

TOWN OF BELLEAIR, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2022

Prepared by:
Department of Finance



I. INTRODUCTORY SECTION



TOWN OF BELLEAIR, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2022

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September 22, 2023

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 annual comprehensive financial report of the Town of Belleair, Florida for the fiscal year ended September 30, 2022.

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

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

The Town of Belleair, Florida's financial statements have been audited by Saltmarsh, Cleaveland & Gund, P.A., 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, 2022, 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, as well as evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of Belleair, Florida's financial statements for the fiscal year ended September 30, 2022, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Profile of the Government

The Town of Belleair, Florida was incorporated in 1925, and was chartered under Chapter 10335, Special Laws of Florida, with a Mayor form of government. The Town of Belleair, Florida currently occupies a land area of 2.5 square miles and serves a population of 4,097 according to the U.S. Census Bureau. The Town of Belleair, Florida is empowered to levy a property tax on both real and personal properties located within its boundaries.

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

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

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

In May, budget requests are submitted to the Town manager, who uses these requests as the starting point for developing a proposed budget. The Town manager then presents this proposed budget to the commission for review before July 31st. The commission is required to hold public hearings on the proposed budget and to adopt a final budget by no later than September 30, the close of the Town of Belleair, Florida's fiscal year. The appropriated budget is prepared by fund (e.g., general), and department (e.g., recreation). Department heads may request transfers of appropriations within a department. Transfers of appropriations between departments, however, require the special approval of the Town Commission. Budget-to-actual comparisons are provided in this report for each governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented on page 26 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 of Belleair is largely a residential community, with only a few businesses operating within its boundaries. There are three 18-hole golf courses within the town limits as well. Major industries with headquarters or divisions located within or near the government's boundaries include: computer hardware, software manufacturers, electrical controls, and several financial and insurance institutions. The unemployment rate in the Tampa-St. Petersburg metro area averaged 2.6% in the fiscal year 2021-2022, and the real estate market continues to do well in Belleair. The Property values increased by 13.9% in 2022, and building permit revenues have trended upwards. Pinellas County has a population base of approximately one million people, making it the most densely populated county in the state of Florida. The Town serves as a premier residential community for nearby business centers in the Tampa Bay region.

Long-term financial planning. The Town of Belleair has long-range plans for infrastructure improvements (streets, drainage, and water system). The town's long-range capital improvement plan has several roadways and drainage improvements scheduled over the next five years. The Indian Rocks Road Roadway Drainage and Pedestrian Improvement Project is estimated to be completed in Fiscal Year 2026-27, and consists of three phases, of which the southern segment will be the first phase, followed by the northern segment, while the middle segment will come last. Additional planned capital projects are drainage, roadway, sidewalk and lighting improvements for Carl Avenue and Shirley Avenue. Renovations are planned for Wildwood and South Magnolia Parks, as well as Rex Beach Park.

The Town has a variety of revenue streams dedicated to capital improvements, including a stormwater fee, the "Penny for Pinellas" discretionary sales surtax, and a dedicated millage levy. While these revenues help to fund projects within town limits, they also fund the debt service fund.

The Commission agreed to purchase Tampa Bay Water from Pinellas County on a wholesale basis. Funding for the two interconnects will come from the Water Fund. Upon completion of the interconnects, the Department of Environmental Protection Consent Order is anticipated to terminate. Because the wholesale rate will necessitate a retail water rate increase, staff will continue to research cost effective ways to treat its own well production, as well as possible expansion of the use of reclaimed water to replace the use of potable water for irrigating certain large properties.

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

In conjunction with the review of revenues, the Town calculates the full direct cost of activities supported by user fees and considers such information while establishing rates and other charges for services. Similarly, the Town's budgets are prepared using the prior year's expenses, while considering potential increases in the cost of goods and services, as well as efficient reductions based on needs. The Town is legally mandated to have a balanced budget in all funds.

At the close of 2021-22, the unassigned fund balance in the General Fund was forty-five percent of operating expenditures. To the extent that unreserved, undesignated fund balance exceeds twenty percent, the town may draw upon the fund balance to provide funding for capital projects or provide funding for nonrecurring expenses.

In two of the proprietary funds (solid waste, and wastewater funds) the budgeted unreserved, undesignated, cash reserve is set at \$250,000. In the Water Fund cash reserve is set at \$450,000. The Water Fund maintains an unrestricted fund balance of \$3,308,015. Meanwhile, Solid Waste holds an unrestricted fund balance of \$974,912. The Wastewater Fund has an unrestricted fund balance of \$363,384. All enterprise funds have sufficient fund balance to meet financial obligations at their present levels of service.

Risk management. By being a member of the Public Risk Management (PRM) pool, the Town has been able to contain its costs by spreading the risk amongst all other members of the pool; increases or decreases are resultant as a function of a deviation factor for losses of the pool. Annually, the town evaluates its risk in a variety of areas including workers' compensation and potential natural disasters. The town in collaboration with PRM 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. The continuing challenges in the insurance market, including declared natural disasters, have led to increases in all premiums. This raises the likelihood of cost increases for the town and the pool as a whole.

Respectfully submitted,

A handwritten signature in blue ink that reads "Gay Lancaster". The signature is written in a cursive style with a large, looping initial "G".

Gay Lancaster
Town Manager
Town of Belleair

TOWN OF BELLEAIR, FLORIDA

ORGANIZATIONAL CHART





TOWN OF BELLEAIR, FLORIDA
COMMISSION – MANAGER FORM OF
GOVERNMENT

TOWN COMMISSION

Michael Wilkinson
Tom Kurey
Tom Shelley
Coleen Chaney
Thomas Nessler

Mayor
Commissioner/ Deputy Mayor
Commissioner
Commissioner
Commissioner

TOWN PERSONNEL

Gay Lancaster
Christina R. Porter
Christine Nicole

Town Manager
Director of Finance
Town Clerk



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor
and Town Commission
Town of Belleair, Florida

Report on the Audit of the Financial Statements

Opinions

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 the Town of Belleair, Florida (the "Town") as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, the budgetary comparisons for the general fund, and the aggregate remaining fund information of the Town as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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.

The Honorable Mayor
and Town Commission
Town of Belleair, Florida

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

The Honorable Mayor
and Town Commission
Town of Belleair, Florida

Required Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2023, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



Tampa, Florida
September 22, 2023



**TOWN OF BELLEAIR, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022**

This narrative overview and analysis of the Town of Belleair's financial statements for the fiscal year-ended September 30, 2022, 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 v of this report.

FINANCIAL HIGHLIGHTS

- The Town's assets and deferred outflows exceed its liabilities and deferred inflows (net position) at the close of this fiscal year by \$45,000,534 (\$42,925,937 in 2021), which is an increase from the prior year of \$2,074,597 as opposed to 2021 where there was a decrease in net position of \$1,441,477.
- Unrestricted net position totals \$7,669,813 and may be used to meet the government's ongoing obligations to citizens and creditors.
- Governmental general revenue and transfers totaled \$8,510,393 compared to \$6,637,874 in 2021, or a \$1,872,519 (28.2%) increase over the prior year.
- The business-type activities program revenue totaled \$4,613,833 as compared to \$4,206,939 in 2021, or a \$406,894 increase over the prior year; program expenses totaled \$4,301,112 as compared to \$4,156,579 in 2021 or a \$144,533 or a (3.5%) increase over the prior year. Including transfers, the result produced an increase in business-type net position of \$428,022 as compared to an increase in business-type net position of \$872,009 in 2021.
- As of the close of the fiscal year, the Town's governmental activities reported a combined ending net position of \$36,706,799 as compared to \$35,060,224 in 2021, an increase of \$1,646,575 in comparison with the prior year. Within the governmental net position, \$3,023,502 was unrestricted.
- During the current fiscal year, there was a \$1,646,575 addition in net position for governmental activities and a \$428,022 addition in net position for business activities.

**TOWN OF BELLEAIR, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022**

OVERVIEW OF FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

The *statement of net position* presents information on all of the Town of Belleair's assets, deferred outflows, liabilities and deferred inflows. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town of Belleair is improving or deteriorating. The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Accordingly, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Town 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 include general government, public safety, transportation, and culture and recreation. The business-type activities of the Town include the Water, Solid Waste and Wastewater Management Funds.

The government-wide financial statements can be found beginning on page 22 of this report.

Fund Financial Statements

Governmental Funds

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

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*.

**TOWN OF BELLEAIR, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022**

The Town maintains ten 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, the Infrastructure Fund, the Tree Replacement Fund and the American Rescue Plan Fund 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 the non-major governmental funds is provided in the form of *combining statements* following beginning on page 77 of the report.

The Town adopts an annual appropriated budget for its General Fund. A budgetary comparison statement, page 28 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 24 of this report.

Proprietary funds

The Town's **Proprietary Funds** include three enterprise funds: Water, Solid Waste and Wastewater. These funds report the same functions and use the same basis of accounting as the business-type activities presented in the government-wide financial statements. Proprietary fund statements are located on pages 29-31.

Fiduciary Funds

Fiduciary Funds are those which are unavailable to support the Town's operations and are held in a trustee or agency capacity. The Town's fiduciary funds include the Police Pension Fund, beginning on page 32.

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 34-70 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information related to funding pension obligations and other post-employment benefits (OPEB). The required supplementary information can be found beginning on page 71.

Combining statements referred to earlier in connection with non-major governmental funds and enterprise funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 77 through 82.

**TOWN OF BELLEAIR, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022**

Government-wide Financial Analysis

The Town of Belleair as a Whole

The Statement of Net Position looks at the Town as a whole. The following provided a summary of the Town's net position for 2022 as compared to 2021.

Town of Belleair, Florida's Net Position

	Governmental Activities		Business Type Activities		Total	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Assets						
Current and other assets	\$ 15,828,288	\$ 12,729,438	\$ 5,024,184	\$ 4,657,671	\$ 20,852,472	\$ 17,387,109
Capital Assets, net	35,476,575	35,437,260	3,647,424	3,494,002	39,123,999	38,931,262
Total Assets	<u>51,304,863</u>	<u>48,166,698</u>	<u>8,671,608</u>	<u>8,151,673</u>	<u>59,976,471</u>	<u>56,318,371</u>
Deferred Outflows of Resources						
Deferred Outflows of Resources	982,004	28,619	-	-	982,004	28,619
Total Assets and Deferred Outflows of Resources	<u>\$ 52,286,867</u>	<u>\$ 48,195,317</u>	<u>\$ 8,671,608</u>	<u>\$ 8,151,673</u>	<u>\$ 60,958,475</u>	<u>\$ 56,346,990</u>
Liabilities						
Current and other liabilities	\$ 2,752,098	\$ 1,124,223	\$ 264,248	\$ 229,481	\$ 3,016,346	\$ 1,353,704
Long Term Liabilities	12,288,756	11,576,536	113,625	56,479	12,402,381	11,633,015
Total Liabilities	<u>15,040,854</u>	<u>12,700,759</u>	<u>377,873</u>	<u>285,960</u>	<u>15,418,727</u>	<u>12,986,719</u>
Deferred Inflows of Resources						
Deferred Amount - Pension	57,703	434,334	-	-	57,703	434,334
Deferred Amount - Leases	481,511				481,511	-
Total Deferred Inflows of Resources	<u>539,214</u>	<u>434,334</u>	<u>-</u>	<u>-</u>	<u>539,214</u>	<u>434,334</u>
Net Position						
Net Investment in Capital Assets	24,933,089	24,126,814	3,647,424	3,494,002	28,580,513	27,620,816
Restricted	8,750,208	9,904,918	-	-	8,750,208	9,904,918
Unrestricted	3,023,502	1,028,492	4,646,311	4,371,711	7,669,813	5,400,203
Total Net Position	<u>36,706,799</u>	<u>35,060,224</u>	<u>8,293,735</u>	<u>7,865,713</u>	<u>45,000,534</u>	<u>42,925,937</u>
Total Liabilities and Deferred Inflows of Resources and Net Position	<u>\$ 52,286,867</u>	<u>\$ 48,195,317</u>	<u>\$ 8,671,608</u>	<u>\$ 8,151,673</u>	<u>\$ 60,958,475</u>	<u>\$ 56,346,990</u>

TOWN OF BELLEAIR, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022

Net position may serve over time as a useful indicator of a government's financial condition. The Town's assets and deferred outflows exceeded its liabilities and deferred inflows by \$45,000,534 at the close of fiscal year 2022, an increase of \$2,074,597 from the prior year.

By far the largest portion of the Town of Belleair's assets (63.5 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide service to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town of Belleair's net position (21.2 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of the *unrestricted portion of the net position* is \$7,669,813 and may be used to meet the government's ongoing obligations to citizens and creditors.

As was the case in the prior year, the Town is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its governmental and business-type activities.

Governmental activities total net position increased by \$1,646,575 during 2022 as compared to a decrease in total net position of \$2,313,486 during the prior fiscal year. The increase relates to revenues of \$12,183,475 (\$9,910,387 in 2021) over expenses of \$10,536,900 (\$11,437,939 in 2021). All revenue categories increased in 2022.

Total expenses decreased from 2021 primarily due to a decrease of one-time economic recovery spending that occurred in the prior year.

Business-type activities total net position increased by \$428,022 in the current fiscal year as compared to an increase of \$872,009 during 2021. The decrease is mainly due to the absence of transfers from the governmental activities to the business-type activities.

**TOWN OF BELLEAIR, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022**

The Town's operations for the past two fiscal year are summarized as follows:

Town of Belleair, Florida's Statement of Activities

	Governmental Activities		Business Type Activities		Total	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Program Revenues:						
Charges for Services	\$ 2,337,064	\$ 2,253,232	\$ 4,613,833	\$ 4,206,939	\$ 6,950,897	\$ 6,460,171
Capital Grants and Contributions	1,336,018	233,347	-	22,616	1,336,018	255,963
Total Program Revenues	<u>3,673,082</u>	<u>2,486,579</u>	<u>4,613,833</u>	<u>4,229,555</u>	<u>8,286,915</u>	<u>6,716,134</u>
General Revenue:						
Taxes	8,196,576	7,370,367	-	-	8,196,576	7,370,367
Other	313,817	53,441	115,301	13,099	429,118	66,540
Total General Revenues	<u>8,510,393</u>	<u>7,423,808</u>	<u>115,301</u>	<u>13,099</u>	<u>8,625,694</u>	<u>7,436,907</u>
Total Revenues	<u>12,183,475</u>	<u>9,910,387</u>	<u>4,729,134</u>	<u>4,242,654</u>	<u>16,912,609</u>	<u>14,153,041</u>
Expenditures:						
General Government	3,704,759	5,562,551	-	-	3,704,759	5,562,551
Public Safety	2,048,731	697,275	-	-	2,048,731	697,275
Transportation	3,620,475	4,196,499	-	-	3,620,475	4,196,499
Culture and Recreation	878,763	691,637	-	-	878,763	691,637
Interest on Long Term Debt	284,172	289,977	-	-	284,172	289,977
Water	-	-	1,711,020	1,754,110	1,711,020	1,754,110
Solid Waste	-	-	1,033,233	994,930	1,033,233	994,930
Wastewater Management	-	-	1,556,859	1,407,539	1,556,859	1,407,539
Total Expenditures	<u>10,536,900</u>	<u>11,437,939</u>	<u>4,301,112</u>	<u>4,156,579</u>	<u>14,838,012</u>	<u>15,594,518</u>
Increase (Decrease) in Net Position before Transfers	1,646,575	(1,527,552)	428,022	86,075	2,074,597	(1,441,477)
Transfers	-	(785,934)	-	785,934	-	-
Increase (Decrease) in Net Position	1,646,575	(2,313,486)	428,022	872,009	2,074,597	(1,441,477)
Net Position, Beginning	35,060,224	37,373,710	7,865,713	6,993,704	42,925,937	44,367,414
Net Position, Ending	<u>\$ 36,706,799</u>	<u>\$ 35,060,224</u>	<u>\$ 8,293,735</u>	<u>\$ 7,865,713</u>	<u>\$ 45,000,534</u>	<u>\$ 42,925,937</u>

**TOWN OF BELLEAIR, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022**

The following items contributed favorably to the change in net position:

- **General revenue:** The Town maintains a strong base of general revenues, which was bolstered by property values and sales tax. Property values increased by 8.43%, which when coupled with an unchanged millage rate of 6.5000, generated approximately \$401,815 in new revenue. The inflationary environment throughout much of the economy contributed to increase in sales tax related receipts:

	<u>2021</u>	<u>2022</u>	<u>Change</u>
Sales Taxes:			
Local option gas tax	\$ 51,325	\$ 52,111	1.53%
Half-Cent	296,826	308,674	3.99%
Infrastructure Sales Surtax	497,608	577,292	16.01%
State Revenue Sharing	115,756	146,032	26.16%
	<u>\$ 961,515</u>	<u>\$ 1,084,109</u>	<u>12.75%</u>

- **General government charge for service:** Permit fees revenue increased by \$154,313 mainly due to both the rise in construction costs and new recreation programs implemented to generate additional revenue as the Town continues to return to pre-COVID-19 operations.
- **Capital grants and contributions:** The Town received reimbursements totaling \$1,336,018 from the Southwest Florida Water Management District for the completion of the Pinellas Road Stormwater Project.

Governmental Activities

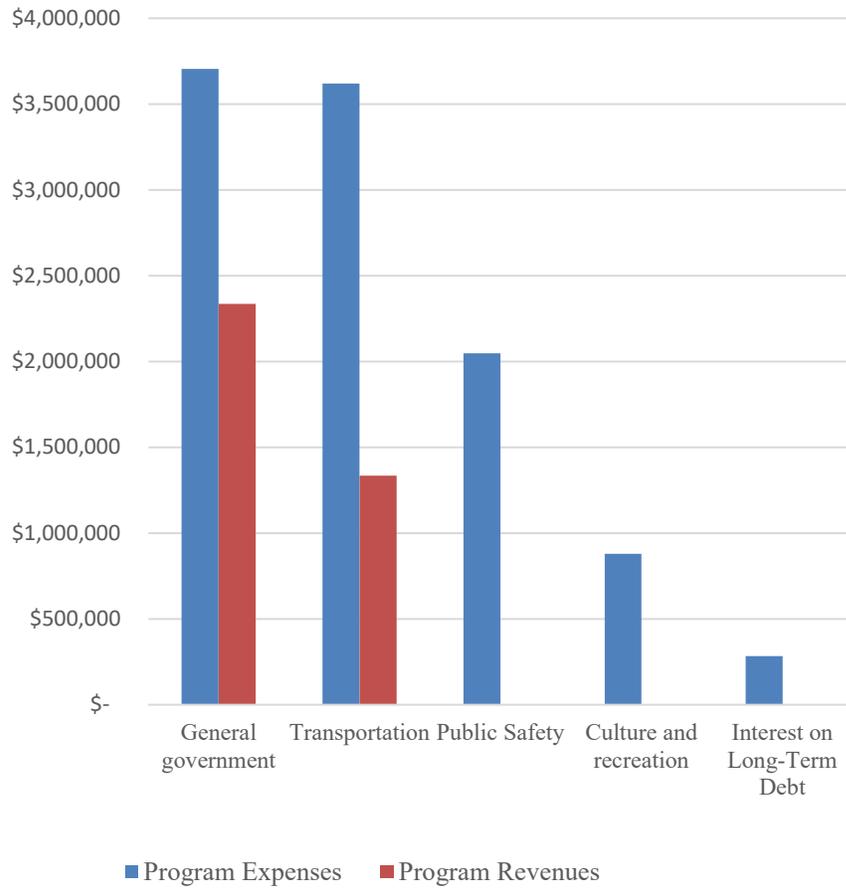
Many of the contributing factors described on pages 8 and 9 were reported in governmental activities. Unlike the Town's business-type activities, governmental activities are not necessarily expected to cover the cost of operations. General revenues (e.g., taxes, franchise fees, intergovernmental sources, etc.) are intended to support traditional public services that typically generate only limited revenue. General revenues totaled \$8,510,393 million, far more than net governmental activity expenses, supported by property and sales taxes highlighted above. As a result, governmental activities increased the Town's net position by \$1,646,575, an increase over last year, due to the elimination of a transfer out to business-type activities totaling \$785,934.

