

CITY OF BELLEAIR BEACH, FLORIDA



**COMPREHENSIVE
ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2009**

CITY OF BELLEAIR BEACH, FLORIDA

COMPREHENSIVE

ANNUAL FINANCIAL REPORT

FOR THE

FISCAL YEAR ENDED SEPTEMBER 30, 2009

Prepared by the
Department of Finance

CITY OF BELLEAIR BEACH, FLORIDA
COUNCIL - MANAGER FORM OF GOVERNMENT

CITY COUNCIL

Lynn Rives, Mayor

Kathleen Mortensen, Vice Mayor

David Dumville, Council-Member

Rob Baldwin, Council-Member

Mitch Krach, Council-Member

Richard Crowl, Council-Member

Stan Sofer, Council-Member

CHARTER OFFICERS

City Manager

Nancy G. Gonzalez

City Treasurer

Maria B. Kemp, CGFO

City Clerk

Patricia A. Gentry

INTRODUCTORY SECTION



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INTRODUCTORY SECTION

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CITY OF BELLEAIR BEACH, FLORIDA

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LETTER OF TRANSMITTAL

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March 22, 2010

To the Honorable Mayor,
City Council and
Citizens of the City of Belleair Beach

State law requires that all general-purpose local governments publish within one year of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with generally accepted, in the United States of America, auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Belleair Beach, Florida for the fiscal year ended September 30, 2009.

This report consists of management's representations concerning the finances of the City of Belleair Beach, 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 City of Belleair Beach, 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 City of Belleair Beach, Florida's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Belleair Beach, 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 managements, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Belleair Beach, Florida's financial statements have been audited by Davidson, Jamieson & Crisitini, P.L., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Belleair Beach, Florida for the fiscal year ended September 30, 2009, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Belleair Beach, Florida's financial statements for the fiscal year ended September 30, 2009, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the Government

The City of Belleair Beach, Florida was incorporated in 1950 and was chartered pursuant to Chapter 166 Florida Statutes, with a Mayor form of government. The City of Belleair Beach, Florida currently occupies a land area of eight tenths of a square mile and serves a population of 1,607 as of April 1, 2009. The City of Belleair Beach, Florida is empowered to levy property tax on both real and personal properties located within its boundaries.

The City of Belleair Beach's charter was changed in 2005 to provide for a council-city manager type of government. Policy-making and legislative authority are vested in a governing council consisting of the mayor and six other members. The City Council is responsible, among other things, for passing ordinances and resolutions, adopting the budget, appointing committees, and hiring both the government's manager and attorney. The city's manager is the chief executive officer of the city. The city manager is responsible for carrying out the policies and ordinances/resolutions and directives of the city council. Among other things, the city manager will direct and supervise the administration of all departments of the city, except as provided by Charter, attend all council meetings and submit to the city council a proposed annual budget no later than July 1st of each year. The council is elected on a non-partisan basis. In odd numbered years four council members, including the mayor, shall be elected for a two-year term and three council members shall be elected to a two-year term in the even numbered years. The mayor and council members are elected at large.

The City of Belleair Beach, Florida provides these services: improvement of street drainage, maintenance of streets, parks and other infrastructure. Police protection is provided by the Pinellas County Sheriff's Office effective June 1, 2007 per referendum approved by citizens in March 2007. The City's recreational facilities include parks and playgrounds, beaches, tennis courts, basketball court and library services in conjunction with the Pinellas County Public Library Cooperative. The City also has a marina available to residents. This is an Enterprise Fund and is included in this report.

Department heads submit to the city manager their budget requests during April and May of each year. The city manager uses these requests as the starting point for developing a proposed budget. The city manager then presents this proposed budget to the council for review on or before July 1st. The council is required to hold two public hearings on the proposed budget and to adopt a final budget by no later than September 30th, the close of the City of Belleair Beach, Florida's fiscal year. The appropriated budget is prepared by fund, and department. Department heads may request transfers of appropriations within a department. Transfers of appropriations between departments, however, require the special approval of the city council. Budget-to-actual comparisons are provided in this report for each individual government fund for which an appropriated annual budget has been adopted. For the

General Fund, this comparison is presented on page 25 as part of the basic financial statements for the governmental funds. For the Marina Fund, budget-to-actual comparisons are presented on page 62.

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 City of Belleair Beach, Florida operates.

Local economy. The City of Belleair Beach, Florida is part of a region that is currently going through a tough economic environment. The City of Belleair Beach, Florida is a residential community with a marina. The most recent estimate of property values show a 15.56 percent decrease in taxable values for 2009 as compared with 2008 values, the second consecutive decrease in more than ten years. Prior to this economic downturn, the rates of increase in property values have continuously been in the double digits range with a high of 23.65 percent. And based upon other local area economic indicators such as unemployment rate, retail sales and housing prices a recovery is not anticipated in the near future. This recession is expected to have a negative impact on the City's revenue stream especially from ad valorem taxes, sales taxes and state revenue sharing.

The region (which includes the City of Belleair Beach, Florida and the surrounding unincorporated area within the same county) has a population base of approximately one million people, with three surrounding counties playing a vital role in the region's economy.

Long-term financial planning. The City of Belleair Beach, Florida has long-range plans for infrastructure improvements (streets, drainage and bridges); upgrades in parks and recreation facilities (docks, cul de sac and park renovations); and possibly into the future the under-grounding of utilities. The city's long-range financial plan has provided approximately \$992,000 for street resurfacing/curb program, storm-water drainage quality improvement, bridge repair/replacement, dock repairs, cul de sac planter projects, park renovations and marina improvements/ feasibility scheduled throughout Belleair Beach over the next five years.

Construction of the new Community Center was completed during the Fall of 2009. The City believes that construction of the new Community Center will enhance services to citizens, improve the aesthetics of the city and provide for a structurally and environmentally sound city hall. The former city hall building was demolished- the building was over fifty years old and was no longer compliant to codes. The City of Belleair Beach, Florida has received the proceeds of a tax-exempt bank loan with SunTrust Bank for \$3.0 million dollars to fund the project. Per loan agreement, quarterly principal and interest payments have been started and loan principal balance as of September 30, 2009 is \$2.6 million. Other sources of funding include contributions from the General Fund and distributions received from the Infrastructure Sales Tax (Penny for Pinellas). The total cost of the new Community Center through September 30, 2009 is \$3.9 million.

Cash management policies and practices. Cash temporarily idle during the year was primarily invested in money market funds and certificates of deposit with SunTrust Bank, Encore Bank and

BB&T/Colonial Bank. The City has some investments remaining with SBA Fund B and regular distributions have been received during the fiscal year. Fund B is a fluctuating net asset value (NAV) pool and a provision for unrealized gain/ (loss) on Fund B has been recognized in the City's financial records. Additional information on the City of Belleair Beach, Florida's cash and investments can be found in Notes 4 through 6 in the financial statements.

Risk management. The City is insured through the Florida Municipal Insurance Trust program for general and professional liability, automobile, property and workers' compensation insurance. A workplace safety program is in place to provide for employee accident prevention training, minimizing accident-related losses as well as lowering premiums. Also, the City is insured with Citizens Property Insurance for windstorm insurance and with American Bankers Insurance for flood insurance on the Community Center, and with Fidelity National Insurance for flood insurance on the 1001 Cedar Drive property that was used as the temporary City Hall.

Pension and other post-employment benefits. The defined benefit pension plan for the City's public safety (sworn police officers) employees was terminated and the Plan Trust funds and investments were authorized for distribution per Ordinance 07-08 of the City Council of the City of Belleair Beach. The City contracted law enforcement services with the Pinellas County Sheriff's Office in response to the referendum voted by City's electors to terminate the police department effective June 2007.

The City of Belleair Beach, Florida provides a defined contribution retirement benefit for both regular and special risk employees that have been employed prior to 1997 through the Florida Retirement System (FRS). Contribution rates are set by the state and currently are 9.85% for regular employees and 20.92% for special risk employees. As part of the agreement with the Pinellas County Sheriff's Office, the City no longer makes contributions for police officers covered under the FRS.

The City of Belleair Beach, Florida also provides a defined contribution retirement benefit for its non-public safety or general employees. This benefit is provided through the Florida League of Cities and administered by Florida Municipal Pension Trust Fund (FMPTF) as a 401(a) plan. The City contributes 10% of the employees' wages to the 401(a) plan. Each employee may also choose to make a deferred compensation deduction, which can be based on a percentage of salary or a flat dollar amount. For the city manager, the City contributes an additional amount up to 5% of the city manager's salary. This deferred compensation plan is administered also by FMPTF as a 457 (b) plan.

The City of Belleair Beach, Florida does not provide post-employment benefits for employees other than pension benefits. Post-employment health care benefits are made available through the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA).

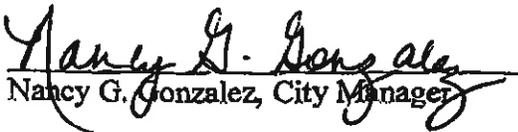
Additional information on the City of Belleair Beach, Florida's pension arrangements and post-employment benefits can be found in Notes 16 through 18 in the financial statements.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Belleair Beach, Florida for its Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ended September 30, 2008. This was the fourth year that the City has received this prestigious award for achieving the highest standards in government accounting and financial reporting. In order to be presented this award, a governmental unit must publish an easily readable and efficiently organized financial report that conforms to generally accepted accounting principles, applicable legal requirements and program standards. This Certificate for Achievement is valid for one year only. There are no plans to submit the current fiscal year's CAFR to GFOA to evaluate its eligibility for another Certificate due to budget reductions.

The preparation of this report would not have been possible without the efficient and dedicated services of the staff of the finance and administration departments. We would like to express our appreciation to all members of the departments who assisted and contributed to the preparation of this report. Credit also must be given to the mayor and the council members for their support and for maintaining the highest standards of professionalism in the management of the City of Belleair Beach, Florida's finances.

Respectfully submitted,


Nancy G. Gonzalez, City Manager


Maria B. Kemp, CGFO, Finance Officer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Belleair Beach
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2008

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



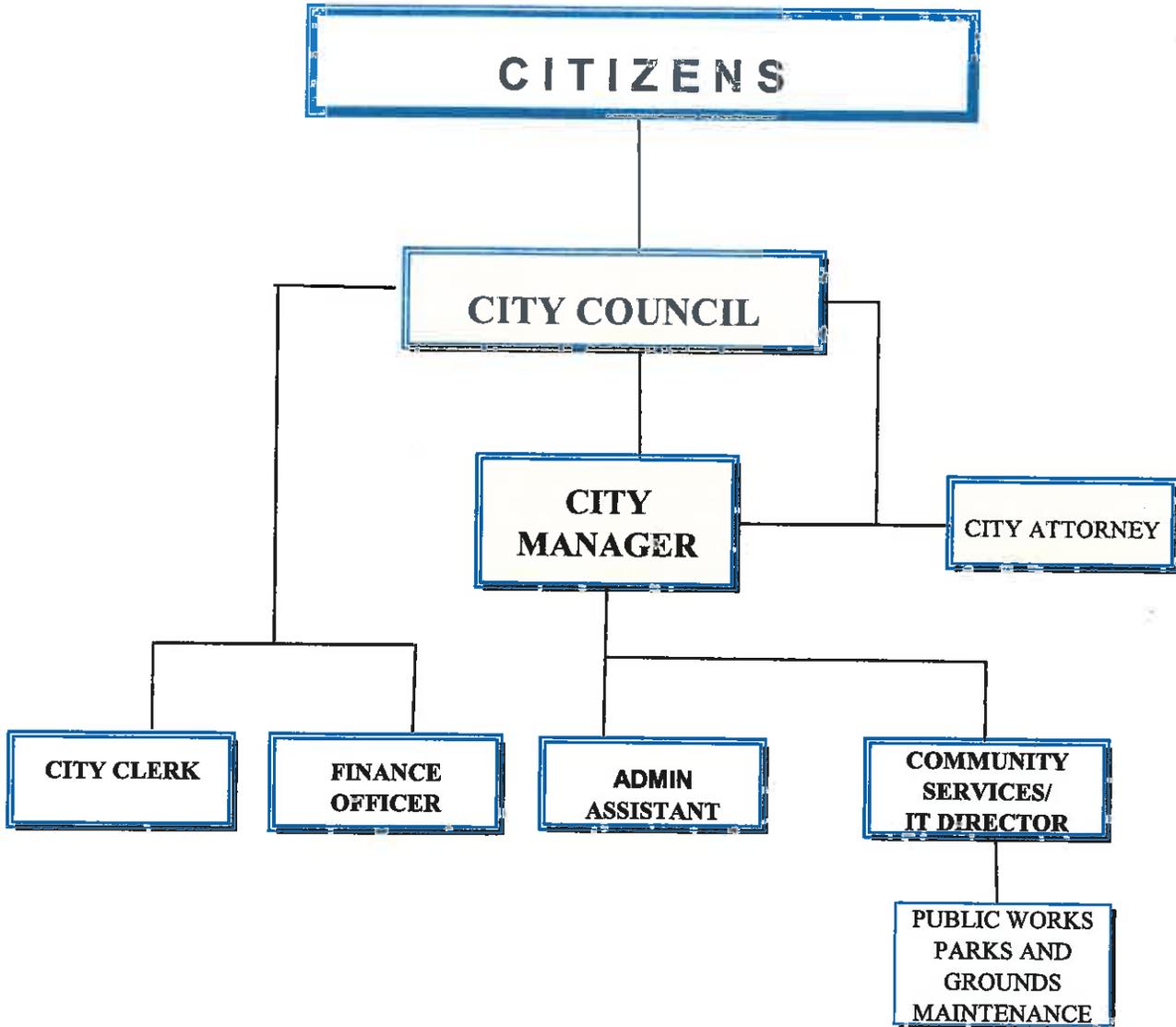
A handwritten signature in black ink, appearing to be "J.R. Emer".

President

A handwritten signature in black ink, appearing to be "Jeffrey R. Emer".

Executive Director

**CITY OF BELLEAIR BEACH, FLORIDA
ORGANIZATIONAL CHART
FY 2009**



CITY OF BELLEAIR BEACH, FLORIDA

LISTING OF CITY OFFICIALS-

ELECTED OFFICIALS

FISCAL YEAR 2009

Mayor	Lynn Rives
Vice-Mayor	Kathleen Mortensen
Council-member	Rob Baldwin
Council-member	Richard Crowl
Council-member	David Dumville
Council-member	Mitch Krach
Council-member	Stan Sofer

APPOINTED OFFICIALS

Paul J. Marino	City Attorney
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CHARTER OFFICERS

Nancy G. Gonzalez	City Manager
Patricia A. Gentry	City Clerk
Maria B. Kemp, CGFO	City Treasurer

FINANCIAL SECTION



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FINANCIAL SECTION

This section contains the following subsections:

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements

Combining and Individual Financial Statements
and Schedules

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Davidson, Jamieson & Cristini, P.L.

Certified Public Accountants

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Members of the Firm

John N. Davidson, CPA, CVA
Harry B. Jamieson, CPA
Richard A. Cristini, CPA, CPPT, CGFM

Member

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

The Honorable Mayor
and City Council
City of Belleair Beach, Florida

INDEPENDENT AUDITOR'S REPORT

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 City of Belleair Beach, Florida, as of and for the year ended September 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Belleair Beach, Florida, as of September 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2010 on our consideration of the City of Belleair Beach'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Honorable Mayor
and City Council

The *accompanying management's discussion and analysis* on pages 5 through 17 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The *accompanying introductory section, combining and individual nonmajor fund financial statements, and schedules, and statistical tables* are presented for purposes of additional analysis and are not a required part of the basic financial statements. The *combining and individual nonmajor fund financial statements and schedules* have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The *introductory section and statistical tables* have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly we express no opinion on them.

Dunham, Jamison & Coakley, P.C.

March 22, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Belleair Beach, we offer readers of the City of Belleair Beach's financial statements this narrative overview and analysis of the financial activities of the City of Belleair Beach for the fiscal year ended September 30, 2009. 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 on pages *iv-viii* of this report.

