

**TOWN OF BELLEAIR, FLORIDA**



*INC. 1925*

COMPREHENSIVE  
ANNUAL FINANCIAL REPORT  
FOR THE FISCAL  
YEAR ENDED SEPTEMBER 30, 2013

*d r a f t*

**TOWN OF BELLEAIR, FLORIDA**

**COMPREHENSIVE**

**ANNUAL FINANCIAL REPORT**

**FOR THE**

**FISCAL YEAR ENDED SEPTEMBER 30, 2013**

**Prepared by the  
Department of Finance**

TOWN OF BELLEAIR, FLORIDA

COMMISSION - MANAGER FORM OF GOVERNMENT

TOWN COMMISSION

Gary H. Katica, Mayor

Stephen Fowler,  
Commissioner/Deputy Mayor

Tom Shelly, Commissioner

Michael Wilkinson, Commissioner

Kevin Piccarreto, 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:  
STEPHEN FOWLER  
TOM SHELLY  
MICHAEL WILKINSON  
KEVIN PICCARRETO

TOWN MANAGER:  
MICAHA MAXWELL

901 PONCE DE LEON BOULEVARD  
BELLEAIR, FLORIDA 33756-1096

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INC. 1925

June 19, 2014

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, 2013.

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, 2013, 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, 2013, 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.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Town of Belleair, Florida's MD&A can be found immediately following the report of the independent auditors.

### **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 3,795 according to the Pinellas County Economic Development City Demographic & Business Summary. 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 Managers Association. Policy-making and legislative authority are vested in a governing commission consisting of the mayor and four other members. The town commission is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both the government's manager and attorney. The town manager is responsible for carrying out the policies and ordinances of the town commission, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. The commission is elected on a non-partisan basis. Commission members serve three-year staggered terms, with two commissioner members elected every three years. The mayor is elected to serve a three-year term. The mayor and commission members are elected at large.

The Town of Belleair, Florida provides a full range of services, including police and fire 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.

The town annually publishes a five-year Financial Strategic Plan that serves as the foundation for the Town of Belleair, Florida's financial planning and control. This strategic plan is also the basis for the town's annual budget. All departments of the Town of Belleair, Florida are required to submit requests for new services or products in March of each year to the manager. These along with an assumed increase in recurring costs are the basis for the strategic plan. The town will soon commence developing a more comprehensive Strategic Plan that will assist in guiding all future actions under a framework of vision, goals and objectives.

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 prior to 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 individual 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 in close proximity include; computer hardware, software manufacturers, electrical controls, several financial and insurance institutions. The Town of Belleair, Florida currently has a challenging economic environment and local indicators point to a slight upward fluctuation in the real estate market. The number of households has declined since 2010. Additionally, the town is feeling the effects of the economy as the number of delinquent utility customers remains high. In addition to increased utility delinquency, the town has seen a consistently high volume of code enforcement cases regarding vacant properties.

The Belleview Biltmore hotel remains closed, resulting in job losses, and significant decreases in water revenue for the town. Each year that the hotel property remains closed results in an approximate \$200,000 dollar negative impact to the Water Fund. The hotel property owners are exploring many different land use options. At the time of this report, no development plans have been submitted. A developer is under contract with the owners of the hotel and has expressed that he plans to build condominiums, townhomes and possibly a small hotel on the site. Prior to any change in land-use, a change in zoning would be necessary. The commission has already approved alternative zoning categories that may be applied to the hotel property.

This year 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.

In February 2013 the town acquired the Belleview Biltmore Golf Club in order 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 property is managed by Green Golf Partners.

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 residential community for nearby areas in the bay region.

**Long-term financial planning.** The Town of Belleair, Florida has long range plans for infrastructure improvements (streets, drainage, and water system). The town's long-range financial plan has close to \$20 million dollars in streets and drainage improvements scheduled throughout Belleair over the next five years. The town recently completed projects along Manatee Rd., Eagle's Nest, and Druid Rd. that included roadway and stormwater improvements. The Town has secured grant funding from the Southwest Florida Water Management District for the Manatee Rd. project and an upcoming project on Rosery Rd. 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.

In the 2012-13 fiscal year, the town implemented two new revenue streams, a stormwater fee as well as a municipal public services tax on electricity. It is estimated that these streams combined will provide approximately \$750,000 dollars of additional revenue each year. These funds in conjunction with the "Penny for Pinellas" discretionary sales surtax will be dedicated to fund the debt service on a \$10 million dollar revenue bond bank loan. The addition of these revenue streams will provide approximately \$1,100,000 of revenue to pay roughly \$700,000 of annual debt service and continue to place money in capital reserve for future projects. The management staff feels that this is of vital importance to keep the town from entering into a cycle of continuous borrowing.

The Water Fund has scheduled more than \$1,500,000 worth of improvements in the treatment and distribution system. Many of the distribution system improvements are scheduled to coincide with the street improvements thus increasing efficiency and reducing cost. These and other costs will be addressed in a rate increase at the beginning of fiscal year 2013-14.

Additionally, the long term operation of the water system will undergo a comprehensive study to analyze the effects of saltwater intrusion into the town's freshwater wells. 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, intercepting saline water adjacent to the fresh water supply, purchasing water from a neighboring entity or providing for a system sale. These options will be contemplated in a feasibility study prepared by Cardno TBE to be delivered later in fiscal year 2013-14.

The wastewater treatment and collections system has been sold to Pinellas County, Florida. In large measure this was decided upon due to the overwhelming federal and state mandates relating to the treatment of sewage. In order for the Town of Belleair to comply with these

mandates rates would have needed to be increased significantly.

**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

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 2012-13 unassigned fund balance was thirty 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 dollars. At the close of 2012-13 the commission approved a water rate restructuring which will increase revenues in excess of 40% to restore reserve and provide for future capital investment.

Cash temporarily idle during the year was primarily invested in a Municipal Negotiable Order of Withdrawal account with SunTrust Bank. The account is an interest bearing account that is also fully insured by a state pool.

**Risk management.** All lines of insurance including health, life, workers compensation, property & casualty and errors & omission insurance were competitively bid this fiscal year. The chose to continue to participate in a risk pool provided through a statewide interlocal agreement. By being a member of the Public Risk Management (PRM) pools 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.

### **Awards and Acknowledgements**

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, 2012. This was the twentieth consecutive year that the town has received this prestigious award. In order 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 a period of 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. 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

Need new certificate.

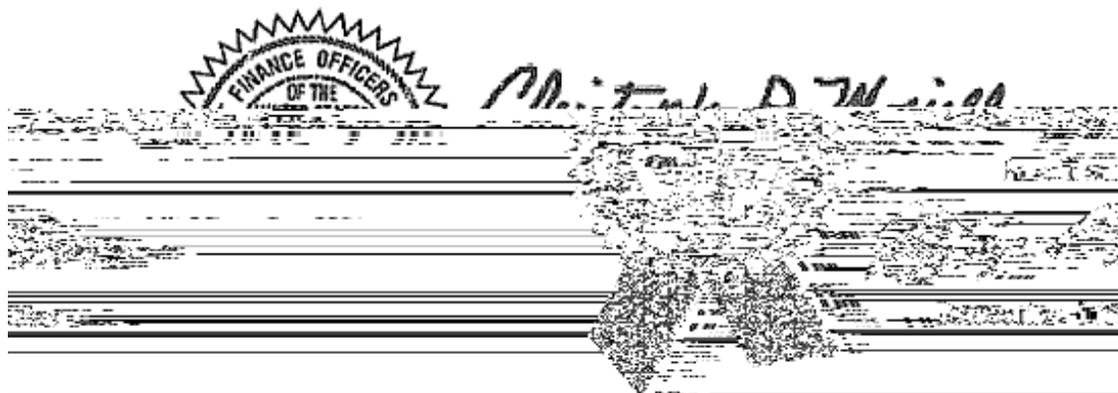
# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## Town of Belleair Florida

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.







# Town of Belleair Organization Chart



TOWN OF BELLEAIR, FLORIDA

LISTING OF TOWN OFFICIALS

ELECTED OFFICIALS

Mayor	Gary H. Katica
Commissioner/Deputy Mayor	Stephen Fowler
Commissioner	Kevin Piccarreto
Commissioner	Michael Wilkinson
Commissioner	Tom Shelly

APPOINTED OFFICIALS

Town Manager	Micah Maxwell
Town Attorney	David Ottinger

DEPARTMENT HEADS AND SUPERVISORS

Assistant Town Manager/Finance Director	J. P. Murphy
Public Works Director	Perry Lopez
Police Chief	Thomas Edwards
Water Department Director	David Brown
Parks and Recreation Director	Eric Wahlbeck
Town Clerk	Donna Carlen
Building Official	Fred Hawes

## **FINANCIAL SECTION**

*This section contains the following subsections:*

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements

Combining and Individual Fund Financial Statements

**INDEPENDENT AUDITOR'S REPORT**

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

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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, as of and for the year ended September 30, 2013, 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. 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Belleair, Florida as of September 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5-16 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 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.

May 14, 2014

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

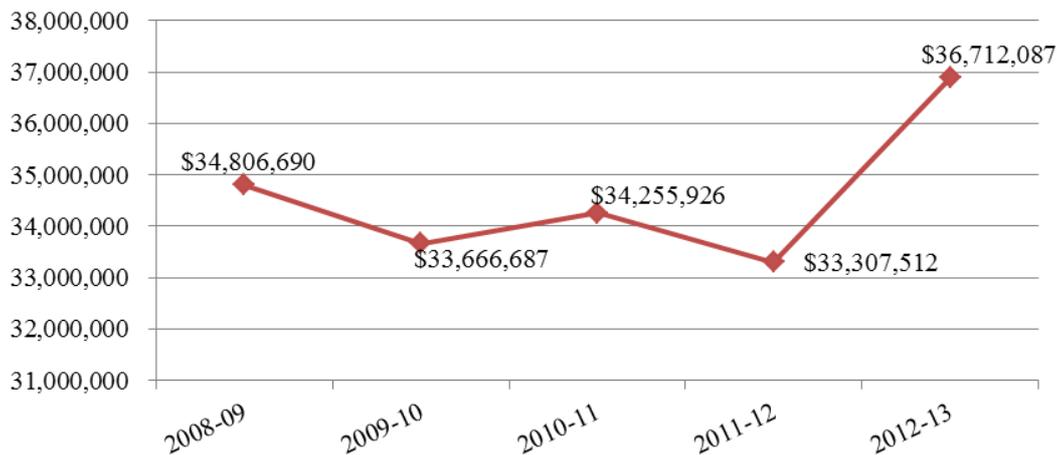
## Management's Discussion and Analysis

This narrative overview and analysis of the Town of Belleair's financial statements for the fiscal year ended September 30, 2013, 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 iv 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 \$36,712,087 (net position). Of this amount, \$3,606,438 (*Unrestricted*) may be used to meet the government's ongoing obligations to citizens and creditors. The government's total net position increased by \$3,404,575.

### Total Net Position Government-Wide



The net position of the Town of Belleair as a whole has declined from 2008-09 to 2011-12 in conjunction with decreasing property values. In 2012-13, however, net position increased substantially. Several events have had considerable impact on the net position of Belleair this year including the following:

- 1) The donation of \$3,421,029 by John J. Osborne to the Town of Belleair,
- 2) The acquisition of the Belleview Biltmore Golf Club by the Town of Belleair,
- 3) Construction of a new Public Works Building,
- 4) Continuance of the Capital Improvement Plan to repair roads, curbs and stormwater structures throughout town.

As of the close of the current fiscal year, the Town of Belleair, Florida's General (governmental) Fund reported an actual ending fund balance of \$1,733,054, a decrease of \$(292,006) in comparison with the beginning fund balance. The decrease is due largely to the allocation of \$500,000 of available fund balance for use in the Golf Revenue Fund following the acquisition of the Belleview Biltmore Golf Club.

## Overview of Financial Statements

This discussion and analysis are 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 those 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. The Town of Belleair does not currently have any deferred inflows or outflows to report; therefore the difference between assets and liabilities is reported as net position. 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, Florida 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 billing for wastewater services is still managed by the town.

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) 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 seventeen 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.* *Governmental funds* are used 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 nineteen 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 used within 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-four 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 own 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 twenty-nine 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 31 – 80 of this report.

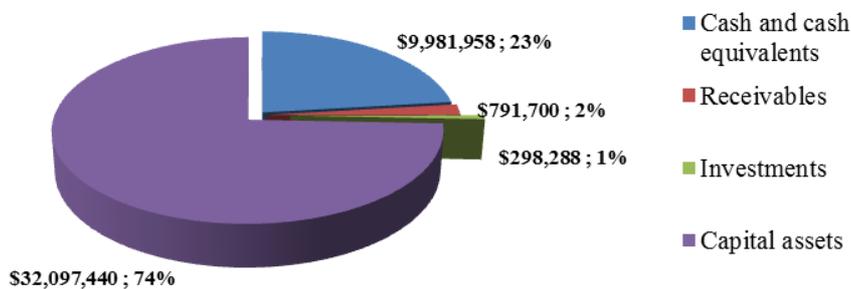
**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Town of Belleair’s progress in funding its obligation to provide pension benefits to its employees. Required supplementary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

The combining statements referred to earlier in connection with non-major governmental funds are presented beginning on page eighty-one. Combining and individual fund statements and schedules can be found on pages 81 – 90 of this report.

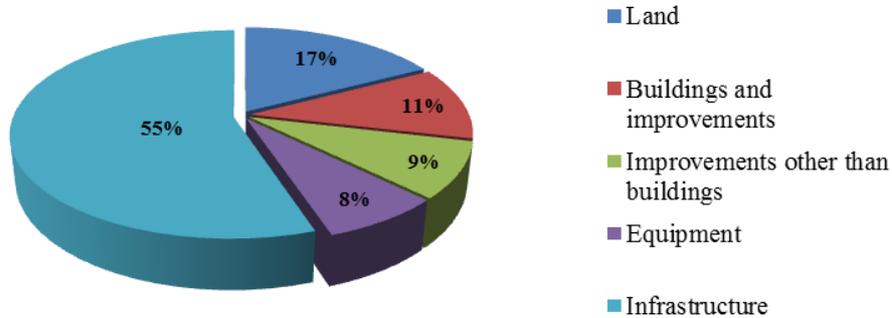
### Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government’s financial position. In the case of Town of Belleair, Florida, assets exceeded liabilities by \$36,712,087 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-four percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The town uses these capital assets to provide service to citizens; consequently, these assets are not available for future spending. Although the town’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

### Town of Belleair, Florida's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 8,888,409	\$ 8,809,884	\$2,183,537	\$2,434,249	\$11,071,946	\$11,244,133
Capital assets	29,702,619	20,442,306	2,394,821	2,530,932	32,097,440	22,973,238
Total Assets	38,591,028	29,252,190	4,578,358	4,965,181	43,169,386	34,217,371
Long-term liabilities outstanding	4,107,737	(511,791)	801,810	861,020	4,909,547	349,229
Other liabilities	1,182,328	492,153	184,924	68,477	1,367,252	560,630
Total liabilities	5,290,065	(19,638)	986,734	929,497	6,276,799	909,859
Net assets						
Invested in capital assets net of related debt	24,452,960	20,407,306	2,394,821	2,530,932	26,847,781	22,938,238
Restricted	6,257,868	6,605,664	-	-	6,257,868	6,605,664
Unrestricted	2,409,635	2,258,858	1,196,803	1,504,752	3,606,438	3,763,610
Total net position	\$33,120,463	\$29,271,828	\$3,591,624	\$4,035,684	\$36,712,087	\$33,307,512

An additional portion of the Town of Belleair’s net position (seventeen percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of the *unrestricted portion of net position* is \$3,606,438 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, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

**Governmental activities.** A significant portion of the town's unrestricted net assets (sixty-eight percent) are held under governmental activities.

