investments	3,939,619
Prepaid expenses	<u>2,511</u>
Total assets	4,039,445

Liabilities

Accounts payable	<u>14,769</u>
Total liabilities	<u>14,769</u>
Net position restricted for pensions	\$ <u><u>4,024,676</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, 2018

	<u>Police Pension Fund</u>
<b>ADDITIONS:</b>	
Contributions:	
Employer	\$ 168,361
Plan members	<u>54,471</u>
Total contributions	222,832
Intergovernmental revenue:	
State excise tax rebate	52,950
Investment earnings (loss):	
Net realized and unrealized appreciation (depreciation) in fair value of investments	213,894
Interest and dividends	<u>78,286</u>
Investment earnings	292,180
Less investment expenses	<u>34,988</u>
Net investment earnings	<u>257,192</u>
Total additions	532,974
<b>DEDUCTIONS:</b>	
Benefits	193,311
Administrative expenses	<u>35,850</u>
Total deductions	<u>229,161</u>
Net increase in net position	303,813
Net position restricted for pensions: October 1	<u>3,720,863</u>
Net position restricted for pensions: September 30	<u><u>\$ 4,024,676</u></u>

See Notes to Financial Statements.

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

## **TOWN OF BELLEAIR, FLORIDA**

### **NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2018**

#### **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, 2018**

**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, 2018 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, 2018**

#### **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, 2018**

**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, 2018**

**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, 2018**

**1. Summary of Significant Accounting Policies (Continued)**

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

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

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

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



**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2018**

**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, 2018**

**1. Summary of Significant Accounting Policies (Continued)**

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

The Town reports the following major governmental funds:

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

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

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

The Town reports the following major proprietary funds:

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

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

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

Additionally, the Town reports the following fund type:

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

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2018**

**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, 2018**

**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, 2018**

**1. Summary of Significant Accounting Policies (Continued)**

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

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

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

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

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

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

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2018**

**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, 2018**

### **1. Summary of Significant Accounting Policies (Continued)**

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

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

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

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

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

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

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

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

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2018**

**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, 2018**

**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, 2018**

**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 \$6,932,001 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, 2018**

**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, 2018**

**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, 2018**

**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, 2018**

**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, 2018**

**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 \$23,530,160 difference is as follows:

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

Governmental capital assets	\$ 47,547,432	
Less accumulated depreciation	(13,638,073)	
	<hr/>	
		\$ 33,909,359

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.	61,965
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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)	(420,076)	
Revenue loan	(8,125,000)	
Equipment loan	(156,899)	
Lease	(762,390)	
Accrued interest	(15,432)	
Compensated absences	(374,847)	
	<hr/>	
		(9,854,644)

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	<hr/>	(586,520)
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Net adjustment to increase *fund balance - total Governmental funds* to arrive at *net position - Governmental activities*

\$ 23,530,160

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2018**

**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 \$(941,840) difference are as follows

Capital outlay	\$ 129,772
Depreciation expense	<u>(1,071,612)</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>(941,840)</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 \$(334,520) difference are as follows:

Principal payment on bond	\$ 405,000
Principal payment on loan	56,954
Proceeds from debt	(762,390)
Compensated absences	(58,034)
OPEB obligation	138,903
Pension expense	(99,521)
Accrued interest	<u>(15,432)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at changes in net position of governmental activities	\$ <u><u>(334,520)</u></u>



**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2018**

**3. Stewardship, Compliance, and Accountability**

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

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

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

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

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

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

Establishment/Elimination of Funds - No funds were established or eliminated during the fiscal year ended September 30, 2018.

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2018**

**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, 2018 summarized as follows:

Fund	Operating Deficit
General	\$ <u>(459,667)</u>
Solid Waste Management	\$ <u>(38,916)</u>

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

**4. Deposits**

At year-end the carrying amount of the Town's deposits was \$6,201,847 and the bank balance was \$6,276,847. 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, 2018**

**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	\$ 1,593	AA	Daily
Domestic fixed income investment funds	1,153,394	AA	Daily
International fixed income investment fund	148,323	AAA	Daily
Domestic Stock	752,648	N/A	N/A
Domestic equity investment funds	1,171,214	N/A	N/A
International equity investment fund	575,369	N/A	N/A
Temporary investments	137,078	N/A	N/A
Florida State Board of Administration Local Government Pooled Investment Fund (SBA)	<u>4,400,538</u>	Not Rated	N/A
Total investments	\$ <u><u>8,340,157</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 benchmarks.

**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, 2018**

#### **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, 2018**

#### **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, 2018 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, 2018.

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, 2018**

**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, 2018. The Florida SBA is a 2a-7 like pool.

**6. Receivables**

Receivables at of September 30, 2018 for the government's individual major funds and nonmajor, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are summarized as follows:

	<u>General</u>	<u>Infra- structure</u>	<u>Water</u>	<u>Waste- Water Management</u>	<u>Solid Waste Management</u>	<u>Nonmajor and Other Funds</u>	<u>Police Pension</u>	<u>Total</u>
Receivables:								
Taxes	\$ 38,919	\$ 94,454	\$ -	\$ -	\$ -	\$ -	\$ -	133,373
Accounts	29,970	50,000	198,956	148,903	119,490	-	97,315	644,634
Intergovernmental	<u>68,501</u>	<u>71,169</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,064</u>	<u>-</u>	<u>148,734</u>
Gross receivables	137,390	215,623	198,956	148,903	119,490	9,064	97,315	926,741
Less: Allowance for uncollectibles	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>15,000</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
Net total receivables	<u>\$ 137,390</u>	<u>\$ 215,623</u>	<u>\$ 173,956</u>	<u>\$ 133,903</u>	<u>\$ 109,490</u>	<u>\$ 9,064</u>	<u>\$ 97,315</u>	<u>\$ 876,741</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, 2018.

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2018**

**7. Capital Assets**

Capital asset activity for the year ended September 30, 2018 was as follows:

	Balance October 1, 2017	Increases	Decreases	Balance September 30, 2018
<u>Governmental activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 5,637,015	\$	\$ -	\$ 5,637,015
Total capital assets, not being depreciated	5,637,015	-	-	5,637,015
Capital assets, being depreciated:				
Buildings	5,210,791	-	-	5,210,791
Improvements other than buildings	553,430	1,195	--	554,625
Machinery and Equipment	2,599,662	128,577	248,833	2,479,406
Infrastructure	33,665,595	-	-	33,665,595
Total capital assets, being depreciated	42,029,478	129,772	248,833	41,910,417
Less accumulated depreciation for:				
Buildings	(1,403,658)	(1,405,834)	-	(2,809,492)
Improvements other than buildings	(203,143)	(200,966)	-	(404,109)
Machinery and equipment	(1,307,106)	(267,118)	248,833	(1,325,391)
Infrastructure	(9,901,387)	(633,129)	-	(10,534,516)
Total accumulated depreciation	(12,815,294)	(2,507,047)	248,833	(15,571,174)
Total capital assets, being depreciated, net	29,214,184	(2,377,275)	-	26,836,909
Governmental activities capital assets, net	\$ 34,851,199	\$ (2,377,275)	\$ -	\$ 32,473,924

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2018**

**7. Capital Assets (Continued)**

	Balance October 1, 2017	Increases	Decreases	Balance September 30, 2018
<u>Business-type activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 22,950	\$ -	\$ -	\$ 22,950
Total capital assets, not being depreciated	22,950	-	-	22,950
Capital assets, being depreciated:				
Buildings	308,532	-	-	308,532
Improvements other than buildings	5,206,705	-	-	5,206,705
Machinery and Equipment	1,280,733	-	(38,301)	1,242,432
Total capital assets, being depreciated	6,795,970	-	(38,301)	6,757,669
Less accumulated depreciation for:				
Buildings	(282,223)	(5,890)	-	(288,113)
Improvements other than buildings	(1,998,146)	(107,761)	-	(2,105,907)
Machinery and equipment	(836,763)	(107,106)	37,802	(906,067)
Total accumulated depreciation	(3,117,132)	(220,757)	37,802	(3,300,087)
Total capital assets, being depreciated, net	3,678,838	(220,757)	(499)	3,457,582
Business-type activities capital assets, net	\$ 3,701,788	\$ (220,757)	\$ (499)	\$ 3,480,532



**TOWN OF BELLEAIR, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**7. Capital Assets (Continued)**

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

Governmental activities:

General government	\$ 128,908
Public safety	65,913
Streets	671,692
Culture and recreation	<u>205,099</u>
Total depreciation expenses - governmental activities	\$ <u><u>1,071,612</u></u>

Business-type activities:

Water	\$ 144,146
Wastewater	-
Solid waste	<u>76,611</u>
Total depreciation expense - business-type activities	\$ <u><u>220,757</u></u>

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2018**

**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, 2018.

The remaining transfers were made to cover budgeted expenses/expenditures for 2018.

	<u>Transfers In</u>	<u>Transfers Out</u>
General fund	\$ 250,394	\$ 51,450
Nonmajor governmental funds	51,450	408,694
Water fund	102,800	-
Solid waste fund	184,500	-
Waste water fund	<u>-</u>	<u>129,000</u>
Total	\$ <u><u>589,144</u></u>	\$ <u><u>589,144</u></u>

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2018**

**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, 2018, as shown in the following table:

<u>Enterprise Fund</u>	<u>Administrative Costs Allocated</u>
Water	\$ 364,050
Solid Waste Management	<u>203,950</u>
Total	<u><u>\$ 568,000</u></u>

**10. Long-Term Debt**

Long-term debt includes accrued leave as of September 30, 2018:

During the fiscal year ended September 30, 2018, the following changes occurred in liabilities reported in long-term debt:

	<u>Balance October 1</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30</u>	<u>Due Within One Year</u>
Governmental activities:					
Revenue bonds	\$ 8,530,000	\$ -	\$ 405,000	\$ 8,125,000	\$ 420,000
Lease	-	762,390	-	762,390	49,933
Equipment loan	213,853	-	56,954	156,899	60,746
Accrued leave	316,813	244,662	186,628	374,847	93,712
Net pension liability	381,707	204,813	-	586,520	-
Other post-employment benefits (OPEB)	118,736	301,340	-	420,076	-
Total Government activities	<u>9,561,109</u>	<u>1,513,205</u>	<u>648,582</u>	<u>\$ 10,425,732</u>	<u>\$ 624,391</u>
Business-type activities:					
Accrued leave	<u>\$ 85,139</u>	<u>\$ 45,228</u>	<u>\$ 32,396</u>	<u>\$ 97,971</u>	<u>\$ 24,492</u>

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2018**

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

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

Capital Improvement Revenue Bond, Series 2012

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

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

BB&T Bond Issuance

Term:	September 21, 2012 through October 1, 2032
Amount issued:	\$10,000,000
Interest rate:	3.61%
Annual Principal Payments:	\$340,000 to \$685,000
Amount outstanding at September 30, 2018:	<u>\$ 8,125,000</u>

Debt service requirements to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>
2019	\$ 420,000	\$ 293,312
2020	435,000	278,150
2021	450,000	262,447
2022	465,000	246,202
2023	480,000	229,415
2024-2028	2,680,000	873,801
2029-2033	<u>3,195,000</u>	<u>354,142</u>
	<u>\$ 8,125,000</u>	<u>\$ 2,537,469</u>

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2018**

**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:	3.00%
Annual Debt Service	\$63,843
Amount outstanding at September 30, 2018:	<u>\$ 156,899</u>

Debt service requirements to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
2019	\$ 60,746	\$ 3,829	\$ 64,575
2020	62,593	1,982	64,575
2021	<u>33,560</u>	<u>281</u>	<u>33,841</u>
	<u>\$ 156,899</u>	<u>\$ 6,092</u>	<u>\$ 162,991</u>

Lease

On March 6, 2018, the Town entered into a master lease agreement with the City National Capital Finance, Inc. for \$762,390. The Town Commission adopted Resolution 2018-16 authorizing the execution of the lease agreement.

Term:	March 6, 2018 through April 1, 2030
Amount:	\$762,390
Interest rate:	3.529%
Annual Debt Service	\$78,716
Amount outstanding at September 30, 2018	<u>\$762,390</u>

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2018**

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

Lease (Continued)

Debt service requirements to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
2019	\$ 49,933	\$ 28,467	\$ 78,400
2020	54,043	24,673	78,716
2021	55,967	22,749	78,716
2022	57,960	20,756	78,716
2023	60,024	18,692	78,716
2024-2028	333,739	59,841	393,580
2029	74,044	4,672	78,716
2030	76,680	2,036	78,716
	<u>\$ 762,390</u>	<u>\$ 181,886</u>	<u>\$ 944,276</u>

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2018**

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

	<u>General Fund</u>
Fund balances:	
Nonspendable:	
Prepaid items	\$ 4,487
Assigned:	
Park improvement	7,100
Recreation donations	48,458
Master landscaping	20,722
Police equipment	<u>11,749</u>
Total assigned	88,029
Unassigned:	<u>1,868,171</u>
Total fund balances	\$ <u><u>1,960,687</u></u>

**12. Lease Commitments**

The Town currently leases certain equipment under a four and five year noncancellable operating leases. Total lease expense for 2018 was \$\_\_\_\_\_. The following is a schedule of future minimum annual lease payments remaining under these leases.

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

## **TOWN OF BELLEAIR, FLORIDA**

### **NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2018**

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

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



**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2018**

**13. Risk Management (Continued)**

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

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

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

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

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

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2018**

**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, 2020 is between \$5,500,000 and \$6,500,000. The funding for these projects will come from the countywide one percent infrastructure sales surtax.

The Town did not receive federal grant funds during the fiscal year ended September 30, 2018, 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, 2018.

**TOWN OF BELLEAIR, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**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, 2018**

**15. Investment Measurement at Fair Value (Continued)**

Fair Value Hierarchy (Continued)

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

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

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

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

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2018**

**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, 2018**

**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, 2018:

		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, 2018			
Debt Securities:				
U.S. Government agency securities	\$ 1,593	\$ -	\$ 1,593	\$ -
Domestic fixed income investment funds	1,153,394	1,153,394	-	-
International fixed income investment fund	<u>148,323</u>	<u>148,323</u>	<u>-</u>	<u>-</u>
Total debt securities	1,303,310	1,301,717	1,593	-
Equity securities:				
Domestic equity investment funds	1,171,243	1,171,243	-	-
Domestic stock	752,648	752,648	-	-
International equity investment fund	<u>575,369</u>	<u>575,369</u>	<u>-</u>	<u>-</u>
Total equity securities	2,499,260	2,499,260	-	-
Temporary investments	<u>137,078</u>	<u>137,078</u>	<u>-</u>	<u>-</u>
Total investments at fair value level	<u>\$ 3,939,648</u>	<u>\$ 3,938,055</u>	<u>\$ 1,593</u>	<u>\$ -</u>

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2018**

**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 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, 2018**

**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, 2018. 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, 2018.

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, 2018**

**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, 2018**

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

**Police Officers Pension Fund (continued)**

Plan Description (continued)

*Benefits Provided (Continued):*

**Chapter 185 Share Account:**

Pursuant to Chapter 2015-39, Laws of Florida, a supplemental benefit component for special benefits exists but is currently not funded as no premium tax allocations have been made to the share accounts.

*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, 2018.

The measurement period for the pension expense was October 1, 2017 to September 30, 2018.