FINANCIAL HIGHLIGHTS

- *The assets of the City of Belleair Beach exceeded its liabilities at the close of the most recent fiscal year by \$8,856,436 (*net assets*). Of this amount \$4,194,804 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- *At September 30, 2009, the City's governmental activities fund balance reported an ending fund balance of \$4,113,343 a decrease of \$3,244,762 or 44.10 % in comparison with the prior year. This decrease is primarily attributed to expenditures associated with the new Community Center.
- *The business-type activities operating revenue decreased by \$700 or 1.20 % compared to the prior year. There was an increase in net assets by \$10,538 primarily due to lower than budgeted expense for capital improvements.
- *At September 30, 2009, unreserved fund balance for the General Fund was \$3,352,901 or 202.48 percent of total general fund expenditures of \$1,655,898.
- *Governmental fund revenues decreased by \$345,560 or 14.30 percent over the prior fiscal year due to lower interest earnings, lower distribution from State and County governments revenues and decrease in Ad Valorem taxes.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Belleair Beach's basic financial statements. The City of Belleair Beach's basic financial statements comprise three components:

- 1) government-wide financial statements. 2) fund financial statements, and 3) notes to 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*, which consists of the following two statements, are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during fiscal year 2009. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City 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 City include general government, highways and streets, sanitation, and culture and recreation. The business-type activities of the City are a Marina Slip rental operation where the fee for service typically covers all or most of the cost of operation including depreciation.

The government-wide financial statements includes the City itself (known as the primary government) and Marina Slip rental operation-although legally separated, functions for all practical purposes as a department of the City and therefore has been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 18 – 20 of this report.

Fund financial statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Belleair Beach, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Belleair Beach can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds

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

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

The City of Belleair Beach maintains three individual funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and capital projects fund. The general fund and the marina enterprise funds are considered major funds.

The City of Belleair Beach adopts an annual budget for all major funds. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 18-25 of this report.

Proprietary funds

The City of Belleair Beach maintains one proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The city uses enterprise funds to account for its Marina fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Marina fund, which is considered to be a major fund of the City of Belleair Beach. The basic proprietary fund financial statements can be found on pages 26-30 of this report.

Notes to 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 33 – 60 of this report.

Other Information

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the Notes to Financial Statements. Combining and individual fund statements and schedules can be found on pages 60-64 of this report.

Infrastructure Assets

The City has elected to early implement GASB Statement 34 (for the Fiscal Year ended September 30, 2002). Due to the small size of the city and infrastructure assets valued less than \$10 million the City has elected to only record and depreciate infrastructure going forward. Historically, a government's largest group of assets (infrastructure – roads, bridges, sidewalks curbs, underground pipes, unless associated with a utility, etc.) have not been reported or depreciated in the City's financial statements. The new statement requires that these assets be valued and recorded within the governmental columns of the Governmental-wide Statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$8,856,436 at the close of fiscal year ended September 30, 2009. The following table reflects the condensed Statement of Net Assets compared to prior fiscal year.

**Statement of Net Assets
As of September 30**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Current and other Assets	\$4,659,580	\$7,658,194	\$163,587	\$142,788	\$ 4,823,167	\$ 7,800,982
Capital Assets (net of Allowance)	<u>7,187,744</u>	<u>3,688,611</u>	<u>73,888</u>	<u>84,076</u>	<u>7,261,632</u>	<u>3,772,687</u>
Total Assets	<u>11,847,324</u>	<u>11,346,805</u>	<u>237,475</u>	<u>226,864</u>	<u>12,084,799</u>	<u>11,573,669</u>
Current and other Liabilities	572,262	326,116	11,973	11,900	584,235	338,016
Long-term liabilities outstanding						
Due within one year	164,400	164,000	-	-	164,400	164,000
Due in more than one year	<u>2,479,728</u>	<u>2,633,186</u>	<u>-</u>	<u>-</u>	<u>2,479,728</u>	<u>2,633,186</u>
Total Liabilities	3,216,390	3,123,302	11,973	11,900	3,228,363	3,135,202
Net Assets						
Invested in Capital Assets net of related debt	4,587,744	3,139,937	73,888	84,076	4,661,632	3,224,013
Restricted	-	3,901,365	-	-	-	3,901,365
Unrestricted	<u>4,043,190</u>	<u>1,182,201</u>	<u>151,614</u>	<u>130,888</u>	<u>4,194,804</u>	<u>1,313,089</u>
Total Net Assets	<u>\$8,630,934</u>	<u>\$8,223,503</u>	<u>\$225,502</u>	<u>\$214,964</u>	<u>\$ 8,856,436</u>	<u>\$ 8,438,467</u>

*For more detailed information see Statement of Net Assets on page 18.

At September 30, 2009, a considerable portion of the City's assets are invested in capital assets (e.g., land, buildings, equipment and marina docks) at 38.58 per cent of total assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported at net of related outstanding debt used to acquire those capital assets, (for example, the Community Center loan) 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. A large part of the City's assets at 38.40 percent reflects its investment in cash, cash equivalents and other investments. This is affected by the implementation of the City's investment policy that has emphasis on first: safety of principal, second: liquidity or readily available for conversion into cash in order to finance the City's operating cash flow requirements and the third criteria: yield or earnings.

As of September 30, 2009 there are no significant external restrictions on how the City's resources may be used. This is attributed to the completion of the new Community Center where a sizeable part of net assets was restricted for capital projects during the prior year. The remaining balance of unrestricted net assets of \$4,194,804 or 47.36 per cent of total net assets may be used to meet the government's ongoing obligations to citizens and creditors.

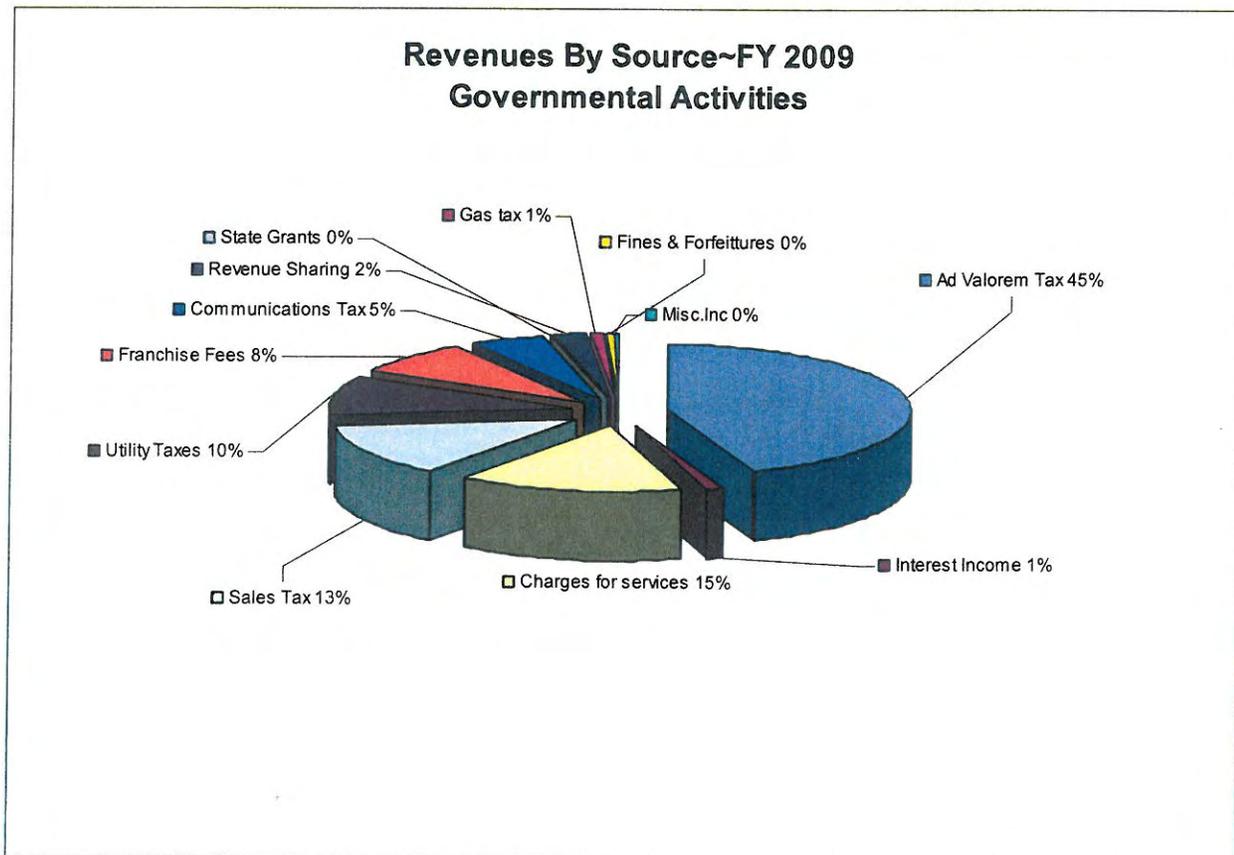
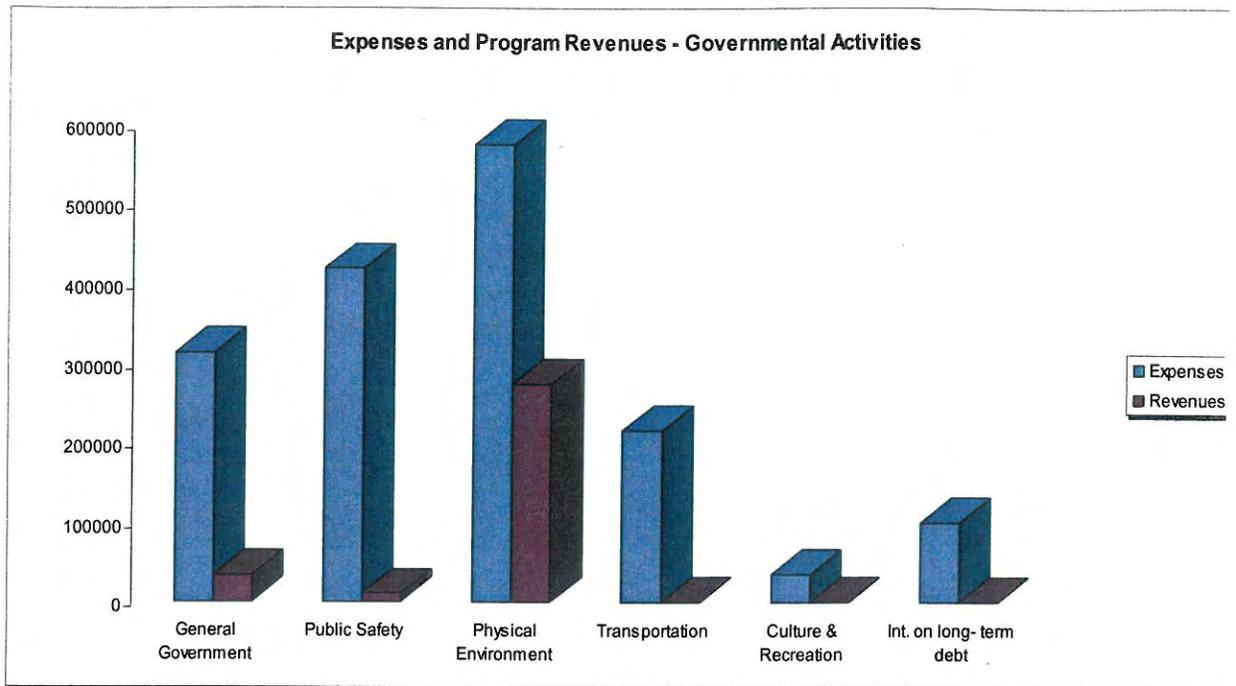
At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Statement of Activities

The following schedule compares the revenues and expenses for the current and previous fiscal year.

CITY OF BELLEAIR BEACH FLORIDA
CHANGES IN NET ASSETS
For the Year Ended September 30

	Governmental Activities		Business Type Activities		Total Primary Government	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Revenues						
Program revenues:	\$ 321,101	\$ 326,197	\$ 57,668	\$ 58,368	\$ 378,769	\$ 384,565
Charges for services						
Capital grants and Contributions	1,922	100,000	-	-	1,922	100,000
General revenues:						
Property taxes	911,776	1,021,943	-	-	911,776	1,021,943
Franchise Fee	164,765	146,165	-	-	164,765	146,165
Utility taxes	206,315	196,329	-	-	206,315	196,329
Sales and Other taxes	432,396	445,606	-	-	432,396	445,606
Miscellaneous	31,893	179,488	2,904	2,858	34,797	182,346
Total Revenues	<u>2,070,168</u>	<u>2,415,728</u>	<u>60,572</u>	<u>61,226</u>	<u>2,130,740</u>	<u>2,476,954</u>
Expenses						
General Government	415,437	302,707	-	-	415,437	302,707
Public Safety	419,268	417,458	-	-	419,268	417,458
Physical Environment	574,679	560,193	-	-	574,679	560,193
Transportation	217,185	262,146	-	-	217,185	262,146
Culture and Recreation	36,168	20,384	-	-	36,168	20,384
Marina Slip Rental Operation	-	-	50,034	49,528	50,034	49,528
Total Expenses	<u>1,662,737</u>	<u>1,562,888</u>	<u>50,034</u>	<u>49,528</u>	<u>1,712,771</u>	<u>1,612,416</u>
Excess of revenues over (under) expenditures	407,431	852,840	10,538	11,698	417,969	864,538
Transfers	-	-	-	-	-	-
Changes in net assets	407,431	852,840	10,538	11,698	417,969	864,538
Net Assets - 9/30/08	<u>8,223,503</u>	<u>7,370,663</u>	<u>214,964</u>	<u>203,266</u>	<u>8,438,467</u>	<u>7,573,929</u>
Net Assets- 9/30/09	<u>\$ 8,630,934</u>	<u>\$ 8,223,503</u>	<u>\$ 225,502</u>	<u>\$ 214,964</u>	<u>\$ 8,856,436</u>	<u>\$ 8,438,467</u>



Governmental Activities

Governmental Activities increased the City's net assets by \$407,431 compared with prior year's increase of \$852,840. This fiscal year's increase accounts for 4.72 percent of the total net governmental assets at year end of \$8,630,934. This rate of increase is lower than last fiscal year's due to a 14.30% decrease in revenues, primarily in property taxes, and a 6.37% increase in expenditures attributed to higher general government expenses.

Business-type Activities

Business-type activities increased the City's net assets by \$10,538 compared to the prior year's increase of \$11,698. Key elements of this decrease of \$1,160 are as follows:

- The City owned marina generated a net operating income of \$7,634 as compared to prior year's net operating income of \$8,840. This is primarily due to vacancy in boat slips and lower rental rates. The City's marina offers slip rentals to property owners for a price slightly lower than what is offered to non-residents. During the fiscal year, the marina fund transferred \$29,249 to the general fund to cover the costs of managing and operating the marina.

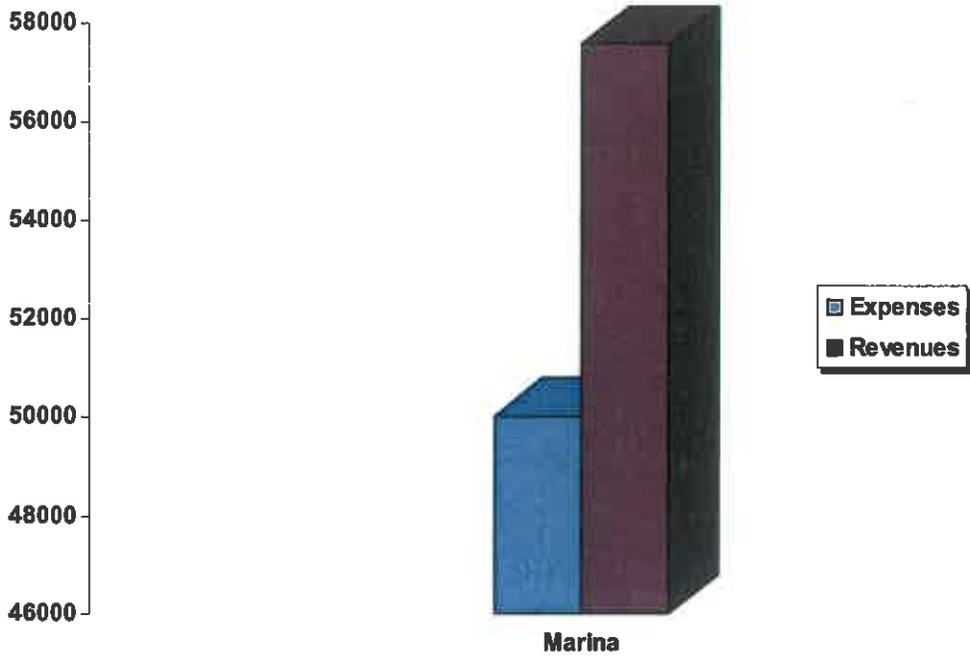
Financial Analysis of the City's Funds

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

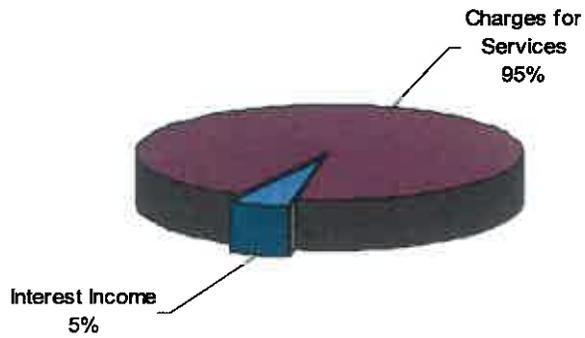
Governmental funds

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

Expenses and Program Revenues - Business-type Activities



**Revenue by Sources - Business type Activites
FY 2009**



Governmental funds (cont'd.)