### Town of Belleair, Florida's Changes in Net Position

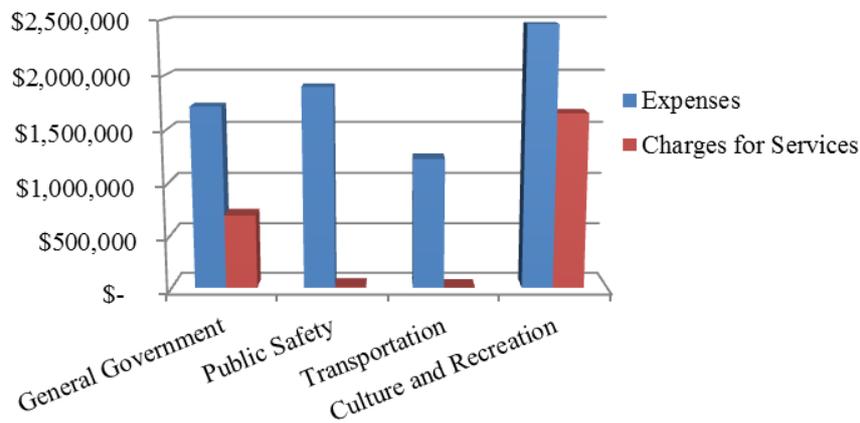
	Governmental Activities		Business-Type Activities		Total	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Revenues:						
Program Revenues:						
Charges for services	\$ 2,353,821	\$ 1,194,490	\$2,780,901	\$2,670,225	\$ 5,134,722	\$ 3,864,715
Capital grants and contributions	28,527	29,360	-	-	28,527	29,360
Total program revenues	2,382,348	1,223,850	2,780,901	2,670,225	5,163,249	3,894,075
General revenues:						
Taxes	4,850,605	4,674,565	-	-	4,850,605	4,674,565
Capital contributions	-	-	-	1,957	-	1,957
Other	3,812,685	143,824	10,719	13,725	3,823,404	157,549
Total general revenues	8,663,290	4,818,389	10,719	15,682	8,674,009	4,834,071
Total revenues	11,045,638	6,042,239	2,791,620	2,685,907	13,837,258	8,728,146
Expenses:						
General government	1,713,236	1,773,552	-	-	1,713,236	1,773,552
Public safety	1,894,025	1,853,235	-	-	1,894,025	1,853,235
Transportation	1,228,942	1,728,212	-	-	1,228,942	1,728,212
Culture and recreation	2,643,548	1,328,378	-	-	2,643,548	1,328,378
Water	-	-	1,286,178	1,293,463	1,286,178	1,293,463
Wastewater	-	-	1,088,648	898,706	1,088,648	898,706
Solid Waste	-	-	779,554	801,014	779,554	801,014
Total expenses	7,479,751	6,683,377	3,154,380	2,993,183	10,634,131	9,676,560
Increase (decrease) in net position before transfers	3,767,335	(641,138)	(362,760)	(307,276)	3,404,575	(948,414)
Transfers	81,300	49,500	(81,300)	(49,500)	-	-
Increase (decrease) in net position	3,848,635	(591,638)	(444,060)	(356,776)	3,404,575	(948,414)
Net position, Beginning	29,271,828	29,863,466	4,035,684	4,392,460	33,307,512	34,255,926
Net position, Ending	<u>\$33,120,463</u>	<u>\$29,271,828</u>	<u>\$3,591,624</u>	<u>\$4,035,684</u>	<u>\$36,712,087</u>	<u>\$33,307,512</u>

- The net position for governmental activities increased by \$3,848,635 during the year. This is largely due to the generous bequest by long-time resident John J. Osborne to the Town of Belleair in the sum of \$3,421,029.
- As expected, revenues and expenses for Culture and Recreation increased substantially this year due largely to the acquisition of the Belleview Biltmore Golf Club. Revenues increased by \$1,159,331 and expenditures increased by \$1,134,670.
- The net position for business-type activities decreased by \$(444,060). Much of this decrease can be allocated to the Water Fund where expenditures continue to exceed revenues. Staff has identified the continued closure of the Belleview Biltmore Hotel as well as the lack of a rate increase as the primary factors for the decrease in revenues.

- Expenses in general government decreased by \$(60,316), partly due to reduced legal expenses compared to the prior year. Decreases in transportation expenditures \$(499,270) indicates a difference in timing of capital projects between this year and the prior year.
- This year, there was an increase of \$110,676 in charges for services in the enterprise funds. This is due to a rate increase by Pinellas County for wastewater services.

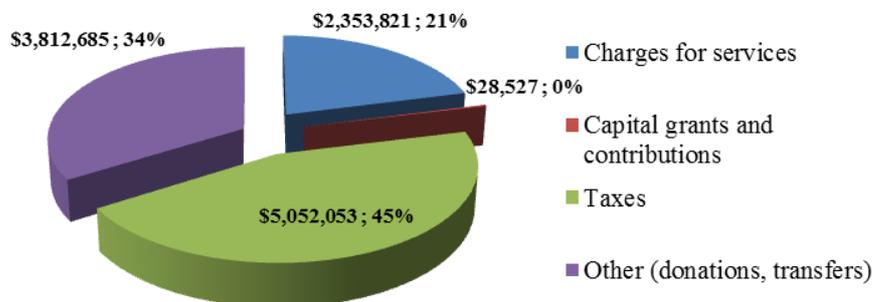
Expenses and Program Revenues - Governmental Activities

### Expenditure & Program Revenues: Governmental Activities



Revenues by Source - Governmental Activities

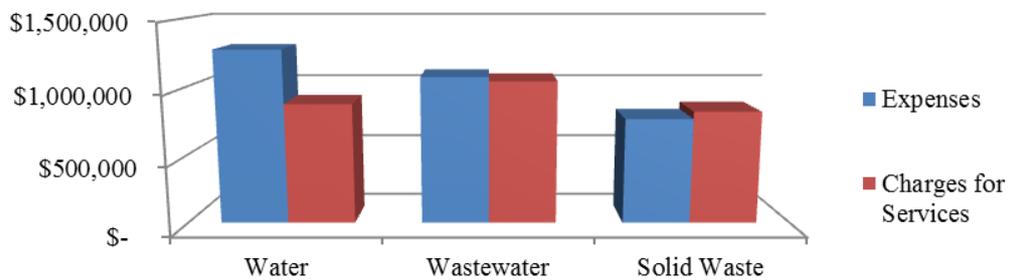
### Revenues by Source: Governmental Activities



**Business-type activities.** Business-type activities represent ten percent of the town's net position. Solid Waste Fund revenues and expenditures remained relatively stable due to no changes in disposal fees or other operating costs. The Water Fund operated again at a net loss due to operating costs that significantly exceed revenue from service charges. Service charge revenue is expected to increase by 30 to 40% next year under the new utility rate structure adopted by the Town Commission. The wastewater system is run by Pinellas County and charges for services are passed through to Pinellas County.

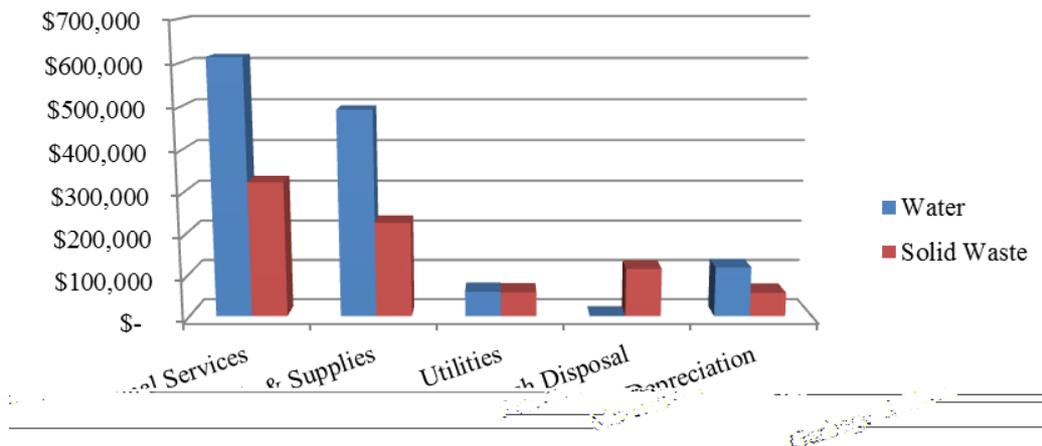
**Expenses and Program Revenues - Business-type Activities**

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



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

**Operating Expenses by Business Type**



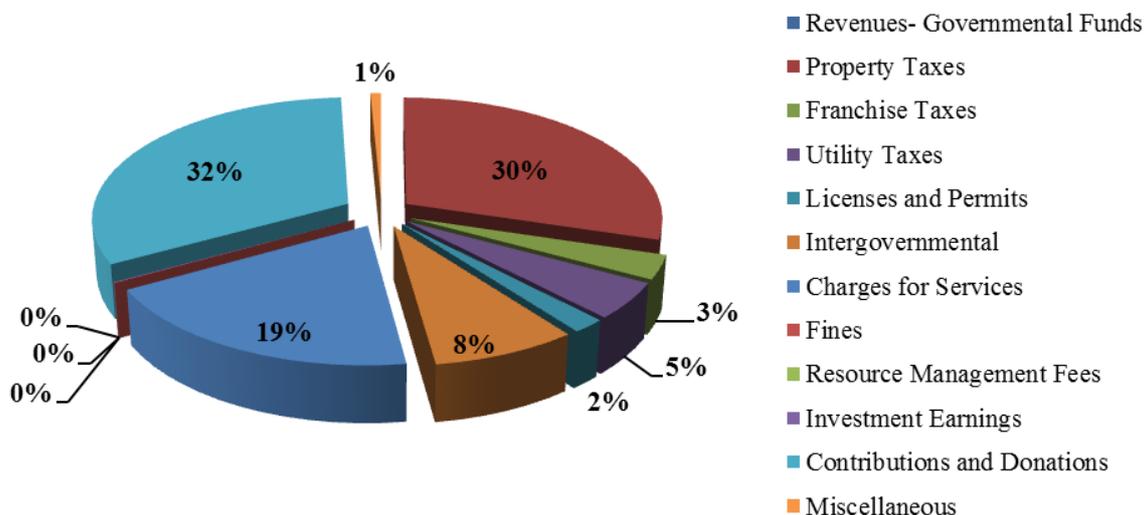
## Financial Analysis of the Government's Funds

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

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

### Revenues- Total Governmental Funds

## Revenues of Total Governmental Funds



As of the end of the current fiscal year, the Town of Belleair's governmental funds reported combined ending total fund balances of \$9,188,511 an increase of \$21,991 in comparison with the prior year. Approximately eighteen percent of total fund balance, \$1,631,544, constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The Town's fund balance policy considers proceeds in excess of 20% of prior-year expenditures available for funding capital programs, capital equipment, and/or nonrecurring expenses. The remainder of the fund is composed of *assigned* and *restricted* balances. The *assigned* balance is \$101,510, 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 \$ 7,455,457, which is an amount that is earmarked for explicit purposes specified by external providers and the Town Commission, such as 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 \$1,631,544 while total fund balance reached \$1,733,054. 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 thirty percent of total General Fund expenditures, while total fund balance represents thirty-two percent of that same amount. The current fund balance policy requires that the town maintain unrestricted fund balance in the General Fund equivalent to 20% of expenditures. The fund balance of the town's General Fund decreased by \$(292,006) during the current fiscal year, as the Town Commission approved the transfer of \$500,000 dollars to provide liquidity for the newly created Golf Revenue Fund. General Fund expenditures increased by \$46,622 over the previous year due in part to increased Public Works Department

Fund to meet its expenditure needs while service charges have remained insufficient. To address this problem, the Town Commission has approved a new rate structure that will improve the financial standing of the Water Fund in future years. In addition to the \$700,000 transferred to the Water Fund, the Wastewater Fund also transferred \$100,000 to the Capital Projects Fund and \$300,000 to the Solid Waste Fund this year. This transfer of previously idle cash will improve liquidity in those funds.

### **General Fund Budgetary Highlights**

While there was a \$92,900 difference between the original 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 \$292,962 (six percent) higher than budgeted, largely due to the large bequest by John J. Osborne. Expenditures were \$54,955 (one percent) higher than budgeted because of a one-time payment made to the Police Pension Fund at year end. The resulting net variance of change in fund balance was \$207,994. Miscellaneous revenue was \$(181,876) below budget while Contributions and donations revenue was \$499,285 above budget. This is due to a reclassification of the Osborne donation, which also exceeded budgetary expectations.

### **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, 2013, amounts to \$26,847,781. 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 \$3,874,543, a \$4,045,654 increase for governmental activities and a \$(136,111) decrease for business-type activities.

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

- Completion of South/Pine Eagles Nest and Druid Road Projects
- Construction of Manatee project
- Acquisition of the Belleview Biltmore Golf Club
- Construction of the new Public Works Building
- The purchase of new vehicles in Support Services, Water, Solid Waste, Public Works, and Parks & Recreation departments

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

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 7,687,827	\$ 5,636,015	\$ 22,950	\$ 22,950	\$ 7,710,777	\$ 5,658,965
Building and system	4,741,436	3,354,296	308,532	308,532	5,049,968	3,662,828
Improvements other than buildings	284,188	284,188	3,577,493	3,577,493	3,861,681	3,861,681
Machinery and equipment	2,035,617	1,710,137	1,294,471	1,263,978	3,330,088	2,974,115
Construction in progress	-	707,046	-	-	-	707,046
Infrastructure	24,534,968	17,752,668	-	-	24,534,968	17,752,668
Accumulated depreciation	(9,581,417)	(9,002,044)	(2,808,625)	(2,642,021)	(12,390,042)	(11,644,065)
Total	\$29,702,619	\$20,442,306	\$2,394,821	\$2,530,932	\$32,097,440	\$22,973,238

Additional information on the town's capital assets can be found in note 7 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 million revenue bond, compensated absences and other postemployment benefits. Revenue sources such as the stormwater fee, Penny for Pinellas surtax, municipal public services tax contribute to repayment of the loan. Annual debt service of approximately \$700,000 will be covered by \$1,108,000 of annual revenue from those three streams. There is also a covenant to budget and appropriate 1.000 mills for infrastructure purposes.

The town receives an actuarial valuation for its other postemployment benefits (OPEB) as required under GASB 45 every three years. The most recent valuation was performed in preparation for this year's CAFR. The amount has increased as a consequence of many factors, including an increase in the number of covered active employees from 48 to 52, the inclusion of three retirees in the town HMO plan, and the rising cost of healthcare.

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

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenue Bonds	\$ 5,249,659	\$ 35,000	\$ -	\$ -	\$ 5,249,659	\$ 35,000
Compensated absences	269,719	255,157	88,428	77,732	358,147	332,889
OPEB	70,789	46,841	-	-	70,789	46,841
Total	\$ 5,590,167	\$ 336,998	\$ 88,428	\$ 77,732	\$ 5,678,595	\$ 414,730

## **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 unfavorable. Of most concern are the large decreases in per capita income and real property values.
- The unemployment rate for Pinellas County, Florida is currently 8.5 percent, which was down from 9.8 percent in 2012.
- The Belleview Biltmore Hotel remains closed and its value is deteriorating. The Pinellas County Property Appraiser has reduced the value of the building to almost zero, but land value of the property is rising. Overall, closure and reduced value mean a loss of revenue to all proprietary funds as well as the General Fund. The town must prepare for the likely event it may never operate again as a hotel. While hopes for reopening as a hotel are dim, there are several parties interested in developing residential properties. Rezoning will be necessary for the property to be redeveloped for residential or other uses.
- The town has reached a new three-year agreement with the Fraternal Order of Police that included no increases to compensation.
- Inflationary trends in the region compare healthy to the national indices.
- The town has adopted a pavement management plan to be used for identifying and prioritizing road maintenance.
- The town is benefiting from revenues in excess of what was projected for the municipal public services tax and will be able to increase the budget for future years.
- With both the unfavorable economic conditions and increases in expenditures, the Water and Solid Waste funds will be further evaluated in the coming year.
- As chloride levels continue to rise the town is exploring alternative water source options including Reverse Osmosis, a new methodology known as FreshKeeper, and sale of the utility.

All of these factors were considered in preparing the Town of Belleair's budget for the 2013-2014 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 provided in this report or requests for additional financial information should be addressed to the town's finance 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, 2013

ASSETS	Primary Government		
	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ 8,332,469	\$ 1,649,489	\$ 9,981,958
Investments	196,105	102,183	298,288
Receivables (net of allowance for uncollectibles)	359,835	431,865	791,700
Capital Assets:			
Land	7,687,827	22,950	7,710,777
Buildings and improvements	4,741,436	308,532	5,049,968
Improvements other than buildings	284,188	3,577,493	3,861,681
Equipment	2,035,617	1,294,471	3,330,088
Infrastructure	24,534,968	-	24,534,968
Accumulated depreciation	<u>(9,581,417)</u>	<u>(2,808,625)</u>	<u>(12,390,042)</u>
<b>TOTAL ASSETS</b>	<b>38,591,028</b>	<b>4,578,358</b>	<b>43,169,386</b>
<b>LIABILITIES</b>			
Accounts payable	193,532	110,287	303,819
Accrued salaries and wages	216,366	52,529	268,895
Accrued interest	180,500	-	180,500
Non Current Liabilities:			
Due Within One Year:	772,430	22,108	794,538
Due In More Than One Year:	4,817,737	66,320	4,884,057
Advance	(710,000)	710,000	-
Deposits	<u>-</u>	<u>25,490</u>	<u>25,490</u>
<b>TOTAL LIABILITIES</b>	<b>5,470,565</b>	<b>986,734</b>	<b>6,457,299</b>
<b>NET POSITION</b>			
Invested in capital assets	24,452,960	2,394,821	26,847,781
Restricted for:			
Capital equipment replacement	276,200	-	276,200
Capital projects	5,981,668	-	5,981,668
Unrestricted	<u>2,409,635</u>	<u>1,196,803</u>	<u>3,606,438</u>
<b>TOTAL NET POSITION</b>	<b>\$ <u>33,120,463</u></b>	<b>\$ <u>3,591,624</u></b>	<b>\$ <u>36,712,087</u></b>

See Notes to Financial Statements.

