

# **TOWN OF BELLEAIR, FLORIDA**



*INC. 1925*

COMPREHENSIVE  
ANNUAL FINANCIAL REPORT  
FOR THE FISCAL  
YEAR ENDED SEPTEMBER 30, 2015

**TOWN OF BELLEAIR, FLORIDA**

**COMPREHENSIVE**

**ANNUAL FINANCIAL REPORT**

**FOR THE**

**FISCAL YEAR ENDED SEPTEMBER 30, 2015**

**Prepared by the  
Department of Finance**

TOWN OF BELLEAIR, FLORIDA

COMMISSION - MANAGER FORM OF GOVERNMENT

TOWN COMMISSION

Gary H. Katica, Mayor

Kevin Piccarreto  
Commissioner/Deputy Mayor

Tom Shelly, Commissioner

Michael Wilkinson, Commissioner

Karla Rettstatt, Commissioner

Town Manager

Micah Maxwell

Assistant Town Manager/Finance Director

J. P. Murphy

Town Clerk

Donna Carlen

## **INTRODUCTORY SECTION**

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**LETTER OF TRANSMITTAL**

# TOWN OF BELLEAIR

MAYOR:  
GARY H. KATICA

COMMISSIONERS:  
KARLA RETTSTATT  
MICHAEL WILKINSON  
TOM SHELLY  
TOM KUREY

TOWN MANAGER:  
MICAH MAXWELL



901 PONCE DE LEON BOULEVARD  
BELLEAIR, FLORIDA 33756-1096  
PHONE (727) 688-3769  
WWW.TOWNOFBELLEAIR.COM

INC. 1925

August 17, 2016

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, 2015.

## **This Report**

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

This report consists of management's representations concerning the finances of the Town of Belleair, Florida. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Town of Belleair, Florida has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the presentation of the Town of Belleair, Florida's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town of Belleair, Florida's comprehensive framework of internal controls has been designed to provide reasonable

rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Town of Belleair, Florida's financial statements have been audited by Davidson, Jamieson & Cristini, P.L., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Belleair, Florida for the fiscal year ended September 30, 2015, 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, 2015, 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 3,903 according to the University of Florida. The Town of Belleair, Florida is empowered to levy a property tax on both real and personal properties located within its boundaries.

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

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

In May, budget requests are submitted to the town manager. The town manager uses these requests as the starting point for developing a proposed budget. The town manager then presents this proposed budget to the commission for review before July 31st. The commission is required to hold public hearings on the proposed budget and to adopt a final budget by no later than September 30, the close of the Town of Belleair, Florida's fiscal year. The appropriated budget is

prepared by fund (e.g., general), and department (e.g., recreation). Department heads may request transfers of appropriations within a department. Transfers of appropriations between departments, however, require the special approval of the Town Commission. Budget-to-actual comparisons are provided in this report for each governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented on page 21 as part of the basic financial statements for the governmental funds. There are no budget-to-actual comparisons for funds other than the General Fund. Also included in the governmental fund subsection are project-length budget-to-actual comparisons for each governmental fund for which a project length budget has been adopted (i.e., the capital projects funds).

## **Factors Affecting Financial Condition**

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

**Local economy.** The Town is mostly a residential community with three 18-hole golf courses. However, the region has a varied manufacturing and industrial base. Major industries with headquarters or divisions located within the government's boundaries or nearby include; computer hardware, software manufacturers, electrical controls, several financial and insurance institutions. The unemployment rate in Belleair is currently 5.7 percent, which is .6 percent lower than the national average. The cost of living in Belleair is 35.30 percent higher than the U.S. average, with median home pricing at \$363,900. The average household income in Belleair is \$73,393 as compared to \$53,046 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 nearly doubled from \$174,000 in 2012-13 to \$339,000 in 2013-14 and most recently \$325,424.69 in 2014-15.

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

The Belleview Biltmore hotel is being redeveloped, after many years of complete closure. The hotel property owner plans to build condominiums, townhomes, and a small hotel from the original structure on the site. Preliminary estimates indicate a \$273,000 annual increase in General Fund revenues once the new development is fully operational. Demolition of the hotel property has begun, and construction is expected to start within the coming year.

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

In February 2013, the town acquired the Belleview Biltmore Golf Club to preserve green space in Belleair and to prevent future development on the golf course property. The club consists of a public 18-hole golf course, restaurant, and pro-shop. The town entered into a 10-year lease agreement with Green Golf Partners beginning January 1, 2014, resulting in revenues to the town of approximately \$190,000 each year.

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

**Long-term financial planning.** The Town of Belleair, Florida has long-range plans for infrastructure improvements (streets, drainage, and water system). The town's long-range financial plan has several roadways and drainage improvements scheduled throughout Belleair over the next five years. The town recently completed roadway and drainage projects along Manatee Rd., Eagle's Nest, and Druid Rd., as Althea Rd. nears completion. The Bayview Dr. project is underway, and construction of the Rosery Road project will commence in FY 2015-16. The Town has secured matching grant funding from the Southwest Florida Water Management District for the Bayview Dr., Manatee Rd., Rosery Rd. and Pinellas Rd. projects. Stormwater projects are prioritized on a west to east basis as much of the town's stormwater flows towards the west and eventually into the intercostal waterway. As a policy, staff continually seeks cooperative funding opportunities, and sometimes defers projects to ensure their eligibility for cooperative funding. The Rosery Road project is one such project.

As of the 2014-15 fiscal year, the town has several revenue streams dedicated to capital improvements, including a stormwater fee, a municipal public services tax on electricity, the "Penny for Pinellas" discretionary sales surtax and a dedicated millage levy. These revenues are dedicated to funding the \$710,000 annual debt service on a \$10 million dollar revenue bond bank loan and continue to place money in capital reserve for future projects. Annual debt service on the bond is approximately \$330,000 annually. Several of the town's advisory boards have taken up different measures to study methods in which the debt can be settled earlier than scheduled. One such method that has gained traction is selling the Belleview Biltmore Golf Course, which has turned a steady profit since the Town took ownership. Additionally, joint meetings by the Finance and Infrastructure boards are nearing policy recommendations to ensure that future debt issuances are not required.

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

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

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

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

This is the second year of implementation for GASB Statement No. 67. Moreover, the first year of implementation for GASB Statement No. 68 and 71. Both of these statements impact the reporting of the town’s pension plan by establishing standards on how the actuarial valuation date may be set with respect to the measurement date and how the net pension liability and pension expense will be calculated. Collection and calculation of the information needed for implementation of GASB Statement No. 68 and 71 has delayed publishing this year’s comprehensive annual financial report. This problem is not unique to Belleair and is occurring statewide.

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

In addition to the implementation of GASB Statement No. 45, the Town has adopted GASB Statement No. 54 regarding “*Fund Balance Reporting and Governmental Fund Type Definitions*”. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The initial distinction that is made in reporting fund balance information is identifying amounts that are considered *nonspendable*, such as fund balance associated with inventories. This statement also provides for additional classification as *restricted, committed, assigned, and unassigned* based on the relative strength of the constraints that control how specific amounts can be spent. The first financial statements reflecting these changes occur during the Annual Financial Audit for the fiscal year 2010-2011.

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

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

In accordance with fiscal policy, the town's fund balance currently maintains a minimum unreserved, undesignated (or unobligated) fund balance for the General Fund of twenty percent of annual operating expenditures. At the close of 2014-15 unassigned fund balance was twenty-four 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 the proprietary funds (water, solid waste, and wastewater funds) the budgeted unreserved, undesignated, cash reserve is set at \$250,000. In recent years the Water Fund was below the mandatory minimum fund balance, which was addressed by implementing a new water rate structure in October 2013. The Water Fund improved from an unrestricted fund balance of \$26,418 in 2012-13 to \$189,713 in 2013-14, and finally \$389,055 in 2014-15. This was achieved through increases to operating revenues from \$889,344 in 2012-13, to \$1,417,237 in 2013-14, and finally \$1,420,107 in 2014-15.

**Risk management.** By being a member of the Public Risk Management (PRM) pool, the town has been able to contain its costs by spreading the risk amongst all other members of the pool; increases or decreases are resultant as a function of a deviation factor for losses of the pool. Annually, the town evaluates its risk in a variety of areas including workers' compensation and potential natural disasters. The town in collaboration with the PRM staff continues to conduct risk assessments and subsequently implement any changes as they relate to workplace safety. The town has won numerous safety awards for its safety program which includes a safety committee that reviews all accidents and occupational hazards. Recent Florida Supreme Court decisions regarding worker's compensation and attorney's fees have led to the insurance market responding with double-digit increases to workers compensation premiums. The impacts of these increases will likely not be felt until the fiscal year 2016-2017.

### **Awards and Acknowledgments**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Belleair, Florida for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2014. This was the twenty-second 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



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Finance Director



Government Finance Officers Association

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

Presented to

**Town of Belleair  
Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2014**

Executive Director/CEO

**TOWN OF BELLEAIR  
DEPARTMENTS**



TOWN OF BELLEAIR, FLORIDA

LISTING OF TOWN OFFICIALS

ELECTED OFFICIALS

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

APPOINTED OFFICIALS

Town Manager	Micah Maxwell
Town Attorney	David Ottinger

DEPARTMENT HEADS AND SUPERVISORS

Assistant Town Manager/Finance Director	J. P. Murphy
Police Chief	William Sohl
Water Department Director	David Brown
Parks and Recreation Director	Eric Wahlbeck
Town Clerk	Donna Carlen

## **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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*Members of the Firm*  
John N. Davidson, CPA, CVA  
Harry B. Jamieson, CPA  
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Jeanine L. Bittinger, CPA, CPPT  
Karen Curran, CPA, CVA

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

**INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor  
and Town Commission  
Town of Belleair, Florida

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the budgetary comparisons for the general fund, and the aggregate remaining fund information of Town of Belleair, Florida (Town), as of and for the year ended September 30, 2015, 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, 2015, 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.

### **Emphasis of a Matter**

As discussed in Note 15 to the financial statements, the Town adopted new accounting guidance in 2015 related to the accounting for pensions. Our opinion is not modified with respect to this matter.

### **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.

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

May 27, 2016

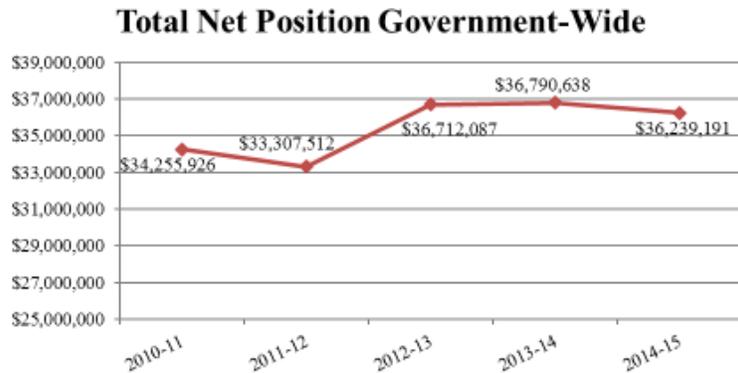
**MANAGEMENT'S DISCUSSION**  
**AND ANALYSIS**

## 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, 2015, 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 \$36,239,191 (net position). Of this amount, \$3,531,845 (*Unrestricted*) may be used to meet the government's ongoing obligations to citizens and creditors. The government's total net position decreased by \$(140,566).



The net position of the Town of Belleair increased notably in 2012-13. However, net position increased substantially and remained relatively steady in 2013-14 and 2014-15. Several factors have had considerable impact on the net position of Belleair these past five years, including the following:

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

As of the close of the current fiscal year, the Town of Belleair, Florida's general (governmental) fund reported an actual ending fund balance of \$1,481,508, an increase of \$103,342 in comparison with the beginning fund balance. The increase is due in large part to a decreased contribution to the police pension fund from the general fund. The contribution amount varies based on a rolling average of historical market returns, and this calculation was affected significantly by the market downturn in 2008 and 2009.

## Overview of Financial Statements

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

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

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

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

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

The government-wide financial statements include not only the Town of Belleair, Florida itself (known as the *primary government*) but also a police officer's pension plan and an employee's 401(k) retirement fund for which the Town of Belleair is financially accountable. Financial information for these funds is reported separately from the financial information represented for the primary government itself. The water and solid waste funds, although business-type funds, function as departments of the Town of Belleair, and, therefore, have been included as an integral part of the primary government.

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

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town

of Belleair, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town of Belleair can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The Town of Belleair maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the capital projects fund, both of which are considered to be major funds. Data from the other six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The Town adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

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

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, wastewater and solid waste funds, all of which are considered to be major funds of the town.

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

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

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

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 32-86 of this report.

**Implementation of GASB 68 and 71.** The Town adopted GASB Statement No. 68 Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement 27 and GASB Statement No. 71 Pension Transition for Contributions Made Subsequent to the Measurement Date. GASB 68 requires the funds of the Town to report their proportionate share of the plan's net pension liability, pension expense, and deferred inflows and outflows of resources as well as additional note disclosures and required supplementary information. GASB 71 requires the Town to acknowledge the start of deferred outflow of resources for pension contributions made from the measurement date of the beginning net pension liability to the start of the first fiscal year's implementation.

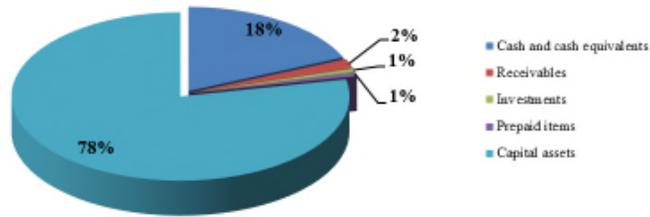
**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Town of Belleair's progress in funding its obligation to provide pension benefits to its employees. Required supplementary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

The combining statements referred to earlier in connection with nonmajor governmental funds are presented beginning on page ninety-three. Combining and individual fund statements and schedules can be found on pages 93-102 of this report.

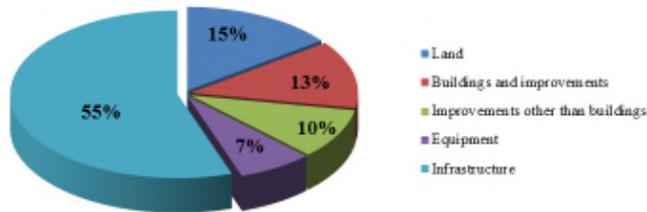
### **Government-wide Financial Analysis**

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 \$36,239,191 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 (seventy-eight 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.

**Statement of Net Position as of September 30,**

	Governmental Activities		Business-Type Activities		Total	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Current and other assets	\$ 7,957,881	\$ 9,829,795	\$ 2,401,682	\$ 2,222,352	\$ 10,359,563	\$ 12,052,147
Capital assets	33,948,063	33,337,895	3,311,142	2,581,793	37,259,205	35,919,688
Total Assets	<u>41,905,944</u>	<u>43,167,690</u>	<u>5,712,824</u>	<u>4,804,145</u>	<u>47,618,768</u>	<u>47,971,835</u>
Deferred outflows of resources	201,728	-	-	-	201,728	-
Long-term liabilities outstanding	9,047,429	8,879,742	715,383	766,368	9,762,812	9,646,110
Other liabilities	1,608,760	1,405,805	146,216	129,282	1,754,976	1,535,087
Total Liabilities	<u>10,656,189</u>	<u>10,285,547</u>	<u>861,599</u>	<u>895,650</u>	<u>11,517,788</u>	<u>11,181,197</u>
Deferred inflows of resources	63,517	-	-	-	63,517	-
<b>Net Position</b>						
Net investment in capital assets	24,653,063	23,677,895	3,311,142	2,581,793	27,964,205	26,259,688
Restricted	-	7,109,356	-	-	4,743,141	7,109,356
Unrestricted	1,991,762	2,094,892	1,540,083	1,326,702	3,531,845	3,421,594
Total net position	<u>\$ 31,387,966</u>	<u>\$ 32,882,143</u>	<u>\$ 4,851,225</u>	<u>\$ 3,908,495</u>	<u>\$ 36,239,191</u>	<u>\$ 36,790,638</u>

During the fiscal year ended September 30, 2015 the Town adopted GASB 68 and 71, Accounting for Pension Obligations, and as required made certain prior period adjustments relating to the implementation of GASB 68 and 71.

See Note 18 in the Notes to the Financial Statements for the additional information related to this restatement.

An additional portion of the Town of Belleair's net position (thirteen percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of the *unrestricted portion of the net position* is \$3,531,845 and may be used to meet the government's ongoing obligations to citizens and creditors.

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

**Governmental activities.** Approximately half of the Town's unrestricted net position (fifty-six percent) are held by governmental activities.

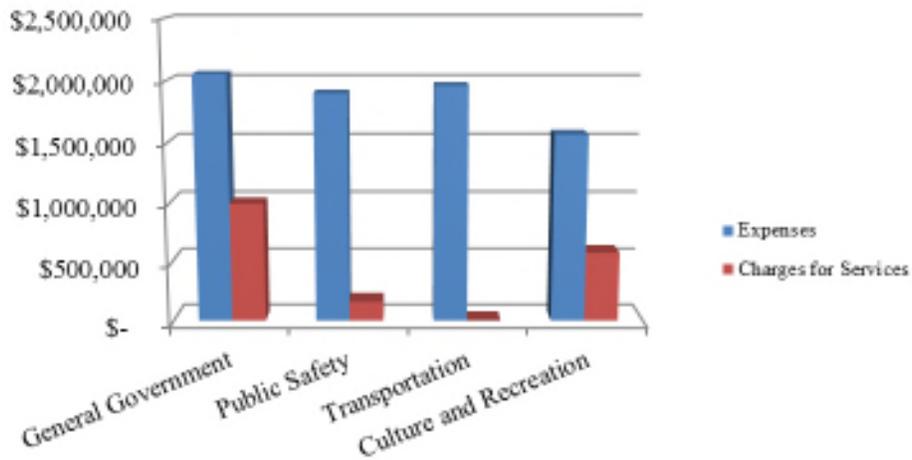
## Statement of Activities

	Governmental Activities		Business-Type Activities		Total	
	2015		2015		2015	
	<u>Restated</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>Restated</u>	<u>2014</u>
Revenues:						
Program Revenues:						
Charges for services	\$ 1,730,392	\$ 2,075,803	\$ 3,312,181	\$ 3,279,207	\$ 5,042,573	\$ 5,355,010
Capital grants and contributions	<u>765</u>	<u>67,928</u>	<u>-</u>	<u>247,365</u>	<u>765</u>	<u>315,293</u>
Total program revenues	<u>1,731,157</u>	<u>2,143,731</u>	<u>3,312,181</u>	<u>3,526,572</u>	<u>5,043,338</u>	<u>5,670,303</u>
General revenues:						
Taxes	5,482,905	5,405,570	-	-	5,482,905	5,405,570
Other	<u>200,651</u>	<u>565,697</u>	<u>34,078</u>	<u>52,568</u>	<u>234,729</u>	<u>618,265</u>
Total general revenues	<u>5,683,556</u>	<u>5,971,267</u>	<u>34,078</u>	<u>52,568</u>	<u>5,717,634</u>	<u>6,023,835</u>
Total revenues	<u>7,414,713</u>	<u>8,114,998</u>	<u>3,346,259</u>	<u>3,579,140</u>	<u>10,760,972</u>	<u>11,694,138</u>
Expenses:						
General government	2,054,234	1,533,690	-	-	2,054,234	1,533,690
Public safety	1,897,974	1,983,092	-	-	1,897,974	1,983,092
Transportation	1,960,039	2,850,323	-	-	1,960,039	2,850,323
Culture and recreation	1,562,682	2,103,713	-	-	1,562,682	2,103,713
Interest on long term debt	335,549	-	-	-	335,549	-
Water	-	-	1,330,521	1,357,055	1,330,521	1,357,055
Wastewater	-	-	1,029,745	1,018,861	1,029,745	1,018,861
Solid Waste	-	-	730,794	768,853	730,794	768,853
Total expenses	<u>7,810,478</u>	<u>8,470,818</u>	<u>3,091,060</u>	<u>3,144,769</u>	<u>10,901,538</u>	<u>11,615,587</u>
Increase (decrease) in net position before transfers	(395,765)	(355,820)	255,199	434,371	(140,566)	78,551
Transfers	<u>(687,531)</u>	<u>117,500</u>	<u>687,531</u>	<u>(117,500)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	(1,083,296)	(238,320)	942,730	316,871	(140,566)	78,551
Net position, Beginning	32,882,143	33,120,463	3,908,495	3,591,624	36,790,638	36,712,087
Restatement of net position - prior period adjustment	<u>(410,881)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(410,881)</u>	<u>-</u>
Net position, Beginning Restated	<u>32,471,262</u>	<u>33,120,463</u>	<u>3,908,495</u>	<u>3,591,624</u>	<u>36,379,757</u>	<u>36,712,087</u>
Net position, Ending	<u>\$ 31,387,966</u>	<u>\$ 32,882,143</u>	<u>\$ 4,851,225</u>	<u>\$ 3,908,495</u>	<u>\$ 36,239,191</u>	<u>\$ 36,790,638</u>

- The government-wide net position decreased by \$140,566 at year-end.
- The net position for governmental activities decreased by \$1,083,296 during the year.
- The water fund received updated infrastructure from drainage improvement projects financed by the capital projects fund.
- The net position for business-type activities increased by \$942,730, due largely to updated infrastructure paid for by the capital projects fund.
- Transfer expenses for governmental activities increased this year substantially as water infrastructure in the Bayview Rd., Althea Rd. Manatee Rd. South Pine/Eagle's Nest, and intersection improvements were recognized as transfer expenses in the capital projects fund and transfer revenues in the water fund.
- Decreases in governmental activities for charges for services and culture and recreation expenses represent the January 2014 commencement of the long-term lease for the town-owned Belleview Biltmore Golf Club. Those three months of town operations augmented revenues and expenses for the FY 2013-14 comprehensive annual financial report.