Governmental Activities:

Net Program Expenses	(\$6,863,818)
Plus General Revenues	<u>8,510,393</u>
Change in Net Position	<u><u>\$1,646,575</u></u>

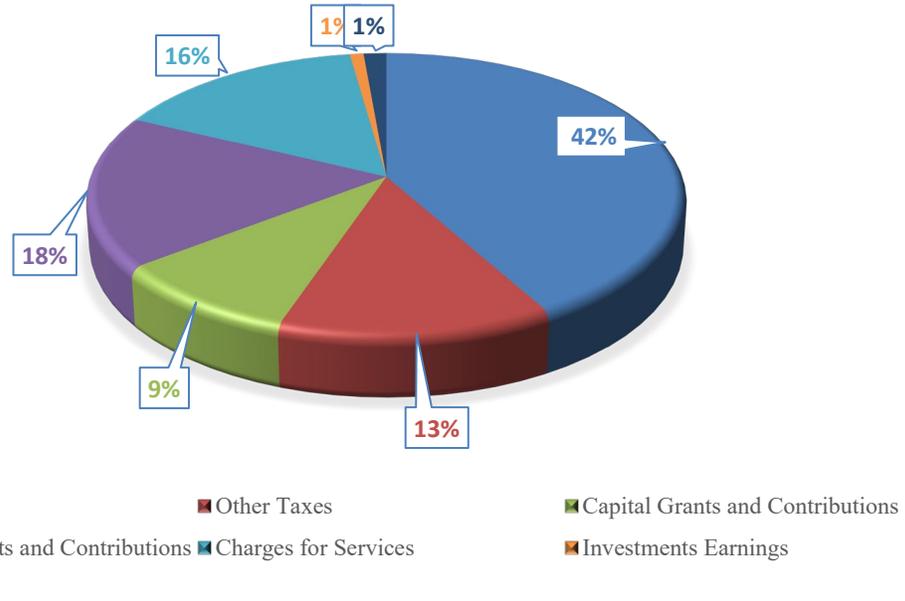
**TOWN OF BELLEAIR, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022**

Governmental Activities: Program Expenses and Revenues



**TOWN OF BELLEAIR, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022**

Governmental Activities: Total Revenues by Source



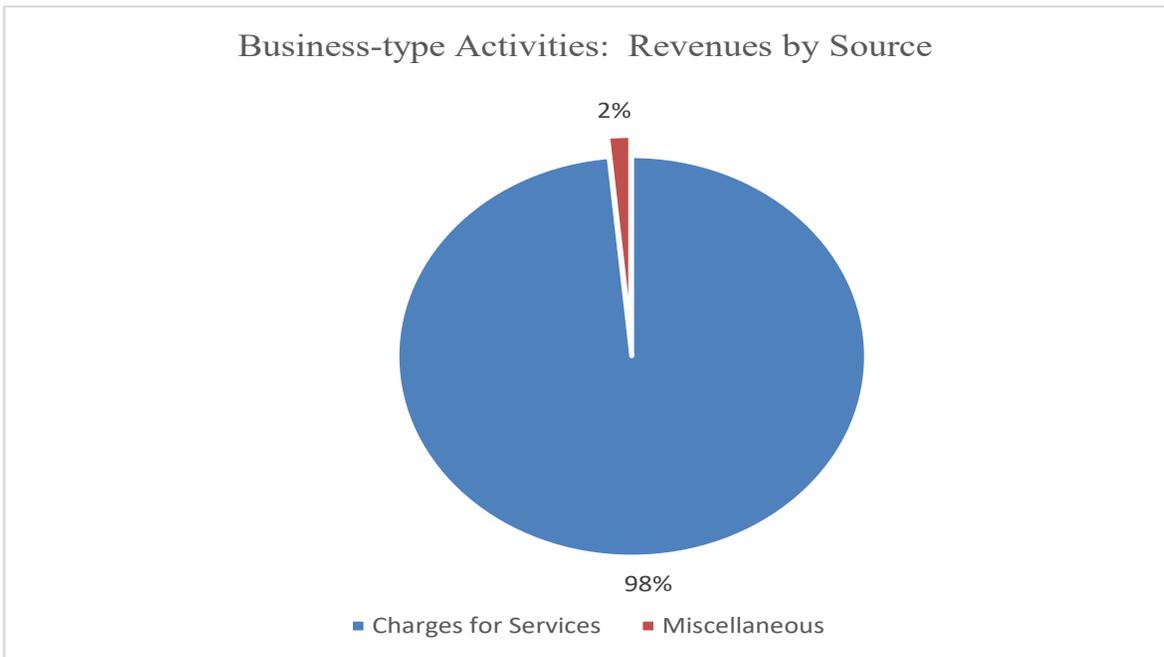
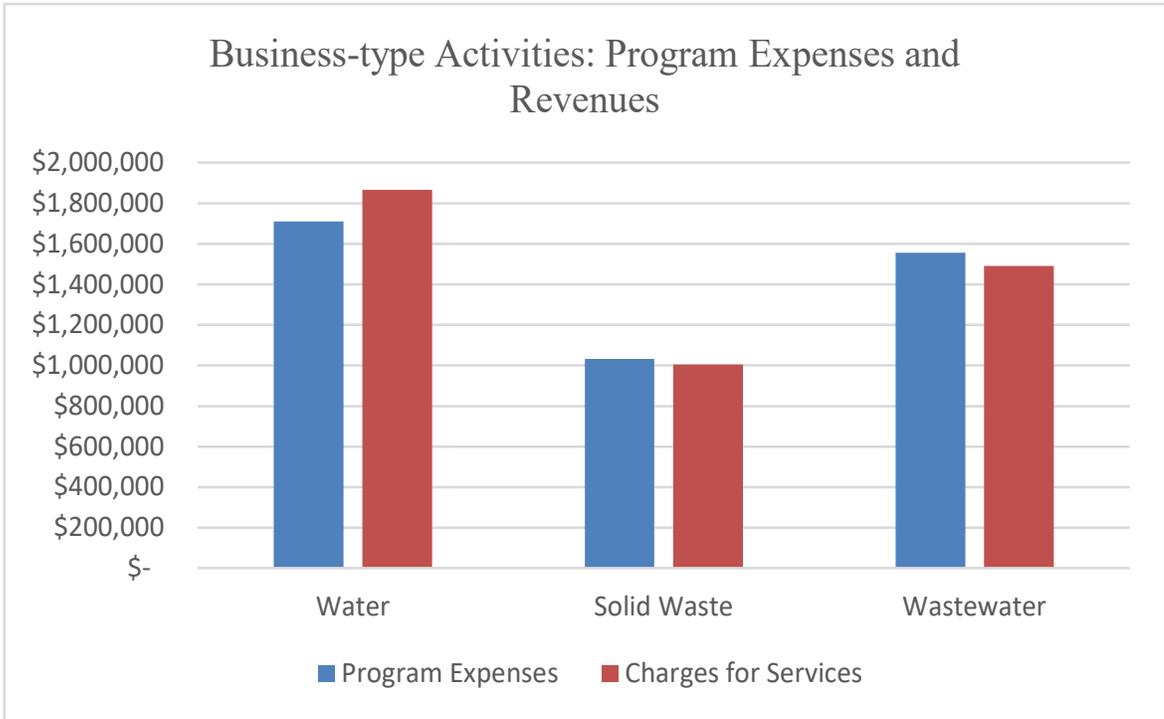
Business-type activities

The Water, Solid Waste and Wastewater management programs highlighted on pages 14 and 15 were reported in business-type activities. Unlike governmental activities, the fees and charges for these programs are established at levels sufficient to recover the cost of operations and provide adequate capital for infrastructure improvements. Solid Waste fee charges for service included a 6% fee increase in 2022 for such purposes. The Town’s business-type activities contributed \$428,022 to net position.

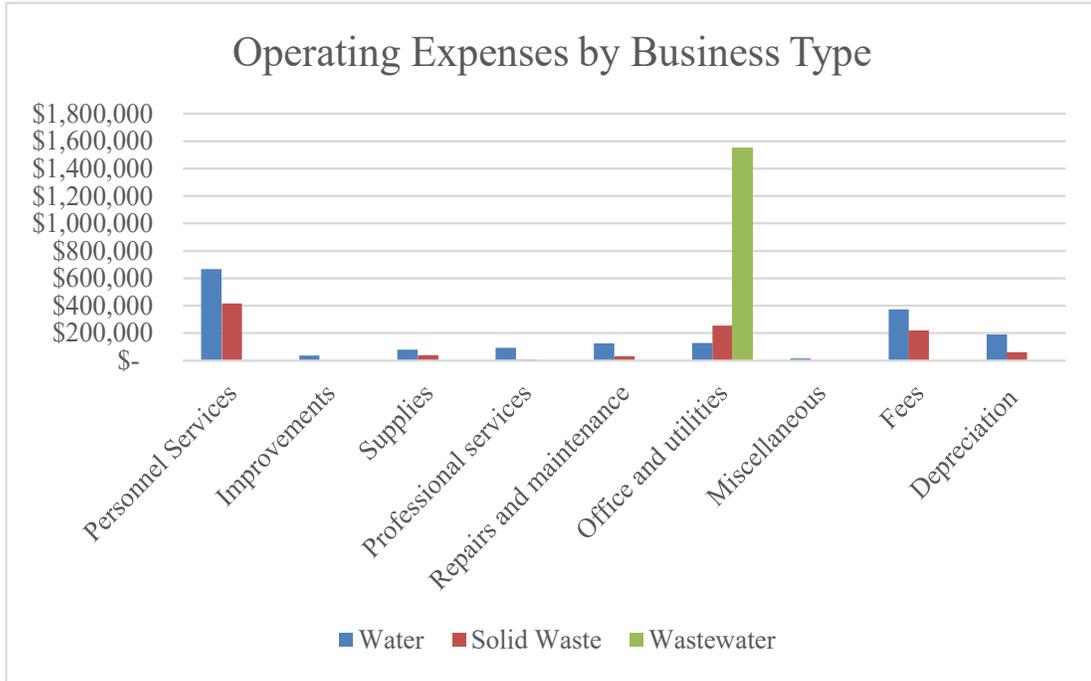
Business-type Activities:

Net Program Revenues	\$312,721
Plus General Revenues	115,301
Change in Net Position	<u><u>\$428,022</u></u>

**TOWN OF BELLEAIR, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022**



**TOWN OF BELLEAIR, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022**



**TOWN OF BELLEAIR, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022**

Fund Statement Financial Analysis

Governmental Funds:

General Fund

Management's goal is to generate sufficient excess revenue in the General Fund to support the capital improvement program via transfers to the Capital Fund. Excess revenue totaled \$811,533 despite a 3.76% expenditure increase, due to factors highlighted previously reported in taxes (i.e., property taxes and sales taxes), permits and fees (i.e., plan reviews), and charges for services. The most significant expenditure growth was reported in the administrative services and support services. Administrative services costs increased by 16% and support services increased by 16% due to increases in salary and benefits and pension contribution expenditures.

The operating information for other major governmental funds is as follows:

	Infrastructure Fund 2022	Tree Replacement Fund 2022	American Rescue Plan Fund 2022
Revenues and Other Sources	\$ 4,035,247	\$ 415	\$ -
Expenditures and Other Uses	<u>4,709,643</u>	<u>-</u>	<u>-</u>
Increase (decrease) in Fund Balances	<u>\$ (674,396)</u>	<u>\$ 415</u>	<u>\$ -</u>

As can be seen above, the infrastructure fund saw expenses exceeding revenue in 2022 due to the timing of expenditures. The Town received American Rescue Plan funds for the ongoing recovery from the COVID-19 pandemic. The funds are being reported as unearned revenue in 2022 and will recognize the revenue when funds are spent in the next fiscal years. The Town will use these funds for equipment and eligible capital outlay expenditures.

**TOWN OF BELLEAIR, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022**

Non-major Funds

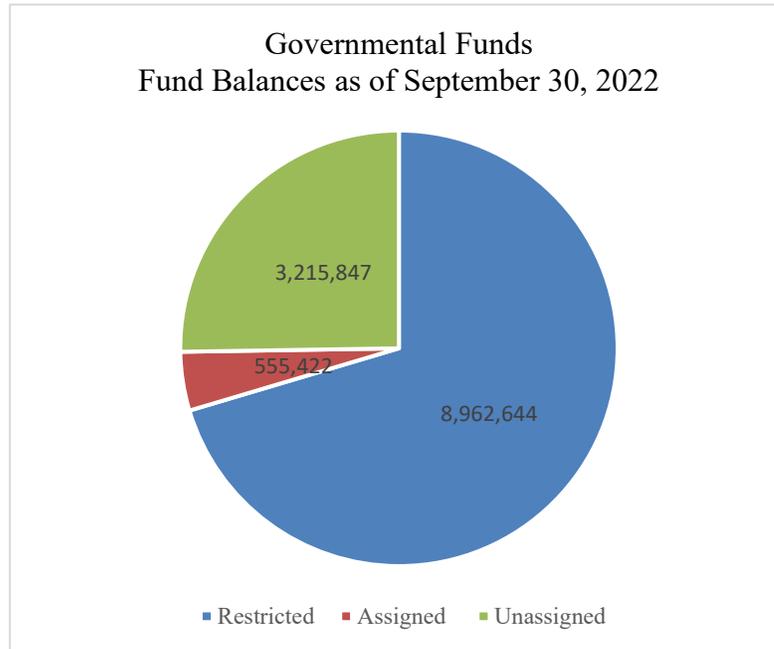
	Special Revenue Funds 2022	Debt Service Funds 2022	Other Capital Projects Funds 2022
Revenues and Other Sources	\$ 52,609	\$ 1,051,132	\$ 46,226
Expenditures and Other Uses	<u>-</u>	<u>1,051,132</u>	<u>25,404</u>
Increase (decrease) in Fund Balances	<u>\$ 52,609</u>	<u>\$ -</u>	<u>\$ 20,822</u>

Fund balance for the Other Capital Project funds increased by \$20,822 due to the sale proceeds of equipment exceeding costs of acquisitions.

Fund balance is a commonly used measure of a government's available resources and liquidity. Designations are applied to various components of fund balance to describe the extent to which resources may be limited, as further described in Note 1. The balances below reflect the limitations applicable to the Town's total governmental fund resources as of September 30, 2022.

- **Restricted** fund balance includes accounts and designations upon which restrictions have been externally imposed, totaling \$8,750,208.
- **Committed** fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the highest level of decision-making authority, totaling \$212,436.
- **Assigned** fund balance represents management's intended use of specific resources and reflects the Town's fund balance policy as described in Note 1. Assigned balance also includes reserves for future budget periods. The total balance was \$555,422.
- **Unassigned** fund balance was reported at \$3,215,847. The current fund balance policy requires that the Town maintain an unrestricted fund balance in the General Fund equivalent to 20% of expenditures. The current unassigned general fund balance represents 45% of total general fund expenditures.

**TOWN OF BELLEAIR, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022**



Proprietary Funds

Net revenue generated by the Town’s business-type activities represents the net effect of operating income earned by the Town’s proprietary funds and non-operating items such as investment earnings. All business-type activities reported operating income. Proprietary funds collectively increased the Town’s net position by \$428,022.

Proprietary Funds	
Operating Income	\$4,686,403
Plus non-operating revenues	42,731
Less non-operating expenses	<u>(4,301,112)</u>
Change in net-position	<u><u>\$428,022</u></u>

Water Fund revenue increased by 10% due to usage as there were no rate increases. Operating expenses decreased by 2%, therefore providing for a \$344,026 increase in net position. Solid Waste and Wastewater Funds saw a modest increase in net position of \$76,943 and \$7,053, respectively.

Solid Waste Fund had an increase in revenue due to the annual utility rate revenue increases to fund planned projects in the upcoming capital plan. Solid Waste Fund expenses increased slightly over the prior year.

**TOWN OF BELLEAIR, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022**

Proprietary Funds (Continued)

The wastewater system is managed by Pinellas County and the increase in expenses is due to the contractual agreement with Pinellas County.

The operating results for the Enterprise Funds are as follows:

Enterprise Funds

	Water Fund 2022	Solid Waste Fund 2022	Wastewater Fund 2022
Revenues and Other Sources	\$ 2,055,046	\$ 1,110,176	\$ 1,563,912
Expenditures and Other Uses	<u>1,711,020</u>	<u>1,033,233</u>	<u>1,556,859</u>
Increase (decrease) in Net Position	<u>\$ 344,026</u>	<u>\$ 76,943</u>	<u>\$ 7,053</u>

GENERAL FUND BUDGETARY HIGHLIGHTS

During 2022, the original adopted budget projected \$6,900,630 in revenues, \$7,177,146 in expenditures, and \$351,256 in net other sources, resulting in a projected increase to the fund balance of \$74,740. The final approved budget reflected a projected increase in revenues of \$1,052,070 due to budget amendments to recognize carryover encumbrances, additional licenses and permit collections and to recognize interest on investments. Comparing the original budget for expenditures of \$7,177,146, where the final approved budget was \$7,181,000, a slight increase of \$3,854.

The Town generally uses conservative estimates for budgeted revenues so that actual revenues closely align with or slightly exceed the established budget. Expenditures were \$24,586 less than budgeted and budgeted transfers out were not needed contributing to an increase in fund balance of \$857,932.

Additional budget to actual information for the Town's general fund is on page 28.

**TOWN OF BELLEAIR, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022**

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, 2022, amounts to \$39,123,999. The investment in capital assets includes land, buildings, improvements, machinery and equipment and infrastructure (which includes park facilities, roads, highways, seawalls and bridges). The total increase over the prior year in the Town's investments in capital assets for the current fiscal year was \$192,737, an increase of \$39,315 in governmental activities and an increase of \$153,422 in business-type activities. This change was driven by infrastructure and construction-in-progress for the Capital Projects Fund.

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

	Governmental Activities		Business Type Activities		Total	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Land	\$ 5,637,015	\$ 5,637,015	\$ 22,950	\$ 22,950	\$ 5,659,965	\$ 5,659,965
Buildings and Fixed Equipment	6,177,070	6,874,184	341,469	341,469	6,518,539	7,215,653
Improvements other than Buildings	1,596,857	867,039	5,991,467	5,745,285	7,588,324	6,612,324
Machinery and Equipment	2,236,600	2,384,837	1,451,319	1,291,347	3,687,919	3,676,184
Construction In Progress	85,226	59,277	-	-	85,226	59,277
Infrastructure	42,757,647	39,225,896	-	-	42,757,647	39,225,896
Accumulated Depreciation	(23,013,840)	(19,610,988)	(4,159,781)	(3,907,049)	(27,173,621)	(23,518,037)
Total	\$ 35,476,575	\$ 35,437,260	\$ 3,647,424	\$ 3,494,002	\$ 39,123,999	\$ 38,931,262

Additional information on the Town's capital assets can be found in Note 7 on pages 52-53 of this report.

Long-term Debt. At the end of the current fiscal year, the Town had long-term debt obligations including:

- 1) 2019A and 2019B revenue bonds with an outstanding liability of \$9,999,000.
- 2) a lease for facility improvements in the amount of \$762,390 with an outstanding liability of \$544,486,
- 3) and, compensated absences, other post-employment benefits and net pension liability.

Sources of income such as the stormwater fee, Penny for Pinellas surtax, and municipal public services tax contribute to the repayment of the revenue bond. Annual debt service of approximately \$767,000 is covered by \$1,330,000 of annual revenue from those three streams. There is also a covenant to budget and appropriate other non Ad Valorem proceeds should there be a revenue shortfall.

The Town receives an actuarial valuation of its other post-employment benefits (OPEB) as required under Government Accounting Standards Board (GASB) Statement No. 75 every two years. The current valuation was performed in preparation for this year's ACFR.

Additional information on the Town's long-term debt activity can be found in Note 13 on pages 64-66 of this report.

**TOWN OF BELLEAIR, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022**

Capital Assets and Long-Term Debt (Continued)

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

	Governmental Activities		Business Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenue Bonds	\$ 9,999,000	\$ 10,708,000	\$ -	\$ -	\$ 9,999,000	\$ 10,708,000
Facility Lease	544,486	602,446	-	-	544,486	602,446
Compensated Absences	377,754	417,423	113,625	75,306	491,379	492,729
Net Pension Liability	1,388,264	20,984	-	-	1,388,264	20,984
OPEB	118,486	699,000	-	-	118,486	699,000
Total	\$ 12,427,990	\$ 12,447,853	\$ 113,625	\$ 75,306	\$ 12,541,615	\$ 12,523,159

Economic Factors and Next Year's Budgets and Rates

- Pinellas County saw an economic resurgence during 2022 as Florida opened up and locals and out-of-state travelers took advantage. There continues to be a population boom which continues to fuel an increase in housing demand and prices. Property values increased by 8.43%.
- The unemployment rate for Pinellas County in September 2022 was 2.5%, an improvement from September 2021 at 3.7%.
- The Town has entered into a contract to become a wholesale customer to obtain Pinellas County water. The Town will continue to explore alternative water source options as well as grant funding opportunities.

All of these factors were considered in preparing the Town of Belleair's annual operating & capital budget for the 2022-23 fiscal year.

Request for Information

This financial report is designed to provide a general overview of the Town of Belleair's finances for all those with an interest in such matters. Questions concerning any of the information supplied in this report or requests for additional financial information should be addressed to the Town's 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



Town of Belleair, Florida
Statement of Net Position
September 30, 2022

	Primary Government		
	Governmental Activities	Business-type Activity	Total
ASSETS:			
Cash and Cash Equivalents	\$ 2,915,585	\$ 271,894	\$ 3,187,479
Investments	12,013,781	3,989,135	16,002,916
Accounts Receivable	117,978	763,155	881,133
Lease Receivables	481,511	-	481,511
Due From Other Agencies	299,433	-	299,433
Capital Assets (net of accumulated depreciation):			
Land	5,637,015	22,950	5,659,965
Construction in Progress	85,226	-	85,226
Improvements Other Than Buildings	1,596,857	5,991,467	7,588,324
Buildings and Fixed Equipment	6,177,070	341,469	6,518,539
Machinery and Equipment	2,236,600	1,451,319	3,687,919
Infrastructure	42,757,647	-	42,757,647
Depreciation	(23,013,840)	(4,159,781)	(27,173,621)
TOTAL ASSETS	51,304,863	8,671,608	59,976,471
Deferred Outflows of Resources			
Deferred Amount - Police Pension	982,004	-	982,004
Total Deferred Outflows of Resources	982,004	-	982,004
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 52,286,867	\$ 8,671,608	\$ 60,958,475
LIABILITIES:			
Accrued Payroll	\$ 182,750	\$ 54,706	\$ 237,456
Other Current Liabilities	125,950	-	125,950
Accounts Payable	170,527	209,542	380,069
Unearned Revenue	2,133,637	-	2,133,637
Non-Current Liabilities Due Within One Year:			
Facility Lease	60,023	-	60,023
Compensated Absences Payable	79,211	20,302	99,513
Long-Term Debt and Liabilities:			
Revenue Bonds Payable	9,999,000	-	9,999,000
Facility Lease	484,463	-	484,463
Compensated Absences Payable	298,543	93,323	391,866
Other Post-employment Benefits Obligation	118,486	-	118,486
Net Police Pension Liability	1,388,264	-	1,388,264
TOTAL LIABILITIES	15,040,854	377,873	15,418,727
Deferred Inflows of Resources			
Deferred Amount - Leases	481,511	-	481,511
Deferred Amount - Police Pension	57,703	-	57,703
Total Deferred Inflows of Resources	539,214	-	539,214
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	15,580,068	377,873	15,957,941
NET POSITION:			
Net Investment in Capital Assets	24,933,089	3,647,424	28,580,513
Restricted for:			
Capital Projects	8,750,208	-	8,750,208
Unrestricted	3,023,502	4,646,311	7,669,813
Total Net Position	36,706,799	8,293,735	45,000,534
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 52,286,867	\$ 8,671,608	\$ 60,958,475

The accompanying notes to financial statements are an integral part of this statement.

Town of Belleair, Florida
Statement of Activities
For the Fiscal Year Ended September 30, 2022

Functions/Programs:	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Capital Grants and Contributions	Primary Government		Total
				Governmental Activities	Business-type Activities	
Primary Government						
Governmental Activities:						
General Government	3,704,759	\$ 2,337,064	\$ -	\$ (1,367,695)	\$ -	\$ (1,367,695)
Transportation	3,620,475	-	1,336,018	(2,284,457)	-	(2,284,457)
Public Safety	2,048,731	-	-	(2,048,731)	-	(2,048,731)
Culture and Recreation	878,763	-	-	(878,763)	-	(878,763)
Interest on Long-term Liabilities	284,172	-	-	(284,172)	-	(284,172)
Total Governmental Activities	<u>10,536,900</u>	<u>2,337,064</u>	<u>1,336,018</u>	<u>(6,863,818)</u>	<u>-</u>	<u>(6,863,818)</u>
Business-Type Activities:						
Water	1,711,020	1,996,788	-	-	285,768	285,768
Solid Waste	1,033,233	1,054,720	-	-	21,487	21,487
WasteWater Management	1,556,859	1,562,325	-	-	5,466	5,466
Total Business-Type Activities	<u>4,301,112</u>	<u>4,613,833</u>	<u>-</u>	<u>-</u>	<u>312,721</u>	<u>312,721</u>
Total Primary Government	<u>\$ 14,838,012</u>	<u>\$ 6,950,897</u>	<u>\$ 1,336,018</u>	<u>\$ (6,863,818)</u>	<u>\$ 312,721</u>	<u>\$ (6,551,097)</u>
General Revenues:						
Taxes:						
Property Taxes				5,960,811	-	5,960,811
Community Service Tax				141,399	-	141,399
Local Option Tax				52,111	-	52,111
Utility Taxes				554,718	-	554,718
Franchise Taxes				455,539	-	455,539
Sales Taxes				308,674	-	308,674
Infrastructure Taxes				577,292	-	577,292
State Revenue Sharing				146,032	-	146,032
Unrestricted Investment Earnings				119,793	30,482	150,275
Miscellaneous				122,619	84,819	207,438
Gain on Sale of Fixed Assets				71,405	-	71,405
Total General Revenues and Transfers				<u>8,510,393</u>	<u>115,301</u>	<u>8,625,694</u>
Change in Net Position				1,646,575	428,022	2,074,597
Net position at beginning of year				35,060,224	7,865,713	42,925,937
Net Position at the end of year				<u>\$ 36,706,799</u>	<u>\$ 8,293,735</u>	<u>\$ 45,000,534</u>

The accompanying notes to financial statements are an integral part of this statement.