TOWN OF BELLEAIR, FLORIDA

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Capital Grants and Contributions	Primary Government		
				Governmental Activities	Business-type Activities	Total
<b>Primary government:</b>						
Governmental Activities:						
General government	\$ 1,713,236	\$ 693,805	\$ -	\$ (1,019,431)	\$ -	\$ (1,019,431)
Public Safety	1,894,025	8,093	28,527	(1,857,405)	-	(1,857,405)
Transportation	1,228,942	-	-	(1,228,942)	-	(1,228,942)
Culture and recreation	<u>2,643,548</u>	<u>1,651,923</u>	<u>-</u>	<u>(991,625)</u>	<u>-</u>	<u>(991,625)</u>
Total governmental activities	7,479,751	2,353,821	28,527	(5,097,403)	-	(5,097,403)
Business-Type Activities:						
Water	1,286,178	889,344	-	-	(396,834)	(396,834)
Wastewater management	1,088,648	1,056,848	-	-	(31,800)	(31,800)
Solid waste management	<u>779,554</u>	<u>834,709</u>	<u>-</u>	<u>-</u>	<u>55,155</u>	<u>55,155</u>
Total business-type activities	<u>3,154,380</u>	<u>2,780,901</u>	<u>-</u>	<u>-</u>	<u>(373,479)</u>	<u>(373,479)</u>
Total primary government	<u>\$ 10,634,131</u>	<u>\$ 5,134,722</u>	<u>\$ 28,527</u>	(5,097,403)	(373,479)	(5,470,882)
General Revenues:						
Property taxes				3,341,656	-	3,341,656
Utility taxes				547,536	-	547,536
Franchise fees				359,533	-	359,533
Unrestricted Intergovernmental revenues:						
State revenue sharing				88,164	-	88,164
Communication services tax				201,448	-	201,448
Half-cent sales tax				214,026	-	214,026
Local option gas tax				53,522	-	53,522
Infrastructure sales surtax				330,116	-	330,116
Other taxes				4,216	-	4,216
Capital contributions				-	925	925
Unrestricted investment earnings				9,713	130	9,843
Miscellaneous				3,714,808	9,664	3,724,472
Transfers				<u>81,300</u>	<u>(81,300)</u>	<u>-</u>
Total General Revenues and transfers				<u>8,946,038</u>	<u>(70,581)</u>	<u>8,875,457</u>
Changes in Net Position				3,848,635	(444,060)	3,404,575
Net Position - beginning of year				<u>29,271,828</u>	<u>4,035,684</u>	<u>33,307,512</u>
Net Position - end of year				<u>\$ 33,120,463</u>	<u>\$ 3,591,624</u>	<u>\$ 36,712,087</u>

See Notes to Financial Statements.

TOWN OF BELLEAIR, FLORIDA

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2013

<b>ASSETS</b>	<u>General</u>	<u>Infrastructure</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Cash and cash equivalents	\$ 1,008,299	\$ 5,793,488	\$ 1,530,682	\$ 8,332,469
Investments	170,585	21,792	3,728	196,105
Receivables (net of allowance for uncollectibles:				
Taxes:				
Franchise fees	40,958	-	-	40,958
Utility taxes	-	111,068	-	-
Accounts	7,136	-	42,461	49,597
Intergovernmental:				
State	93,807	-	-	93,807
County	-	55,337	9,068	64,405
Advance to Water Fund	<u>710,000</u>	<u>-</u>	<u>-</u>	<u>710,000</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 2,030,785</u></b>	<b><u>\$ 5,981,685</u></b>	<b><u>\$ 1,585,939</u></b>	<b><u>\$ 9,598,409</u></b>

**LIABILITIES AND FUND BALANCES**

<b>Liabilities:</b>				
Accounts payable	\$ 81,365	\$ 17	\$ 112,150	\$ 193,532
Accrued payroll	<u>216,366</u>	<u>-</u>	<u>-</u>	<u>216,366</u>
<b>Total liabilities</b>	<b>297,731</b>	<b>17</b>	<b>112,150</b>	<b>409,898</b>
<b>Fund balances:</b>				
Restricted	-	5,981,668	1,473,789	7,455,457
Assigned	101,510	-	-	101,510
Unassigned	<u>1,631,544</u>	<u>-</u>	<u>-</u>	<u>1,631,544</u>
<b>Total fund balances</b>	<b><u>1,733,054</u></b>	<b><u>5,981,668</u></b>	<b><u>1,473,789</u></b>	<b><u>9,188,511</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 2,030,785</u></b>	<b><u>\$ 5,981,685</u></b>	<b><u>\$ 1,585,939</u></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.	29,702,619
Long-term liabilities, including compensated absences are not due and payable in the current period and therefore are not reported in the Governmental funds.	<u>(5,770,667)</u>

Net position of governmental activities **\$ 33,120,463**

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, 2013

<b>REVENUES</b>	General	Infrastructure	Other Governmental Funds	Total Governmental Funds
Taxes:				
Property	\$ 2,779,389	\$ 562,267	\$ -	\$ 3,341,656
Franchise	359,533	-	-	359,533
Utility	-	547,536	-	547,536
Licenses and permits	208,161	-	-	208,161
Intergovernmental	532,165	330,116	53,522	915,803
Charges for services	809,540	-	1,333,101	2,142,641
Fines	3,019	-	-	3,019
Resource management fees	-	-	-	-
Investment earnings	9,686	23	4	9,713
Contributions and donations	709,895	2,921,029	-	3,630,924
Miscellaneous	73,624	10,696	-	84,320
Total Revenues	5,485,012	4,371,667	1,386,627	11,243,306
<b>EXPENDITURES</b>				
Current:				
General government	1,822,605	-	-	1,822,605
Public safety	1,839,766	-	-	1,839,766
Transportation	628,895	6,190,516	-	6,819,411
Culture and recreation	1,151,339	3,492,303	1,207,809	5,851,451
Debt service:				
Interest	-	190,528	-	190,528
Total expenditures	5,442,605	9,873,347	1,207,809	16,523,761
Excess (deficiency) of revenues over (under) expenditures	42,407	(5,501,680)	178,818	(5,280,455)
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of capital assets	2,707	-	-	2,707
Proceeds from debt	-	5,214,659	-	5,214,659
Proceeds from insurance	3,780	-	-	3,780
Transfers in	236,700	175,200	738,875	1,150,775
Transfers out	(577,600)	(262,675)	(229,200)	(1,069,475)
Total other financing sources (uses)	(334,413)	5,127,184	509,675	5,302,446
Net change in fund balances	(292,006)	(374,496)	688,493	21,991
Fund balances, October 1	2,025,060	6,356,164	785,296	9,166,520
Fund balances, September 30	\$ 1,733,054	\$ 5,981,668	\$ 1,473,789	\$ 9,188,511

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, 2013

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

Net change in fund balances - total governmental funds	\$	21,991
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.		9,260,313
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>(5,433,669)</u>
Changes in net position of governmental activities	\$	<u><u>3,848,635</u></u>

See Notes to Financial Statements.

TOWN OF BELLEAIR, FLORIDA

GENERAL FUND

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET-POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Taxes:				
Property	\$ 2,716,800	\$ 2,716,800	\$ 2,779,389	\$ 62,589
Franchise	402,100	402,100	359,533	(42,567)
Licenses and permits	254,900	254,900	208,161	(46,739)
Intergovernmental	527,400	527,400	532,165	4,765
Charges for services	805,750	805,750	809,540	3,790
Fines	6,000	6,000	3,019	(2,981)
Investment earnings	13,000	13,000	9,686	(3,314)
Contributions and donations	210,600	210,600	709,895	499,295
Miscellaneous	255,500	255,500	73,624	(181,876)
<b>TOTAL REVENUES</b>	<b>5,192,050</b>	<b>5,192,050</b>	<b>5,485,012</b>	<b>292,962</b>
EXPENDITURES:				
Current:				
General government:				
Commission	12,000	2,400	2,400	-
Manager	1,238,420	1,255,120	1,263,993	(8,873)
Town clerk	194,500	194,100	198,292	(4,192)
Finance and administration	156,300	159,500	164,652	(5,152)
Comprehensive planning	171,700	192,100	193,268	(1,168)
<b>Total general government</b>	<b>1,772,920</b>	<b>1,803,220</b>	<b>1,822,605</b>	<b>(19,385)</b>
Public safety:				
Police	1,344,030	1,347,030	1,368,055	(21,025)
Fire	471,800	471,800	471,711	89
<b>Total public safety</b>	<b>1,815,830</b>	<b>1,818,830</b>	<b>1,839,766</b>	<b>(20,936)</b>
Transportation:				
Streets	625,950	624,120	628,895	(4,775)
Culture and recreation:				
Recreation	1,080,050	1,141,480	1,151,339	(9,859)
<b>Total culture and recreation</b>	<b>1,080,050</b>	<b>1,141,480</b>	<b>1,151,339</b>	<b>(9,859)</b>
<b>TOTAL EXPENDITURES</b>	<b>5,294,750</b>	<b>5,387,650</b>	<b>5,442,605</b>	<b>(54,955)</b>

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, 2013  
(CONTINUED)

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET-POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (102,700)	\$ (195,600)	\$ 42,407	\$ 238,007
OTHER FINANCING				
SOURCES (USES):				
Transfers in:				
Capital equipment				
Replacement Fund	32,200	32,200	32,200	-
Infrastructure Fund	200,000	200,000	200,000	-
Park and Public District				
Enhancement Fund	4,500	4,500	4,500	-
Water Fund	40,000	40,000		(40,000)
Transfers out:				
Capital equipment				
Replacement Fund	(94,600)	(84,600)	(77,600)	7,000
Golf Fund		(500,000)	(500,000)	-
Proceeds from insurance			3,780	
Sale of capital assets	3,500	3,500	2,707	(793)
Total other financing sources (uses)	185,600	(304,400)	(334,413)	(30,013)
NET CHANGE IN FUND BALANCE	82,900	(500,000)	(292,006)	207,994
FUND BALANCE, OCTOBER 1	2,025,060	2,025,060	2,025,060	-
FUND BALANCE, SEPTEMBER 30	\$ 2,107,960	\$ 1,525,060	\$ 1,733,054	\$ 207,994

See Notes to Financial Statements.

TOWN OF BELLEAIR, FLORIDA

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

SEPTEMBER 30, 2013

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	\$ 718,934	\$ 177,185	\$ 753,370	\$ 1,649,489
Investments	25,546	54,156	22,481	102,183
Accounts receivable (net of allowance for uncollectible accounts)	<u>116,709</u>	<u>175,074</u>	<u>140,082</u>	<u>431,865</u>
<b>TOTAL CURRENT ASSETS</b>	<b>861,189</b>	<b>406,415</b>	<b>915,933</b>	<b>2,183,537</b>
<b>NONCURRENT ASSETS:</b>				
Capital Assets:				
Land	22,950	-	-	22,950
Buildings	308,532	-	-	308,532
Improvements other than buildings	3,577,493	-	-	3,577,493
Equipment	<u>608,163</u>	<u>-</u>	<u>686,308</u>	<u>1,294,471</u>
	4,517,138	-	686,308	5,203,446
Less accumulated depreciation	<u>2,353,149</u>	<u>-</u>	<u>455,476</u>	<u>2,808,625</u>
<b>TOTAL CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)</b>	<b><u>2,163,989</u></b>	<b><u>-</u></b>	<b><u>230,832</u></b>	<b><u>2,394,821</u></b>
<b>TOTAL ASSETS</b>	<b><u>\$ 3,025,178</u></b>	<b><u>\$ 406,415</u></b>	<b><u>\$ 1,146,765</u></b>	<b><u>\$ 4,578,358</u></b>

See Notes to Financial Statements

TOWN OF BELLEAIR, FLORIDA

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

SEPTEMBER 30, 2013

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	\$ 4,999	\$ 88,643	\$ 16,645	\$ 110,287
Accrued payroll	33,246	-	19,283	52,529
Compensated absences	15,260	-	6,848	22,108
<b>TOTAL CURRENT LIABILITIES</b>	<b>53,505</b>	<b>88,643</b>	<b>42,776</b>	<b>184,924</b>
<b>NONCURRENT LIABILITIES:</b>				
Compensated absences	45,776	-	20,544	66,320
Advance from General Fund	710,000	-	-	710,000
Utility deposits	25,490	-	-	25,490
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>781,266</b>	<b>-</b>	<b>20,544</b>	<b>801,810</b>
<b>TOTAL LIABILITIES</b>	<b>834,771</b>	<b>88,643</b>	<b>63,320</b>	<b>986,734</b>
<b>NET POSITION</b>				
Invested in capital assets	2,163,989	-	230,832	2,394,821
Unrestricted	26,418	317,772	852,613	1,196,803
<b>TOTAL NET POSITION</b>	<b>\$ 2,190,407</b>	<b>\$ 317,772</b>	<b>\$ 1,083,445</b>	<b>\$ 3,591,624</b>

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, 2013

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS

	Water	Waste- Water Management	Solid Waste Management	Totals
<b>OPERATING REVENUES:</b>				
Charges for sales and services	\$ 889,344	\$ 1,056,848	\$ 834,709	\$ 2,780,901
Total operating revenues	889,344	1,056,848	834,709	2,780,901
<b>OPERATING EXPENSES:</b>				
Personal services	614,639	-	323,095	937,734
Materials and supplies	492,711	1,088,648	226,431	1,807,790
Utilities	59,856	-	58,077	117,933
Garbage and trash disposal	-	-	114,791	114,791
Depreciation	118,972	-	57,160	176,132
Total operating expenses	1,286,178	1,088,648	779,554	3,154,380
<b>OPERATING INCOME (LOSS)</b>	(396,834)	(31,800)	55,155	(373,479)
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Interest revenue	49	57	24	130
Other income	6,667	-	2,997	9,664
Total nonoperating revenues	6,716	57	3,021	9,794
Income (loss) before contributions and transfers	(390,118)	(31,743)	58,176	(363,685)
Capital contributions - tap fees	925	-	-	925
Transfers in	721,300	-	396,000	1,117,300
Transfers (out)	(16,600)	(1,100,000)	(82,000)	(1,198,600)
<b>CHANGE IN NET POSITION</b>	315,507	(1,131,743)	372,176	(444,060)
<b>NET POSITION - Beginning of Year</b>	1,874,900	1,449,515	711,269	4,035,684
<b>NET POSITION - End of Year</b>	\$ 2,190,407	\$ 317,772	\$ 1,083,445	\$ 3,591,624

See Notes to Financial Statements.





TOWN OF BELLEAIR, FLORIDA

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUND

SEPTEMBER 30, 2013

Assets

	<u>Police Pension Fund</u>
Receivables:	
Employer	\$ 45,649
Due from broker-dealer	43,634
Interest and dividends	<u>5,444</u>
Total receivables	94,727
Investment at fair value:	
U. S. Government securities	192,381
U. S. Government agency securities	80,928
Fixed income investment fund	201,248
Domestic stock	1,184,450
Corporate bonds	324,040
International equity investment fund	372,454
Temporary investments	<u>98,324</u>
Total investments	2,453,825
Prepaid expenses	<u>2,429</u>
Total assets	2,550,981

Liabilities

Accounts payable	9,150
Due to broker-dealer	<u>57,293</u>
Total liabilities	<u>66,443</u>
Net position restricted for pensions	\$ <u><u>2,484,538</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, 2013

	<u>Police Pension Fund</u>
<b>ADDITIONS:</b>	
Contributions:	
Employer	\$ 148,399
Plan members	<u>42,226</u>
Total contributions	190,625
Intergovernmental revenue:	
State excise tax rebate	41,618
Investment earnings (loss):	
Net realized and unrealized appreciation (depreciation) in fair value of investments	192,264
Interest and dividends	<u>69,402</u>
Investment earnings	261,666
Less investment expenses	<u>28,173</u>
Net investment earnings	<u>233,493</u>
Total additions	465,736
<b>DEDUCTIONS:</b>	
Benefits	119,766
Refunds of contributions	42,192
Administrative expenses	<u>17,510</u>
Total deductions	<u>179,468</u>
Net increase in net position	286,268
Net position restricted for pensions: October 1	<u>2,198,270</u>
Net position restricted for pensions: September 30	<u>\$ 2,484,538</u>

See Notes to Financial Statements.

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

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2013**

**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, 2013**

**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.

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.

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 assets and the statement of changes in net assets) 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.

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2013**

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

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.

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.

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2013**

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

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.

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.

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2013**

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

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.

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.

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2013**

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

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

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

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

**Assets, Liabilities, and Net Position or Equity:**

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

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.

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2013**

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

- 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).

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.”

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2013**

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

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 assets by the government that is applicable to a future reporting period.

Deferred Inflows of Resources - is an acquisition of net assets 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.

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.

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.

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2013**

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

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 2013 millage rate assessed by the town was 2.0000.

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.

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.

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 2013 millage rate assessed by the Town was 5.9432.

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2013**

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.

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

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

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.

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2013**

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

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, 2013**

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

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

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

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

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

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

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

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2013**

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

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

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

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

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

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

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

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2013**

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

Restricted - This component consists of net position that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$6,257,868 of restricted net position, which is restricted by enabling legislation.