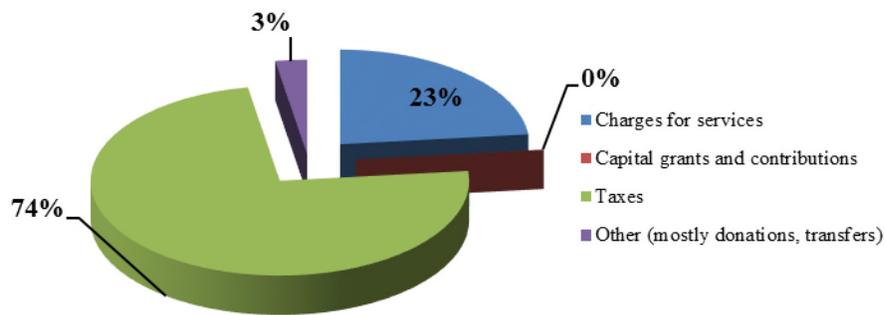
Expenses and Program Revenues - Governmental Activities

### Expenditure & Program Revenues: Governmental Activities



Revenues by Source - Governmental Activities

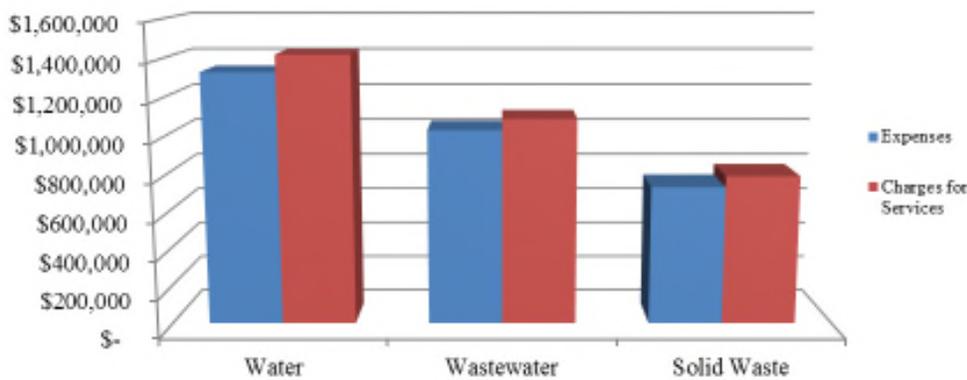
### Revenues by Source: Governmental Activities



**Business-type activities.** Business-type activities represent thirteen percent of the town’s net position. Following the new rate structure implemented in October 2013, the water fund continues to generate sufficient revenue with service charge income exceeding operating expenses by \$89,586. Solid waste fund revenues and expenditures remained relatively stable with operating income of \$57,718. The wastewater system is run by Pinellas County and charges for services are passed through to Pinellas County.

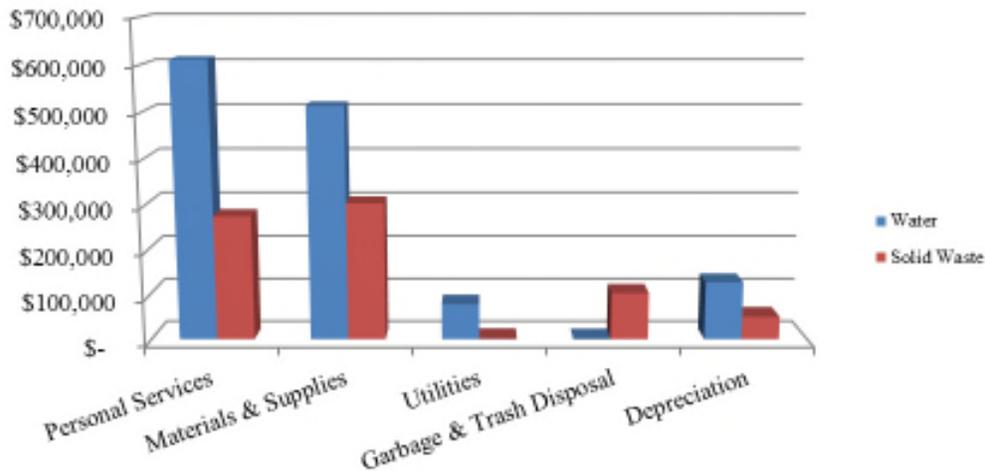
**Expenses and Program Revenues - Business-type Activities**

**Expenses & Program Revenues: Business Type Activities**



**Operating Expenses by Fund - Business-type Activities**

**Operating Expenses by Business Type**



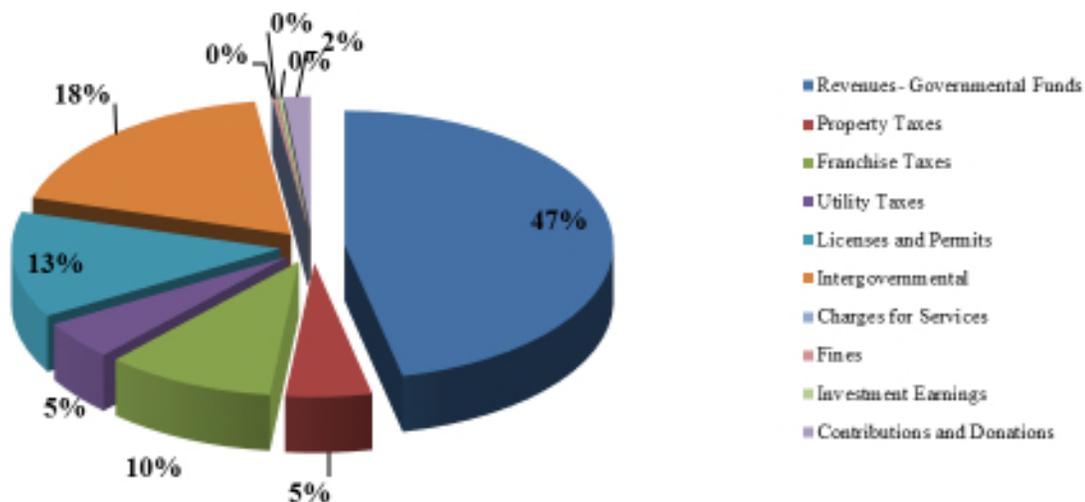
## Financial Analysis of the Government's Funds

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

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

### Revenues- Total Governmental Funds

#### Revenues- Total Governmental Funds



As of the end of the current fiscal year, the Town of Belleair's governmental funds reported combined ending total fund balances of \$7,458,042 a decrease of \$2,236,629 in comparison with the prior year. Approximately eighteen percent of total fund balance, \$1,372,003, 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 \$109,505, 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 \$5,976,534, 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 \$1,372,003 while total fund balance reached \$1,481,508. 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 twenty-four percent of total general fund expenditures while total fund balance represents twenty-six percent of that same amount. The current fund balance policy requires that the town maintain unrestricted fund balance in the general fund equivalent to 20% of expenditures. The fund balance of the Town's general fund increased by \$103,342 during the current fiscal year as efficiencies were realized in multiple departments, including Building and the inclusion of the Town Clerk in the Administration Department. General fund expenditures decreased by \$168,076 as a whole over the previous year.

#### ***Capital Projects Fund.***

The capital projects Fund expended \$3,625,475 on \$1,798,841 of revenue. Prior to 2012, the Town Commission determined that the town would need to save for future projects and develop new sources of income to repair and improve the roads and stormwater structures throughout Belleair. To that end, the commission approved the stormwater fee and municipal public services tax, both of which went into effect in October 2012. The need for immediate improvement prompted the Town Commission to approve borrowing in the form of a \$10 million revenue bond, through BB&T, to be repaid over 20 years. Revenue sources such as the stormwater fee, municipal public services tax and the Penny for Pinellas discretionary sales surtax are dedicated to debt service of the loan. Also, the Town provided BB&T a covenant to budget and appropriate as assurance of repayment. Additionally, a millage is dedicated to the capital projects fund as a means to save for future projects. The Town is currently discussing policies related to the strategic planning of capital projects so as to avoid further debt issuance.

#### ***Special Revenue funds.***

The Town of Belleair's special funds encompasses the local option gas tax fund, transportation impact fee fund, tree replacement fund, golf revenue fund, and capital equipment replacement fund. The overall fund balance of these funds is \$1,663,049. With the exception of the golf fund, 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 \$1,540,083, an increase of \$213,381 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 \$389,055; \$139,055 above its policy mandated unassigned reserve level of \$250,000.

## General Fund Budgetary Highlights

While there was a \$209,370 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 \$128,968 (two percent) higher than budgeted, largely due to the settlement of several outstanding code enforcement liens. Expenditures were \$49,378 (one percent) lower than budgeted because of savings realized in the Building Department and Planning services. The resulting net variance of change in fund balance was \$103,342.

## 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, 2015, amounts to \$37,259,205. This investment in capital assets includes land, buildings & system, improvements, machinery & equipment, park facilities, roads, highways, seawalls, and bridges. The total increase over the prior year in the town's investment in capital assets for the current fiscal year was \$1,339,517, a \$610,168 increase in governmental activities and a \$729,349 increase in business-type activities. The increase was driven by this year's completion of several major capital projects.

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

- Commencement of Bayview Drive and Althea Rd. Roadway and drainage improvement projects
- Completion of Hunter Memorial Park
- Completion of the Indian Rocks Rd./Ponce de Leon Blvd. intersection improvements
- Engineering for the Rosery Rd. Roadway and drainage improvement project

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

	Governmental Activities		Business-Type Activities		Total	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Land	\$ 7,588,875	\$ 7,687,827	\$ 22,950	\$ 22,950	\$ 7,611,825	\$ 7,710,777
Building and system	6,388,029	6,568,029	308,532	308,532	6,696,561	6,876,561
Improvements other than buildings	374,043	335,169	4,585,788	3,821,057	4,959,831	4,156,226
Machinery and equipment	2,413,447	2,101,913	1,295,818	1,243,352	3,709,265	3,345,265
Infrastructure	28,370,566	26,951,104	-	-	28,370,566	26,951,104
Accumulated depreciation	(11,186,897)	(10,306,147)	(2,901,946)	(2,814,098)	(14,088,843)	(13,120,245)
Total	<u>\$33,948,063</u>	<u>\$33,337,895</u>	<u>\$3,311,142</u>	<u>\$2,581,793</u>	<u>\$37,259,205</u>	<u>\$35,919,688</u>

Additional information on the Town's capital assets can be found in Note seven on pages 58-60 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 \$9,295,000, compensated absences and other post-employment benefits. Sources of income such as the stormwater fee, Penny for Pinellas surtax, municipal public services tax contribute to the repayment of the loan. Annual debt service of approximately \$710,000 will be covered by \$1,140,000 of annual revenue from those three streams. There is also a covenant to budget and appropriate other non Ad Valorem proceeds should there be a revenue shortfall.

The Town receives an actuarial valuation of its other post-employment benefits (OPEB) as required under Government Accounting Standards Board (GASB) Statement No. 45 every three years. The most recent valuation was performed in preparation for the FY 2012-13 CAFR. A new valuation will be performed in accordance with GASB 45 for the next comprehensive annual financial report.

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

	Governmental Activities		Business-Type Activities		Total	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenue Bonds	\$ 9,295,000	\$ 9,660,000	\$ -	\$ -	\$ 9,295,000	\$ 9,660,000
Compensated absences	295,685	245,271	74,903	84,801	370,588	330,072
OPEB	70,789	70,789	-	-	70,789	70,789
<b>Total</b>	<u>\$ 9,661,474</u>	<u>\$ 9,976,060</u>	<u>\$ 74,903</u>	<u>\$ 84,801</u>	<u>\$ 9,736,377</u>	<u>\$ 10,060,861</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 is currently 5.8 percent, which was down from 7.1 percent in 2014.
- Inflationary trends in the region compare healthy to the national indices.
- The Belleview Biltmore Hotel property has been sold and rezoned for Planned Mixed Use. The property is expected to be redeveloped as a mixture of condominiums, townhomes, and a boutique hotel. This redevelopment could mean as additional Ad Valorem revenue in excess of \$400,000 once the project is fully completed. Significant building fees should be collected in the coming ye
- The town has continued its 10-year lease agreement for the Belleview Biltmore Golf Club with Green Golf Partners. The agreement provides approximately \$190,000 annual revenue to the town.
- As chloride levels continue to rise, the town is exploring alternative water source options including Reverse Osmosis, wholesale purchase of water, and sale of the utility.

All of these factors were considered in preparing the Town of Belleair's annual operating & capital budget for the 2015-16 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, 2015

ASSETS	Primary Government		
	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ 7,051,970	\$ 1,733,860	\$ 8,785,830
Investments	210,269	109,681	319,950
Receivables (net of allowance for uncollectibles)	320,642	558,141	878,783
Prepaid items	375,000	-	375,000
Capital Assets:			
Land	7,588,875	22,950	7,611,825
Buildings and improvements	6,388,029	308,532	6,696,561
Improvements other than buildings	374,043	4,585,788	4,959,831
Equipment	2,413,447	1,295,818	3,709,265
Infrastructure	28,370,566	-	28,370,566
Accumulated depreciation	(11,186,897)	(2,901,946)	(14,088,843)
<b>Total Assets</b>	<b>41,905,944</b>	<b>5,712,824</b>	<b>47,618,768</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources related to pension plans	201,728	-	201,728
<b>LIABILITIES</b>			
Accounts payable	1,033,301	106,501	1,139,802
Accrued salaries and wages	96,538	20,989	117,527
Non Current Liabilities:			
Due Within One Year:			
Compensated absences	73,921	18,726	92,647
Revenue bond	375,000	-	375,000
Due In More Than One Year:			
Deposits	-	29,206	29,206
Advance	(630,000)	630,000	-
Compensated absences	221,764	56,177	277,941
Revenue bond	8,920,000	-	8,920,000
Net pension liability	494,876	-	494,876
Other post-employment benefits	70,789	-	70,789
<b>Total Liabilities</b>	<b>10,656,189</b>	<b>861,599</b>	<b>11,517,788</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources related to pension plans	63,517	-	63,517
<b>NET POSITION</b>			
Invested in capital assets	24,653,063	3,311,142	27,964,205
Restricted for:			
Capital equipment replacement	691,750	-	691,750
Capital projects	4,051,391	-	4,051,391
Unrestricted	1,991,762	1,540,083	3,531,845
<b>Total Net Position</b>	<b>\$ 31,387,966</b>	<b>\$ 4,851,225</b>	<b>\$ 36,239,191</b>

See Notes to Financial Statements.

TOWN OF BELLEAIR, FLORIDA

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	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	\$ 2,054,234	\$ 989,962	\$ -	\$ (1,064,272)	\$ -	\$ (1,064,272)
Public Safety	1,897,974	161,572	765	(1,735,637)	-	(1,735,637)
Transportation	1,960,039	-	-	(1,960,039)	-	(1,960,039)
Culture and recreation	1,562,682	578,858	-	(983,824)	-	(983,824)
Interest on long-term debt	335,549	-	-	(335,549)	-	(335,549)
<b>Total governmental activities</b>	<b>7,810,478</b>	<b>1,730,392</b>	<b>765</b>	<b>(6,079,321)</b>	<b>-</b>	<b>(6,079,321)</b>
Business-Type Activities:						
Water	1,330,521	1,430,682	-	-	100,161	100,161
Wastewater management	1,029,745	1,089,009	-	-	59,264	59,264
Solid waste management	730,794	792,490	-	-	61,696	61,696
<b>Total business-type activities</b>	<b>3,091,060</b>	<b>3,312,181</b>	<b>-</b>	<b>-</b>	<b>221,121</b>	<b>221,121</b>
<b>Total primary government</b>	<b>\$ 10,901,538</b>	<b>\$ 5,042,573</b>	<b>\$ 765</b>	<b>(6,079,321)</b>	<b>221,121</b>	<b>(5,858,200)</b>
General Revenues:						
Property taxes				3,475,114	-	3,475,114
Utility taxes				762,198	-	762,198
Franchise fees				388,063	-	388,063
Unrestricted Intergovernmental Revenues:						
State revenue sharing				96,097	-	96,097
Communication services tax				182,916	-	182,916
Half-cent sales tax				237,384	-	237,384
Local option gas tax				55,230	-	55,230
Infrastructure sales surtax				379,217	-	379,217
Other taxes				2,783	-	2,783
Unrestricted investment earnings				19,784	7,394	27,178
Miscellaneous				84,770	26,684	26,684
Transfers				(687,531)	687,531	687,531
<b>Total General Revenues and transfers</b>				<b>4,996,025</b>	<b>721,609</b>	<b>5,717,634</b>
<b>Changes in Net Position</b>				<b>(1,083,296)</b>	<b>942,730</b>	<b>(140,566)</b>
Net Position - Beginning				32,882,143	3,908,495	36,790,638
Restatement of Net Position due to Prior Period Adjustment				(410,881)	-	(410,881)
Net Position - Beginning Restated				32,471,262	3,908,495	36,379,757
Net Position - Ending				\$ 31,387,966	\$ 4,851,225	\$ 36,239,191

See Notes to Financial Statements.

TOWN OF BELLEAIR, FLORIDA

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2015

<b>ASSETS</b>	General	Infrastructure	Golf	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 777,811	\$ 4,359,948	\$ 838,580	\$ 1,075,631	\$ 7,051,970
Investments	182,901	23,366	-	4,002	210,269
Receivables (net of allowance for uncollectibles):					
Taxes:					
Franchise fees	38,024	-	-	-	38,024
Utility taxes	-	94,322	-	-	94,322
Accounts	4,025	-	41,000	-	45,025
Intergovernmental:					
State	67,371	-	-	-	67,371
County	4,315	62,381	-	9,204	75,900
Prepaid items	-	375,000	-	-	375,000
Advance to Water Fund	630,000	-	-	-	630,000
	<b>\$ 1,704,447</b>	<b>\$ 4,915,017</b>	<b>\$ 879,580</b>	<b>\$ 1,088,837</b>	<b>\$ 8,587,881</b>

**LIABILITIES AND FUND BALANCES**

Liabilities:					
Accounts payable	\$ 126,401	\$ 863,626	\$ -	\$ 43,274	\$ 1,033,301
Accrued payroll	96,538	-	-	-	96,538
Total liabilities	222,939	863,626	-	43,274	1,129,839
Fund balances:					
Restricted	-	4,051,391	879,580	1,045,563	5,976,534
Assigned	109,505	-	-	-	109,505
Unassigned	1,372,003	-	-	-	1,372,003
Total fund balances	1,481,508	4,051,391	879,580	1,045,563	7,458,042
Total liabilities and fund balances	<b>\$ 1,704,447</b>	<b>\$ 4,915,017</b>	<b>\$ 879,580</b>	<b>\$ 1,088,837</b>	

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.		33,948,063
Deferred outflows of resources		201,728
Long-term liabilities, including compensated absences are not due and payable in the current period and therefore are not reported in the Governmental funds.		(10,156,350)
Deferred inflows of resources		(63,517)
Net position of governmental activities		<b>\$ 31,387,966</b>

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, 2015

<b>REVENUES</b>	General	Infrastructure	Golf	Other Governmental Funds	Total Governmental Funds
Taxes:					
Property	\$ 2,898,636	\$ 576,478	\$ -	\$ -	3,475,114
Franchise	388,063	-	-	-	388,063
Utility	-	762,198	-	-	762,198
Licenses and permits	352,039	-	-	-	352,039
Intergovernmental	517,161	379,217	-	58,014	954,392
Charges for services	1,137,028	-	238,319	-	1,375,347
Fines	3,006	-	-	-	3,006
Investment earnings	17,972	1,544	-	268	19,784
Contributions and donations	18,985	-	-	-	18,985
Miscellaneous	26,288	79,404	-	13,825	119,517
Total Revenues	5,359,178	1,798,841	238,319	72,107	7,468,445
 <b>EXPENDITURES</b>					
Current:					
General government	1,932,390	104,153	-	-	2,036,543
Public safety	1,965,930	-	-	-	1,965,930
Transportation	552,795	2,383,096	-	-	2,935,891
Culture and recreation	1,178,677	263,314	4,382	-	1,446,373
Debt service:					
Principal	-	365,000	-	-	365,000
Interest	-	509,912	-	-	509,912
Total expenditures	5,629,792	3,625,475	4,382	-	9,259,649
Excess (deficiency) of revenues over (under) expenditures	(270,614)	(1,826,634)	233,937	72,107	(1,791,204)
 <b>OTHER FINANCING SOURCES (USES):</b>					
Sale of capital assets	241,106	-	-	-	241,106
Proceeds from insurance	1,000	-	-	-	1,000
Transfers in	290,500	164,300	-	262,350	717,150
Transfers out	(158,650)	(939,731)	(140,000)	(166,300)	(1,404,681)
Total other financing sources (uses)	373,956	(775,431)	(140,000)	96,050	(445,425)
Net change in fund balances	103,342	(2,602,065)	93,937	168,157	(2,236,629)
Fund balances, October 1	1,378,166	6,653,456	785,643	877,406	9,694,671
Fund balances, September 30	\$ 1,481,508	\$ 4,051,391	\$ 879,580	\$ 1,045,563	\$ 7,458,042