Town of Belleair, Florida
Balance Sheet
Governmental Funds
September 30, 2022

	Major Funds					Total Governmental Funds
	General Fund	Infrastructure Fund	Tree Replacement Fund	American Rescue Plan	Nonmajor Governmental Funds	
ASSETS:						
Cash and Cash Equivalents	\$ 348,637	\$ 175,086	\$ 157,613	\$ 2,133,637	\$ 100,613	\$ 2,915,586
Investments	3,241,089	7,985,673	50,599	-	736,420	12,013,781
Receivables, net	67,577	50,401	-	-	-	117,978
Lease Receivable	481,511	-	-	-	-	481,511
Due from Other Agencies	84,622	202,016	-	-	12,795	299,433
TOTAL ASSETS	\$ 4,223,436	\$ 8,413,176	\$ 208,212	\$ 2,133,637	\$ 849,828	\$ 15,828,289
LIABILITIES AND FUND BALANCES:						
Liabilities:						
Accrued Liabilities	\$ 182,750	-	-	-	-	182,750
Other Current Liabilities	-	-	125,950	-	-	125,950
Accounts Payable	158,356	12,172	-	-	-	170,528
Unearned Revenue	-	-	-	2,133,637	-	2,133,637
Total Liabilities	341,106	12,172	125,950	2,133,637	-	2,612,865
Deferred Inflows of Resources						
Deferred Inflows from Lease Receivable	481,511	-	-	-	-	481,511
Total Deferred Inflows of Resources	481,511	-	-	-	-	481,511
Fund Balances:						
Restricted:						
Capital Projects	-	8,051,004	-	-	699,204	8,750,208
Committed	-	-	61,812	-	150,624	212,436
Assigned	184,972	350,000	20,450	-	-	555,422
Unassigned Fund Balance	3,215,847	-	-	-	-	3,215,847
Total Fund Balances	3,400,819	8,401,004	82,262	-	849,828	12,733,913
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,223,436	\$ 8,413,176	\$ 208,212	\$ 2,133,637	\$ 849,828	\$ 15,828,289

The accompanying notes to financial statements are an integral part of this statement.

Town of Belleair, Florida
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
September 30, 2022

Total fund balances for total governmental funds.		\$ 12,733,913
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		
Governmental non-depreciable assets	5,637,015	
Governmental depreciable assets	52,853,400	
Less accumulated depreciation	<u>(23,013,840)</u>	35,476,575
Deferred outflows related to pensions are not financial resources and therefore are not reported in the governmental funds.		
Deferred Amounts Police Pension		982,004
Long-term liabilities are not due and payable in the current period, therefore, are not reported in the governmental funds		
Long-term liabilities at year-end consist of:		
Revenue Bonds Payable	(9,999,000)	
Capital Leases	(544,486)	
Compensated Absences Payable	(377,754)	
Net Pension Liability	(1,388,264)	
Other Post-employment Benefits Obligation	<u>(118,486)</u>	(12,427,990)
Deferred inflows of resources are reported as a result of :		
Deferred Amounts for Police Pension		(57,703)
Total Net Position - Governmental Activities		<u><u>\$ 36,706,799</u></u>

The accompanying notes to financial statements are an integral part of this statement.

Town of Belleair, Florida
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended September 30, 2022

	Major Funds				Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Infrastructure Fund	Tree Replacement Fund	American Rescue Plan		
Revenues:						
Taxes:						
Ad Valorem	\$ 4,819,396	\$ 1,141,415	\$ -	\$ -	\$ -	\$ 5,960,811
Franchise	455,539	-	-	-	-	455,539
Utility		554,718	-	-	52,110	606,828
Community Services Tax	141,399	-	-	-	-	141,399
Sales Tax	308,674	-	-	-	-	308,674
State Revenue Sharing	146,032	-	-	-	-	146,032
Infrastructure		577,292	-	-	-	577,292
Charges for Services	1,236,870	330,851	-	-	-	1,567,721
Fines	3,647	-	-	-	-	3,647
Licenses and Permits	663,462	-	-	-	-	663,462
Contributions and Donations	77,303	1,336,018	-	-	-	1,413,321
Interest on Investments	41,026	72,336	415	-	6,015	119,792
Miscellaneous	74,599	117	-	-	-	74,716
Total Revenues	7,967,947	4,012,747	415	-	58,125	12,039,234
Expenditures:						
General Government	3,578,165	172,962	-	-	25,404	3,776,531
Transportation	646,139	-	-	-	-	646,139
Public Safety	2,250,267	-	-	-	-	2,250,267
Culture and Recreation	672,348	-	-	-	-	672,348
Capital Outlay:	9,495	3,485,549	-	-	-	3,495,044
Debt Service:	-	-	-	-	-	-
Principal	-	-	-	-	766,960	766,960
Interest	-	-	-	-	284,172	284,172
Total Expenditures	7,156,414	3,658,511	-	-	1,076,536	11,891,461
Excess (Deficiency) of Revenues Over (Under) Expenditures	811,533	354,236	415	-	(1,018,411)	147,773
Other Financing Sources (Uses):						
Insurance Proceeds	46,399	-	-	-	-	46,399
Lease Proceeds	-	22,500	-	-	-	22,500
Sale Of Auctioned Assets	-	-	-	-	40,710	40,710
Transfers In	-	-	-	-	1,051,132	1,051,132
Transfers Out	-	(1,051,132)	-	-	-	(1,051,132)
Total Other Financing Sources (Uses)	46,399	(1,028,632)	-	-	1,091,842	109,609
Net Change in Fund Balances	857,932	(674,396)	415	-	73,431	257,382
Fund Balances, October 1st	2,542,887	9,075,400	81,847	-	776,397	12,476,531
Fund Balances, September 30th	\$ 3,400,819	\$ 8,401,004	\$ 82,262	\$ -	\$ 849,828	\$ 12,733,913

The accompanying notes to financial statements are an integral part of this statement.

Town of Belleair, Florida
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances for Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended September 30, 2022

Net Change in Fund Balances - Governmental Funds. \$ 257,382

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

Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Expenditures for capital assets	\$ 3,495,044	
Less current year depreciation	<u>(3,490,361)</u>	4,683

Capital assets adjustments from prior year increase net position on the statement of activities. However, they do not provide current financial resources and are not reported as revenues in the governmental funds. 50,336

The undepreciated cost of capital assets disposed of during the period is reported in the statement of activities. In the governmental funds, the cost of these assets was recognized as an expenditure in the year purchased. Thus, the change in net assets differs from the change in fund balance by the undepreciated cost of the assets disposed of. (15,704)

The net change in the Net Pension Liability and the related Deferred Amounts is reported in the government-wide statements, but not in the governmental fund statements. (37,264)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.

Principal payments 766,960

In the statement of activities, the cost of compensated absences is measured by the amounts earned during the year, while in the governmental funds expenditures are not recognized based on the amounts actually paid for compensated absences. This is the net amount of compensated absences earned in excess of the amount paid in the current period. 39,668

The net change in liability for post-employment health care benefits is reported in the government-wide statements, but not in the governmental fund statements. 580,514

Change in Net Position - Governmental Activities \$ 1,646,575

The accompanying notes to financial statements are an integral part of this statement.

TOWN OF BELLEAIR, FLORIDA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Ad Valorem	\$ 4,803,640	\$ 4,825,000	\$ 4,819,396	\$ (5,604)
Franchise	402,000	465,000	455,539	(9,461)
Community Service Tax	-	-	141,399	141,399
Sales Tax	149,700	282,000	308,674	26,674
State Revenue Sharing	420,021	147,000	146,032	(968)
Charges for Services	718,719	1,355,000	1,236,870	(118,130)
Fines	-	3,700	3,647	(53)
Licenses and Permits	377,400	687,000	663,462	(23,538)
Contributions and Donations	-	91,000	77,303	(13,697)
Interest on Investments	2,500	42,000	41,026	(974)
Miscellaneous	26,650	55,000	74,599	19,599
Total Revenues	<u>6,900,630</u>	<u>7,952,700</u>	<u>7,967,947</u>	<u>15,247</u>
Expenditures:				
Current				
General Government	3,484,453	3,710,000	3,578,165	131,835
Transportation	776,138	635,000	646,139	(11,139)
Public Safety	2,037,118	2,165,000	2,250,267	(85,267)
Culture and Recreation	869,437	661,000	672,348	(11,348)
Capital Outlay	10,000	10,000	9,495	505
Total Expenditures	<u>7,177,146</u>	<u>7,181,000</u>	<u>7,156,414</u>	<u>24,586</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(276,516)</u>	<u>771,700</u>	<u>811,533</u>	<u>39,833</u>
Other Financing Sources (Uses):				
Insurance Proceeds	-	50,000	46,399	(3,601)
Transfers In	573,650	-	-	-
Transfers Out	(222,394)	-	-	-
Total Other Financing Sources (Uses)	<u>351,256</u>	<u>50,000</u>	<u>46,399</u>	<u>(3,601)</u>
Net Change in Fund Balances	<u>74,740</u>	<u>821,700</u>	<u>857,932</u>	<u>36,232</u>
Fund Balances Beginning of Year	2,542,887	2,542,887	2,542,887	-
Fund Balances end of Year	<u>\$ 2,617,627</u>	<u>\$ 3,364,587</u>	<u>\$ 3,400,819</u>	<u>\$ 36,232</u>

The accompanying notes to financial statements are an integral part of this statement.

TOWN OF BELLEAIR, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2022

	<u>Water Fund</u>	<u>Solid Waste Fund</u>	<u>Wastewater Management Fund</u>	<u>Total Proprietary Funds</u>
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 31,492	\$ 142,746	\$ 97,656	\$ 271,894
Investments	3,012,261	790,287	186,587	3,989,135
Accounts Receivables, Net	417,774	141,171	204,210	763,155
Total Current Assets	<u>3,461,527</u>	<u>1,074,204</u>	<u>488,453</u>	<u>5,024,184</u>
Noncurrent Assets:				
Land	22,950	-	-	22,950
Buildings	326,402	15,067	-	341,469
Improvements other than Buildings	5,986,167	5,300	-	5,991,467
Equipment	604,520	846,799	-	1,451,319
Accumulated Depreciation	(3,592,384)	(567,397)	-	(4,159,781)
Total Noncurrent Assets	<u>3,347,655</u>	<u>299,769</u>	<u>-</u>	<u>3,647,424</u>
TOTAL ASSETS	<u>\$ 6,809,182</u>	<u>\$ 1,373,973</u>	<u>\$ 488,453</u>	<u>\$ 8,671,608</u>
LIABILITIES:				
Current Liabilities:				
Accounts Payable	\$ 52,827	\$ 31,646	\$ 125,069	\$ 209,542
Accrued Payable	30,923	23,783	-	54,706
Current portion of long-term liabilities:				
Compensated Absences Payable	8,149	12,153	-	20,302
Total Current Liabilities	<u>91,899</u>	<u>67,582</u>	<u>125,069</u>	<u>284,550</u>
Noncurrent Liabilities:				
Compensated Absences Payable	61,613	31,710	-	93,323
Total Noncurrent Liabilities	<u>61,613</u>	<u>31,710</u>	<u>-</u>	<u>93,323</u>
Total Liabilities	<u>153,512</u>	<u>99,292</u>	<u>125,069</u>	<u>377,873</u>
NET POSITION:				
Investment in Capital Assets	3,347,655	299,769	-	3,647,424
Unrestricted	3,308,015	974,912	363,384	4,646,311
Total Net Position	<u>6,655,670</u>	<u>1,274,681</u>	<u>363,384</u>	<u>8,293,735</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 6,809,182</u>	<u>\$ 1,373,973</u>	<u>\$ 488,453</u>	<u>\$ 8,671,608</u>

The accompanying notes to financial statements are an integral part of this statement.

TOWN OF BELLEAIR, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Water Fund	Solid Waste Fund	Wastewater Management Fund	Total Proprietary Funds
Operating Revenues:				
Utilities	\$ 2,029,838	\$ 1,054,720	\$ 1,562,325	\$ 4,646,883
Miscellaneous	1,731	-	-	1,731
Total Operating Revenues	<u>2,031,569</u>	<u>1,054,720</u>	<u>1,562,325</u>	<u>4,648,614</u>
Operating Expenses:				
Personnel Services	666,525	417,705	-	1,084,230
Non-Capital	36,675	-	-	36,675
Supplies	78,616	40,145	-	118,761
Professional Services	94,723	5,936	-	100,659
Repairs and Maintenance	126,077	30,719	-	156,796
Office and Utilities	128,392	256,263	1,556,859	1,941,514
Training, Travel and Membership	5,072	-	-	5,072
Uniform	2,709	1,310	-	4,019
Miscellaneous	8,056	-	-	8,056
Fees	373,336	219,261	-	592,597
Depreciation	190,839	61,894	-	252,733
Total Operating Expenses	<u>1,711,020</u>	<u>1,033,233</u>	<u>1,556,859</u>	<u>4,301,112</u>
Operating Income	<u>320,549</u>	<u>21,487</u>	<u>5,466</u>	<u>347,502</u>
Nonoperating Revenues (Expenses):				
Investment Earnings	23,477	5,418	1,587	30,482
Other Miscellaneous Revenue	-	50,038	-	50,038
Total Nonoperating Revenues (Expenses)	<u>23,477</u>	<u>55,456</u>	<u>1,587</u>	<u>80,520</u>
Change in Net Position	344,026	76,943	7,053	428,022
Total Net Position Beginning of Year	<u>6,311,644</u>	<u>1,197,738</u>	<u>356,331</u>	<u>7,865,713</u>
Total Net Position End of Year	<u>\$ 6,655,670</u>	<u>\$ 1,274,681</u>	<u>\$ 363,384</u>	<u>\$ 8,293,735</u>

The accompanying notes to financial statements are an integral part of this statement.

TOWN OF BELLEAIR, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	<u>Water Fund</u>	<u>Solid Waste Fund</u>	<u>Wastewater Management Fund</u>	<u>Total Proprietary Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from Customers and Users	\$ 1,895,951	\$ 1,046,162	\$ 1,537,769	\$ 4,479,882
Cash Received from Other Operating Revenues	1,731		-	1,731
Cash Payments to Employees for Services	(631,644)	(396,431)	-	(1,028,075)
Cash Payments to Suppliers and Providers	(850,317)	(533,159)	(1,544,515)	(2,927,991)
Net Cash Provided (Used) by Operating Activities	<u>415,721</u>	<u>116,572</u>	<u>(6,746)</u>	<u>525,547</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Other Miscellaneous Revenue	-	50,038	-	50,038
Net Cash Provided (Used) by Noncapital Financing Activities	<u>-</u>	<u>50,038</u>	<u>-</u>	<u>50,038</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and Construction of Capital Assets	(246,182)	(159,972)	-	(406,154)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(246,182)</u>	<u>(159,972)</u>	<u>-</u>	<u>(406,154)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment Earnings	23,477	5,418	1,587	30,482
Purchase of Investments	(240,476)	(38,418)	98,413	(180,481)
Net Cash Provided (Used) by Investing Activities	<u>(216,999)</u>	<u>(33,000)</u>	<u>100,000</u>	<u>(149,999)</u>
Net Change in Cash and Cash Equivalents	<u>(47,460)</u>	<u>(26,362)</u>	<u>93,254</u>	<u>19,432</u>
Cash, Beginning	<u>78,952</u>	<u>169,108</u>	<u>4,402</u>	<u>252,462</u>
Cash, Ending	<u>\$ 31,492</u>	<u>\$ 142,746</u>	<u>\$ 97,656</u>	<u>\$ 271,894</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating Income	\$ 320,549	\$ 21,487	\$ 5,466	\$ 347,502
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	190,839	61,894	-	252,733
Change in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	(133,887)	(8,558)	(24,556)	(167,001)
(Increase) Decrease in Prepaid Expense	400	-	-	400
Increase (Decrease) in Accounts Payable	2,939	20,475	12,344	35,758
Increase (Decrease) in Accrued Payable	8,317	9,519	-	17,836
Increase (Decrease) in Compensated Absences Payable	26,564	11,755	-	38,319
Total Adjustments	<u>95,172</u>	<u>95,085</u>	<u>(12,212)</u>	<u>178,045</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 415,721</u>	<u>\$ 116,572</u>	<u>\$ (6,746)</u>	<u>\$ 525,547</u>

The accompanying notes to financial statements are an integral part of this statement.

TOWN OF BELLEAIR, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
SEPTEMBER 30, 2022

	<u>Police Pension Fund</u>
ASSETS:	
Cash:	
Cash with Fiscal Agents	\$ 3,238
Receivables:	
Intergovernmental Revenue	45,359
Due From Broker	59,230
Interest and Dividends	1,201
Total Receivables	<u>\$ 105,790</u>
Investment at Fair Value:	
Money Market Fund	44,549
US Government & Agencies	830
Domestic Fixed Income Investment Funds	1,660,202
Domestic Stock	865,364
Foreign Stock	35,853
Equity Mutual Funds	1,842,144
Total Investments	<u>4,448,942</u>
TOTAL ASSETS	<u><u>\$ 4,557,970</u></u>
LIABILITIES:	
Accounts Payable, Broker Dealers	\$ 82,658
Total Liabilities	<u>82,658</u>
NET POSITION:	
Restricted for Pension Benefits	<u>4,475,312</u>
Total Net Position	<u>4,475,312</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 4,557,970</u></u>

The accompanying notes to financial statements are an integral part of this statement.

TOWN OF BELLEAIR, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Police Pension Fund
ADDITIONS:	
Contributions:	
Employer	\$ 350,094
Plan Members	65,131
Intergovernmental Revenue	415,225
 Investment Earnings (loss):	
Interest, Dividends and Other	204,693
Net Investment Income	(1,307,541)
Investment Earnings	(1,102,848)
Less Investment Expenses	31,430
Net Investment Earnings	(1,134,278)
Total Additions	(719,053)
 DEDUCTIONS:	
Benefit Payments	375,510
Administrative Expense	37,633
Total Deductions	413,143
Change in Net Position	(1,132,196)
Net Position Beginning of Year	5,607,508
Net Position End of Year	\$ 4,475,312

The accompanying notes to financial statements are an integral part of this statement.

TOWN OF BELLEAIR, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Town of Belleair, Florida (the Town) is a political subdivision of the State of Florida, located in Pinellas County. The legislative branch of the Town is composed of five (5) member elected Town Commissioners, which is governed by the Town Charter and by state and local laws and regulations. The Town Commission is responsible for the establishment and adoption of policy. The execution of such policy is the responsibility of the Town Manager.

The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

In evaluating how to define the government, for financial reporting purposes, the Town has considered all potential component units. The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body, and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government.

A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it. A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government: (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization. Management has determined there are no component units to be included within the reporting entity.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all activities of the Town. Individual funds are not displayed, but the statements distinguish governmental activities, which normally are supported by taxes and intergovernmental revenues, from business-type activities, which rely to a significant extent on fees and charges for support. The Statement of Net Position presents the financial position of the Town's governmental and business-type activities at year-end. The effect of interfund activity such as internal balances has been eliminated from the government-wide financial statements.

TOWN OF BELLEAIR, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-Wide and Fund Financial Statements (Continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are 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 included among program revenues are reported as general revenues.

Fund financial statements are provided for major governmental funds and enterprise funds. Non-major funds are aggregated and reported in one column, while major funds are reported as separate columns in the fund financial statements. Fiduciary fund statements are provided to account for the Town's pension fund.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements, as well as the fund financial statements for the proprietary funds and fiduciary funds, are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized in the period in which they are earned and expenses are recognized in the period incurred. Property tax revenue is recognized in the period for which they are levied. 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 needed.

Operating revenues shown for proprietary operations generally result from producing or providing goods and services such as water, wastewater and solid waste services. Operating expenses for these operations include all costs related to providing the service or product. These costs include salaries and benefits, supplies, travel, contract services, depreciation, administrative expenses or other expenses directly related to costs of services. All other revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses. All intergovernmental revenues in the proprietary fund financial statements are classified as non-operating revenues in accordance with bond covenants. See the government wide financial statements revenue categories for allocation between operating and capital related grants and contributions. In the governmental wide financial statements operating grants and contributions are available to finance regular operations or capital purposes; while capital grants and contributions are only available for capital purposes.

All governmental fund financial statements are reported using a current financial resources measurement focus and a modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

TOWN OF BELLEAIR, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. (Within 60 days of the end of the fiscal year, except grant revenues are within 15 months, notes are within 6 months, and jointly assessed taxes collected through other governments are within 90 days). Revenue reported and measurable in the governmental funds financial statements but not yet available for use are deferred and recognized as an inflow of resources in the period that the amount becomes available.

Property taxes, franchise taxes, investment earnings and most charges for services are recorded as earned since they are measurable and available. Licenses and permits, fines and forfeitures, and miscellaneous revenues (except investment earnings) are recorded as revenues when received in cash because they are generally not measurable until actually received.

A significant portion of the Town's grants and contracts are exchange transactions. Funds from these transactions are deemed to be earned and reported as revenue when such funds have been expended towards the designated purpose and eligibility requirements have been met.

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. This approach differs from the manner in which the governmental activities of the City are presented in the government-wide financial statements. The governmental fund financial statements, therefore, include a reconciliation to better identify the relationship between the government-wide financial statements and the governmental fund financial statements.

The accounting policies and the presentation of the financial report of the Town of Belleair, Florida have been designed to conform to generally accepted accounting principles (GAAP) as applicable to governmental units, in accordance with the Governmental Accounting Standards Board (GASB). GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

The following are reported as major governmental funds:

- General Fund – The General Fund is the primary operating fund of the Town, accounting for all financial resources of the Town except those that are required legally or by generally accepted accounting principles to be accounted for in other funds.
- Infrastructure Fund – Used to account for capital projects funded by the Infrastructure Sales Surtax.

TOWN OF BELLEAIR, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

- The American Rescue Plan Fund – Used to account for sources of revenue received to speed up the Town’s recovery from the economic and health effects of the COVID-19 pandemic.
- Tree Replacement Fund – Used to account for and monitor the removal and replanting of trees.