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

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

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

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

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

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2013**

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

Fund Balance Policy

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

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

This Fund Balance Policy establishes:

- a. Fund balance policy for the general fund;
- b. 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.

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2013**

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

RESTRICTED FUND BALANCE

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

COMMITTED FUND BALANCE

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

ASSIGNED FUND BALANCE

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

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.

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2013**

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

**MINIMUM LEVEL OF UNASSIGNED FUND BALANCE**

Unassigned fund balance is the residual classification for general fund and represents fund balance that has not been restricted, committed or assigned by specific purposes within the General Fund.

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.

**ASSIGNED FUND BALANCE**

The Town 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.

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2013**

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

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, 2013**

**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 \$9,260,313 difference are as follows

Capital outlay	\$ 9,993,506
Loss on sale of equipment	(30,283)
Depreciation expense	<u>(702,910)</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>\$ 9,260,313</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 \$(5,433,669) difference are as follows:

Compensated absences	\$ (38,510)
Accrued interest payable	(180,500)
Proceeds from revenue bond	<u>(5,214,659)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ (5,433,669)</u>

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2013**

**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, 2013**

**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, 2013 summarized as follows:

<u>Fund</u>	<u>Operating Deficit</u>
Wastewater Management	\$ <u><u>(31,800)</u></u>
Infrastructure	\$ <u><u>(5,501,680)</u></u>
Water	\$ <u><u>(396,834)</u></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 \$9,981,1958 and the bank balance was \$10,728,450. 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, 2013**

**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	\$ 273,309	AAA	Daily
Fixed income investment fund	201,248	AAA	Daily
Corporate bonds	324,040	AAA	Daily
Domestic Stock	1,184,450	N/A	N/A
International equity investment fund	372,454	N/A	N/A
Temporary investments	98,324	N/A	N/A
Florida State Board of Administration Local Government Pooled Investment Fund (SBA)	<u>298,288</u>	Not Rated	N/A
Total investments	<u>\$ 2,752,113</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, 2013**

**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, 2013**

**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, 2013 this investment was held by the Town's bank in the Town's name and is recorded in the general fund.

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

The federated treasury fund is also an asset of the Town's police officers' pension plan. The fair value of this investment was determined by the funds' share price as of September 30, 2013.

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

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2013**

**5. Investments (Continued)**

have 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, 2013. The Florida SBA is a 2a-7 like pool.

During the fiscal year ended September 30, 2013 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, 2013**

**6. Receivables**

Receivables at of September 30, 2013 for the government's individual major funds and nonmajor, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are summarized as follows:

	<u>General</u>	<u>Infra- structure</u>	<u>Water</u>	<u>Waste- Water Management</u>	<u>Solid Waste Management</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:							
Taxes	\$ 40,958	\$ 111,068	\$ -	\$ -	\$ -	\$ -	\$ 152,026
Accounts	7,136	-	141,709	190,074	150,082	42,461	531,462
Intergovernmental	<u>93,807</u>	<u>55,337</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,068</u>	<u>158,212</u>
Gross receivables	141,901	166,405	141,709	190,074	150,082	51,529	841,700
Less: Allowance for uncollectibles	<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>\$ 141,901</u>	<u>\$ 166,405</u>	<u>\$ 116,709</u>	<u>\$ 175,074</u>	<u>\$ 140,082</u>	<u>\$ 51,529</u>	<u>\$ 791,700</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, 2013.

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2013**

**7. Capital Assets**

Capital asset activity for the year ended September 30, 2013 was as follows:

	<u>Balance October 1, 2012</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance September 30, 2013</u>
<u>Governmental activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 5,636,015	\$ 2,051,812	\$ -	\$ 7,687,827
Construction in progress	<u>707,046</u>	<u>6,063,620</u>	<u>-</u>	<u>6,770,666</u>
Total capital assets, not being depreciated	6,343,061	8,115,432	-	14,458,493
Capital assets, being depreciated:				
Buildings	3,354,296	1,387,140	-	4,741,436
Improvements other than buildings	284,188	-	-	284,188
Machinery and Equipment	1,710,137	479,300	153,820	2,035,617
Infrastructure	<u>17,752,668</u>	<u>11,634</u>	<u>-</u>	<u>17,764,302</u>
Total capital assets, being depreciated	23,101,289	1,878,074	153,820	24,825,543
Less accumulated depreciation for:				
Buildings	(787,124)	(100,384)	-	(887,508)
Improvements other than buildings	(143,729)	(15,256)	-	(158,985)
Machinery and equipment	(871,449)	(141,493)	123,537	(889,405)
Infrastructure	<u>(7,199,742)</u>	<u>(445,777)</u>	<u>-</u>	<u>(7,645,519)</u>
Total accumulated depreciation	<u>(9,002,044)</u>	<u>(702,910)</u>	<u>123,537</u>	<u>(9,581,417)</u>
Total capital assets, being depreciated, net	<u>14,099,245</u>	<u>1,175,164</u>	<u>30,283</u>	<u>15,244,126</u>
Governmental activities capital assets, net	<u>\$ 20,442,306</u>	<u>\$ 9,290,596</u>	<u>\$ 30,283</u>	<u>\$ 29,702,619</u>

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2013**

**7. Capital Assets (Continued)**

	Balance October 1, 2012	Increases	Decreases	Balance September 30, 2013
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<u>Business-type activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 22,950	\$ -	\$ -	\$ 22,950
Total capital assets, not being depreciated	<u>22,950</u>	<u>-</u>	<u>-</u>	<u>22,950</u>
Capital assets, being depreciated:				
Buildings	308,532	-	-	308,532
Improvements other than buildings	3,577,493	-	-	3,577,493
Machinery and Equipment	<u>1,263,978</u>	<u>40,020</u>	<u>(9,527)</u>	<u>1,294,471</u>
Total capital assets, being depreciated	5,150,003	40,020	(9,527)	5,180,496
Less accumulated depreciation for:				
Buildings	(246,354)	(7,304)	-	(253,658)
Improvements other than buildings	(1,512,592)	(90,051)	-	(1,602,643)
Machinery and equipment	<u>(883,075)</u>	<u>(78,776)</u>	<u>9,527</u>	<u>(952,324)</u>
Total accumulated depreciation	<u>(2,642,021)</u>	<u>(176,131)</u>	<u>9,527</u>	<u>(2,808,625)</u>
Total capital assets, being depreciated, net	<u>2,507,982</u>	<u>(136,111)</u>	<u>-</u>	<u>2,371,871</u>
Business-type activities capital assets, net	<u>\$ 2,530,932</u>	<u>\$ (136,111)</u>	<u>\$ -</u>	<u>\$ 2,394,821</u>

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2013**

**7. Capital Assets (Continued)**

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

Governmental activities:

General government	\$	36,892
Public safety		46,558
Streets		480,280
Culture and recreation		<u>139,180</u>
Total depreciation expenses - governmental activities	\$	<u><u>702,910</u></u>

Business-type activities:

Water	\$	118,971
Wastewater		-
Solid waste		<u>57,160</u>
Total depreciation expense - business-type activities	\$	<u><u>176,131</u></u>

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2013**

**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, 2013.

The remaining transfers were made to cover budgeted expenses/expenditures for 2013.

	<u>Transfers In</u>	<u>Transfers Out</u>
General fund	\$ 236,700	\$ 577,600
Nonmajor governmental funds	738,875	229,200
Infrastructure fund	175,200	262,675
Water fund	721,300	16,600
Solid waste fund	396,000	82,000
Wastewater management	<u>          -</u>	<u>1,100,000</u>
Total	<u>\$ 2,268,075</u>	<u>\$ 2,268,075</u>

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2013**

**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, 2013, as shown in the following table:

Enterprise Fund	Administrative Costs Allocated
Water	\$ 306,300
Solid Waste Management	170,500
Total	\$ 476,800

**10. Long-Term Debt**

Long-term debt includes accrued leave as of September 30, 2013:

During the fiscal year ended September 30, 2013, 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	\$ 35,000	\$ 5,214,659	\$ -	\$ 5,249,659	\$ 705,000
Accrued leave	255,157	173,665	159,103	269,719	67,430
Other post-employment benefits (OPEB)	46,841	23,948	-	70,789	-
Total Government activities	336,998	5,412,272	159,103	\$ 5,590,167	\$ 772,430
Business-type activities:					
Accrued leave	\$ 77,732	\$ 70,622	\$ 59,926	\$ 88,428	\$ 22,108

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2013**

**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, 2013:	\$5,249,659

Debt service requirements to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>
2014	\$ 365,000	\$ 354,863
2015	375,000	342,137
2016	390,000	328,781
2017	405,000	314,973
2018	420,000	300,623
2019-2023	2,330,000	1,268,914
2024-2028	2,775,000	825,427
2029-2032	<u>2,600,000</u>	<u>296,471</u>
	<u>\$ 9,660,000</u>	<u>\$ 4,032,189</u>

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2013**

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

	<u>General Fund</u>
Fund balances:	
Assigned:	
Park improvement	\$ 3,255
Recreation donations	73,705
Master landscaping	12,533
Police equipment	<u>12,017</u>
Total assigned	101,510
Unassigned:	<u>1,631,544</u>
Total fund balances	<u><u>\$ 1,733,054</u></u>

**12. Lease Commitments**

The Town currently leases certain equipment under a five year noncancellable operating lease. Total lease expense for 2013 was \$5,909. The following is a schedule of future minimum annual lease payments remaining under this lease.

<u>Year</u>	<u>Amount</u>
2013	\$ <u>1,929</u>
Total	<u><u>\$ 1,929</u></u>

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2013**

**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, 2013**

**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, 2015 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, 2013**

**14. Contingent Liabilities (Continued)**

The Town did not receive federal grant funds during the fiscal year ended September 30, 2011, 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, 2013.

**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, 2013**

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

Police Officers Pension Fund (continued)

Plan Description (continued)

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.

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

Group	September 30, 2013
Retirees and beneficiaries currently receiving benefits	4
Terminated plan members entitled to but not yet receiving benefits	4
Active plan members:	
Fully vested	4
Nonvested	9

Officers who retire at the age 55 and the completion of five years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 3.50 percent of their average final compensation times their years of credited service. Cost of living adjustments are not provided. The plan permits early retirement at age 50 and the completion of ten years of credited service. Benefits vest upon completing ten years of credited service.

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2013**

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

Police Officers Pension Fund (continued)

The plan also provides death and disability benefits. The death benefit is the greater of the officer's accumulated contributions or his accrued benefit. Disability payments will be equal to 3.50 percent of the officers' average annual compensation times his years of credited service but shall not be less than 42 percent of his average monthly compensation as of his disability retirement date.

The plan has not issued a stand-alone financial report for the fiscal year ended September 30, 2013.

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.

Funding policy:

Police officer contribution rates are established at 6.0 percent of salary. Accumulated officer contributions plus investment earnings allocations are refunded if an officer leaves covered employment after five years of credited service. Interest is not paid on contributions of terminated officers with less than five years of credited service. 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.

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2013**

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

Police Officers Pension Fund (continued)

Funding policy (continued):

Annual required contribution	\$ 148,399
Adjustment to annual required contribution	<u>-</u>
Annual pension cost	148,399
Contributions made	<u>148,399</u>
Increase (decrease) in net pension obligation	-
Net Pension obligation, beginning of year	<u>-</u>
Net pension obligation, end of year	<u><u>\$ -</u></u>

The annual required contribution for the current year was determined as part of the September 30, 2012 (most recent) actuarial valuation using the frozen entry age actuarial cost method. The actuarial assumptions included (a) 7.75% reinvestment rate of return (net of administrative expenses) and (b) projected salary increases of 6.5% per year. Both (a) and (b) included an inflation component of 3.0%. The assumptions did not include post-retirement benefit increases. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a four year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis.

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2013**

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

Police Officers Pension Fund (continued)

Funding policy (continued):

The remaining amortization period at September 30, 2012 was 30 years. The plan's three year trend information is summarized as follows:

<u>Three Year Trend Information</u>			
<u>Fiscal</u> <u>year</u> <u>ended</u>	<u>Annual</u> <u>postemployment</u> <u>benefit cost</u>	<u>Percentage</u> <u>of annual</u> <u>postemployment</u> <u>benefit cost</u>	<u>Net</u> <u>pension</u> <u>obligation</u>
9/30/11	\$ 136,868	100.0	-
9/30/12	109,354	100.0	-
9/30/13	148,399	100.0	-

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2013**

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

Police Officers Pension Fund (continued)

Funding Policy (continued):

The Plan's table of required supplementary information is presented below:

Required Supplementary Information  
Schedule of Funding Progress

Actuarial valuation date	Actuarial value of assets (A)	Actuarial accrued liability (aal)- frozen entry age (B)	Unfunded aal (uaal) (B-A)	Funded ratio (A/B)	Covered payroll (C)	UAAL as a percentage of covered payroll (B-A)/C
9/30/03	\$ 1,283,408	\$ 1,549,499	\$ 266,091	82.83%	\$ 434,923	61.18 %
9/30/04	1,327,405	1,589,741	262,336	83.50	457,189	57.38
9/30/05	1,450,679	1,708,017	257,338	84.93	421,946	60.99
9/30/06	1,635,030	1,891,182	256,152	86.46	346,638	73.90
9/30/07	1,790,859	2,215,983	425,124	80.82	423,592	100.36
9/30/08	1,856,863	2,283,580	426,717	81.31	604,845	70.55
9/30/09	1,813,120	2,235,907	422,787	81.09	626,886	67.44
9/30/10	1,975,784	2,462,675	486,891	80.23	688,721	70.69
9/30/11	2,014,037	2,481,436	467,399	81.16	738,041	63.33
9/30/12	2,130,695	2,641,751	511,056	80.65	701,450	72.86

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2013**

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

Year ended <u>September 30</u>	Schedule of employer contributions	
	<u>Annual required contribution</u>	<u>Percentage contributed</u>
2004	\$ 15,973	100.0%
2005	33,250	100.0
2006	20,718	100.0
2007	6,133	100.0
2008	11,517	100.0
2009	41,000	100.0
2010	64,792	100.0
2011	136,868	100.0
2012	109,354	100.0
2013	148,399	100.0

Notes to the required schedules

The information presented in the required supplementary schedules presented above was determined as part of the actuarial valuations at the dated indicated. Additional information as of the latest (September 30, 2012) actuarial valuation follows:

Valuation date	September 30, 2012
Actuarial cost method	Frozen entry age
Amortization method	Level percent
Remaining amortization period	30 years closed
Asset valuation method	4 year smoothed market
Actuarial assumptions:	
investments rate of return	7.75%
post retirement benefit increases	None
projected salary increases	6.5%
inflation rate	3.0%

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2013**

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

Employees' 401(k) fund

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, 2012 there were 48 plan members. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate after one year of employment. The 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 2013 was \$2,820,984. The Town's contributions were calculated using the participants' salary amount of \$2,012,422. 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	\$ 181,118	9.0 %
employee	60,372	3.0
Voluntary:		
employee	<u>60,377</u>	<u>4.0</u>
Total contributions	<u>\$ 301,867</u>	<u>16.0 %</u>

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2013**

**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, 2013.

**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, 2013 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, 2013**

**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, 2013**

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

Required Supplementary Information

**Funded Status and Funding Progress**

The funded status of the plan as of October 1, 2013 and 2012 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, 2013**

**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.								
	<table><thead><tr><th style="text-align: center;"><u>Age</u></th><th style="text-align: center;"><u>Raise</u></th></tr></thead><tbody><tr><td style="text-align: center;">28</td><td style="text-align: center;">6.8%</td></tr><tr><td style="text-align: center;">35</td><td style="text-align: center;">3.2%</td></tr><tr><td style="text-align: center;">45</td><td style="text-align: center;">1.6%</td></tr></tbody></table>	<u>Age</u>	<u>Raise</u>	28	6.8%	35	3.2%	45	1.6%
<u>Age</u>	<u>Raise</u>								
28	6.8%								
35	3.2%								
45	1.6%								
Disability Rate	None								

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2013**

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

Required Supplementary Information

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

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

<u>Health Care Trend Rates</u>	<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.

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%

**TOWN OF BELLEAIR, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2013**

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

Required Supplementary Information

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.

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

Government Accounting Standards Board (GASB) Statement No. 61, “The Financial Reporting Entity: Omnibus” amends GASB No. 14 and GASB No. 34 to modify certain requirements for inclusion of component units in the financial reporting entity, to amend the criteria for reporting component units as if they were part of the primary government (i.e., blending) in certain circumstances, and clarifies the reporting of equity interests in legally separate organizations. The requirements of GASB 61 are effective in fiscal year 2013. The Town chose to early implement this statement in fiscal year 2012. Its implementation did not have any effect on the Town’s financial statements. Information on the Financial Reporting Entity can be found on page 22 of the Notes to Financial Statements.

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.