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, 2015

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

Net change in fund balances - total governmental funds	\$ (2,236,629)
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.	610,168
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>543,165</u>
Changes in net position of governmental activities	<u>\$ (1,083,296)</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, 2015

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH FINAL BUDGET-POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL AMOUNTS</u>	
REVENUES:				
Taxes:				
Property	\$ 2,887,750	\$ 2,887,750	\$ 2,898,636	\$ 10,886
Franchise	389,000	389,000	388,063	(937)
Licenses and permits	308,150	308,150	352,039	43,889
Intergovernmental	542,700	542,700	517,161	(25,539)
Charges for services	1,015,150	1,015,150	1,137,028	121,878
Fines	6,000	6,000	3,006	(2,994)
Investment earnings	15,000	15,000	17,972	2,972
Contributions and donations	16,760	16,760	18,985	2,225
Miscellaneous	49,700	49,700	26,288	(23,412)
TOTAL REVENUES	5,230,210	5,230,210	5,359,178	128,968
EXPENDITURES:				
Current:				
General government:				
Manager	1,182,980	1,448,190	1,322,490	125,700
Town clerk	180,000	163,860	194,961	(31,101)
Finance and administration	225,500	250,990	268,676	(17,686)
Comprehensive planning	163,600	163,600	146,263	17,337
Total general government	1,752,080	2,026,640	1,932,390	94,250
Public safety:				
Police	1,420,920	1,420,920	1,475,644	(54,724)
Fire	490,300	490,300	490,286	14
Total public safety	1,911,220	1,911,220	1,965,930	(54,710)
Transportation:				
Streets	636,150	546,150	552,795	(6,645)
Culture and recreation:				
Recreation	1,170,350	1,195,160	1,178,677	16,483
Total culture and recreation	1,170,350	1,195,160	1,178,677	16,483
TOTAL EXPENDITURES	5,469,800	5,679,170	5,629,792	49,378

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, 2015  
(CONTINUED)

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET-POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL AMOUNTS</u>	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (239,590)	\$ (448,960)	\$ (270,614)	\$ 178,346
OTHER FINANCING SOURCES (USES):				
Transfers in:				
Golf Fund	111,000	111,000	111,000	-
Park and Public District Enhancement Fund	4,500	4,500	4,500	-
Infrastructure Fund	175,000	175,000	175,000	-
Water Fund	40,000	40,000	-	(40,000)
Transfers out:				
Capital equipment Replacement Fund	(190,650)	(190,650)	(158,650)	32,000
Proceeds from insurance	-	-	1,000	1,000
Sale of capital assets	246,800	246,800	241,106	(5,694)
Total other financing sources (uses)	<u>386,650</u>	<u>386,650</u>	<u>373,956</u>	<u>(12,694)</u>
NET CHANGE IN FUND BALANCE	147,060	(62,310)	103,342	165,652
FUND BALANCE, OCTOBER 1	<u>1,378,166</u>	<u>1,378,166</u>	<u>1,378,166</u>	<u>-</u>
FUND BALANCE, SEPTEMBER 30	\$ <u>1,525,226</u>	\$ <u>1,315,856</u>	\$ <u>1,481,508</u>	\$ <u>165,652</u>

See Notes to Financial Statements.

TOWN OF BELLEAIR, FLORIDA

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

SEPTEMBER 30, 2015

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS

ASSETS

	<u>Water</u>	<u>Waste- Water Management</u>	<u>Solid Waste Management</u>	<u>Totals</u>
<b>CURRENT ASSETS:</b>				
Cash and cash equivalents	\$ 889,031	\$ 225,832	\$ 618,997	\$ 1,733,860
Investments	27,348	57,637	24,696	109,681
Accounts receivable (net of allowance for uncollectible accounts)	<u>205,452</u>	<u>221,039</u>	<u>131,650</u>	<u>558,141</u>
<b>TOTAL CURRENT ASSETS</b>	<b>1,121,831</b>	<b>504,508</b>	<b>775,343</b>	<b>2,401,682</b>
<b>NONCURRENT ASSETS:</b>				
Capital Assets:				
Land	22,950	-	-	22,950
Buildings	308,532	-	-	308,532
Improvements other than buildings	4,585,788	-	-	4,585,788
Equipment	<u>680,001</u>	<u>-</u>	<u>615,817</u>	<u>1,295,818</u>
	5,597,271	-	615,817	6,213,088
Less accumulated depreciation	<u>2,600,082</u>	<u>-</u>	<u>301,864</u>	<u>2,901,946</u>
<b>TOTAL CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)</b>	<b><u>2,997,189</u></b>	<b><u>-</u></b>	<b><u>313,953</u></b>	<b><u>3,311,142</u></b>
<b>TOTAL ASSETS</b>	<b>\$ <u>4,119,020</u></b>	<b>\$ <u>504,508</u></b>	<b>\$ <u>1,089,296</u></b>	<b>\$ <u>5,712,824</u></b>

See Notes to Financial Statements

TOWN OF BELLEAIR, FLORIDA

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

SEPTEMBER 30, 2015

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>
<b>CURRENT LIABILITIES:</b>				
Accounts payable	\$ 6,636	\$ 82,836	\$ 17,029	\$ 106,501
Accrued payroll	14,623	-	6,366	20,989
Compensated absences	13,078	-	5,648	18,726
<b>TOTAL CURRENT LIABILITIES</b>	<u>34,337</u>	<u>82,836</u>	<u>29,043</u>	<u>146,216</u>
<b>NONCURRENT LIABILITIES:</b>				
Utility deposits	29,206	-	-	29,206
Advance from General Fund	630,000	-	-	630,000
Compensated absences	39,233	-	16,944	56,177
<b>TOTAL NONCURRENT LIABILITIES</b>	<u>698,439</u>	<u>-</u>	<u>16,944</u>	<u>715,383</u>
<b>TOTAL LIABILITIES</b>	732,776	82,836	45,987	861,599
<b>NET POSITION</b>				
Invested in capital assets	2,997,189	-	313,953	3,311,142
Unrestricted	389,055	421,672	729,356	1,540,083
<b>TOTAL NET POSITION</b>	<u>\$ 3,386,244</u>	<u>\$ 421,672</u>	<u>\$ 1,043,309</u>	<u>\$ 4,851,225</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, 2015

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	\$ 1,420,107	\$ 1,089,009	\$ 789,512	\$ 3,298,628
Total operating revenues	1,420,107	1,089,009	789,512	3,298,628
OPERATING EXPENSES:				
Personal services	611,572	-	273,780	885,352
Materials and supplies	513,010	1,029,745	302,549	1,845,304
Utilities	78,474	-	744	79,218
Garbage and trash disposal	-	-	103,404	103,404
Depreciation	127,465	-	50,317	177,782
Total operating expenses	1,330,521	1,029,745	730,794	3,091,060
OPERATING INCOME (LOSS)	89,586	59,264	58,718	207,568
NONOPERATING REVENUES (EXPENSES):				
Interest revenue	1,846	3,717	1,831	7,394
Grant	10,575	-	2,978	13,553
Loss on disposal	-	-	-	-
Other income	18,900	-	2,414	21,314
Total nonoperating revenues	31,321	3,717	7,223	42,261
Income (loss) before contributions and transfers	120,907	62,981	65,941	249,829
Capital contributions - tap fees	5,370	-	-	5,370
Transfers in	779,231	-	12,000	791,231
Transfers (out)	(36,700)	-	(67,000)	(103,700)
CHANGE IN NET POSITION	868,808	62,981	10,941	942,730
NET POSITION - Beginning of Year	2,517,436	358,691	1,032,368	3,908,495
NET POSITION - End of Year	\$ 3,386,244	\$ 421,672	\$ 1,043,309	\$ 4,851,225

See Notes to Financial Statements.

TOWN OF BELLEAIR, FLORIDA

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

(CONTINUED)

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS

	<u>Water</u>	<u>Waste- Water Management</u>	<u>Solid Waste Management</u>	<u>Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from customers and users	\$ 1,431,521	\$ 1,058,525	\$ 784,177	\$ 3,274,223
Payments to suppliers for goods and services	(591,836)	(989,881)	(406,601)	(1,988,318)
Payments to employees for services	(635,016)	-	(280,433)	(915,449)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>204,669</b>	<b>68,644</b>	<b>97,143</b>	<b>370,456</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Transfers from other funds	779,231	-	12,000	791,231
Transfers to other funds	(36,700)	-	(67,000)	(103,700)
<b>NET CASH USED BY NONCAPITAL FINANCING ACTIVITIES</b>	<b>742,531</b>	<b>-</b>	<b>(55,000)</b>	<b>687,531</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Proceeds from capital contributions for tap fees	5,370	-	-	5,370
Purchases of capital assets	(796,931)	-	(110,200)	(907,131)
<b>NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(791,561)</b>	<b>-</b>	<b>(110,200)</b>	<b>(901,761)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Purchase of investments	(7,448)	(13,456)	(24,881)	(45,785)
Proceeds from sales and maturities of investments	35,109	9,739	28,442	73,290
Repayment of Advance to General Fund	(40,000)	-	-	(40,000)
Interest on investments	1,846	3,717	1,831	7,394
<b>NET CASH PROVIDED (USED) IN INVESTING ACTIVITIES</b>	<b>(10,493)</b>	<b>-</b>	<b>5,392</b>	<b>(5,101)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>145,146</b>	<b>68,644</b>	<b>(62,665)</b>	<b>151,125</b>
<b>CASH AND CASH EQUIVALENTS, OCTOBER 1</b>	<b>743,885</b>	<b>157,188</b>	<b>681,662</b>	<b>1,582,735</b>
<b>CASH AND CASH EQUIVALENTS, SEPTEMBER 30</b>	<b>\$ 889,031</b>	<b>\$ 225,832</b>	<b>\$ 618,997</b>	<b>\$ 1,733,860</b>

See Notes to Financial Statements.

TOWN OF BELLEAIR, FLORIDA

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

(Continued)

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS

	<u>Water</u>	<u>Waste- Water Management</u>	<u>Solid Waste Management</u>	<u>Totals</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>				
Operating income (loss):	\$ 89,586	\$ 59,264	\$ 58,718	\$ 207,568
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	127,465	-	50,317	177,782
Other		-		
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	14,977	(30,484)	(5,335)	(20,842)
Increase (decrease) in accounts payable	(352)	39,864	96	39,608
Increase (decrease) in accrued payroll	(15,048)	-	(5,154)	(20,202)
Increase (decrease) in compensated absences	(8,399)	-	(1,499)	(9,898)
Increase (decrease) in utility deposits	(3,560)	-	-	(3,560)
Total adjustments	<u>115,083</u>	<u>9,380</u>	<u>38,425</u>	<u>162,888</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 204,669</u>	<u>\$ 68,644</u>	<u>\$ 97,143</u>	<u>\$ 370,456</u>

See Notes to Financial Statements.

TOWN OF BELLEAIR, FLORIDA

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUND

SEPTEMBER 30, 2015

Assets

	<u>Police Pension Fund</u>
Receivables:	
Employer	\$ 80,806
Intergovernmental revenue	47,291
Interest and dividends	9,108
Broker-dealers	<u>49,940</u>
Total receivables	187,145
Investment at fair value:	
U. S. Government securities	287,406
U. S. Government agency securities	5,048
Domestic fixed income investment fund	208,278
International fixed income investment fund	123,515
Corporate bonds	455,093
Domestic equity investment funds	268,442
Domestic stock	1,024,310
International equity investment fund	433,157
Temporary investments	<u>87,660</u>
Total investments	2,892,909
Prepaid expenses	<u>2,429</u>
Total assets	3,082,483

Liabilities

Accounts payable	10,119
Due to broker-dealers	<u>52,374</u>
Total liabilities	<u>62,493</u>
Net position restricted for pensions	\$ <u><u>3,019,990</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, 2015

	<u>Police Pension Fund</u>
<b>ADDITIONS:</b>	
Contributions:	
Employer	\$ 213,760
Plan members	<u>47,017</u>
Total contributions	260,777
Intergovernmental revenue:	
State excise tax rebate	47,291
Investment earnings (loss):	
Net realized and unrealized appreciation (depreciation) in fair value of investments	(65,716)
Interest and dividends	<u>76,234</u>
Investment earnings	10,518
Less investment expenses	<u>28,250</u>
Net investment earnings	<u>(17,732)</u>
Total additions	290,336
<b>DEDUCTIONS:</b>	
Benefits	137,708
Refunds of contributions	3,297
Administrative expenses	<u>28,373</u>
Total deductions	<u>169,378</u>
Net increase in net position	120,958
Net position restricted for pensions:	
October 1	<u>2,899,032</u>
Net position restricted for pensions:	
September 30	<u>\$ 3,019,990</u>

See Notes to Financial Statements.

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

# TOWN OF BELLEAIR, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

### 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.

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 defined benefit pension trust fund is included in these financial statements as a pension trust fund.

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2015**

**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 statement. All of the disclosures required by GASB 67 have been reported in theses statements. Further, the Town has chosen to use September 30, 2015 as the measurement date for GASB 68 reporting purposes. This statement changes the focus of pension accounting for employers from whether 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.

Employees' 401 (K) Fund - The Town's full-time employees not covered under the policemen's and firefighters' 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.

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2015**

**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, 2015**

**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, 2015**

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

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

The Town reports the following major governmental funds:

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

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

The *golf fund* accounts for the golf course operations.

The Town reports the following major proprietary funds:

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

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

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

Additionally, the Town reports the following fund type:

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

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2015**

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Town has elected not to follow subsequent private-sector guidance.

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.

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2015**

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

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.

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, 2015**

**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.

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 - Government Accounting Standards Board (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.

Government Accounting Standards Board (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.

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.

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2015**

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

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.

New Accounting Pronouncements - The GASB has issued the following statement which became effective for fiscal year 2015.

Statement No. 68, "Accounting and Financial Reporting for Pensions" - This statement changes the focus of pension accounting for employers from whether 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 earned to date.

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 2014 millage rate assessed by the town was 6.0257.

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, 2015**

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

Government Accounting Standards Board (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.

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, 2015**

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

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

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

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

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

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

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

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

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2015**

**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.

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.

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2015**

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

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.

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 \$4,743,141 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”.

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2015**

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

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.

**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.

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2015**

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

This Fund Balance Policy establishes:

- a. Fund balance policy for the general fund;
- b. Reservations of fund balance for the general fund;
- c. 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
- d. Establish the spending order of fund balances.

**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.

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2015**

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

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.

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, 2015**

**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, 2015**

**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 \$24,013,919 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	\$ 45,134,960	
Less accumulated depreciation	(11,186,897)	
	<hr/>	
		\$ 33,948,063

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.	201,728
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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)	(70,789)	
Revenue bond	(9,295,000)	
Compensated absences	(295,685)	
	<hr/>	
		(9,661,474)

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	(410,881)	
Deferred inflows of resources related to pension plans	(63,517)	(474,398)
	<hr/>	<hr/>

Net adjustment to increase <i>fund balance - total Governmental funds</i> to arrive at <i>net position - Governmental activities</i>		\$ <u>24,013,919</u>
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**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2015**

**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 \$610,168 difference are as follows

Capital outlay	\$ 1,848,991
Loss on sale of equipment	(295,838)
Depreciation expense	<u>(942,985)</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>\$ 610,168</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 \$543,165 difference are as follows:

Principal payment on bond	\$ 365,000
Compensated absences	50,414
Accrued interest payable	174,363
Pension expense	<u>(46,612)</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>\$ 543,165</u>

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2015**

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

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

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

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

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

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

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2015**

**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, 2015 summarized as follows:

Fund	Operating Deficit
General	\$ <u>(270,614)</u>
Infrastructure	\$ <u>(1,826,634)</u>

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

**4. Deposits**

At year-end the carrying amount of the Town's deposits was \$8,785,830 and the bank balance was \$8,858,266. 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, 2015**

**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	\$ 292,454	AA	Daily
Fixed income investment funds	331,793	AA	Daily
Corporate bonds	455,093	AAA	Daily
Domestic Stock	1,024,310	N/A	N/A
Equity investment funds	701,599	N/A	N/A
Temporary investments	87,660	N/A	N/A
Florida State Board of Administration Local Government Pooled Investment Fund (SBA)	<u>319,950</u>	Not Rated	N/A
Total investments	<u>\$ 3,212,859</u>		

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

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

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2015**

**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, 2015**

**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, 2015 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 fixed and equity investment funds assets 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, 2015.

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, 2015**

**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, 2015. The Florida SBA is a 2a-7 like pool.

During the fiscal year ended September 30, 2015 the fund reported that 6% of the fund was held in securities that were in default, had defaulted or were extended; 8% of the fund was held in securities that were under stress due to credit issues and 86% of the fund was held in high quality money market investments. In an effort to strengthen the fund's liquidity, the fund was divided into two parts:

Fund A contained all money-market appropriate assets and

Fund B consisted of assets in default, impaired or held significant credit risk.

The SBA Board adopted the following operating policy:

1. Shareholders were allowed to redeem (with no fees) from Fund A, the greater of
  - a) up to 37% of their holdings or
  - b) \$4 million
2. Establish a public-private partnership to allow shareholders to borrow cash against their shares.
3. Shareholders that need additional funds and were not able to make use of the credit facility may redeem Fund A shares subject to redemption fees.
4. Fund B shares are not liquid nor are they tradable.

The SBA Board expects that all of the Fund B securities will eventually be paid in full.

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2015**

**6. Receivables**

Receivables at of September 30, 2015 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>Golf</u>	<u>Water</u>	<u>Waste- Water Management</u>	<u>Solid Waste Management</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:								
Taxes	\$ 38,024	\$ 94,322	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 132,346
Accounts	4,025	-	41,000	230,452	236,039	141,650	-	653,166
Intergovernmental	<u>71,686</u>	<u>62,381</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,204</u>	<u>143,271</u>
Gross receivables	113,735	156,703	41,000	230,452	236,039	141,650	9,204	928,783
Less: Allowance for uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>15,000</u>	<u>10,000</u>	<u>-</u>	<u>50,000</u>
Net total receivables	<u>\$ 113,735</u>	<u>\$ 156,703</u>	<u>\$ 41,000</u>	<u>\$ 205,452</u>	<u>\$ 221,039</u>	<u>\$ 131,650</u>	<u>\$ 9,204</u>	<u>\$ 878,783</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, 2015.

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2015**

**7. Capital Assets**

Capital asset activity for the year ended September 30, 2015 was as follows:

	<u>Balance October 1, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance September 30, 2015</u>
<u>Governmental activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 7,687,827	\$ -	\$ 98,952	\$ 7,588,875
Construction in progress	<u>5,828,290</u>	<u>1,798,644</u>	<u>5,753,274</u>	<u>1,873,660</u>
 Total capital assets, not being depreciated	 13,516,117	 1,798,644	 5,852,226	 9,462,535
 Capital assets, being depreciated:				
Buildings	6,568,029	-	180,000	6,388,029
Improvements other than buildings	335,169	57,488	18,614	374,043
Machinery and Equipment	2,101,913	372,041	60,507	2,413,447
Infrastructure	<u>21,122,814</u>	<u>5,374,092</u>	<u>-</u>	<u>26,496,906</u>
 Total capital assets, being depreciated	 30,127,925	 5,803,621	 259,121	 35,672,425
 Less accumulated depreciation for:				
Buildings	(1,038,072)	(170,157)	5,720	(1,202,509)
Improvements other than buildings	(164,149)	(22,655)	13,935	(172,869)
Machinery and equipment	(999,597)	(188,650)	42,580	(1,145,667)
Infrastructure	<u>(8,104,329)</u>	<u>(561,523)</u>	<u>-</u>	<u>(8,665,852)</u>
Total accumulated depreciation	<u>(10,306,147)</u>	<u>(942,985)</u>	<u>62,235</u>	<u>(11,186,897)</u>
 Total capital assets, being depreciated, net	 <u>19,821,778</u>	 <u>4,860,636</u>	 <u>196,886</u>	 <u>24,485,528</u>
 Governmental activities capital assets, net	 <u>\$ 33,337,895</u>	 <u>\$ 6,659,280</u>	 <u>\$ 6,049,112</u>	 <u>\$ 33,948,063</u>

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2015**

**7. Capital Assets (Continued)**

	Balance October 1, 2014	Increases	Decreases	Balance September 30, 2015
	<u>2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>2015</u>
<u>Business-type activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 22,950	\$ -	\$ -	\$ 22,950
Construction in progress	-	479,170	-	479,170
Total capital assets, not being depreciated	<u>22,950</u>	<u>479,170</u>	<u>-</u>	<u>502,120</u>
Capital assets, being depreciated:				
Buildings	308,532	-	-	308,532
Improvements other than buildings	3,821,057	285,561	-	4,106,618
Machinery and Equipment	1,243,352	142,400	89,934	1,295,818
Total capital assets, being depreciated	<u>5,372,941</u>	<u>427,961</u>	<u>89,934</u>	<u>5,710,968</u>
Less accumulated depreciation for:				
Buildings	(260,962)	(7,303)	-	(268,265)
Improvements other than buildings	(1,691,558)	(93,066)	-	(1,784,624)
Machinery and equipment	(861,578)	(77,413)	89,934	(849,057)
Total accumulated depreciation	<u>(2,814,098)</u>	<u>(177,782)</u>	<u>89,934</u>	<u>(2,901,946)</u>
Total capital assets, being depreciated, net	<u>2,558,843</u>	<u>250,179</u>	<u>-</u>	<u>2,809,022</u>
Business-type activities capital assets, net	<u>\$ 2,581,793</u>	<u>\$ 729,349</u>	<u>\$ -</u>	<u>\$ 3,311,142</u>

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2015**

**7. Capital Assets (Continued)**

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

Governmental activities:

General government	\$ 32,991
Public safety	26,662
Streets	644,820
Culture and recreation	<u>238,512</u>
Total depreciation expenses - governmental activities	<u>\$ 942,985</u>

Business-type activities:

Water	\$ 127,465
Wastewater	-
Solid waste	<u>50,317</u>
Total depreciation expense - business-type activities	<u>\$ 177,782</u>

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2015**

**8. Interfund Transfers**

Transfers were made from the capital equipment replacement fund to subsidize the budgeted acquisition of capital asset additions for the fiscal year ended September 30, 2015.