The reporting period is October 1, 2017 through September 30, 2018.

The Town's net liability was measured as of September 30, 2018.

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, 2017 updated to September 30, 2018 using the following actuarial assumptions:

Inflation	2.50%
Salary increases	Service based
Discount rate	7.50%
Investment rate of return	7.50%

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2018**

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

Police Officers Pension Fund (continued)

Plan Description (continued)

*Mortality Rate Healthy Active Lives:*

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

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

*Mortality Rate Healthy Inactive Lives:*

Female: RP200 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, 2018 valuation were based on the results of an actuarial experience study dated October 15, 2018.

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. For 2018 the inflation rate assumption of the investment advisor was 2.50%. 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 made by adding expected inflation.

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2018**

**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, 2018 are summarized in the following table:

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

Discount Rate:

The discount rate used to measure the total pension liability was 7.50 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, 2018**

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

Police Officers Pension Fund (continued)

Plan Description (continued)

**CHANGES IN NET PENSION LIABILITY**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Reporting period ending September 30, 2017	\$ 4,102,570	\$ 3,720,863	\$ 381,707
Changes for a year:			
Service cost	276,250	-	276,250
Interest	329,454	-	329,454
Differences between expected and actual experience	83,595	-	83,595
Changes of assumptions	12,638	-	12,638
Changes of benefit terms	-	-	-
Contributions - Employer	-	168,361	(168,361)
Contributions - State	-	52,950	(52,950)
Contributions - Employees	-	54,471	(54,471)
Net Investment earnings	-	257,192	(257,192)
Benefit Payments, including			
Refunds of Employee Contributions	(193,311)	(193,311)	-
Administration expense	-	(35,850)	35,850
Net changes	508,626	303,813	204,813
Reporting period ending September 30, 2018	<u>\$ 4,611,196</u>	<u>\$ 4,024,676</u>	<u>\$ 586,520</u>

**TOWN OF BELLEAIR, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**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 7.50%, 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 (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate.

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Town' Net Pension Liability	\$ <u>1,045,122</u>	\$ <u>586,520</u>	\$ <u>196,235</u>

Rate of Return - For the year ended September 30, 2018 the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 7.11 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, 2018**

**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, 2018</u>
Retirees and beneficiaries currently receiving benefits	9
Terminated plan members entitled to but not yet receiving benefits	6
Active plan members:	
Fully vested	3
Nonvested	10

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2018**

**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, 2018 the Town will recognize a pension expense of \$321,402 . On September 30, 2018 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	\$ 41,798	\$ -
Changes of assumptions	6,319	-
Net difference between projected and actual earnings on pension plan investments	13,848	-
Total	<u>\$ 61,965</u>	<u>\$ -</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:

2019	\$ 88,861
2020	(9,688)
2021	(23,050)
2022	5,842
2023	-
Thereafter	-

**Payable to the Pension Plan**

On September 30, 2018, the Town reported a payable of \$42,802 for the outstanding amount of contributions of the Pension Plan required for the year ended September 30, 2018.



**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2018**

**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, 2018 there were 48 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 2018 was \$3,263,420. The Town's contributions were calculated using the participants' salary amount of \$2,057,311. 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	\$ 185,157	9.0 %
Employee	61,719	3.0
Voluntary:		
Employee	<hr/> 41,458	
Total contributions	\$ <hr/> <hr/> 288,334	

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2018**

**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, 2018.

**17. Implementation of New GASB Statements**

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. The Town has implemented this standard.

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

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2018**

**17. Implementation of New GASB Statements (Continued)**

In June 2017, the Governmental Accounting Standards Board (GASB, the Board) issued Statement No. 87, *Leases* to provide more useful decision-making information for the users of state and local government financial statements. In many respects, Statement No. 87 is similar to the lease accounting and reporting standards established by the Financial Accounting Standards Board (FASB) for business entities. For example, both standards are based on the principle that a leased asset represents the right to use such asset for the period of the lease term, and both address accounting and reporting requirements for lessees and lessors.

Local governments will account for and report leases for fiscal periods beginning October 1, 2020 in accordance with Statement No. 87.

**18. Deferred Compensation Plan**

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

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2018**

**19. Post-Employment Health Care Benefits**

GASB Statement No. 75: *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* (OPEB), established new accounting standards for postretirement benefits. The new standard does not require funding of OPEB expense, but any difference between the annual required contribution (ARC) and the amount funded during the year is required to be recorded in the employer's financial statement as an increase (or decrease) in the net OPEB obligation. The effective date for implementation of GASB 75 by the Town of Belleair, Florida is October 1, 2017. Accordingly, the District did obtain an actuarial valuation in accordance with GASB 75 standards as of October 1, 2017 and discloses the following:

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, 2018 the Town had two 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, 2018**

**19. Post-Employment Health Care Benefits (Continued)**

**Annual OPEB Cost and Net OPEB Obligation**

The Town's annual other post-employment benefits (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 75. 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. Since GASB Statement 75 only requires an actuarial valuation every two years, the Town's last valuation was for the fiscal year ended September 30, 2018.

***Discount Rate:***

The discount rate used to determine the liabilities under GASB 75 depends upon Town's funding policy. The discount rate for governments that do not prefund benefits is based on 20-year general obligation bond (GO bond) rates.

The discount rate assumption for disclosure purposes for FYE 2018 is 4.15%, the 20-year GO bond index as of 9/30/2018. The rate at the beginning of the year was 3.63%, the 20-year Go bond index as of 9/30/2017.

***Funding Policy***

The Town will pay benefits on a pay-as-you-go basis.

***Plan Description***

The Town provides post-employment medical benefits (OPEB) to eligible Town employees and their eligible dependents and retirees and their eligible dependents. No assets are accumulated in a trust that meets the criteria in paragraphs 4 of GASB Statement 75.

**TOWN OF BELLEAIR, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**19. Post-Employment Health Care Benefits (Continued)**

***OPEB Expense:***

For the year ended September 30, 2018, the Town will recognize OPEB Expense of \$80,720.

**OPEB LIABILITY**

	<u>FY 2017/18</u>
Total OPEB Liability - beginning of year	\$ 558,979
Service Cost	27,679
Interest	20,249
Difference Between Expected and Actual Experience	(112,702)
Changes in Assumptions	(15,946)
Changes of Benefit Terms	-
Benefit Payments	<u>(58,183)</u>
Net changes in total OPEB Liability	<u>(138,903)</u>
Total OPEB liability - end of year	<u><u>\$ 420,076</u></u>

**Plan Fiduciary Net Position**

Plan fiduciary net position - beginning of year	\$ -
Contributions - employer	58,183
Contributions - active employees	-
Net investment income	-
Benefit payments	(58,183)
Trust administrative expenses	-
Net changes in plan fiduciary net position	<u>-</u>
Plan fiduciary net position - end of year	<u><u>\$ -</u></u>
Net OPEB Liability - end of year	<u><u>\$ 420,076</u></u>
Plan fiduciary net position as % of total OPEB liability	0.0%
Covered employee payroll	\$ 2,817,098
Net OPEB liability as % of covered payroll	14.9%

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2018**

**19. Post-Employment Health Care Benefits (Continued)**

**Annual OPEB Cost and Net OPEB Obligation**

***Sensitivity of the Total OPEB Liability to changes in the Discount Rate:***

The following presents the Total OPEB Liability of the Town as well as what the Town's Total OPEB Liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

	1% Decrease <u>3.15%</u>	Current Discount Rate <u>4.15%</u>	1% Increase <u>5.15%</u>
Total OPEB Liability (Asset)	\$ 444,179	\$ 420,076	\$ 397,797

***Sensitivity of Total OPEB Liability to changes in the Healthcare Cost Trend Rates:***

The following presents the Total OPEB Liability of the Town as well as what the Town's Total OPEB Liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

	1% Decrease <u>7.00%</u>	Medical Trend Rate <u>8.00%</u>	1% Increase <u>9.00%</u>
Total OPEB Liability (Asset)	\$ 393,224	\$ 420,076	\$ 451,931

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2018**

**19. Post-Employment Health Care Benefits (Continued)**

**Annual OPEB Cost**

Reporting Period Ending	09/30/2018
Measurement Date	09/30/2018
OPEB Expense	
Service Cost	\$ 27,679
Interest	20,249
OPEB Administrative Expense	-
Changes in benefit terms	-
Difference Between Expected and Actual Experience	-
Projected earnings on OPEB investments	-
Reduction for contributions from active employees	-
Current period recognition of deferred	
Outflows/(inflows) of resources	(112,702)
Changes of assumptions	(15,946)
Net difference between projected and actual earnings	
on OPEB plan investments	-
Total current period recognition	-
	<hr/>
Total OPEB expense	\$ <u>80,720</u>



**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2018**

**19. Post-Employment Health Care Benefits (Continued)**

**Substantive Plan Provisions**

**Eligibility**

Department Heads and  
General Employees

Department Heads and general employees are eligible for lifetime retiree health benefits once they meet the Defined Contribution plan eligibility requirements which is age 59 ½ and 3 years of service.

Police

Police officers are eligible for lifetime retiree health benefits once they meet the Town of Belleair police pension retirement eligibility requirements which are as follows:

1. Age 50 with 10 years of service (early retirement)
2. Age 55 with 5 years of service (normal retirement)
3. 25 years of service (normal retirement)

**Spouse Benefit**

Surviving spouses are eligible for COBRA coverage upon death of retirees.

**Medical Benefit**

Same benefit options are available to retirees as active employees. All health plans are fully-insured and experience-rated.

**Retiree Cost Sharing**

General and Police retirees are required to pay the full cost of coverage.

Department Heads are eligible for subsidized retiree health benefits if they retire at age 59.5 with 3 years of service. Retirees pay the portion of the cost that is not covered by the Town's explicit subsidy.

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2018**

**19. Post-Employment Health Care Benefits (Continued)**

**Substantive Plan Provisions (Continued)**

<b>Explicit Subsidy</b>	For Department Heads, the Town's subsidy is frozen at the dollar premium amount in effect at the time of retirement until the retiree is eligible for Medicare. Upon Medicare eligibility, the Town will subsidize the Medicare Supplement coverage until the retiree reaches age 70 at the same dollar amount in effect at the time of retirement. Spouse is also eligible for this explicit subsidy while the retiree is alive.
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The actual assumptions used in this report represent a reasonable long-term expectation of future OPEB outcomes. As national economic and Town experience change over time, the assumptions will be tested for ongoing reasonableness and, if necessary, updated.

<b>Measurement Date</b>	For fiscal year ending September 30, 2018 measurement date was used.
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<b>Actuarial Valuation Date</b>	September 30, 2018 with no adjustments to get to the September 30, 2018 measurement date. Liabilities as of October 1, 2017 are based on an actuarial valuation date of October 1, 2016 projected to October 1, 2017 on a "no loss/no gain" basis.
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<b>Discount Rate</b>	3.63% as of October 1, 2017 and 4.15% as of September 30, 2018 for accounting disclosure purposes.
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**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2018**

**19. Post-Employment Health Care Benefits (Continued)**

**Substantive Plan Provisions (Continued)**

**Payroll Growth**

Sample rates are shown below based on the Florida Retirement System (FRS) actuarial valuation as of July 1, 2018 and the Town of Belleair Municipal Police Officers' Retirement System actuarial valuation as of September 30, 2017.

<b>Service</b>	<b>General and</b>		<b>Police</b>
	<b>Department Heads</b>		
	<b>Male</b>	<b>Female</b>	
0	7.50%	7.80%	6.50%
5	4.90%	4.80%	6.50%
10	4.50%	4.60%	6.50%
15	4.40%	4.40%	6.50%
20	4.30%	4.30%	6.50%
25	4.00%	4.00%	6.50%
30+	4.40%	4.60%	6.50%

**Inflation Rate**

3.0% per year

**Cost Methods**

Allocation of Actuarial Present Value of Future Benefits for services prior and after the Measurement Date was determined using Entry Age Normal Level % of Salary method where:

- Service Cost for each individual participant, payable from date of employment to date of retirement, is sufficient to pay for the participant's benefit at retirement; and
- Annual Service Cost is a constant percentage of the participant's salary that is assumed to increase according to the Payroll Growth.

**Employee**

**Funding Policy**

Pay-as-you-go basis.

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2018**

**20. Restatement of Beginning Net Position**

Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension Plans*, requires the net other postemployment benefits (OPEB) liability of the District's OPEB Trust Fund be reported as a liability in the Statement of Net Position. Accordingly, the beginning net position as of October 1, 2017 has been restated as follows:

Statement of Net Position

	<u>Governmental Activities</u>
Beginning net position, previously reported	\$ 32,807,478
Deduct:	
Net OPEB liability 10/1/2017	<u>(440,243)</u>
Total	\$ <u><u>32,367,235</u></u>

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

**OTHER POST-EMPLOYMENT**

**BENEFITS**

**TOWN OF BELLEAIR**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SEPTEMBER 30, 2018**

**SCHEDULE OF CHANGE IN TOTAL OPEB LIABILITY AND  
RELATED RATIOS  
Last Fiscal Year**

Total OPEB Liability	<u>2018</u>
Service Cost	\$ 27,679
Interest	20,249
Difference Between Expected and Actual Experience	(112,702)
Change in Assumptions	(15,946)
Changes of Benefit Terms	-
Benefit Payments	<u>(58,183)</u>
Net Change in Total OPEB Liability	(138,903)
Total OPEB Liability - Beginning	<u>558,979</u>
Total OPEB Liability - Ending	<u><u>\$ 420,076</u></u>
Covered employee payroll	\$ 2,817,098
Total OPEB liability as a percentage of covered- Employee payroll	14.90%

**Notes to Schedule:**

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75 to pay related benefits.