**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 FUNDS**

Capital projects funds are 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, 2013

	Special Revenue					Capital Projects Equipment Replacement	Total Nonmajor Governmental Funds
	Public District Enhancement	Local Option Gas Tax	Transportation Impact Fee	Golf	Total		
<b>ASSETS</b>							
Cash and cash equivalents	\$ 52,948	\$ 416,645	\$ 60,155	\$ 724,734	1,254,482	\$ 276,200	\$ 1,530,682
Investments	113	2,685	930	-	3,728	-	3,728
Receivables (net of allowance for uncollectible accounts):							
Accounts	-	-	-	42,461	42,461	-	42,461
County	-	9,068	-	-	9,068	-	9,068
<b>TOTAL ASSETS</b>	<b>\$ 53,061</b>	<b>\$ 428,398</b>	<b>\$ 61,085</b>	<b>\$ 767,195</b>	<b>1,309,739</b>	<b>\$ 276,200</b>	<b>\$ 1,585,939</b>
<b>LIABILITIES AND FUND BALANCES</b>							
Accounts payable	\$ 32,922	\$ -	\$ -	\$ 79,228	112,150	\$ -	\$ 112,150
<b>TOTAL LIABILITIES</b>	<b>32,922</b>	<b>-</b>	<b>-</b>	<b>79,228</b>	<b>112,150</b>	<b>-</b>	<b>112,150</b>
<b>FUND BALANCES</b>							
<b>FUND BALANCES:</b>							
Unassigned	20,139	428,398	61,085	687,967	1,197,589	276,200	1,473,789
<b>TOTAL FUND BALANCES</b>	<b>20,139</b>	<b>428,398</b>	<b>61,085</b>	<b>687,967</b>	<b>1,197,589</b>	<b>276,200</b>	<b>1,473,789</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 53,061</b>	<b>\$ 428,398</b>	<b>\$ 61,085</b>	<b>\$ 767,195</b>	<b>1,309,739</b>	<b>\$ 276,200</b>	<b>\$ 1,585,939</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, 2013

	Park and Public District Enhancement	Local Option Gas Tax	Special Revenue			Capital Projects Capital Equipment Replacement	Total Nonmajor Governmental Funds
			Transportation Impact Fee	Golf	Total		
<b>Revenues:</b>							
Intergovernmental	\$ -	\$ 53,522	\$ -	-	\$ 53,522	\$ -	\$ 53,522
Charges for services	-	-	-	1,333,101	1,333,101	-	1,333,101
Interest earned	-	3	1	-	4	-	4
<b>TOTAL REVENUES</b>	-	53,525	1	1,333,101	1,386,627	-	1,386,627
<b>EXPENDITURES:</b>							
Current:							
Recreation	-	-	-	1,207,809	1,207,809	-	1,207,809
Transportation	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	-	-	-	1,207,809	1,207,809	-	1,207,809
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	53,525	1	125,292	178,818	-	178,818
<b>OTHER FINANCING SOURCES (USES):</b>							
Transfers in:							
Solid Waste Management Fund	-	-	-	-	-	82,000	82,000
Water Fund	-	-	-	-	-	16,600	16,600
General Fund	-	-	-	500,000	500,000	77,600	577,600
Infrastructure Fund	-	-	-	62,675	62,675	-	62,675
Transfers out:							
General Fund	(4,500)	-	-	-	(4,500)	(32,200)	(36,700)
Infrastructure Fund	-	(75,200)	-	-	(75,200)	-	(75,200)
Water Fund	-	-	-	-	-	(21,300)	(21,300)
Solid Waste Management Fund	-	-	-	-	-	(96,000)	(96,000)
<b>Total other financing sources and (uses)</b>	<b>(4,500)</b>	<b>(75,200)</b>	<b>-</b>	<b>562,675</b>	<b>482,975</b>	<b>26,700</b>	<b>509,675</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(4,500)</b>	<b>(21,675)</b>	<b>1</b>	<b>687,967</b>	<b>661,793</b>	<b>26,700</b>	<b>688,493</b>
<b>FUND BALANCES, OCTOBER 1</b>	<b>24,639</b>	<b>450,073</b>	<b>61,084</b>	<b>-</b>	<b>535,796</b>	<b>249,500</b>	<b>785,296</b>
<b>FUND BALANCES, SEPTEMBER 30</b>	<b>\$ 20,139</b>	<b>\$ 428,398</b>	<b>\$ 61,085</b>	<b>687,967</b>	<b>\$ 1,197,589</b>	<b>\$ 276,200</b>	<b>\$ 1,473,789</b>

**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, 2013

	Infrastructure Fund			
	Project Authorization	Prior Years	Current Year	Total to Date
REVENUES:				
Taxes:				
Property	\$ 1,524,000	\$ 4,684,693	\$ 562,267	\$ 5,246,960
Utility			547,536	
Intergovernmental:				
Infrastructure sales surtax	694,000	4,278,572	330,116	4,608,688
Grant	2,200,000	-	-	-
Interest earned	10,000	186,619	23	186,642
Donations	-	869,310	2,931,725	3,801,035
	4,428,000	10,019,194	4,371,667	13,843,325
TOTAL REVENUES				
EXPENDITURES:				
Capital outlay:				
Manager	-	709,597	-	709,597
Finance and administration	-	88,159	-	88,159
Streets	25,705,000	7,819,759		7,819,759
Culture and recreation	-	2,975,302	-	2,975,302
Debt service:				
Interest and fees	-	150,821		150,821
	25,705,000	11,743,638	-	11,743,638
TOTAL EXPENDITURES				
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(21,277,000)	(1,724,444)	4,371,667	2,099,687
OTHER FINANCING SOURCES (USES):				
Proceeds from debt	10,000,000	35,000	5,214,659	5,249,659
Transfers in (out):				
General Fund	3,000,000	7,288,671	100,000	7,388,671
Local Option Gas Tax	-	189,800	-	189,800
Water Fund	-	430,338	-	430,338
Equipment Replacement Fund	-	20,000	75,200	95,200
	13,000,000	7,963,809	5,389,859	13,353,668
Total other financing sources (uses)				
NET CHANGE IN FUND BALANCE	\$ (8,277,000)	\$ 6,239,365	9,761,526	\$ 15,453,355
FUND BALANCE, OCTOBER 1			6,356,164	
FUND BALANCE, SEPTEMBER 30			\$ 16,117,690	

## **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, 2013

	ORIGINAL BUDGETED AMOUNTS	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)
<b>OPERATING REVENUES:</b>				
Charges for sales and services	\$ 981,700	\$ 981,700	\$ 889,344	\$ (92,356)
Total operating revenues	981,700	981,700	889,344	(92,356)
<b>OPERATING EXPENSES:</b>				
Personal services	595,700	595,700	614,639	(18,939)
Materials and supplies	494,900	494,900	492,711	2,189
Utilities	72,000	72,000	59,856	12,144
Depreciation	114,500	114,500	118,972	(4,472)
Total operating expenses	1,277,100	1,277,100	1,286,178	(9,078)
<b>OPERATING INCOME (LOSS)</b>	(295,400)	(295,400)	(396,834)	(101,434)
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Interest revenue	1,000	1,000	49	(951)
Loss on disposal of assets	-	-	-	-
Other income	-	-	6,667	6,667
Total nonoperating revenues	1,000	1,000	6,716	5,716
Income (loss) before contributions and transfers	(294,400)	(294,400)	(390,118)	(95,718)
Capital contributions - tap fees	5,000	5,000	925	(4,075)
Transfers in	721,300	721,300	721,300	-
Transfers (out)	(16,600)	(16,600)	(16,600)	-
<b>CHANGE IN NET POSITION</b>	415,300	415,300	315,507	(99,793)
<b>NET POSITION, OCTOBER 1</b>	1,834,900	1,834,900	1,834,900	-
<b>NET POSITION, SEPTEMBER 30</b>	\$ 2,250,200	\$ 2,250,200	\$ 2,150,407	\$ (99,793)

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, 2013

	<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	\$ 1,088,648	\$ 338,648
OPERATING EXPENSES:			
Materials and supplies	-	1,088,648	1,088,648
Utilities	-	-	-
Depreciation	-	-	-
Total operating expenses	<u>-</u>	<u>1,088,648</u>	<u>1,088,648</u>
OPERATING INCOME (LOSS)	750,000	-	(750,000)
NONOPERATING REVENUES (EXPENSES):			
Interest revenue	-	-	-
Other income	-	-	-
Loss on disposal of fixed assets	-	-	-
Total nonoperating revenues (expenses)	<u>-</u>	<u>-</u>	<u>-</u>
Income (loss) before contributions and transfers	750,000	-	(750,000)
Capital contributions - tap fees	-	-	-
Transfers out	<u>(1,100,000)</u>	<u>(1,100,000)</u>	<u>-</u>
CHANGE IN NET POSITION	(350,000)	(1,100,000)	(750,000)
NET POSITION, OCTOBER 1	<u>1,449,515</u>	<u>1,449,515</u>	<u>-</u>
NET POSITION, SEPTEMBER 30	<u>\$ 1,099,515</u>	<u>\$ 349,515</u>	<u>\$ (750,000)</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, 2013

	<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	\$ 792,850	\$ 834,709	\$ 41,859
Total operating revenues	792,850	834,709	41,859
OPERATING EXPENSES:			
Personal services	318,000	323,095	(5,095)
Materials and supplies	442,250	308,431	133,819
Utilities	45,800	58,077	(12,277)
Garbage and trash disposal	133,500	114,791	18,709
Depreciation	54,000	57,160	(3,160)
Total operating expenses	993,550	861,554	131,996
OPERATING INCOME (LOSS)	(200,700)	(26,845)	173,855
NONOPERATING REVENUES (EXPENSES):			
Interest revenue	500	24	(476)
Loss on disposal of assets	-	-	-
Other income	3,000	2,997	(3)
Total nonoperating revenues	3,500	3,021	(479)
Income (loss) before transfers	(197,200)	(23,824)	173,376
Transfers in	396,000	396,000	-
Transfers out	(82,000)	(82,000)	-
CHANGE IN NET POSITION	116,800	290,176	173,376
NET POSITION, OCTOBER 1	711,269	711,269	-
NET POSITION, SEPTEMBER 30	\$ 828,069	\$ 1,001,445	\$ 173,376

**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, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Governmental Funds Capital Assets:		
Land	\$ 7,687,827	\$ 5,636,015
Buildings and improvements	4,741,436	3,354,296
Improvements other than buildings	284,188	284,188
Equipment	2,035,617	1,710,137
Infrastructure	17,764,302	17,752,668
Construction in progress	<u>6,770,666</u>	<u>707,046</u>
Total Governmental Funds Capital Assets	\$ <u><u>39,284,036</u></u>	\$ <u><u>29,444,350</u></u>
Governmental Funds Capital Assets by Source:		
General Fund	\$ 20,578,853	\$ 20,314,420
Special revenue funds	3,576,546	76,547
Capital projects fund	15,097,568	9,022,314
Federal revenue sharing entitlements	<u>31,069</u>	<u>31,069</u>
Total Governmental Funds Capital Assets	\$ <u><u>39,284,036</u></u>	\$ <u><u>29,444,350</u></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, 2013 AND 2012

Function and Activity	2013						
	Total	Land	Buildings and Improvements	Improvements Other Than Buildings	Equipment	Construction in Progress	Infra-structure
<b>General Government:</b>							
Manager	\$ 276,997	\$ -	\$ -	\$ 93,665	\$ 183,332	\$ -	\$ -
Finance and Administration	4,364,400	3,284,427	598,248	14,417	467,308	-	-
Comprehensive Planning	34,422	-	-	-	34,422	-	-
Town Clerk	51,293	-	-	-	51,293	-	-
<b>Total general government</b>	<b>4,727,112</b>	<b>3,284,427</b>	<b>598,248</b>	<b>108,082</b>	<b>736,355</b>	<b>-</b>	<b>-</b>
<b>Public Safety:</b>							
Police	418,511	-	-	-	418,511	-	-
<b>Transportation:</b>							
Streets	26,177,043	1,598,000	-	-	44,075	6,770,666	17,764,302
<b>Culture and Recreation:</b>							
Parks	960,174	749,300	-	36,804	174,070	-	-
Recreation	7,001,196	2,056,100	4,143,188	139,302	662,606	-	-
<b>Total culture and recreation</b>	<b>7,961,370</b>	<b>2,805,400</b>	<b>4,143,188</b>	<b>176,106</b>	<b>836,676</b>	<b>-</b>	<b>-</b>
<b>Total governmental funds</b>							
Capital Assets	<u>\$ 39,284,036</u>	<u>\$ 7,687,827</u>	<u>\$ 4,741,436</u>	<u>\$ 284,188</u>	<u>\$ 2,035,617</u>	<u>\$ 6,770,666</u>	<u>\$ 17,764,302</u>

<sup>(1)</sup> 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, 2013 AND 2012

Function and Activity	2012						
	Total	Land	Buildings and Improvements	Improvements Other Than Buildings	Equipment	Construction in Progress	Infra-structure
General Government:							
Manager	\$ 278,673	\$ -	\$ -	\$ 93,665	\$ 185,008	\$ -	\$ -
Finance and Administration	3,995,536	3,185,475	418,248	14,417	377,396	-	-
Comprehensive Planning	36,698	-	-	-	36,698	-	-
Town Clerk	51,293	-	-	-	51,293	-	-
Total general government	4,362,200	3,185,475	418,248	108,082	650,395	-	-
Public Safety:							
Police	522,454	-	-	-	522,454	-	-
Transportation:							
Streets	20,101,789	1,598,000	-	-	44,075	707,046	17,752,668
Culture and Recreation:							
Parks	967,258	749,300	-	36,804	181,154	-	-
Recreation	3,490,649	103,240	2,936,048	139,302	312,059	-	-
Total culture and recreation	4,457,907	852,540	2,936,048	176,106	493,213	-	-
Total governmental funds							
Capital Assets	\$ 29,444,350	\$ 5,636,015	\$ 3,354,296	\$ 284,188	\$ 1,710,137	\$ 707,046	\$ 17,752,668

(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, 2013

<u>Function and Activity</u>	<u>Governmental Funds Capital Assets October 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Governmental Funds Capital Assets September 30, 2013</u>
General Government:				
Manager	\$ 278,673	\$ -	\$ 1,676	\$ 276,997
Finance and Administration	3,995,536	387,470	18,606	4,364,400
Comprehensive Planning	36,698	-	2,276	34,422
Town Clerk	51,293	-	-	51,293
Total general government	4,362,200	387,470	22,558	4,727,112
Public Safety:				
Police	522,454	-	103,943	418,511
Transportation:				
Streets	20,101,789	6,075,254	-	26,177,043
Culture and Recreation:				
Parks	967,258	-	7,084	960,174
Recreation	3,490,649	3,530,782	20,235	7,001,196
Total culture and recreation	4,457,907	3,530,782	27,319	7,961,370
Total governmental funds Capital Assets	\$ 29,444,350	\$ 9,993,506	\$ 153,820	\$ 39,284,036

<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	91
<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	102
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
Debt Capacity	109
<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	111
<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	113
<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, 2013**

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 set no 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>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Governmental activities:										
Invested in capital assets	\$ 24,452,960	\$ 20,407,306	\$ 19,934,854	\$ 18,612,877	\$ 19,122,641	\$ 16,867,388	\$ 17,263,828	\$ 17,516,350	\$ 15,085,179	\$ 15,074,947 <sup>(A)</sup>
Restricted	6,257,868	6,605,664	4,821,760	5,710,035	4,918,345	5,141,934	3,876,735	1,894,861	4,308,732	2,793,722
Unrestricted	<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>	<u>3,109,709</u>	<u>3,480,596</u>
Total governmental activities net position	<u>\$ 33,120,463</u>	<u>\$ 29,271,828</u>	<u>\$ 29,863,466</u>	<u>\$ 28,971,325</u>	<u>\$ 30,014,317</u>	<u>\$ 27,338,016</u>	<u>\$ 26,062,196</u>	<u>\$ 24,511,054</u>	<u>\$ 22,503,620</u>	<u>\$ 21,349,265</u>
Business-type activities:										
Invested in capital assets	\$ 2,394,821	\$ 2,929,249	\$ 1,141,684	\$ 2,919,090	\$ 2,894,524	\$ 3,421,613	\$ 3,603,775	\$ 3,676,800	\$ 3,779,912	\$ 3,859,778
Restricted	-	-	1,560,745	1,568,889	1,611,695	1,873,027	1,863,083	1,854,843	1,871,379	1,858,341
Unrestricted	<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>	<u>429,893</u>	<u>351,940</u>
Total business-type activities net position	<u>\$ 3,591,624</u>	<u>\$ 4,035,684</u>	<u>\$ 4,392,460</u>	<u>\$ 4,695,362</u>	<u>\$ 4,792,373</u>	<u>\$ 5,729,157</u>	<u>\$ 5,931,931</u>	<u>\$ 6,072,831</u>	<u>\$ 6,081,184</u>	<u>\$ 6,070,059</u>
Primary government:										
Invested in capital assets,	\$ 26,847,781	\$ 23,336,555	\$ 21,076,538	\$ 21,531,967	\$ 22,017,165	\$ 20,289,001	\$ 20,867,583	\$ 21,193,150	\$ 18,865,091	\$ 18,934,725
Restricted	6,257,868	6,605,664	6,382,505	7,278,924	6,530,040	7,014,961	5,739,818	3,749,704	6,180,111	4,652,063
Unrestricted	<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>	<u>3,539,602</u>	<u>3,832,536</u>
	<u>\$ 36,712,087</u>	<u>\$ 33,307,512</u>	<u>\$ 34,255,926</u>	<u>\$ 33,666,687</u>	<u>\$ 34,806,690</u>	<u>\$ 33,067,173</u>	<u>\$ 31,994,107</u>	<u>\$ 30,583,885</u>	<u>\$ 28,584,804</u>	<u>\$ 27,419,324</u>

<sup>(A)</sup> Infrastructure and related accumulated depreciation recorded during the year ended September 30, 2003.