As of the end of fiscal year 2009, the city's governmental funds reported combined ending fund balances of \$4,113,343, a decrease of \$3,244,762 in comparison with the prior year. There was a decrease in revenue by 14 percent as compared with the previous year due to lower Ad Valorem taxes attributed to a decline in taxable values, lower interest income attributable to decrease in interest rates and lower intergovernmental revenues. Intergovernmental revenues decreased by \$ 115,317 or 20.98 percent as compared with prior year. This is primarily due to lower infrastructure sales tax (Penny for Pinellas), lower state revenue sharing and lower state government grants partially offset by higher communications service tax.

Expenditures, including capital improvements and principal and interest payments on the bank loan, increased by 106.39 percent. This is attributed to expenditures associated with the new Community Center.

General Fund

The general fund is the chief operating fund of the City. At the end of September 30, 2009, unreserved, undesignated fund balance of the general fund was \$3,352,901 and is available for spending at the city's discretion.

The remainder of the general fund balance of \$167,935 is reserved and not available for new spending and has been committed to: 1.) prepaid items \$13,101 and 2) encumbrances \$154,834. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved, undesignated fund balance represents 202.48 percent of total general fund expenditures, while total fund balance represents 212.62 percent of that same amount.

Capital Projects Fund

The capital projects fund is used to account for the acquisition or construction of major capital facilities other than those financed by proprietary funds. This is also used for non recurring capital expenditures with an estimated useful life of at least ten years and/or a minimum cost of \$25,000 in order to avoid distortion of financial trend information in the other funds.

At the end of September 30, 2009, unreserved, undesignated fund balance of the capital projects fund was \$581,728 and is available for spending at the city's discretion. The remainder of the capital projects fund balance of \$10,779 is not available for spending and is committed to encumbrances.

With the completion of the new Community Center, the original funded reserve of \$3.569 million for the new Community Center was expended during the fiscal year; the actual cost through September 2009 was \$3.894 million.

As a measure of the capital projects fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. For the fiscal year ending September 30, 2009, unreserved, undesignated fund balance of \$581,728 represents 15.67 percent of total capital projects fund expenditures of \$3,666,106. On the other hand, total fund balance of \$592,507 represents 16.16 percent of fund expenditures. The capital projects fund expenditures include the new Community Center construction and other costs of \$3,402,261 in 2009.

Proprietary funds

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

Unrestricted net assets of proprietary funds at the end of the year in comparison to prior year amounted to:

<u>FUNDS</u>	<u>2009</u>	<u>2008</u>
Marina	<u>151,614</u>	<u>130,888</u>
Totals	<u>\$ 151,614</u>	<u>\$ 130,888</u>

Other factors concerning the finances of these funds have been addressed in the discussion of the City's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the fiscal year ended September 30, 2009 the significant variances between the final amended budget and the actual results are shown below:

- Revenues are lower than budgeted amount by 21,178 due to lower investment income attributed to a significant decline in actual interest rates which are affected by decreases in Federal funds rate and the downturn in economic conditions, and unrealized loss in the value of SBA Fund B investments.
- Expenditures are lower than budgeted amount by 356,747 due to lower expenditures in the areas of transportation, public works and general government. Encumbrances for 154,834 to honor open purchase orders and projects in progress have been forwarded as additions or budget amendment to the FY 2009-10 budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2009 amounts to \$7,261,632 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than building, equipment, marina docks and security fence and infrastructures. The total increase in the City's capital assets for the current fiscal year was \$3,499,133 or 94.9 percent for governmental activities and a decrease of \$10,189 or

12.1 percent for the business-type activities. A substantial part of the increase in the capital assets for governmental activities represents construction and other costs for the new Community Center.

The increase/(decrease) in capital assets net of depreciation during the current fiscal year for governmental activities included the following:

- Construction in Progress, used to account for the new Community Center costs for contractor’s fees, design and construction documents, demolition and various professional fees, decreased by \$(587,773) and renovation costs for temporary City Hall decreased by \$(19,989) due to completion of the Community Center construction and the temporary City Hall renovation at 1001 Cedar Drive.
- Buildings increased by \$3,907,776 due to re classification of the Community Center costs of \$3,894,187 and the temporary City Hall \$13,589 from Construction in Progress to Buildings
- Improvements Other than Buildings- increase of \$155,441 consists of construction, consulting, engineering, survey and design costs for replacement of the Harrison Ave. bridge superstructure, and buoy replacement in the Gulf of Mexico.
- .Legislative- increase of \$50,040 consists of audio/ visual system for the Community Center and channel system and microphones for City Council meetings.
- Roads and Streets- increase of \$12,073 includes pedestrian signal on Gulf Boulevard and street resurfacing and curb work for 22nd Street 24th Street, 25th Street and Louisa Drive.
- Disposal/ write offs- of various equipment with a net book value of \$4,557 represents donations to the Pinellas Suncoast Fire District and charitable organizations of various furniture and equipment that were no longer in use.

City of Belleair Beach, Florida
Capital Assets
 (net of depreciation)

	Governmental Activities	Business-type Activities	Total
Land	\$1,426,738	\$ -	\$1,426,738
Buildings	4,057,776	-	4,057,776
Improvements other than Buildings	1,136,742	73,888	1,210,630
Roads and streets	268,598		268,598
Parks and recreation	203,899		203,899
Equipment	93,991	-	93,991
Totals	\$7,187,744	\$ 73,888	\$7,261,632

Additional information on the City’s capital assets can be found on pages 50 - 52 of this report.

Long-term Debt

At the end of fiscal year 2009, the City has a total outstanding loan payable of \$2,600,000. Quarterly principal payments on the original amount of \$3.0 million have been made starting in October 2006. The proceeds of this loan were used to fund land acquisition, construction and furnishings of the new Community Center. The full balance of the loan is currently in the General Long-Term Debt Account Group. The loan interest rate is fixed at 3.72 percent annually and is payable quarterly effective October 2006 per Bank Amortization Schedule.

Additional information on the City's long-term debt activity can be found in Note 10 on pages 53-54 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- * The unemployment rate for the County at September 30, 2009 was 11.80 percent, which was higher than the 2008 rate of 7.10 percent due to the loss of jobs in construction, retailing, hospitality and manufacturing sectors.
- * Inflationary trends in the region compare favorably to the national trends.
- * The City of Belleair Beach is entirely a residential community. During the current fiscal year, property values decreased by 15.56 percent as compared with a 9.90 percent decrease in the prior year. This decrease is attributed to "changes in the real estate market including less construction, a poor residential market and an unprecedented number of foreclosures and distressed sale."
- * Amendment I approved by voters in January 2008 is expected to decrease Ad Valorem Tax revenues. Amendment I created an additional Homestead tax exemption of \$25,000 doubling regular homestead tax exemption to \$50,000, allowed "portability of save our homes cap" and eliminated some tangible personal property from the tax rolls.
- * The Property Tax Reform House Bill 1B passed by the Florida Legislature in June 2007 mandated a 9 percent Property Tax cut for the City of Belleair Beach.
- * All of the above-mentioned factors were considered in preparing the City of Belleair Beach's budget for the 2009-2010 fiscal year.
- * The estimated merit increase in salaries and wages was 2 percent for full time employees and 1 percent for a part time employee. There was no cost of living allowance.
- * At the end of the current fiscal year, unreserved, undesignated fund balance in the general fund was \$3,352,901. The City has appropriated \$154,834 in the general fund for spending in the 2009-2010 fiscal year budget. This amount represents encumbrances for prior year's outstanding purchase orders and projects in progress. It is intended that this use of available fund balance will avoid the need to raise taxes or charges during the 2010 fiscal year.

REQUEST FOR INFORMATION

This financial report is designed to present users with a general overview of the City's finances to all those interested in the government finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the City's Finance Officer at 444 Causeway Blvd., Belleair Beach, Florida 33786 or email: financeofficer@cityofbelleairbeach.com.

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BASIC FINANCIAL STATEMENTS

This section contains the following subsections:

Government-Wide Financial Statements

Statement of Net Assets
Statement of Activities

Fund Financial Statements

Governmental Fund Financial Statements

Balance Sheet - Governmental Funds
Reconciliation of the Balance Sheet to the Statement of
Net Assets - Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities -
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual:
General Fund

Proprietary Fund Financial Statements

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

Notes to Financial Statements

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CITY OF BELLEAIR BEACH, FLORIDA

STATEMENT OF NET ASSETS

SEPTEMBER 30, 2009

ASSETS	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ 4,395,577	\$ 160,639	\$ 4,556,216
Investments	84,398	-	84,398
Receivables (net of allowance for uncollectibles)	166,504	896	167,400
Prepays	13,101	2,052	15,153
Capital Assets:			
Land	1,426,738	-	1,426,738
Buildings	4,064,176	-	4,064,176
Improvements other than buildings	1,834,410	298,774	2,133,184
Equipment	406,220	-	406,220
Accumulated depreciation	<u>(543,800)</u>	<u>(224,886)</u>	<u>(768,686)</u>
Total Assets	<u>11,847,324</u>	<u>237,475</u>	<u>12,084,799</u>
LIABILITIES			
Accounts payable	524,378	3,120	527,498
Accrued payroll	12,259	-	12,259
Accrued interest	26,025	-	26,025
Deposits	-	5,956	5,956
Unearned revenue	9,600	2,897	12,497
Noncurrent Liabilities:			
Due Within One Year:			
Loan payable	160,000	-	160,000
Compensated absences	4,400	-	4,400
Due In More Than One Year:			
Loan payable	2,440,000	-	2,440,000
Compensated absences	<u>39,728</u>	<u>-</u>	<u>39,728</u>
Total Liabilities	<u>3,216,390</u>	<u>11,973</u>	<u>3,228,363</u>
NET ASSETS			
Invested in Capital Assets, net of related debt	4,587,744	73,888	4,661,632
Unrestricted	<u>4,043,190</u>	<u>151,614</u>	<u>4,194,804</u>
Total Net Assets	<u>\$ 8,630,934</u>	<u>\$ 225,502</u>	<u>\$ 8,856,436</u>

See Notes to Financial Statements.

CITY OF BELLEAIR BEACH, FLORIDA

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

		<u>Program Revenues</u>	
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Function/Program Activities			
Primary Government:			
Governmental Activities:			
General government	\$ 313,594	\$ 34,092	\$ -
Public Safety	419,268	11,000	-
Physical environment	574,679	274,656	1,922
Transportation	217,185	1,255	-
Culture and recreation	36,168	98	-
Interest on long-term debt	101,843	-	-
Total governmental activities	<u>1,662,737</u>	<u>321,101</u>	<u>1,922</u>
Business-Type Activities:			
Marina	50,034	57,668	-
Total business-type activities	<u>50,034</u>	<u>57,668</u>	<u>-</u>
Total primary government	<u>\$ 1,712,771</u>	<u>\$ 378,769</u>	<u>\$ 1,922</u>

GENERAL REVENUES:

Property taxes
 Franchise fees
 Utility taxes
 Unrestricted Intergovernmental
 Revenue:
 State revenue sharing
 Half-cent sales tax
 Local option gas tax
 Local option sales tax
 Communications tax
 Fuel tax rebate
 Investment income
 Miscellaneous
 Total General Revenues
 Change in Net Assets
 Net Assets, Beginning of Year
 Net Assets, Ending of Year

See Notes to Financial Statements.

Net (Expense) Revenue and
Changes in Net Assets

Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (279,502)	-	\$ (279,502)
(408,268)	-	(408,268)
(298,101)	-	(298,101)
(215,930)	-	(215,930)
(36,070)	-	(36,070)
(101,843)	-	(101,843)
<u>(1,339,714)</u>	<u>-</u>	<u>(1,339,714)</u>
-	7,634	7,634
-	<u>7,634</u>	<u>7,634</u>
(1,339,714)	7,634	(1,332,080)
911,776	-	911,776
164,765	-	164,765
206,315	-	206,315
41,889	-	41,889
77,121	-	77,121
21,353	-	21,353
188,430	-	188,430
103,603	-	103,603
92	-	92
25,427	2,904	28,331
6,374	-	6,374
<u>1,747,145</u>	<u>2,904</u>	<u>1,750,049</u>
407,431	10,538	417,969
8,223,503	214,964	8,438,467
<u>\$ 8,630,934</u>	<u>\$ 225,502</u>	<u>\$ 8,856,436</u>

See Notes to Financial Statements.

CITY OF BELLEAIR BEACH, FLORIDA

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2009

	<u>ASSETS</u>		
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
Cash and cash equivalents	\$ 3,401,305	\$ 994,272	\$ 4,395,577
Investments	84,398	-	84,398
Receivables (net of allowance for uncollectible accounts):			
Taxes:			
Franchise fees	18,522	-	18,522
Utility	23,092	-	23,092
Accounts	45,230	-	45,230
Intergovernmental:			
State	30,667	-	30,667
County	5,789	43,204	48,993
Prepaid items	13,101	-	13,101
TOTAL ASSETS	\$ 3,622,104	\$ 1,037,476	\$ 4,659,580

LIABILITIES AND FUND BALANCE

LIABILITIES:			
Accounts payable	\$ 65,492	\$ 108,855	\$ 174,347
Retainage payable	13,917	336,114	350,031
Deferred revenue	9,600	-	9,600
Accrued payroll	12,259	-	12,259
TOTAL LIABILITIES	101,268	444,969	546,237
FUND BALANCES:			
Reserved for:			
Prepaid items	13,101	-	13,101
Encumbrances	154,834	10,779	165,613
Total reserves	167,935	10,779	178,714
Unreserved, reported in:			
General fund	3,352,901	-	3,352,901
Capital projects fund	-	581,728	581,728
TOTAL FUND BALANCES	3,520,836	592,507	4,113,343
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,622,104	\$ 1,037,476	\$ 4,659,580

See Notes to Financial Statements.

CITY OF BELLEAIR BEACH, FLORIDA

RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
GOVERNMENTAL FUNDS

SEPTEMBER 30, 2009

Fund balances - total governmental funds \$ 4,113,343

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

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

Governmental capital assets	\$ 7,731,544	
Less accumulated depreciation	<u>(543,800)</u>	
		7,187,744

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

Loan payable	2,600,000	
Accrued interest payable	26,025	
Compensated absences	<u>44,128</u>	
		<u>(2,670,153)</u>

Net assets of governmental activities. \$ 8,630,934

See Notes to Financial Statements.

CITY OF BELLEAIR BEACH, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Government Funds</u>
REVENUES:			
Taxes:			
Ad valorem	\$ 911,776	\$ -	\$ 911,776
Franchise fees	164,765	-	164,765
Utility	206,315	-	206,315
Intergovernmental	245,980	188,430	434,410
Charges for services	312,529	-	312,529
Fines	8,572	-	8,572
Interest	16,609	8,818	25,427
Miscellaneous	6,374	-	6,374
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	1,872,920	197,248	2,070,168
EXPENDITURES:			
Current:			
General government	434,128	3,404,261	3,838,389
Public safety	419,959	-	419,959
Physical environment	567,678	-	567,678
Transportation	217,185	-	217,185
Culture and recreation	16,948	-	16,948
Debt service:			
Principal	-	160,000	160,000
Interest	-	101,845	101,845
	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	1,655,898	3,666,106	5,322,004
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	217,022	(3,468,858)	(3,251,836)
OTHER FINANCING SOURCES (USES):			
Transfers in (out)	(160,000)	160,000	-
Sale of capital assets	7,074	-	7,074
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(152,926)	160,000	7,074
Net change in fund balances	64,096	(3,308,858)	(3,244,762)
FUND BALANCE, OCTOBER 1	3,456,740	3,901,365	7,358,105
	<hr/>	<hr/>	<hr/>
FUND BALANCE, SEPTEMBER 30	\$ 3,520,836	\$ 592,507	\$ 4,113,343
	<hr/>	<hr/>	<hr/>

See Notes to Financial Statements.