The remaining transfers were made to cover budgeted expenses/expenditures for 2015.

	<u>Transfers In</u>	<u>Transfers Out</u>
General fund	\$ 290,500	\$ 158,650
Nonmajor governmental funds	262,350	166,300
Infrastructure fund	164,300	939,731
Water fund	779,231	36,700
Solid waste fund	12,000	67,000
Golf fund	<u>-</u>	<u>140,000</u>
Total	<u>\$ 1,508,381</u>	<u>\$ 1,508,381</u>

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2015**

**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, 2015, as shown in the following table:

Enterprise Fund	Administrative Costs Allocated
Water	\$ 303,050
Solid Waste Management	166,700
Total	\$ 469,750

**10. Long-Term Debt**

Long-term debt includes accrued leave as of September 30, 2015:

During the fiscal year ended September 30, 2015, the following changes occurred in liabilities reported in long-term debt:

	Balance October 1	Additions	Reductions	Balance September 30	Due Within One Year
Governmental activities:					
Revenue bonds	\$ 9,660,000	\$ -	\$ 365,000	\$ 9,295,000	\$ 375,000
Accrued leave	245,271	310,245	259,831	295,685	73,921
Net pension liability	-	494,876	-	494,876	-
Other post-employment benefits (OPEB)	70,789	-	-	70,789	-
Total Government activities	9,976,060	805,121	624,831	\$ 10,156,350	\$ 448,921
Business-type activities:					
Accrued leave	\$ 84,801	\$ 61,043	\$ 70,941	\$ 74,903	\$ 18,726

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2015**

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

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

Capital Improvement Revenue Bond, Series 2012

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

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

BB&T Bond Issuance

Term:	September 21, 2012 through October 1, 2032
Amount issued:	\$10,000,000
Interest rate:	3.61%
Annual Principal Payments:	\$340,000 to \$685,000
Amount outstanding at September 30, 2015:	\$9,295,000

Debt service requirements to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>
2016	\$ 375,000	\$ 335,549
2017	390,000	322,012
2018	405,000	307,933
2019	420,000	293,312
2020	435,000	278,150
2021-2025	2,410,000	1,144,189
2026-2030	2,875,000	676,876
2031-2033	<u>1,985,000</u>	<u>144,942</u>
	<u>\$ 9,295,000</u>	<u>\$ 3,502,963</u>

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2015**

**11. Detail of Constraints on Fund Balances of Governmental Funds**

	<u>General Fund</u>
Fund balances:	
Assigned:	
Park improvement	\$ 3,255
Recreation donations	81,250
Master landscaping	12,533
Police equipment	<u>12,467</u>
Total assigned	109,505
Unassigned:	<u>1,372,003</u>
Total fund balances	<u>\$ 1,481,508</u>

**12. Lease Commitments**

The Town currently leases certain equipment under a four and five year noncancellable operating leases. Total lease expense for 2015 was \$14,931. The following is a schedule of future minimum annual lease payments remaining under these leases.

<u>Year</u>	<u>Amount</u>
2016	\$ 15,586
2017	8,758
2018	<u>1,576</u>
Total	<u>\$ 25,920</u>

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2015**

**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, except for health coverage, from Public Risk Management of Florida (PRM). The Town does not retain any risk of loss as a member of the PRM program which operates as any commercial insurance carrier.

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

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

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

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

In the event that the loss fund (\$12,000,000) is exhausted, stop loss insurance is provided. The only deductible payable by members is \$500 for property, inland marine, automobile physical damage and crime. Members' contributions are allocated into three categories as follows:

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

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2015**

**13. Risk Management (Continued)**

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

<u>Carrier</u>	<u>Coverage</u>
Princeton E45	excess property
Liberty Mutual	excess workers' compensation
American Safety Indemnity	excess liability

The PRM program provides specified insurance coverages for 143 school systems and local governmental entities. The major benefits of such a pooling approach include:

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

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

**14. Contingent Liabilities**

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

The Town is involved in certain ongoing construction projects. Management's estimate of the costs of these projects through the next two fiscal years ending September 30, 2017 is between \$6,500,000 and \$7,500,000. The funding for these projects will come from the countywide one percent infrastructure sales surtax.

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2015**

**14. Contingent Liabilities (Continued)**

The Town did not receive federal grant funds during the fiscal year ended September 30, 2015, 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, 2015.

**15. Employee Retirement System**

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

**Police Officers' Pension Fund**

**Plan Description:**

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

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

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2015**

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

Police Officers Pension Fund (continued)

Plan Description (continued)

Basis of accounting:

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.

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, 2013. 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, 2015.

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, 2015**

**15. 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: 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, 2015**

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

Police Officers Pension Fund (continued)

Plan Description (continued)

*Contributions:*

Employee 6% of salary.

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

Net Pension Liability

The measurement date is September 30, 2015.

The measurement period for the pension expense was October 1, 2014 to September 30, 2015.

The reporting period is October 1, 2014 through September 30, 2015.

The Town's net liability was measured as of September 30, 2015.

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, 2014 updated to September 30, 2015 using the following actuarial assumptions:

Inflation	3.00%
Salary increases	6.50%
Discount rate	7.75%
Investment rate of return	7.75%

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2015**

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

Police Officers Pension Fund (continued)

Plan Description (continued)

Mortality rate: RP-2000 Combined Healthy - Sex Distinct. Disabled lives are set forward 5 years based upon other studies of municipal police officers, we feel this assumption sufficiently accommodates future mortality improvements.

The actuarial assumptions used in the October 1, 2014 valuation were based on the results of an actuarial experience study performed October 19<sup>th</sup>, 2010, for the period 1990-2010.

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

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, 2015 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%	2.3%
Domestic Fixed Income	35%	2.5%
Global Fixed Income	<u>5%</u>	3.5%
Total	<u>100%</u>	

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2015**

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

Police Officers Pension Fund (continued)

Plan Description (continued)

Discount Rate:

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

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

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2015**

**15. 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, 2014	\$ 3,309,913	\$ 2,899,032	\$ 410,881
Changes for a year:			
Service cost	202,940	-	202,940
Interest	270,052	-	270,052
Changes of assumptions	(127,034)	-	(127,034)
Changes of benefit terms	-	-	-
Contributions - Employer	-	213,760	(213,760)
Contributions - State	-	47,291	(47,291)
Contributions - Employees	-	47,017	(47,017)
Net Investment Income	-	(17,732)	17,732
Benefit Payments, including			
Refunds of Employee Contributions	(141,005)	(141,005)	-
Administration expense	-	(28,373)	28,373
Net changes	204,953	120,958	83,995
Reporting period ending September 30, 2015	\$ 3,514,866	\$ 3,019,990	\$ 494,876

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2015**

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

Police Officers Pension Fund (continued)

Plan Description (continued)

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

	1% Decrease	Current Discount Rate	1% Increase
	<u>6.75%</u>	<u>7.75%</u>	<u>8.75%</u>
Town's Net Pension Liability	\$ <u>838,401</u>	\$ <u>494,876</u>	\$ <u>201,026</u>

The net pension liability represents the liability for employees for projected pension benefit payments to be provided to current and inactive employees that is attributed to those employees' past periods of service less the amount of the pension plan's fiduciary net position.

Rate of Return - For the year ended September 30, 2015 the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was -0.75 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, 2015**

**15. 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, 2015</u>
Retirees and beneficiaries currently receiving benefits	5
Terminated plan members entitled to but not yet receiving benefits	6
Active plan members:	
Fully vested	1
Nonvested	9

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2015**

**15. 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, 2015, the Town will recognize a pension expense of \$159,544. On September 30, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 63,517
Changes of assumptions	-	-
Net difference between projected and actual		
Pension plan investments	<u>201,728</u>	<u>-</u>
Total	<u>\$ 201,728</u>	<u>\$ 63,517</u>

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

Year ended September 30:

2016	\$ (13,085)
2017	50,432
2018	50,432
2019	50,432
2020	-
Thereafter	-

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2015**

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

Employees' 401(k) Plan

The Town provides retirement benefits for all of its full-time employees not covered under the policemen 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, 2015 there were 42 plan members. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate after one year of employment. The 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. Plan provisions and contribution requirements are established and may be amended by the Town Commission.

The Town's total payroll in fiscal year 2015 was \$2,965,930. The Town's contributions were calculated using the participants' salary amount of \$1,969,700. Both the Town and the covered employees made the required contributions in addition to certain voluntary participant contributions summarized as follows:

	<u>Contribution amount</u>	<u>Percentage of current covered payroll</u>
Required:		
Town	\$ 177,273	9.0 %
Employee	59,091	3.0
Voluntary:		
Employee	<u>39,454</u>	2.0
Total contributions	<u>\$ 275,818</u>	

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2015**

**15. 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 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, 2015.

**16. 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.

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

In addition to the pension benefits described in Note 14, the Town provides postretirement health care benefits in accordance with an employment policy adopted for the Town's seven full-time department heads during the year ended September 30, 1993. Under terms of this policy, department heads who retire from the Town on or after attaining age fifty-five with at least twenty-five years of service will receive family medical coverage (medical, dental and hospitalization) until age sixty-five at which time a medicare supplement will be provided until the age of seventy. The Town will pay for this supplemental coverage for the employee and his or her spouse, at the rate in effect at the time of the employee's retirement with the employee paying any increased cost after that date. During the year ended September 30, 2015 the Town had no employee eligible to receive these benefits. These postemployment benefits are financed on a pay-as-you-go basis.

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2015**

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

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.

**Annual OPEB Cost and Net OPEB Obligation**

The Town’s annual other post-employment benefits (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The Town’s annual OPEB cost for its plan for the fiscal years ended September 30, 2013 and 2012 is as follows:

	<u>Annual OPEB Cost</u>	
	<u>9/30/13</u>	<u>9/30/12</u>
Annual required contribution (ARC)	\$ 80,871	\$ 46,841
Interest on net OPEB obligation	1,874	-
Adjustment to ARC	<u>(1,862)</u>	<u>-</u>
Annual OPEB cost	80,883	46,841
Contribution made (pay-as-you-go basis)	<u>(56,935)</u>	<u>-</u>
Change in net OPEB obligation	23,948	46,841
Net OPEB obligation, beginning of year	<u>46,841</u>	<u>-</u>
Net OPEB obligation, end of year	<u>\$ 70,789</u>	<u>\$ 46,841</u>

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2015**

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

**Funded Status and Funding Progress**

**Annual OPEB Cost**

<u>As of</u>	<u>Annual OPEB Cost</u>	<u>% of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligations</u>
September 30, 2011	\$ 46,841	0.0%	\$ 46,841
September 30, 2012	46,841	0.00	46,841
September 30, 2013	80,883	70.40	70,789

The funded status of the plan as of October 1, 2012 and 2013 was as follows:

	<u>10/01/13</u>	<u>10/01/12</u>
Actuarial accrued liability	\$ 766,215	\$ 483,120
Actuarial value of plan assets	<u>-</u>	<u>-</u>
Unfunded actuarial accrued liability	<u>\$ 766,215</u>	<u>\$ 483,120</u>
Funded ratio	<u>0%</u>	<u>0%</u>
Covered payroll	<u>\$ 2,593,987</u>	<u>\$ 2,308,353</u>
Unfunded actuarial accrued liability as a percentage of covered payroll	<u>29.5%</u>	<u>20.9%</u>

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

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2015**

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

Required Supplementary Information

Funded Status and Funding Progress (Continued)

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

Measurement Date	September 30, 2013 with results actuarially rolled-back to October 1, 2012 on a “no loss/gain” basis
Discount Rate	4.0%
Covered Payroll Growth	3.0%
Inflation Rate	3.0%
Census Data	Census data was provided as of September 2013. No material modifications have been made.
Cost Method	Projected Unit Credit with linear proration to decrement
Amortization	Level percentage of pay over thirty years based on an open group
Mortality	RP-2000 Combined Mortality Table projected to 2010
Turnover Rate	Assumption used to project annual terminations (voluntary and involuntary) prior to meeting minimum retirement eligibility for retirees health coverage. The rates represent the probability of termination in the next 12 months.

<u>Age</u>	<u>Raise</u>
28	6.8%
35	3.2%
45	1.6%

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2015**

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

Required Supplementary Information

**Funded Status and Funding Progress (Continued)**

Disability Rate                      None

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

Per Capital Costs                    Annual per capita costs were calculated based on the 2010/11 premium rates increased using health index factors and current enrollment. The costs are assumed to increase with medical trend rates. All employees are assumed to elect the plan they are currently enrolled in at retirement. Annual per capital costs by plan are as shown below:

<u>Plan</u>	<u>Raise</u>
HMO	\$ 13,900
PPO	\$ 12,700

Health Care Trend Rates	<u>FYE</u>	<u>Medical/RX</u>	<u>FYE</u>	<u>Medical/RX</u>
	2014	9.0%	2019	6.5%
	2015	8.5%	2020	6.0%
	2016	8.0%	2021	5.5%
	2017	7.5%	2022+	5.0%
	2018	7.0%		

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

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2015**

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

Required Supplementary Information

Health Care Coverage

Election Rate at  
Retirement

General and Police active employees with current coverage: 30%  
Department Heads active employees with current coverage: 100%.  
Active employees with no coverage: 0%

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

Spousal Coverage

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

Employer Funding Policy

Pay-as-you-go cash basis

Benefits not Valued

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

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2015**

**17. Recently Issued and Implemented Accounting Pronouncements**

Government Accounting Standards Board (GASB) Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position" amends GASB No. 34. This statement provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position by distinguishing them from assets and liabilities. Net position replaces the terminology net assets in the Statement of Net Position. The requirements of GASB 63 are effective in fiscal year 2013. Its implementation has introduced the new elements mentioned above to the Statement of Net Position and the Balance Sheet. The requirements of GASB 65 are in effect in fiscal year 2014.

Government Accounting Standards Board (GASB) Statement No. 66, "Technical Corrections - 2012 an amendment of GASB Statements No. 10 and No.62". The amendment to GASB Statement No. 10 removes the provision that limits fund-based reporting of an entity's risk financing activities to the general fund and the internal service fund type. The amendment to GASB Statement No. 62, modifies the specific guidance on accounting for (1) operating lease payments that vary from a straight line basis, (2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. The requirements of GASB 66 are effective in fiscal year 2014. Its implementation did not have any effect on the Town's financial statements.

Government Accounting Standards Board (GASB) Statement No. 67, "Financial Reporting for Pension Plans an amendment of GASB Statement No. 25". The objective of this Statement is to improve accounting and financial reporting by state and local governmental pension plans. The requirements of GASB 67 are effective in fiscal year 2014. The Town's Police Officers' Pension Fund has implemented GASB 67 in the Town's CAFR. The Fund's implementation consist of the assumptions and actuarial calculation of total and net pension liability, comprehensive footnote disclosures regarding the pension liability calculation and assumptions and increased investment activity disclosures.

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2015**

**17. Recently Issued and Implemented Accounting Pronouncements (Continued)**

Effective October 1, 2014, the Town adopted Governmental Accounting Standards Board Statement No. 68, "Accounting and Financial Reporting for Pension" ("GASB 68"). GASB 68 changes the accounting and financial reporting of pensions that are provided through pension plans administered as trusts. The standards require local governments to recognize as a liability, for the first time, their long-term obligation for these pension benefits. This liability is measured as the difference between the present value of projected benefit payments to be provided through the pension plan for the past periods of service and the amount of the pension plan's net position. The Town has implemented this standard.

Government Accounting Standards Board (GASB) Statement No. 70, "Accounting and Financial Reporting for Non Exchange Financial Guarantees". The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. The requirements of GASB 70 are effective in fiscal year 2014. Its implementation did not have any effect on the Town's financial statements.

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

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).

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

Statement No. 77, "Tax Abatement Disclosures" - This statement requires governments that enter into tax abatement agreements to provide certain disclosures regarding these commitments. This statement will not be effective for the Town

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2015**

**18. Restatement of Beginning Net Pension**

The implementation of Statement No. 68 resulted in the restatement of the beginning net position for the recording of the beginning net pension liability. Prospectively applying this change results in the adjustment below:

	<u>Government-wide Statement of Activities</u>
	<u>Governmental Activities</u>
Net pension at September 30, 2014, as previously reported	\$ 32,882,143
Recording of net pension liability as of September 30, 2014	<u>(410,881)</u>
Net position at September 30, 2014, as restated	\$ <u><u>32,471,262</u></u>

**REQUIRED**

**SUPPLEMENTARY INFORMATION**

**OTHER THAN MD&A**

**OTHER POST-EMPLOYMENT**

**BENEFITS**

**TOWN OF BELLEAIR**

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

**OTHER POST-EMPLOYMENT BENEFITS**

**SEPTEMBER 30, 2015**

**Schedule of Employer Contributions:**

<u>Year ended</u>	<u>Annual Required Contribution</u>	<u>Estimated Contributions</u>	<u>Percentage Contributed</u>
September 30, 2011	\$ 46,841	\$ -	0.0%
September 30, 2012	46,841	-	0.0
September 30, 2013	80,871	56,935	70.4

**Schedule of Funding Progress:**

<u>Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) Projected Unit Credit (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
October 1, 2010	\$ -	\$ 483,120	\$ 483,120	0.00%	\$ 2,308,353	20.9%
October 1, 2011	-	483,120	483,120	0.00	2,308,353	20.9
October 1, 2012	-	766,215	766,215	0.00	2,593,987	29.5

**POLICE OFFICERS'**

**PENSION TRUST 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**  
**AND RELATED RATIOS**

**Last Two Fiscal Years**

Reporting period ending	9/30/2015	9/30/2014
Measurement date	9/30/2015	9/30/2014
Total pension liability		
Service cost	\$ 202,940	\$ 239,594
Interest	270,052	236,179
Changes of benefit terms	-	-
Difference between expected and actual experience	(127,034)	-
Change in assumptions	-	-
Benefit payments, including refunds of employee contributions	<u>(141,005)</u>	<u>(141,832)</u>
Net change in total pension liability	204,953	\$ 333,941
Total pension liability - beginning	<u>3,309,913</u>	<u>2,975,972</u>
Total pension liability - ending (a)	<u>\$ 3,514,866</u>	<u>\$ 3,309,913</u>
Plan fiduciary net position		
Contributions - Employer	\$ 213,760	\$ 237,836
Contributions - State	47,291	44,305
Contributions - Employees	47,017	46,612
Net Investment Income	(17,732)	242,548
Benefit payments, including refunds of employee contributions	(141,005)	(141,832)
Administrative expense	<u>(28,373)</u>	<u>(20,917)</u>
Net change in plan fiduciary net position	120,958	408,552
Plan fiduciary net position - beginning	<u>2,899,032</u>	<u>2,490,480</u>
Plan fiduciary net position - ending	<u>\$ 3,019,990</u>	<u>\$ 2,899,032</u>
Net pension liability ending (a) - (b)	<u>\$ 494,876</u>	<u>\$ 410,881</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	85.92%	87.59%
Covered Employee Payroll*	\$ 783,615	\$ 738,422
Net Pension Liability is a percentage of Covered Employee	63.15%	55.64%

Notes to Schedule:

*\*For the fiscal year 2014, the Covered Payroll figure was based on Pensionable Salary.*

**TOWN OF BELLEAIR, FLORIDA**

**POLICE OFFICERS' PENSION TRUST FUND**

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

**SCHEDULE OF CONTRIBUTIONS**

**Last Two Fiscal Years**

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

*\*For the fiscal year 2014 the Covered Employee Payroll figure was based on pensionable Salary.*

**Notes to Schedule**

Valuation date 10/01/2013

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

Methods and assumptions used to determine contribution rates:

Funding method: Frozen entry age actuarial cost method.