TOWN OF BELLEAIR, FLORIDA

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<b>EXPENSES</b>										
Governmental Activities:										
General government	\$ 1,713,236	\$ 1,773,552	\$ 1,697,883	\$ 1,837,143	\$ 2,159,122	\$ 1,430,491	\$ 1,403,027	\$ 1,339,000	\$ 1,152,848	\$ 955,606
Public safety	1,894,025	1,853,235	1,818,641	1,717,806	1,812,338	1,684,888	1,557,471	1,388,992	1,414,252	1,318,255
Physical environment	-	-	-	-	-	-	202,014	203,180	255,654	230,581
Transportation	1,228,942	1,728,212	607,758	2,111,298	1,216,164	786,846	751,716	995,527	824,760	638,212
Culture and recreation	<u>2,643,548</u>	<u>1,328,378</u>	<u>631,017</u>	<u>631,840</u>	<u>752,449</u>	<u>879,286</u>	<u>770,902</u>	<u>381,368</u>	<u>479,921</u>	<u>403,642</u>
Total governmental activities expenses	<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>	<u>4,127,435</u>	<u>3,546,296</u>
Business-type activities:										
Water	1,286,178	1,293,463	1,295,431	1,228,616	1,382,515	1,082,206	1,112,227	971,174	860,178	996,212
Waste water management	1,088,648	898,706	817,919	838,632	991,631	964,857	987,112	868,249	879,470	1,745,710
Solid waste management	<u>779,554</u>	<u>801,014</u>	<u>827,307</u>	<u>789,649</u>	<u>760,528</u>	<u>749,590</u>	<u>776,201</u>	<u>728,258</u>	<u>764,875</u>	<u>727,725</u>
Total business-type activities expenses	<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>	<u>2,504,523</u>	<u>3,469,647</u>
Total primary government expenses	<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>	<u>\$ 6,631,958</u>	<u>\$ 7,015,943</u>
<b>PROGRAM REVENUES</b>										
Governmental activities:										
Charges for services	\$ 2,353,821	\$ 1,194,490	\$ 1,179,717	\$ 1,096,623	\$ 759,833	\$ 766,857	\$ 645,755	\$ 571,174	\$ 617,350	\$ 547,632
Capital grants and contributions	<u>28,527</u>	<u>29,360</u>	<u>4,465</u>	<u>540</u>	<u>2,534,079</u>	<u>163,832</u>	<u>102,745</u>	<u>80,575</u>	<u>317,656</u>	<u>127,000</u>
Total governmental activities program revenues	2,382,348	1,223,850	1,184,182	1,097,163	3,293,912	930,689	748,500	651,749	935,006	674,632
Business-type activities:										
Charges for services:										
Water	889,344	905,418	989,853	829,194	986,824	954,185	964,856	948,461	879,131	855,313
Waste water management	1,056,848	946,043	811,867	778,319	803,723	826,863	792,362	794,649	806,338	870,112
Solid waste management	<u>834,709</u>	<u>818,764</u>	<u>792,796</u>	<u>770,832</u>	<u>725,643</u>	<u>720,799</u>	<u>720,268</u>	<u>671,744</u>	<u>670,546</u>	<u>646,824</u>
Total business-type activities revenues	<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>	<u>2,356,015</u>	<u>2,372,249</u>
Total primary government program revenues	<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>	<u>\$ 3,291,021</u>	<u>\$ 3,046,881</u>
<b>NET (EXPENSE) REVENUE</b>										
Governmental activities	\$ (5,097,403)	\$ (5,459,527)	\$ (3,571,117)	\$ (5,200,924)	\$ (2,646,161)	\$ (3,850,822)	\$ (3,936,630)	\$ (3,656,318)	\$ (3,192,429)	\$ (2,871,664)
Business-type activities	<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>	<u>(148,508)</u>	<u>(1,097,398)</u>
Total primary government net expense	<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>	<u>\$ (3,340,937)</u>	<u>\$ (3,969,062)</u>

TOWN OF BELLEAIR, FLORIDA

CHANGE IN NET POSITION (CONTINUED)

LAST TEN FISCAL YEARS

(accrual basis of accounting)

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Governmental Activities:										
Taxes:										
Property taxes	\$ 3,341,656	\$ 3,427,519	\$ 3,097,480	\$ 3,114,150	\$ 3,448,485	\$ 3,426,619	\$ 3,599,002	\$ 3,093,832	\$ 2,728,143	\$ 2,483,582
Utility taxes	547,536	-	-	-	-	-	34,699	348,180	320,261	312,579
Franchise fees	359,533	372,119	401,711	436,393	438,850	401,851	411,183	67,866	23,728	234,354
Intergovernmental revenues:										
Infrastructure sale surtax	330,116	312,431	295,159	305,641	355,186	395,810	410,122	430,999	387,885	367,300
Sales taxes	214,026	213,743	204,003	198,117	198,650	235,242	222,439	246,400	249,764	251,272
Communications service tax	201,448	205,018	198,023	202,368	237,782	224,192	207,663	198,808	195,761	190,278
Other taxes	57,738	56,922	57,961	59,260	58,694	62,393	52,932	53,702	47,423	48,671
State revenue sharing	88,164	86,813	86,232	85,640	85,290	94,298	100,959	109,340	102,403	73,609
Investment earnings	9,713	14,704	21,001	19,669	63,857	232,747	405,157	304,726	182,920	73,229
Miscellaneous	3,714,808	129,120	120,188	104,794	67,938	16,195	70,032	11,779	64,496	14,780
Gain on sale of capital assets	-	-	-	-	-	3,395	684	120	-	-
Transfers	81,300	49,500	(18,500)	(368,100)	367,730	33,900	(27,100)	48,000	44,000	(49,100)
Lawsuit, Settlement	-	-	-	-	-	-	-	750,000	-	-
Total governmental activities	<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>	<u>4,346,784</u>	<u>4,000,554</u>
Business-type activities:										
Capital contributions	925	1,957	3,988	-	2,345	4,325	7,280	5,575	1,480	3,740
Investment earnings	130	99	1,768	10,311	31,912	104,608	191,078	155,153	88,389	41,527
Gain on sale of capital assets	-	-	-	-	-	-	5,760	-	6,353	-
Miscellaneous	9,664	13,626	18,983	3,130	15,173	17,019	25,916	31,746	107,411	50,000
Transfers	(81,300)	(49,500)	18,500	368,100	(367,730)	(33,900)	27,100	(48,000)	(44,000)	49,100
Total business-type activities	<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>	<u>159,633</u>	<u>144,367</u>
Total primary government	<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>	<u>\$ 4,506,417</u>	<u>\$ 4,144,921</u>
CHANGE IN NET POSITION										
Governmental activities	\$ 3,848,635	\$ (591,638)	\$ 892,141	\$ (1,042,992)	\$ 2,676,301	\$ 1,275,820	\$ 1,551,142	\$ 2,007,434	\$ 1,154,355	\$ 1,128,890
Business-type activities	<u>(444,060)</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>	<u>(953,031)</u>
Total primary government	<u>\$ 3,404,575</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>	<u>\$ 175,859</u>

TOWN OF BELLEAIR, FLORIDA

PROGRAM REVENUES BY FUNCTIONS/PROGRAM

LAST TEN FISCAL YEARS

(accrual basis of accounting)

	PROGRAM REVENUES									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<u>FUNCTIONS/PROGRAMS</u>										
Governmental Activities:										
General government	\$ 693,805	\$ 864,629	\$ 430,752	\$ 457,775	\$ 362,674	\$ 426,495	\$ 472,487	\$ 467,305	\$ 348,899	\$ 298,382
Public safety	8,093	13,659	197,073	170,508	106,999	110,808	16,163	43,549	113,406	106,280
Physical environment	-	-	-	-	-	-	1,120	1,120	26,518	12,346
Transportation	-	-	72,704	72,704	43,392	23,354	22,163	22,163	40,834	83,956
Culture and recreation	1,651,923	316,202	479,188	395,636	246,768	206,200	236,567	117,612	405,349	173,668
Subtotal governmental activities	<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>	<u>935,006</u>	<u>674,632</u>
Business-type activities:										
Water	889,344	905,418	989,853	829,194	986,824	954,185	964,856	948,461	879,131	855,313
Waste water management	1,056,848	946,043	811,867	778,319	803,723	826,863	792,362	794,649	806,338	870,112
Solid waste management	834,709	818,764	792,796	770,832	725,643	720,799	720,268	671,744	670,546	646,824
Subtotal business-type activities	<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>	<u>2,356,015</u>	<u>2,372,249</u>
Total primary government	<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>	<u>\$ 3,291,021</u>	<u>\$ 3,046,881</u>

TOWN OF BELLEAIR, FLORIDA

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General Fund:										
Assigned	\$ 101,510	\$ 93,173	\$ 107,113	\$ 20,211	\$ 966,411	\$ 896,082	\$ 919,832	\$ 878,907	\$ 848,246	\$ 820,112
Unassigned	<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>	<u>2,164,942</u>	<u>2,600,416</u>
Total general fund	<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>	<u>\$ 3,013,188</u>	<u>\$ 3,420,528</u>
All Other Governmental Funds:										
Restricted, reported in:										
Capital projects fund	\$ 5,981,668	\$ 6,356,164	\$ 4,860,157	\$ 5,326,735	\$ 4,395,745	\$ 4,504,934	\$ 3,876,735	\$ 1,894,861	\$ 4,293,402	\$ 2,793,722
Special revenue funds	<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>	<u>267,528</u>	<u>231,417</u>
Total all other governmental funds	<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>	<u>\$ 4,560,930</u>	<u>\$ 3,025,139</u>

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>REVENUES</b>										
Taxes	\$ 3,341,656	\$ 3,427,519	\$ 3,097,480	\$ 3,114,150	\$ 3,448,485	\$ 3,426,619	\$ 3,599,002	\$ 3,093,832	\$ 2,728,143	\$ 2,483,582
Utility taxes	547,536	-	-	-	-	-	34,699	348,180	320,261	312,579
Franchise fees	359,533	372,119	401,711	436,393	438,850	401,851	411,183	67,866	23,728	234,354
Licenses, fees and permits	208,161	232,258	234,098	303,606	272,733	325,853	205,706	230,182	276,377	241,269
Intergovernmental	915,803	899,012	839,415	844,344	935,577	1,011,936	991,670	1,040,249	1,036,119	931,130
Charges for services	2,142,641	955,660	912,815	786,853	460,481	432,463	425,383	293,553	320,091	269,207
Fines and forfeits	3,019	6,573	32,804	6,163	8,254	8,542	14,668	23,687	15,059	34,989
Contributions and donations	3,630,924	28,179	29,065	72,805	90,439	163,832	101,745	79,575	171,816	127,000
Interest earnings	9,713	14,704	21,001	19,669	78,836	247,150	405,157	318,054	195,727	85,527
Resource management fees	-	-	2,382	2,579	-	-	3,445	1,589	2,580	2,167
Miscellaneous	84,320	66,814	95,169	36,633	71,968	16,192	70,032	33,942	14,693	14,780
Total revenues	11,243,306	6,002,838	5,665,940	5,623,195	5,805,623	6,034,438	6,262,690	5,530,709	5,250,594	4,736,584
<b>EXPENDITURES</b>										
General government	1,822,605	1,822,411	1,562,911	1,722,371	2,092,080	1,545,964	1,369,451	1,363,178	1,133,106	984,352
Public safety	1,839,766	1,860,604	1,805,437	1,692,031	1,755,475	1,707,072	1,573,869	1,391,192	1,371,725	1,319,614
Physical environment	-	-	-	-	-	-	194,188	201,592	246,309	215,248
Transportation	6,819,411	2,292,156	1,980,596	1,712,324	835,118	406,027	380,419	662,930	580,937	1,470,222
Culture and recreation	5,851,451	1,256,015	693,292	593,142	701,794	735,991	858,480	3,132,634	821,263	378,211
Debt service:										
Interest	190,528	-	-	-	14,979	14,403	13,849	13,317	12,804	12,300
Total expenditures	16,523,761	7,231,186	6,042,236	5,719,868	5,399,446	4,409,457	4,390,256	6,764,843	4,166,144	4,379,947
Excess of revenues over (under) expenditures	(5,280,455)	(1,228,348)	(376,296)	(96,673)	406,177	1,624,981	1,872,434	(1,234,134)	1,084,450	356,637
<b>OTHER FINANCING SOURCES (USES)</b>										
Lawsuit settlement	-	-	-	-	-	-	-	750,000	-	-
Proceeds from debt issuance	5,214,659	35,000	-	-	-	-	-	-	-	-
Proceeds from insurance	3,780	39,401	-	-	-	-	-	-	-	-
Sale of equipment	2,707	5,283	13,075	-	25,003	3,395	684	120	-	10,300
Transfers in	1,150,775	2,188,700	94,300	1,268,165	239,600	212,600	945,100	291,200	1,574,708	554,700
Transfers out	(1,069,475)	(2,139,200)	(112,800)	(1,636,265)	(205,000)	(178,700)	(972,200)	(243,200)	(1,530,708)	(603,800)
Total other financing sources (uses)	5,302,446	129,184	(5,425)	(368,100)	59,603	37,295	(26,416)	798,120	44,000	(38,800)
Net change in fund balances	\$ 21,991	\$ (1,099,164)	\$ (381,721)	\$ (464,773)	\$ 465,780	\$ 1,662,276	\$ 1,846,018	\$ (436,014)	\$ 1,128,450	\$ 317,837
Debt service as a percentage of noncapital expenditures	0.29%	0.00%	0.00%	0.00%	0.28%	0.33%	0.32%	0.28%	0.31%	0.28%

TOWN OF BELLEAIR, FLORIDA

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION  
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Physical Environment</u>	<u>Transportation</u>	<u>Culture and Recreation</u>	<u>Debt Service</u>	<u>Total</u>
2004	\$ 984,352	\$ 1,319,614	\$ 215,248	\$ 1,470,222	\$ 378,211	\$ 12,300	4,379,947
2005	1,133,106	1,371,725	246,309	580,937	821,263	12,804	4,166,144
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

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

<sup>(2)</sup> Includes expenditures for certain general government drainage system improvements.

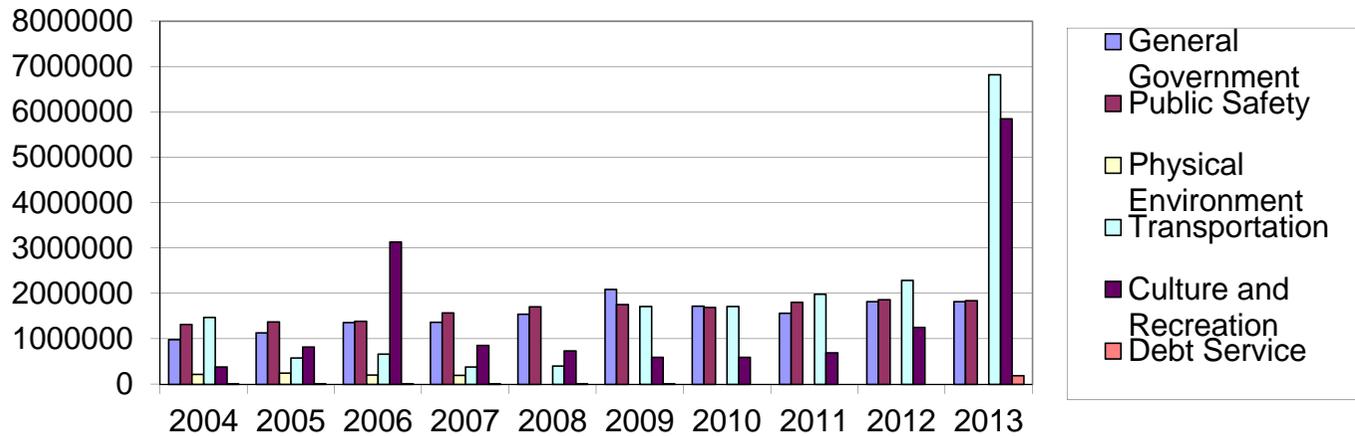
<sup>(3)</sup> Includes an attorney's fee settlement in a lawsuit for \$84,000.

<sup>(4)</sup> Infrastructure expenditures reduced as Phase I of Belleair Creek Project was completed at the beginning of the 1995 fiscal year.

<sup>(5)</sup> Mechanical department services outsourced in 2008.