CITY OF BELLEAIR BEACH, FLORIDA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

Net change in fund balances - total governmental funds \$ (3,244,762)

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

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.

Expenditures for capital assets	\$	3,581,675	
Less current year depreciation		<u>(82,542)</u>	
			3,499,133

Loan proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of loan and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Principal payments			160,000
Change in accrued interest			2

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Change in long-term compensated absences			<u>(6,942)</u>
--	--	--	----------------

Change in net assets of governmental activities	\$		<u><u>407,431</u></u>
---	----	--	-----------------------

See Notes to Financial Statements.

CITY OF BELLEAIR BEACH, FLORIDA

GENERAL FUND

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Ad valorem	\$ 908,841	\$ 908,841	\$ 911,776	\$ 2,935
Franchise fees	150,325	150,325	164,765	14,440
Utility	184,695	184,695	206,315	21,620
Intergovernmental	240,760	240,760	245,980	5,220
Charges for services	315,159	315,159	312,529	(2,630)
Fines	10,800	10,800	8,572	(2,228)
Interest	83,518	83,518	16,609	(66,909)
Miscellaneous	-	-	6,374	6,374
Total Revenues	<u>1,894,098</u>	<u>1,894,098</u>	<u>1,872,920</u>	<u>(21,178)</u>
Expenditures:				
Current:				
General Government:				
Legislative	17,605	17,605	6,986	10,619
Executive	347,944	374,377	327,174	47,203
Financial administration	111,186	111,186	99,968	11,218
	<u>476,735</u>	<u>503,168</u>	<u>434,128</u>	<u>69,040</u>
Public Safety:				
Police	401,967	401,967	403,125	(1,158)
Protective inspections	19,615	19,615	16,834	2,781
	<u>421,582</u>	<u>421,582</u>	<u>419,959</u>	<u>1,623</u>
Physical Environment:				
Public Works	754,791	436,975	347,069	89,906
Sanitation	219,990	219,990	220,609	(619)
	<u>974,781</u>	<u>656,965</u>	<u>567,678</u>	<u>89,287</u>
Transportation:				
Streets	-	409,930	217,185	192,745
Culture and Recreation:				
Library	16,000	16,000	13,700	2,300
Parks and recreation	5,000	5,000	3,248	1,752
	<u>21,000</u>	<u>21,000</u>	<u>16,948</u>	<u>4,052</u>
Total Expenditures	<u>1,894,098</u>	<u>2,012,645</u>	<u>1,655,898</u>	<u>356,747</u>
Excess (deficiency) of revenues over (under) expenditures	-	(118,547)	217,022	335,569
Other Financing Sources (uses):				
Transfers out	-	(160,000)	(160,000)	-
Sale of capital assets	-	-	7,074	7,074
Total other financing sources (uses)	-	(160,000)	(152,926)	7,074
Net Change in Fund Balances	-	(278,547)	64,096	342,643
Fund Balance, Beginning of Year	<u>3,456,740</u>	<u>3,456,740</u>	<u>3,456,740</u>	-
Fund Balance, End of Year	<u>\$ 3,456,740</u>	<u>\$ 3,178,193</u>	<u>\$ 3,520,836</u>	<u>\$ 342,643</u>

See Notes to Financial Statements.

CITY OF BELLEAIR BEACH, FLORIDA

STATEMENT OF NET ASSETS

PROPRIETARY FUNDS

SEPTEMBER 30, 2009

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS

ASSETS

	<u>Marina</u>
CURRENT ASSETS:	
Cash and cash equivalents	\$ 160,639
Accounts receivable	896
Prepaid expenses	<u>2,052</u>
TOTAL CURRENT ASSETS	163,587
NONCURRENT ASSETS:	
Capital Assets:	
Improvements other than buildings	<u>298,774</u>
	298,774
Less accumulated depreciation	<u>224,886</u>
TOTAL CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)	<u>73,888</u>
TOTAL ASSETS	<u>\$ 237,475</u>

See Notes to Financial Statements

CITY OF BELLEAIR BEACH, FLORIDA

STATEMENT OF NET ASSETS

PROPRIETARY FUNDS

September 30, 2009

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS

LIABILITIES AND NET ASSETS

	<u>Marina</u>
CURRENT LIABILITIES:	
Accounts payable	\$ 3,120
Deferred revenue	<u>2,897</u>
TOTAL CURRENT LIABILITIES	6,017
NONCURRENT LIABILITIES:	
Deposits	<u>5,956</u>
TOTAL NONCURRENT LIABILITIES	<u>5,956</u>
TOTAL LIABILITIES	11,973
NET ASSETS:	
Invested in capital assets net of related debt	73,888
Unrestricted	<u>151,614</u>
TOTAL NET ASSETS	<u>\$ 225,502</u>

See Notes to Financial Statements

CITY OF BELLEAIR BEACH, FLORIDA

STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET ASSETS

PROPRIETARY FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS

	<u>Marina</u>
OPERATING REVENUES:	
Charges for sales and services	\$ 57,668
OPERATING EXPENSES:	
Materials and supplies	32,492
Utilities	4,356
Depreciation	<u>13,186</u>
Total operating expenses	<u>50,034</u>
OPERATING INCOME	7,634
NONOPERATING REVENUES:	
Interest revenue	2,904
Total nonoperating revenues	<u>2,904</u>
CHANGE IN NET ASSETS	<u>10,538</u>
TOTAL NET ASSETS, OCTOBER 1	<u>214,964</u>
TOTAL NET ASSETS, SEPTEMBER 30	<u>\$ 225,502</u>

See Notes to Financial Statements

CITY OF BELLEAIR BEACH, FLORIDA

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

	<u>Business-Type Activities - Enterprise Funds</u>
	<u>Marina</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	\$ 55,593
Cash payments to suppliers for goods and services	<u>(35,596)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	19,997
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchase of capital assets	<u>(2,998)</u>
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(2,998)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest on investments	<u>2,904</u>
NET CASH PROVIDED (USED) FOR INVESTING ACTIVITIES	<u>2,904</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	19,903
CASH AND CASH EQUIVALENTS, OCTOBER 1	<u>140,736</u>
CASH AND CASH EQUIVALENTS, SEPTEMBER 30	<u>\$ 160,639</u>

See Notes to Financial Statements

CITY OF BELLEAIR BEACH, FLORIDA

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

Business-Type Activities - Enterprise Funds

Marina

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH
PROVIDED (USED) BY OPERATING ACTIVITIES

Operating income:	\$	7,634
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		13,186
Change in assets and liabilities:		
Increase (decrease) in accounts payable		1,554
Increase (decrease) in deferred revenue		(2,298)
Increase (decrease) in deposits		<u>(79)</u>
Total adjustments		<u>12,363</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$	<u>19,997</u>

See Notes to Financial Statements.

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NOTES TO
FINANCIAL STATEMENTS

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CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2009

1. Summary of Significant Accounting Policies

The City of Belleair Beach (City) maintains its accounting records in accordance with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below:

Reporting Entity - The City is a political subdivision of the State of Florida, located in Pinellas County in the west central portion of the State. The City was incorporated in 1950. The original Charter was revised in 1959. This revised Charter was recorded on May 18, 1959 in the Municipal Charter Book IV. The Charter was revised in 1968 and again in 2002. The amended Charter (effective as of March 12, 2002) adopted the council-manager form of government. The City is approximately .484 square miles in area. The City is a full service municipality providing its citizens with a full complement of municipal services. In addition, the City owns and operates an enterprise activity for the marina.

In evaluating how to define the City of Belleair Beach, Florida (the primary government), for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement No. 14.

This governmental accounting standard requires that this financial statement present the City of Belleair Beach (the primary government) and its component unit. Component units generally are legally separate entities for which a primary government is financially accountable. Financial accountability ordinarily involves meeting both of the following criteria: the primary government is accountable for the potential component unit (i.e., the primary government appoints the voting majority of its board) and the primary government is able to impose its will upon the potential component unit, or there is a possibility that the potential component unit may provide specific financial benefits or impose specific financial burdens on the primary government.

The City has no component units as of September 30, 2009.

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2009

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

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

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 properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary fund even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and the individual enterprise fund are reported as separate columns in the fund financial statements.

Since the governmental fund financial statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the same page or the page following each statement, which briefly explains the adjustments necessary to reconcile the fund based financial statements to the governmental activities column of the government-wide presentation.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation - The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2009

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The City reports the following major governmental funds:

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

The *Capital Projects Fund* which is a governmental fund that accumulates resources for the construction of a new City Hall and other capital projects.

The *Marina Fund* accounts for the assets, operations and maintenance of the City-owned marina.

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

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct cost and program revenues reported for the various functions concerned.

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2009

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

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds' principal ongoing operations. The principal operating revenues of the Sewer Enterprise Fund and of the Marina Enterprise Fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Assets, Liabilities, and Net Assets or Equity:

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

The City's investment policy is to maintain funds in investments which yield the highest possible efficiency and return within the limitations established by Florida Statutes, Chapter 166.261. Provisions of those statutes authorize the City 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.

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2009

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

- d) Obligations of the federal farm credit banks and the Federal Home Loan Mortgage Corporation.
- e) Obligations of the Federal National Mortgage Association and the Government National Mortgage Association.

Investments in fixed income securities are stated at fair value. Fair value is the amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Florida State Board of Administration Local Government Pooled Investment Fund has met the criteria to be considered a "2A-7 like" Investment Fund as defined by GASB Statement No. 31. Therefore, amortized cost may be used for valuation. The fair value of the City's investment in this pool is determined by the pool's share price (account balance).

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

Receivables and payables - Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All tax, accounts and intergovernmental receivables are shown net of an allowance for uncollectibles. Trade accounts receivables in excess of 180 days compromise the trade accounts receivable allowance for uncollectible including those for the Marina Enterprise Fund.

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2009

1. Summary of Significant Accounting Policies (Continued)

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 City is established by the City Council prior to October 1 of each year and the Pinellas County Property Appraiser incorporates the City's millages into the total tax levy, which includes the Pinellas County School Board tax requirements. The City 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 2009 millage rate assessed by the City was 1.9800.

All property is reassessed according to its fair market value January 1 of each year. Each assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of State statutes.

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

Delinquent taxes on real property bear interest at 18% per year. On or prior to June 1 following the tax year, certificates are sold for all delinquent taxes on property. After sale, tax certificates bear interest at 18% per year or at any lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years.

Delinquent taxes on personal property bear interest at 18% per year until the tax is satisfied either by seizure and sale of the property or by the five-year statute of limitations.

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2009

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

Because of the Pinellas County Tax Collector's Office efficient system for selling tax certificates and remitting the proceeds to the City any delinquent or uncollected property taxes at year end are immaterial. The City'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

Capital Assets - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost 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.

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2009

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

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

<u>Assets</u>	<u>Years</u>
Buildings	45-55
Building improvements	20-30
Public domain infrastructure	45-55
Machinery and equipment	5-15

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

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

Net Assets - Net assets of the Governmental and Business-Type Activities, in the government-wide financial statements, are categorized as invested in capital assets net of related debt or unrestricted. The first category represents net assets related to capital assets.

Compensated Absences - It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Regular, full-time, permanent employees earn vacation and sick leave starting with the first day of employment.

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2009

1. Summary of Significant Accounting Policies (Continued)

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

<u>Total Years of Service</u>	<u>Days Per Year</u>
1	5
2 to 4	10
5 to 15	15
15 years and over	20

A maximum of forty days vacation leave may be carried over from one year to the next.

Vacation may be accumulated to a maximum of 160 hours for employees with less than 5 years of service, or 200 hours for employees with 6 to 10 years of service and 240 hours for over 10 years of service. Employees who accumulate more than the maximum allowable vacation days within a calendar year shall have the excess deducted effective December 31st and added to the employees accrued sick leave. Should an employee be unable to use vacation due to department needs, the mayor may grant an exception and allow a carryover to exceed the maximum; however, such carryover must be used in a defined period of time which will be stated in the letter of exception by the Mayor.

An employee who has served six months or more and who terminates employment with the City is paid for any unused vacation leave accumulated to the time of termination.

Sick leave for regular full-time employees is earned at the rate of eight hours for each month of service (at the completion of three months of continuous service) and may be accrued with no maximum. Upon termination, the employee is entitled to a lump-sum payment for accrued unused sick leave (up to a maximum of 720 hours). Upon termination, providing that the employee has given the department head no less than two weeks prior written notice, the following amount of sick pay leave will be received:

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2009

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

<u>Years of Service</u>	<u>% of Accrued Hours (With Maximum of 720 Hours)</u>
Less than 10 years	25%
10 years or more	100%

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. 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 vacation and sick 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.

Subsequent Events - Management has adopted the provisions set forth in SFAS No. 165, *Subsequent Events*, and considered subsequent events through the date of the audit report.

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2009

2. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds and net assets - governmental activities* as reported in the government-wide statement of net assets. The detail of this \$4,517,591 difference is as follows:

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

Governmental capital assets	\$ 7,731,544	
Less accumulated depreciation	(543,800)	
		<u>7,187,744</u>

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

Revenue note payable	2,600,000	
Accrued interest payable	26,025	
Compensated absences	<u>44,128</u>	
		<u>(2,670,153)</u>

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

\$ 4,517,591

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2009

2. Reconciliation of Government-wide and Fund Financial Statements (Continued)

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds and changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expenses." The details of this \$3,652,193 difference are as follows:

Capital outlay	\$ 3,581,675	
Depreciation expense	<u>(82,542)</u>	3,499,133
<p>Loan proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount of the repayments for the fiscal year.</p>		
Principal payments	160,000	
Change in accrued interest	2	
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>		
Change in long-term compensated absences	<u>(6,942)</u>	153,060
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at changes in net assets of governmental activities		<u>\$ 3,652,193</u>

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2009

3. Stewardship, Compliance, and Accountability

Budget Information - Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund and the enterprise fund and are controlled on a fund and department level. On or before May 31 of each year, all departments of the City submit requests for appropriation to the Finance Officer 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. All annual appropriations lapse at fiscal year end.

The proposed budget is presented by the Mayor to the City Council for review on or before July 1. The City Council 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 Finance Officer or the revenue estimates must be changed by an affirmative vote of a majority of the City Council.

Expenditures may not legally exceed budgeted appropriations at the departmental level. During the year four supplementary appropriations were necessary.

Encumbrances accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

Establishment/Elimination of Funds - No funds were established or eliminated during the fiscal year ended September 30, 2009.

4. Cash and Cash Equivalents

The City maintains a cash pool that is available for use by all funds. Each fund's portion of this pool is displayed as "Cash and Cash Equivalents". Monthly interest earned by this pool in excess of \$100 is distributed to each fund. In addition, investments are separately held by several of the City's funds.

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2009

5. Deposits

At year-end the carrying amount of the City's deposits was \$4,556,216 and the bank balance was \$4,572,314. 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.

6. Investments

	<u>Fair Value</u>	<u>Bond Rating</u>	<u>Weighted Average Duration (Years)</u>
Florida State Board of Administration Local Government Pooled Investment Fund (SBA)	\$ <u>84,398</u>	Not Rated	N/A
Total investments	\$ <u><u>84,398</u></u>		

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.

Interest Rate Risk - The City manages its exposure to fair value losses arising from increasing interest rates through its adopted investment policies. The City limits the effective duration of its investment portfolio through the adoption of nationally recognized risk measure bench marks such as the Lehman Brothers Aggregate Bond Index.

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2009

6. Investments (Continued)

The City has adopted a written investment policy in accordance with Florida Statute 218(16). That statute is intended to minimize interest rate and credit risk by directing the City to invest only in authorized investments summarized as follows:

- (a) The Local Government Surplus Funds Trust Fund or any Intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in s. 163.01.
- (b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
- (f) Interest-bearing time deposits or savings accounts in qualified public depositories as defined in s. 280.02.
- (g) Direct obligations of the United States Treasury.
- (h) Federal agencies and instrumentalities.
- (i) 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.

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

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2009

6. Investments (Continued)

The State Board of Administration (Board) was established on June 21, 1928, pursuant to Chapter 14486, 1929, laws of Florida. The Board 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 Board is composed of the Governor, as Chairman, the State Treasurer, as Treasurer, and the State Comptroller, as Secretary, and provides the following services by law: (1) investment of funds of the Florida Retirement System (FRS); (2) administration of debt service funds; (3) investment of trust and agency funds; and (4) distribution of the "Second Gas Tax."