The following are reported as major enterprise funds:

- Water Fund: Accounts for activities related to the Town’s water system. Operating revenues include charges for service, while operating expenses include the personnel, contractual, and depreciation expenses associated with ongoing operations. Non-operating items include interest earnings and interest expenses.
- Solid Waste Fund: Accounts for the activities related to the Town’s refused disposal system. Operating revenues include charges for service while operating expenses include personnel costs, maintenance services, and depreciation expenses associated with ongoing operations. Non-operating items include interest earnings and interest expenses.
- Wastewater Management Fund: Accounts for the activities related to the sewer system.

Additionally, the Town reports the following fiduciary fund type:

- Police Pension Fund: Accounts for activities of the Town’s Police Pension Fund.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are general and administrative service charges from governmental activities and other charges between the Town’s business-type functions and various other functions of the Town. Elimination of such charges would distort the direct costs and program revenues reported for the various functions concerned.

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

D. Budgetary Information

The Town follows procedures established by State law in establishing budget balances for governmental funds, as described below:

- Budgets are prepared, public hearings are held, and original budgets are adopted annually for all governmental fund types in accordance with procedures and time intervals prescribed by State law.
- Appropriations are controlled at the account level (e.g., general government, public safety, etc.) and may be amended by resolution at any Board meeting prior to the due date for the annual financial report.

TOWN OF BELLEAIR, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Information (Continued)

- Budgets are prepared using the same modified accrual basis as is used to account for governmental funds.
- Budgetary information is integrated into the accounting system and, to facilitate budget control, budget balances are encumbered when purchase orders are issued. Appropriations lapse at fiscal year end and encumbrances outstanding are honored from the subsequent year's appropriations.

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balance

1. Cash, Cash Equivalents 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. Investments and corresponding investment earnings are pooled together for investment purposes (see Note 4). All investments are reported at fair value.

The Town pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintained its own cash and investment account. For purposes of the statement of cash flows, the enterprise funds' shares of equity in pooled certificates of deposit are considered to be cash equivalents.

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 218.415. Provisions of those statutes authorize the Town to invest in:

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

TOWN OF BELLEAIR, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E . Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balance (Continued)

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).

2. Receivables

All receivables are shown net of an allowance for uncollectible. The special assessment allowance for uncollectible is based on management estimates.

3. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., streets, bridges, seawalls and storm lines), 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 \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the date of donation.

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

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:

TOWN OF BELLEAIR, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E . Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balance (Continued)

<u>Assets</u>	<u>Estimated Lives</u>
Buildings	45-55 years
Buildings Improvement	20-30 years
Improvements other than Buildings	45-55 years
Machinery and equipment	5-15 years
Infrastructure	45-60 years

4. Compensated absences

It is the Town's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Full-time employees and part-time employees that work beyond 25 hours per week 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 four hundred eighty hours for all employees (both union and non-union). Each year employees have the option of receiving a lump-sum payment for sick leave earned in excess of eighty hours. Upon termination, providing the employee has two continuous years of service and that termination is not a dismissal, the employee is entitled to a lump-sum payment for all accrued unused sick leave.

Vested or accumulated vacation and sick leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation and sick leave that are not expected to be liquidated with expendable available financial resources are reported in long-term debt.

TOWN OF BELLEAIR, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E . Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balance (Continued)

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.

5. Unearned Revenue

Unearned Revenue includes amounts that have been received before all eligibility requirements for revenue recognition have been met. These amounts are recorded as a liability until such requirements are met, at which point, they will be recorded as revenue.

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The Town has one item that meets this criterion: deferred amounts related to pensions.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town has one item that meets the criterion for this category: deferred amounts related to leases.

7. Long-term Obligations

In the government-wide financial statements, and proprietary 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 statement of net position.

8. Fund Balances

The Town may fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). To calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted

TOWN OF BELLEAIR, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balance (Continued)

fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

9. 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, restricted and unrestricted.

- a. Net Investment Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation and reduced by 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.
- b. 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 on enabling legislation. The government-wide statement of net position reports \$ 8,750,208 of restricted net position, which is restricted by enabling legislation.
- c. Unrestricted – This component consists of net position that does not meet the definition of “net investment in capital assets” and “restricted”.

10. Leases

Lessor: The Town is a lessor for a noncancellable leases of right-to-use buildings and land the Town recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental and proprietary fund financial statements. The Town recognizes lease receivables with an initial, individual value of \$50,000 or more.

At the commencement of a lease, the Town initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is amortized on a straight-line basis over the life of the lease term.

Key estimates and judgments include how the Town determines (1) the discount rate it used to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

TOWN OF BELLEAIR, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E . Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balance (Continued)

- The Town uses its incremental borrowing rate as a discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

11. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

12. Minimum Fund Balance Policy

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

This Fund Balance Policy establishes:

- a. Fund balance policy for the general fund;
- b. The method of budgeting the amount of estimated unrestricted fund balance (also known as estimated beginning fund balance) available for appropriation during the annual budget adoption
- c. 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.

The General Fund, as defined in the ACFR, has a reserve target of 20% of the Fund's current

TOWN OF BELLEAIR, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E . Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balance (Continued)

year budgeted appropriations.

Other governmental funds of the Town do not have specified fund balance targets. Recommended levels of committed and/or assigned fund balance will be determined on a case by case basis, based on the needs of each fund and as recommended by Town officials and approved by Town Commission.

Proprietary and Fiduciary funds do not have fund balance targets.

13. Adoption of New Governmental Accounting Standards Board (GASB) Pronouncements

During the fiscal year ended September 30, 2022 the Town implemented GASB Statement No. 87, *Leases* Issued in June 2017, this Statement is to improve the accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The Statement establishes a single model for lease accounting based on the foundational principle that leases are financing's of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. See the lease and restatement footnotes for further information.

GASB Statement No. 92, *Omnibus 2020* Issued in January 2020, this Statement is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during the implementation and application of certain GASB Statements. The Town implemented this Statement for fiscal year September 30, 2022 as it clarifies the application of the Town's lease accounting.

GASB Statement No. 99, *Omnibus 2022* Issued in April 2022, this Statement is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The Town implemented this Statement for the fiscal year ending September 30, 2022 as it clarifies application of the Town's lease accounting.

TOWN OF BELLEAIR, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as program revenues include charges paid by the recipient of the goods or services offered by the program and contributions that are restricted to meeting the operational or capital requirements of a particular program. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than program revenues.

Revenues that are not classified as program revenues are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the Town.

2. 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 2022 millage rate assessed by the Town was 6.5000.

All property is reassessed according to its fair market value on 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.

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 uncollectible accounts. Trade accounts receivable in excess of 180 days comprise the trade accounts receivable allowance for uncollectible including those for the water, wastewater and solid waste management enterprise funds.

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

TOWN OF BELLEAIR, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

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

3. 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.

4. Utility Tax

The Town's utility tax represents billed stormwater fees as well as electric utility taxes. The stormwater fee is charged on each utility bill based on the amount of impervious surface area on the parcel. Electric utility tax payment to the Town equals a percentage of the grantees' gross revenues on eligible billed services.

NOTE 2 – BUDGET AND BUDGETARY DATA

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.

TOWN OF BELLEAIR, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 2 – BUDGET AND BUDGETARY DATA (Continued)

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 department level. During the year one supplementary appropriation was necessary.

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

NOTE 3 – DEPOSITS

At year-end the carrying amount of the Town's deposits was \$3,187,479 of which the bank balance was \$3,168,749. 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 THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 4 - 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 Durations (Years)</u>
Investments not subject to categorization:			
Florida State Board of Administration Local Government Pooled Investment Fund (SBA)	\$ 12,661,670	Not Rated	N/A
Florida Safe Investments Fund	<u>3,341,246</u>	Not Rated	N/A
Total Investments	<u>\$ 16,002,916</u>		

(1) Police Pension Fund investments are separately disclosed in Note 10.

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

Credit Risk - Credit risk is the risk that a debt issuer will not fulfill its obligations. Consistent with Chapter 218 of the Florida Statutes, the Town’s investment guidelines limit its fixed-income investments to a quality rating of ‘A’ or equivalent as rated by one or more recognized bond rating services 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.

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 218.415. 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:

TOWN OF BELLEAIR, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 4 – INVESTMENTS (Continued)

- (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.

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 SBA. These rules provide guidance and establish the general operating procedures for the administration of the local government pooled investment fund. Additionally, the Florida Auditor General performs the operational audit of the activities and investments of the SBA.

Since the Florida SBA local government pooled investment fund typically owns a substantial amount of treasury bills and notes, the fund has utilized security lending programs to generate supplemental income. This income is used to pay a significant portion of the fees associated with the fund which otherwise would have 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, 2022. The Florida SBA and the Florida Safe Investment Fund are both 2a-7 like pools.

TOWN OF BELLEAIR, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 4 – INVESTMENTS (Continued)

The Florida SAFE Investment Pool (FLSAFE) is an independent local government investment pool created under the laws of Florida to provide eligible units of local government with investment vehicles to pool their surplus funds. FLSAFE investment pools are Stable Net Asset Value investment pools rated AAAM by Standard & Poors. The investment advisor and administrator for the FLSAFE investment pool is PMA Financial Network.

FLSAFE has no unfunded commitments, and all provide same day or next day redemption. The investment strategies prioritize safety of principal and liquidity over return, consistent with the Town’s investment strategy, investing in high-quality short-term investments.

NOTE 5 - RECEIVABLES

Receivables as of September 30, 2022 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:

	Governmental Activities			Business Type Activities			Total
	General Fund	Infrastructure Fund	Nonmajor and Other Funds	Water Fund	Solid Waste Fund	Wastewater Management Fund	
Accounts Receivables	\$ 67,577	\$ 50,401	\$ -	\$ 442,774	\$ 151,171	\$ 219,210	\$ 931,133
Other Governmental Entities	84,622	202,016	12,795	-	-	-	\$ 299,433
Gross Receivables	<u>152,199</u>	<u>252,417</u>	<u>12,795</u>	<u>442,774</u>	<u>151,171</u>	<u>219,210</u>	<u>1,230,566</u>
Less: Allowance for Uncollectible	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>10,000</u>	<u>15,000</u>	<u>50,000</u>
Net Total Receivables	<u>\$ 152,199</u>	<u>\$ 252,417</u>	<u>\$ 12,795</u>	<u>\$ 417,774</u>	<u>\$ 141,171</u>	<u>\$ 204,210</u>	<u>\$ 1,180,566</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, 2022.

TOWN OF BELLEAIR, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 6 – LEASE RECEIVABLES

The Town has ongoing lease agreements with Belleview Biltmore Country Club related to the rental of a parcel of real property adjacent to Bayview Drive in Belleair, Pinellas County, Florida. The term of the lease is for 30 years. A summary of the lease receivable for the year ending September 30, 2022 is as follows:

Fiscal Year Ending September 30	Principal	Interest
2023	\$ 22,454	\$ 11,467
2024	21,909	11,193
2025	21,377	10,911
2026	20,858	10,623
2027	20,352	10,327
2028-2030	58,139	29,135
2031-2035	90,497	41,672
2036-2040	82,435	31,710
2041-2045	75,090	19,983
2046-2050	68,400	6,247
Total	<u>\$ 481,511</u>	<u>\$ 183,267</u>

TOWN OF BELLEAIR, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2022 was as follows:

	Balance 10/1/2021	Transfers	Additions	Deletions	Balance 9/30/2022
GOVERNMENTAL ACTIVITIES					
Capital Assets Not Being Depreciated:					
Land	\$ 5,637,015	\$ -	\$ -	\$ -	\$ 5,637,015
Construction in Progress	59,277	(2,713)	28,662	-	85,226
Total Capital Assets Not Being Depreciated	<u>5,696,292</u>	<u>(2,713)</u>	<u>28,662</u>	<u>-</u>	<u>5,722,241</u>
Capital Assets Being Depreciated:					
Improvements Other Than Buildings	867,039	729,818	-	-	1,596,857
Buildings	6,874,184	(697,114)	-	-	6,177,070
Machinery and Equipment	2,384,837	(45,415)	9,495	112,317	2,236,600
Infrastructure	39,225,896	74,864	3,456,887	-	42,757,647
Total Capital Assets Being Depreciated	<u>49,351,956</u>	<u>62,153</u>	<u>3,466,382</u>	<u>112,317</u>	<u>52,768,174</u>
Less Accumulated Depreciation for:					
Improvements Other Than Buildings	483,476	178,893	126,655	-	789,024
Buildings	2,061,672	158,309	209,600	-	2,429,581
Machinery and Equipment	1,430,821	274,901	184,882	96,613	1,793,991
Infrastructure	15,635,019	(602,999)	2,969,224	-	18,001,244
Total Accumulated Depreciation	<u>19,610,988</u>	<u>9,104</u>	<u>3,490,361</u>	<u>96,613</u>	<u>23,013,840</u>
Total Capital Assets Being Depreciated, Net	<u>29,740,968</u>	<u>53,049</u>	<u>(23,979)</u>	<u>15,704</u>	<u>29,754,334</u>
Governmental Activities Capital Assets, Net	<u>\$ 35,437,260</u>	<u>\$ 50,336</u>	<u>\$ 4,683</u>	<u>\$ 15,704</u>	<u>\$ 35,476,575</u>
BUSINESS-TYPE ACTIVITIES					
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>-</u>	<u>22,950</u>
Capital Assets Being Depreciated:					
Improvements Other Than Buildings	\$ 5,745,285	\$ -	\$ 246,182	\$ -	\$ 5,991,467
Buildings and Fixed Equipment	341,469	-	-	-	341,469
Machinery and Equipment	1,291,348	-	159,971	-	1,451,319
Total Capital Assets Being Depreciated	<u>7,378,102</u>	<u>-</u>	<u>406,153</u>	<u>-</u>	<u>7,784,255</u>
Less Accumulated Depreciation for:					
Improvements Other Than Buildings	2,535,972	-	177,762	-	2,713,734
Buildings and Fixed Equipment	305,473	-	6,147	-	311,620
Machinery and Equipment	1,065,604	-	68,823	-	1,134,427
Total Accumulated Depreciation	<u>3,907,049</u>	<u>-</u>	<u>252,732</u>	<u>-</u>	<u>4,159,781</u>
Total Capital Assets Being Depreciated, Net	<u>3,471,053</u>	<u>-</u>	<u>153,421</u>	<u>-</u>	<u>3,624,474</u>
Business Type Activities Capital Assets, Net	<u>\$ 3,494,003</u>	<u>\$ -</u>	<u>\$ 153,421</u>	<u>\$ -</u>	<u>\$ 3,647,424</u>

TOWN OF BELLEAIR, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 7 - CAPITAL ASSETS (Continued)

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

Function	Amount
Governmental Activities:	
General Government	\$ 126,655
Transportation	209,600
Public Safety	184,882
Culture and Recreation	2,969,224
Total Depreciation Expense - Governmental Activities	\$ 3,490,361
Business-type activities:	
Water	\$ 190,839
Solid Waste	61,894
Total Depreciation Expense - Business-type activities	\$ 252,733

NOTE 8 - INTERFUND TRANSFERS

Interfund transfers of money represent transfers of monies between funds. During 2021-2022 the Town transferred funds from the Infrastructure Fund to the Debt Service Funds totaling \$1,051,132 to provide debt service principal and interest payments.

NOTE 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, 2022, as shown in the following table:

Enterprise Funds	Administrative Cost Allocated
Water	\$ 373,336
Solid Waste Management	219,261
Total	\$ 592,597

**TOWN OF BELLEAIR, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 10 – DEFINED BENEFIT PLANS

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 plan is a single-employer defined benefit pension plan covering all full-time sworn police officers of the Town of Belleair, Florida (Town). Participation in the plan is required as a condition of employment.

Originally established by Town Ordinance in 1977 and amended in 1997, 2002, 2007 and 2020, the plan provides for pension, death and disability benefits. The plan is subject to the provisions of Chapter 185, Florida Statutes.

Plan Administration

The plan is a single-employer defined benefit pension plan administered by the Plan’s Board of Trustees comprised of:

- a) Two Town Commission appointees.
- b) Two Members of the System elected by a majority of the other covered Police Officers, and
- c) A fifth Member elected by the other 4 and appointed by the Commission.

Plan Membership

As of September 30, 2022, the Plan membership is as follows:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	14
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	7
Active Plan Members	12
Total	33

Benefits Provided:

The Plan provides retirement, termination, disability and death benefits. A summary of the benefit provisions are below:

Normal Retirement:

Eligibility: Earlier of age 55 and the completion of 5 years of Credited Service for members hired before January 21, 2020. The age and service requirements amended to be age 55 with 10 years of credited service for members hired after January 21, 2020 or the completion of 25 years of Credited Service, regardless of age for members hired on or after January 21, 2020.

TOWN OF BELLEAIR, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 10 – DEFINED BENEFIT PLANS (Continued)

Benefit Amount: 3.50% of Average Final Compensation times Credited Service if hired prior to January 21, 2020. If hired after January 21, 2020, 3% of average final compensation times credited service.

Early Retirement:

Eligibility: Age 50 and 10 years of Credited Service.

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

Disability:

Eligibility: Total and permanent disability prior to Normal Retirement Date.

10 years of Creditable Service required for non-service-related disability.

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

Pre-Retirement Death Benefits:

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

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

Vesting (Termination):

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

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

Chapter 185 Share Account:

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

Contributions: The State of Florida has established guidelines for state and local pension plan funding that requires submission to and approval of the local government's actuarial reports by a State Bureau, at least every third year. The Town's pension plans, by policy, (1) require annual actuarial reports as of October 1 of each year, (2) receive employer contributions based on the actuarially determined requirement which includes funding from the State of Florida as required by Florida Statute and (3) use the same assumptions (see funding policy section) for determining the employer contribution required.

Participants in the plan contribute 6% of the employee's covered payroll if hired before January 21, 2020, and 8% of the employee's covered payroll if hired on or after January 21, 2020.

Summary of Significant Accounting Policies

The Plan is accounted for as a Pension Trust Fund; therefore, it is accounted for in substantially the same manner as a proprietary fund with a capital maintenance measurement focus and the accrual basis of accounting. Employer contributions are recognized in the period in which contributions are due. Benefits

TOWN OF BELLEAIR, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 10 – DEFINED BENEFIT PLANS (Continued)

and refunds are recognized when due and payable in accordance with the terms of the Plan. Plan assets are valued at fair value for financial statement purposes.

Separate statements are not issued for the plan.

Investments

The Police Pension Board has the authority to amend the investment policy for the plan. The Police Pension Board monitors the investment performance and reports to the Commission. The following was the Board’s adopted asset allocation policy as of September 30, 2022:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic Equity	45%
International Equity	15%
Domestic Fixed Income	30%
Global Fixed Income	5%
GTAA	5%

The Plan’s cash and investments as of September 30, 2022, consisted of the following:

TOWN OF BELLEAIR, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 10 – DEFINED BENEFIT PLANS (Continued)

	Balance 9/30/2022	(Level 1)	(Level 2)	(Level 3)
<u>Investments by Fair Value Level</u>				
US Government Agency Securities	\$ 830	-	\$ 830	
<u>Investments Measured at Net Assets Value (NAV)</u>				
Domestic fixed income investment funds	1,660,202			
Domestic Stock	865,364			
Domestic equity investment funds	1,842,144			
International equity investment fund	35,853			
Total Investments Measured at NAV	<u>4,403,563</u>			
<u>Investments Measured at Amortized Cost</u>				
Temporary investments	<u>44,549</u>			
Total Investments	<u>\$ 4,448,942</u>			
Cash with Fiscal Agent	3,238			
Member Contributions Receivables	45,359			
Due from Broker	59,230			
Accrued Interest Receivables	1,201			
Total Plan Assets	<u>\$ 4,557,970</u>			

Net Pension Asset and Liability

The net pension asset and liability are measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the pension plan's fiduciary net position.

The Town's total pension liability recorded in the September 30, 2022 financial statements was measured as of October 1, 2022.

Actuarial Assumptions

The total pension liability (asset) was determined by an actuarial valuation as of October 1, 2021 updated to September 30, 2022, using the following actuarial assumptions:

**TOWN OF BELLEAIR, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 10 – DEFINED BENEFIT PLANS (Continued)

Valuation Date	October 1, 2021
Inflation	2.50%
Salary Increases	Service based
Discount Rate	7.20%
Investment Rate of Return	7.20%
Mortality Rate Table	Female: Active PubS.H-2010 for Employees, set forward one year. Male: Active PubS.H-2010 (Below Median) for Employees, set forward one year. Female: Retiree PubS.H-2010 for Healthy Retirees, set forward one year. Male: Retiree PubS.H-2010 (Below Median) for Healthy Retirees, set forward one year

Actuarial changes from the prior year

The interest rate assumption has decreased from 7.30% to 7.20% to better reflect recent experience and anticipated future returns. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns; Net of Pension Plan investment expenses and inflation) are developed for each major asset class. For 2022, the inflation rate assumption of the investment advisor was 2.50%.

These ranges are combined to produce the Long-Term Expected Rate of Return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Pension Plan's target asset allocation as of September 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Expected Long-Term Real Rate of Return</u>
Domestic Equity	7.5% per annum
International Equity	8.5% per annum
Domestic Fixed Income	2.5% per annum
Global Fixed Income	3.5% per annum
GTAA	3.5% per annum

None of the plans held investments in any one organization that represents 5% or more of the Plan's fiduciary net position.

TOWN OF BELLEAIR, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 10 – DEFINED BENEFIT PLANS (Continued)

The discount rate used to measure the total pension liability was 7.2%. The projection of cash flows used to determine the discount rate assumed that plan member (employee) contributions will be made at the current contribution rate and that plan sponsor (employer) contributions will be made at rates equal to the difference between actuarially determined contribution rates and the plan member rate. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Total Pension Liability	\$	5,864,370
Plan Fiduciary Net Position		(4,476,106)
Net Pension Liability	\$	1,388,264
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		76.33%

Changes in Net Pension Asset and Liability

The change in the net pension asset and liability for the year ended September 30, 2022 is as follows, with various differences noted in the ending plan fiduciary net position per the actuarial valuation versus the financial statements due to timing differences resulting from the accrual of income and expense items.

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balance at September 30, 2021	\$ 5,628,492	\$ 5,607,508	\$ 20,984
Changes for a Year:			
Service Cost	253,146		253,146
Interest	415,670		415,670
Differences between Expected and Actual Expenses	(115,405)		(115,405)
Changes in assumption	50,411		50,411
Changes of benefit terms	-		-
Contributions - Employer	-	350,094	(350,094)
Contributions - Employee	-	65,131	(65,131)
Net Investment income	-	(1,141,148)	1,141,148
Benefit payments, including refunds of employee contributions	(367,944)	(367,944)	-
Administrative Expense	-	(37,535)	37,535
Net Changes	235,878	(1,131,402)	1,367,280
Balances at September 30, 2022	\$ 5,864,370	\$ 4,476,106	\$ 1,388,264

TOWN OF BELLEAIR, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 10 – DEFINED BENEFIT PLANS (Continued)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate - The following presents the net pension liability (asset) of the Town calculated using the discount rate of 7.20%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate.