**TOWN OF BELLEAIR, FLORIDA**

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



TOWN OF BELLEAIR, FLORIDA

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

Fiscal Year	Taxes	License and Permits	Intergovernmental	Charge for Services	Fines	Resource Management Fees	Interest	Contributions and Donations <sup>(3)</sup>	Miscellaneous	Total
2004	\$ 3,030,515	\$ 241,269	\$ 931,130	\$ 269,207	\$ 34,989	\$ 2,167	\$ 85,527	\$ 127,000	\$ 14,780	\$ 4,736,584
2005	3,072,132	276,377	1,036,119	320,091	15,059	2,580	195,727	317,816	14,693	5,250,594
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	#####	84,320	#####

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE<sup>(2,3,5)</sup>  
LAST TEN FISCAL YEARS

Fiscal Year	Property Tax	Utility Tax	Franchise Fees	Total
2004	2,483,582	312,579	234,354 <sup>(5)</sup>	3,030,515
2005	2,728,143	320,261	23,728	3,072,132
2006	3,093,832	348,180	67,866	3,509,878
2007	3,599,002	34,699 <sup>(6)</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

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

<sup>(2)</sup> Includes general fund.

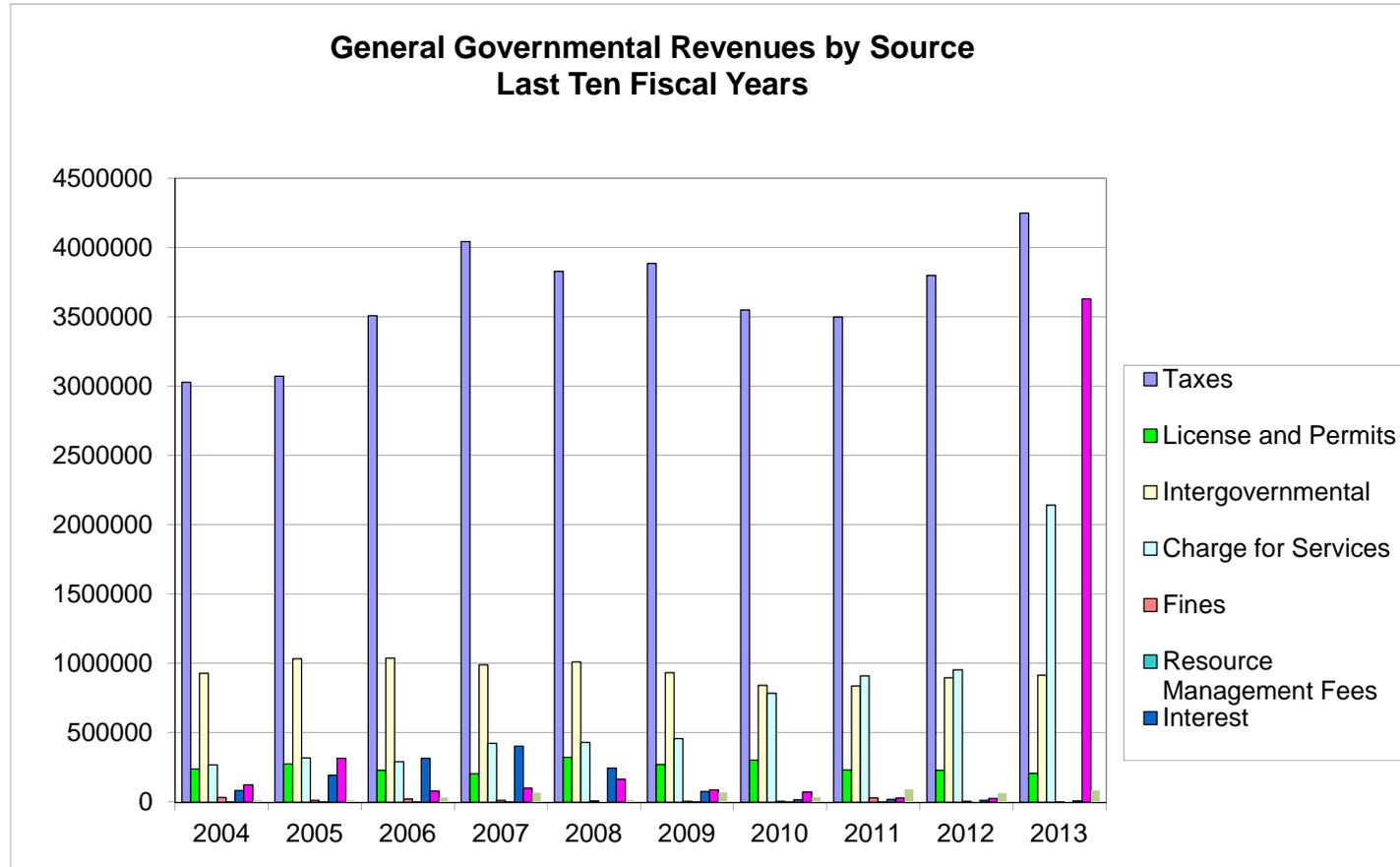
<sup>(3)</sup> Public contributions to community center construction campaign.

<sup>(4)</sup> The town passed an ordinance assessing a utility tax on the electric utility provider during the fiscal year ended September 30, 2003. The franchise fee on that provider expired during this time.

<sup>(5)</sup> Town received withheld franchise fees from Progress Energy.

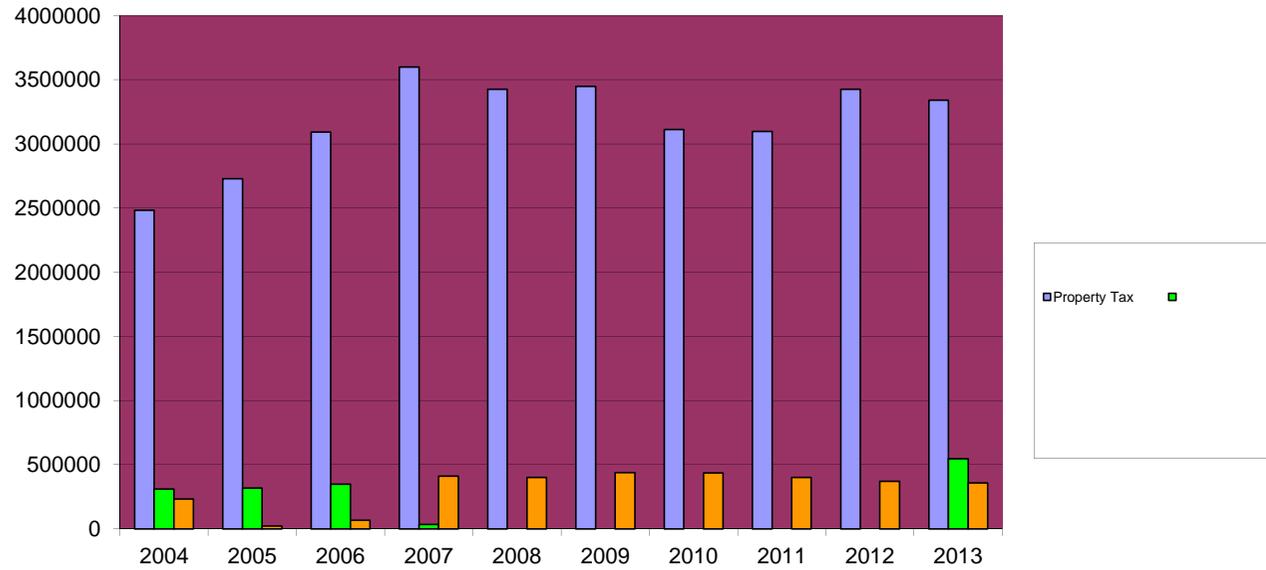
<sup>(6)</sup> Town rescinded the utility tax ordinance effective October 2006.

**TOWN OF BELLEAIR, FLORIDA**



# TOWN OF BELLEAIR, FLORIDA

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



## **REVENUE CAPACITY**

TOWN OF BELLEAIR, FLORIDA

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

Fiscal Year	Assessed Valuations						Total All	Percentage		Total Direct Tax Rate
	Real Property		Personal Property	Total Taxable	Total Exempt	Assessed Values to Estimated Market		Yearly Increases		
	Residential	Commercial						Taxable	Total	
2004	\$ 695,186,700	\$ 34,314,800	\$ 10,465,720	\$ 551,123,640	\$ 188,843,580	\$ 739,967,220	100 %	7.0	8.3	4.6389
2005	797,305,100	38,359,200	10,787,000	608,350,730	238,100,570	846,451,300	100	10.4	14.4	4.6389
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

Source: Pinellas County Property Appraiser.

TOWN OF BELLEAIR, FLORIDA

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Total valuations	\$ 739,967,220	\$ 846,451,300	\$ 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
Real estate exemptions:										
Government exemption	5,531,560	7,708,560	8,259,160	13,059,647	13,002,360	12,702,060	11,947,320	10,926,288	9,948,748	9,917,835
Institutional exemption	6,941,920	7,454,410	7,627,590	8,373,220	8,494,170	8,408,970	9,060,366	8,153,630	7,860,638	7,636,217
Assessment differential (F.S. 193.155) <sup>(3)</sup>	134,220,200	180,338,500	242,471,900	342,770,405	332,272,121	234,646,539	125,508,530	45,255,114	42,150,377	28,561,724
Individual or homestead exemptions	42,149,900	42,599,100	42,602,300	40,200,000	42,515,407	79,592,234	78,186,512	78,914,247	78,141,194	77,141,904
Total exemptions and adjustments	188,843,580	238,100,570	300,960,950	404,403,272	396,284,058	335,349,803	224,702,728	147,729,065	138,100,957	123,257,680
Total taxable valuation	\$ 551,123,640	\$ 608,350,730	\$ 689,353,860	\$ 800,668,388	\$ 839,447,742	\$ 768,079,157	\$ 701,587,679	\$ 621,988,012	\$ 595,307,227	\$ 580,712,681
Millage levied	4.6389	4.6389	4.6389	4.6389	4.2118	4.5605	4.5605	5.1465	5.9432	5.9432
Total taxes levied	\$ 2,556,607	\$ 2,822,078	\$ 3,197,844	\$ 3,714,221	\$ 3,535,586	\$ 3,502,825	\$ 3,199,591	\$ 3,199,377	\$ 3,538,030	\$ 3,451,292
Less: Adjustments and discounts	73,026	93,935	104,012	115,219	108,967	54,340	54,441	101,897	110,511	109,636
Net taxes levied	\$ 2,483,581	\$ 2,728,143	\$ 3,093,832	\$ 3,599,002	\$ 3,426,619	\$ 3,448,485	\$ 3,145,150	\$ 3,097,480	\$ 3,427,519	\$ 3,341,656
Net collected <sup>(1)(2)</sup>	\$ 2,483,581	\$ 2,728,143	\$ 3,093,832	\$ 3,599,002	\$ 3,426,619	\$ 3,448,485	\$ 3,145,150	\$ 3,097,480	\$ 3,427,519	\$ 3,341,656

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>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Town of Belleair:										
Operating	4.6389	4.6389	4.6389	4.6389	4.2118	4.5605	4.5605	5.1465	5.9432	5.9432
Debt service	-	-	-	-	-	-	-	-	-	-
Total Town millage	4.6389	4.6389	4.6389	4.6389	4.2118	4.5605	4.5605	5.1465	5.9432	5.9432
Pinellas County School Board:										
Operating	8.1220	8.1220	8.3900	8.2100	7.7310	8.3460	8.3460	8.3400	8.3850	8.3020
Pinellas County										
Operating	6.1410	6.1410	6.1410	5.4700	4.8730	4.8730	4.8108	4.8730	4.8730	5.0727
Debt service	-	-	-	-	-	-	-	-	-	-
Total County millage	6.1410	6.1410	6.1410	5.4700	4.8730	4.8730	4.8108	4.8730	4.8730	5.0727
County-wide millage set by other taxing authorities:										
-Pinellas Suncoast Transit Authority	0.6377	0.6377	0.6377	0.6074	0.5601	0.5601	0.5601	0.5601	0.7305	0.7305
-Pinellas County Planning Council	0.0220	0.0220	0.0218	0.0195	0.0170	0.0125	0.0125	0.0125	0.0125	0.0125
-Juvenile Welfare Board	0.8117	0.8117	0.8117	0.7963	0.7384	0.7915	0.7915	0.7915	0.8337	0.8981
-South West Florida Water Management District	0.4220	0.4220	0.4220	0.4220	0.3866	0.3866	0.3866	0.3770	0.3928	0.3928
-Pinellas Anclote River Basin	0.4000	0.4000	0.4000	0.4000	0.3701	0.3200	0.3200	0.2600	-	-
-EMS	0.6600	0.6600	0.6600	0.6300	0.5832	0.5832	0.5832	0.5832	0.8506	0.9158
Total County-wide millage	2.9340	2.9514	2.9530	2.8752	2.6554	2.6539	2.6539	2.5843	2.8201	2.9497
TOTAL	\$ 21.8359	\$ 21.8533	\$ 22.1229	\$ 21.1941	\$ 19.4712	\$ 20.4334	\$ 20.3712	\$ 20.9438	\$ 22.0213	\$ 22.2676

Source: Pinellas County Tax Collector

TOWN OF BELLEAIR, FLORIDA

PRINCIPAL PROPERTY TAXPAPERS  
CURRENT YEAR AND SEVEN YEARS AGO

Principal Property Taxpayers	2013				2006		
	Rank	Taxable Assessed Value	Percentage of Total Taxable Assessed Value		Rank	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Belleview Biltmore Owner	1	\$ 7,414,400	1.25 %	Belleview Biltmore Resort, Ltd.	1	\$ 12,292,100	1.78 %
Belleview Biltmoe Country Club	2	6,675,251	1.12	Belleview Country Club	2	9,742,600	1.41
Muma, Leslie M	3	6,106,521	1.03	Bollea, Terry G	3	5,704,800	0.83
St Louis, James	4	5,796,887	0.97	Willadel	4	5,700,600	0.83
Chateau Galinski, LLC	5	5,396,495	0.91	McGill, William H., Jr.	5	5,172,900	0.75
Rinker, Mary E	6	4,198,222	0.71	Doyle, Rosaleen J.	6	3,692,900	0.54
Heye, Hans F	7	3,888,487	0.65	Rinker, Marshall	7	3,610,400	0.52
Doganiero, Philip	8	3,396,520	0.57	Boesch	8	3,470,900	0.50
Thomas, Fred A	9	3,028,087	0.51	Zwan, June	9	3,420,800	0.50
Boesch, Gary	10	<u>2,661,061</u>	0.45	Doyle, Daniel	10	<u>3,362,800</u>	0.49
TOTAL		<u>\$ 48,561,931</u>	8.16 %			<u>\$ 56,170,800</u>	8.15 %

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
2004	\$ 739,967,220	\$ 551,123,640	\$ 2,556,607	\$ 2,459,528	96%	\$ 24,053	2,483,581	97%
2005	846,451,300	608,350,730	2,822,078	2,728,143	97%	-	2,728,143	97%
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%

(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					
2004	\$ -	\$ -	\$ -	\$ -	\$ -	4,379,947	-
2005	-	-	-	-	-	4,166,144	-
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 %

<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
2004	4,067	551,123,640	\$ -	\$ -	\$ -	\$ -	-	\$ -
2005	4,107	608,350,730	-	-	-	-	-	-
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

<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, 2013

	<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</u>	<u>Amount Applicable to Town of Belleair</u>
Direct debt:					
Town of Belleair	\$ -	\$ 5,214,659	5,214,659	100.00 %	\$ 5,214,659.23
Overlapping debt:					
Pinellas County School Board <sup>(1)</sup> Pinellas County, Florida	26,405,350	-	26,405,350	1.07 %	282,537
	<u>-</u>	<u>-</u>	<u>-</u>	<u>#</u>	<u>-</u>
Total Overlapping debt	<u>\$ 26,405,350</u>	<u>\$ 5,214,659</u>	<u>\$ 31,620,009</u>	<u>1.07</u>	<u>\$ 5,497,196</u>
RATIO:					
Overall debt to 2013 taxable value				<u>0.95</u> %	
Overall debt per capita					<u>\$ 1,448.54</u>

(1) The Town's share is calculated based on the ratio of the 2013 County Taxable Value of \$ 54,350,309,869 to the Town's Taxable Value of \$ 580,712,681.