The Local Government Pooled Investment Fund is governed by Ch. 19-7 of the Florida Administrative Code, which identifies the Rules of the State Board of Administration. These rules provide guidance and establish the general operating procedures for the administration of the Local Government Pooled Investment Fund. Additionally, the office of the Auditor General performs the operational audit of the activities and investments of the State Board of Administration.

Since the Florida State Board of Administration (SBA) Local Government Pooled Investment Fund (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, 2009.

Subsequent to the fiscal year ended September 30, 2008, in an effort to strengthen the fund's liquidity, the fund continued to use the two structures as follows:

Fund A contained all money-market appropriate assets and

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

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2009

6. Investments (Continued)

The SBA Board adopted the following operating policy:

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

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

7. Receivables

Receivables at September 30, 2009, consist of the following:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Receivables:			
Taxes	\$ 41,614	\$ -	\$ 41,614
Accounts	45,230	-	45,230
Intergovernmental	36,456	43,204	79,660
	<hr/>	<hr/>	<hr/>
Gross receivables	123,300	43,204	166,504
Less: Allowance for uncollectibles	<hr/>	<hr/>	<hr/>
Net total receivables	<u>\$ 123,300</u>	<u>43,204</u>	<u>\$ 166,504</u>

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2009

8. Capital Assets

Capital assets activity for the year ended September 30, 2009 was as follows:

	Balance October 1, 2008	Increases	Decreases	Balance September 30, 2009
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,426,738	\$ -	\$ -	\$ 1,426,738
Construction in progress	<u>607,762</u>	<u>3,306,414</u>	<u>(3,914,176)</u>	<u>-</u>
Total capital assets, not being depreciated	2,034,500	3,306,414	(3,914,176)	1,426,738
Capital assets, being depreciated:				
Buildings	150,000	3,914,176	-	4,064,176
Improvements other than buildings	1,622,216	212,194	-	1,834,410
Equipment	<u>352,988</u>	<u>67,627</u>	<u>(14,395)</u>	<u>406,220</u>
Total capital assets, being depreciated	2,125,204	4,193,997	(14,395)	6,304,806
Less accumulated depreciation for:				
Buildings	-	(6,400)	-	(6,400)
Improvements other than buildings	(384,389)	(44,670)	-	(429,059)
Equipment	<u>(86,704)</u>	<u>(31,472)</u>	<u>9,835</u>	<u>(108,341)</u>
Total accumulated depreciation	<u>(471,093)</u>	<u>(82,542)</u>	<u>9,835</u>	<u>(543,800)</u>
Total capital assets, being depreciated, net	<u>1,654,111</u>	<u>4,111,455</u>	<u>(4,560)</u>	<u>5,761,006</u>
Governmental activities				
Capital assets, net	<u>\$ 3,688,611</u>	<u>\$ 7,417,869</u>	<u>\$ (3,918,736)</u>	<u>\$ 7,187,744</u>

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2009

8. Capital Assets (Continued)

	<u>Balance October 1, 2008</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance September 30, 2009</u>
<u>Business-type activities:</u>				
Capital assets, being depreciated:				
Improvements other than buildings	\$ 295,776	\$ 2,998	\$ -	\$ 298,774
Total capital assets, being depreciated	<u>295,776</u>	<u>2,998</u>	<u>-</u>	<u>298,774</u>
Less accumulated depreciation for:				
Improvements other than buildings	(211,700)	(13,186)	-	(224,886)
Total accumulated depreciation	<u>(211,700)</u>	<u>(13,186)</u>	<u>-</u>	<u>(224,886)</u>
Total capital assets, being depreciated, net	<u>84,076</u>	<u>(10,188)</u>	<u>-</u>	<u>73,888</u>
Business-type activities capital assets, net	<u>\$ 84,076</u>	<u>\$ (10,188)</u>	<u>\$ -</u>	<u>\$ 73,888</u>

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2009

8. Capital Assets (Continued)

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

Governmental activities:

General government	\$	56,133
Public safety		63
Physical environment		3,877
Culture and recreation		<u>22,469</u>

Total depreciation expenses - governmental activities \$ 82,542

Business-type activities:

Marina	\$	<u>13,186</u>
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Total depreciation expense - business-type activities \$ 13,186

9. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and distribution of assets; errors and omissions; injuries to employees; and natural disasters.

The City continues to carry commercial insurance for risks of loss including health, building and contents, employee and police bonds, mobile property, flood and employee accident insurance. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The City has not had any significant coverage reductions under these policies from the prior years.

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2009

10. Long-Term Debt

Changes in long-term liabilities

Long-term liability activity for the fiscal year ended September 30, 2009 was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Due Within</u> <u>One Year</u>
Governmental activities:					
Compensated absences	\$ 37,186	\$ 8,088	\$ 1,146	\$ 44,128	\$ 4,400
Revenue note	<u>2,760,000</u>	<u>-</u>	<u>160,000</u>	<u>2,600,000</u>	<u>160,000</u>
Governmental activity long-term liabilities	<u>\$ 2,797,186</u>	<u>\$ 8,088</u>	<u>\$ 161,146</u>	<u>\$ 2,644,128</u>	<u>\$ 164,400</u>

Compensated absences are generally liquidated by the General Fund from Governmental Activities.

Revenue Note

On October 3, 2005, the City Council adopted Resolution 2005-24 to approve a loan agreement with SunTrust Bank providing for a \$3,000,000 loan to finance the construction of a new City Hall.

Pledged revenue for this loan is all nonadvalorem revenue for the General Fund and the Capital Projects Fund.

SunTrust Loan Agreement:

Term: October 4, 2005 through October 4, 2025

Amount borrowed: \$3,000,000

Principal payments: \$40,000 quarterly

Interest rate: 3.72%

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2009

10. Long-Term Debt (Continued)

Debt service requirements to maturity are as follows:

	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2010	\$ 160,000	\$ 95,800
2011	160,000	89,766
2012	160,000	83,731
2013	160,000	77,692
2014 - 2018	800,000	291,926
2019 - 2023	800,000	153,135
2024 - 2026	<u>360,000</u>	<u>16,973</u>
	<u>\$ 2,600,000</u>	<u>\$ 809,023</u>

Revenue note balance as of September 30, 2009 was \$2,600,000.

11. Intra-Governmental Charges

The costs of certain general and administrative functions of the City are recorded and controlled in the General Fund. These administrative costs have been allocated to the City's Marina Fund for the year ended September 30, 2009, as shown in the following table:

<u>Enterprise Fund</u>	<u>Administrative Costs Allocated</u>
Marina	\$ <u>29,249</u>

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2009

12. Reserved Fund Balances

Governmental Funds - Reserved fund balances indicate those portions of fund balances that are legally segregated for a specific use or not available for appropriation or expenditure. The nature of these reserves is as follows at September 30, 2009.

General Fund - reserved for:	
Prepaid items	\$ 13,101
Encumbrances	<u>154,834</u>
Total General Fund Reserved Fund Balance	\$ <u>167,935</u>
Capital Projects Fund - reserved for:	
Encumbrances	\$ <u>10,779</u>
Total Capital Projects Fund	
Reserved Fund Balance	\$ <u>10,779</u>

13. Designated Fund Balance

During the year ended September 30, 2009 the Council established a designation of fund balance for contingencies. This designation was intended to cover expenses for hurricanes and other natural disasters.

General Fund Designated Fund Balance	\$ <u>840,000</u>
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14. Budgetary - GAAP Reporting Reconciliation

The accompanying financial statements present comparisons of the legally adopted budget with actual data on a GAAP (generally accepted accounting principles) basis. Accounting principles applied by the City for purposes of developing data on a budgetary basis did not differ significantly from those used to present financial statements in conformity with generally accepted accounting principles for the year ended September 30, 2009.

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2009

15. Contingent Liabilities

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

The City did not receive federal grant funds during the fiscal year ended September 30, 2009, and is not, therefore, subject to the program compliance audit by the grantee under the Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations".

During the year ended September 30, 2005 the City entered into a four year cancelable operating lease for copier equipment. In September of 2009, the City entered into a new four year cancelable operating lease for the copier equipment. Lease expense during the year ended September 30, 2009 was \$10,853.

The City has not entered into any operating leases with scheduled rent increases as of September 30, 2009.

16. Postemployment Benefits

The City does not provide postemployment benefits for police officers or general employees other than pension benefits. Postemployment health care benefits are made available to the City's terminated employees in accordance with the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). Under COBRA, the City is required to offer an election to deceased or terminated participants, their spouses or dependents, to continue coverage in the health plan provided by the City. The cost of coverage which the City may charge the participant may not exceed 102% of the applicable premium.

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2009

17. Employee Retirement Systems

The City maintains a single employer, defined benefit pension plan (Policemen's Pension Plan) which covers all of its police officers as well as a defined contribution 401(a) plan which covers the City's general employees hired on or after January 1, 1996. General employees and police officers hired prior to January 1, 1996 participate in the Florida Retirement System (System), a non-contributory cost-sharing multiple-employer public employee retirement system (PERS).

Florida Retirement System

Plan Description:

All of the City's general employees hired before January 1, 1996 participate in the Florida Retirement System (FRS), a non-contributory cost-sharing, multiple-employer public employee retirement system.

The City of Belleair Beach contributes to the FRS which is administered by the Florida Department of Management Services, Division of Retirement. FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Chapter 121 of the Florida Statutes, which may be amended by the Florida Legislature, assigns the authority to establish and amend benefit provisions to the Department of Management Services through the Division of Retirement. The FRS issues a publicly available financial report that includes financial statements and required supplementary information for FRS. That report may be obtained by writing to:

State of Florida
Division of Retirement
3639-C North Monroe Street
Tallahassee, Florida 32399-1560

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2009

17. Employee Retirement Systems (Continued)

Funding Policy:

The FRS funding policy provides for monthly employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll are adequate to accumulate sufficient assets to pay benefits when due. Level percentage of payroll employer contribution rates, established by state law, are determined using the entry-age actuarial funding method. Future plan benefit changes, assumption changes, and methodology changes are amortized within 30 years, using level dollar amounts. Except for gains reserved for rate stabilization, future actuarial gains and losses are amortized on a rolling 10% basis, as a level dollar amount.

Retirement benefits and the City's contribution rates are summarized as follows:

Membership Category	Retirement Benefit	Vesting	City Contributions Rate Actuarially Determined	
			Employer Contribution Rates through June 30, 2009	Employer Contribution Rates Beginning July 1, 2009
Regular	1.6% times years of service times average compensation (5 highest years) if age 62 or 30 years of service at any age.	After 6 years of creditable service.	9.85% of covered payroll	9.85% of covered payroll
Drop from FRS	-	-	10.91% of covered payroll	10.91% of covered payroll

The City's contributions include 1.11% for a post-retirement health insurance subsidy.

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2009

17. Employee Retirement Systems (Continued)

Florida Retirement System (Continued)

Funding Policy (Continued):

Deferred Retirement Option Program:

The FRS Deferred Retirement Option Program (DROP) is available to a member when the member first reaches eligibility for normal retirement. DROP allows a member to retire while continuing employment for up to 60 months. During DROP participation, the member's retirement benefits (increased by a cost-of-living adjustment each July) accumulate in the FRS Trust Fund and earn monthly interest equivalent to an annual rate of 6.5%. The member must cease employment after a maximum of 60 months, must satisfy the termination requirements for retirement, and is subject to reemployment restrictions thereafter. The member's DROP accumulation may be paid out as a lump sum payment, a rollover, or a combination partial lump sum payment and rollover. Employers must pay contributions at a rate of 10.91% of salary for all DROP participants. FRS also provides disability and survivors benefits. Benefits are established by Florida State Statute.

The contribution requirements of employers are established and may be amended by the Division of Retirement. The City's contributions and its required contributions for the prior ten fiscal years are summarized as follows:

<u>Year Ended</u>	<u>Required Contribution</u>	<u>Percentage Contributed</u>
September 30, 2000	\$ 34,598	100.0%
September 30, 2001	31,818	100.0
September 30, 2002	28,905	100.0
September 30, 2003	27,813	100.0
September 30, 2004	42,701	100.0
September 30, 2005	30,892	100.0
September 30, 2006	35,879	100.0
September 30, 2007	21,716	100.0
September 30, 2008	4,027	100.0
September 30, 2009	4,195	100.0

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2009

17. Employee Retirement Systems (Continued)

Employees' 401(a) Fund

The City provides retirement benefits for all of its full-time employees not covered under the Florida Retirement System through a defined contribution 401(a) plan administered by the Florida League of Cities, Inc. under their prototype Profit-Sharing Plan and Trust Agreement. At September 30, 2009 there were six plan members. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate after one year of employment. The Plan requires the City contribute ten percent of their compensation. The City's contributions for each employee (and interest allocated to the employee's account) are fully vested after five years of continuous service. City contributions for, and interest forfeited by, employees who leave employment before five years of service are used to reduce the City's current-period contribution requirement. Plan provisions and contribution requirements are established and may be amended by the City Council.

The City's total payroll in fiscal year 2009 was \$354,485. The City's contributions were calculated using the participants' salary amount of \$291,758. The City made the required contributions summarized as follows:

	<u>Contribution Amount</u>	<u>Percentage of Current Covered Payroll</u>
Required:		
City	\$ 29,176	10.0 %
Forfeitures applied	<u>-</u>	<u>-</u>
Total contributions	<u>\$ 29,176</u>	<u>10.0 %</u>

On November 5, 2001, the City Council adopted a resolution establishing this defined contribution for the City's general employees. This resolution authorizes participation in the Florida Municipal Pension Trust Funds.

The plan has not issued an audited stand-alone financial report for the year ended September 30, 2009.

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2009

18. Deferred Compensation Plan

The City 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 City's plan is administered by the Florida League of Cities, Inc. and provides the plan participants with the option to invest in thirteen different registered investment funds (mutual funds). Although the City is the Trustee of the plan, the City has no administrative involvement and performs no investing function for the plan and has not therefore, reported the plan in this financial report.

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INDIVIDUAL FUND
FINANCIAL STATEMENTS
AND SCHEDULES

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ENTERPRISE FUND

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CITY OF BELLEAIR BEACH, FLORIDA

MARINA FUND

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

	<u>ORIGINAL AND FINAL BUDGETED AMOUNTS</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)</u>
OPERATING REVENUES:			
Service charges	\$ 60,710	\$ 57,668	\$ (3,042)
OPERATING EXPENSES:			
Materials and supplies	46,564	32,492	14,072
Utilities	4,185	4,356	(171)
Depreciation	<u>12,985</u>	<u>13,186</u>	<u>(201)</u>
Total operating expenses	<u>63,734</u>	<u>50,034</u>	<u>13,700</u>
OPERATING INCOME	(3,024)	7,634	10,658
NONOPERATING REVENUES:			
Interest revenue	<u>3,024</u>	<u>2,904</u>	<u>(120)</u>
Total nonoperating revenues	<u>3,024</u>	<u>2,904</u>	<u>(120)</u>
CHANGE IN NET ASSETS	-	10,538	10,538
NET ASSETS, OCTOBER 1	<u>214,964</u>	<u>214,964</u>	<u>-</u>
NET ASSETS, SEPTEMBER 30	<u>\$ 214,964</u>	<u>\$ 225,502</u>	<u>\$ 10,538</u>

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CAPITAL ASSETS
USED IN THE OPERATIONS
OF GOVERNMENTAL FUNDS

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CITY OF BELLEAIR BEACH, FLORIDA

**CAPITAL ASSETS USED IN THE OPERATION
OF GOVERNMENTAL FUNDS
SCHEDULE BY SOURCE⁽¹⁾**

SEPTEMBER 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
Governmental Funds Capital Assets:		
Land	\$ 1,426,738	\$ 1,426,738
Buildings	4,064,176	150,000
Improvements other than buildings	1,834,410	1,622,216
Equipment	406,220	352,988
Construction in progress	<u>-</u>	<u>607,762</u>
Total Governmental Funds Capital Assets	<u>\$ 7,731,544</u>	<u>\$ 4,159,704</u>
Governmental Funds Capital Assets by Source:		
General Fund revenues	\$ 7,201,829	\$ 3,630,843
Federal revenue sharing entitlements	57,906	57,906
Donations	55,500	55,500
Grants	<u>416,309</u>	<u>415,455</u>
Total Governmental Funds Capital Assets	<u>\$ 7,731,544</u>	<u>\$ 4,159,704</u>