**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**

		<b><u>Last Five Fiscal Years</u></b>				
Reporting period ending	9/30/2018					
Measurement date	9/30/2018	September 30, 2018	September 30, 2017	September 30, 2016	September 30, 2015	September 30, 2014
Total pension liability:						
Service cost		\$ 276,250	\$ 235,024	\$ 237,141	\$ 202,940	\$ 239,594
Interest		329,454	321,366	280,727	270,052	236,179
Changes of benefit terms		-	(29,812)	-	-	-
Difference between expected and actual experience		83,595	(137,418)	(123,703)	(127,034)	-
Change in assumptions		12,638	-	143,054	-	-
Benefit payments, including refunds of employee contributions		<u>(193,311)</u>	<u>(180,671)</u>	<u>(158,004)</u>	<u>(141,005)</u>	<u>(141,832)</u>
Net change in total pension liability		508,626	208,489	379,215	204,953	333,941
Total pension liability - beginning		<u>4,102,570</u>	<u>3,894,081</u>	<u>3,514,866</u>	<u>3,309,913</u>	<u>2,975,972</u>
Total pension liability ending (a)		<u>\$ 4,611,196</u>	<u>\$ 4,102,570</u>	<u>\$ 3,894,081</u>	<u>\$ 3,514,866</u>	<u>\$ 3,309,913</u>
Plan fiduciary net position:						
Contributions - employer		\$ 168,361	\$ 176,105	\$ 150,036	\$ 213,760	\$ 237,836
Contributions - state		52,950	48,160	48,560	47,291	44,305
Contributions - employees		54,471	52,223	46,400	47,017	46,612
Net investment income (loss)		257,192	408,804	166,378	(17,732)	242,548
Benefit payments including refunds of employee contributions		(193,311)	(180,671)	(158,004)	(141,005)	(141,832)
Administrative expenses		<u>(35,850)</u>	<u>(29,286)</u>	<u>(27,832)</u>	<u>(28,373)</u>	<u>(20,917)</u>
Net change in plan fiduciary net position		303,813	475,335	225,538	120,958	408,552
Plan fiduciary net position - beginning		<u>3,720,863</u>	<u>3,245,528</u>	<u>3,019,990</u>	<u>2,899,032</u>	<u>2,490,480</u>
Plan fiduciary net position - ending (b)		<u>\$ 4,024,676</u>	<u>\$ 3,720,863</u>	<u>\$ 3,245,528</u>	<u>\$ 3,019,990</u>	<u>\$ 2,899,032</u>
Net pension liability (asset) (a) - (b)		<u>\$ 586,520</u>	<u>\$ 381,707</u>	<u>\$ 648,553</u>	<u>\$ 494,876</u>	<u>\$ 410,881</u>

**TOWN OF BELLEAIR, FLORIDA**

**POLICE OFFICERS' PENSION TRUST FUND**

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

**SCHEDULE OF RATIOS**

**Last Five Fiscal Years**

	September 30, 2018	September 30, 2017	September 30, 2016	September 30, 2015	September 30, 2014
Plan fiduciary net position as a percentage of the total pension liability	<u>87.29%</u>	<u>90.70%</u>	<u>83.34%</u>	<u>85.92%</u>	<u>87.59%</u>
Covered employee payroll*	\$ <u>907,853</u>	\$ <u>870,386</u>	\$ <u>773,326</u>	\$ <u>783,615</u>	\$ <u>738,422</u>
Net pension liability as a percentage of covered payroll	<u>64.61%</u>	<u>43.85%</u>	<u>83.87%</u>	<u>63.15%</u>	<u>55.64%</u>

*\*For the fiscal year 2018, the Covered Payroll is shown in compliance with GASB 82.*

**TOWN OF BELLEAIR, FLORIDA**

**POLICE OFFICERS' PENSION TRUST FUND**

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

**SCHEDULE OF CONTRIBUTIONS**

**Last Five Fiscal Years**

Report period ending 9/30/2018  
Measurement date 9/30/2018

	September 30, 2018	September 30, 2017	September 30, 2016	September 30, 2015	September 30, 2014
Actuarially determined contributions	\$ 221,881	\$ 223,396	\$ 197,989	\$ 261,051	\$ 286,371
Contributions in relation to the actuarially determined contributions	221,881	223,396	198,596	261,051	286,371
Contribution deficiency (excess)	\$ -	\$ -	\$ (607)	\$ -	\$ -
Covered employee payroll	\$ 907,853	\$ 870,386	\$ 773,326	\$ 783,615	\$ 738,422
Contributions as a percentage of covered employee payroll	24.44%	25.67%	25.60%	33.31%	38.78%

**TOWN OF BELLEAIR, FLORIDA**

**POLICE OFFICERS' PENSION TRUST FUND**

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

**NOTES TO SCHEDULE OF CONTRIBUTIONS**

**Last Five Fiscal Years**

Notes to Schedule

Valuation date 10/01/2016 (ais 10/17/2017)

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:

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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.  
*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 assumed rates of mortality were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuation of the Florida Retirement System (FRS). The above rates are those outlined in the July 1, 2015 FRS actuarial valuation report for special risk employees. We feel this assumption sufficiently accommodates future mortality improvements.

Interest rate: 7.75 % per year compounded annually, net of investment related expenses. This is supported by the target asset class allocation of the trust and the expected long-term return by asset class.

**TOWN OF BELLEAIR, FLORIDA**

**POLICE OFFICERS' PENSION TRUST FUND**

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

**NOTES TO SCHEDULE OF CONTRIBUTIONS (CONTINUED)**

**Last Five Fiscal Years**

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. We feel that this assumptions is reasonable based on Plan provisions.
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. We feel that this assumptions is reasonable based on Plan provisions.
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). This assumption was developed from those used by other plans containing Florida municipa. Police Officers.
Termination rate:	See table below. This is based on the results of an experience study for the period 3002 to 2010.
Salary increases:	6.5% per year until the assumed retirement age, see table below. Projected salary at retirement is increased 20% to account for final non-regular compensation. This is supported by the results of an experience study for the period 1987 to 2010.
Payroll growth:	3% per year. This is in compliance with Part VII of Chapter 112, Florida Statutes.
Funding method:	Frozen Entry Age Actuarial Cost Method.
Amortization method:	Level Percentage of Pay, Closed.
Remaining Amortization Period:	30 Years (as of 10/01/2017 Valuation).
Actuarial Asset 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.

Decrement tables:	% Terminating	% Becoming Disabled
	<u>Age</u>	<u>During the Year</u>
	20	12.0%
	30	10.0%
	40	5.2%
	50	1.6%

**TOWN OF BELLEAIR, FLORIDA**  
**POLICE OFFICERS' PENSION TRUST FUND**  
**REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A**  
**SCHEDULE OF INVESTMENT RETURNS**  
**Last Five Fiscal Years\***

	September 30, 2018	September 30, 2017	September 30, 2016	September 30, 2015	September 30, 2014
Annual money-weighted rate of return net of investment expense	<u>7.11%</u>	<u>12.48%</u>	<u>5.68%</u>	<u>-0.75%</u>	<u>9.80%</u>

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

**NONMAJOR**  
**COMBINING AND INDIVIDUAL FUND**  
**FINANCIAL STATEMENTS**  
**AND SCHEDULES**

## **SPECIAL REVENUE FUNDS**

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

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

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

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



## **CAPITAL PROJECTS FUND**

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

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

TOWN OF BELLEAIR, FLORIDA  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2018

	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	\$ 66,740	\$ 94,612	\$ 66,036	\$ 227,388	\$ 28,806	\$ 256,194
Investments	126	3,000	1,041	4,167	300,000	304,167
Receivables (net of allowance for uncollectible accounts):						
Accounts	-	-	-	-	-	-
County	-	9,064	-	9,064	-	9,064
<b>TOTAL ASSETS</b>	<b>\$ 66,866</b>	<b>\$ 106,676</b>	<b>\$ 67,077</b>	<b>\$ 240,619</b>	<b>\$ 328,806</b>	<b>\$ 569,425</b>
<b>LIABILITIES AND FUND BALANCES</b>						
Accounts payable	\$ -	\$ -	\$ 1,033	\$ -	\$ -	\$ 1,033
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>1,033</b>	<b>-</b>	<b>-</b>	<b>1,033</b>
<b>FUND BALANCES</b>						
<b>FUND BALANCES:</b>						
Restricted	66,866	106,676	66,044	239,586	328,806	568,392
<b>TOTAL FUND BALANCES</b>	<b>66,866</b>	<b>106,676</b>	<b>66,044</b>	<b>239,586</b>	<b>328,806</b>	<b>568,392</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 66,866</b>	<b>\$ 106,676</b>	<b>\$ 67,077</b>	<b>\$ 239,586</b>	<b>\$ 328,806</b>	<b>\$ 569,425</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, 2018

	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	\$ -	\$ 55,336	\$ 1,033	\$ 56,369	\$ -	\$ 56,369
Charges for services	86,485	-	-	86,485	-	86,485
Miscellaneous	-	-	-	-	-	-
Interest earned	3	72	25	100	-	100
<b>TOTAL REVENUES</b>	86,488	55,408	1,058	142,954	-	142,954
<b>EXPENDITURES:</b>						
Current:						
Recreation	24,128	-	-	24,128	-	24,128
Transportation	-	41,388	-	-	-	41,388
<b>TOTAL EXPENDITURES</b>	24,128	41,388	-	24,128	-	65,516
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	62,360	14,020	1,058	77,438	-	77,438
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in:						
Solid Waste Management Fund	-	-	-	-		-
Water Fund	-	-	-	-		-
General Fund	-	-	-	-	51,450	51,450
Capital Equipment Replacement	-	-				-
Infrastructure Fund	-	-	-	-	-	-
Transfers out:						
General Fund	-	(63,850)	-	(63,850)	(57,544)	(121,394)
Infrastructure Fund	-	-		-	-	-
Local Option Gas Tax Fund	-		-	-	-	-
Water Fund	-	-	-	-	(102,800)	(102,800)
Solid Waste Management Fund	-	-	-	-	(184,500)	(184,500)
<b>Total other financing sources and (uses)</b>	-	(63,850)	-	(63,850)	(293,394)	(357,244)
<b>NET CHANGE IN FUND BALANCES</b>	62,360	(49,830)	1,058	13,588	(293,394)	(279,806)
<b>FUND BALANCES, OCTOBER 1</b>	4,506	156,506	64,986	225,998	622,200	848,198
<b>FUND BALANCES, SEPTEMBER 30</b>	\$ 66,866	\$ 106,676	\$ 66,044	\$ 239,586	\$ 328,806	\$ 568,392

**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, 2018

	Infrastructure Fund			
	Project Authorization	Prior Years	Current Year	Total to Date
REVENUES:				
Taxes:				
Property	\$ 3,344,600	\$ 7,630,105	\$ 676,739	\$ 8,306,844
Utility	1,150,000	3,639,721	772,139	4,411,860
Intergovernmental:				
Infrastructure sales surtax	1,992,600	6,149,020	434,396	6,583,416
Grant	5,162,800	1,358,165	749,683	2,107,848
Interest earned	193,000	194,010	30,445	224,455
Donations	4,098,000	4,101,871	165,000	4,266,871
Miscellaneous	-	118,519	-	118,519
TOTAL REVENUES	15,941,000	23,191,411	2,828,402	26,019,813
EXPENDITURES:				
Capital outlay:				
Manager	-	709,597	-	709,597
Finance and administration	-	1,562,802	176,938	1,739,740
Streets	43,131,628	26,526,591	658,929	27,185,520
Culture and recreation	-	6,941,803	37,640	6,979,443
Debt service:				
Principal	-	1,470,000	405,000	1,875,000
Interest and fees	-	1,836,069	292,933	2,129,002
TOTAL EXPENDITURES	43,131,628	39,046,862	1,571,440	40,618,302
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(27,190,628)	(15,855,451)	1,256,962	(14,598,489)
OTHER FINANCING SOURCES (USES):				
Proceeds from debt	10,000,000	10,000,000	762,390	10,762,390
Transfers in (out):				
General Fund	3,160,000	6,488,671		6,488,671
Golf Fund	3,960,614	4,023,940		4,023,940
Local Option Gas Tax	-	560,600	-	560,600
Water Fund	-	(982,016)		(982,016)
Wastewater Management Fund	-	100,000	-	100,000
Park and Public District Enhancement Fund	-	36,100	-	36,100
Equipment Replacement Fund	-	95,200	-	95,200
Total other financing sources (uses)	17,120,614	20,322,495	762,390	21,084,885
NET CHANGE IN FUND BALANCE	\$ (10,070,014)	\$ 4,467,044	2,019,352	\$ 6,486,396
FUND BALANCE, OCTOBER 1			4,583,843	
FUND BALANCE, SEPTEMBER 30			\$ 6,603,195	

## **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, 2018

	<u>ORIGINAL BUDGETED AMOUNTS</u>	<u>FINAL BUDGETED AMOUNTS</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)</u>
OPERATING REVENUES:				
Charges for sales and services	\$ 1,480,000	\$ 1,667,000	\$ 1,683,742	\$ 16,742
Total operating revenues	1,480,000	1,667,000	1,683,742	16,742
OPERATING EXPENSES:				
Personal services	567,000	567,000	552,990	14,010
Materials and supplies	660,350	660,350	615,046	45,304
Utilities	116,150	248,150	198,376	49,774
Depreciation	127,500	127,500	144,146	(16,646)
Total operating expenses	1,471,000	1,603,000	1,510,558	92,442
OPERATING INCOME (LOSS)	9,000	64,000	173,184	109,184
NONOPERATING REVENUES (EXPENSES):				
Interest revenue	-	-	2,137	2,137
Gain on disposal of assets	-	-	-	-
Grant	-	-	-	-
Other income	-	-	2,066	2,066
Total nonoperating revenues	-	-	4,203	4,203
Income (loss) before contributions and transfers	9,000	64,000	177,387	113,387
Capital contributions - tap fees	1,000	1,000	11,502	10,502
Transfers in	55,000	102,800	102,800	-
Transfers (out)	-	-	-	-
CHANGE IN NET POSITION	65,000	167,800	291,689	123,889
NET POSITION, OCTOBER 1	4,661,626	4,661,626	4,661,626	-
NET POSITION, SEPTEMBER 30	\$ 4,726,626	\$ 4,829,426	\$ 4,953,315	\$ 123,889

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, 2018

	<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 \$	750,000	\$ 1,000,000	\$ 1,132,032	\$ 132,032
OPERATING EXPENSES:				
Materials and supplies	750,000	1,129,000	1,120,917	(8,083)
Utilities	-	-	-	-
Depreciation	-	-	-	-
Total operating expenses	<u>750,000</u>	<u>1,129,000</u>	<u>1,120,917</u>	<u>(8,083)</u>
OPERATING INCOME (LOSS)	-	(129,000)	11,115	140,115
NONOPERATING REVENUES (EXPENSES):				
Interest revenue	-	-	-	-
Other income	-	-	-	-
Loss on disposal of fixed assets	-	-	-	-
Total nonoperating revenues (expenses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income (loss) before contributions and transfers	-	(129,000)	11,115	140,115
Transfers out	<u>(55,000)</u>	<u>(129,000)</u>	<u>(129,000)</u>	<u>-</u>
CHANGE IN NET POSITION	(55,000)	(258,000)	(117,885)	140,115
NET POSITION, OCTOBER 1	<u>444,209</u>	<u>444,209</u>	<u>444,209</u>	<u>-</u>
NET POSITION, SEPTEMBER 30	<u>389,209</u>	<u>\$ 186,209</u>	<u>\$ 326,324</u>	<u>\$ 140,115</u>



TOWN OF BELLEAIR, FLORIDA

SOLID WASTE MANAGEMENT ENTERPRISE FUND

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	<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	\$ 805,000	\$ 805,000	\$ 814,788	\$ 9,788
Total operating revenues	805,000	805,000	814,788	9,788
OPERATING EXPENSES:				
Personal services	343,250	343,250	330,364	12,886
Materials and supplies	695,253	695,253	342,536	352,717
Utilities	1,450	1,450	553	897
Garbage and trash disposal	125,400	107,400	103,640	3,760
Depreciation	77,500	77,500	76,611	889
Total operating expenses	1,242,853	1,224,853	853,704	371,149
OPERATING INCOME (LOSS)	(437,853)	(419,853)	(38,916)	380,937
NONOPERATING REVENUES (EXPENSES):				
Interest revenue	500	500	610	110
Grant	3,000	3,000	2,883	(117)
Gain (loss) on disposal	60,000	60,000		(60,000)
Other income	500	500	3,117	2,617
Total nonoperating revenues	64,000	64,000	6,610	(57,390)
Income (loss) before transfers	(373,853)	(355,853)	(32,306)	323,547
Transfers in		184,500	184,500	-
Transfers out	-	-	-	-
CHANGE IN NET POSITION	(373,853)	(171,353)	152,194	323,547
NET POSITION, OCTOBER 1	1,067,802	1,067,802	1,067,802	-
NET POSITION, SEPTEMBER 30	\$ 693,949	\$ 896,449	\$ 1,219,996	\$ 323,547