Amortization method: Level percentage of pay, closed

Remaining amortization period: 27 years (as of 10/01/2013).

Inflation: 3% per year.

Mortality rate: RP-2000 combined healthy - sex distinct. Disabled lives set forward five years. Based upon a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements.

Interest rate: 7.75% per year compounded annually, net of investment related expenses.

**TOWN OF BELLEAIR, FLORIDA**

**POLICE OFFICERS' PENSION TRUST FUND**

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

**SCHEDULE OF CONTRIBUTIONS**

**Last Two Fiscal Years**

Notes to Schedule (Continued)

Retirement age: Earlier of age 55 with 5 years of credited service or 25 years of credited service, regardless of age. Also, any member who has reached Normal Retirement is assumed to continue employment for one additional year.

Early retirement: Commencing with the earliest early retirement (Age 50 with 10 years of credited service), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.

Disability rate: See table below. (65% of which are assumed to be regular in-line of duty, 10% catastrophic, and 25% not-in-line of duty).

Termination rate: See table below.

Salary increases: 6.5% per year until the assumed retirement age. Projected salary at retirement is increased 20% to account for final non-regular compensation.

Payroll growth: Up to 3.0% per year (3.0% for 10/1/12 Valuation).

Asset valuation method: Each year the prior Actuarial Value of Assets is brought forward utilizing the historical geometric four-year average Market Value return (net of fees). It is possible that over time this technique will produce an insignificant bias above or below Market Value of Assets.

Termination and  
Disability Rate Table

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

**TOWN OF BELLEAIR, FLORIDA**

**POLICE OFFICERS' PENSION TRUST FUND**

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

**COMPONENTS OF PENSION EXPENSE**

**Fiscal Year September 30, 2015**

	<u>Net Pension</u> <u>Liability</u>	<u>Deferred</u> <u>Inflows</u>	<u>Deferred</u> <u>Outflows</u>	<u>Pension</u> <u>Expense</u>
Beginning balance	\$ 410,881	\$ -	\$ -	-
Total Pension Liability Factor:				
Service cost	202,940	-	-	202,940
Interest	270,052	-	-	270,052
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual				
Experience with regard to economic or demographic assumptions	(127,034)	127,034	-	-
Current year amortization of experience	-	(63,517)	-	(63,517)
Change in assumptions about future economic demographic factors or other inputs	-	-	-	-
Current year amortization of changes in Benefit payments	(141,005)	-	-	(141,005)
Net change	<u>204,953</u>	<u>63,517</u>	<u>-</u>	<u>268,470</u>
Plan Fiduciary Net Position:				
Contributions - Employer	213,760	-	-	-
Contributions - State	47,291	-	-	(47,291)
Contributions - Employee	47,017	-	-	(47,017)
Net Investment Income	230,674	-	-	(230,674)
Difference between projected and actual				
pension plan investments	(248,406)	-	248,406	-
Current year amortization	-	-	(46,678)	46,678
Benefit Payments	(141,005)	-	-	141,005
Administrative expenses	(28,373)	-	-	28,373
Net change	<u>120,958</u>	<u>-</u>	<u>201,728</u>	<u>(108,926)</u>
Ending balance	<u>\$ 494,876</u>	<u>\$ 63,517</u>	<u>\$ (201,728)</u>	<u>\$ 159,544</u>

**TOWN OF BELLEAIR, FLORIDA**

**POLICE OFFICERS' PENSION TRUST FUND**

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

**SCHEDULE OF INVESTMENT RETURNS**

**Last Two Fiscal Years**

	September 30, 2015	September 30, 2014
Annual money-weighted rate of return net of investment expenses	<u>-0.75%</u>	<u>9.8%</u>

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

## **SPECIAL REVENUE FUNDS**

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

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

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

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

## **CAPITAL PROJECTS FUND**

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

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

TOWN OF BELLEAIR, FLORIDA  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2015

	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	\$ 102,623	\$ 214,718	\$ 66,540	\$ 383,881	\$ 691,750	\$ 1,075,631
Investments	121	2,882	999	4,002	-	4,002
Receivables (net of allowance for uncollectible accounts):						
Accounts	-	-	-	-	-	-
County	-	9,204	-	9,204	-	9,204
<b>TOTAL ASSETS</b>	<b>\$ 102,744</b>	<b>\$ 226,804</b>	<b>\$ 67,539</b>	<b>\$ 397,087</b>	<b>\$ 691,750</b>	<b>\$ 1,088,837</b>
<b>LIABILITIES AND FUND BALANCES</b>						
Accounts payable	\$ 40,705	\$ -	\$ 2,569	\$ 43,274	\$ -	\$ 43,274
<b>TOTAL LIABILITIES</b>	<b>40,705</b>	<b>-</b>	<b>2,569</b>	<b>43,274</b>	<b>-</b>	<b>43,274</b>
<b>FUND BALANCES</b>						
<b>FUND BALANCES:</b>						
Restricted	62,039	226,804	64,970	353,813	691,750	1,045,563
<b>TOTAL FUND BALANCES</b>	<b>62,039</b>	<b>226,804</b>	<b>64,970</b>	<b>353,813</b>	<b>691,750</b>	<b>1,045,563</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 102,744</b>	<b>\$ 226,804</b>	<b>\$ 67,539</b>	<b>\$ 397,087</b>	<b>\$ 691,750</b>	<b>\$ 1,088,837</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, 2015

	Special Revenue				Capital Projects	Total Nonmajor Governmental Funds
	Park and Public District Enhancement	Local Option Gas Tax	Transportation Impact Fee	Total	Capital Equipment Replacement	
<b>Revenues:</b>						
Intergovernmental	\$ -	\$ 55,230	\$ 2,784	\$ 58,014	\$ -	\$ 58,014
Charges for services	-	-	-	-	-	-
Miscellaneous	13,825	-	-	13,825	-	13,825
Interest earned	8	193	67	268	-	268
 TOTAL REVENUES	 13,833	 55,423	 2,851	 72,107	 -	 72,107
 EXPENDITURES:						
Current:						
Recreation	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
 TOTAL EXPENDITURES	 -	 -	 -	 -	 -	 -
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	13,833	55,423	2,851	72,107	-	72,107
 OTHER FINANCING SOURCES (USES):						
Transfers in:						
Solid Waste Management Fund	-	-	-	-	67,000	67,000
Water Fund	-	-	-	-	36,700	36,700
General Fund	-	-	-	-	158,650	158,650
Infrastructure Fund	-	-	-	-	-	-
Transfers out:						
General Fund	(4,500)	-	-	(4,500)	-	(4,500)
Infrastructure Fund	-	(135,300)	-	(135,300)	-	(135,300)
Water Fund	-	-	-	-	(14,500)	(14,500)
Solid Waste Management Fund	-	-	-	-	(12,000)	(12,000)
Total other financing sources and (uses)	(4,500)	(135,300)	-	(139,800)	235,850	96,050
 NET CHANGE IN FUND BALANCES	 9,333	 (79,877)	 2,851	 (67,693)	 235,850	 168,157
 FUND BALANCES, OCTOBER 1	 52,706	 306,681	 62,119	 421,506	 455,900	 877,406
 FUND BALANCES, SEPTEMBER 30	 \$ 62,039	 \$ 226,804	 \$ 64,970	 \$ 353,813	 \$ 691,750	 \$ 1,045,563

**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, 2015

	Infrastructure Fund			
	Project Authorization	Prior Years	Current Year	Total to Date
REVENUES:				
Taxes:				
Property	\$ 2,124,000	\$ 5,811,873	\$ 576,478	\$ 6,388,351
Utility	350,000	1,329,393	762,198	2,091,591
Intergovernmental:				
Infrastructure sales surtax	1,104,000	4,961,000	379,217	5,340,217
Grant	2,244,988	66,928		66,928
Interest earned	192,084	192,084	1,544	193,628
Donations	4,098,000	4,098,060		4,098,060
Miscellaneous	-	37,244	79,404	116,648
<b>TOTAL REVENUES</b>	<b>10,113,072</b>	<b>16,496,582</b>	<b>1,798,841</b>	<b>18,295,423</b>
EXPENDITURES:				
Capital outlay:				
Manager	-	709,597	-	709,597
Finance and administration	-	1,312,502	104,153	1,416,655
Streets	25,705,000	18,090,477	2,383,096	20,473,573
Culture and recreation	-	6,648,771	263,314	6,912,085
Debt service:				
Principal	-	340,000	365,000	705,000
Interest and fees	-	696,212	509,912	1,206,124
<b>TOTAL EXPENDITURES</b>	<b>25,705,000</b>	<b>27,797,559</b>	<b>3,625,475</b>	<b>31,423,034</b>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(15,591,928)	(11,300,977)	(1,826,634)	(13,127,611)
OTHER FINANCING SOURCES (USES):				
Proceeds from debt	10,000,000	10,000,000		10,000,000
Transfers in (out):				
General Fund	3,000,000	6,888,671	(175,000)	6,713,671
Golf Fund	-	(62,675)	29,000	(33,675)
Local Option Gas Tax	-	365,000	135,300	500,300
Water Fund	-	430,338	(764,731)	(334,393)
Wastewater Management Fund	-	100,000	-	100,000
Park and Public District Enhancement Fund	-	21,100		21,100
Equipment Replacement Fund	-	95,200	-	95,200
Total other financing sources (uses)	<b>13,000,000</b>	<b>17,837,634</b>	<b>(775,431)</b>	<b>17,062,203</b>
NET CHANGE IN FUND BALANCE	<b>\$ (2,591,928)</b>	<b>\$ 6,536,657</b>	<b>(2,602,065)</b>	<b>\$ 3,934,592</b>
FUND BALANCE, OCTOBER 1			<u>6,653,456</u>	
FUND BALANCE, SEPTEMBER 30			<u>\$ 4,051,391</u>	

## **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, 2015

	<u>ORIGINAL AND FINAL BUDGETED AMOUNTS</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)</u>
OPERATING REVENUES:			
Charges for sales and services	\$ 1,504,000	\$ 1,420,107	\$ (83,893)
Total operating revenues	1,504,000	1,420,107	(83,893)
OPERATING EXPENSES:			
Personal services	634,750	611,572	23,178
Materials and supplies	633,700	513,010	120,690
Utilities	91,500	78,474	13,026
Depreciation	123,450	127,465	(4,015)
Total operating expenses	1,483,400	1,330,521	152,879
OPERATING INCOME (LOSS)	20,600	89,586	68,986
NONOPERATING REVENUES (EXPENSES):			
Interest revenue	1,000	1,846	846
Gain on disposal of assets	-	-	-
Grant	-	10,575	10,575
Other income	-	18,900	18,900
Total nonoperating revenues	1,000	31,321	30,321
Income (loss) before contributions and transfers	21,600	120,907	99,307
Capital contributions - tap fees	600	5,370	4,770
Transfers in	14,500	779,231	764,731
Transfers (out)	(36,700)	(36,700)	-
CHANGE IN NET POSITION	-	868,808	868,808
NET POSITION, OCTOBER 1	2,517,436	2,517,436	-
NET POSITION, SEPTEMBER 30	\$ 2,517,436	\$ 3,386,244	\$ 868,808

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, 2015

	<u>ORIGINAL AND FINAL BUDGETED AMOUNTS</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)</u>
OPERATING REVENUES:			
Charges for sales and services	\$ 750,000	\$ 1,089,009	\$ 339,009
OPERATING EXPENSES:			
Materials and supplies	750,000	1,029,745	279,745
Utilities	-	-	-
Depreciation	-	-	-
Total operating expenses	<u>750,000</u>	<u>1,029,745</u>	<u>279,745</u>
OPERATING INCOME (LOSS)	-	59,264	59,264
NONOPERATING REVENUES (EXPENSES):			
Interest revenue	-	3,717	3,717
Other income	-	-	-
Loss on disposal of fixed assets	-	-	-
Total nonoperating revenues (expenses)	<u>-</u>	<u>3,717</u>	<u>3,717</u>
Income (loss) before contributions and transfers	-	62,981	62,981
Capital contributions - tap fees	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	-	62,981	62,981
NET POSITION, OCTOBER 1	<u>358,691</u>	<u>358,691</u>	<u>-</u>
NET POSITION, SEPTEMBER 30	<u>\$ 358,691</u>	<u>\$ 421,672</u>	<u>\$ 62,981</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, 2015

	<u>ORIGINAL BUDGETED AMOUNTS</u>	<u>FINAL BUDGETED AMOUNTS</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)</u>
<b>OPERATING REVENUES:</b>				
Charges for sales and services	\$ 800,500	\$ 800,500	\$ 789,512	\$ (10,988)
Total operating revenues	800,500	800,500	789,512	(10,988)
<b>OPERATING EXPENSES:</b>				
Personal services	293,900	293,900	273,780	20,120
Materials and supplies	436,300	436,300	302,549	133,751
Utilities	1,450	1,450	744	706
Garbage and trash disposal	102,000	102,000	103,404	(1,404)
Depreciation	57,350	57,350	50,317	7,033
Total operating expenses	891,000	891,000	730,794	160,206
OPERATING INCOME (LOSS)	(90,500)	(90,500)	58,718	149,218
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Interest revenue	500	500	1,831	1,331
Loss on disposal of assets	24,000	24,000		(24,000)
Grant	3,000	3,000	2,978	(22)
Other income	-	-	2,414	2,414
Total nonoperating revenues	27,500	27,500	7,223	(20,277)
Income (loss) before transfers	(63,000)	(63,000)	65,941	128,941
Transfers in	12,000	12,000	12,000	-
Transfers out	(67,000)	(67,000)	(67,000)	-
CHANGE IN NET POSITION	(118,000)	(118,000)	10,941	128,941
NET POSITION, OCTOBER 1	1,032,368	1,032,368	1,032,368	-
NET POSITION, SEPTEMBER 30	\$ 914,368	\$ 914,368	\$ 1,043,309	\$ 128,941

**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, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Governmental Funds Capital Assets:		
Land	\$ 7,588,875	\$ 7,687,827
Buildings and improvements	6,388,029	6,568,029
Improvements other than buildings	374,043	335,169
Equipment	2,413,447	2,101,913
Infrastructure	26,496,906	21,122,814
Construction in progress	<u>1,873,660</u>	<u>5,828,290</u>
Total Governmental Funds Capital Assets	<u>\$ 45,134,960</u>	<u>\$ 43,644,042</u>
Governmental Funds Capital Assets by Source:		
General Fund	\$ 21,046,432	\$ 20,682,214
Special revenue funds	3,576,547	3,576,547
Capital projects fund	20,480,912	19,354,212
Federal revenue sharing entitlements	<u>31,069</u>	<u>31,069</u>
Total Governmental Funds Capital Assets	<u>\$ 45,134,960</u>	<u>\$ 43,644,042</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, 2015 AND 2014

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

(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, 2015 AND 2014

Function and Activity	2014						
	Total	Land	Buildings and Improvements	Improvements Other Than Buildings	Equipment	Construction in Progress	Infra- structure
General Government:							
Manager	\$ 276,997	\$ -	\$ -	\$ 93,665	\$ 183,332	\$ -	\$ -
Finance and Administration	6,288,669	3,284,427	2,424,841	35,076	544,325	-	-
Comprehensive Planning	34,422	-	-	-	34,422	-	-
Town Clerk	51,293	-	-	-	51,293	-	-
Total general government	6,651,381	3,284,427	2,424,841	128,741	813,372	-	-
Public Safety:							
Police	449,695	-	-	-	449,695	-	-
Transportation:							
Streets	28,570,721	1,598,000	-	-	21,617	5,828,290	21,122,814
Culture and Recreation:							
Parks	974,260	749,300	-	67,126	157,834	-	-
Recreation	6,997,985	2,056,100	4,143,188	139,302	659,395	-	-
Total culture and recreation	7,972,245	2,805,400	4,143,188	206,428	817,229	-	-
Total governmental funds Capital Assets	\$ 43,644,042	\$ 7,687,827	\$ 6,568,029	\$ 335,169	\$ 2,101,913	\$ 5,828,290	\$ 21,122,814

(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, 2015

<u>Function and Activity</u>	Governmental Funds Capital Assets October 1, 2014	Additions	Deductions	Governmental Funds Capital Assets September 30, 2015
General Government:				
Manager	\$ 276,997	\$ -	\$ 4,685	\$ 272,312
Finance and Administration	6,288,669	26,408	288,752	6,026,325
Comprehensive Planning	34,422	-	-	34,422
Town Clerk	51,293	-	-	51,293
Total general government	6,651,381	26,408	293,437	6,384,352
Public Safety:				
Police	449,695	54,500	48,707	455,488
Transportation:				
Streets	28,570,721	7,178,676	5,753,274	29,996,123
Culture and Recreation:				
Parks	974,260	319,961	15,929	1,278,292
Recreation	6,997,985	22,720	-	7,020,705
Total culture and recreation	7,972,245	342,681	15,929	8,298,997
Total governmental funds Capital Assets	\$ 43,644,042	\$ 7,602,265	\$ 6,111,347	\$ 45,134,960

<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.

<b>Content</b>	<b>Page</b>
Financial Trends	103
<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	114
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
Debt Capacity	119
<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	123
<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	125
<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, 2015**

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

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

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

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

## **FINANCIAL TRENDS**

TOWN OF BELLEAIR, FLORIDA

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(accrual basis of accounting)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Governmental activities:</b>										
Invested in capital assets	\$ 24,653,063	\$ 23,677,895	\$ 24,452,960	\$ 20,407,306	\$ 19,934,854	\$ 18,612,877	\$ 19,122,641	\$ 16,867,388	\$ 17,263,828	\$ 17,516,350
Restricted	4,743,141	7,109,356	6,257,868	6,605,664	4,821,760	5,710,035	4,918,345	5,141,934	3,876,735	1,894,861
Unrestricted	<u>1,991,762</u>	<u>2,094,892</u>	<u>2,409,635</u>	<u>2,258,858</u>	<u>5,106,852</u>	<u>4,648,413</u>	<u>5,973,331</u>	<u>5,328,694</u>	<u>4,921,633</u>	<u>5,099,843</u>
<b>Total governmental activities net position</b>	<b>\$ <u>31,387,966</u></b>	<b>\$ <u>32,882,143</u></b>	<b>\$ <u>33,120,463</u></b>	<b>\$ <u>29,271,828</u></b>	<b>\$ <u>29,863,466</u></b>	<b>\$ <u>28,971,325</u></b>	<b>\$ <u>30,014,317</u></b>	<b>\$ <u>27,338,016</u></b>	<b>\$ <u>26,062,196</u></b>	<b>\$ <u>24,511,054</u></b>
<b>Business-type activities:</b>										
Invested in capital assets	\$ 3,311,142	\$ 2,581,793	\$ 2,394,821	\$ 2,929,249	\$ 1,141,684	\$ 2,919,090	\$ 2,894,524	\$ 3,421,613	\$ 3,603,775	\$ 3,676,800
Restricted	-	-	-	-	1,560,745	1,568,889	1,611,695	1,873,027	1,863,083	1,854,843
Unrestricted	<u>1,540,083</u>	<u>1,326,702</u>	<u>1,196,803</u>	<u>1,106,435</u>	<u>1,690,031</u>	<u>207,383</u>	<u>286,154</u>	<u>434,517</u>	<u>465,073</u>	<u>541,188</u>
<b>Total business-type activities net position</b>	<b>\$ <u>4,851,225</u></b>	<b>\$ <u>3,908,495</u></b>	<b>\$ <u>3,591,624</u></b>	<b>\$ <u>4,035,684</u></b>	<b>\$ <u>4,392,460</u></b>	<b>\$ <u>4,695,362</u></b>	<b>\$ <u>4,792,373</u></b>	<b>\$ <u>5,729,157</u></b>	<b>\$ <u>5,931,931</u></b>	<b>\$ <u>6,072,831</u></b>
<b>Primary government:</b>										
Invested in capital assets	\$ 27,964,205	\$ 26,259,688	\$ 26,847,781	\$ 23,336,555	\$ 21,076,538	\$ 21,531,967	\$ 22,017,165	\$ 20,289,001	\$ 20,867,583	\$ 21,193,150
Restricted	4,743,141	7,109,356	6,257,868	6,605,664	6,382,505	7,278,924	6,530,040	7,014,961	5,739,818	3,749,704
Unrestricted	<u>3,531,845</u>	<u>3,421,594</u>	<u>3,606,438</u>	<u>3,365,293</u>	<u>6,796,883</u>	<u>4,855,796</u>	<u>6,259,485</u>	<u>5,763,211</u>	<u>5,386,706</u>	<u>5,641,031</u>
	<b>\$ <u>36,239,191</u></b>	<b>\$ <u>36,790,638</u></b>	<b>\$ <u>36,712,087</u></b>	<b>\$ <u>33,307,512</u></b>	<b>\$ <u>34,255,926</u></b>	<b>\$ <u>33,666,687</u></b>	<b>\$ <u>34,806,690</u></b>	<b>\$ <u>33,067,173</u></b>	<b>\$ <u>31,994,107</u></b>	<b>\$ <u>30,583,885</u></b>