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

CITY OF BELLEAIR BEACH, FLORIDA

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

SEPTEMBER 30, 2009 AND 2008

Function and Activity	2009				
	Total	Land	Buildings	Improvements Other Than Buildings	Equipment
General Government:					
Control:					
Administrative	\$ 7,360,788	\$ 1,426,738	\$ 4,064,176	\$ 1,834,400	\$ 35,474
Legislative	56,109	-	-	-	56,109
Total General Government	7,416,897	1,426,738	4,064,176	1,834,400	91,583
Public Safety:					
Police protection	754	-	-	-	754
Public Works	49,065	-	-	-	49,065
Recreation	264,828	-	-	-	264,828
Building	-	-	-	-	-
Total governmental fund					
Capital Assets	<u>\$ 7,731,544</u>	<u>\$ 1,426,738</u>	<u>\$ 4,064,176</u>	<u>\$ 1,834,400</u>	<u>\$ 406,230</u>

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

CITY OF BELLEAIR BEACH, FLORIDA

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

SEPTEMBER 30, 2009 AND 2008

Function and Activity	2008				
	Total	Land	Buildings	Improvements Other Than Buildings	Equipment
General Government:					
Control:					
Administrative	\$ 3,833,288	\$ 1,426,738	\$ 757,762	\$ 1,622,216	\$ 26,572
Legislative	4,784	-	-	-	4,784
Total General Government	3,838,072	1,426,738	757,762	1,622,216	31,356
Public Safety:					
Police protection	-	-	-	-	-
Public Works	54,514	-	-	-	54,514
Recreation	263,583	-	-	-	263,583
Building	3,535	-	-	-	3,535
Total governmental fund Capital Assets	\$ 4,159,704	\$ 1,426,738	\$ 757,762	\$ 1,622,216	\$ 352,988

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

CITY OF BELLEAIR BEACH, FLORIDA

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

<u>Function and Activity</u>	<u>Governmental Fund Capital Assets October 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Governmental Fund Capital Assets September 30, 2009</u>
General Government:				
Control:				
Administrative	\$ 3,833,288	\$ 3,528,200	\$ 700	\$ 7,360,788
Legislative	4,784	54,033	2,708	56,109
Total General Government	3,838,072	3,582,233	3,408	7,416,897
Public Safety:				
Police protection		754	-	754
Public Works	54,514	-	5,449	49,065
Recreation	263,583	3,248	2,003	264,828
Building	3,535	-	3,535	-
Total governmental funds Capital Assets	<u>\$ 4,159,704</u>	<u>\$ 3,586,235</u>	<u>\$ 14,395</u>	<u>\$ 7,731,544</u>

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

STATISTICAL SECTION



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STATISTICAL SECTION

This part of the City of Belleair Beach, Florida's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Content	Page
Financial Trends	65
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time</i>	
Revenue Capacity	77
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
Debt Capacity	83
<i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue debt in the future.</i>	
Demographic and Economic Information	88
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	
Operating Information	90
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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FINANCIAL TRENDS

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CITY OF BELLEAIR BEACH, FLORIDA

NET ASSETS BY COMPONENT
LAST EIGHT FISCAL YEARS⁽¹⁾
(accrual basis of accounting)

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Governmental activities:								
Invested in capital assets, net of related debt	\$ 4,587,744	\$ 3,139,937	\$ 2,559,896	\$ 2,464,996	\$ 2,371,713	\$ 1,948,192	\$ 1,719,398	\$ 1,578,487
Restricted		3,901,365	4,356,488	3,545,830	445,377	608,827	652,723	347,529
Unrestricted	<u>4,043,190</u>	<u>1,182,201</u>	<u>454,279</u>	<u>262,133</u>	<u>2,840,161</u>	<u>1,316,398</u>	<u>792,014</u>	<u>776,605</u>
Total governmental activities net assets	<u>\$ 8,630,934</u>	<u>\$ 8,223,503</u>	<u>\$ 7,370,663</u>	<u>\$ 6,272,959</u>	<u>\$ 5,657,251</u>	<u>\$ 3,873,417</u>	<u>\$ 3,164,135</u>	<u>\$ 2,702,621</u>
Business-type activities:								
Invested in capital assets, net of related debt	\$ 73,888	\$ 84,076	\$ 86,445	\$ 98,945	\$ 111,931	\$ 60,015	\$ 516,378	\$ 525,611
Unrestricted	<u>151,614</u>	<u>130,888</u>	<u>116,821</u>	<u>105,087</u>	<u>101,820</u>	<u>1,289,083</u>	<u>593,310</u>	<u>443,725</u>
Total business-type activities net assets	<u>\$ 225,502</u>	<u>\$ 214,964</u>	<u>\$ 203,266</u>	<u>\$ 204,032</u>	<u>\$ 213,751</u>	<u>\$ 1,349,098</u>	<u>\$ 1,109,688</u>	<u>\$ 969,336</u>
Primary government:								
Invested in capital assets, net of related debt	\$ 4,661,632	\$ 3,224,013	\$ 2,646,341	\$ 2,563,941	\$ 2,483,644	\$ 2,008,207	\$ 2,235,776	\$ 2,104,098
Restricted		3,901,365	4,356,488	3,545,830	445,377	608,827	652,723	347,529
Unrestricted	<u>4,194,804</u>	<u>1,313,089</u>	<u>571,100</u>	<u>367,220</u>	<u>2,942,021</u>	<u>2,605,481</u>	<u>1,385,324</u>	<u>1,220,330</u>
	<u>\$ 8,856,436</u>	<u>\$ 8,438,467</u>	<u>\$ 7,573,929</u>	<u>\$ 6,476,991</u>	<u>\$ 5,871,042</u>	<u>\$ 5,222,515</u>	<u>\$ 4,273,823</u>	<u>\$ 3,671,957</u>

⁽¹⁾ The City of Belleair Beach implemented GASB Statement No. 34 as of September 30, 2002.

CITY OF BELLEAIR BEACH, FLORIDA

CHANGES IN NET ASSETS
LAST EIGHT FISCAL YEARS⁽¹⁾
(accrual basis of accounting)

EXPENSES	2009	2008	2007	2006	2005	2004	2003	2002
Governmental Activities:								
General government	\$ 313,594	\$ 195,665	\$ 390,901	\$ 360,528	\$ 443,380	\$ 354,853	\$ 370,218	\$ 273,933
Public safety	419,268	417,458	490,816	584,333	523,570	543,864	502,972	485,968
Physical environment	574,679	560,193	557,199	497,346	276,863	336,943	228,624	338,645
Transportation	217,185	262,146	137,129	311,106	33,276	29,395	23,818	70,489
Culture and recreation	36,168	20,384	26,081	24,144	182,263	179,482	176,910	156,806
Interest on long-term debt	101,843	107,042	109,479	44,308	6,396	8,442	12,208	26,202
Total governmental activities expenses	<u>1,662,737</u>	<u>1,562,888</u>	<u>1,711,605</u>	<u>1,821,765</u>	<u>1,465,748</u>	<u>1,452,979</u>	<u>1,314,750</u>	<u>1,352,043</u>
Business-type activities:								
Sewer	* - *	* - *	* - *	-	44,472	247,459	407,143	450,181
Marina	50,034	49,528	59,659	59,693	60,092	48,739	44,496	40,454
Total business-type activities expenses	<u>50,034</u>	<u>49,528</u>	<u>59,659</u>	<u>59,693</u>	<u>104,564</u>	<u>296,198</u>	<u>451,639</u>	<u>490,635</u>
Total primary government expenses	<u>\$ 1,712,771</u>	<u>\$ 1,612,416</u>	<u>\$ 1,771,264</u>	<u>\$ 1,881,458</u>	<u>\$ 1,570,312</u>	<u>\$ 1,749,177</u>	<u>\$ 1,766,389</u>	<u>\$ 1,842,678</u>
PROGRAM REVENUES								
Governmental activities:								
** Charges for services:								
Solid Waste	\$ 265,995	\$ 266,875	\$ 258,681	\$ -	\$ -	\$ -	\$ -	\$ -
Administrative Fees	55,106	59,322	92,191	361,931	363,467	366,772	354,855	355,216
Operating grants and contributions	1,922	100,000	96,000	1,726	79,814	17,833	278	36,070
Total governmental activities program revenues	<u>323,023</u>	<u>426,197</u>	<u>446,872</u>	<u>363,657</u>	<u>443,281</u>	<u>384,605</u>	<u>355,133</u>	<u>391,286</u>
Business-type activities:								
Charges for services:								
Sewer	-	-	-	-	-	251,742	530,961	423,406
Marina	57,548	58,368	54,611	46,256	51,144	50,646	54,885	48,329
Total business-type activities revenues	<u>57,548</u>	<u>58,368</u>	<u>54,611</u>	<u>46,256</u>	<u>51,144</u>	<u>302,388</u>	<u>585,846</u>	<u>471,735</u>
Total primary government program revenues	<u>\$ 380,571</u>	<u>\$ 484,565</u>	<u>\$ 501,483</u>	<u>\$ 409,913</u>	<u>\$ 494,425</u>	<u>\$ 686,993</u>	<u>\$ 940,979</u>	<u>\$ 863,021</u>
NET (EXPENSE) REVENUE								
Governmental activities	\$ (1,339,714)	\$ (1,136,691)	\$ (1,264,733)	\$ (1,022,467)	\$ (1,068,374)	\$ (959,617)	\$ (960,757)	\$ (960,757)
Business-type activities	7,514	8,840	(5,048)	(53,420)	6,190	134,207	(18,900)	(18,900)
Total primary government net expenses	<u>\$ (1,332,200)</u>	<u>\$ (1,127,851)</u>	<u>\$ (1,269,781)</u>	<u>\$ (1,075,887)</u>	<u>\$ (1,062,184)</u>	<u>\$ (825,410)</u>	<u>\$ (979,657)</u>	<u>\$ (979,657)</u>

*The Sewer Fund was closed as of September 30, 2005.

**The City is in the process of breaking down the prior year charges for services.

⁽¹⁾ The City of Belleair Beach implemented GASB Statement No. 34 as of September 30, 2002.

CITY OF BELLEAIR BEACH, FLORIDA

CHANGES IN NET ASSETS (CONTINUED)
LAST EIGHT FISCAL YEARS⁽¹⁾
 (accrual basis of accounting)

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Governmental Activities:								
Taxes:								
Property taxes	\$ 911,776	\$ 1,021,943	\$ 1,165,311	\$ 977,480	\$ 830,173	\$ 736,011	\$ 657,440	\$ 577,699
Franchise fees	164,765	146,165	152,068	150,551	130,496	122,872	122,428	116,938
Sales taxes	265,551	286,035	300,874	315,005	300,473	309,779	176,980	176,795
Other taxes	331,363	313,270	322,628	341,696	313,121	310,222	394,417	398,758
State revenue sharing	41,889	42,630	43,608	43,230	43,190	39,641	35,771	35,821
Investment earnings	25,427	159,666	365,983	226,842	99,896	27,042	22,988	24,616
Miscellaneous	6,374	19,822	11,965	19,012	11,207	12,089	11,107	89,400
Transfers	-	-	-	-	1,077,745	220,000	-	-
Total governmental activities	<u>1,747,145</u>	<u>1,989,531</u>	<u>2,362,437</u>	<u>2,073,816</u>	<u>2,806,301</u>	<u>1,777,656</u>	<u>1,421,131</u>	<u>1,420,027</u>
Business-type activities:								
Investment earnings	3,024	2,858	4,282	3,678	9,740	16,012	9,309	9,873
Transfers	-	-	-	-	(1,091,627)	(220,000)	-	-
Gain on sale of assts	-	-	-	-	-	436,055	-	-
Miscellaneous	-	-	-	-	-	1,153	(3,164)	(10,676)
Total business-type activities	<u>3,024</u>	<u>2,858</u>	<u>4,282</u>	<u>3,678</u>	<u>(1,081,887)</u>	<u>233,220</u>	<u>6,145</u>	<u>(803)</u>
Total primary government	<u>\$ 1,750,169</u>	<u>\$ 1,992,389</u>	<u>\$ 2,366,719</u>	<u>\$ 2,077,494</u>	<u>\$ 1,724,414</u>	<u>\$ 2,010,876</u>	<u>\$ 1,427,276</u>	<u>\$ 1,419,224</u>
CHANGES IN NET ASSETS								
Governmental activities:	\$ 407,431	\$ 852,840	\$ 1,097,704	\$ 615,708	\$ 1,783,834	\$ 709,282	\$ 461,514	\$ 459,270
Business-type activities	10,538	11,698	(766)	(9,759)	(1,135,307)	239,410	140,352	(19,703)
Total primary government	<u>\$ 417,969</u>	<u>\$ 864,538</u>	<u>\$ 1,096,938</u>	<u>\$ 605,949</u>	<u>\$ 648,527</u>	<u>\$ 948,692</u>	<u>\$ 601,866</u>	<u>\$ 439,567</u>

⁽¹⁾ The City of Belleair Beach implemented GASB Statement No. 34 as of September 30, 2002.

CITY OF BELLEAIR BEACH, FLORIDA

**PROGRAM REVENUES BY FUNCTION/PROGRAM
LAST EIGHT FISCAL YEARS⁽¹⁾
(accrual basis of accounting)**

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
FUNCTION/PROGRAM								
Governmental activities:								
General government	\$ 34,092	\$ 22,218	\$ 8,024	\$ 10,636	\$ 25,738	\$ 25,208	\$ 14,894	\$ 17,256
Public safety	11,000	16,233	43,167	77,819	83,948	117,341	118,747	130,067
Physical environment	274,656	277,661	289,144	258,721	308,777	228,277	203,677	225,919
Transportation	1,255	7,519	10,052	16,088	18,102	2,363	2,853	5,082
Culture and recreation	98	2,566	485	393	6,716	11,416	14,962	12,962
Subtotal general governmental activities	<u>321,101</u>	<u>326,197</u>	<u>350,872</u>	<u>363,657</u>	<u>443,281</u>	<u>384,605</u>	<u>355,133</u>	<u>391,286</u>
Business-type activities:								
Sewer*	-	-	-	-	-	251,742	530,961	423,406
Marina	57,548	58,368	54,611	46,256	51,144	50,646	54,885	48,329
Total business-type activities	<u>57,548</u>	<u>58,368</u>	<u>54,611</u>	<u>46,256</u>	<u>51,144</u>	<u>302,388</u>	<u>585,846</u>	<u>471,735</u>
Total primary government	<u>\$ 378,649</u>	<u>\$ 384,565</u>	<u>\$ 405,483</u>	<u>\$ 409,913</u>	<u>\$ 494,425</u>	<u>\$ 686,993</u>	<u>\$ 940,979</u>	<u>\$ 863,021</u>

*The Sewer fund was closed during the fiscal year ended September 30, 2005.

⁽¹⁾ The City of Belleair Beach implemented GASB Statement No. 34 as of September 30, 2002.