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Total Pension Liability	\$ 1,940,418	\$ 1,388,264	\$ 915,241

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources:

For the year ended September 30, 2022, the Town will recognize a pension expense of \$387,358. On September 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 57,703
Changes of assumptions	25,206	-
Net difference between projected and actual earnings on pension plan investments	956,798	-
Total	\$ 982,004	\$ 57,703

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

Fiscal Year	
Ending	Amount
June 30	
2023	195,102
2024	201,525
2025	217,555
2026	310,119
2027	-
Total	924,301

TOWN OF BELLEAIR, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 10 – DEFINED BENEFIT PLANS (Continued)

Employees' 401(k) Fund:

The Town provides retirement benefits for all of its full-time employees not covered under the police officers' pension plan through a defined contribution 401(k) plan administered by the Mission Square as a third-party administrator and investment advisor under their prototype profit-sharing plan and trust agreement. At September 30, 2022, there were 55 plan members. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate after one year of employment. The 401(k) plan requires that participants contribute at least three percent (but not to exceed fourteen percent or the maximum amount allowed by the Internal Revenue Code whichever is greater) of their compensation which, if made, will be matched by a nine percent Town contribution. The Town's contributions for each employee (and interest allocated to the employee's account) are fully vested after three years of continuous service. Town contributions for, and interest forfeited by, employees who leave employment before three years of service are used to reduce the Town's current-period contribution requirement. The 401(k) plan provisions and contribution requirements are established and may be amended by the Town Commission.

NOTE 11 - 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.

NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS PLAN

Background

The Town sponsors a single employer defined benefit "other post-employment benefit" ("OPEB") plan to retirees who meet certain age and service requirements. No assets are accumulated in a trust. The Town recognizes the cost of providing benefits by expensing monthly premiums, on a pay-as-you-go basis.

Benefits Provided

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)

TOWN OF BELLEAIR, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS PLAN (Continued)

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, 2022, the Town had two employees eligible to receive these benefits. These post-employment benefits are financed on a pay-as-you-go basis.

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

All of the above benefit plans are provided through insurance companies or health maintenance organizations (HMO). Some health plan premiums are based on the benefits paid during the plan period ending September 30, 2022. The Town offers vision, dental, and AD&D policies paid for entirely by active and retired employees.

At September 30, 2022, there were 57 plan members.

Total OPEB Liability

The Town’s total OPEB Liability of \$118,486 was measured as of September 30, 2022, and was determined by an actuarial valuation as of that date.

TOWN OF BELLEAIR, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS PLAN

Actuarial assumptions and other inputs

Valuation Date	September 30, 2022
Salary Increases	3.0% per annum
Discount Rate	2.26% at the beginning of the fiscal yer and 4.02% at the end of the fiscal yer
Cost Method	Entry Age Normal based on level percentage of projected salary
Healthcare Cost Trend Rates	4.04%
Mortality Tables	SOA published Getzen Long Term Healthcare Cost Trend Models

Changes in the Total OPEB Liability

Description	Amount
Service Cost	\$ 28,367
Interest on Total OPEB Obligation	16,171
Difference between expected and actual experience	(480,520)
Changes in assumptions and other inputs	(121,161)
Benefit payments	(23,371)
Net change in Total OPEB Liability	(580,514)
Total OPEB Liability, Beginning	699,000
Total OPEB Liability, Ending	\$ 118,486

TOWN OF BELLEAIR, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 13 - LONG-TERM DEBT

The following is a summary of changes in long-term liabilities of the Town for the fiscal year ended September 30, 2022:

	Balance 10/1/2021	Additions	Deductions	Balance 9/30/2022	Due in One Year
Governmental Activities					
Bonds, Notes and Other Payable:					
2019A Revenue Bond	\$ 6,324,000	\$ -	\$ 507,000	\$ 5,817,000	\$ -
2019B Revenue Bond	4,384,000	-	202,000	4,182,000	-
Facility Lease	602,446	-	57,960	544,486	60,023
Total Bonds, Notes and Other Payable	<u>11,310,446</u>	<u>-</u>	<u>766,960</u>	<u>10,543,486</u>	<u>60,023</u>
Other Liabilities:					
Compensated Absences Payable	417,423	301,356	341,025	377,754	79,211
OPEB Liability	698,852	44,538	624,904	118,486	-
Net Pension Liability	20,984	1,782,505	415,225	1,388,264	-
Total	<u>\$ 12,447,705</u>	<u>\$ 2,128,399</u>	<u>\$ 2,148,114</u>	<u>\$ 12,427,990</u>	<u>\$ 139,234</u>

	Balance 10/1/2021	Additions	Deductions	Balance 9/30/2022	Due in One Year
Business-Type Activities					
Compensated Absences Payable	\$ 99,111	\$ 78,987	\$ 64,473	\$ 113,625	\$ 20,302
Total	<u>\$ 99,111</u>	<u>\$ 78,987</u>	<u>\$ 64,473</u>	<u>\$ 113,625</u>	<u>\$ 20,302</u>

Capital Improvement Revenue Refunding Bond Series 2019A

On October 15, 2019, the Town Commission adopted Resolution 2019-21 to approve the issuance of \$7,313,000 of revenue bonds. The bonds are for the purpose of refunding all of the outstanding Capital Improvement Revenue Bonds, Series 2012.

Pledged revenues are non-ad valorem funds.

Term:	October 17, 2019 through October 21, 2032
Amount:	\$7,313,000
Interest Rate:	2.46%
Annual debt service	\$493,000 to \$647,000
Amount outstanding as of September 30, 2022	\$5,817,000

TOWN OF BELLEAIR, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 13 - LONG-TERM DEBT (Continued)

Debt service requirements to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
2023	\$ -	\$ 71,549	\$ 71,549
2024	522,000	136,678	658,678
2025	532,000	123,713	655,713
2026	546,000	110,454	656,454
2027	560,000	96,850	656,850
2028-2032	3,010,000	268,214	3,278,214
2033	647,000	7,958	654,958
	<u>\$ 5,817,000</u>	<u>\$ 815,416</u>	<u>\$ 6,632,416</u>

Capital Improvement Revenue Refunding Bond Series 2019B

On November 5, 2019, the Town Commission adopted Resolution 2019-24 to approve the issuance of \$4,687,000 of revenue bonds. The bonds are to finance capital improvement projects.

Pledged revenues are non-ad valorem funds.

Term:	November 7, 2019 through October 1, 2034
Amount:	\$4,687,000
Interest Rate:	2.46%
Annual debt service	\$107,000 to \$949,000
Amount outstanding as of September 30, 2022	\$4,182,000

Debt service requirements to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ -	\$ 51,439	\$ 51,439
2024	205,000	100,356	305,356
2025	212,000	95,227	307,227
2026	217,000	89,950	306,950
2027	221,000	84,563	305,563
2028-2032	1,195,000	337,204	1,532,204
2033-2034	2,132,000	95,694	2,227,694
	<u>\$ 4,182,000</u>	<u>\$ 854,432</u>	<u>\$ 5,036,432</u>

TOWN OF BELLEAIR, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 13 - LONG-TERM DEBT (Continued)

Facility lease

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

Term:	March 6, 2018 through April 1, 2030
Amount:	\$762,390
Interest Rate:	3.529%
Annual debt service	\$78,716
Amount outstanding as of September 30, 2022	\$544,486

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2023	\$ 60,023	\$ 18,693	\$ 78,716
2024	62,161	16,555	78,716
2025	64,374	14,342	78,716
2026	66,666	12,050	78,716
2027	69,040	9,676	78,716
2028-2032	222,222	13,926	236,148
Total Minimum Lease Payments	<u>\$ 544,486</u>	<u>\$ 85,242</u>	<u>\$ 629,728</u>

NOTE 14 – FUND BALANCES

There are two major types of fund balances, nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items and inventories, and principal (corpus) of an endowment fund. The Town does not report nonspendable fund balances.

Spendable fund balances are classified based on a hierarchy of spending constraints. The Town has classified the spendable fund balances as Restricted, Committed, Assigned, and Unassigned and considers each to have been spent when expenditures are incurred. 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. When committed, assigned, and unassigned resources are available for use in governmental fund financial statements, it is the Town’s policy to use committed resources first, followed by assigned resources, and then unassigned resources as they are needed.

- **Restricted:** The portion of fund balance on which constraints have been placed by creditors, grantors, contributors, laws or regulations or other governments, constitutional provisions, or enabling legislation. Restricted fund balance places the most binding level of constraints on the

TOWN OF BELLEAIR, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 14 – FUND BALANCES (Continued)

- use of fund balance. The Town classifies most of its fund balances other than General Fund as restricted, as well as, unspent funding that are legally or otherwise restricted. The Town's restricted fund balance totals \$8,750,208 in Capital Projects.
- Committed: The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the highest level of decision-making authority (i.e., resolution that is approved by a majority vote of the Town Commission). These amounts cannot be used for any other purpose unless the Commission removes or changes the specified use by taking the same action it employed to previously commit the amounts. The Town's committed funds balance totals \$212,436 in Special Revenue funds.
- Assigned: The portion of fund balance that is intended to be used for specific purposes but is neither restricted nor committed. Assigned amounts include those that have been set aside for a specific purpose by an authorized government body or official, but the constraint imposed does not satisfy the criteria to be classified as restricted or committed. At year-end, the assigned fund balance is \$555,422.
- Unassigned: The portion of fund balance that is the residual classification for the General Fund. This balance represents amounts that have not been assigned to other funds and that have not been restricted, committed or assigned for specific purposes. The Town has adopted a Fund Balance Policy. At the end of the fiscal year, the unassigned General Fund balance was \$3,215,847, or 45 percent, of General Fund total expenditures.

TOWN OF BELLEAIR, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 14 – FUND BALANCES (Continued)

	General Fund	Local Gas Option Fund	Transportation Impact Fee Fund	Tree Replacement Fund	Local Optional Millage Levy Fund	Infrastructure Fund	Total Governmental Funds
Fund Balance:							
Restricted:							
Capital Projects	\$ -	\$ -	\$ -	\$ -	\$ 699,204	\$ 8,051,004	\$ 8,750,208
Total Restricted					699,204	8,051,004	8,750,208
Committed:							
Special Revenue	-	65,020	85,604	61,812	-	-	212,436
Total Committed	-	65,020	85,604	61,812	-	-	212,436
Assigned:							
Fire Department	206	-	-	-	-	-	206
Hunter Park Amenities Replacement	13,582	-	-	-	-	-	13,582
Master Landscape Plan	16,633	-	-	-	-	-	16,633
Park Improvements						350,000	350,000
Police Equipment	74,381	-	-	-	-	-	74,381
Recreation Fund	78,983	-	-	-	-	-	78,983
Street Signs	277	-	-	-	-	-	277
Tree Fund	-			20,450			20,450
Vanity Plates	910	-	-	-	-	-	910
Total Assigned	184,972	-	-	20,450	-	350,000	555,422
Unassigned:	3,215,847	-	-	-	-	-	3,215,847
Total Fund Balance	\$ 3,400,819	\$ 65,020	\$ 85,604	\$ 82,262	\$ 699,204	\$ 8,401,004	\$ 12,733,913

NOTE 15 - RISK MANAGEMENT

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

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

**TOWN OF BELLEAIR, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 15 - RISK MANAGEMENT (Continued)

Property	\$250,000
Liability	\$300,000
Errors and Omissions	\$300,000
Workers' Compensation	\$500,000
Crime	\$500,000 limit/ \$25,000 SIR

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

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

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

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

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

<u>Carrier</u>	<u>Coverage</u>
Markel/Ambridge	Excess property, general liability & law enforcement
Ambridge/Great American	Buffer Workers' Compensation
Midwest Employees	Excess pWorkers' Compensation
Chartis	Crime

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

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

TOWN OF BELLEAIR, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 15 - RISK MANAGEMENT (Continued)

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.

NOTE 16 – STATE AND FEDERAL GRANTS

Grant monies received and disbursed by the Town are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the Town does not believe that such disallowance, if any, would have a material effect on the financial position of the Town.

As of September 30, 2022. The Town had an increased balance of advance receipts from grantor agencies due to the following new grant program:

- The Town has advance receipts from the U.S. Treasury Coronavirus Local Fiscal Recovery Fund of \$2,133,637 in the American Rescue Plan Act Special Revenue Fund.



REQUIRED SUPPLEMENTARY INFORMATION



TOWN OF BELLEAIR, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
LAST NINE YEARS

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability:									
Service cost	\$ 253,146	\$ 278,143	\$ 258,175	\$ 271,607	\$ 276,250	\$ 235,024	\$ 237,141	\$ 237,141	\$ 237,141
Interest	415,670	406,302	379,016	358,831	329,454	321,366	280,727	270,052	236,179
Changes of benefit terms	-	-	-	-	-	(29,812)	-	-	-
Difference between expected and actual experience	(115,405)	(147,955)	299,896	(101,933)	83,595	(137,418)	(123,703)	(127,034)	-
Changes in assumptions	50,411	57,238	(104,309)	-	12,638	-	143,054	-	-
Benefit payments, including refunds of employee contributions	(367,944)	(362,418)	(330,538)	(244,759)	(193,311)	(180,671)	(158,004)	(141,005)	(141,832)
Net change in total pension liability	235,878	231,310	502,240	283,746	508,626	208,489	379,215	239,154	331,488
Total pension liability- beginning	5,628,492	5,397,182	4,894,942	4,611,196	4,102,570	3,894,081	3,514,866	3,309,913	2,975,972
Total pension liability ending (a)	5,864,370	5,628,492	5,397,182	4,894,942	4,611,196	4,102,570	3,894,081	3,549,067	3,307,460
Plan fiduciary net position:									
Contributions- employer	350,094	314,508	297,808	273,200	168,361	176,105	150,036	213,760	237,836
Contributions- state	-	58,051	57,098	55,311	52,950	48,160	48,560	47,291	44,305
Contributions- employees	65,131	63,138	56,927	61,708	54,471	52,223	46,400	47,017	46,612
Net investment income (loss)	(1,141,148)	815,668	408,578	176,763	257,192	408,804	166,378	(17,732)	242,548
Benefit payments including refunds of employee contributions	(367,944)	(362,418)	(330,538)	(244,759)	(193,311)	(180,671)	(158,004)	(141,005)	(141,832)
Administrative expenses	(37,535)	(33,114)	(36,245)	(48,852)	(35,850)	(29,286)	(27,832)	(28,373)	(20,917)
Net change in plan fiduciary net position	(1,131,402)	855,833	453,628	273,371	303,813	475,335	225,538	120,958	408,552
Plan fiduciary net position- beginning	5,607,508	4,751,675	4,298,047	4,024,676	3,720,863	3,245,528	3,019,990	2,899,032	2,490,480
Plan fiduciary net position- ending (b)	4,476,106	5,607,508	4,751,675	4,298,047	4,024,676	3,720,863	3,245,528	3,019,990	2,899,032
Net pension liability (asset) (a)- (b)	\$ 1,388,264	\$ 20,984	\$ 645,507	\$ 596,895	\$ 586,520	\$ 381,707	\$ 648,553	\$ 529,077	\$ 408,428

**TOWN OF BELLEAIR, FLORIDA
SCHEDULE OF RATIOS
LAST NINE YEARS**

Fiscal Year Ended September 30,	Plan Fiduciary Net Position as as Percentage of the Total Pension Liabilty	Covered Payroll	Liability (Asset) as a Percentage of Covered Payroll
2022	76.31%	\$ 1,009,703	137.49%
2021	99.63%	978,925	2.14%
2020	88.03%	948,665	68.04%
2019	87.81%	1,028,474	58.04%
2018	87.29%	907,853	64.61%
2017	90.70%	870,386	43.85%
2016	83.34%	773,326	83.87%
2015	85.92%	783,615	63.15%
2014	87.59%	738,422	55.64%

**TOWN OF BELLEAIR, FLORIDA
SCHEDULE OF CONTRIBUTIONS
LAST NINE YEARS**

Fiscal Year Ended September 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2022	\$ 340,573	\$ 350,094	\$ (9,521)	\$ 1,009,703	34.67%
2021	369,819	372,559	(2,740)	978,925	38.06%
2020	350,458	354,906	(4,448)	948,665	37.41%
2019	321,361	328,511	(7,150)	1,028,474	31.94%
2018	221,881	221,881	-	907,853	24.44%
2017	223,396	223,396	-	870,386	25.67%
2016	197,989	198,596	(607)	773,326	25.60%
2015	261,051	261,051	-	783,615	33.31%
2014	286,371	286,371	-	738,422	38.78%

TOWN OF BELLEAIR, FLORIDA
NOTES TO SCHEDULE OF CONTRIBUTION
SEPTEMBER 30, 2022

Valuation Date:

10/1/2021

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

Methods and assumptions used to determine contribution rates can be found in the October 1, 2021 actuarial valuation for the Town of Belleair Municipal Police Officers' Retirement System prepared by Foster & Foster Actuaries and Consultants.

**TOWN OF BELLEAIR, FLORIDA
SCHEDULE OF INVESTMENT RETURNS
LAST NINE YEARS**

Fiscal Year Ended September 30,	Annual Money-Weighted Rate of Return Net of Investment Expense
2022	-19.93%
2021	16.77%
2020	9.13%
2019	4.11%
2018	7.11%
2017	12.48%
2016	5.68%
2015	-0.75%
2014	9.80%

TOWN OF BELLEAIR, FLORIDA
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST FOUR YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB liability:				
Service cost	\$ 28,367	\$ 32,403	\$ 27,740	\$ 26,781
Interest	16,171	15,668	14,807	17,480
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	(480,372)	-	(23,396)	(20,471)
Changes in assumptions	(121,161)	(4,333)	313,969	13,060
Benefit payments, including refunds of employee contributions	(23,371)	(42,886)	(40,239)	(51,807)
Net change in total pension liability	(580,366)	852	292,881	(14,957)
Total pension liability- beginning	698,852	698,000	405,119	420,076
Total pension liability ending (a)	<u>\$ 118,486</u>	<u>\$ 698,852</u>	<u>\$ 698,000</u>	<u>\$ 405,119</u>
Covered Payroll	\$ 3,235,003	\$ 3,177,000	\$ 3,069,520	\$ 2,802,121
Total OPEB Liability as a percentage of covered payroll	3.66%	22.00%	22.74%	14.46%

COMBINING FINANCIAL STATEMENTS



**TOWN OF BELLEAIR, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Special Revenue		Debt Service			Capital Projects	Total Nonmajor Governmental Funds
	Local Gas Option Fund	Transportation Impact Fee Fund	Capital Improvement Fund Series 2019A	Capital Improvement Fund Series 2019B	Facility Lease Fund	Equipment Replacement Fund	
Assets:							
Cash and Cash Equivalents	\$ 52,040	\$ 24,885	\$ -	\$ -	\$ -	\$ 23,688	\$ 100,613
Investments	185	60,719	-	-	-	675,516	736,420
Accounts Receivable	-	-	-	-	-	-	-
Due From Other Governmental Entities	12,795	-	-	-	-	-	12,795
Total Assets	<u>\$ 65,020</u>	<u>\$ 85,604</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 699,204</u>	<u>\$ 849,828</u>
Liabilities and Fund Balances:							
Liabilities:							
Other Current Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:							
Restricted:							
Special Revenue	65,020	85,604	-	-	-	-	150,624
Capital Projects	-	-	-	-	-	699,204	699,204
Total Fund Balance	<u>65,020</u>	<u>85,604</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>699,204</u>	<u>849,828</u>
Total Liabilities and Fund Balances	<u>\$ 65,020</u>	<u>\$ 85,604</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 699,204</u>	<u>\$ 849,828</u>

**TOWN OF BELLEAIR, FLORIDA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Special Revenue		Debt Service			Capital Projects	
	Local Gas Option Fund	Transportation Impact Fee Fund	Capital Improvement Series 2019A Fund	Capital Improvement Series 2019A Fund	Facility Lease Fund	Equipment Replacement Fund	Total Nonmajor Governmental Funds
Revenues:							
Taxes	\$ 52,110	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,110
Interest on Investments	1	498	-	-	-	5,516	6,015
Total Revenues	52,111	498	-	-	-	5,516	58,125
Expenditures:							
Current:							
General Government	-	-	-	-	-	25,404	25,404
Debt Service							
Principal	-	-	507,000	202,000	57,960		766,960
Interest	-	-	155,570	107,846	20,756		284,172
Total Expenditures	-	-	662,570	309,846	78,716	25,404	1,076,536
Excess (Deficiency) of Revenues Over Expenditures	52,111	498	(662,570)	(309,846)	(78,716)	(19,888)	(1,018,411)
Other Financing Sources (Uses):							
Sale of Auctioned Assets	-	-	-	-	-	40,710	40,710
Transfers In	-	-	662,570	309,846	78,716	-	1,051,132
Transfers Out	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	662,570	309,846	78,716	40,710	1,091,842
Net Change in Fund Balances	52,111	498	-	-	-	20,822	73,431
Fund Balances, Beginning of Year	12,909	85,106	-	-	-	678,382	776,397
Fund Balances, End of Year	\$ 65,020	\$ 85,604	\$ -	\$ -	\$ -	\$ 699,204	\$ 849,828

**TOWN OF BELLEAIR, FLORIDA
SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION -
BUDGET AND ACTUAL - INFRASTRUCTURE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Ad Valorem	\$ 1,143,723	\$ 1,142,000	\$ 1,141,415	\$ (585)
Utility	430,000	555,000	554,718	(282)
Infrastructure Tax	564,809	580,000	577,292	(2,708)
Contributions and Donations	900,960	1,340,000	1,336,018	(3,982)
Charges for Services	337,400	315,000	330,851	15,851
Interest on Investments	-	72,500	72,336	(164)
Miscellaneous	2,122,500	116	117	1
Total Revenues	<u>5,499,392</u>	<u>4,004,616</u>	<u>4,012,747</u>	<u>8,131</u>
Expenditures:				
Current:				
General Government	1,004,000	173,000	172,962	38
Capital Outlay	9,327,764	3,490,000	3,485,549	4,451
Total Expenditures	<u>10,331,764</u>	<u>3,663,000</u>	<u>3,658,511</u>	<u>4,489</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(4,832,372)</u>	<u>341,616</u>	<u>354,236</u>	<u>12,620</u>
Other Financing Sources (Uses):				
Lease Proceeds	-	22,500	22,500	-
Transfers Out	-	(1,051,132)	(1,051,132)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(1,028,632)</u>	<u>(1,028,632)</u>	<u>-</u>
Net Change in Fund Balances	<u>(4,832,372)</u>	<u>(687,016)</u>	<u>(674,396)</u>	<u>12,620</u>
Fund Balances Beginning of Year	9,075,400	9,075,400	9,075,400	-
Fund Balances End of Year	<u>\$ 4,243,028</u>	<u>\$ 8,388,384</u>	<u>\$ 8,401,004</u>	<u>\$ 12,620</u>