TOWN OF BELLEAIR, FLORIDA

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>EXPENSES</b>										
Governmental Activities:										
General government	\$ 2,054,234	\$ 1,184,964	\$ 1,342,208	\$ 1,773,552	\$ 1,697,883	\$ 1,837,143	\$ 2,159,122	\$ 1,430,491	\$ 1,403,027	\$ 1,339,000
Public safety	1,897,974	1,983,092	1,894,025	1,853,235	1,818,641	1,717,806	1,812,338	1,684,888	1,557,471	1,388,992
Physical environment	-	-	-	-	-	-	-	-	202,014	203,180
Transportation	1,960,039	2,850,323	1,228,942	1,728,212	607,758	2,111,298	1,216,164	786,846	751,716	995,527
Culture and recreation	1,562,682	2,103,713	2,643,548	1,328,378	631,017	631,840	752,449	879,286	770,902	381,368
Interest on long-term debt	335,549	348,726	371,028	-	-	-	-	-	-	-
Total governmental activities expenses	<u>7,810,478</u>	<u>8,470,818</u>	<u>7,479,751</u>	<u>6,683,377</u>	<u>4,755,299</u>	<u>6,298,087</u>	<u>5,940,073</u>	<u>4,781,511</u>	<u>4,685,130</u>	<u>4,308,067</u>
Business-type activities:										
Water	1,330,521	1,357,055	1,286,178	1,293,463	1,295,431	1,228,616	1,382,515	1,082,206	1,112,227	971,174
Waste water management	1,029,745	1,018,861	1,088,648	898,706	817,919	838,632	991,631	964,857	987,112	868,249
Solid waste management	730,794	768,853	779,554	801,014	827,307	789,649	760,528	749,590	776,201	728,258
Total business-type activities expenses	<u>3,091,060</u>	<u>3,144,769</u>	<u>3,154,380</u>	<u>2,993,183</u>	<u>2,940,657</u>	<u>2,856,897</u>	<u>3,134,674</u>	<u>2,796,653</u>	<u>2,875,540</u>	<u>2,567,681</u>
Total primary government expenses	<u>\$ 10,901,538</u>	<u>\$ 11,615,587</u>	<u>\$ 10,634,131</u>	<u>\$ 9,676,560</u>	<u>\$ 7,695,956</u>	<u>\$ 9,154,984</u>	<u>\$ 9,074,747</u>	<u>\$ 7,578,164</u>	<u>\$ 7,560,670</u>	<u>\$ 6,875,748</u>
<b>PROGRAM REVENUES</b>										
Governmental activities:										
Charges for services	\$ 1,730,392	\$ 2,075,803	\$ 2,353,821	\$ 1,194,490	\$ 1,179,717	\$ 1,096,623	\$ 759,833	\$ 766,857	\$ 645,755	\$ 571,174
Capital grants and contributions	765	67,928	28,527	29,360	4,465	540	2,534,079	163,832	102,745	80,575
Total governmental activities program revenues	<u>1,731,157</u>	<u>2,143,731</u>	<u>2,382,348</u>	<u>1,223,850</u>	<u>1,184,182</u>	<u>1,097,163</u>	<u>3,293,912</u>	<u>930,689</u>	<u>748,500</u>	<u>651,749</u>
Business-type activities:										
Charges for services:										
Water	1,430,682	1,664,602	889,344	905,418	989,853	829,194	986,824	954,185	964,856	948,461
Waste water management	1,089,009	1,059,708	1,056,848	946,043	811,867	778,319	803,723	826,863	792,362	794,649
Solid waste management	792,490	802,262	834,709	818,764	792,796	770,832	725,643	720,799	720,268	671,744
Total business-type activities revenues	<u>3,312,181</u>	<u>3,526,572</u>	<u>2,780,901</u>	<u>2,670,225</u>	<u>2,594,516</u>	<u>2,378,345</u>	<u>2,516,190</u>	<u>2,501,847</u>	<u>2,477,486</u>	<u>2,414,854</u>
Total primary government program revenues	<u>\$ 5,043,338</u>	<u>\$ 5,670,303</u>	<u>\$ 5,163,249</u>	<u>\$ 3,894,075</u>	<u>\$ 3,778,698</u>	<u>\$ 3,475,508</u>	<u>\$ 5,810,102</u>	<u>\$ 3,432,536</u>	<u>\$ 3,225,986</u>	<u>\$ 3,066,603</u>
<b>NET (EXPENSE) REVENUE</b>										
Governmental activities	\$ (6,079,321)	\$ (6,327,087)	\$ (5,097,403)	\$ (5,459,527)	\$ (3,571,117)	\$ (5,200,924)	\$ (2,646,161)	\$ (3,850,822)	\$ (3,936,630)	\$ (3,656,318)
Business-type activities	<u>221,121</u>	<u>381,803</u>	<u>(373,479)</u>	<u>(322,958)</u>	<u>(346,141)</u>	<u>(478,552)</u>	<u>(618,484)</u>	<u>(294,806)</u>	<u>(398,054)</u>	<u>(152,827)</u>
Total primary government net expense	<u>\$ (5,858,200)</u>	<u>\$ (5,945,284)</u>	<u>\$ (5,470,882)</u>	<u>\$ (5,782,485)</u>	<u>\$ (3,917,258)</u>	<u>\$ (5,679,476)</u>	<u>\$ (3,264,645)</u>	<u>\$ (4,145,628)</u>	<u>\$ (4,334,684)</u>	<u>\$ (3,809,145)</u>

TOWN OF BELLEAIR, FLORIDA

CHANGE IN NET POSITION (CONTINUED)

LAST TEN FISCAL YEARS

(accrual basis of accounting)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Governmental Activities:										
Taxes:										
Property taxes	\$ 3,475,114	\$ 3,403,996	\$ 3,341,656	\$ 3,427,519	\$ 3,097,480	\$ 3,114,150	\$ 3,448,485	\$ 3,426,619	\$ 3,599,002	\$ 3,093,832
Utility taxes	762,198	781,857	547,536	-	-	-	-	-	34,699	348,180
Franchise fees	388,063	395,205	359,533	372,119	401,711	436,393	438,850	401,851	411,183	67,866
Intergovernmental revenues:										
Infrastructure sale surtax	379,217	352,312	330,116	312,431	295,159	305,641	355,186	395,810	410,122	430,999
Sales taxes	237,384	225,502	214,026	213,743	204,003	198,117	198,650	235,242	222,439	246,400
Communications										
service tax	182,916	187,353	201,448	205,018	198,023	202,368	237,782	224,192	207,663	198,808
Other taxes	58,013	59,345	57,738	56,922	57,961	59,260	58,694	62,393	52,932	53,702
State revenue sharing	96,097	91,596	88,164	86,813	86,232	85,640	85,290	94,298	100,959	109,340
Investment earnings	19,784	13,562	9,713	14,704	21,001	19,669	63,857	232,747	405,157	304,726
Miscellaneous	84,770	451,656	3,714,808	129,120	120,188	104,794	67,938	16,195	70,032	11,779
Gain on sale of capital assets		8,883	-	-	-	-	-	3,395	684	120
Transfers	(687,531)	117,500	81,300	49,500	(18,500)	(368,100)	367,730	33,900	(27,100)	48,000
Lawsuit, Settlement	-	-	-	-	-	-	-	-	-	750,000
Total governmental activities	<u>4,996,025</u>	<u>6,088,767</u>	<u>8,946,038</u>	<u>4,867,889</u>	<u>4,463,258</u>	<u>4,157,932</u>	<u>5,322,462</u>	<u>5,126,642</u>	<u>5,487,772</u>	<u>5,663,752</u>
Business-type activities:										
Capital contributions	-	-	925	1,957	3,988	-	2,345	4,325	7,280	5,575
Investment earnings	7,394	163	130	99	1,768	10,311	31,912	104,608	191,078	155,153
Gain on sale of capital assets	-	-	-	-	-	-	-	-	5,760	-
Miscellaneous	26,684	52,405	9,664	13,626	18,983	3,130	15,173	17,019	25,916	31,746
Transfers	687,531	(117,500)	(81,300)	(49,500)	18,500	368,100	(367,730)	(33,900)	27,100	(48,000)
Total business-type activities	<u>721,609</u>	<u>(64,932)</u>	<u>(70,581)</u>	<u>(33,818)</u>	<u>43,239</u>	<u>381,541</u>	<u>(318,300)</u>	<u>92,052</u>	<u>257,134</u>	<u>144,474</u>
Total primary government	<u>\$ 5,717,634</u>	<u>\$ 6,023,835</u>	<u>\$ 8,875,457</u>	<u>\$ 4,834,071</u>	<u>\$ 4,506,497</u>	<u>\$ 4,539,473</u>	<u>\$ 5,004,162</u>	<u>\$ 5,218,694</u>	<u>\$ 5,744,906</u>	<u>\$ 5,808,226</u>
CHANGE IN NET POSITION										
Governmental activities	\$ (1,083,296)	\$ (238,320)	\$ (591,638)	\$ 892,141	\$ (1,042,992)	\$ 2,676,301	\$ 1,275,820	\$ 1,551,142	\$ 2,007,434	\$ 1,154,355
Business-type activities	<u>942,730</u>	<u>316,871</u>	<u>(356,776)</u>	<u>(302,902)</u>	<u>(97,011)</u>	<u>(936,784)</u>	<u>(202,754)</u>	<u>(140,920)</u>	<u>(8,353)</u>	<u>8,843</u>
Total primary government	<u>\$ (140,566)</u>	<u>\$ 78,551</u>	<u>\$ (948,414)</u>	<u>\$ 589,239</u>	<u>\$ (1,140,003)</u>	<u>\$ 1,739,517</u>	<u>\$ 1,073,066</u>	<u>\$ 1,410,222</u>	<u>\$ 1,999,081</u>	<u>\$ 1,163,198</u>

TOWN OF BELLEAIR, FLORIDA

PROGRAM REVENUES BY FUNCTIONS/PROGRAM

LAST TEN FISCAL YEARS

(accrual basis of accounting)

	PROGRAM REVENUES									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<u>FUNCTIONS/PROGRAMS</u>										
Governmental Activities:										
General government	\$ 989,962	\$ 876,498	\$ 693,805	\$ 864,629	\$ 430,752	\$ 457,775	\$ 362,674	\$ 426,495	\$ 472,487	\$ 467,305
Public safety	161,572	79,047	8,093	13,659	197,073	170,508	106,999	110,808	16,163	43,549
Physical environment	-	-	-	-	-	-	-	-	1,120	1,120
Transportation	578,858	-	-	-	72,704	72,704	43,392	23,354	22,163	22,163
Culture and recreation	-	1,120,258	1,651,923	316,202	479,188	395,636	246,768	206,200	236,567	117,612
Subtotal governmental activities	<u>1,730,392</u>	<u>2,075,803</u>	<u>2,353,821</u>	<u>1,194,490</u>	<u>1,179,717</u>	<u>1,096,623</u>	<u>759,833</u>	<u>766,857</u>	<u>748,500</u>	<u>651,749</u>
Business-type activities:										
Water	1,430,682	1,417,237	889,344	905,418	989,853	829,194	986,824	954,185	964,856	948,461
Waste water management	1,089,009	1,059,708	1,056,848	946,043	811,867	778,319	803,723	826,863	792,362	794,649
Solid waste management	792,490	802,262	834,709	818,764	792,796	770,832	725,643	720,799	720,268	671,744
Subtotal business-type activities	<u>3,312,181</u>	<u>3,279,207</u>	<u>2,780,901</u>	<u>2,670,225</u>	<u>2,594,516</u>	<u>2,378,345</u>	<u>2,516,190</u>	<u>2,501,847</u>	<u>2,477,486</u>	<u>2,414,854</u>
Total primary government	<u>\$ 5,042,573</u>	<u>\$ 5,355,010</u>	<u>\$ 5,134,722</u>	<u>\$ 3,864,715</u>	<u>\$ 3,774,233</u>	<u>\$ 3,474,968</u>	<u>\$ 3,276,023</u>	<u>\$ 3,268,704</u>	<u>\$ 3,225,986</u>	<u>\$ 3,066,603</u>

TOWN OF BELLEAIR, FLORIDA

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Fund:										
Assigned	\$ 109,505	\$ 102,220	\$ 101,510	\$ 93,173	\$ 107,113	\$ 20,211	\$ 966,411	\$ 896,082	\$ 919,832	\$ 878,907
Unassigned	<u>1,372,003</u>	<u>1,275,946</u>	<u>1,631,544</u>	<u>1,931,887</u>	<u>4,473,212</u>	<u>4,486,941</u>	<u>4,852,783</u>	<u>4,287,714</u>	<u>3,893,786</u>	<u>4,084,893</u>
Total general fund	<u>\$ 1,481,508</u>	<u>\$ 1,378,166</u>	<u>\$ 1,733,054</u>	<u>\$ 2,025,060</u>	<u>\$ 4,580,325</u>	<u>\$ 4,507,152</u>	<u>\$ 5,819,194</u>	<u>\$ 5,183,796</u>	<u>\$ 4,813,618</u>	<u>\$ 4,963,800</u>
All Other Governmental Funds:										
Restricted, reported in:										
Capital projects fund	\$ 4,051,391	\$ 6,653,456	\$ 5,981,668	\$ 6,356,164	\$ 4,860,157	\$ 5,326,735	\$ 4,395,745	\$ 4,504,934	\$ 3,876,735	\$ 1,894,861
Special revenue funds	<u>1,925,143</u>	<u>1,663,049</u>	<u>1,473,789</u>	<u>785,296</u>	<u>825,202</u>	<u>813,518</u>	<u>897,239</u>	<u>957,668</u>	<u>293,769</u>	<u>279,443</u>
Total all other governmental funds	<u>\$ 5,976,534</u>	<u>\$ 8,316,505</u>	<u>\$ 7,455,457</u>	<u>\$ 7,141,460</u>	<u>\$ 5,685,359</u>	<u>\$ 6,140,253</u>	<u>\$ 5,292,984</u>	<u>\$ 5,462,602</u>	<u>\$ 4,170,504</u>	<u>\$ 2,174,304</u>

TOWN OF BELLEAIR, FLORIDA

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>REVENUES</b>										
Taxes	\$ 3,475,114	\$ 3,403,996	\$ 3,341,656	\$ 3,427,519	\$ 3,097,480	\$ 3,114,150	\$ 3,448,485	\$ 3,426,619	\$ 3,599,002	\$ 3,093,832
Utility taxes	388,063	781,857	547,536	-	-	-	-	-	34,699	348,180
Franchise fees	762,198	395,205	359,533	372,119	401,711	436,393	438,850	401,851	411,183	67,866
Licenses, fees and permits	352,039	387,263	208,161	232,258	234,098	303,606	272,733	325,853	205,706	230,182
Intergovernmental	954,392	979,203	915,803	899,012	839,415	844,344	935,577	1,011,936	991,670	1,040,249
Charges for services	1,375,347	1,686,268	2,142,641	955,660	912,815	786,853	460,481	432,463	425,383	293,553
Fines and forfeits	3,006	2,272	3,019	6,573	32,804	6,163	8,254	8,542	14,668	23,687
Contributions and donations	18,985	319,435	3,630,924	28,179	29,065	72,805	90,439	163,832	101,745	79,575
Investment earnings	19,784	13,562	9,713	14,704	21,001	19,669	78,836	247,150	405,157	318,054
Resource management fees	-	-	-	-	2,382	2,579	-	-	3,445	1,589
Miscellaneous	119,517	135,791	84,320	66,814	95,169	36,633	71,968	16,192	70,032	33,942
<b>Total revenues</b>	<b>7,468,445</b>	<b>8,104,852</b>	<b>11,243,306</b>	<b>6,002,838</b>	<b>5,665,940</b>	<b>5,623,195</b>	<b>5,805,623</b>	<b>6,034,438</b>	<b>6,262,690</b>	<b>5,530,709</b>
<b>EXPENDITURES</b>										
General government	2,036,543	3,125,430	1,822,605	1,822,411	1,562,911	1,722,371	2,092,080	1,545,964	1,369,451	1,363,178
Public safety	1,965,930	1,989,357	1,839,766	1,860,604	1,805,437	1,692,031	1,755,475	1,707,072	1,573,869	1,391,192
Physical environment	-	-	-	-	-	-	-	-	194,188	201,592
Transportation	2,935,891	4,742,506	6,819,411	2,292,156	1,980,596	1,712,324	835,118	406,027	380,419	662,930
Culture and recreation	1,446,373	1,934,255	5,851,451	1,256,015	693,292	593,142	701,794	735,991	858,480	3,132,634
Debt service:										
Principal	365,000	340,000	-	-	-	-	-	-	-	-
Interest	509,912	354,863	190,528	-	-	-	14,979	14,403	13,849	13,317
<b>Total expenditures</b>	<b>9,259,649</b>	<b>12,486,411</b>	<b>16,523,761</b>	<b>7,231,186</b>	<b>6,042,236</b>	<b>5,719,868</b>	<b>5,399,446</b>	<b>4,409,457</b>	<b>4,390,256</b>	<b>6,764,843</b>
Excess of revenues over (under) expenditures	(1,791,204)	(4,381,559)	(5,280,455)	(1,228,348)	(376,296)	(96,673)	406,177	1,624,981	1,872,434	(1,234,134)
<b>OTHER FINANCING SOURCES (USES)</b>										
Lawsuit settlement	-	-	-	-	-	-	-	-	-	750,000
Proceeds from debt issuance	-	4,750,341	5,214,659	35,000	-	-	-	-	-	-
Proceeds from insurance	1,000	1,263	3,780	39,401	-	-	-	-	-	-
Sale of equipment	241,106	18,615	2,707	5,283	13,075	-	25,003	3,395	684	120
Transfers in	717,150	653,900	1,150,775	2,188,700	94,300	1,268,165	239,600	212,600	945,100	291,200
Transfers out	(1,404,681)	(536,400)	(1,069,475)	(2,139,200)	(112,800)	(1,636,265)	(205,000)	(178,700)	(972,200)	(243,200)
<b>Total other financing sources (uses)</b>	<b>(445,425)</b>	<b>4,887,719</b>	<b>5,302,446</b>	<b>129,184</b>	<b>(5,425)</b>	<b>(368,100)</b>	<b>59,603</b>	<b>37,295</b>	<b>(26,416)</b>	<b>798,120</b>
<b>Net change in fund balances</b>	<b>\$ (2,236,629)</b>	<b>\$ 506,160</b>	<b>\$ 21,991</b>	<b>\$ (1,099,164)</b>	<b>\$ (381,721)</b>	<b>\$ (464,773)</b>	<b>\$ 465,780</b>	<b>\$ 1,662,276</b>	<b>\$ 1,846,018</b>	<b>\$ (436,014)</b>
Debt service as a percentage of noncapital expenditures	<u>11.81%</u>	<u>8.66%</u>	<u>1.20%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.28%</u>	<u>0.33%</u>	<u>0.32%</u>	<u>0.28%</u>

TOWN OF BELLEAIR, FLORIDA

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

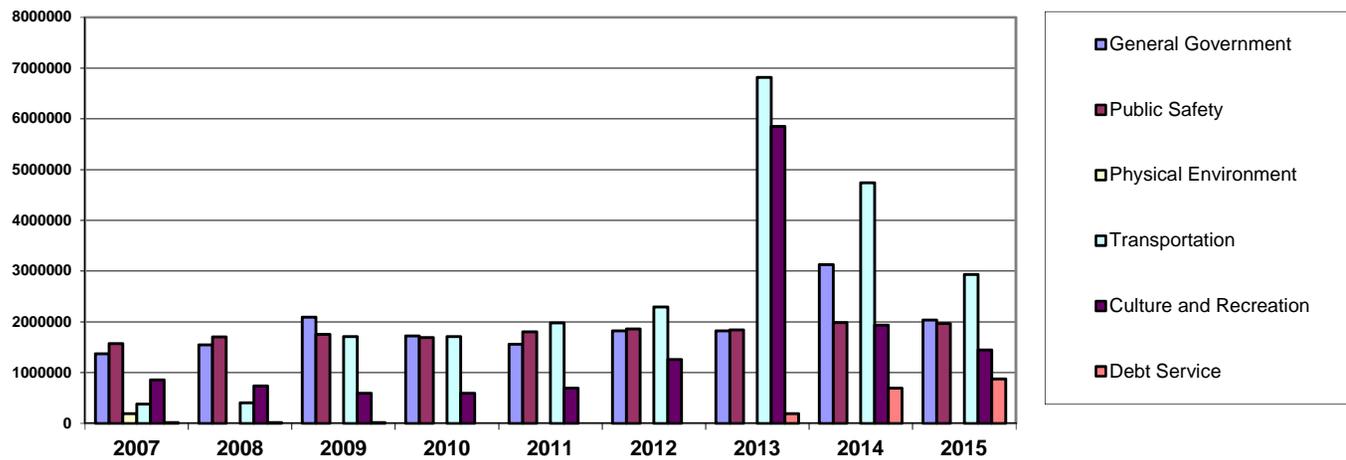
Fiscal Year	General Government	Public Safety	Physical <sup>(2)</sup> Environment	Transportation	Culture and Recreation	Debt Service	Total
2006	\$ 1,363,178	\$ 1,391,192	\$ 201,592	\$ 662,930	\$ 3,132,634	\$ 13,317	6,764,843
2007	1,369,451	1,573,869	194,188	380,419	858,480	13,849	4,390,256
2008	1,545,964	1,707,072	-	406,027	735,991	14,403	4,409,457
2009	2,092,080	1,755,475	-	835,118	701,794	14,979	5,399,446
2010	1,722,371	1,692,031	-	1,712,324	593,142	-	5,719,868
2011	1,562,911	1,805,437	-	1,980,596	693,292	-	6,042,236
2012	1,822,411	1,860,604	-	2,292,156	1,256,015	-	7,231,186
2013	1,822,605	1,839,766	-	6,819,411	5,851,451	190,528	16,523,761
2014	3,125,430	1,989,357	-	4,742,506	1,934,255	694,863	12,486,411
2015	2,036,543	1,965,930	-	2,935,891	1,446,373	874,912	9,259,649