CITY OF BELLEAIR BEACH, FLORIDA

GENERAL GOVERNMENTAL REVENUES BY SOURCE⁽¹⁾

<u>Fiscal Year</u>	<u>Taxes</u>	<u>Licenses and Permits</u>	<u>Intergovernmental</u>	<u>Charge for Services</u>	<u>Fines and Forfeits</u>	<u>Interest</u>	<u>Miscellaneous</u>	<u>Total</u>
2000	\$ 726,689	\$ 2,414	\$ 339,063	\$ 231,736	\$ 73,168	\$ 27,737	\$ 28,745	\$ 1,429,552
2001	665,115	1,775	377,076	429,008	66,730	31,267	37,088	1,608,059
2002	981,305	5,565	364,856	239,056	106,515	24,616	14,919	1,736,832
2003	1,072,673	8,395	317,089	253,034	90,978	22,988	11,107	1,776,264
2004	1,045,430	8,390	491,926	293,202	64,182	27,042	12,089	1,942,261
2005	1,152,815	8,185	545,305	311,381	43,048	99,896	11,207	2,171,837
2006	1,340,927	1,190	489,760	322,332	37,410	226,842	19,012	2,437,473
2007	1,521,709	875	560,765	340,480	8,408	365,983	11,089	2,809,309
2008	1,364,437	920	549,727	311,230	10,846	159,666	18,902	2,415,728
2009	1,282,856	1,692	434,410	312,529	8,572	25,427	4,682	2,070,168

GENERAL GOVERNMENTAL TAX REVENUE BY SOURCE⁽¹⁾

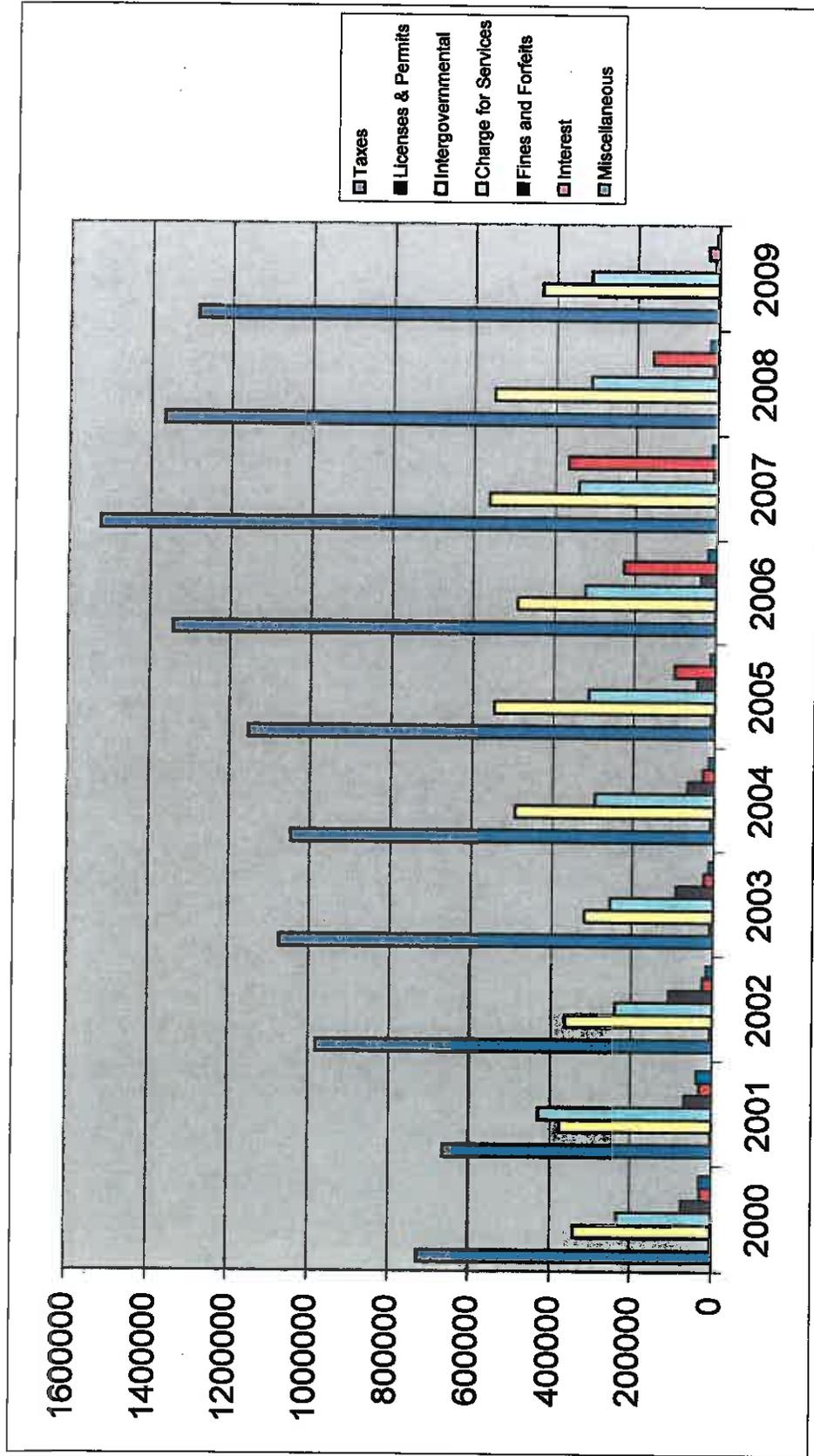
<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Franchise Tax</u>	<u>Utility Tax</u>	<u>Total</u>
2000	\$ 506,202	\$ 220,487	\$ -	726,689
2001	512,413	152,702	-	665,115
2002	577,699	116,938	286,668	981,305
2003	657,440	122,428	292,805	1,072,673
2004	736,011	122,872	186,547	1,045,430
2005	830,173	130,496	192,146	1,152,815
2006	977,480	150,551	212,896	1,340,927
2007	1,165,311	152,068	204,330	1,521,709
2008	1,021,943	146,165	196,329	1,364,437
2009	911,776	164,765	206,315	1,282,856

⁽¹⁾ Includes general fund and capital projects fund.

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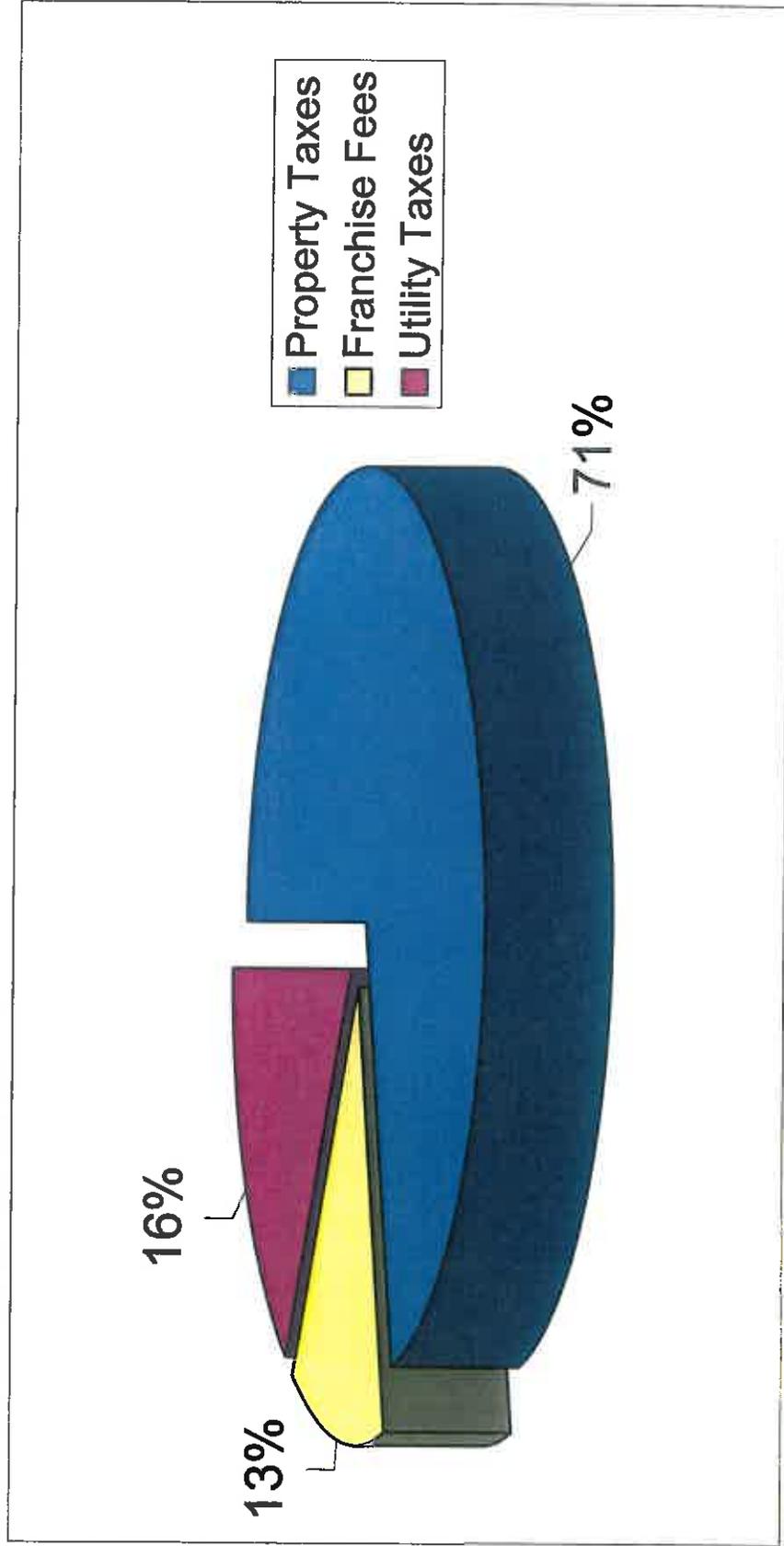
CITY OF BELLEAIR BEACH, FLORIDA

GENERAL GOVERNMENTAL REVENUES BY SOURCE Last Ten Fiscal Years



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CITY OF BELLEAIR BEACH, FLORIDA
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
Fiscal Year Ended September 30, 2009



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CITY OF BELLEAIR BEACH, FLORIDA

FUND BALANCES
GOVERNMENTAL FUNDS
LAST EIGHT YEARS

(modified accrual basis of accounting)

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
General Fund:								
Reserved	\$ 167,935	\$ 125,967	\$ 322,751	\$ 119,806	\$ 891,094	\$ 618,196	\$ 359,873	\$ 368,779
Unreserved, undesignated	<u>3,352,901</u>	<u>3,330,773</u>	<u>2,841,530</u>	<u>3,017,718</u>	<u>1,933,810</u>	<u>777,460</u>	<u>812,768</u>	<u>789,922</u>
Total general fund	\$ <u>3,520,836</u>	\$ <u>3,456,740</u>	\$ <u>3,164,281</u>	\$ <u>3,137,524</u>	\$ <u>2,824,904</u>	\$ <u>1,395,656</u>	\$ <u>1,172,641</u>	\$ <u>1,158,701</u>
All Reserved Other								
Governmental Funds:								
Reserved	\$ 10,779	\$ -	\$ 3,515	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:								
Capital projects fund	<u>581,728</u>	<u>3,901,365</u>	<u>4,352,973</u>	<u>3,446,862</u>	<u>583,280</u>	<u>629,871</u>	<u>310,293</u>	<u>-</u>
Total all other governmental funds	\$ <u>592,507</u>	\$ <u>3,901,365</u>	\$ <u>4,356,488</u>	\$ <u>3,446,862</u>	\$ <u>583,280</u>	\$ <u>629,871</u>	\$ <u>310,293</u>	\$ <u>-</u>

CITY OF BELLEAIR BEACH, FLORIDA

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

REVENUES	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Taxes	\$ 1,282,856	\$ 1,364,437	\$ 1,521,709	\$ 1,340,927
Licenses, fees and permits	1,692	920	875	1,190
Intergovernmental	434,318	549,727	560,765	489,760
Charges for services	312,621	311,230	340,480	322,332
Fines and forfeits	8,572	10,846	8,408	37,410
Interest earnings	25,427	159,666	365,983	226,842
Miscellaneous	4,682	18,902	11,089	19,012
Total revenues	<u>2,070,168</u>	<u>2,415,728</u>	<u>2,809,309</u>	<u>2,437,473</u>
EXPENDITURES				
General government	3,838,389	872,724	407,238	416,466
Public safety	419,959	415,718	535,451	554,081
Physical environment	567,678	561,814	554,707	491,839
Transportation	217,185	262,146	413,384	311,106
Culture and recreation	16,948	198,053	24,823	17,876
Debt service:				
Principal	160,000	160,000	80,000	200,000
Interest	101,845	108,173	107,323	19,903
Total expenditures	<u>5,322,004</u>	<u>2,578,628</u>	<u>2,122,926</u>	<u>2,011,271</u>
Excess of revenues over (under) expenditures	(3,251,836)	(162,900)	686,383	426,202
OTHER FINANCING SOURCES (USES)				
Proceeds loan	-	-	250,000	2,750,000
Sale of capital assets	7,074			
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>7,074</u>	<u>-</u>	<u>250,000</u>	<u>2,750,000</u>
Net change in fund balances	<u>\$ (3,244,762)</u>	<u>\$ (162,900)</u>	<u>\$ 936,383</u>	<u>\$ 3,176,202</u>
Debt service as a percentage of noncapital expenditures	<u>13%</u>	<u>12%</u>	<u>10%</u>	<u>12%</u>

CITY OF BELLEAIR BEACH, FLORIDA

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

<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
\$ 1,152,815	\$ 1,045,430	\$ 1,072,673	\$ 981,305	\$ 665,115	\$ 726,689
8,185	8,390	8,395	5,565	1,775	2,414
545,305	491,926	317,089	364,856	377,076	339,063
311,381	293,202	253,034	239,056	429,008	231,736
43,048	64,182	90,978	106,515	66,730	73,168
99,896	27,042	22,988	24,616	31,267	27,737
11,207	12,089	11,107	14,919	37,088	28,745
<u>2,171,837</u>	<u>1,942,261</u>	<u>1,776,264</u>	<u>1,736,832</u>	<u>1,608,059</u>	<u>1,429,552</u>
756,570	333,124	360,787	289,788	274,524	279,952
510,228	512,490	492,024	502,068	417,688	368,897
270,807	331,017	234,481	332,138	247,334	257,116
33,276	29,395	23,818	70,489	61,585	75,187
171,899	167,594	169,871	150,516	247,554	129,187
117,681	238,270	158,840	859,593	86,679	80,780
6,464	7,778	12,210	26,202	44,849	49,477
<u>1,866,925</u>	<u>1,619,668</u>	<u>1,452,031</u>	<u>2,230,794</u>	<u>1,380,213</u>	<u>1,240,596</u>
304,912	322,593	324,233	(493,962)	227,846	188,956
-	-	-	794,212	58,235	-
1,187,745	330,000	366,250	-	-	-
(110,000)	(110,000)	(366,250)	-	-	-
<u>1,077,745</u>	<u>220,000</u>	<u>-</u>	<u>794,212</u>	<u>58,235</u>	<u>-</u>
<u>\$ 1,382,657</u>	<u>\$ 542,593</u>	<u>\$ 324,233</u>	<u>\$ 300,250</u>	<u>\$ 286,081</u>	<u>\$ 188,956</u>
<u>7%</u>	<u>18%</u>	<u>13%</u>	<u>10.5%</u>	<u>11.73%</u>	<u>11.88%</u>

CITY OF BELLEAIR BEACH, FLORIDA

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION⁽¹⁾

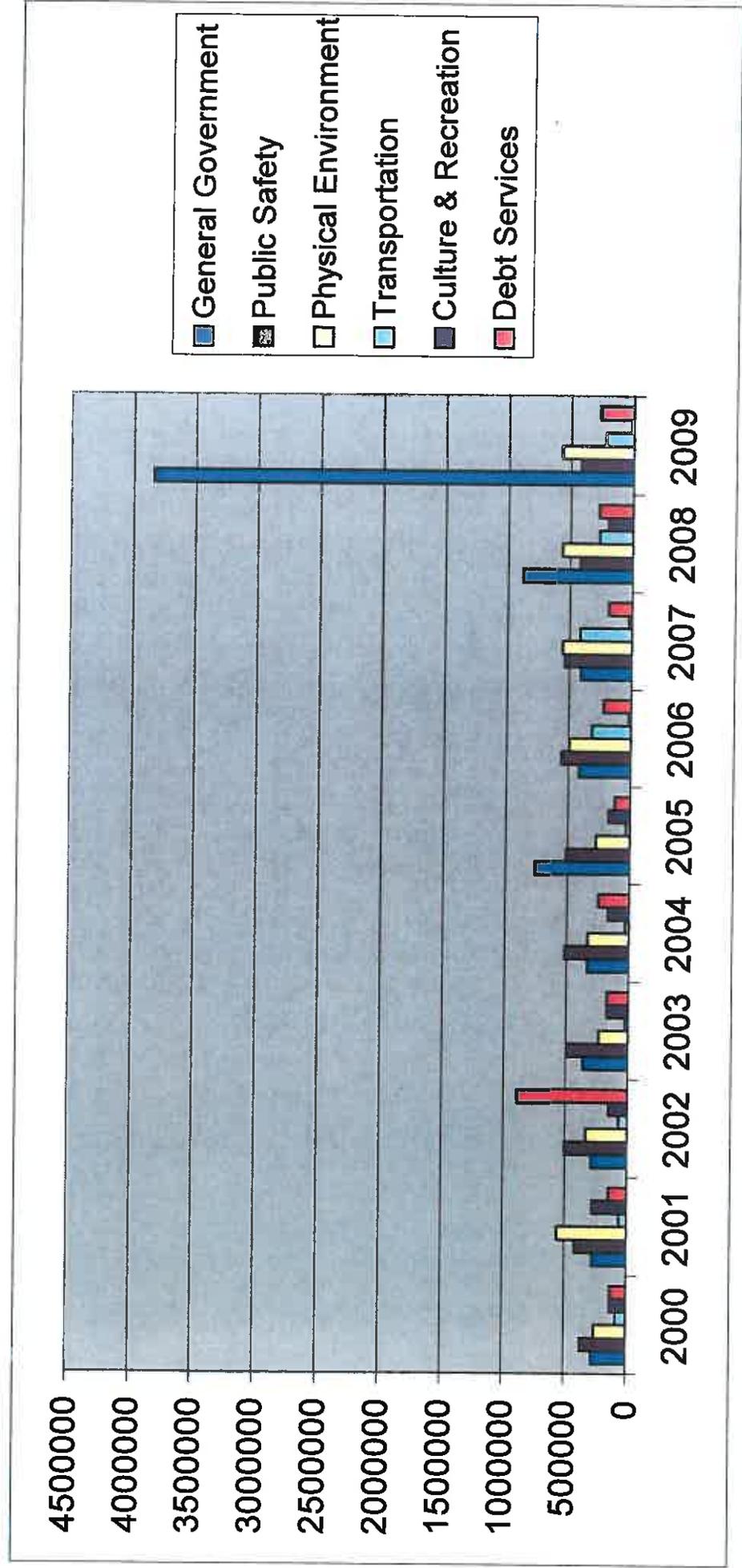
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Physical Environment</u>	<u>Transportation</u>	<u>Culture and Recreation</u>	<u>Debt Service</u>	<u>Total</u>
2000	\$ 279,952	\$ 368,897	\$ 257,116	\$ 82,687	\$ 129,187	\$ 130,257	1,248,096
2001	274,524	417,688	559,524	61,585	274,680	144,341	1,732,342
2002	289,788	502,068	332,138	70,489	150,516	885,795	2,230,794
2003	360,787	492,024	234,481	23,818	169,871	171,050	1,452,031
2004	333,124	512,490	331,017	29,395	167,594	246,048	1,619,668
2005	756,570	510,228	270,807	33,276	171,899	124,145	1,866,925
2006	416,466	554,081	491,839	311,106	17,876	219,903	2,011,271
2007	407,238	535,451	554,707	413,384	24,823	187,323	2,122,926
2008	872,724	415,718	561,814	262,146	198,053	268,173	2,578,628
2009	3,838,389	419,959	567,678	217,185	16,948	261,845	5,322,004

⁽¹⁾ Includes general fund and capital projects fund.