**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, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Governmental Funds Capital Assets:		
Land	\$ 5,637,015	\$ 5,637,015
Buildings and improvements	5,210,791	5,210,791
Improvements other than buildings	554,625	553,430
Equipment	2,479,406	2,599,662
Infrastructure	<u>33,665,595</u>	<u>33,665,595</u>
Total Governmental Funds Capital Assets	\$ <u>47,547,432</u>	\$ <u>47,666,493</u>
Governmental Funds Capital Assets by Source:		
General Fund	\$ 23,458,904	\$ 23,577,965
Special revenue funds	3,576,547	3,576,547
Capital projects fund	20,480,912	20,480,912
Federal revenue sharing entitlements	<u>31,069</u>	<u>31,069</u>
Total Governmental Funds Capital Assets	\$ <u>47,547,432</u>	\$ <u>47,666,493</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, 2018 AND 2017

Function and Activity	2018						
	Total	Land	Buildings and Improvements	Improvements Other Than Buildings	Equipment	Construction in Progress	Infra- structure
General Government:							
Manager	\$ 297,721	\$ -	\$ -	\$ 53,642	\$ 244,079	\$ -	\$ -
Finance and Administration	6,214,999	3,186,475	2,257,066	239,800	531,658	-	-
Comprehensive Planning	9,751	-	-	-	9,751	-	-
Town Clerk	16,430	-	-	-	16,430	-	-
Total general government	6,538,901	3,186,475	2,257,066	293,442	801,918	-	-
Public Safety:							
Police	523,900	-	-	-	523,900	-	-
Transportation:							
Streets	35,502,019	1,598,000	6,592	-	231,832		33,665,595
Culture and Recreation:							
Parks	1,329,265	749,300	-	111,928	468,037	-	-
Recreation	3,653,347	103,240	2,947,133	149,255	453,719	-	-
Total culture and recreation	4,982,612	852,540	2,947,133	261,183	921,756	-	-
Total governmental funds							
Capital Assets	\$ 47,547,432	\$ 5,637,015	\$ 5,210,791	\$ 554,625	\$ 2,479,406	\$ -	\$ 33,665,595

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

TOWN OF BELLEAIR, FLORIDA

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

SEPTEMBER 30, 2017 AND 2016

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

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

TOWN OF BELLEAIR, FLORIDA

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

<u>Function and Activity</u>	Governmental Funds Capital Assets October 1, 2017	Additions	Deductions	Governmental Funds Capital Assets September 30, 2018
General Government:				
Manager	\$ 293,170	\$ 33,554	\$ 29,003	\$ 297,721
Finance and Administration	6,029,648	229,545	44,194	6,214,999
Comprehensive Planning	34,422	-	24,671	9,751
Town Clerk	16,430	-		16,430
	<hr/>	<hr/>	<hr/>	<hr/>
Total general government	6,373,670	263,099	97,868	6,538,901
Public Safety:				
Police	594,532		70,632	523,900
Transportation:				
Streets	35,696,166	67,047	261,194	35,502,019
Culture and Recreation:				
Parks	1,383,723		54,458	1,329,265
Recreation	3,618,402	78,873	43,928	3,653,347
	<hr/>	<hr/>	<hr/>	<hr/>
Total culture and recreation	5,002,125	78,873	98,386	4,982,612
	<hr/>	<hr/>	<hr/>	<hr/>
Total governmental funds				
Capital Assets	\$ 47,666,493	\$ 409,019	\$ 528,080	\$ 47,547,432
	<hr/>	<hr/>	<hr/>	<hr/>

<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	115
<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	126
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
Debt Capacity	131
<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	135
<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	137
<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, 2018**

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

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

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

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



## **FINANCIAL TRENDS**

TOWN OF BELLEAIR, FLORIDA

NET POSITION BY COMPONENT

(accrual basis of accounting)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental activities:										
Invested in capital assets	\$ 24,865,070	\$ 26,107,346	\$ 26,838,533	\$ 24,653,063	\$ 23,677,895	\$ 24,452,960	\$ 20,407,306	\$ 19,934,854	\$ 18,612,877	\$ 19,122,641
Restricted	6,932,001	5,206,043	2,951,253	4,743,141	7,109,356	6,257,868	6,605,664	4,821,760	5,710,035	4,918,345
Unrestricted	<u>865,363</u>	<u>1,494,089</u>	<u>1,621,008</u>	<u>1,991,762</u>	<u>2,094,892</u>	<u>2,409,635</u>	<u>2,258,858</u>	<u>5,106,852</u>	<u>4,648,413</u>	<u>5,973,331</u>
Total governmental activities net position	<u>\$ 32,662,434</u>	<u>\$ 32,807,478</u>	<u>\$ 31,410,794</u>	<u>\$ 31,387,966</u>	<u>\$ 32,882,143</u>	<u>\$ 33,120,463</u>	<u>\$ 29,271,828</u>	<u>\$ 29,863,466</u>	<u>\$ 28,971,325</u>	<u>\$ 30,014,317</u>
Business-type activities:										
Invested in capital assets	\$ 3,481,032	\$ 3,701,788	\$ 3,797,561	\$ 3,311,142	\$ 2,581,793	\$ 2,394,821	\$ 2,929,249	\$ 1,141,684	\$ 2,919,090	\$ 2,894,524
Restricted	-	-	-	-	-	-	-	1,560,745	1,568,889	1,611,695
Unrestricted	<u>3,018,603</u>	<u>2,471,849</u>	<u>1,904,753</u>	<u>1,540,083</u>	<u>1,326,702</u>	<u>1,196,803</u>	<u>1,106,435</u>	<u>1,690,031</u>	<u>207,383</u>	<u>286,154</u>
Total business-type activities net position	<u>\$ 6,499,635</u>	<u>\$ 6,173,637</u>	<u>\$ 5,702,314</u>	<u>\$ 4,851,225</u>	<u>\$ 3,908,495</u>	<u>\$ 3,591,624</u>	<u>\$ 4,035,684</u>	<u>\$ 4,392,460</u>	<u>\$ 4,695,362</u>	<u>\$ 4,792,373</u>
Primary government:										
Invested in capital assets	\$ 28,346,102	\$ 29,809,134	\$ 30,636,094	\$ 27,964,205	\$ 26,259,688	\$ 26,847,781	\$ 23,336,555	\$ 21,076,538	\$ 21,531,967	\$ 22,017,165
Restricted	6,932,001	5,206,043	2,951,253	4,743,141	7,109,356	6,257,868	6,605,664	6,382,505	7,278,924	6,530,040
Unrestricted	<u>3,883,966</u>	<u>3,965,938</u>	<u>3,525,761</u>	<u>3,531,845</u>	<u>3,421,594</u>	<u>3,606,438</u>	<u>3,365,293</u>	<u>6,796,883</u>	<u>4,855,796</u>	<u>6,259,485</u>
	<u>\$ 39,162,069</u>	<u>\$ 38,981,115</u>	<u>\$ 37,113,108</u>	<u>\$ 36,239,191</u>	<u>\$ 36,790,638</u>	<u>\$ 36,712,087</u>	<u>\$ 33,307,512</u>	<u>\$ 34,255,926</u>	<u>\$ 33,666,687</u>	<u>\$ 34,806,690</u>

TOWN OF BELLEAIR, FLORIDA

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
EXPENSES										
Governmental Activities:										
General government	\$ 2,421,895	\$ 1,967,156	\$ 2,053,304	\$ 2,054,234	\$ 1,184,964	\$ 1,342,208	\$ 1,773,552	\$ 1,697,883	\$ 1,837,143	\$ 2,159,122
Public safety	2,706,521	2,039,913	2,034,289	1,897,974	1,983,092	1,894,025	1,853,235	1,818,641	1,717,806	1,812,338
Transportation	2,218,908	1,850,840	1,526,427	1,960,039	2,850,323	1,228,942	1,728,212	607,758	2,111,298	1,216,164
Culture and recreation	1,117,694	1,314,695	1,593,065	1,562,682	2,103,713	2,643,548	1,328,378	631,017	631,840	752,449
Interest on long-term debt	315,254	313,991	325,571	335,549	348,726	371,028	-	-	-	-
Total governmental activities expenses	8,780,272	7,486,595	7,532,656	7,810,478	8,470,818	7,479,751	6,683,377	4,755,299	6,298,087	5,940,073
Business-type activities:										
Water	1,510,558	1,340,841	1,258,032	1,330,521	1,357,055	1,286,178	1,293,463	1,295,431	1,228,616	1,382,515
Waste water management	1,120,917	1,161,092	1,090,771	1,029,745	1,018,861	1,088,648	898,706	817,919	838,632	991,631
Solid waste management	853,704	820,199	777,415	730,794	768,853	779,554	801,014	827,307	789,649	760,528
Total business-type activities expenses	3,485,179	3,322,132	3,126,218	3,091,060	3,144,769	3,154,380	2,993,183	2,940,657	2,856,897	3,134,674
Total primary government expenses	\$ 12,265,451	\$ 10,808,727	\$ 10,658,874	\$ 10,901,538	\$ 11,615,587	\$ 10,634,131	\$ 9,676,560	\$ 7,695,956	\$ 9,154,984	\$ 9,074,747
PROGRAM REVENUES										
Governmental activities:										
Charges for services	\$ 1,767,065	\$ 1,685,143	\$ 1,558,152	\$ 1,730,392	\$ 2,075,803	\$ 2,353,821	\$ 1,194,490	\$ 1,179,717	\$ 1,096,623	\$ 759,833
Capital grants and contributions	799,683	583,095	711,739	765	67,928	28,527	29,360	4,465	540	2,534,079
Total governmental activities program revenues	2,566,748	2,268,238	2,269,891	1,731,157	2,143,731	2,382,348	1,223,850	1,184,182	1,097,163	3,293,912
Business-type activities:										
Charges for services:										
Water	1,683,742	1,730,516	1,473,926	1,430,682	1,664,602	889,344	905,418	989,853	829,194	986,824
Waste water management	1,132,032	1,167,614	1,105,844	1,089,009	1,059,708	1,056,848	946,043	811,867	778,319	803,723
Solid waste management	814,788	794,404	780,881	792,490	802,262	834,709	818,764	792,796	770,832	725,643
Total business-type activities revenues	3,630,562	3,692,534	3,360,651	3,312,181	3,526,572	2,780,901	2,670,225	2,594,516	2,378,345	2,516,190
Total primary government program revenues	\$ 6,197,310	\$ 5,960,772	\$ 5,630,542	\$ 5,043,338	\$ 5,670,303	\$ 5,163,249	\$ 3,894,075	\$ 3,778,698	\$ 3,475,508	\$ 5,810,102
NET (EXPENSE) REVENUE										
Governmental activities	\$ (6,213,524)	\$ (5,218,357)	\$ (5,262,765)	\$ (6,079,321)	\$ (6,327,087)	\$ (5,097,403)	\$ (5,459,527)	\$ (3,571,117)	\$ (5,200,924)	\$ (2,646,161)
Business-type activities	148,266	373,302	245,087	221,121	381,803	(373,479)	(322,958)	(346,141)	(478,552)	(618,484)
Total primary government net expense	\$ (6,065,258)	\$ (4,845,055)	\$ (5,017,678)	\$ (5,858,200)	\$ (5,945,284)	\$ (5,470,882)	\$ (5,782,485)	\$ (3,917,258)	\$ (5,679,476)	\$ (3,264,645)

TOWN OF BELLEAIR, FLORIDA

CHANGE IN NET POSITION (CONTINUED)

LAST TEN FISCAL YEARS

(accrual basis of accounting)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Governmental Activities:										
Taxes:										
Property taxes	\$ 4,079,505	\$ 3,848,662	\$ 3,634,385	\$ 3,475,114	\$ 3,403,996	\$ 3,341,656	\$ 3,427,519	\$ 3,097,480	\$ 3,114,150	\$ 3,448,485
Utility taxes	772,139	773,455	774,675	762,198	781,857	547,536	-	-	-	-
Franchise fees	381,011	367,097	362,980	388,063	395,205	359,533	372,119	401,711	436,393	438,850
Intergovernmental revenues:										
Infrastructure sale surtax	434,396	409,965	398,838	379,217	352,312	330,116	312,431	295,159	305,641	355,186
Sales taxes	255,019	245,186	244,096	237,384	225,502	214,026	213,743	204,003	198,117	198,650
Communications										
service tax	177,863	172,563	173,413	182,916	187,353	201,448	205,018	198,023	202,368	237,782
Other taxes	56,369	122,867	60,177	58,013	59,345	57,738	56,922	57,961	59,260	58,694
State revenue sharing	103,932	101,460	97,630	96,097	91,596	88,164	86,813	86,232	85,640	85,290
Investment earnings	75,121	5,165	3,853	19,784	13,562	9,713	14,704	21,001	19,669	63,857
Miscellaneous	249,873	104,342	131,810	84,770	451,656	3,714,808	129,120	120,188	104,794	67,938
Gain on sale of capital assets	81,795	551,138	-	-	8,883	-	-	-	-	-
Transfers	<u>(158,300)</u>	<u>(86,859)</u>	<u>(596,264)</u>	<u>(687,531)</u>	<u>117,500</u>	<u>81,300</u>	<u>49,500</u>	<u>(18,500)</u>	<u>(368,100)</u>	<u>367,730</u>
Total governmental activities	<u>6,508,723</u>	<u>6,615,041</u>	<u>5,285,593</u>	<u>4,996,025</u>	<u>6,088,767</u>	<u>8,946,038</u>	<u>4,867,889</u>	<u>4,463,258</u>	<u>4,157,932</u>	<u>5,322,462</u>
Business-type activities:										
Capital contributions	-	-	-	-	-	925	1,957	3,988	-	2,345
Investment earnings	2,747	1,233	628	7,394	163	130	99	1,768	10,311	31,912
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	-
Miscellaneous	16,685	9,929	9,110	26,684	52,405	9,664	13,626	18,983	3,130	15,173
Transfers	<u>158,300</u>	<u>86,859</u>	<u>596,264</u>	<u>687,531</u>	<u>(117,500)</u>	<u>(81,300)</u>	<u>(49,500)</u>	<u>18,500</u>	<u>368,100</u>	<u>(367,730)</u>
Total business-type activities	<u>177,732</u>	<u>98,021</u>	<u>606,002</u>	<u>721,609</u>	<u>(64,932)</u>	<u>(70,581)</u>	<u>(33,818)</u>	<u>43,239</u>	<u>381,541</u>	<u>(318,300)</u>
Total primary government	<u>\$ 6,686,455</u>	<u>\$ 6,713,062</u>	<u>\$ 5,891,595</u>	<u>\$ 5,717,634</u>	<u>\$ 6,023,835</u>	<u>\$ 8,875,457</u>	<u>\$ 4,834,071</u>	<u>\$ 4,506,497</u>	<u>\$ 4,539,473</u>	<u>\$ 5,004,162</u>
CHANGE IN NET POSITION										
Governmental activities	\$ 295,199	\$ 1,396,684	\$ 22,828	\$ (1,083,296)	\$ (238,320)	\$ (591,638)	\$ 892,141	\$ (1,042,992)	\$ 2,676,301	\$ 1,275,820
Business-type activities	<u>325,998</u>	<u>471,323</u>	<u>851,089</u>	<u>942,730</u>	<u>316,871</u>	<u>(356,776)</u>	<u>(302,902)</u>	<u>(97,011)</u>	<u>(936,784)</u>	<u>(202,754)</u>
Total primary government	<u>\$ 621,197</u>	<u>\$ 1,868,007</u>	<u>\$ 873,917</u>	<u>\$ (140,566)</u>	<u>\$ 78,551</u>	<u>\$ (948,414)</u>	<u>\$ 589,239</u>	<u>\$ (1,140,003)</u>	<u>\$ 1,739,517</u>	<u>\$ 1,073,066</u>