**TOWN OF BELLEAIR, FLORIDA
SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION -
BUDGET AND ACTUAL - WATER ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Operating Revenues:				
Charges for Services	\$ 1,772,200	\$ 1,867,000	\$ 1,996,788	\$ 129,788
Other Operating Revenue	-	35,000	34,781	(219)
Total Operating Revenues	<u>1,772,200</u>	<u>1,902,000</u>	<u>2,031,569</u>	<u>129,569</u>
Operating Expenses:				
Current:				
General Government	1,351,855	1,521,000	1,520,181	819
Depreciation	-	191,000	190,839	161
Total Expenditures	<u>1,351,855</u>	<u>1,712,000</u>	<u>1,711,020</u>	<u>980</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>420,345</u>	<u>190,000</u>	<u>320,549</u>	<u>130,549</u>
Other Financing Sources (Uses):				
Investment Earnings	1,000	24,000	23,477	(523)
Transfers Out	(364,050)	-	-	-
Total Other Financing Sources	<u>(363,050)</u>	<u>24,000</u>	<u>23,477</u>	<u>(523)</u>
Net Change in Fund Balances	<u>57,295</u>	<u>214,000</u>	<u>344,026</u>	<u>130,026</u>
Fund Balances Beginning of Year	6,311,644	6,311,644	6,311,644	-
Fund Balances End of Year	<u>\$ 6,368,939</u>	<u>\$ 6,525,644</u>	<u>\$ 6,655,670</u>	<u>\$ 130,026</u>

**TOWN OF BELLEAIR, FLORIDA
SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION -
BUDGET AND ACTUAL - SOLID WASTE ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Operating Revenues:				
Charges for Services	\$ 1,039,481	\$ 1,004,000	\$ 1,054,720	\$ 50,720
Intergovernmental	3,300	-	-	-
Other Income	50,000	37,800	37,789	(11)
Total Operating Revenues	1,092,781	1,041,800	1,092,509	50,709
Operating Expenses:				
Current:				
General Government	896,218	971,500	971,339	161
Depreciation	-	62,000	61,894	106
Total Expenditures	896,218	1,033,500	1,033,233	267
Excess (Deficiency) of Revenues Over Expenditures	196,563	8,300	59,276	50,976
Other Financing Sources (Uses):				
Investment Earnings	500	5,500	5,418	(82)
Other Income	500	12,500	12,249	(251)
Transfers Out	(209,600)	-	-	-
Total Other Financing Sources	(208,600)	18,000	17,667	(333)
Net Change in Fund Balances	(12,037)	26,300	76,943	50,643
Fund Balances Beginning of Year	1,197,738	1,197,738	1,197,738	-
Fund Balances End of Year	<u>\$ 1,185,701</u>	<u>\$ 1,224,038</u>	<u>\$ 1,274,681</u>	<u>\$ 50,643</u>

**TOWN OF BELLEAIR, FLORIDA
SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION -
BUDGET AND ACTUAL - WASTEWATER MANAGEMENT ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Operating Revenues:				
Charges for Services	\$ 1,000,000	\$ 1,491,000	\$ 1,562,325	\$ 71,325
Total Operating Revenues	1,000,000	1,491,000	1,562,325	71,325
Operating Expenses:				
Current:				
General Government	1,000,000	1,557,000	1,556,859	141
Total Expenditures	1,000,000	1,557,000	1,556,859	141
Excess (Deficiency) of Revenues Over Expenditures	-	(66,000)	5,466	71,466
Other Financing Sources (Uses):				
Investment Earnings	-	1,587	1,587	-
Total Other Financing Sources	-	1,587	1,587	-
Net Change in Fund Balances	-	(64,413)	7,053	71,466
Fund Balances Beginning of Year	356,331	356,331	356,331	-
Fund Balances End of Year	\$ 356,331	\$ 291,918	\$ 363,384	\$ 71,466

STATISTICAL SECTION



TOWN OF BELLEAIR, FLORIDA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental activities:										
Net investment in capital assets	\$ 24,933,089	\$ 24,126,814	\$ 25,303,754	\$ 26,054,665	\$ 24,865,070	\$ 26,107,346	\$ 26,838,533	\$ 24,653,063	\$ 23,677,895	\$ 24,452,960
Restricted	8,750,208	9,904,918	11,049,155	6,657,800	6,932,001	5,206,043	2,951,253	4,743,141	7,109,356	6,257,868
Unrestricted	3,023,502	1,028,492	1,020,801	1,023,826	865,363	1,494,089	1,621,008	1,991,762	2,094,892	2,409,635
Total governmental activities net position	<u>\$ 36,706,799</u>	<u>\$ 35,060,224</u>	<u>\$ 37,373,710</u>	<u>\$ 33,736,291</u>	<u>\$ 32,662,434</u>	<u>\$ 32,807,478</u>	<u>\$ 31,410,794</u>	<u>\$ 31,387,966</u>	<u>\$ 32,882,143</u>	<u>\$ 33,120,463</u>
Business-type activities:										
Net investment in capital assets	\$ 3,647,424	\$ 3,494,002	\$ 3,396,013	\$ 3,462,341	\$ 3,481,032	\$ 3,701,788	\$ 3,797,561	\$ 3,311,142	\$ 2,581,793	\$ 2,394,821
Unrestricted	4,646,311	4,371,711	3,597,691	3,440,386	3,018,603	2,471,849	1,904,753	1,540,083	1,326,702	1,196,803
Total business-type activities net position	<u>\$ 8,293,735</u>	<u>\$ 7,865,713</u>	<u>\$ 6,993,704</u>	<u>\$ 6,902,727</u>	<u>\$ 6,499,635</u>	<u>\$ 6,173,637</u>	<u>\$ 5,702,314</u>	<u>\$ 4,851,225</u>	<u>\$ 3,908,495</u>	<u>\$ 3,591,624</u>
Primary government:										
Net investment in capital assets	\$ 28,580,513	\$ 27,620,816	\$ 28,699,767	\$ 29,517,006	\$ 28,346,102	\$ 29,809,134	\$ 30,636,094	\$ 27,964,205	\$ 26,259,688	\$ 26,847,781
Restricted	8,750,208	9,904,918	11,049,155	6,657,800	6,932,001	5,206,043	2,951,253	4,743,141	7,109,356	6,257,868
Unrestricted	7,669,813	5,400,203	4,618,492	4,464,212	3,883,966	3,965,938	3,525,761	3,531,845	3,421,594	3,606,438
Total primary government net position	<u>\$ 45,000,534</u>	<u>\$ 42,925,937</u>	<u>\$ 44,367,414</u>	<u>\$ 40,639,018</u>	<u>\$ 39,162,069</u>	<u>\$ 38,981,115</u>	<u>\$ 37,113,108</u>	<u>\$ 36,239,191</u>	<u>\$ 36,790,638</u>	<u>\$ 36,712,087</u>

TOWN OF BELLEAIR, FLORIDA
CHANGE IN NET POSITION
LAST TEN FISCALYEARS
(accrual basis of accounting)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
EXPENSES										
Governmental Activities:										
General government	\$ 3,704,759	\$ 5,562,551	\$ 2,839,553	\$ 2,735,744	\$ 2,421,895	\$ 1,967,156	\$ 2,053,304	\$ 2,054,234	\$ 1,184,964	\$ 1,342,208
Public safety	2,048,731	4,196,499	2,476,292	2,612,097	2,706,521	2,039,913	2,034,289	1,897,974	1,983,092	1,894,025
Transportation	3,620,475	697,275	2,026,694	1,725,633	2,218,908	1,850,840	1,526,427	1,960,039	2,850,323	1,228,942
Culture and recreation	878,763	691,637	274,778	1,056,676	1,117,694	1,314,695	1,593,065	1,562,682	2,103,713	2,643,548
Interest on long-term debt	284,172	289,977	313,009	306,033	315,254	313,991	325,571	335,549	348,726	371,028
Total governmental activities expenses	10,536,900	11,437,939	7,930,326	8,436,183	8,780,272	7,486,595	7,532,656	7,810,478	8,470,818	7,479,751
Business-type activities:										
Water	1,711,020	1,754,110	1,834,610	1,466,588	1,510,558	1,340,841	1,258,032	1,330,521	1,357,055	1,286,178
Waste water management	1,556,859	1,407,539	1,248,220	1,140,895	1,120,917	1,161,092	1,090,771	1,029,745	1,018,861	1,088,648
Solid waste management	1,033,233	994,930	936,364	857,318	853,704	820,199	777,415	730,794	768,853	779,554
Total business-type activities expenses	4,301,112	4,156,579	4,019,194	3,464,801	3,485,179	3,322,132	3,126,218	3,091,060	3,144,769	3,154,380
Total primary government expenses	\$ 14,838,012	\$ 15,594,518	\$ 11,949,520	\$ 11,900,984	\$ 12,265,451	\$ 10,808,727	\$ 10,658,874	\$ 10,901,538	\$ 11,615,587	\$ 10,634,131
PROGRAM REVENUES										
Governmental activities:										
Charges for services	\$ 2,337,064	\$ 2,253,232	\$ 1,647,966	\$ 1,850,251	\$ 1,767,065	\$ 1,685,143	\$ 1,558,152	\$ 1,730,392	\$ 2,075,803	\$ 2,353,821
Grants and contributions	1,336,018	233,347	495,817	372,679	799,683	583,095	711,739	765	67,928	28,527
Total governmental activities program revenues	3,673,082	2,486,579	2,143,783	2,222,930	2,566,748	2,268,238	2,269,891	1,731,157	2,143,731	2,382,348
Business-type activities:										
Charges for services:										
Water	1,996,788	1,860,423	1,770,636	1,755,946	1,683,742	1,730,516	1,473,926	1,430,682	1,664,602	889,344
Waste water management	1,054,720	1,418,286	1,254,351	1,153,884	1,132,032	1,167,614	1,105,844	1,089,009	1,059,708	1,056,848
Solid waste management	1,562,325	950,846	887,845	839,164	814,788	794,404	780,881	792,490	802,262	834,709
Total business-type activities revenues	4,613,833	4,229,555	3,912,832	3,748,994	3,630,562	3,692,534	3,360,651	3,312,181	3,526,572	2,780,901
Total primary government program revenues	\$ 8,286,915	\$ 6,716,134	\$ 6,056,615	\$ 5,971,924	\$ 6,197,310	\$ 5,960,772	\$ 5,630,542	\$ 5,043,338	\$ 5,670,303	\$ 5,163,249
NET (EXPENSE) REVENUE										
Governmental activities	\$ (6,863,818)	\$ (8,951,360)	\$ (5,786,543)	\$ (6,213,253)	\$ (6,213,524)	\$ (5,218,357)	\$ (5,262,765)	\$ (6,079,321)	\$ (6,327,087)	\$ (5,097,403)
Business-type activities	312,721	72,976	(106,362)	284,193	148,266	373,302	245,087	221,121	381,803	(373,479)
Total primary government net expense	\$ (6,551,097)	\$ (8,878,384)	\$ (5,892,905)	\$ (5,929,060)	\$ (6,065,258)	\$ (4,845,055)	\$ (5,017,678)	\$ (5,858,200)	\$ (5,945,284)	\$ (5,470,882)

TOWN OF BELLEAIR, FLORIDA
CHANGE IN NET POSITION
LAST TEN FISCALYEARS
(accrual basis of accounting)
(Continued)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental Activities:										
Taxes:										
Property taxes	\$ 5,960,811	\$ 5,558,996	\$ 5,112,067	\$ 4,706,991	\$ 4,079,505	\$ 3,848,662	\$ 3,634,385	\$ 3,475,114	\$ 3,403,996	\$ 3,341,656
Utility taxes	554,718	860,411	857,780	822,809	772,139	773,455	774,675	762,198	781,857	547,536
Franchise fees	455,539	428,888	424,836	418,425	381,011	367,097	362,980	388,063	395,205	359,533
Intergovernmental revenues:										
Infrastructure sale surtax	577,292	497,608	474,084	457,013	434,396	409,965	398,838	379,217	352,312	330,116
Sales taxes	308,674	24,464	248,691	260,508	255,019	245,186	244,096	237,384	225,502	214,026
Communications										
service tax	141,399	-	159,313	167,527	177,863	172,563	173,413	182,916	187,353	201,448
Other taxes	52,111	-	67,059	55,372	56,369	122,867	60,177	58,013	59,345	57,738
State revenue sharing	146,032	-	100,586	107,007	103,932	101,460	97,630	96,097	91,596	88,164
Investment earnings	119,793	19,856	114,969	196,825	75,121	5,165	3,853	19,784	13,562	9,713
Miscellaneous	122,619	31,949	58,476	94,633	249,873	104,342	131,810	84,770	451,656	3,714,808
Insurance proceeds	-	1,636	-	-	-	-	-	-	-	-
Gain on sale of capital assets	71,405	-	1,508,752	-	81,795	551,138	-	-	8,883	-
Donations	-	-	429,125	-	-	-	-	-	-	-
Transfers	-	(785,934)	(131,776)	-	(158,300)	(86,859)	(596,264)	(687,531)	117,500	81,300
Total governmental activities	8,510,393	6,637,874	9,423,962	7,287,110	6,508,723	6,615,041	5,285,593	4,996,025	6,088,767	8,946,038
Business-type activities:										
Operating grants and contributions	-	22,616	-	-	-	-	-	-	-	925
Investment earnings	30,482	3,908	28,519	88,151	2,747	1,233	628	7,394	163	130
Miscellaneous	84,819	9,191	37,044	30,748	16,685	9,929	9,110	26,684	52,405	9,664
Transfers	-	785,934	131,776	-	158,300	86,859	596,264	687,531	(117,500)	(81,300)
Total business-type activities	115,301	821,649	197,339	118,899	177,732	98,021	606,002	721,609	(64,932)	(70,581)
Total primary government	\$ 8,625,694	\$ 7,459,523	\$ 9,621,301	\$ 7,406,009	\$ 6,686,455	\$ 6,713,062	\$ 5,891,595	\$ 5,717,634	\$ 6,023,835	\$ 8,875,457
CHANGE IN NET POSITION										
Governmental activities	\$ 1,646,575	\$ (2,313,486)	\$ 3,637,419	\$ 1,073,857	\$ 295,199	\$ 1,396,684	\$ 22,828	\$ (1,083,296)	\$ (238,320)	\$ 3,848,635
Business-type activities	428,022	872,009	90,977	403,092	325,998	471,323	851,089	942,730	316,871	(444,060)
Total primary government	\$ 2,074,597	\$ (1,441,477)	\$ 3,728,396	\$ 1,476,949	\$ 621,197	\$ 1,868,007	\$ 873,917	\$ (140,566)	\$ 78,551	\$ 3,404,575

TOWN OF BELLEAIR, FLORIDA
PROGRAM REVENUES BY FUNCTIONS/PROGRAM
LAST TEN FISCAL YEARS
(accrual basis of accounting)

FUNCTIONS/PROGRAMS	PROGRAM REVENUES									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental Activities:										
General government	\$ 2,337,064	\$ 2,253,232	\$ 1,274,041	\$ 1,255,116	\$ 1,344,599	\$ 1,214,939	\$ 1,032,888	\$ 989,962	\$ 876,498	\$ 693,805
Public safety	-	-	135,848	198,184	60,100	7,105	15,468	161,572	79,047	8,093
Transportation	1,336,018	-	-	-	-	-	509,796	578,858	-	-
Culture and recreation	-	-	238,077	396,951	362,366	463,099	-	-	1,120,258	1,651,923
Subtotal governmental activities	<u>3,673,082</u>	<u>2,253,232</u>	<u>1,647,966</u>	<u>1,850,251</u>	<u>1,767,065</u>	<u>1,685,143</u>	<u>1,558,152</u>	<u>1,730,392</u>	<u>2,075,803</u>	<u>2,353,821</u>
Business-type activities:										
Water	1,996,788	1,843,566	1,770,636	1,755,946	1,683,742	1,730,516	1,473,926	1,430,682	1,417,237	889,344
Waste water management	1,562,325	1,418,286	1,254,351	1,153,884	1,132,032	1,167,614	1,105,844	1,089,009	1,059,708	1,056,848
Solid waste management	1,054,720	945,087	887,845	839,164	814,788	794,404	780,881	792,490	802,262	834,709
Subtotal business-type activities	<u>4,613,833</u>	<u>4,206,939</u>	<u>3,912,832</u>	<u>3,748,994</u>	<u>3,630,562</u>	<u>3,692,534</u>	<u>3,360,651</u>	<u>3,312,181</u>	<u>3,279,207</u>	<u>2,780,901</u>
Total primary government	<u>\$ 8,286,915</u>	<u>\$ 6,460,171</u>	<u>\$ 5,560,798</u>	<u>\$ 5,599,245</u>	<u>\$ 5,397,627</u>	<u>\$ 5,377,677</u>	<u>\$ 4,918,803</u>	<u>\$ 5,042,573</u>	<u>\$ 5,355,010</u>	<u>\$ 5,134,722</u>

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Fund:										
Nonspendable	\$ -	\$ 7,302	\$ -	\$ 4,486	\$ 4,487	\$ 1,617	\$ 3,599	\$ -	\$ -	\$ -
Assigned	184,972	119,822	92,605	91,590	88,029	88,029	95,531	109,505	102,220	101,510
Unassigned	<u>3,215,847</u>	<u>2,415,763</u>	<u>2,472,069</u>	<u>2,061,593</u>	<u>1,868,171</u>	<u>2,039,028</u>	<u>1,137,936</u>	<u>1,372,003</u>	<u>1,275,946</u>	<u>1,631,544</u>
Total general fund	<u>\$ 3,400,819</u>	<u>\$ 2,542,887</u>	<u>\$ 2,564,674</u>	<u>\$ 2,157,669</u>	<u>\$ 1,960,687</u>	<u>\$ 2,128,674</u>	<u>\$ 1,237,066</u>	<u>\$ 1,481,508</u>	<u>\$ 1,378,166</u>	<u>\$ 1,733,054</u>
All Other Governmental Funds:										
Nonspendable	\$ -	\$ 28,726	\$ -	\$ -	\$ 1,182,390	\$ 405,000	\$ 390,000	\$ -	\$ -	\$ -
Restricted, reported in:										
Capital projects	8,750,208	9,046,674	10,508,835	6,366,782	5,420,805	4,178,843	1,864,603	4,051,391	6,653,456	5,981,668
Committed	212,436	858,244	687,708	528,874	568,392	848,198	1,942,902	1,925,143	1,663,049	1,473,789
Assigned	<u>370,450</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 9,333,094</u>	<u>\$ 9,933,644</u>	<u>\$ 11,196,543</u>	<u>\$ 6,895,656</u>	<u>\$ 7,171,587</u>	<u>\$ 5,432,041</u>	<u>\$ 4,197,505</u>	<u>\$ 5,976,534</u>	<u>\$ 8,316,505</u>	<u>\$ 7,455,457</u>

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

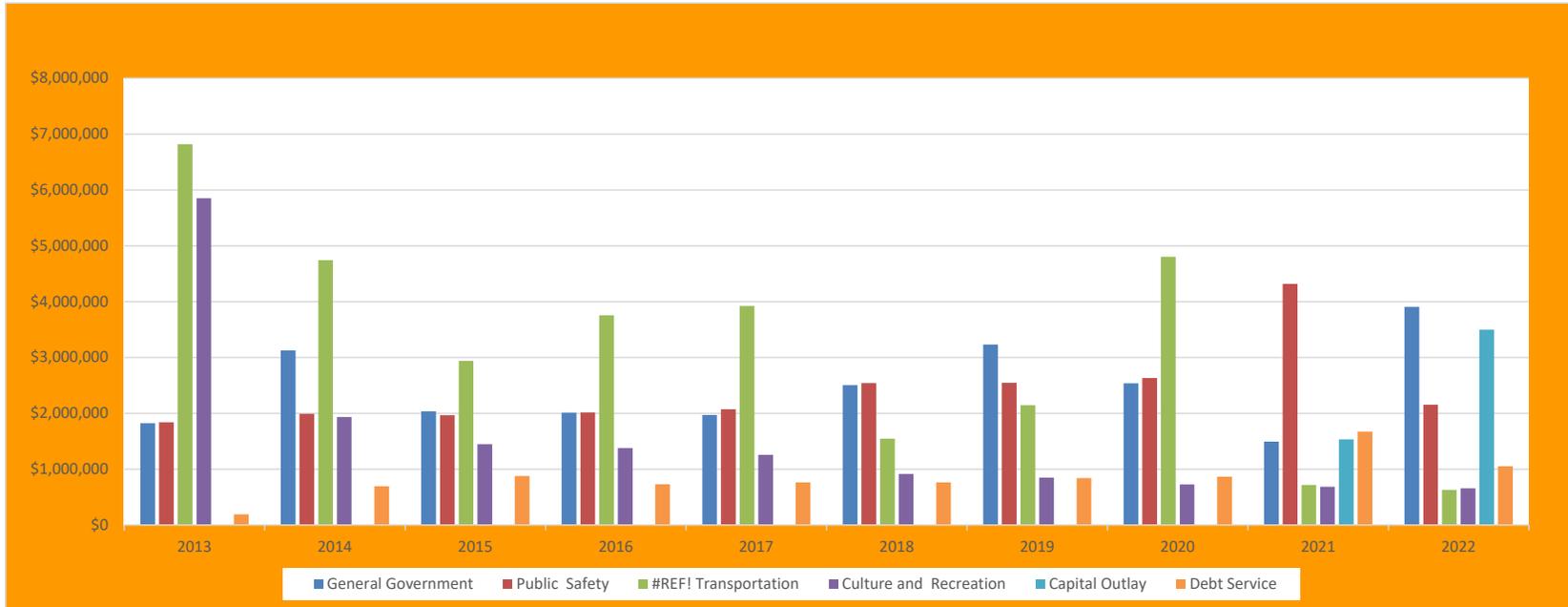
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
REVENUES										
Taxes	\$ 5,960,811	\$ 5,558,996	\$ 5,112,067	\$ 4,706,991	\$ 4,079,505	\$ 3,848,662	\$ 3,634,385	\$ 3,475,114	\$ 3,403,996	\$ 3,341,656
Utility taxes	606,828	860,411	857,780	822,809	772,139	773,455	774,675	762,198	781,857	547,536
Franchise fees	455,539	428,888	424,836	418,425	381,011	367,097	362,980	388,063	395,205	359,533
Licenses, fees and permits	663,462	546,051	568,782	542,801	528,529	548,624	412,204	352,039	387,263	208,161
Intergovernmental	1,173,397	634,689	1,545,550	1,419,177	1,827,261	1,631,310	1,682,506	954,392	979,203	915,803
Charges for services	1,567,721	1,703,842	1,075,516	1,302,078	1,231,794	1,133,033	1,141,953	1,375,347	1,686,268	2,142,641
Fines and forfeits	3,647	3,339	3,668	5,371	6,742	3,485	3,995	3,006	2,272	3,019
Contributions and donations	1,413,321	120,730	429,125	63,357	188,193	68,198	82,487	18,985	319,435	3,630,924
Investment earnings	119,792	19,856	114,969	196,825	75,121	5,165	3,853	19,784	13,562	9,713
Miscellaneous	74,716	40,661	36,961	25,878	50,740	37,895	52,710	119,517	135,791	84,320
Total revenues	12,039,234	9,917,463	10,169,254	9,503,712	9,141,035	8,416,924	8,151,748	7,468,445	8,104,852	11,243,306
EXPENDITURES										
General government	3,776,530	1,491,843	2,539,165	3,230,576	2,503,628	1,969,983	2,009,528	2,036,543	3,125,430	1,822,605
Public safety	2,250,267	4,315,857	2,632,314	2,544,733	2,541,087	2,071,733	2,014,029	1,965,930	1,989,357	1,839,766
Transportation	646,139	716,757	4,802,826	2,144,679	1,547,216	3,921,145	3,752,295	2,935,891	4,742,506	6,819,411
Culture and recreation	672,348	686,097	725,800	847,380	912,595	1,257,937	1,378,191	1,446,373	1,934,255	5,851,451
Capital outlay	3,495,044	1,535,638	-	-	-	-	-	-	-	-
Debt service:										
Principal	766,960	1,380,977	550,633	532,233	461,954	447,785	403,362	365,000	340,000	-
Interest	284,173	290,682	314,950	308,892	299,822	313,991	325,571	509,912	354,863	190,528
Total expenditures	11,891,461	10,417,851	11,565,688	9,608,493	8,266,302	9,982,574	9,882,976	9,259,649	12,486,411	16,523,761
Excess of revenues over (under) expenditures	147,773	(500,388)	(1,396,434)	(104,781)	874,733	(1,565,650)	(1,731,228)	(1,791,204)	(4,381,559)	(5,280,455)
OTHER FINANCING SOURCES (USES)										
Proceeds from debt issuance	-	-	4,705,835	-	762,390	-	300,000	-	4,750,341	5,214,659
Lease proceeds	22,500									
Proceeds from insurance	46,399	1,636	21,515	6,328	10,940	2,076	-	1,000	1,263	3,780
Sale of equipment	40,710	-	1,508,752	19,504	81,796	3,776,637	3,961	241,106	18,615	2,707
Transfers in	1,051,132	191,800	303,989	261,450	301,844	5,417,015	656,400	717,150	653,900	1,150,775
Transfers out	(1,051,132)	(977,734)	(435,765)	(261,450)	(460,144)	(5,503,874)	(1,252,664)	(1,404,681)	(536,400)	(1,069,475)
Total other financing sources (uses)	109,609	(784,298)	6,104,326	25,832	696,826	3,691,854	(292,303)	(445,425)	4,887,719	5,302,446
Net change in fund balances	\$ 257,382	\$ (1,284,686)	\$ 4,707,892	\$ (78,949)	\$ 1,571,559	\$ 2,126,204	\$ (2,023,531)	\$ (2,236,629)	\$ 506,160	\$ 21,991
Debt service as a percentage of noncapital expenditures	12.52%	18.82%	12.53%	11.86%	9.36%	11.11%	12.19%	11.81%	8.66%	1.20%