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

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

# TOWN OF BELLEAIR, FLORIDA

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



TOWN OF BELLEAIR, FLORIDA

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

Fiscal Year	(2)									
	Taxes	License and Permits	Intergovernmental	Charge for Services	Fines	Resource Management Fees	Interest	Contributions and Donations	Miscellaneous	Total
2006	\$ 3,509,878	\$ 230,182	\$ 1,040,249	\$ 293,553	\$ 23,687	\$ 1,589	\$ 318,054	\$ 79,575	\$ 33,942	\$ 5,530,709
2007	4,044,884	205,706	991,670	425,383	14,668	3,445	405,157	101,745	70,032	6,262,690
2008	3,828,470	325,883	1,011,936	432,463	8,542	-	247,150	163,832	16,192	6,034,468
2009	3,887,335	272,733	935,577	460,481	8,254	25	78,836	90,439	71,943	5,805,623
2010	3,550,543	303,606	844,344	786,853	6,163	2,579	19,669	72,805	36,633	5,623,195
2011	3,499,191	234,098	839,415	912,815	32,804	2,382	21,001	29,065	95,169	5,665,940
2012	3,799,638	232,258	899,012	955,660	6,573	-	14,704	28,179	66,814	6,002,838
2013	4,248,725	208,161	915,803	2,142,641	3,019	-	9,713	3,630,924	84,320	11,243,306
2014	4,581,058	387,263	979,203	1,686,268	2,272	-	13,562	319,435	135,791	8,104,852
2015	4,625,375	352,039	954,392	1,375,347	3,006	-	19,784	18,985	119,517	7,468,445

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE  
LAST TEN FISCAL YEARS

Fiscal Year	Property Tax	Utility Tax	Franchise Fees	Total
2006	\$ 3,093,832	\$ 348,180	\$ 67,866	\$ 3,509,878
2007	3,599,002	34,699 <sup>(3)</sup>	411,183	4,044,884
2008	3,426,619	-	401,851	3,828,470
2009	3,448,485	-	438,850	3,887,335
2010	3,114,150	-	436,393	3,550,543
2011	3,097,480	-	401,711	3,499,191
2012	3,427,519	-	372,119	3,799,638
2013	3,341,656	547,536	359,533	4,248,725
2014	3,403,996	781,857	395,205	4,581,058
2015	3,475,114	762,198	388,063	4,625,375

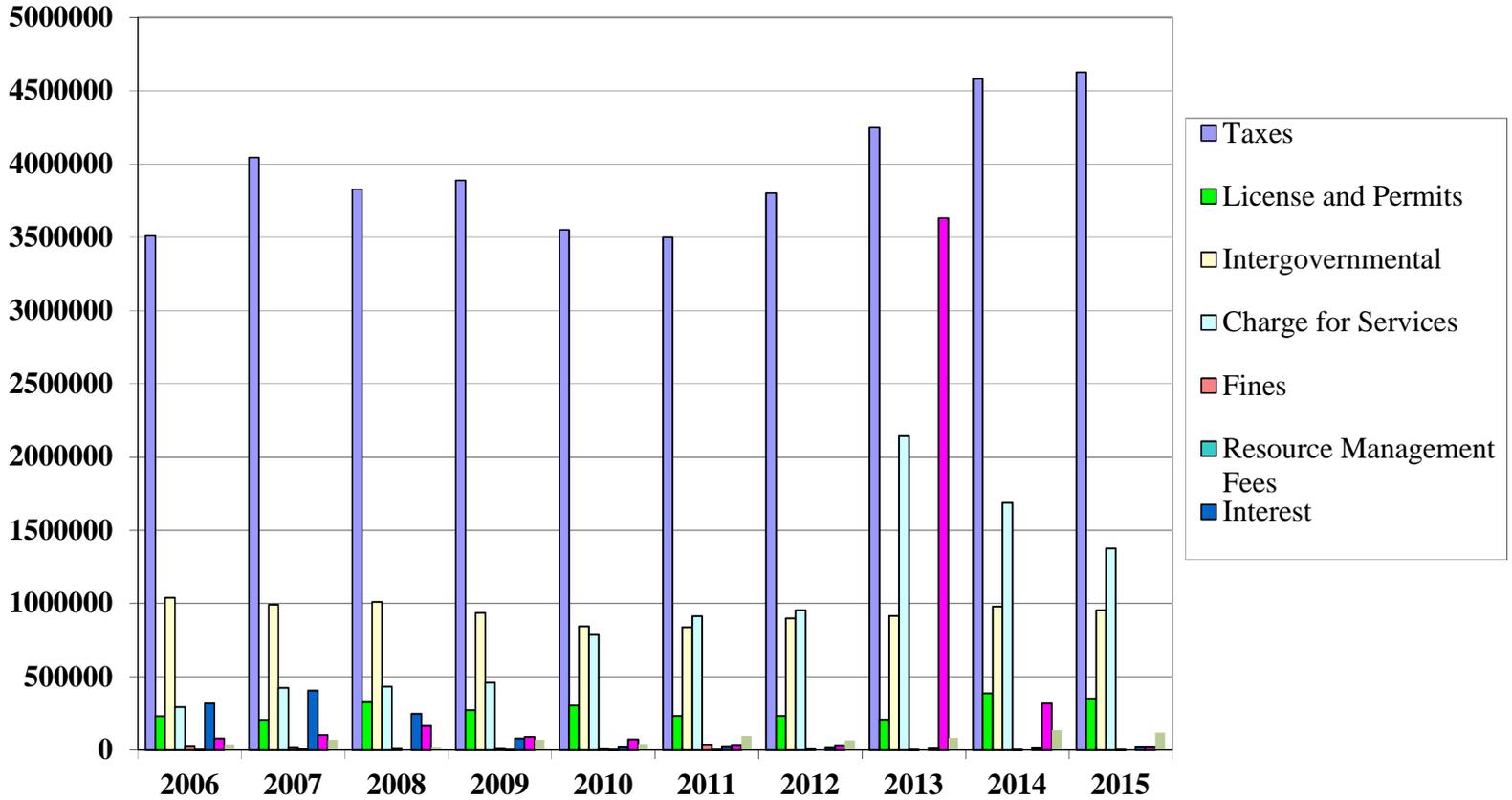
<sup>(1)</sup> Includes general, special revenue and capital projects funds.

<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.

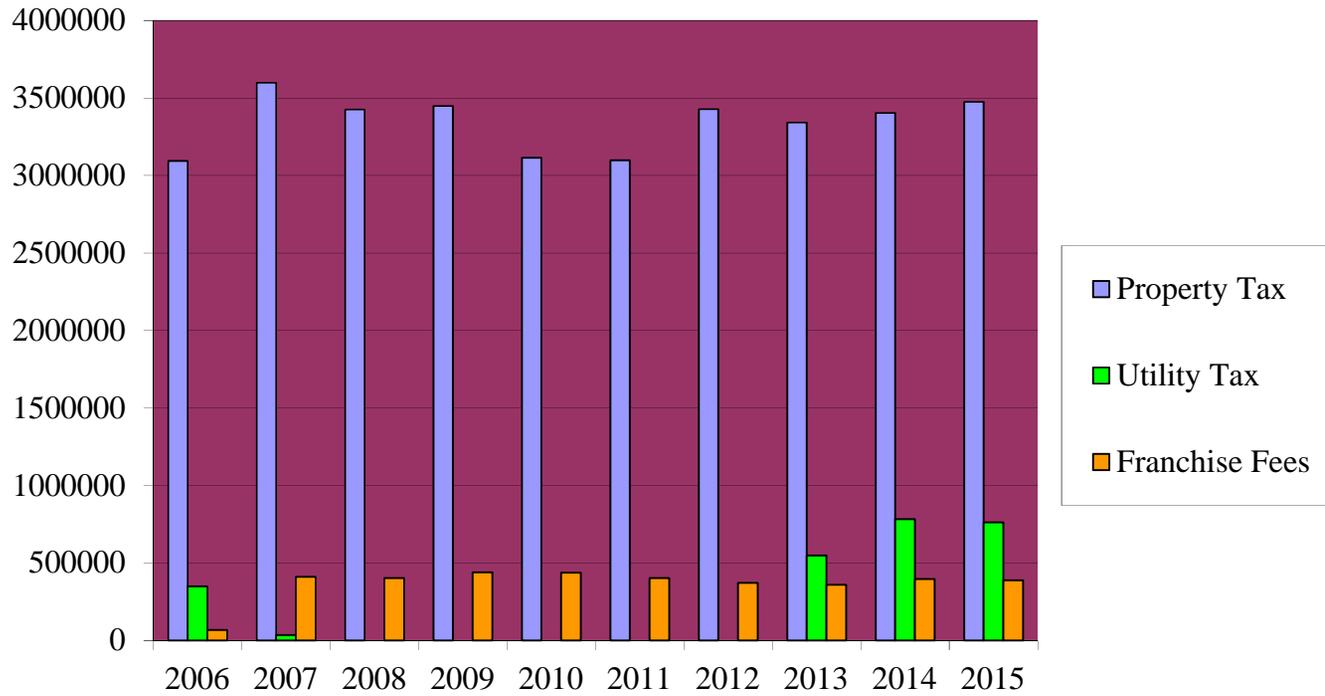
**TOWN OF BELLEAIR, FLORIDA**

**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						Assessed Values to Estimated Market	Percentage		Total Direct Tax Rate
	Real Property		Personal Property	Total Taxable	Total Exempt	Total All		Yearly Increases		
	Residential	Commercial						Taxable	Total	
2006	\$ 938,319,900	\$ 42,108,800	\$ 9,886,110	\$ 689,353,860	\$ 300,960,950	\$ 990,314,810	100	13.3	16.9	4.6389
2007	1,143,928,500	52,210,100	8,933,060	800,688,388	404,403,272	1,205,071,660	100	13.9	17.8	4.6389
2008	1,172,994,800	52,926,700	9,810,300	839,447,822	396,283,978	1,235,731,800	100	4.6	0.7	4.2118
2009	1,038,776,100	55,036,100	9,616,760	780,937,423	322,491,537	1,103,428,960	100	(7.0)	(11.00)	4.5605
2010	872,679,953	47,687,999	7,657,863	701,587,679	226,438,136	928,795,522	100	(10.2)	(2.00)	4.5605
2011	716,297,284	42,395,511	6,544,496	621,660,713	98,321,464	765,237,291	100	2.6	(33.00)	5.1465
2012	646,755,411	38,131,356	6,371,040	595,307,227	93,950,580	691,257,807	100	(4.2)	(3.99)	5.9432
2013	631,565,876	37,570,826	6,271,935	580,712,681	94,695,956	675,408,637	100	(2.5)	(2.29)	5.9432
2014	638,202,678	35,915,734	6,155,922	583,340,612	96,933,722	680,274,334	100	0.5	0.72	6.0257
2015	665,671,571	37,040,034	6,493,542	608,453,321	100,751,826	709,205,147	100	4.3	4.25	5.9257

**Source: Pinellas County Property Appraiser.**

TOWN OF BELLEAIR, FLORIDA

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total valuations	\$ 990,314,810	\$ 1,205,071,660	\$ 1,235,731,800	\$ 1,103,428,960	\$ 928,795,222	\$ 765,237,291	\$ 733,408,184	\$ 703,970,361	\$ 727,998,327	\$ 840,716,261
Real estate exemptions:										
Government exemption	8,259,160	13,059,647	13,002,360	12,702,060	11,947,320	10,926,288	9,948,748	9,917,835	10,151,058	10,959,550
Institutional exemption	7,627,590	8,373,220	8,494,170	8,408,970	9,060,366	8,153,630	7,860,638	7,636,217	8,101,802	8,089,887
Assessment differential (F.S. 193.155) <sup>(3)</sup>	242,471,900	342,770,405	332,272,121	234,646,539	125,508,530	45,255,114	42,150,377	28,561,724	47,723,993	131,511,114
Individual or homestead exemptions	42,602,300	40,200,000	42,515,407	79,592,234	78,186,512	78,914,247	78,141,194	77,141,904	78,680,862	81,702,389
Total exemptions and adjustments	300,960,950	404,403,272	396,284,058	335,349,803	224,702,728	147,729,065	138,100,957	123,257,680	144,657,715	232,262,940
Total taxable valuation	\$ 689,353,860	\$ 800,668,388	\$ 839,447,742	\$ 768,079,157	\$ 701,587,679	\$ 621,988,012	\$ 595,307,227	\$ 580,712,681	\$ 583,340,612	\$ 608,453,321
Millage levied	4.6389	4.6389	4.2118	4.5605	4.5605	5.1465	5.9432	5.9432	6.0257	5.9257
Total taxes levied	\$ 3,197,844	\$ 3,714,221	\$ 3,535,586	\$ 3,502,825	\$ 3,199,591	\$ 3,199,377	\$ 3,538,030	\$ 3,451,292	\$ 3,515,036	\$ 3,605,512
Less: Adjustments and discounts	104,012	115,219	108,967	54,340	54,441	101,897	110,511	109,636		
Net taxes levied	\$ 3,093,832	\$ 3,599,002	\$ 3,426,619	\$ 3,448,485	\$ 3,145,150	\$ 3,097,480	\$ 3,427,519	\$ 3,341,656	\$ 3,515,036	\$ 3,605,512
Net collected <sup>(1)(2)</sup>	\$ 3,093,832	\$ 3,599,002	\$ 3,426,619	\$ 3,448,485	\$ 3,145,150	\$ 3,097,480	\$ 3,427,519	\$ 3,341,656	\$ 3,515,036	\$ 3,605,512

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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Town of Belleair:										
Operating	4.6389	4.6389	4.2118	4.5605	4.5605	5.1465	5.9432	5.9432	6.0257	5.9257
Debt service	-	-	-	-	-	-	-	-	-	-
Total Town millage	4.6389	4.6389	4.2118	4.5605	4.5605	5.1465	5.9432	5.9432	6.0257	5.9257
Pinellas County School Board:										
Operating	8.3900	8.2100	7.7310	8.3460	8.3460	8.3400	8.3850	8.3020	8.0600	7.8410
Pinellas County										
Operating	6.1410	5.4700	4.8730	4.8730	4.8108	4.8730	4.8730	5.0727	5.2755	5.2755
Debt service	-	-	-	-	-	-	-	-	-	-
Total County millage	6.1410	5.4700	4.8730	4.8730	4.8108	4.8730	4.8730	5.0727	5.2755	5.2755
County-wide millage set by other taxing authorities:										
-Pinellas Suncoast Transit Authority	0.6377	0.6074	0.5601	0.5601	0.5601	0.5601	0.7305	0.7305	0.7305	0.7305
-Pinellas County Planning Council	0.0218	0.0195	0.0170	0.0125	0.0125	0.0125	0.0125	0.0125	0.0160	0.0160
-Juvenile Welfare Board	0.8117	0.7963	0.7384	0.7915	0.7915	0.7915	0.8337	0.8981	0.8981	0.8981
-South West Florida Water Management District	0.4220	0.4220	0.3866	0.3866	0.3866	0.3770	0.3928	0.3928	0.3818	0.3658
-Pinellas Anclote River Basin	0.4000	0.4000	0.3701	0.3200	0.3200	0.2600	-	-	-	-
-Health									0.0622	0.0622
-EMS	0.6600	0.6300	0.5832	0.5832	0.5832	0.5832	0.8506	0.9158	0.9158	0.9158
Total County-wide millage	2.9530	2.8752	2.6554	2.6539	2.6539	2.5843	2.8201	2.9497	3.0044	2.9884
TOTAL	<u>\$ 22.1229</u>	<u>\$ 21.1941</u>	<u>\$ 19.4712</u>	<u>\$ 20.4334</u>	<u>\$ 20.3712</u>	<u>\$ 20.9438</u>	<u>\$ 22.0213</u>	<u>\$ 22.2676</u>	<u>\$ 22.3656</u>	<u>\$ 22.0306</u>

Source: Pinellas County Tax Collector

TOWN OF BELLEAIR, FLORIDA

PRINCIPAL PROPERTY TAXPAPERS  
CURRENT YEAR AND EIGHT YEARS AGO

<u>Principal Property Taxpayers</u>	<u>2015</u>			<u>2008</u>			
	<u>Rank</u>	<u>Taxable Assessed Value</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Rank</u>	<u>Taxable Assessed Value</u>	<u>Percentage of Total Taxable Assessed Value</u>	
Belleview Biltmoe Country Club	1	\$ 7,032,927	1.16 %	Belleview Biltmore Owner, LLC	1	\$ 15,996,800	1.91 %
St Louis, James	2	6,548,324	1.08	Belleview Biltmore Country Club	2	11,537,800	1.37
Chateau Galinski, LLC	3	6,274,251	1.03	Muma, Leslie	3	9,695,100	1.15
Muma, Leslie M	4	6,227,728	1.02	Terry, Bollea	4	7,269,100	0.87
B B Hotel LLC	5	5,304,450	0.87	Heye, Hans	5	6,835,200	0.81
Rinker, Mary E	6	4,335,264	0.71	St Louis, James	6	7,293,300	0.87
Heye, Hans F	7	3,728,141	0.61	Rinker, Mary	7	6,296,300	0.75
Hakim, Jean F	8	3,284,095	0.54	Acunto, Richard	8	3,803,600	0.45
Doganiero, Philip	9	3,096,500	0.51	Boesch, Gary	9	3,823,300	0.46
Doyle, Daniel M JR	10	<u>3,066,856</u>	0.50	Zwan, June	10	<u>3,706,000</u>	0.44
<b>TOTAL</b>		<b><u>\$ 48,898,536</u></b>	<b>8.04 %</b>			<b><u>\$ 76,256,500</u></b>	<b>9.08 %</b>

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
2006	\$ 990,314,810	\$ 689,353,860	\$ 3,197,844	\$ 3,093,832	97%	\$ -	3,093,832	97%
2007	1,205,071,660	800,668,388	3,714,221	3,563,643	97%	35,359	3,599,002	97%
2008	1,235,731,800	781,945,072	3,535,586	3,426,619	96%	-	3,426,619	97%
2009	1,103,438,960	780,937,423	3,502,825	3,448,485	98%	-	3,448,485	98%
2010	928,795,222	701,587,679	3,199,591	3,114,150	99%	-	3,114,150	99%
2011	765,237,291	621,660,713	3,199,377	3,097,480	97%	-	3,097,480	97%
2012	733,408,184	595,307,227	3,538,029	3,427,529	97%	-	3,427,519	97%
2013	703,970,361	580,712,681	3,451,292	3,341,656	97%	-	3,341,656	97%
2014	727,998,327	583,340,612	3,515,036	3,403,996	97%	-	3,403,996	97%
2015	840,716,261	608,453,321	3,605,512	3,463,754	96%	-	3,463,754	96%

(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					
2006	\$ -	\$ -	\$ -	\$ -	\$ -	6,764,843	-
2007	-	-	-	-	-	4,390,256	-
2008	-	-	-	-	-	4,409,457	-
2009	-	-	-	-	-	5,399,446	-
2010	-	-	-	-	-	5,719,868	-
2011	-	-	-	-	-	6,042,236	-
2012	-	-	-	35,000	35,000	7,231,186	0.5 %
2013	-	-	-	190,528	190,528	16,523,761	1.2 %
2014	-	-	-	694,863	694,863	12,486,411	5.6 %
2015	-	-	-	1,249,912	1,249,912	10,966,221	11.4 %

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

TOWN OF BELLEAIR, FLORIDA

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

Fiscal Year	Population <sup>(1)</sup>	Taxable Assessed Valuation	Gross General Obligation Bonded Debt	Revenue Bond Debt	Less Sinking Fund	Net General Obligation Bonded Debt	Percent of Net General Obligation Bonded Debt to Assessed Valuation	Net General Obligation Bonded Debt Per Capita
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	3,903	608,453,321	-	8,905,000	-	8,905,000	1.46%	2,281.58

<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, 2015

	<u>Net General Obligation Bonded Debt Outstanding</u>	<u>Net General Nonsell- Supporting Revenue Debt</u>	<u>Total</u>	<u>Percentage Applicable to Town of Belleair<sup>(A)</sup></u>	<u>Amount Applicable to Town of Belleair</u>
Direct debt:					
Town of Belleair	\$ -	\$ 9,295,000	\$ 9,295,000	100%	\$ 9,295,000
Overlapping debt:					
Pinellas County School Board Pinellas County, Florida	16,523,047	-	16,523,047	1.02%	-
Pinellas County (2)	<u>11,558,515</u>	<u>                    </u>	<u>11,558,515</u>	1.02%	<u>117,900</u>
Total Overlapping debt	<u>\$ 28,081,562</u>	<u>\$ 9,295,000</u>	<u>\$ 25,818,047</u>		<u>\$ 9,581,435</u>

(A) Applicable net debt percentage is based on ratio of Totwn to County taxable values.