TOWN OF BELLEAIR, FLORIDA

PROGRAM REVENUES BY FUNCTIONS/PROGRAM

LAST TEN FISCAL YEARS

(accrual basis of accounting)

	PROGRAM REVENUES									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<u>FUNCTIONS/PROGRAMS</u>										
Governmental Activities:										
General government	\$ 1,344,599	\$ 1,214,939	\$ 1,032,888	\$ 989,962	\$ 876,498	\$ 693,805	\$ 864,629	\$ 430,752	\$ 457,775	\$ 362,674
Public safety	60,100	7,105	15,468	161,572	79,047	8,093	13,659	197,073	170,508	106,999
Transportation	-	-	509,796	578,858	-	-	-	72,704	72,704	43,392
Culture and recreation	362,366	463,099	-	-	1,120,258	1,651,923	316,202	479,188	395,636	246,768
Subtotal governmental activities	1,767,065	1,685,143	1,558,152	1,730,392	2,075,803	2,353,821	1,194,490	1,179,717	1,096,623	759,833
Business-type activities:										
Water	1,683,742	1,730,516	1,473,926	1,430,682	1,417,237	889,344	905,418	989,853	829,194	986,824
Waste water management	1,132,032	1,167,614	1,105,844	1,089,009	1,059,708	1,056,848	946,043	811,867	778,319	803,723
Solid waste management	814,788	794,404	780,881	792,490	802,262	834,709	818,764	792,796	770,832	725,643
Subtotal business-type activities	3,630,562	3,692,534	3,360,651	3,312,181	3,279,207	2,780,901	2,670,225	2,594,516	2,378,345	2,516,190
Total primary government	\$ <u>5,397,627</u>	\$ <u>5,377,677</u>	\$ <u>4,918,803</u>	\$ <u>5,042,573</u>	\$ <u>5,355,010</u>	\$ <u>5,134,722</u>	\$ <u>3,864,715</u>	\$ <u>3,774,233</u>	\$ <u>3,474,968</u>	\$ <u>3,276,023</u>

TOWN OF BELLEAIR, FLORIDA

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
General Fund:										
Nonspendable	\$ 4,487	\$ 1,617	\$ 3,599	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned	88,029	88,029	95,531	109,505	102,220	101,510	93,173	107,113	20,211	966,411
Unassigned	<u>1,868,171</u>	<u>2,039,028</u>	<u>1,137,936</u>	<u>1,372,003</u>	<u>1,275,946</u>	<u>1,631,544</u>	<u>1,931,887</u>	<u>4,473,212</u>	<u>4,486,941</u>	<u>4,852,783</u>
Total general fund	<u>\$ 1,960,687</u>	<u>\$ 2,128,674</u>	<u>\$ 1,237,066</u>	<u>\$ 1,481,508</u>	<u>\$ 1,378,166</u>	<u>\$ 1,733,054</u>	<u>\$ 2,025,060</u>	<u>\$ 4,580,325</u>	<u>\$ 4,507,152</u>	<u>\$ 5,819,194</u>
All Other Governmental Funds:										
Nonspendable	\$ 1,182,390	\$ 405,000	\$ 390,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted, reported in:										
Capital projects fund	5,420,805	4,178,843	1,864,603	4,051,391	6,653,456	5,981,668	6,356,164	4,860,157	5,326,735	4,395,745
Special revenue funds	<u>568,392</u>	<u>848,198</u>	<u>1,942,902</u>	<u>1,925,143</u>	<u>1,663,049</u>	<u>1,473,789</u>	<u>785,296</u>	<u>825,202</u>	<u>813,518</u>	<u>897,239</u>
Total all other governmental funds	<u>\$ 7,171,587</u>	<u>\$ 5,432,041</u>	<u>\$ 4,197,505</u>	<u>\$ 5,976,534</u>	<u>\$ 8,316,505</u>	<u>\$ 7,455,457</u>	<u>\$ 7,141,460</u>	<u>\$ 5,685,359</u>	<u>\$ 6,140,253</u>	<u>\$ 5,292,984</u>

TOWN OF BELLEAIR, FLORIDA

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>REVENUES</b>										
Taxes	\$ 4,079,505	\$ 3,848,662	\$ 3,634,385	\$ 3,475,114	\$ 3,403,996	\$ 3,341,656	\$ 3,427,519	\$ 3,097,480	\$ 3,114,150	\$ 3,448,485
Utility taxes	772,139	773,455	774,675	762,198	781,857	547,536	-	-	-	-
Franchise fees	381,011	367,097	362,980	388,063	395,205	359,533	372,119	401,711	436,393	438,850
Licenses, fees and permits	528,529	548,624	412,204	352,039	387,263	208,161	232,258	234,098	303,606	272,733
Intergovernmental	1,827,261	1,631,310	1,682,506	954,392	979,203	915,803	899,012	839,415	844,344	935,577
Charges for services	1,231,794	1,133,033	1,141,953	1,375,347	1,686,268	2,142,641	955,660	912,815	786,853	460,481
Fines and forfeits	6,742	3,485	3,995	3,006	2,272	3,019	6,573	32,804	6,163	8,254
Contributions and donations	188,193	68,198	82,487	18,985	319,435	3,630,924	28,179	29,065	72,805	90,439
Investment earnings	75,121	5,165	3,853	19,784	13,562	9,713	14,704	21,001	19,669	78,836
Resource management fees	-	-	-	-	-	-	-	2,382	2,579	-
Miscellaneous	50,740	37,895	52,710	119,517	135,791	84,320	66,814	95,169	36,633	71,968
Total revenues	9,141,035	8,416,924	8,151,748	7,468,445	8,104,852	11,243,306	6,002,838	5,665,940	5,623,195	5,805,623
<b>EXPENDITURES</b>										
General government	2,503,628	1,969,983	2,009,528	2,036,543	3,125,430	1,822,605	1,822,411	1,562,911	1,722,371	2,092,080
Public safety	2,541,087	2,071,733	2,014,029	1,965,930	1,989,357	1,839,766	1,860,604	1,805,437	1,692,031	1,755,475
Transportation	1,547,216	3,921,145	3,752,295	2,935,891	4,742,506	6,819,411	2,292,156	1,980,596	1,712,324	835,118
Culture and recreation	912,595	1,257,937	1,378,191	1,446,373	1,934,255	5,851,451	1,256,015	693,292	593,142	701,794
Debt service:										
Principal	461,954	447,785	403,362	365,000	340,000	-	-	-	-	-
Interest	299,822	313,991	325,571	509,912	354,863	190,528	-	-	-	14,979
Total expenditures	8,266,302	9,982,574	9,882,976	9,259,649	12,486,411	16,523,761	7,231,186	6,042,236	5,719,868	5,399,446
Excess of revenues over (under) expenditures	874,733	(1,565,650)	(1,731,228)	(1,791,204)	(4,381,559)	(5,280,455)	(1,228,348)	(376,296)	(96,673)	406,177
<b>OTHER FINANCING SOURCES (USES)</b>										
Proceeds from debt issuance	762,390	-	300,000	-	4,750,341	5,214,659	35,000	-	-	-
Proceeds from insurance	10,940	2,076	-	1,000	1,263	3,780	39,401	-	-	-
Sale of equipment	81,796	3,776,637	3,961	241,106	18,615	2,707	5,283	13,075	-	25,003
Transfers in	301,844	5,417,015	656,400	717,150	653,900	1,150,775	2,188,700	94,300	1,268,165	239,600
Transfers out	(460,144)	(5,503,874)	(1,252,664)	(1,404,681)	(536,400)	(1,069,475)	(2,139,200)	(112,800)	(1,636,265)	(205,000)
Total other financing sources (uses)	696,826	3,691,854	(292,303)	(445,425)	4,887,719	5,302,446	129,184	(5,425)	(368,100)	59,603
Net change in fund balances	\$ 1,571,559	\$ 2,126,204	\$ (2,023,531)	\$ (2,236,629)	\$ 506,160	\$ 21,991	\$ (1,099,164)	\$ (381,721)	\$ (464,773)	\$ 465,780
Debt service as a percentage of noncapital expenditures	10.33%	12.50%	12.19%	11.81%	8.66%	1.20%	0.00%	0.00%	0.00%	0.28%

TOWN OF BELLEAIR, FLORIDA

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

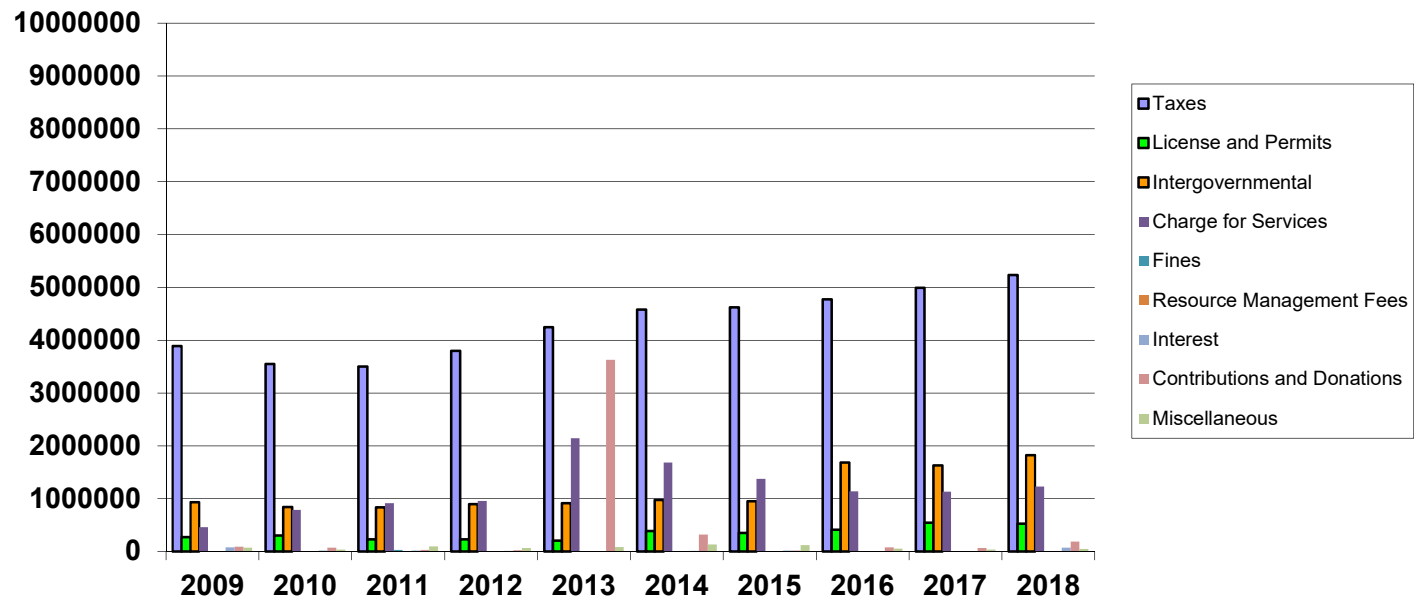
<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Transportation</u>	<u>Culture and Recreation</u>	<u>Debt Service</u>	<u>Total</u>
2009	\$ 2,092,080	\$ 1,755,475	\$ 835,118	\$ 701,794	14,979	\$ 5,399,446
2010	1,722,371	1,692,031	1,712,324	593,142	-	5,719,868
2011	1,562,911	1,805,437	1,980,596	693,292	-	6,042,236
2012	1,822,411	1,860,604	2,292,156	1,256,015	-	7,231,186
2013	1,822,605	1,839,766	6,819,411	5,851,451	190,528	16,523,761
2014	3,125,430	1,989,357	4,742,506	1,934,255	694,863	12,486,411
2015	2,036,543	1,965,930	2,935,891	1,446,373	874,912	9,259,649
2016	2,009,528	2,014,029	3,752,295	1,378,191	728,933	9,882,976
2017	1,969,983	2,071,733	3,921,145	1,257,937	761,776	9,982,574
2018	2,503,628	2,541,087	1,547,216	912,595	761,776	8,266,302

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



## TOWN OF BELLEAIR, FLORIDA

**General Governmental Revenue by Source  
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
2009	\$ 3,887,335	\$ 272,733	\$ 935,577	\$ 460,481	\$ 8,254	\$ 25	\$ 78,836	\$ 90,439	\$ 71,943	\$ 5,805,623
2010	3,550,543	303,606	844,344	786,853	6,163	2,579	19,669	72,805	36,633	5,623,195
2011	3,499,191	234,098	839,415	912,815	32,804	2,382	21,001	29,065	95,169	5,665,940
2012	3,799,638	232,258	899,012	955,660	6,573	-	14,704	28,179	66,814	6,002,838
2013	4,248,725	208,161	915,803	2,142,641	3,019	-	9,713	3,630,924	84,320	11,243,306
2014	4,581,058	387,263	979,203	1,686,268	2,272	-	13,562	319,435	135,791	8,104,852
2015	4,625,375	352,039	954,392	1,375,347	3,006	-	19,784	18,985	119,517	7,468,445
2016	4,772,040	412,204	1,682,506	1,141,953	3,995	-	3,853	82,487	52,710	8,151,748
2017	4,989,214	548,624	1,631,310	1,133,033	3,485	-	5,165	68,198	37,895	8,416,924
2018	5,232,655	528,529	1,827,261	1,231,794	6,742	-	75,121	188,193	50,740	9,141,035

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE  
LAST TEN FISCAL YEARS

Fiscal Year	Property Tax	Utility Tax	Franchise Taxes	Total
2009	\$ 3,448,485	\$ -	\$ 438,850	\$ 3,887,335
2010	3,114,150	-	436,393	3,550,543
2011	3,097,480	-	401,711	3,499,191
2012	3,427,519	-	372,119	3,799,638
2013	3,341,656	547,536	359,533	4,248,725
2014	3,403,996	781,857	395,205	4,581,058
2015	3,475,114	762,198	388,063	4,625,375
2016	3,634,385	774,675	362,980	4,772,040
2017	3,848,662	773,455	367,097	4,989,214
2018	4,079,505	772,139	381,011	5,232,655