TOWN OF BELLEAIR, FLORIDA

PLEDGED REVENUE COVERAGE  
LAST TEN FISCAL YEARS

Year	Public Service (Electric) Tax <sup>(2)</sup>	Infrastructure Sales Surtax	Stormwater Fee <sup>(3)</sup>	Net Available Revenue	Debt Service		Coverage
					Principal	Interest	
2004	\$ -	\$ 367,300	\$ -	\$ -	\$ -	\$ -	- %
2005	-	387,885	-	387,885	-	-	-
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 %

(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>(1&amp;2)</sup></u>	<u>Per Capita Income<sup>(1)</sup></u>	<u>Median Age<sup>(1)</sup></u>	<u>Unemployment Rate<sup>(5)</sup></u>
2004	4,067 \$		59,164 \$	51.2	4.6
2005	4,107		63,267	51.4	4.6
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

(1) Pinellas County Economic Development City Demographic & Business Summary

(2) New Statistic As of 2013

(3) Data is for Pinellas County. Published by the Bureau of Labor Statistics

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

	2013				2004		
	Number of Employees	Rank	Percentage of Total City Employment		Number of Employees	Rank	Percentage of Total City Employment
Belleview Biltmore Hotel	-	-	0.0 %	Belleview Biltmore Hotel	316	1	37.2 %
Morton Plant Rehabilitation Center	177	1	35.8	Morton Plant Rehabilitation Center	203	2	23.9
Belleair Country Club	160	2	32.4	Belleair Country Club	148	3	17.4
Town of Belleair	61	3	12.3	Town of Belleair	62	4	7.3
Belleview Biltmore Country Club	50	4	10.1	Belleview Biltmore Country Club	54	5	6.4
Biltmore Construction Co.	31	5	6.3	Biltmore Construction Co.	42	6	5.0
Belleair Montessori School	10	6	2.0	Belleair Montessori School	15	7	1.8
Dr. George Paulidaky	<u>5</u>	7	<u>1.0</u>	Carlson Wildwood Florist	<u>9</u>	8	<u>1.1</u>
	<u><u>494</u></u>		<u><u>100 %</u></u>		<u><u>849</u></u>		<u><u>100 %</u></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, 2013

<u>FUNCTION</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>	<u>2005</u>	<u>2004</u>
General Government	14.00	12.00	11.00	10.00	11.00	11.00	11.00	12.00	11.00	11.00
Public Safety:										
Police:										
- Police Officers	14.00	13.00	13.00	13.00	13.00	12.00	12.00	11.00	11.00	11.00
- General employees	1.00	1.00	1.00	1.00	1.00	1.00	1.00	5.50	5.50	5.00
Fire:										
- Firefighters	-	-	-	-	-	-	-	-	-	-
Physical Environment	6.50	6.50	6.00	7.00	7.00	7.00	7.00	6.00	2.50	2.50
Transportation	4.00	3.00	2.00	2.00	3.50	3.50	3.50	2.50	2.50	2.50
Culture and Recreation	5.00	4.50	5.00	5.00	5.00	5.00	5.00	3.00	6.50	6.00
Water	10.00	10.00	10.00	10.00	10.50	9.00	10.00	10.50	8.50	8.50
Wastewater Management	-	-	-	-	-	-	-	-	-	-
Solid Waste Management	6.5	6.00	6.00	6.00	6.00	6.00	6.00	6.50	6.50	7.50
Total	<u>61.00</u>	<u>56.00</u>	<u>54.00</u>	<u>54.00</u>	<u>57.00</u>	<u>54.50</u>	<u>55.50</u>	<u>57.00</u>	<u>54.00</u>	<u>54.00</u>

Source: Town Finance Department

TOWN OF BELLEAIR, FLORIDA

OPERATING INDICATORS BY FUNCTION

LAST TEN FISCAL YEARS

FUNCTION	Fiscal Year Ended September 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Police:										
Physical arrests	56	45	125	146	70	72	70	115	54	52
Parking violations	140	10	12	9	23	1	-	-	1	46
Traffic violations	7	397	397	133	156	328	411	461	1,821	1,721
		194								
Transportation:										
Resurfacing	4.5 miles	0.5	1	-	-	-	-	2	1	1
Pothole repaired	150	~100	240	184	150	110	192	8	10	15
Culture and Recreation:										
Athletic permits issued	832	600	600	600	400	510	480	81	81	78
Water:										
New connections	0	2	2	3	2	8	43	2	-	2
Main breaks	10	12	12	8	11	6	11	7	5	5
Average consumption	681,789	693,150	768,950	692,830	807,000	911,000	895,000	917,412	908,621	918,271
Solid Waste Management:										
Refuse collected tons per/day	7.78	11.83	8.01	10.06	10.75	11.95	11.28	13.67	12.29	14.27
Recyclables collected	0.43	0.80	0.75	0.76	1.14	0.91	0.95	0.81	0.70	0.75

TOWN OF BELLEAIR, FLORIDA

CAPITAL ASSETS STATISTICS

LAST TEN FISCAL YEARS

	Fiscal Year Ended September 30, 2013									
<u>FUNCTION</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>	<u>2005</u>	<u>2004</u>
Public Safety:										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	5	6	6	5	5	4	4	4	4	4
Transportation:										
Streets (Miles)	22	22	22	22	22	22	22	22	22	22
Traffic signs	250	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Culture and Recreation:										
Park acreage	33	33	33	33	33	32	32	32	32	17
Parks	19	19	19	19	19	19	18	17	17	17
Tennis Courts	3	3	3	3	3	4	4	4	4	4
Community Centers	1	1	1	1	1	1	1	1	1	1
Water Mains (Miles)	36	80	80	80	80	80	80	80	80	80
Fire hydrants	135	135	135	135	135	135	135	141	141	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	9	9	10	10	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	
2004	- %	-	16 %	9,480,966	806 %	9,285,718 %	13,847,076
2005	2	2,325,000	12	5,498,784	1,035	13,185,574	13,754,360
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

(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, 2013

Date of Incorporation	1925	Term of Office:
Date First Charter Adopted	1925	Mayor - 3 Years
Date Present Charter Adopted	1970	Commissioners - 3 Years
		Manager - Appointed by Commission
		Average Annual Temperature - 72 degrees
Form of Government: Commission-Manager		Average Annual Rainfall - 50.8 inches
Commission Composed of: Mayor and Four Commissioners		Area - 2.50 square miles

MUNICIPAL UTILITIES, SERVICES AND EVENTS

Police Protection		Parks and Recreation	
Number of Employees	21	Community Centers	1
Number of Vehicular Patrol L	8	Playgrounds	2
Number of Law Violations:		Athletic Fields	2
Physical Arrestss	56	Parkland Acreage	33
Traffic Violations	140	Walking Trails	1
Parking Violations	7	Tennis Courts	3
		Basketball Courts	1
		Restroom Building	1
		Picnic Shelter	1
Sanitation Service System:	1,588	Transporation:	
Number of accounts	3,012	Paved Street	22 miles
Annual tonnage		Stormwater Lines	18 miles
Water System:		Cultural Facilities Available in Belleair and the Tampa Bay Area:	
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	500	Sarasota, Florida	
Christmas Tree Lighting	1000	Ruth Eckerd Hall,	
Easter Egg Hunt	700	Clearwater, Florida	
Arbor Day Celebration	700		
Run for the Rec. 5k race	1000		
Concerts	6,000		

1) Police data is for 2013 calandar year (January 1, 2013 - December 31, 2013)

TOWN OF BELLEAIR, FLORIDA

SCHEDULE OF INSURANCE IN FORCE  
September 30, 2013

Term for all types of coverage listed below is from October 1, 2012 through September 30, 2013.

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 5,700,000 per member	
Travel Accident	ADDN01063091	ACE American Insurance Co.		250,000 max 10,000 medical 5,000,000 Aggregate limit	
Boiler & Machinery	M5J-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	\$ 159,406
**Accidental Death and Dismemberment - Police	ADDN04823138	ACE American Insurance Co.		\$65,000 line of duty and \$165,000 frsh pursuit 195,000 unlawful/ intentional death	<u>1,034</u>
** Paid to Public Risk Management					\$ <u><u>160,440</u></u>

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					
2004	1,525	- <sup>(2)</sup>	1,505	\$ 2,372,249	\$ 2,514,010	\$ (141,761)	\$ (864,110)	(1,005,871)
2005	1,543	-	1,543	1,626,098	1,629,053	1,045	48,310	48,355
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)

<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, 2013

OVERVIEW

The Water Department continued to evaluate the town's water system and treatment alternatives. In conjunction with roadway projects, the department replaced several water lines. These replacements have provided better water quality and flows which in turn helped lower overall demand on the system's pumps. Staff tested well meters for accuracy and repaired any faulty units, accomplishing a more accurate correlation between what was pumped and what was delivered. Repairs and modifications were successfully made to a production well that was having bacteriological issues.

TOWN OF BELLEAIR, FLORIDA

WATER FUND (CONTINUED)

SERVICE EFFORTS AND ACCOMPLISHMENTS  
Years ended September 30, 2013, 2012 and 2011

Inputs	2013	2012	2011
1. Total cost of operations	\$ 1,293,463	\$ 1,166,362	1,173,393
2. Cost per capita	340.83	299.98	303.28
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	2,000	2,000
9. Number of new customers connected	0	2	2
10. Number of breaks, leaks repaired	10	8	148
11. Total gallons pumped, metered and treated	263 Million Gallons	253 Million Gallons	280.7 Million Gallons
12. Percentage of total gallons pumped by user category:			
A. Residential	77%	83%	82%
B. Commercial	6%	2%	7%
C. Used by department	9%	12.0%	8.5%
D. Unaccounted for	8%	3.0%	2.5%
13. Percentage of total gallons pumped that were metered	92%	97%	100%
14. Number of calls about interrupted services	10	0	20

\* Mg = millions of gallons

TOWN OF BELLEAIR, FLORIDA

WATER FUND (CONTINUED)

SERVICE EFFORTS AND ACCOMPLISHMENTS

Years ended September 30, 2013, 2012 and 2011

<u>Outcomes</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
15. Number of main breaks	10	4	12
16. Number of breaks, leaks per mile	0.2	0.1	0.3
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	72	6	113
20. Number of complaints	10	0	9
21. Number of days did not meet federal standards:			
A. Primary - health related	-	-	-
B. Secondary - aesthetic	-	-	-
C. Other	-	-	-
<u>Explanatory</u>			
22. Type of source of water supply and distance to source	Florida Aquifer - All wells within 0.5 miles of plant		
23. Quality of water at intake and treatments	Water quality is to specifications for the area of the Southwest Florida Water Management District		
24. Average daily demands	681,789 gal.	693,150 gal.	768,950 gal.

TOWN OF BELLEAIR, FLORIDA

WATER FUND (CONTINUED)

SERVICE EFFORTS AND ACCOMPLISHMENTS  
Years ended September 30, 2013

Pending Information				
Explanatory (Continued)	2013	2012	2011	
25. Billing rates				
A. Residential				
Base	\$20.04	\$20.04	\$20.04	
9,000 - 36,000 gallons	\$3.04	\$3.04	\$3.04	
36,001 - 60,000 gallons	\$5.06	\$5.06	\$5.06	
60,001 - 100,000 gallons	\$6.73	\$6.73	\$6.73	
100,001 - 150,000 gallons	\$8.95	\$8.95	\$8.95	
Over 150,001 gallons	\$11.91	\$11.91	\$11.91	
26. Total revenue from customer billing/total cost	70%	85%	85%	
27. Population served <sup>(1)</sup>	3,795	4,120	3,869	
28. Square miles served	2.0	2.0	2.0	
29. Maximum daily demand	899	1,030	1,217	
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	1.9/2.2	

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, 2013

OVERVIEW

The department contracted the professional services of Kessler Consulting, Inc. to conduct a comprehensive assessment of the solid waste operations. The town is delaying any new capital purchases in the solid waste department while it reassesses current service delivery methods and considers opportunities for enhancement of the fund. In addition, the town continued to contract recycling services with the City of Clearwater and agreed to partake in Clearwater's single stream recycling program. In order to partake in the new single stream recycling program, the town purchased new Toter cans for every resident.

TOWN OF BELLEAIR, FLORIDA

SOLID WASTE MANAGEMENT FUND (CONTINUED)

SERVICE EFFORTS AND ACCOMPLISHMENTS  
Years ended September 30, 2013, 2012 and 2011

<u>Inputs</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
1. Number of personnel	6	6	6
2. Number of vehicles	9	9	8
<u>Outputs</u>			
3. Number of customers served	3,795	3,877	3,869
4. Tons of waste collected	2,998	3,089	3,110
<u>Outcomes</u>			
5. Number of customer complaints	24	24	9
6. Percentage of collection missed	<1%	<1%	<1%
<u>Efficiency</u>			
7. Cost per tone of solid waste collected	\$287.22	\$259.31	\$225.14
8. Cost per customer served	\$226.90	\$206.61	\$205.09
9. Tons of solid waste collected per employee	499.68	514.83	518.33
10. Frequency of collection	Twice Weekly	Twice Weekly	Twice Weekly
11. Average cost of employees	\$53,839	\$53,839	\$53,839
12. Average crew size on vehicle	2.5	2.5	2.5
13. Percentage of recyclable waste recycled	72%	72%	70%

## **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, 2013

AND

MANAGEMENT LETTER

AND

MANAGEMENT MEMORANDUM  
ON REVIEW OF INTERNAL CONTROL STRUCTURE

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

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

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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, 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, 2013, 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 15, 2014.

**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.

May 15, 2014

**MANAGEMENT LETTER**

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

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The Honorable Mayor  
and Town Commission  
Town of Belleair, Florida

We have audited the financial statements of the Town of Belleair, Florida as of and for the fiscal year ended September 30, 2013 and have issued our report thereon dated May 15, 2014.

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. We have issued our Independent Auditor's Report on Compliance and Internal Control over Financial Reporting. Disclosures in that report, which are dated May 15, 2014, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information which is not included in the aforementioned auditor's reports or schedule:

Those rules (Section 10.554(1)(i)(1)) require that we address in the management letter, if not already addressed in the auditor's report on internal controls and compliance, whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations made on internal control and compliance issues during the preceding annual financial audit.

As required by the Rules of the Auditor General (Section 10.554(1)(i)(2)), the scope of our audit included a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Town complied with Section 218.415, Florida Statutes.

The Honorable Mayor  
and Town Commission  
Town of Belleair, Florida

As required by the Rules of the Auditor General (Section 10.554(1)(i)(3)), the scope of our audit included a review of possible recommendations to improve the local government entity's financial management. In connection with our audit we did not have any such recommendations.

The Rules of the Auditor General (Section 10.554(1)(i)(4)) requires address violations of provisions of contracts or grant agreements, or abuse, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. Note: Fraud, noncompliance with provisions of laws or regulations and contracts or grant agreements, or abuse that does not warrant the attention of those charged with governance or internal control deficiencies that are not material weaknesses or significant deficiencies may be reported in the management letter based on professional judgment. In connection with our audit, we did not have any findings which warranted the attention of those charged with governance.

The Rules of the Auditor General (Section 10.554(1)(i)(5)) requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity as defined in publications cited in Rule 10.553 unless disclosed in the notes to the financial statements. Legal authority includes the general law, special acts, ordinances, resolutions, or other means by which the local government entity was created and is governed. This disclosure has been included in the Town's Comprehensive Annual Financial Report for the fiscal year ended September 30, 2013.

The Rules of the Auditor General (Section 10.554(1)(i)6(a) requires that the auditor state whether or not the governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes and identify the specific condition or conditions met. During the course of our audit of the Town's financial statements for the fiscal year ended September 30, 2013, we found that the Town did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

The Rules of the Auditor General (Section 10.554(1)(i)6(b) requires a statement as to whether or not the financial report 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 current audit period. We determined that the Comprehensive Annual Financial Report for the Town for the fiscal year ended September 30, 2013 is in agreement with the annual financial report filed with the Florida Department of Financial Services for the fiscal year ended September 30, 2013.

The Honorable Mayor  
and Town Commission  
Town of Belleair, Florida

The Rules of the Auditor General (Section 10.554(1)(i)6(c) and 10.556(7)) requires that we apply financial condition assessment procedures. It is management's responsibility to monitor the Town'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 them.

Rules of the Auditor General (Section 10.554(1)(i)6(e)) requires for funds received or expended related to the Deepwater Horizon oil spill, that are not Federal awards audited as major programs or State financial assistance audited as major projects, a statement as to whether or not the local governmental entity complied with State and Federal laws, rules, regulations, contracts, or grant agreements governing the receipt and expenditures of those funds. Funds related to the Deepwater Horizon oil spill may include, but are not limited to, funds received pursuant to Section 288.84, Florida Statutes; Public Law 112-141 (33 U.S.C.A. as 1321(t); State or local grants; and moneys received directly from British Petroleum. The Town has complied with Stated and Federal laws, rules, regulations, contracts, or grant agreements governing the receipt and expenditure of those funds.

Pursuant to Chapter 119, Florida Statutes, this management letter is public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of management, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

May 15, 2014

**MEMORANDUM ON REVIEW  
OF INTERNAL CONTROL STRUCTURE**

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

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May 15, 2014

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, 2013, and have issued our report thereon dated May 14, 2014.

We have issued our Report on Compliance and Internal Accounting Controls in Accordance with *Government Auditing Standards* dated May 15, 2014 . 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.

2012-2013

2013-1      ???

2011-2012

2012-1      Implementation of GASB Statement 63

**2012-2013**

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## **2011-2012**

### **2012-1 Implementation of GASB Statement 63**

Statement 63 “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, And Net Position” is effective for the fiscal year ended September 30, 2013. This GASB will have a significant effect on the Comprehensive Annual Financial Report that will be issued next year. The Town’s Commission needs to become familiar with the new standards prior to the implementation date.

\* \* \* \* \*

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**

Reserved for response.