TOWN OF BELLEAIR, FLORIDA
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION⁽¹⁾
LAST TEN FISCAL YEARS

Fiscal Year	General Government	Public Safety	Transportation	Culture and Recreation	Capital Outlay	Debt Service	Total
2013	\$ 1,822,605	\$ 1,839,766	\$ 6,819,411	\$ 5,851,451	\$ -	\$ 190,528	\$ 16,523,761
2014	3,125,430	1,989,357	4,742,506	1,934,255	-	694,863	12,486,411
2015	2,036,543	1,965,930	2,935,891	1,446,373	-	874,912	9,259,649
2016	2,009,528	2,014,029	3,752,295	1,378,191	-	728,933	9,882,976
2017	1,969,983	2,071,733	3,921,145	1,257,937	-	761,776	9,982,574
2018	2,503,628	2,541,087	1,547,216	912,595	-	761,776	8,266,302
2019	3,230,576	2,544,733	2,144,679	847,380	-	841,125	9,608,493
2020	2,539,165	2,632,314	4,802,826	725,800	-	865,583	11,565,688
2021	1,491,843	4,315,857	716,757	686,097	1,535,638	1,671,659	10,417,851
2022	3,776,530	2,250,267	646,139	672,348	3,495,044	1,051,133	11,891,461

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

**TOWN OF BELLEAIR, FLORIDA
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS**



TOWN OF BELLEAIR, FLORIDA
GENERAL GOVERNMENTAL REVENUES BY SOURCE⁽¹⁾
LAST TEN FISCAL YEARS

Fiscal Year	Taxes	Licenses and Permits	Intergovernmental	Charge for Services	Fines	Interest	Contributions and Donations	(2) Miscellaneous	Total
2013	\$ 4,248,725	\$ 208,161	\$ 915,803	\$ 2,142,641	\$ 3,019	\$ 9,713	\$ 3,630,924	\$ 84,320	\$ 11,243,306
2014	4,581,058	387,263	979,203	1,686,268	2,272	13,562	319,435	135,791	8,104,852
2015	4,625,375	352,039	954,392	1,375,347	3,006	19,784	18,985	119,517	7,468,445
2016	4,772,040	412,204	1,682,506	1,141,953	3,995	3,853	82,487	52,710	8,151,748
2017	4,989,214	548,624	1,631,310	1,133,033	3,485	5,165	68,198	37,895	8,416,924
2018	5,232,655	528,529	1,827,261	1,231,794	6,742	75,121	188,193	50,740	9,141,035
2019	5,948,225	542,801	1,419,177	1,302,078	5,371	196,825	63,357	25,878	9,503,712
2020	6,394,683	568,782	1,545,550	1,075,516	3,668	114,969	429,125	36,961	10,169,254
2021	7,370,367	546,051	112,617	1,703,842	3,339	19,856	120,730	42,297	9,919,099
2022	7,023,178	663,462	1,173,397	1,567,721	3,647	119,792	1,413,321	74,716	12,039,234

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS

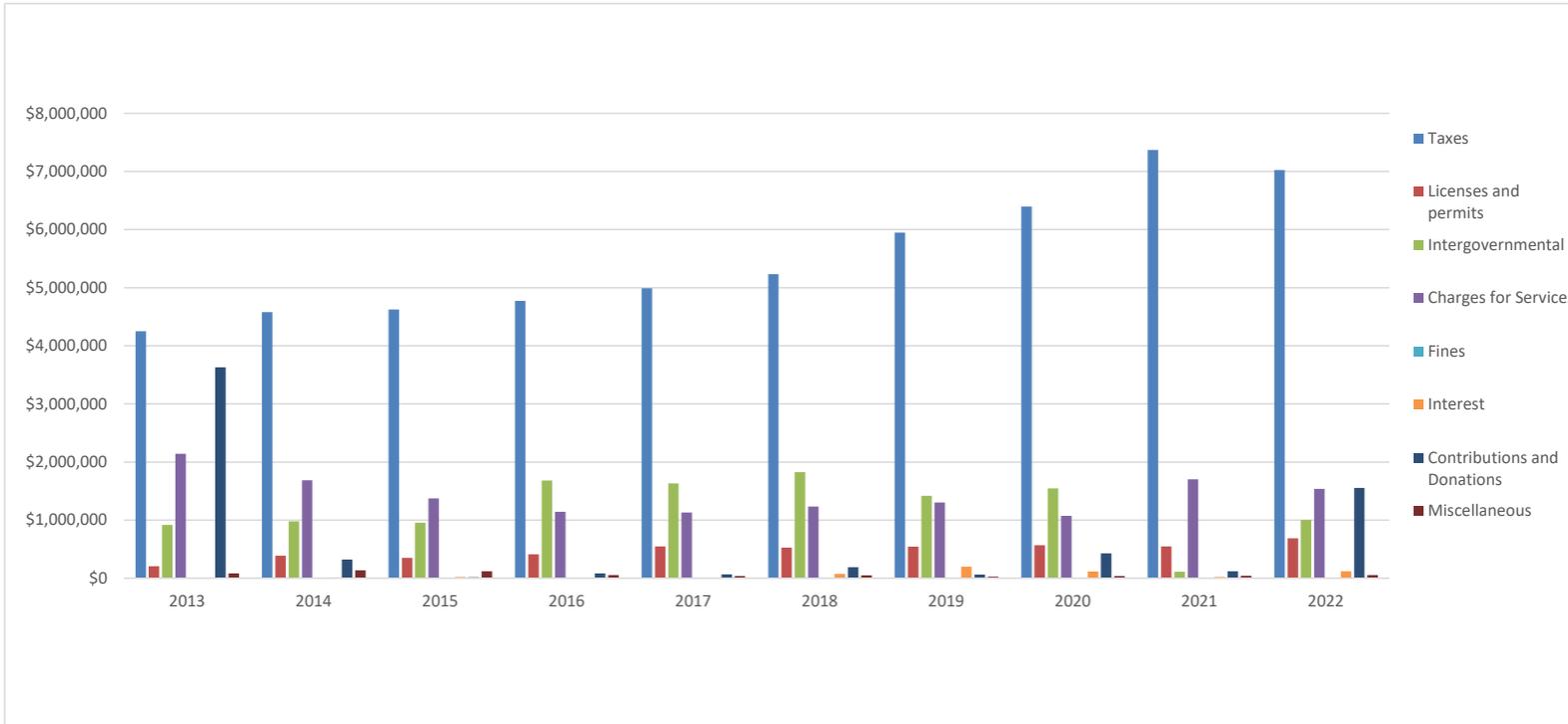
Fiscal Year	Property Tax	Utility Tax	Franchise Taxes	Total
\$ 2013	\$ 3,341,656	\$ 547,536	\$ 359,533	\$ 4,248,725
2014	3,403,996	781,857	395,205	4,581,058
2015	3,475,114	762,198	388,063	4,625,375
2016	3,634,385	774,675	362,980	4,772,040
2017	3,848,662	773,455	367,097	4,989,214
2018	4,079,505	772,139	381,011	5,232,655
2019	4,706,991	822,809	418,425	5,948,225
2020	5,112,067	857,780	424,836	6,394,683
2021	5,558,996	1,382,483	428,888	7,370,367
2022	5,960,811	606,828	455,539	7,023,178

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

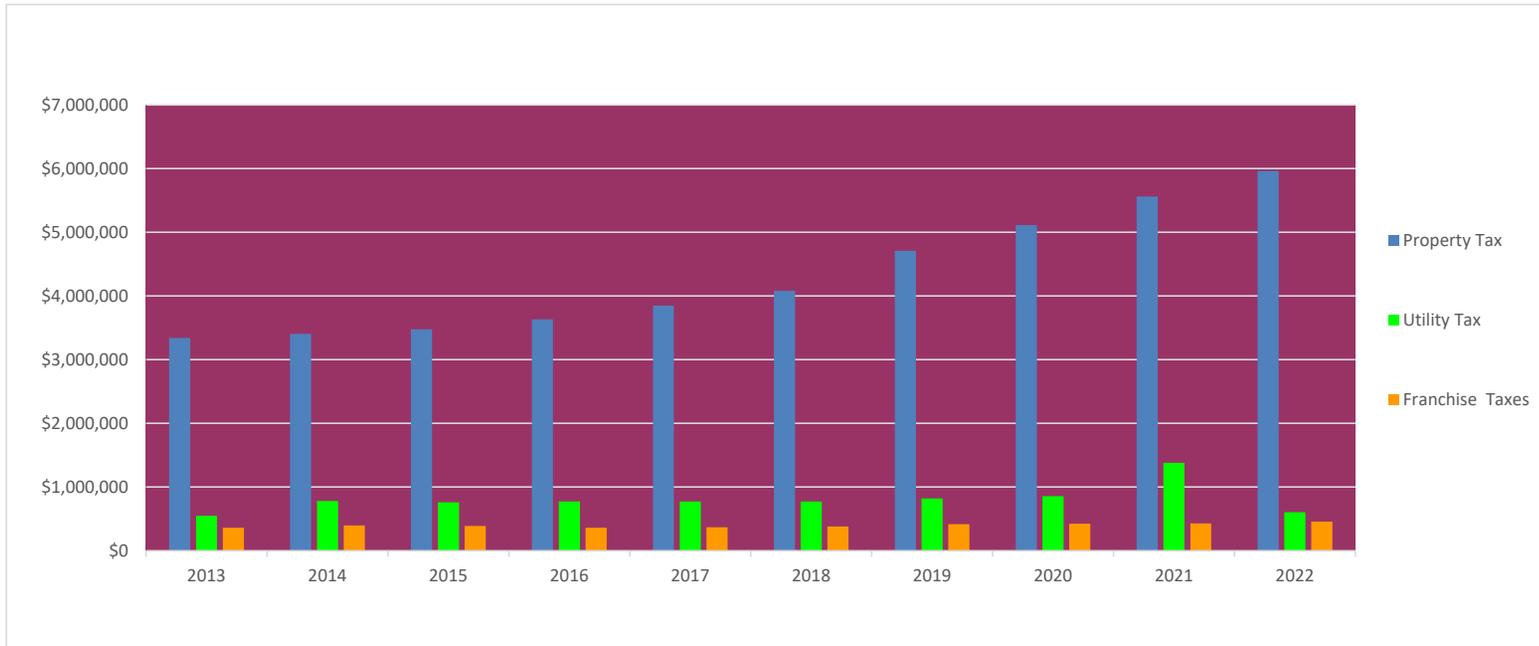
⁽²⁾ Public contributions to community center construction campaign.

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

**TOWN OF BELLEAIR, FLORIDA
GENERAL GOVERNMENTAL REVENUES BY SOURCE
LAST TEN FISCAL YEARS**



**TOWN OF BELLEAIR, FLORIDA
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS**





REVENUE CAPACITY



TOWN OF BELLEAIR, FLORIDA
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year	Assessed Valuations						Percentage			Total Direct Tax Rate
	Real Property		Personal Property	Total Taxable	Total Exempt	Total All	Assessed Values to Estimated Market	Yearly Increases		
	Residential	Commercial*						Taxable	Total	
2013	\$ 631,565,876	\$ 37,570,826	\$ 6,271,935	\$ 580,712,681	\$ 94,695,956	\$ 675,408,637	100	(2.5)	(2.29)	5.9432
2014	638,202,678	35,915,734	6,155,922	583,340,612	96,933,722	680,274,334	100	0.5	0.72	6.0257
2015	665,671,571	37,040,034	6,493,542	608,453,321	100,751,826	709,205,147	100	4.3	4.25	5.9257
2016	693,397,101	37,338,994	6,209,050	634,941,314	102,003,831	736,945,145	100	4.4	3.91	5.9257
2017	726,160,817	37,716,905	6,647,392	670,528,380	99,996,734	770,525,114	100	5.6	4.56	5.9257
2018	773,387,886	34,876,143	6,991,442	712,561,991	102,693,480	815,255,471	100	6.3	5.81	5.9257
2019	807,310,245	36,441,504	6,496,517	748,088,940	102,159,326	850,248,266	100	5.0	4.29	6.5000
2020	873,385,330	41,746,131	8,127,504	816,492,865	106,766,100	923,258,965	100	9.1	8.59	6.5000
2021	936,742,520	44,696,894	8,634,140	879,021,141	111,052,413	990,073,554	100	7.7	7.24	6.5000
2022	1,000,544,399	52,057,663	14,412,516	950,491,086	115,072,309	1,065,563,395	100	8.1	7.62	6.5000

Source: Pinellas County Property Appraiser.

*Also includes Industrial, Institutional, Government and Miscellaneous Uses

TOWN OF BELLEAIR, FLORIDA
ASSESSED VALUATIONS, MILLAGE AND TAXES LEVIED AND COLLECTED
LAST TEN FISCAL YEARS

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Total valuations	\$ 703,970,361	\$ 727,998,327	\$ 840,716,261	\$ 910,085,866	\$ 980,956,983	\$ 1,049,653,182	\$ 1,084,969,859	\$ 1,186,251,969	\$ 1,255,684,762	\$ 1,344,634,947
Real estate exemptions:										
Government exemption	9,917,835	10,151,058	10,959,550	12,930,053	12,917,336	13,089,895	11,378,429	12,330,347	14,631,136	14,160,768
Institutional exemption	7,636,217	8,101,802	8,089,887	8,155,004	8,190,515	8,425,801	9,004,696	9,215,850	9,433,817	10,956,846
Assessment differential (F.S. 193.155) ⁽³⁾	28,561,724	47,723,993	131,511,114	173,140,721	210,431,869	234,397,711	234,721,593	262,993,004	265,611,208	279,071,552
Individual or homestead exemptions	<u>77,141,904</u>	<u>78,680,862</u>	<u>81,702,389</u>	<u>80,918,774</u>	<u>81,585,629</u>	<u>80,643,630</u>	<u>81,776,201</u>	<u>85,219,903</u>	<u>86,987,460</u>	<u>89,954,695</u>
Total exemptions and adjustments	<u>123,257,680</u>	<u>144,657,715</u>	<u>232,262,940</u>	<u>275,144,552</u>	<u>313,125,349</u>	<u>336,557,037</u>	<u>336,880,919</u>	<u>369,759,104</u>	<u>376,663,621</u>	<u>394,143,861</u>
Total taxable valuation	\$ <u>580,712,681</u>	\$ <u>583,340,612</u>	\$ <u>608,453,321</u>	\$ <u>634,941,314</u>	\$ <u>667,831,634</u>	\$ <u>713,096,145</u>	\$ <u>748,088,940</u>	\$ <u>816,492,865</u>	\$ <u>879,021,141</u>	\$ <u>950,491,086</u>
Millage levied	<u>5.9432</u>	<u>6.0257</u>	<u>5.9257</u>	<u>5.9257</u>	<u>5.9257</u>	<u>5.9257</u>	<u>6.5000</u>	<u>6.5000</u>	<u>6.5000</u>	<u>6.5000</u>
Total taxes levied	3,451,292	3,515,036	3,605,512	3,762,472	3,957,370	4,225,594	4,862,578	5,307,204	5,713,637	6,178,192
Less: Adjustments and discounts	<u>109,636</u>	<u>111,040</u>	<u>130,398</u>	<u>128,088</u>	<u>108,708</u>	<u>146,089</u>	<u>155,587</u>	<u>195,138</u>	<u>205,967</u>	<u>217,381</u>
Net taxes levied	\$ <u>3,341,656</u>	\$ <u>3,403,996</u>	\$ <u>3,475,114</u>	\$ <u>3,634,384</u>	\$ <u>3,848,662</u>	\$ <u>4,079,505</u>	\$ <u>4,706,991</u>	\$ <u>5,112,066</u>	\$ <u>5,507,670</u>	\$ <u>5,960,811</u>
Net collected ⁽¹⁾⁽²⁾	\$ <u>3,341,656</u>	\$ <u>3,403,996</u>	\$ <u>3,475,114</u>	\$ <u>3,634,384</u>	\$ <u>3,848,662</u>	\$ <u>4,079,505</u>	\$ <u>4,706,991</u>	\$ <u>5,112,066</u>	\$ <u>5,507,670</u>	\$ <u>5,960,811</u>

Source: Pinellas County Property Appraiser

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

⁽²⁾ The Town, after all tax certificates are sold, has fully collected all ad valorem revenues

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

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Town of Belleair:										
Operating	<u>5.9432</u>	<u>6.0257</u>	<u>5.9257</u>	<u>5.9257</u>	<u>5.9257</u>	<u>6.5000</u>	<u>6.5000</u>	<u>6.5000</u>	<u>6.5000</u>	<u>6.5000</u>
Total Town millage	5.9432	6.0257	5.9257	5.9257	5.9257	6.5000	6.5000	6.5000	6.5000	6.5000
Pinellas County School Board:										
Operating	8.3020	8.0600	7.8410	7.7700	7.3180	7.0090	6.7270	6.5840	6.4270	6.3250
Pinellas County										
Operating	5.0727	5.2755	5.2755	5.2755	5.2755	5.2755	5.2755	5.2755	5.2755	5.1302
Debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total County millage	5.0727	5.2755	5.2755	5.2755	5.2755	5.2755	5.2755	5.2755	5.2755	5.1302
County-wide millage set by other taxing authorities:										
-Pinellas Suncoast Transit Authority	0.7305	0.7305	0.7305	0.7305	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500
-Pinellas County Planning Council	0.0125	0.0160	0.0160	0.0160	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150
-Juvenile Welfare Board	0.8981	0.8981	0.8981	0.8981	0.8981	0.8981	0.8981	0.8981	0.8981	0.8981
-South West Florida Water Management District	0.3928	0.3818	0.3658	0.3488	0.3317	0.3131	0.2955	0.2801	0.2669	0.2535
-Health	-	0.0622	0.0622	0.0622	0.0622	0.0835	0.0835	0.0835	0.0835	0.0790
-EMS	<u>0.9158</u>	<u>0.9158</u>	<u>0.9158</u>	<u>0.9158</u>	<u>0.9158</u>	<u>0.9158</u>	<u>0.9158</u>	<u>0.9158</u>	<u>0.9158</u>	<u>0.9158</u>
Total County-wide millage	<u>2.9497</u>	<u>3.0044</u>	<u>2.9884</u>	<u>2.9714</u>	<u>2.9728</u>	<u>2.9755</u>	<u>2.9579</u>	<u>2.9425</u>	<u>2.9293</u>	<u>2.9114</u>
TOTAL	<u>\$ 22.2676</u>	<u>22.3656</u>	<u>22.0306</u>	<u>21.9426</u>	<u>21.4920</u>	<u>21.7600</u>	<u>21.4604</u>	<u>21.3020</u>	<u>21.1318</u>	<u>20.8666</u>

Source: Pinellas County Tax Collector

TOWN OF BELLEAIR, FLORIDA
PRINCIPAL PROPERTY TAXPAPERS
CURRENT YEAR AND NINE YEARS AGO

Principal Property Taxpayers	2022				2013		
	Rank	Taxable Assessed Value	Percentage of Total Taxable Assessed Value		Rank	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Chateau Galinski LLC	1	\$ 11,666,544	1.23 %	Bellevue Biltmore Owner	1	\$ 7,414,400	1.28 %
Pelican Golf LLC	2	10,250,000	1.08	Bellevue Biltmore Country Club	2	6,675,251	1.15
Bellevue Biltmore Country Club	3	9,408,512	0.99	Muma, Leslie M	3	6,106,521	1.05
Muma, Leslie M	4	7,027,658	0.74	St. Louis, James	4	5,796,887	1.00
Sjouwerman, Stu	5	6,458,050	0.68	Chateau Galinski LLC	5	5,395,495	0.93
Thomas, John	6	5,905,061	0.62	Rinker, Mary E	6	4,198,222	0.72
Emanuel, James M	7	5,164,038	0.54	Heye, Hans F	7	3,888,487	0.67
Hawkins, Kevin E	8	4,538,546	0.48	Doganiero, Philip	8	3,396,520	0.58
Arenberg, Timothy P TRE	9	3,800,795	0.40	Thomas, Fred A	9	3,028,087	0.52
Hakim, Jean F	10	<u>3,757,026</u>	0.40	Boesch, Gary	10	<u>2,661,061</u>	0.46
TOTAL		<u>\$ 67,976,230</u>	<u>7.15 %</u>	TOTAL		<u>\$ 48,560,931</u>	<u>8.36 %</u>

Source: Pinellas County Property Appraiser.