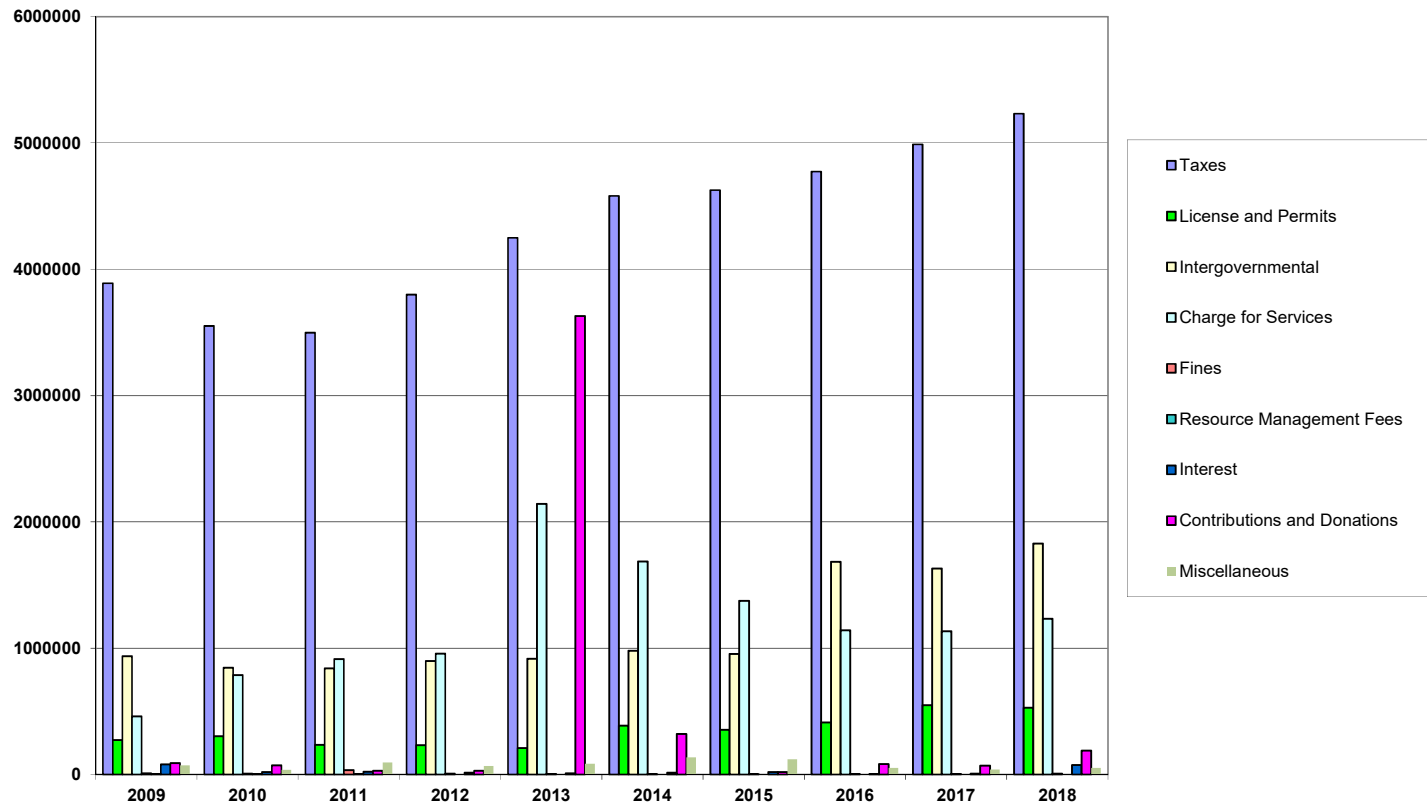
<sup>(1)</sup> Includes general, special revenue and capital projects funds.

<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.

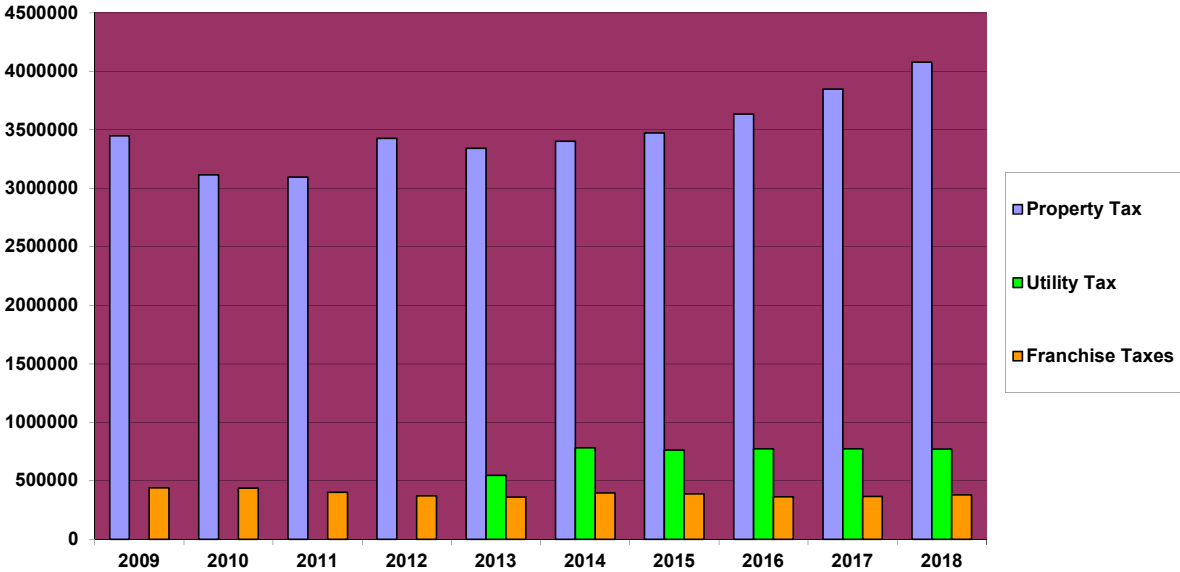
## TOWN OF BELLEAIR, FLORIDA

### General Governmental Revenues by Source Last Ten Fiscal Years



**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						Percentage			Total Direct Tax Rate
							Assessed Values to Estimated Market	Yearly Increases		
	Real Property Residential	Commercial	Personal Property	Total Taxable	Total Exempt	Total All	Taxable	Total		
2009	1,038,776,100	55,036,100	9,616,760	780,937,423	322,491,537	1,103,428,960	100	(7.0)	(11.00)	4.5605
2010	872,679,953	47,687,999	7,657,863	701,587,679	226,438,136	928,795,522	100	(10.2)	(2.00)	4.5605
2011	716,297,284	42,395,511	6,544,496	621,660,713	98,321,464	765,237,291	100	2.6	(33.00)	5.1465
2012	646,755,411	38,131,356	6,371,040	595,307,227	93,950,580	691,257,807	100	(4.2)	(3.99)	5.9432
2013	631,565,876	37,570,826	6,271,935	580,712,681	94,695,956	675,408,637	100	(2.5)	(2.29)	5.9432
2014	638,202,678	35,915,734	6,155,922	583,340,612	96,933,722	680,274,334	100	0.5	0.72	6.0257
2015	665,671,571	37,040,034	6,493,542	608,453,321	100,751,826	709,205,147	100	4.3	4.25	5.9257
2016	693,397,101	37,338,994	6,209,050	634,941,314	102,003,831	736,945,145	100	4.4	3.91	5.9257
2017	726,160,817	37,716,905	6,647,392	670,528,380	99,996,734	770,525,114	100	5.6	4.56	5.9257
2018	773,387,886	34,876,143	6,991,442	712,561,991	102,693,480	815,255,471	100	6.3	5.81	5.9257

Source: Pinellas County Property Appraiser.

TOWN OF BELLEAIR, FLORIDA

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total valuations	\$ 1,103,428,960	\$ 928,795,222	\$ 765,237,291	\$ 733,408,184	\$ 703,970,361	\$ 727,998,327	\$ 840,716,261	\$ 910,085,866	\$ 980,956,983	\$ 1,049,653,182
Real estate exemptions:										
Government exemption	12,702,060	11,947,320	10,926,288	9,948,748	9,917,835	10,151,058	10,959,550	12,930,053	12,917,336	13,089,895
Institutional exemption	8,408,970	9,060,366	8,153,630	7,860,638	7,636,217	8,101,802	8,089,887	8,155,004	8,190,515	8,425,801
Assessment differential (F.S. 193.155) <sup>(3)</sup>	234,646,539	125,508,530	45,255,114	42,150,377	28,561,724	47,723,993	131,511,114	173,140,721	210,431,869	234,397,711
Individual or homestead exemptions	79,592,234	78,186,512	78,914,247	78,141,194	77,141,904	78,680,862	81,702,389	80,918,774	78,888,883	81,177,784
Total exemptions and adjustments	335,349,803	224,702,728	147,729,065	138,100,957	- 123,257,680	- 144,657,715	- 232,262,940	- 275,144,552	310,428,603	337,091,191
Total taxable valuation	\$ 768,079,157	\$ 701,587,679	\$ 621,988,012	\$ 595,307,227	\$ 580,712,681	\$ 583,340,612	\$ 608,453,321	\$ 634,941,314	\$ 670,528,380	\$ 712,561,991
Millage levied	4.5605	4.5605	5.1465	5.9432	5.9432	6.0257	5.9257	5.9257	5.9257	5.9257
Total taxes levied	\$ 3,502,825	\$ 3,199,591	\$ 3,199,377	\$ 3,538,030	3,451,292	3,515,036	3,605,512	3,762,472	3,973,350	4,222,429
Less: Adjustments and discounts	54,340	54,441	101,897	110,511	109,636					
Net taxes levied	\$ 3,448,485	\$ 3,145,150	\$ 3,097,480	\$ 3,427,519	\$ 3,341,656	\$ 3,515,036	\$ 3,605,512	\$ 3,762,472	\$ 3,973,350	\$ 4,222,429
Net collected <sup>(1)(2)</sup>	\$ 3,448,485	\$ 3,145,150	\$ 3,097,480	\$ 3,427,519	\$ 3,341,656	\$ 3,515,036	\$ 3,605,512	\$ 3,762,472	\$ 3,973,350	\$ 4,222,429

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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Town of Belleair:										
Operating	4.5605	4.5605	5.1465	5.9432	5.9432	6.0257	5.9257	5.9257	5.9257	6.5000
Debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>						
Total Town millage	4.5605	4.5605	5.1465	5.9432	5.9432	6.0257	5.9257	5.9257	5.9257	6.5000
Pinellas County School Board:										
Operating	8.3460	8.3460	8.3400	8.3850	8.3020	8.0600	7.8410	7.7700	7.3180	7.0090
Pinellas County										
Operating	4.8730	4.8108	4.8730	4.8730	5.0727	5.2755	5.2755	5.2755	5.2755	5.2755
Debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total County millage	4.8730	4.8108	4.8730	4.8730	5.0727	5.2755	5.2755	5.2755	5.2755	5.2755
County-wide millage set by other taxing authorities:										
-Pinellas Suncoast Transit Au	0.5601	0.5601	0.5601	0.7305	0.7305	0.7305	0.7305	0.7305	0.7500	0.7500
-Pinellas County Planning Co	0.0125	0.0125	0.0125	0.0125	0.0125	0.0160	0.0160	0.0160	0.0150	0.0150
-Juvenile Welfare Board	0.7915	0.7915	0.7915	0.8337	0.8981	0.8981	0.8981	0.8981	0.8981	0.8981
-South West Florida Water Management District	0.3866	0.3866	0.3770	0.3928	0.3928	0.3818	0.3658	0.3488	0.3317	0.3131
-Pinellas Anclote River Basin	0.3200	0.3200	0.2600	-	-	-	-	-	-	-
-Health						0.0622	0.0622	0.0622	0.0622	0.0835
-EMS	<u>0.5832</u>	<u>0.5832</u>	<u>0.5832</u>	<u>0.8506</u>	<u>0.9158</u>	<u>0.9158</u>	<u>0.9158</u>	<u>0.9158</u>	<u>0.9158</u>	<u>0.9158</u>
Total County-wide millage	<u>2.6539</u>	<u>2.6539</u>	<u>2.5843</u>	<u>2.8201</u>	<u>2.9497</u>	<u>3.0044</u>	<u>2.9884</u>	<u>2.9714</u>	<u>2.9728</u>	<u>2.9755</u>
TOTAL	<u>\$ 20.4334</u>	<u>\$ 20.3712</u>	<u>\$ 20.9438</u>	<u>\$ 22.0213</u>	<u>\$ 22.2676</u>	<u>\$ 22.3656</u>	<u>\$ 22.0306</u>	<u>\$ 21.9426</u>	<u>21.4920</u>	<u>21.7600</u>

Source: Pinellas County Tax Collector



TOWN OF BELLEAIR, FLORIDA

PRINCIPAL PROPERTY TAXPAPERS  
CURRENT YEAR AND NINE YEARS AGO

Principal Property Taxpayers	2018				2009		
	Rank	Taxable Assessed Value	Percentage of Total Taxable Assessed Value		Rank	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Chateau Galinski, LLC	1	\$ 12,050,453	1.69 %	Bellevue Biltmore Owner LLC	1	\$ 13,365,282	1.74 %
Bellevue Biltmore Country Club Corp	2	8,607,717	1.21	Bellevue Biltmore Country Club Corp	2	9,902,429	1.29
St Louis, James	3	6,788,320	0.95	Muma, Leslie M	3	7,603,356	0.99
Muma, Leslie M	4	6,456,063	0.91	St Louis, James	4	7,044,393	0.92
Emanuel, James M	5	4,781,262	0.67	Bollea, Terry Gene	5	6,186,944	0.81
Thomas, John	6	4,541,783	0.64	Heye, Hans F	6	5,684,441	0.74
Hakim, Jean F	7	4,114,683	0.58	Rinker, Mary E	7	3,906,669	0.51
Heye, Hans F	8	3,865,561	0.54	Acunto, Richard	8	3,198,116	0.42
Doyle, Daniel M JR	9	3,427,954	0.48	Boesch, Gary	9	3,194,643	0.42
Doyle, Rosaleen J	10	<u>3,313,526</u>	0.47	Thomas, Fred A	10	<u>3,180,063</u>	0.41
TOTAL		\$ <u>57,947,322</u>	8.13 %			\$ <u>63,266,336</u>	8.24 %

Source: Pinellas County Property Appraiser.

Note: Data covering the year of the implementation of GASB No. 40 which was available in lieu of the data nine year years prior to

Note: Data covering the year of the implementation of GASB No. 40 which was available in lieu of the data nine years prior to the current year.

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
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%
2017	770,525,114	670,528,380	3,973,350	3,848,662	97%	-	3,848,662	97%
2018	815,255,471	712,561,991	4,222,429	4,079,505.00	97%	-	4,079,505	97%

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

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

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

Source: Pinellas County Property Appraiser.