The Town's share is calculated based on the ratio of the 2015 County Taxable Value of \$59,650,849,843 to the Town's Taxable Value of \$608,453,321

TOWN OF BELLEAIR, FLORIDA

PLEDGED REVENUE COVERAGE  
LAST TEN FISCAL YEARS

<u>Year</u>	<u>Public Service (Electric) Tax<sup>(2)</sup></u>	<u>Infrastructure Sales Surtax</u>	<u>Stormwater Fee<sup>(3)</sup></u>	<u>Net Available Revenue</u>	<u>Debt Service</u>		<u>Coverage</u>
					<u>Principal</u>	<u>Interest</u>	
2006 \$	- \$	430,999 \$	- \$	430,999 \$	- \$	-	- %
2007	-	410,122	-	431,804	-	-	-
2008	-	395,810	-	392,058	-	-	-
2009	-	355,186	-	355,186	-	-	-
2010	-	305,641	-	305,641	-	-	-
2011	-	295,159	-	295,159	-	-	-
2012	-	312,431	-	312,431 <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	319.6
2015	423,379	379,217	309,400	1,111,996	740,000	509,913	218.1

(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>
2006	4,144 \$		66,251 \$	52.7	4.3
2007	4,160		70,723	51.8	4.8
2008	4,151		71,221	51.6	4.5
2009	4,145		78,242	52.7	4.3
2010	4,145		84,280	54.9	11.8
2011	3,869		57,740	57.4	9.8
2012	3,888		57,097	54.9	8.6
2013	3,795	*1,783	50,011	56.7	8.5
2014	3,887	2,323	53,133	53.6	7.1
2015	3,903	2,238	57,307	44.7	5.8

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

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

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

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

TOWN OF BELLEAIR, FLORIDA

PRINCIPAL EMPLOYERS  
CURRENT YEAR AND TEN YEARS AGO

	2015				2006		
	Number of Employees	Rank	Percentage of Total City Employment		Number of Employees	Rank	Percentage of Total City Employment
Belleview Biltmore Hotel	-	-	0.00%	Belleview Biltmore Hotel	312	1	37.10%
Belleair Country Club	189		36.81%	Morton Plant Rehabilitation Center	206	2	24.49%
Morton Plant Rehabilitation Center	168		32.72%	Belleair Country Club	147	3	17.48%
Town of Belleair	57.5		11.20%	Town of Belleair	57	4	6.78%
Biltmore Construction Co.	44		8.57%	Belleview Biltmore Country Club	54	5	6.42%
Belleview Biltmore Golf Club	42		8.18%	Biltmore Construction Co.	42	6	4.99%
Belleair Montessori School	11		2.14%	Belleair Montessori School	15	7	1.78%
Dr. George Paulidaky	<u>2</u>		<u>0.39%</u>	Carlson Wildwood Florist	<u>8</u>	8	<u>0.95%</u>
	<u>514</u>		<u>100%</u>		<u>841</u>		<u>100%</u>

Source: Town Clerk's Office, Town of Belleair

**OPERATING**  
**INFORMATION**

TOWN OF BELLEAIR, FLORIDA

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

Full-Time Equivalent Employees as of September 30, 2015

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<u>FUNCTION</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Government	14.00	16.00	14.00	12.00	11.00	10.00	11.00	11.00	11.00	12.00
Public Safety:										
Police:										
- Police Officers	13.00	13.00	14.00	13.00	13.00	13.00	13.00	12.00	12.00	11.00
- General employees	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	5.50
Physical Environment	4.00	6.00	6.50	6.50	6.00	7.00	7.00	7.00	7.00	6.00
Transportation	5.00	5.00	4.00	3.00	2.00	2.00	3.50	3.50	3.50	2.50
Culture and Recreation	4.00	4.00	5.00	4.50	5.00	5.00	5.00	5.00	5.00	3.00
Water	10.00	12.00	10.00	10.00	10.00	10.00	10.50	9.00	10.00	10.50
Solid Waste Management	<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>	<u>6.50</u>
Total	<u><u>57.50</u></u>	<u><u>62.50</u></u>	<u><u>61.00</u></u>	<u><u>56.00</u></u>	<u><u>54.00</u></u>	<u><u>54.00</u></u>	<u><u>57.00</u></u>	<u><u>54.50</u></u>	<u><u>55.50</u></u>	<u><u>57.00</u></u>

Source Town Finance Department

TOWN OF BELLEAIR, FLORIDA

OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS

FUNCTION	Fiscal Year Ended September 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Police:										
Physical arrests	31	46	56	45	125	146	70	72	70	115
Parking violations	12	142	140	10	12	9	23	1	-	-
Traffic violations	110	157	7	397	397	133	156	328	411	461
				194						
Transportation:										
Resurfacing	0.5	0.5	4.5 miles	0.5	1	-	-	-	-	2
Pothole repaired	110	120	150	~100	240	184	150	110	192	8
Culture and Recreation:										
Athletic permits issued	800	822	832	600	600	600	400	510	480	81
Water:										
New connections	6	5	0	2	2	3	2	8	43	2
Main breaks	0	0	10	12	12	8	11	6	11	7
Average consumption	613,627	517,567	681,789	693,150	768,950	692,830	807,000	911,000	895,000	917,412
Solid Waste Management:										
Refuse collected tons per/day	7.12	7.19	7.78	11.83	8.01	10.06	10.75	11.95	11.28	13.67
Recyclables collected	0.60	1.19	0.43	0.80	0.75	0.76	1.14	0.91	0.95	0.81

TOWN OF BELLEAIR, FLORIDA

CAPITAL ASSETS STATISTICS  
LAST TEN FISCAL YEARS

	Fiscal Year Ended September 30,									
<u>FUNCTION</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Public Safety:										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	5	5	5	6	6	5	5	4	4	4
Transportation:										
Streets (Miles)	22	22	22	22	22	22	22	22	22	22
Traffic signs	250	250	250	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Culture and Recreation:										
Park acreage	33	33	33	33	33	33	33	32	32	32
Parks	19	19	19	19	19	19	19	19	18	17
Tennis Courts	3	3	3	3	3	3	3	4	4	4
Community Centers	1	1	1	1	1	1	1	1	1	1
Water Mains (Miles)	36	36	36	80	80	80	80	80	80	80
Fire hydrants	135	135	135	135	135	135	135	135	135	141
Maximum daily capacity (thousands of gallons)	2.2 MGD	2.2 MGD	2.2 MGD	2.2 MGD	2.2 MGD	2.2 MGD	2.2 MGD	2.2 MGD	2.2 MGD	2.2 MGD
Solid Waste Management:										
Trucks	8	8	9	9	10	10	10	10	10	10

TOWN OF BELLEAIR, FLORIDA

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS  
LAST TEN FISCAL YEARS

Fiscal Year	New Commercial Construction		New Residential Construction		Additions, Improvements and Miscellaneous Construction		Bank Deposits <sup>(2)</sup> (In Thousands)
	Number of Permits	Value	Number of Permits	Value	Permits <sup>(1)</sup>	Value	
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

(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, 2015

Date of Incorporation	1925	Term of Office:
Date First Charter Adopted	1925	Mayor - 3 Years
Date Present Charter Adopted	1970	Commissioners - 3 Years
		Manager - Appointed by Commission
Form of Government: Commission-Manager		Average Annual Temperature - 74 degrees
Commission Composed of: Mayor and Four Commissioners		Average Annual Rainfall - 54.7 inches
		Area - 2.50 square miles

MUNICIPAL UTILITIES, SERVICES AND EVENTS

<b>Police Protection</b>		<b>Parks and Recreation</b>	
Number of Employees	15	Community Centers	1
Number of Vehicular Patrol L	8	Playgrounds	2
Number of Law Violations:		Athletic Fields	2
Physical Arrestss	31	Parkland Acreage	33
Traffic Violations	12	Walking Trails	1
Parking Violations	110	Tennis Courts	3
		Basketball Courts	1
		Restroom Building	1
		Picnic Shelter	1
 <b>Sanitation Service System:</b>		 <b>Transporation:</b>	
Number of accounts	1,588	Paved Street	22 miles
Annual tonnage	2,714	Stormwater Lines	18 miles
 <b>Water System:</b>		 <b>Cultural Facilities Available in Belleair and the Tampa Bay Area:</b>	
Miles of Water Mains	36	Florida Gulf Coast Art Center, Inc.,	
Daily Average Consumption (MGD)	.682	Largo, Florida	
Number of Lift Stations	0	Performing Arts Center and Theatre,	
Plant Capacity (MGD)	2.2 MGD	Clearwater, Florida	
Number of Service Collections	1,545	Bayfront Center, Mahaffey Theater,	
Deep Wells Active	7	St. Petersburg, Florida	
Number of Fire Hydrants	135	Tampa Bay Performing Arts Center,	
Number of customers	1,565	Tampa, FloridaSt. Petersburg, Florida	
Major Annual Community Events:	<u>People Attending</u>	Asolo Performing Arts Center,	
Halloween Party	800	Sarasota, Florida	
Christmas Tree Lighting	900	Ruth Eckerd Hall,	
Easter Egg Hunt	250	Clearwater, Florida	
Arbor Day Celebration	250		
Run for the Rec. 5k race	900		
Concerts	6000		

1) Police data is for 2015 calendar year (January 1, 2015 - December 31, 2015)

TOWN OF BELLEAIR, FLORIDA

SCHEDULE OF INSURANCE IN FORCE  
September 30, 2015

Term for all types of coverage listed below is from October 1, 2012 through September 30, 2014.

Type of Coverage	Policy Number	Company	Association Self-Insurance Retention (SIR)	Limited Liability (Includes SIR)	Original Premium
Stoploss Carriers:	PRM09-012	Public Risk Management of FL			Total for all primary and excess risk coverage-
Property			100,000	100,000	
General Liability/Auto Liability			100,000	2,000,000	
Excess Workers' Compensation and Employers' Liability			650,000	1,000,000	
Employee Benefits Liability			200,000	2,000,000	
Excess Workers' Compensation				Statutory 3,000,000	
Crime:					
Monies/Securities			25,000	500,000	
Forgery/Alteration			25,000	500,000	
Employee Dishonesty			25,000	500,000	
Public Officials' Errors and Omissions			100,000	2,000,000 Aggregate 6,000,000 per member	
Travel Accident	ADDN01063091	ACE American Insurance Co.		250,000 max 10,000 medical 5,000,000 Aggregate limit	
Boiler & Machinery	MSJ-BM21-8751M435-TIL-11	Travelers Property Casualty Company		50,000,000/ 100,000 object sublimit 10,000 deductible 1,000 per occurrence	
**Pollution Liability	PEC001275007	America Inc.	25,000	1,000,000 per occurrence 21,000,000 PRM Pool Annual Aggregate	\$ 212,515
**Accidental Death and Dismemberment - Police	ADDNO4823138	ACE American Insurance Co.		\$66,000 line of duty and \$199,000 frsh pursuit and unlawful/intentional death	973
** Paid to Public Risk Management					\$ 213,488

TOWN OF BELLEAIR, FLORIDA

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

Fiscal Year	Number of Connections/Customers			Combined Operating Revenues	Combined Operating Expenses	Combined Operating Income (Loss)	Combined Nonoperating Revenues (Expenses)	Income (Loss) before Capital Contributions and Transfer
	Water	Wastewater Management Control	Solid Waste Management					
2006	1,502	-	1,545	2,414,854	2,567,349	(152,485)	186,567	34,072
2007	1,545	-	1,588	2,477,486	2,875,540	(398,054)	222,754	(175,300)
2008	1,545	-	1,588	2,501,847	2,796,653	(294,806)	121,627	(173,179)
2009	1,545	-	1,588	2,516,190	3,050,572	534,382	(37,017)	(571,399)
2010	1,545	-	1,588	2,378,345	2,856,897	(478,552)	13,441	(465,111)
2011	1,545	-	1,588	2,594,516	2,910,657	(346,141)	43,239	(302,902)
2012	1,545	-	1,588	2,670,225	2,993,183	(322,958)	13,725	(309,233)
2013	1,545	-	1,588	2,780,901	3,154,380	(373,479)	9,794	(363,685)
2014	1,545	-	1,588	3,588,639	3,271,269	317,370	126,064	191,306
2015	1,545	-	1,588	3,163,316	3,190,980	(27,664)	(22,840)	(4,824)

<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, 2015

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, 2015, 2014 and 2013

<u>Inputs</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
1. Total cost of operations	\$ 1,375,713	\$ 1,395,055	1,293,463
2. Cost per capita	352.48	358.90	340.83
3. Miles of pipeline	36	36	36
4. Number of treatment plants	1	1	1
5. Capacity of town's treatment plant	2.2 MGD	2.2 MGD	2.2 MGD
6. Number of employee hours	23,920	23,920	23,920
 <u>Outputs</u> 			
7. Miles of water pipe maintained, repaired and inspected	36	36	36
8. Feet of new line constructed	3,000	3,000	3,000
9. Number of new customers connected	5	5	0
10. Number of breaks, leaks repaired	17	17	10
11. Total gallons pumped, metered and treated	255 Million Gallons	258 Million Gallons	263 Million Gallons
12. Percentage of total gallons pumped by user category:			
A. Residential	81%	82%	77%
B. Commercial	5%	6%	6%
C. Used by department	5%	5%	9%
D. Unaccounted for	6%	7%	8%
13. Percentage of total gallons pumped that were metered	95%	93%	92%
14. Number of calls about interrupted services	4	0	10

\* Mg = millions of gallons

TOWN OF BELLEAIR, FLORIDA

WATER FUND (CONTINUED)

SERVICE EFFORTS AND ACCOMPLISHMENTS  
Years ended September 30, 2015, 2014 and 2013

Outcomes	2015	2014	2013
15. Number of main breaks	10	0	10
16. Number of breaks, leaks per mile	0.2	17	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	122	152	72
20. Number of complaints	5	<10	10

Explanatory

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	699,957 gal.	517,567 gal.	681,789 gal.

TOWN OF BELLEAIR, FLORIDA

WATER FUND (CONTINUED)

SERVICE EFFORTS AND ACCOMPLISHMENTS  
Years ended September 30, 2015, 2014 and 2013

Pending Information				
Explanatory (Continued)	2015	2014	2013	
25. Billing rates				
A. Current Residential Billing Rates				
Base	\$ 12.37	\$ 12.37		
Tier 1: 0 - 4,000 gallons	1.86	1.86		
Tier 2: 4,001 - 25,000 gallons	6.21	6.21		
Tier 3: Over 25,001 gallons	7.45	7.45		
B. Residential Billing Rates Prior to 2014				
Base			\$ 20.04	
9,000 - 36,000 gallons			3.04	
36,001 - 60,000 gallons			5.06	
60,001 - 100,000 gallons			6.73	
100,001 - 150,000 gallons			8.95	
Over 150,001 gallons			11.91	
26. Total revenue from customer billing/total cost	107%	104%	70%	
27. Population served <sup>(1)</sup>	3,903	3,887	3,795	
28. Square miles served	2.0	2.0	2.0	
29. Maximum daily demand	900	900	899	
30. Treatment plant capacity	2.2 MGD	2.2 MGD	2.2 MGD	
31. Holding-tank capacity (in gallons)	800,000	800,000	800,000	
32. Projected water demand	1.65/2.2	1.65/2.2	1.65/2.2	

MGD - Million gallons per day

(1) Data reflects actual town population.

TOWN OF BELLEAIR, FLORIDA

SOLID WASTE MANAGEMENET FUND

**SERVICE EFFORTS & ACCOMPLISHMENTS**

For the Fiscal Year ended September 30, 2015

OVERVIEW

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

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

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

TOWN OF BELLEAIR, FLORIDA

SOLID WASTE MANAGEMENT FUND (CONTINUED)

SERVICE EFFORTS AND ACCOMPLISHMENTS

Years ended September 30, 2015, 2014 and 2013

<u>Inputs</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
1. Number of personnel	5.5	5.5	6
2. Number of vehicles	8	8	9
<u>Outputs</u>			
3. Number of customers served	3,903	3,887	3,795
4. Tons of waste collected	2,600	2,714	2,998
<u>Outcomes</u>			
5. Number of customer complaints	<5	<10	24
6. Percentage of collection missed	<1%	<1%	<1%
<u>Efficiency</u>			
7. Cost per tone of solid waste collected	\$329.75	\$297.15	\$287.22
8. Cost per customer served	\$219.67	\$207.48	\$226.90
9. Tons of solid waste collected per employee	472.73	706.73	499.68
10. Frequency of collection	Twice Weekly	Twice Weekly	Twice Weekly
11. Average cost of employees	\$49,063	\$53,839	\$53,839
12. Average crew size on vehicle	2.5	2.5	2.5
13. Percentage of recyclable waste recycled	99.8%	72%	72%

## **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*  
September 30, 2015

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, 2015

**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, 2015, 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 May 27, 2016.

**Internal Control Over Financial Reporting**

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

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

The Honorable Mayor  
and Town Commissioners  
Town of Belleair, Florida

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

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

May 27, 2016

**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, 2015 and have issued our report thereon dated May 27, 2016.

### **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

### **Other 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 June 30, 2016, 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, 2015.

### **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, 2015, 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, 2015. In connection with our audit, we determined that these two reports were in agreement.

The Honorable Mayor  
and Town Commission  
Town of Belleair, Florida

### **Other Matters**

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

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

### **Purpose of this Letter**

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

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

May 27, 2016

**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, 2015. 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, 2015.

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

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

May 27, 2016

**MEMORANDUM ON REVIEW  
OF INTERNAL CONTROL STRUCTURE**

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

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May 27, 2016

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, 2015, and have issued our report thereon dated May 27, 2016.

We have issued our Report on Compliance and Internal Accounting Controls in Accordance with *Government Auditing Standards* dated May 27, 2016. 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.

2014-2015

2015-1 Implementation of new GASB Statements

2013-2014

2014-1 Implementation of GASB 68

## 2014-2015

### **2015 -1 Implementation of New GASB Statements**

We recommend that the Finance Director and the Town Manager become familiar with the following new GASB Statements:

GASB Statement No. 82 Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73

GASB Statement No. 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions

GASB Statement No. 74 Financial Reporting for Postemployment Benefits Other Than Pension Plans

GASB Statement No. 73 Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB No. 68, and Amendments to Certain Provisions of GASB Statements 67 and 68

GASB Statement No. 72 Fair Value Measurement and Application

## 2013-2014

### **2014-1 Implementation of GASB 68**

Effective for fiscal year ending September 30, 2015, the Town is required to implement GASB Statement 68 which is an amendment of GASB Statement 27.

Under GASB Statement 68, the Town is required to report a liability on the government-wide statement of net position.

The information for this liability and the related note disclosures for the Town's Comprehensive Annual Financial Report (CAFR) will be provided by the police pension plan actuary.

Last year we recommend that the Town Manager educate the Town's Board of Commissioners as to how this new standard would impact the Town's CAFR.

This recommendation has been implemented.

\* \* \* \* \*

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

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

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

MANAGEMENT'S RESPONSE

# TOWN OF BELLEAIR

MAYOR:  
GARY H. KATICA

COMMISSIONERS:  
KARLA RETTSTATT  
MICHAEL WILKINSON  
TOM SHELLY  
TOM KUREY

TOWN MANAGER:  
MICAH MAXWELL



INC. 1925

801 PONCE DE LEON BOULEVARD  
BELLEAIR, FLORIDA 33756-1096  
PHONE (727) 588-3769  
WWW.TOWNOFBELLEAIR.COM

TO: Mayor and Town Commissioners

FROM: Micah Maxwell, Town Manager

DATE: August 4, 2016

SUBJECT: Response to auditor's report and management letter for the fiscal year 2014-2015

Town staff has reviewed the auditor's report and management letter for the fiscal year ended September 30, 2015. I offer the following comments in response to their recommendations and observations:

### **Implementation of new GASB Statements**

Following the implementation of GASB Statement 68 in fiscal year 2014-1, The Government Accounting Standards Board issued Statements No. 82, and 73 amending statements No. 67 and 68, dealing with pension reporting. Additionally, GASB issued Statement No. 72, 74, 75 as well as other pronouncements in the current year. Following the recommendation of the external auditor, I will explain to the Town Commission how these statements, particularly Statements No. 67 and 68, affect the annual report. I have also instructed Assistant Town Manager, JP Murphy to continue to stay abreast of changes in financial reporting and have allocated resources in the budget to ensure he can participate in continuing education.