TOWN OF BELLEAIR, FLORIDA
PROPERTY LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	Total Assessed Valuation	Taxable Assessed Valuation	Levy	Collections within the Fiscal Year of Levy		Collections in Subsequent Years	Collections to Date	
				Amount	Percentage of Levy		Amount	Percentage of Levy
2013	\$ 703,970,361	\$ 580,712,681	\$ 3,451,292	\$ 3,341,656	97%	-	\$ 3,341,656	97%
2014	727,998,327	583,340,612	3,515,036	3,403,996	97%	-	3,403,996	97%
2015	840,716,261	608,453,321	3,605,512	3,463,754	96%	-	3,463,754	96%
2016	910,085,866	634,941,314	3,762,472	3,634,384	97%	2	3,634,386	97%
2017	980,956,983	670,528,380	3,973,350	3,848,662	97%	-	3,848,662	97%
2018	1,049,653,182	712,561,991	4,222,429	4,079,505	97%	-	4,079,505	97%
2019	1,084,969,859	748,088,940	4,862,578	4,706,991	97%	-	4,706,991	96%
2020	923,258,965	816,492,865	5,307,204	5,112,066	96%	-	5,112,066	96%
2021	990,073,554	879,021,141	5,713,637	5,507,670	96%	-	5,507,670	96%
2022	1,065,563,395	950,491,086	6,178,192	5,960,811	96%	-	5,960,811	96%

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

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

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

Source: Pinellas County Property Appraiser.



DEBT CAPACITY



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

Fiscal Year	Debt Service					Total General Governmental Expenditures ⁽¹⁾	Percentage of Debt Service to General Governmental Expenditures
	General Obligation Bonded Debt		Paying Agent Fees	Mortgage Note	Total Debt		
	Principal	Interest					
2013	\$ -	\$ -	\$ -	\$ 190,528	\$ 190,528	\$ 16,523,761	1.2 %
2014	-	-	-	694,863	694,863	12,486,411	5.6 %
2015	-	-	-	707,138	707,138	9,259,649	7.6 %
2016	-	-	-	728,933	728,933	9,882,976	7.4 %
2017	-	-	-	761,776	761,776	9,982,574	7.6 %
2018	-	-	-	63,843	63,843	8,266,302	0.8 %
2019	-	-	-	698,151	698,151	9,608,493	7.3 %
2020	-	-	-	710,674	710,674	11,565,688	6.1 %
2021	-	-	-	1,380,977	1,380,977	10,417,851	13.3 %
2022	-	-	-	1,051,133	1,051,133	11,891,461	8.8 %

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

TOWN OF BELLEAIR, FLORIDA
PERCENTAGE OF DEBT TO
TAXABLE ASSESSED VALUATION AND DEBT
PER CAPITA
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Population⁽¹⁾</u>	<u>Taxable Assessed Valuation</u>	<u>Gross General Obligation Bonded Debt</u>	<u>Capital Project Revenue Note</u>	<u>Facilities Financing Lease</u>	<u>Equipment Financing Note</u>	<u>Total</u>	<u>Percent of Actual Taxable Value of Real Property</u>	<u>Per Capita</u>
2013	3,795	\$ 580,712,681	\$ -	\$ 5,214,659	\$ -	\$ -	\$ 5,214,659	0.90%	\$ 1,374.09
2014	3,887	583,340,612	-	9,660,000	-	-	9,660,000	1.66%	2,485.21
2015	4,022	608,453,321	-	9,295,000	-	-	9,295,000	1.53%	2,381.50
2016	4,022	634,941,314	-	8,920,000	-	271,638	9,191,638	1.45%	2,285.34
2017	4,088	670,528,380	-	8,530,000	-	213,853	8,743,853	1.30%	2,138.91
2018	4,217	712,561,991	-	8,125,000	762,390	156,899	9,044,289	1.27%	2,144.72
2019	4,097	748,088,940	-	7,705,000	712,456	94,600	8,512,056	1.14%	2,077.63
2020	4,095	816,492,865	-	12,000,000	659,413	32,010	12,691,423	1.55%	3,099.25
2021	4,273	879,021,141	-	10,708,000	602,447	-	11,310,447	1.29%	2,646.96
2022	4,372	950,491,086	-	9,999,000	544,486	-	10,543,486	1.11%	2,411.59

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

TOWN OF BELLEAIR, FLORIDA
DIRECT AND OVERLAPPING DEBT
GENERAL OBLIGATION BONDS
AND REVENUE BONDS
SEPTEMBER 30, 2022

	Debt Outstanding	Percentage Applicable to Town of Belleair	Amount Applicable to Town of Belleair
Direct debt:			
Town of Belleair			
Bonds/Notes	\$ 9,999,000	100%	\$ 9,999,000
Capital Leases	544,486	100%	544,486
Subtotal Town of Belleair direct debt	10,543,486	100%	10,543,486
Overlapping debt:			
Pinellas County School Board (1)			
Certificates of Participation	131,137,302	0.89%	1,172,837
Capital Leases	9,314,547	0.89%	83,305
Pinellas County (2)			
Bonds/Notes	6,318,081	0.97%	61,302
Capital Leases	35,905,598	0.97%	348,381
Subtotal overlapping debt	182,675,528		1,665,825
Total direct and overlapping debt	\$ 193,219,014		\$ 12,209,311

RATIO:

Overall debt to 2022 taxable value	1.28%
Overall debt per capita	\$ 2,982

(1) The Town's share is calculated based on the ratio of the FY 2022 School Board Taxable Value of \$106,276,340,290 to the Town's Taxable Value of \$950,491,086

(2) The Town's share is calculated based on the ratio of the FY 2021 County Taxable Value of \$97,961,436,000 to the Town's Taxable Value of \$950,491,086

TOWN OF BELLEAIR, FLORIDA
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS

Year	Public Service (Electric) Tax ⁽¹⁾	Infrastructure Sales Surtax	Stormwater Fee ⁽²⁾	Net Available Revenue	Debt Service		Coverage
					Principal	Interest	
2013	\$ 224,919	\$ 330,116	\$ 322,617	\$ 877,652	-	\$ 190,528	460.6
2014	442,298	352,312	339,559	1,134,169	340,000	354,863	163.2
2015	423,379	379,217	309,400	1,111,996	365,000	342,138	157.3
2016	437,310	398,838	337,365	1,173,513	375,000	322,012	168.4
2017	436,610	409,965	336,845	1,183,420	390,000	307,933	169.6
2018	438,873	434,396	333,266	1,206,535	405,000	293,313	172.8
2019	488,860	457,013	333,948	1,279,821	420,000	278,151	183.3
2020	527,147	474,084	330,633	1,331,864	435,000	275,674	187.4
2021	528,872	497,608	331,539	1,358,019	1,380,977	290,682	81.2
2022	554,718	577,292	314,937	1,446,947	766,960	284,172	137.7

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

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

DEMOGRAPHIC AND

ECONOMIC

INFORMATION



TOWN OF BELLEAIR, FLORIDA
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

<u>Year</u>	<u>Population⁽¹⁾</u>	<u>Number of Housing Units⁽²⁾</u>	<u>Per Household Income⁽³⁾⁽⁴⁾</u>	<u>Median Age⁽¹⁾</u>	<u>Unemployment Rate⁽¹⁾</u>
2013	3,795	*1,783	50,011	56.7	8.5
2014	3,887	2,323	53,133	53.6	7.1
2015	3,958	2,238	57,307	44.7	5.8
2016	4,022	2,163	59,164	53.0	3.7
2017	4,088	2,230	66,244	53.1	3.8
2018	4,217	2,437	64,467	55.0	3.3
2019	4,097	2,290	93,979	55.2	3.2
2020	4,095	2,306	77,540	49.4	5.7
2021	4,273	2,436	92,780	60.1	6.3
2022	4,372	2,443	104,969	55.9	-

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

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

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

(4) Beginning in 2021 data is specific to Belleair per US Census Bureau.

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

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

<u>Employer</u>	<u>2022</u>		<u>2012</u>	
	<u>Employees</u>	<u>Rank</u>	<u>Employees</u>	<u>Rank</u>
Baycare (including all hospitals and subsidiaries)	14,300	1		
Pinellas County School District	14,000	2	15,967	1
Publix	7,300	3		
Raymond James Financial	6,000	4	2,600	6
Pinellas County Board of County Commissioners (includes Unified Personnel System and Pinellas County Sheriff)	5,700	5		
Walmart	4,000	6	3,157	3
Bay Pines VA Medical Center	3,700	7	4,364	2
City of St. Petersburg	3,500	8	3,120	3
Johns Hopkins All Children's Hospital	3,300	9	2,900	4
St. Petersburg College	2,500	10	2,697	5
Pinellas County Sheriff			2,596	7
Morton Plant Hospital			2,550	8
Mease Hospital			2,100	9
Bayfront Medical Center			2,000	10
Home Shopping Network			2,000	10
Total Employment	<u>516,468</u>		<u>474,980</u>	

Data is based on Pinellas County since numbers for Town of Belleair are not available.
Source: Pinellas County Annual Comprehensive Financial Report

OPERATING
INFORMATION

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

Full-Time Equivalent Employees as of September 30,

<u>FUNCTION</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Government	12.00	12.00	14.00	15.00	15.00	14.00	11.00	14.00	16.00	14.00
Public Safety:										
Police:										
- Police Officers	15.00	15.00	13.00	13.00	13.00	15.00	12.00	13.00	13.00	14.00
- General employees	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00
Physical Environment	6.00	6.00	4.00	5.00	5.00	5.00	6.00	4.00	6.00	6.50
Transportation	3.00	3.00	3.50	3.00	3.00	3.00	3.00	5.00	5.00	4.00
Culture and Recreation	7.00	7.00	8.00	6.00	6.00	6.00	4.00	4.00	4.00	5.00
Water	9.00	9.00	7.00	9.50	9.50	8.00	8.50	10.00	12.00	10.00
Solid Waste Management	5.00	5.50	5.50	5.00	5.00	5.00	7.50	5.50	5.50	6.50
Total	<u>59.00</u>	<u>59.50</u>	<u>57.00</u>	<u>58.50</u>	<u>58.50</u>	<u>58.00</u>	<u>54.00</u>	<u>57.50</u>	<u>62.50</u>	<u>61.00</u>

Source Town Finance Department

TOWN OF BELLEAIR, FLORIDA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

<u>FUNCTION</u>	Fiscal Year Ended September 30,									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Police:										
Physical arrests	40	29	26	32	39	41	26	31	46	56
Parking violations	10	43	57	276	24	20	22	12	142	140
Traffic violations	91	58	363	67	230	116	76	110	157	7
Transportation:										
Resurfacing (miles)	1	0.5	1.52	11.5	0.77	0.77	0.7	0.5	0.5	4.5
Pothole repaired	33	60	75	105	50	50	50	110	120	150
Culture and Recreation:										
Athletic Permits Issued					800	800	800	800	822	832
Memberships Issued	388	333	396	583						
Water:										
New connections	13	7	10	5	11	6	3	6	5	0
Main breaks	3	3	6	3	3	4	9	0	0	10
Average consumption	873,000	818,000	765,333	810,551	700,515	818,622	767,968	699,957	517,567	681,789
Solid Waste Management:										
Refuse collected tons per/day	11.22	11.57	11.36	9.80	10.84	10.03	10.5	7.12	7.19	7.78
Recyclables collected	7.51	0.73	0.68	5.30	1.22	0.95	2.78	0.60	1.19	0.43

Source: Town Finance Department

TOWN OF BELLEAIR, FLORIDA
CAPITAL ASSETS STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,

<u>FUNCTION</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Public Safety:										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	22	17	10	9	9	7	9	5	5	5
Transportation:										
Streets (Miles)	22	22	22	22	22	22	22	22	22	22
Traffic signs	360	350	250	250	250	250	250	250	250	250
Culture and Recreation:										
Park acreage	24	24	24	24	24	24	24	33	33	33
Parks	33	22	19	19	19	17	17	19	19	19
Tennis Courts	3	3	3	3	3	3	3	3	3	3
Community Centers	1	1	1	1	1	1	1	1	1	1
Water Mains (Miles)	41	36	36	36	36	36	36	36	36	36
Fire hydrants	153	151	151	151	138	135	135	135	135	135
Maximum daily capacity (thousands of gallons)	2.2MGD	2.2MGD	2.2MGD	2.2MGD	2.2MGD	2.2MGD	2.2 MGD	2.2 MGD	2.2 MGD	2.2 MGD
Solid Waste Management:										
Trucks	7	7	6	6	8	8	8	8	8	9

Source: Town Finance Department

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	
	Number of Permits	Value	Number of Permits	Value	Permits ⁽¹⁾	Value
2013	-	\$ -	1	\$ 392,000	555	\$ 8,372,952
2014	-	-	7	6,465,452	683	16,508,591
2015	-	-	7	6,649,064	721	9,943,615
2016	-	-	18	14,863,390	641	9,758,896
2017	2	9,682,000	6	18,143,720	733	19,812,585
2018	3	6,581,000	12	15,124,133	881	15,226,265
2019	1	878,545	9	42,430,000	736	24,419,476
2020	5	3,478,911	10	17,225,940	819	18,200,191
2021	-	-	7	8,129,996	803	15,603,021
2022 (A)	-	-	-	-	-	-

(A) Information not available for FY 2022.

- (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
- (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, 2022

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 - 73 degrees
Form of Government: Commission-Manager		Average Annual Rainfall - 48 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	23	Community Centers	1
Number of Vehicular Patrol L	22	Playgrounds	2
Number of Law Violations:		Athletic Fields	2
Physical Arrests	40	Parkland Acreage	24
Traffic Violations	91	Walking Trails	1
Parking Violations	10	Tennis Courts	3
		Basketball Courts	1
		Restroom Building	1
		Picnic Shelter	2
Sanitation Service System:		Transportation	
Number of accounts	1,405	Paved Street	22 miles 22 miles
Annual tonnage	2,949	Stormwater Lines	18.4 miles 18 miles
		Sidewalks	23.5 miles 23 miles
Water System:		Cultural Facilities Available in Belleair and the Tampa Bay Area:	
Miles of Water Mains	41	David A. Straz, Jr. Center for Performing Arts	
Daily Average Consumption (MGD)	.873	Tampa, Florida	
Number of Lift Stations	0	Ruth Eckerd Hall	
Plant Capacity (MGD)	2.2 MGD	Clearwater, Florida	
Number of Service Collections	1641	Heritage Village	
Deep Wells Active	7	Largo, Florida	
Number of Fire Hydrants	153	Pinellas Park Performing Arts Center	
Number of customers	1,539	Pinellas Park, Florida	
		Central Park Performing Arts Center	
Major Annual Community Events:	<u>People Attending</u>	Clearwater, Florida	
Belleair Sunset 5k & Fun Run	700		
Winter Events (Parade, Gift Delivery, Hotline)	700		

1) Police data is for 2022 calendar year (January 1, 2022 - December 31, 2022)



COMPLIANCE SECTION



**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**

The Honorable Mayor
and Town Commission
Town of Belleair, Florida

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, 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, 2022, and the related notes to the financial statements, which collectively comprise the Town of Belleair, Florida (the “Town”) basic financial statements, and have issued our report thereon dated September 22, 2023.

Report on 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.

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. We consider the deficiencies described in the accompanying schedule of findings and responses numbering 2022-001, 2022-002, 2022-003, 2022-004, 2022-005 and 2022-006 to be significant deficiencies.

The Honorable Mayor
and Town Commission
Town of Belleair, Florida

Report on 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as finding 2022-007.

We noted certain matters that we reported to the management of the Town in a separate letter dated September 22, 2023.

The Town's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Town's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.



Tampa, Florida
September 22, 2023

MANAGEMENT LETTER

The Honorable Mayor
and Town Commission
Town of Belleair, Florida

Report on the Financial Statements

We have audited the financial statements of the Town of Belleair, Florida as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated September 22, 2023.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our 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*; and Independent Accountant's Report on an examination conducted in Accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedules, which are dated September 22, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. Corrective actions have been taken to address the findings and recommendations made in the preceding financial audit report.

The Honorable Mayor
and Town Commission
Town of Belleair, Florida

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This disclosure has been included in the Town's Annual Comprehensive Financial Report for the fiscal year ended September 30, 2022.

Financial Condition and Management

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

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Town. 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 review of financial information provided by the same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, our findings and recommendations are reported in the Schedule of Findings and Responses.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material, but which warrants the attention of those charged with governance. In connection with our audit, we have reported noncompliance in finding 2022-007 in the Schedule of Findings and Responses.

Purpose of this Letter

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



Tampa, Florida
September 22, 2023

**TOWN OF BELLEAIR, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED SEPTEMBER 30, 2022**

Cash Disbursements

Finding: 2022-001

While reviewing the supporting documentation for cash disbursements, it was noted that approval signatures were not being obtained on all invoices paid during the fiscal year under audit. The Town's cash disbursements process states the finance director is the designated person to review and sign invoices to approve payment.

We recommend the Town's employees follow the established policies and procedures and implement controls accordingly.

Management's Response:

The Town has reviewed all the procedures related to cash disbursements and has established controls to ensure that all disbursements are properly reviewed and approved by the appropriate personnel.

Other Post-Employment Benefits

Finding 2022-002

Based on the testing procedures performed over the Town's census data file, it was noted the hire date for one (1) out of eight (8) employees tested was not correct. The effects on the other post-employment benefits liability are not known due to this error within the census data information provided to the actuary.

We recommend the Town correct this error with its other post-employment benefits plan and communicate the correction to the actuary.

Management's Response:

The census data has been reviewed and will be submitted to the actuary.

Pension Plan

Finding 2022-003

Complementary user entity controls (UECs) are controls that management of the service organization assumes, in the design of its service, will be implemented by user entities and are necessary to achieve the control objectives stated in management's description of the service organization's system. Salem Trust Company (Salem) provides custodial services related to the Town's police officers' pension plan. Salem's service organization controls (SOC) report outlines the UECs the Town should have in place to achieve the overall objective of the services being provided by Salem. The Town was not able to demonstrate the UECs outlined in Salem's SOC report were in place.

We recommend the Town document and implement UECs to achieve the stated control objectives from Salem.

**TOWN OF BELLEAIR, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED SEPTEMBER 30, 2022**

Pension Plan

Finding 2022-003

Management's Response:

The Town has reviewed the UECs outlined by Salem Trust Company and will implement controls to achieve the control objectives of the services.

Building Permit Fees

Finding 2022-004

Based on the testing procedures performed, one (1) out of twelve (12) building permits tested had an incorrect valuation stated on the Town's building permit documentation. While the fee calculation appears to have been correct, the supporting documentation provided by the Town was incorrect.

Management's Response:

The Town has reviewed the building permit documentation and controls will be established to ensure that the valuation is properly recorded in the system.

Capital Outlay Expenditures

Finding 2022-005

During the April 6, 2021 meeting of the Town Commission, a contract was approved for the Pinellas Roadway Improvements project in the amount of \$2,793,411.05 plus up to a 10% contingency of \$279,341.11, which totals \$3,072,753.15. During the testing of capital outlay expenditures, it was noted that a contract amount for the Pinellas Roadway Improvements project was executed along with a corresponding purchase order in the amount of \$2,793,411.05. No contract change orders or additional purchase orders were executed. However, an additional \$271,761.67 or 9.73% was paid to the contractor which brought the project total to \$3,065,172.72.

When the scope of services being provided by vendors change, we recommend contract change orders specifying the change in scope along with corresponding purchase orders both be executed in accordance with the Town's internal controls.

Management's Response:

The Town has reviewed the controls associated with contractor pay applications and will implement controls to ensure that all contract change orders are properly documented and approved in accordance with the Town's policies.

**TOWN OF BELLEAIR, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED SEPTEMBER 30, 2022**

Accrued Vacation and Sick Leave Balances

Finding 2022-006

While testing the Town's accrued vacation and sick leave obligations, it was noted that the beginning balances in the supporting schedule at October 1, 2021 did not tie to ending balances as of September 30, 2021. Upon closer review of the schedule provided, it was noted that the opening balance did not tie to the prior year-ending balance for one (1) out of sixty-six (66) employees listed. Additionally, terminated employees were not included in the schedule. It was also noted that an employee still within the probationary period had an accrual balance that carried forward on the schedule. Also, twelve (12) employees were allowed to carry forward vacation hours in excess of the 240 hours permitted under the Town's policy.

It is recommended the Town ensure accrual balances correctly roll forward each year and established policies are followed accordingly.

Management's Response:

The Town revised the supporting documentation to agree with the September 30, 2021 ending balances and will ensure that all eligible employees, along with terminated employees, are included in the Accrued Vacation and Sick Leave Balance reports.

It is the Town's policy to pay for accrued vacation and sick leave prior to the end of the fiscal year. However, due to Hurricane Ian and the change in personnel in the Finance Department, the payment for the accruals was not made until December 2022, thus allowing employees to carry forward vacation hours in excess of the 240 hours permitted under the Town's policy.

Timely Reporting

Finding 2022-007

Our audit procedures revealed that there were instances when audit reports required to be filed with the State of Florida were filed after the due date. This prevented the police pension plan from timely receiving tax funds.

We strongly recommend that the Town institute policies and procedures that will allow its reports to be filed by their respective due dates. We further recommend the Police Pension Plan not rely on the Town's audit but obtain its own independent audit, so it is not adversely impacted when the Town is not able to complete a timely audit.

Management's Response:

The Town has reviewed all due dates for reports and will implement processes to comply with all filing requirements. The Town will present the recommendation to obtain an independent audit to the Police Pension Board.

Saltmarsh

Saltmarsh, Cleaveland & Gund

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

The Honorable Mayor
and Town Commission
Town of Belleair, Florida

We have examined the Town of Belleair, Florida's compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2022. Management is responsible for the Town's compliance with those requirements. Our responsibility is to express an opinion on the Town's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Town's compliance is in accordance based on the criteria, in all material respects. An examination involves performing procedures to obtain evidence about the Town's compliance. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Town's compliance, whether due to fraud or error. We believe that evidence we obtained is sufficient and appropriate to provide a reasonable basis of our opinion.

In our opinion, the Town complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2022.

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



Tampa, Florida
September 22, 2023