## **DEBT CAPACITY**

TOWN OF BELLEAIR, FLORIDA

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

Fiscal Year	Debt Service					Total General Governmental Expenditures <sup>(1)</sup>	Percentage of Debt Service to General Governmental Expenditures
	General Obligation Bonded Debt		Paying Agent Fees	Mortgage Note	Total Debt		
	Principal	Interest					
2009	-	-	-	-	-	5,399,446	-
2010	-	-	-	-	-	5,719,868	-
2011	-	-	-	-	-	6,042,236	-
2012	-	-	-	35,000	35,000	7,231,186	0.5 %
2013	-	-	-	190,528	190,528	16,523,761	1.2 %
2014	-	-	-	694,863	694,863	12,486,411	5.6 %
2015	-	-	-	707,138	707,138	9,259,649	7.6 %
2016	-	-	-	728,933	728,933	9,882,976	7.4 %
2017	-	-	-	761,776	761,776	9,982,574	7.6 %
2018	-	-	-	762,155	762,155	8,266,302	9.2 %

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

TOWN OF BELLEAIR, FLORIDA

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

Fiscal Year	Population <sup>(1)</sup>	Taxable Assessed Valuation	Gross General Obligation Bonded Debt	Capital Project Revenue Note	Facilities Financing Note	Equipment Financing Note	Total	Percent of Actual Taxable Value of Real Property	Per Capita
2006	4,144	689,353,860	\$ -	\$ -		\$ -	\$ -	\$ -	-
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	3,958	608,453,321	-	9,295,000			9,295,000	1.53%	2,381.50
2016	4,022	634,941,314	-	8,920,000		271,638	9,191,638	1.45%	2,285.34
2017	4,088	670,528,380	-	8,530,000		213,853	8,743,853	1.30%	2,138.91
2018	4,217	712,561,991	-	8,125,000	762,390	156,899	9,044,289	1.27%	2,144.72

<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, 2018

	Net General Obligation Bonded Debt Outstanding	Net General Nonself- Supporting Revenue Debt	Overlapping Capital Leases	Total	Percentage Applicable to Town of Belleair	Amount Applicable to Town of Belleair
Direct debt:						
Town of Belleair	\$ -	\$ 9,044,289		9,044,289	100%	\$ 9,044,289
Overlapping debt:						
Pinellas County School Board (1) Pinellas County, Florida	1,197,000	-	5,611,627	6,808,627	0.89%	- 60,322
Pinellas County (2)	9,578,209		499,386	10,077,595	0.97%	97,695
Total Overlapping debt	<u>\$ 10,775,209</u>	<u>\$ 9,044,289</u>	<u>\$ 6,111,013</u>	<u>\$ 25,930,511</u>	<u>35%</u>	<u>\$ 9,202,306</u>
RATIO:						
Overall debt to 2017 taxable value					<u>1.29%</u>	
Overall debt per capita					\$ <u>2,182</u>	

(1) The Town's share is calculated based on the ratio of the 2017 School Board Taxable Value of \$80,427,539,396 to the Town's Taxable Value of \$712,561,991

(2) The Town's share is calculated based on the ratio of the 2017 County Taxable Value of \$73,503,171,055 to the Town's Taxable Value of \$712,561,991

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	
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 <sup>(1)</sup>	-	-	-
2013	224,919	330,116	322,617	877,652	-	190,528	460.6
2014	442,298	352,312	339,559	1,134,168	340,000	354,863	163.2
2015	423,379	379,217	309,400	1,111,996	365,000	342,138	157.3
2016	437,310	398,838	337,365	1,173,513	375,000	322,012	168.4
2017	436,610	409,965	336,845	1,183,420	390,000	307,933	169.6
2018	438,873	434,396	333,266	1,206,535	405,000	293,313	172.8

(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>
2008	4,151		71,221	51.6	4.5
2009	4,145		78,242	52.7	4.3
2010	4,145		84,280	54.9	11.8
2011	3,869		57,740	57.4	9.8
2012	3,888		57,097	54.9	8.6
2013	3,795	*1,783	50,011	56.7	8.5
2014	3,887	2,323	53,133	53.6	7.1
2015	3,958	2,238	57,307	44.7	5.8
2016	4,022	2,163	59,164	53.0	3.7
2017	4,088	2,230	66,244	53.1	3.8
2018	4,217	2,437	64,467	55.0	3.3

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

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

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

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

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

Employer	2018	Rank	2009	Rank
	Employees Full-Time		Employees Full-Time	
Raymond James Financial	3,500	1	2,850	3
Home Shopping Club	2,800	2	1,600	10
Bright House Networks	2,000	3	1,800	9
Fidelity Information Services	1,800	4	0	0
The Nielsen Company	1,800	5	0	0
Jabil Circuit, Inc.	1,600	6	3,650	1
Tech Data Corp	1,500	7	0	0
Honeywell Aerospace	1,500	8	0	0
ThinkDirect Marketing Group	1,000	9	0	0
Ceridian Benefits Services	1,000	10	0	0
Cox Target Media Inc	1,000	0	3,187	2
Macy's Credit Operations Inc	1,000	0	2,448	4
Progress Energy, Florida	1,000	0	2,200	5
Conmed Linvatec	970	0	2,000	6
Transamerica Life Insurance	900	0	2,000	7
Franklin Templeton Invest	900	0	1,950	8
TOTAL	24,270		23,685	

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

Source: Pinellas County Economic Development Department.

**OPERATING**  
**INFORMATION**

TOWN OF BELLEAIR, FLORIDA

FULL-TIME EQUIVALENT  
TOWN EMPLOYEES BY FUNCTION  
LAST TEN FISCAL YEARS

Full-Time Equivalent Employees as of September 30, 2018												
<u>FUNCTION</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General Government	15.00	14.00	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	13.00	15.00	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	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Physical Environment	5.00	5.00	6.00	4.00	6.00	6.50	6.50	6.00	7.00	7.00	7.00	7.00
Transportation	3.00	3.00	3.00	5.00	5.00	4.00	3.00	2.00	2.00	3.50	3.50	3.50
Culture and Recreation	6.00	6.00	4.00	4.00	4.00	5.00	4.50	5.00	5.00	5.00	5.00	5.00
Water	9.50	8.00	8.50	10.00	12.00	10.00	10.00	10.00	10.00	10.50	9.00	10.00
Solid Waste Management	<u>5</u>	<u>5</u>	<u>7.5</u>	<u>5.5</u>	<u>5.5</u>	<u>6.5</u>	<u>6.00</u>	<u>6.00</u>	<u>6.00</u>	<u>6.00</u>	<u>6.00</u>	<u>6.00</u>
Total	<u>58.50</u>	<u>58.00</u>	<u>54.00</u>	<u>57.50</u>	<u>62.50</u>	<u>61.00</u>	<u>56.00</u>	<u>54.00</u>	<u>54.00</u>	<u>57.00</u>	<u>54.50</u>	<u>55.50</u>

Source Town Finance Department

TOWN OF BELLEAIR, FLORIDA

OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS

FUNCTION	Fiscal Year Ended September 30, 2017										
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Police:											
Physical arrests	39	41	26	31	46	56	45	125	146	70	72
Parking violations	24	20	22	12	142	140	10	12	9	23	1
Traffic violations	230	116	76	110	157	7	397	397	133	156	328
							194				
Transportation:											
Resurfacing	0.77	0.77	0.7	0.5	0.5	4.5 miles	0.5	1	-	-	-
Pothole repaired	50	50	50	110	120	150	~100	240	184	150	110
Culture and Recreation:											
Athletic permits issued	800	800	800	800	822	832	600	600	600	400	510
Water:											
New connections	11	6	3	6	5	0	2	2	3	2	8
Main breaks	3	4	9	0	0	10	12	12	8	11	6
Average consumption	700,515	818,622	767,968	699,957	517,567	681,789	693,150	768,950	692,830	807,000	911,000
Solid Waste Management:											
Refuse collected tons per/day	8.42	10.03	10.5	7.12	7.19	7.78	11.83	8.01	10.06	10.75	11.95
Recyclables collected	1.22	0.95	2.78	0.60	1.19	0.43	0.80	0.75	0.76	1.14	0.91

TOWN OF BELLEAIR, FLORIDA

CAPITAL ASSETS STATISTICS  
LAST TEN FISCAL YEARS

	Fiscal Year Ended September 30, 2018										
<u>FUNCTION</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Public Safety:											
Police:											
Stations	1	1	1	1	1	1	1	1	1	1	1
Patrol units	9	7	9	5	5	5	6	6	5	5	4
Transportation:											
Streets (Miles)	22	22	22	22	22	22	22	22	22	22	22
Traffic signs	250	250	250	250	250	250	0.5	0.5	0.5	0.5	0.5
Culture and Recreation:											
Park acreage	24	24	24	33	33	33	33	33	33	33	32
Parks	19	17	17	19	19	19	19	19	19	19	19
Tennis Courts	3	3	3	3	3	3	3	3	3	3	4
Community Centers	1	1	1	1	1	1	1	1	1	1	1
Water Mains (Miles)	36	36	36	36	36	36	80	80	80	80	80
Fire hydrants	138	135	135	135	135	135	135	135	135	135	135
Maximum daily capacity (thousands of gallons)	2.2MGD	2.2MGD	2.2 MGD	2.2 MGD	2.2 MGD	2.2 MGD	2.2 MGD	2.2 MGD	2.2 MGD	2.2 MGD	2.2 MGD
Solid Waste Management:											
Trucks	8	8	8	8	8	9	9	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	
2006	-	-	6	3,995,471	777	11,781,729	13,652,970
2007	-	-	7	4,763,613	657	7,168,298	13,552,327
2008	-	-	5	5,373,430	600	9,612,837	13,453,426
2009	-	-	7	6,807,298	462	5,047,852	13,789,762
2010	-	-	-	810,000	570	7,140,071	13,513,967
2011	-	-	-	817,398	584	8,069,923	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
2017	2	9,682,000	6	18,143,720	733	19,812,585	Not Available
2018	3	6,581,000	12	15,124,133	881	15,226,265	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, 2018

Date of Incorporation	1925	Term of Office:
Date First Charter Adopted	1925	Mayor - 3 Years
Date Present Charter Adopted	1970	Commissioners - 3 Years
		Manager - Appointed by Commission
		Average Annual Temperature - 84 degrees
Form of Government: Commission-Manager		Average Annual Rainfall - 51.4 inches
Commission Composed of: Mayor and Four Commissioners		Area - 2.50 square miles

### MUNICIPAL UTILITIES, SERVICES AND EVENTS

Police Protection		Parks and Recreation	
Number of Employees	14	Community Centers	1
Number of Vehicular Patrol L	9	Playgrounds	2
Number of Law Violations:		Athletic Fields	2
Physical Arrests	39	Parkland Acreage	24
Traffic Violations	230	Walking Trails	1
Parking Violations	24	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	2,290	Stormwater Lines	18 miles
		Sidewalks	23 miles
Water System:		Cultural Facilities Available in Belleair and the Tampa Bay Area:	
Miles of Water Mains	36	Florida Gulf Coast Art Center, Inc., Largo, Florida	
Daily Average Consumption (MGD)	.700	Performing Arts Center and Theatre, Clearwater, Florida	
Number of Lift Stations	0	Bayfront Center, Mahaffey Theater, St. Petersburg, Florida	
Plant Capacity (MGD)	2.2 MGD	Tampa Bay Performing Arts Center, Tampa, FloridaSt. Petersburg, Florida	
Number of Service Collections	1612	Asolo Performing Arts Center, Sarasota, Florida	
Deep Wells Active	7	Ruth Eckerd Hall, Clearwater, Florida	
Number of Fire Hydrants	138		
Number of customers	1,565		
Major Annual Community Events:	<u>People Attending</u>		
Halloween Party	1000		
Springfest & Arbor Day Celebration	1000		
Belleair Sunset 5k & Fun Run	1000		
Concerts	6000		

1) Police data is for 2017 calendar year (January 1, 2017 - December 31, 2018)



TOWN OF BELLEAIR, FLORIDA

SCHEDULE OF INSURANCE IN FORCE  
September 30, 2018

Term for all types of coverage listed below is from October 1, 2017 through September 30, 2018.

Type of Coverage	Policy Number	Company	Association Self-Insurance Retention (SIR)	Limited Liability (Includes SIR)	Original Premium
Stoploss Carriers:	PRM17-004	Public Risk Management of FL			Total for all primary and excess risk coverage-
Property			100,000	100,000	
General Liability/Auto Liability			100,000	2,000,000	
Excess Workers' Compensation and Employers' Liability			650,000	1,000,000	
Employee Benefits Liability			200,000	2,000,000	
Excess Workers' Compensation				Statutory 3,000,000	
Crime:					
Monies/Securities			25,000	500,000	
Forgery/Alteration			25,000	500,000	
Employee Dishonesty			25,000	500,000	
Public Officials' Errors and Omissions			100,000	2,000,000 Aggregate 6,000,000 per member	
Cyber Liability			1,000,000 5,000 deductible	5,000,000 per pool aggregate	
Boiler & Machinery	BME1-8751M435-TIL-17	Travelers Property Casualty Company		50,000,000/ 100,000 object sublimit 10,000 deductible 1,000 per occurrence	
Pollution Liability	PEC001275014	XL Group Insurance	25,000	1,000,000 per occurrence 21,000,000 Aggregate Liability	
Certified Acts of Terrorism					\$ 239,868
					786
**Travel Accident	ADDN01063091	ACE American Insurance Co.		250,000 max 10,000 medical 5,000,000 Aggregate limit	
Mayor, Commissioners, Dept. Heads					
**Accidental Death & Dismemberment	ADDNO4823138	ACE American Insurance Co.		67,000 in the line of duty/ add'l 67,000 fresh pursuit \$199,000 unlawful and intentional death **	1,029
Law Enforcement					\$ 241,683

\*\* Paid to World Risk Management

TOWN OF BELLEAIR, FLORIDA

Fiscal		Wastewater	Solid	Combined	Combined	Combined	Nonoperating	before Capital
Year	Water	Management	Waste	Operating	Operating	Operating	Revenues	Contributions
		Control	Management	Revenues	Expenses	Income (Loss)	(Expenses)	and Transfer
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
2017	1,545	-	1,588	3,692,534	3,322,132	370,402	10,887	381,289.41
2018	1,612	-	1,588	3,630,562	3,485,179	145,383	10,813	156,196

<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, 2018

#### 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, 2018, 2017 and 2016

<u>Inputs</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
1. Total cost of operations	\$ 1,510,558	\$ 1,274,170	\$ 1,274,170
2. Cost per capita	23.43	19.23	21.54
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	21,360	23,920	23,920
<u>Outputs</u>			
7. Miles of water pipe maintained, repaired and inspected	36	36	36
8. Feet of new line constructed	2,539	4,500	5,000
9. Number of new customers connected	8	6	7
10. Number of breaks, leaks repaired	3	12	19
11. Total gallons pumped, metered and treated	256	257	259
	Million	Million	Million
	Gallons	Gallons	Gallons
12. Percentage of total gallons pumped by user category:			
A. Residential	89%	83%	82%
B. Commercial	9%	6%	12%
C. Used by department	0%	4%	3%
D. Unaccounted for	2%	7%	3%
13. Percentage of total gallons pumped that were metered	98%	93%	97%
14. Number of calls about interrupted services	0	6	5

\* Mg = millions of gallons

TOWN OF BELLEAIR, FLORIDA

WATER FUND (CONTINUED)

SERVICE EFFORTS AND ACCOMPLISHMENTS

Years ended September 30, 2018, 2017 and 2016

<u>Outcomes</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
15. Number of main breaks	3	4	9
16. Number of breaks, leaks per mile	0.1	0.1	0.2
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	291	504	122
20. Number of complaints	19	3	5
<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	700,515 gal.	767,968 gal.	699,957 gal.

TOWN OF BELLEAIR, FLORIDA

WATER FUND (CONTINUED)

SERVICE EFFORTS AND ACCOMPLISHMENTS  
Years ended September 30, 2018, 2017 and 2016

Explanatory (Continued)	2018	2017	2016
25. Billing rates			
A. Current Residential Billing Rates			
Base	\$ 12.99	\$ 12.37	\$ 12.37
Tier 1: 0 - 4,000 gallons	1.95	1.86	1.86
Tier 2: 4,001 - 25,000 gallons	6.52	6.21	6.21
Tier 3: Over 25,001 gallons	7.82	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	107%	107%	107%
27. Population served <sup>(1)</sup>	4,217	3,903	3,903
28. Square miles served	2.0	2.0	2.0
29. Maximum daily demand	1282	1338	1144
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 MANAGEMENT FUND (CONTINUED)

SERVICE EFFORTS AND ACCOMPLISHMENTS

Years ended September 30, 2018, 2017 and 2016

<u>Inputs</u>	<u>2018</u>	<u>2017</u>	<u>2016</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	4217	4088	4022
4. Tons of waste collected	2290	2729	2861
<u>Outcomes</u>			
5. Number of customer complaints	<3	<5	<4
6. Percentage of collection missed	<1%	<1%	<1%
<u>Efficiency</u>			
7. Cost per ton of solid waste collected	\$372.80	\$314.16	\$307.76
8. Cost per customer served	\$202.44	\$209.72	\$218.90
9. Tons of solid waste collected per employee		496.18	520.13
10. Frequency of collection	Twice Weekly	Twice Weekly	Twice Weekly
11. Average cost of employees	60,066.18	58,637.64	51,031.00
12. Average crew size on vehicle	2	2	2.5
13. Percentage of recyclable waste recycled	95%	95.90%	99.1%

## TOWN OF BELLEAIR, FLORIDA

### SOLID WASTE MANAGEMENET FUND

#### SERVICE EFFORTS & ACCOMPLISHMENTS

For the Fiscal Year ended September 30, 2018

#### OVERVIEW

The town continued contracting the City of Clearwater to provide single-stream recycling collection. Residentail recycling bins increased from eighteen (18) gallon capacity to single stream sixty-four (64) gallon capacity. The increased capacity and 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 disosal expenses.

Solid Waste also purchsed a new refuse vehicle with an automated tipping mechanism, assisting staff with lifting heavy binds, such as the recycle carte.



## **OTHER REPORTS**

**TOWN OF BELLEAIR, FLORIDA**

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

AND

MANAGEMENT LETTER

AND

ATTESTATION REPORT  
ON COMPLIANCE WITH SECTION 218.415  
FLORIDA STATUTES

AND

MANAGEMENT MEMORANDUM  
ON REVIEW OF INTERNAL CONTROL STRUCTURE

September 30, 2018

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

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

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The Honorable Mayor  
and Town Commissioners  
Town of Belleair, Florida

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the AICPA Professional Standards AT Sections 601.55 and 601.56, the financial statements of the governmental activities, the business-type activities, each major fund, the budgetary comparisons for the general fund and the aggregate remaining fund information of the Town of Belleair, Florida, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Town of Belleair, Florida's (Town) basic financial statements, and have issued our report thereon dated August 16, 2019.

**Internal Control Over Financial Reporting**

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

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

The Honorable Mayor  
and Town Commissioners  
Town of Belleair, Florida

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

August 16, 2019

## **MANAGEMENT LETTER**

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

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The Honorable Mayor  
and Town Commission  
Town of Belleair, Florida

**Report on the Financial Statements**

We have audited the financial statements of the Town of Belleair, Florida as of and for the fiscal year ended September 30, 2018 and have issued our report thereon dated August 16, 2019.

**Auditor's Responsibility**

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

We have issued our Independent Auditors Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General Disclosures in those reports and schedule, which are dated August 16, 2019, should be considered in conjunction with this management letter.

**Prior Audit Findings**

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

The Honorable Mayor  
and Town Commission  
Town of Belleair, Florida

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

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This disclosure has been included in the Town's Comprehensive Annual Financial Report for the fiscal year ended September 30, 2018.

### **Financial Condition**

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

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

### **Annual Financial Report**

Sections 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether the annual financial report for the Town for the fiscal year ended September 30, 2018, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2018. In connection with our audit, we determined that these two reports were in agreement.



The Honorable Mayor  
and Town Commission  
Town of Belleair, Florida

### **Other Matters**

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

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

### **Purpose of this Letter**

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

August 16, 2019

**ATTESTATION REPORT**  
**ON COMPLIANCE WITH SECTION 218.415**  
**FLORIDA STATUTES**

**Davidson, Jamieson & Cristini, P.L.**

***Certified Public Accountants***

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**INDEPENDENT ACCOUNTANT'S REPORT**

The Honorable Mayor and  
Town Commission  
Town of Belleair, Florida

We have examined the Town of Belleair, Florida 's compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2018. Management is responsible for the Town's compliance with those requirements. Our responsibility is to express an opinion on the Town's compliance based on our examination.

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

In our opinion, the Town complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2018.

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

August 16, 2019.

**MEMORANDUM ON REVIEW  
OF INTERNAL CONTROL STRUCTURE**

**Davidson, Jamieson & Cristini, P.L.**

**Certified Public Accountants**

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Florida Institute of  
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August 16, 2019

The Honorable Mayor  
and Town Commissioners  
Town of Belleair, Florida

We have audited the basic financial statements of the governmental activities, the business-type activities, each major fund, the budgetary comparisons for the general fund and the aggregate remaining fund information which collectively comprise the basic financial statements of the Town of Belleair, Florida as of and for the year ended September 30, 2018, and have issued our report thereon dated August 16, 2019.

We have issued our Report on Compliance and Internal Accounting Controls in Accordance with *Government Auditing Standards* dated August 16, 2019. Disclosures in that report, if any, should be considered in conjunction with this management memorandum.

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

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

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

**2017-2018**

2018-1 GASB Statement No. 87

**2016-2017**

2017-1 New Pronouncements

**2018-1 GASB Statement No. 87**

In June 2017, the Governmental Accounting Standards Board (GASB, the Board) issued Statement No. 87, *Leases* to provide more useful decision-making information for the users of state and local government financial statements. In many respects, Statement No. 87 is similar to the lease accounting and reporting standards established by the Financial Accounting Standards Board (FASB) for business entities. For example, both standards are based on the principle that a leased asset represents the right to use such asset for the period of the lease term, and both address accounting and reporting requirements for lessees and lessors.

Local governments will account for and report leases for fiscal periods beginning October 1, 2020, in accordance with Statement No. 87.

We recommend that the Town consider early implementing this standard for the next fiscal year.

**2017-1 New Pronouncements**

The GASB has issued the following statements:

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



## **2016-2017**

### **2017-1 New Pronouncements (Continued)**

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

Last year we recommended that both the Finance Director and Assistance Finance Director become familiar with these new standards.

This recommendation has been implemented.

\* \* \* \* \*

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

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

***DAVIDSON, JAMIESON & CRISTINI, P.L.***

## MANAGEMENT'S RESPONSE



TO: Mayor and Town Commissioners

FROM: JP Murphy, Town Manager

DATE: September 12, 2019

SUBJECT: Response to auditor's report and management letter for the fiscal year 2017-2018

Town staff has reviewed the auditor's report and management letter for the fiscal year ended September 30, 2018. I offer the following comments in response to their recommendations and observations:

**New Pronouncements**

The external auditor has recommended that the Town implement GASB Statement No. 87, Leases, earlier than required. This would take effect for the FY 2018-19 comprehensive annual financial report. We accept the auditor's recommendation, and the Town will continue to provide employees with training opportunities considered necessary to stay informed on current and future standards and best practices in governmental financial management.

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## Legislation Details (With Text)

**File #:** 19-0255      **Version:** 1      **Name:**  
**Type:** Discussion Items      **Status:** General Agenda  
**File created:** 9/13/2019      **In control:** Finance Board  
**On agenda:** 9/16/2019      **Final action:**  
**Title:** FOP Negotiations Update  
**Sponsors:**  
**Indexes:**  
**Code sections:**  
**Attachments:** [Belleair Police Pension Analysis 9-9-19](#)

Date	Ver.	Action By	Action	Result
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### Summary

To: Town Commission  
From: Stefan Massol, Director of Support Services  
Date: 9/17/2019

#### Subject:

Update on FOP Negotiations and Pension Cost Scenarios

#### Summary:

Staff will provide a general update on the status of FOP negotiations

**Background/Problem Discussion:** Staff has held multiple meetings with the Fraternal Order of Police representative and their attorney to develop a new three-year agreement between the union and the Town of Belleair. Negotiations had been temporarily delayed as the Town awaited actuarial analysis of various scenarios for future pension plan participants, however this past week the town received the analysis requested.

Changes considered include raising the minimum years for eligibility to ten years by removing the 55 and 5 option for new participants. Additionally, reduction of the percentage benefit accrual rate from 3.5% to 2.75% was studied, as well as increase of the member contribution rate from 6% to 10%. Because these changes would affect new members as existing members reach retirement, the Town's annual pension payment savings would be gradually realized over the coming years. Possible savings are listed below.

Other issues to be resolved in this upcoming contract will be a simplification of the calculation for shift differential as well as additional health insurance options for those officers requesting spouse or dependent health insurance coverage.

**Financial Implications:** Staff is reviewing the savings for each pension scenario in comparison to offerings by other departments so that the Town continues to recruit qualified officers while improving the sustainability of future pension costs.

	2021	2022	2023	2024	2025	2026	2027
--	------	------	------	------	------	------	------

<i>55 &amp; 10 Normal Retirement</i>	19,055	27,869	33,315	41,536	43,933	46,468	55,185
<i>3% Benefit Accrual Rate</i>	16,514	23,273	27,422	33,146	35,058	37,081	47,737
<i>2.75% Benefit Accrual Rate</i>	24,769	34,908	41,131	49,717	52,585	55,620	71,604
<i>8% Member Contribution Rate</i>	8,372	11,806	14,035	16,462	17,412	18,416	23,149
<i>10% Member Contribution Rate</i>	16,743	23,612	28,070	32,923	34,823	36,832	46,298
<i>Max Savings</i>	60,567	86,389	102,516	124,176	131,341	138,920	173,087
<i>3%&amp;8%</i>	43,941	62,948	74,772	91,144	96,403	101,965	126,071

**Recommendation:** None, this item is for discussion purposes only.

**Proposed Motion:** None, this item is for discussion purposes only.

September 9, 2019

VIA EMAIL

Mr. Stefan Massol  
Director of Support Services  
Town of Belleair, FL

Re: Town of Belleair Municipal Police Officers' Retirement System - Special Actuarial Analysis

Dear Mr. Massol:

As requested, we have performed a special actuarial analysis to determine the impact on the Town's funding requirements of various proposed changes to the pension benefits if the proposed changes only affected new Police Officers hired on or after October 1, 2019. Because these proposed changes only affect future Police Officers, they would have no impact on the current funding requirements to the program, but would have an impact in future years as new Police Officers are hired.

The funding requirements to the Plan are made up of the normal cost for each Police Officer plus administrative expenses plus an amortization of the Unfunded Actuarial Accrued Liability. Brand new employees have no Unfunded Actuarial Accrued Liability, and for this analysis we are assuming that the administrative expenses are unaffected by the benefit level offered to the Police Officers. Therefore, the effect of a change in the benefits provided to new Officers is assumed to be the change in the normal cost plus the change in member contributions for each new officer.

For this analysis we have projected when each of the current Police Officers will retire under our current assumptions utilized in the October 1, 2018 actuarial valuation report. When each officer is replaced, we have projected the estimated savings in normal cost for that year and future years if the retiring officer is replaced with a new officer with the same entry age as the retiring officer. To determine the estimated salary of the new officer, we looked at the average fiscal 2018 Salary for the three most recently hired officers and projected salary increases to the new date assuming 5.77% increases each year (the current average expected increase in the annual valuation report). To get the estimated annual savings we compared the normal cost less member contributions for that officer under the current benefit structure with the normal cost less member contributions for that officer under the proposed benefit structure. The projected annual reduction in Town funding requirements for each of the following benefit changes for fiscal years 2020 through 2026 are shown in the exhibit at the end of this report:

**55 & 10 Normal Retirement** – Currently the Normal Retirement Date criteria for Police Officers is the earlier of 1.) Age 55 and the completion of **5 years** of Credited Service, or 2.) the completion of 25 years of Credited Service, regardless of Age. Under the proposal, the Normal Retirement Date criteria would be the earlier of 1.) Age 55 and the completion of **10 years** of Credited Service, or 2.) the completion of 25 years of Credited Service, regardless of Age.

**3.00% Benefit Accrual Rate** – Currently the Normal Retirement Benefit equals **3.50%** of Average Final Compensation for each year of Credited Service. Under this proposal, the Normal Retirement Benefit would equal **3.00%** of Average Final Compensation for each year of Credited Service.

**2.75% Benefit Accrual Rate** – Currently the Normal Retirement Benefit equals **3.50%** of Average Final Compensation for each year of Credited Service. Under this proposal, the Normal Retirement Benefit would equal **2.75%** of Average Final Compensation for each year of Credited Service.

**8.0% Member Contribution Rate** – Currently, the members contribute **6.0%** of their pensionable Salary to help offset the Town's required contributions. Under this proposal, the Member Contribution Rate for officers hired after October 1, 2019 would be **8.0%** of their pensionable Salary.

**10.0% Member Contribution Rate** – Currently, the members contribute **6.0%** of their pensionable Salary to help offset the Town's required contributions. Under this proposal, the Member Contribution Rate for officers hired after October 1, 2019 would be **10.0%** of their pensionable Salary.

Please note the contents of this analysis and the October 1, 2018 actuarial valuation report are considered an integral part of the actuarial opinions. All assumptions and methods are the same as the October 1, 2018 actuarial valuation report, except as noted. The undersigned is familiar with the immediate and long-term aspects of pension valuations, and meets the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein.

Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including: changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations. Due to the limited scope of the valuation, we did not perform an analysis of the potential range of such future measurements.

Hopefully the results of this analysis will lead to good discussions. If you have any questions, concerns, or would like to discuss the results in greater detail, please do not hesitate to contact us.

Sincerely,

A handwritten signature in black ink that reads "Patrick T. Donlan". The signature is fluid and cursive, with a long horizontal line extending from the end.

Patrick T. Donlan, EA, ASA, MAAA  
PTD/lke



## **Town of Belleair Municipal Police Officers' Retirement System**

### **Special Actuarial Analysis - September 9, 2019**

	<b>Approximate Annual Savings to Town in Fiscal Year <sup>1</sup></b>						
	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
<b>55 &amp; 10 Normal Retirement</b>	19,055	27,869	33,315	41,536	43,933	46,468	55,185
<b>3.0% Benefit Accrual Rate</b>	16,514	23,273	27,422	33,146	35,058	37,081	47,737
<b>2.75% Benefit Accrual Rate</b>	24,769	34,908	41,131	49,717	52,585	55,620	71,604
<b>8.0% Member Contribution Rate</b>	8,372	11,806	14,035	16,462	17,412	18,416	23,149
<b>10.0% Member Contribution Rate</b>	16,743	23,612	28,070	32,923	34,823	36,832	46,298

<sup>1</sup> Estimates total annual Town savings for officers hired on or after October 1, 2019 by comparing normal cost less member contributions under current and proposed benefit structures.