CITY OF BELLEAIR BEACH, FLORIDA

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION - LAST TEN FISCAL YEARS



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REVENUE CAPACITY

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CITY OF BELLEAIR BEACH, FLORIDA

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Fiscal Year	Real Property	Personal Property	Total Taxable	Total Exempt	Total All	Total Direct Tax Rate	Percentage		
							Assessed Value to Estimated Market	Yearly Increase Taxable Total	
2000	\$ 191,502,506	\$ 3,970,574	\$ 195,473,080	\$ 45,319,610	\$ 240,792,690	19.4893	100 %	9.59	4.93
2001	210,147,200	4,066,720	214,213,920	38,482,830	252,696,750	19.3092	100	9.50	4.90
2002	237,597,800	3,927,280	241,525,080	59,393,230	300,918,310	19.4132	100	12.74	19.08
2003	271,399,700	3,823,530	275,223,230	87,515,930	362,739,160	19.3752	100	13.95	20.54
2004	311,077,200	3,570,390	314,647,590	109,822,230	424,469,820	18.9887	100	14.32	17.02
2005	351,567,000	3,465,470	355,032,470	135,116,430	490,148,900	19.2565	100	12.83	15.47
2006	414,977,900	3,495,160	418,473,060	175,389,930	593,862,990	18.2578	100	17.87	21.16
2007	516,306,159	3,346,080	519,652,239	246,626,011	766,278,250	16.6793	100	24.18	29.03
2008	471,468,196	2,967,934	474,436,130	167,891,070	642,327,200	16.9901	100	(8.70)	(16.18)
2009	398,288,459	2,335,681	400,624,140	99,726,445	500,350,585	17.2306	100	(15.56)	(22.10)

Source: Pinellas County Property Appraiser.

CITY OF BELLEAIR BEACH, FLORIDA

PROPERTY TAX RATES -
DIRECT AND OVERLAPPING GOVERNMENTS (PER \$1,000)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
City of Belleair Beach				
Operating	<u>2.6651</u>	<u>2.4690</u>	<u>2.4690</u>	<u>2.4690</u>
Total City millage	2.6651	2.4690	2.4690	2.4690
Pinellas County School Board:				
Operating	8.6660	8.4330	8.4870	8.4490
Pinellas County:				
Operating	5.8540	6.0040	6.1410	6.1410
EMS	0.6470	0.7470	0.6600	0.6600
Debt services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total County millage	6.5010	6.7510	6.8010	6.8010
County-wide millage set by other taxing authorities:				
-Pinellas County				
Planning Council	0.0225	0.0225	0.0225	0.0225
-Juvenile Welfare Board	0.8117	0.8117	0.8117	0.8117
-South West Florida Water Management District	0.4220	0.4220	0.4220	0.4220
-Pinellas County Anclote River Basin	<u>0.4010</u>	<u>0.4000</u>	<u>0.4000</u>	<u>0.4000</u>
Total County-wide millage	<u>1.6572</u>	<u>1.6562</u>	<u>1.6562</u>	<u>1.6562</u>
TOTAL	<u><u>19.4893</u></u>	<u><u>19.3092</u></u>	<u><u>19.4132</u></u>	<u><u>19.3752</u></u>

Source: Pinellas County Tax Collector.

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<u>2.4100</u>	<u>2.4100</u>	<u>2.3100</u>	<u>1.9800</u>	<u>1.9800</u>	<u>1.9800</u>
2.4100	2.4100	2.3100	1.9800	1.9800	1.9800
8.1220	8.3900	8.2100	7.7310	8.0610	8.3460
6.1410	6.1410	5.4700	4.8730	4.8108	4.8108
0.6600	0.6600	0.6300	0.5832	0.5832	0.5832
-	-	-	-	-	-
<u>6.8010</u>	<u>6.8010</u>	<u>6.1000</u>	<u>5.4562</u>	<u>5.3940</u>	<u>5.3940</u>
0.0220	0.0218	0.0195	0.0170	0.0170	0.0125
0.8117	0.8117	0.7963	0.7384	0.7915	0.7915
0.4220	0.4220	0.4220	0.3866	0.3866	0.3866
<u>0.4000</u>	<u>0.4000</u>	<u>0.4000</u>	<u>0.3701</u>	<u>0.3600</u>	<u>0.3200</u>
<u>1.6557</u>	<u>1.6555</u>	<u>1.6378</u>	<u>1.5121</u>	<u>1.5551</u>	<u>1.5106</u>
<u>18.9887</u>	<u>19.2565</u>	<u>18.2578</u>	<u>16.6793</u>	<u>16.9901</u>	<u>17.2306</u>

CITY OF BELLEAIR BEACH, FLORIDA
ASSESSED VALUATIONS MILLAGE AND TAXES LEVIED AND COLLECTED

	2002	2003	2004	2005	2006	2007	2008	2009
Total valuations	\$ 300,918,310	\$ 362,739,160	\$ 424,469,820	\$ 490,148,900	\$ 593,862,990	\$ 766,278,250	\$ 642,327,200	\$ 500,350,585
Real estate exemptions:								
Government exemptions	5,957,930	6,491,830	8,364,530	10,247,730	13,331,830	18,746,430	15,878,930	10,467,679
Institutional exemption	1,000	1,000	1,000	1,000	8,000	8,000		
Assessment differential (F.S. 193.155) ⁽²⁾	36,446,900	63,406,200	83,306,200	106,715,600	143,917,300	209,700,183	118,546,917	56,481,330
Individual or homestead exemptions	16,987,400	17,616,900	18,150,500	18,152,100	18,132,800	18,171,398	33,465,223	32,777,436
Total exemptions and adjustments	59,393,230	87,515,930	109,822,230	135,116,430	175,389,930	246,626,011	167,891,070	99,726,445
Total valuation	\$ 241,525,080	\$ 275,223,230	\$ 314,647,590	\$ 355,032,470	\$ 418,473,060	\$ 519,652,239	\$ 474,436,130	\$ 400,624,140
Millage levied	2.469	2.469	2.416	2.410	2.410	2.310	1.980	1.980
Total taxes levied	\$ 596,325	\$ 679,526	\$ 760,188	\$ 855,628	\$ 1,008,520	\$ 1,200,397	\$ 1,050,252	\$ 941,519
Less: Adjustments and discounts	18,595	22,086	24,177	25,455	31,040	35,086	28,309	29,970
Net taxes levied	\$ 577,730	\$ 657,440	\$ 736,011	\$ 830,173	\$ 977,480	\$ 1,165,311	\$ 1,021,943	\$ 911,549
Net collected ⁽¹⁾⁽³⁾	\$ 577,699	\$ 656,993	\$ 735,579	\$ 827,146	\$ 975,877	\$ 1,161,597	\$ 1,021,943	\$ 911,549

Source: Pinellas County Tax Collector.

(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 or each year as tax certificates. The City, after all tax certificates are sold, has fully collected all ad valorem revenues.

(2) Net collected includes penalties or late payments.

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

CITY OF BELLEAIR BEACH, FLORIDA

PRINCIPAL TAXPAYERS
September 30, 2009

	<u>Taxable Assessed Property</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Fifth Third Bank	\$ 2,600,000	1	0.65%
Markopoulos, Angelo	2,464,490	2	0.62%
Prescott, Gerald Revocable Int	2,189,917	3	0.55%
Steslicki, Sarah L.	2,186,429	4	0.55%
Brinton, Anthony	1,997,896	5	0.50%
Tabahi, Falah	1,891,418	6	0.47%
Gonzalez, Juan	1,753,949	7	0.44%
Kedan, Ella TRE	1,608,356	8	0.40%
Herron, James M Jr	1,602,489	9	0.40%
Emanuel, James M	<u>1,585,046</u>	<u>10</u>	<u>0.39%</u>
	<u>\$ 19,879,990</u>		<u>4.97%</u>

Source: Pinellas County Property Appraiser.

CITY OF BELLEAIR BEACH, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS

LAST NINE YEARS

Fiscal Year	Total Assessed Valuation	Taxable Assessed Valuation	Levy	Collection Within the Fiscal Year of Levy		Collections in Subsequent Years	Collections to Date	
				Amount	Percentage ⁽¹⁾ of Levy		Amount	Percentage of Levy
2001	\$ 252,696,750	\$ 214,213,920	\$ 528,894	\$ 512,413	97 %	N/A	\$ 528,894	97 %
2002	300,918,310	241,525,080	596,325	577,699	97	N/A	596,325	97
2003	362,739,160	275,223,230	679,526	656,993	97	N/A	656,993	97
2004	424,469,820	314,647,590	760,188	735,579	97	N/A	736,244	97
2005	490,148,900	355,032,470	855,628	827,146	97	N/A	828,006	97
2006	593,862,990	418,473,060	1,008,520	975,877	97	N/A	975,877	97
2007	766,278,250	519,652,239	1,200,397	1,161,597	97	N/A	1,161,597	97
2008	642,327,200	474,436,130	1,050,252	1,021,890	97	N/A	1,021,943	97
2009	500,350,585	400,624,140	941,519	911,549	97	N/A	911,776	97

(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. The City, after all tax certificates are sold, has fully collect4ed all ad valorem tax revenues.

Source: Pinellas County Property Appraiser.
Pinellas County Tax Collector.

DEBT CAPACITY

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CITY OF BELLEAIR BEACH, FLORIDA

OUTSTANDING DEBT BY TYPE
LAST EIGHT FISCAL YEARS

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Per Capita
	General Obligation Bonds	Revenue Loan	Capital Leases	Revenue Loan	General Obligation Bond	Capital Leases		
2002	\$ -	\$ 714,791	\$ 37,670	\$ 185,210	\$ -	\$ -	\$ 937,671	\$ 575
2003	\$ -	555,949	17,745	144,051	-	-	717,745	438
2004	-	317,680	11,041	82,320	-	-	411,041	251
2005	-	200,000	3,995	-	-	-	203,995	117
2006	-	2,750,000	-	-	-	-	2,750,000	1,699
2007	-	2,920,000	-	-	-	-	2,920,000	1,806
2008	-	2,760,000	-	-	-	-	2,760,000	1,721
2009	-	2,600,000	-	-	-	-	2,600,000	1,618

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

CITY OF BELLEAIR BEACH, FLORIDA

RATIOS OF GENERAL REVENUE AND CAPITAL LEASE DEBT OUTSTANDING
LAST EIGHT FISCAL YEARS

<u>Fiscal Year</u>	<u>General Revenue and Capital Lease Debt</u>	<u>Percentage of Estimated Actual Taxable Value¹ of Property</u>	<u>Per Capita²</u>
2002	\$ 752,461	0.41 %	\$ 461
2003	573,694	0.21	351
2004	328,721	0.10	202
2005	203,995	0.04	117
2006	2,750,000	0.66	1,699
2007	2,920,000	0.56	1,806
2008	2,760,000	0.58	1,721
2009	2,600,000	0.65	1,618

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

¹ See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 77 for property value data.

² Population data can be found in the Schedule of Demographic and Economic Statistics on page 88.

CITY OF BELLEAIR BEACH, FLORIDA

COMPUTATION OF DIRECT AND OVERLAPPING DEBT
GENERAL OBLIGATION BONDS⁽²⁾

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

	<u>Net General Obligation Bonded Debt Outstanding</u>	<u>Net General Non-Self Supporting Revenue Debt</u>	<u>Total</u>	<u>Percentage Applicable to City of Belleair Beach</u>	<u>Amount Applicable to City of Belleair Beach</u>
Direct Debt:					
City of Belleair Beach	\$ -	\$ 2,600,000	\$ 2,600,000	100%	\$ 2,600,000
Overlapping Debt:					
Pinellas County School Board ⁽¹⁾	32,360,000	-	32,360,000	0.62%	<u>200,632</u>
Total Direct and Overlapping Debt					<u>\$ 2,800,632</u>
RATIO:					
Overall debt to 2009 taxable value				<u>0.70%</u>	
Overall debt per capita				<u>\$ 1,743</u>	

⁽¹⁾ The City's share is calculated based on the ratio of the 2009 County Taxable Value of \$ 64,553,359,536 to the City's Taxable Value of \$400,624,140.

⁽²⁾ The City has no direct general obligation bonded debt.

CITY OF BELLEAIR BEACH, FLORIDA

**COMPUTATION OF LEGAL DEBT MARGIN
September 30, 2009**

**The Constitution of the State of Florida, Florida Statute 200.181
and the Charter of the City of Belleair Beach, Florida
set no legal debt margin.**

CITY OF BELLEAIR BEACH, FLORIDA

PLEDGED-REVENUE COVERAGE
CURRENT FISCAL YEAR

	Pledged Revenues Non-Advalorem Revenue	Revenue Loan		
		Debt Service ⁽¹⁾		
		Principal	Interest	Coverage
		\$ 160,000	\$ 101,845	100.00 %
General Fund				
Local Option Gas Tax	\$ 21,353			
Franchise Fees	164,765			
Public Service Tax	206,315			
Communications Service Tax	103,602			
Licenses-Occupational	-			
Rental Registration	11,905			
Revenue Sharing	119,009			
Police service-Belleair Shore	-			
BOCC-Garbage	265,995			
Fines & Forfeitures	8,572			
Code Violation Fees	-			
All Other	16,598			
	<u>918,114</u>			
Capital Projects Fund				
Infrastructure Sales Tax	<u>188,430</u>			
Total	\$ <u>1,106,544</u>			

(1) Interest expense was for the full Fiscal Year 2009.

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DEMOGRAPHIC AND ECONOMIC
INFORMATION

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CITY OF BELLEAIR BEACH, FLORIDA

DEMOGRAPHICS AND ECONOMIC STATISTICS
LAST EIGHT YEARS

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income (Amounts Expressed in thousands)</u>	<u>Per Capita Personal Income</u>	<u>Median Age</u>	<u>Education Level in Years of Formal Schooling</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2009	1,607	n/a	n/a	n/a	n/a	84	11.80%
2008	1,604	n/a	n/a	n/a	n/a	80	7.10%
2007	1,617	56,354 \$	58,734	54.0	14.5	97	4.30%
2006	1,619	46,583	58,734	52.4	13.4	90	3.20%
2004	1,632	30,850	33,844	52.4	13.4	78	4.40%
2003	1,635	30,580	33,316	52.4	13.4	70	5.10%
2002	1,632	30,098	33,068	52.4	13.4	78	5.30%

Data Sources

- (1) Bureau of the Census - Belleair Beach populations estimates, University of Florida Bureau of Economic & Business Research
- (2) Pinellas County Economic Development Research (727) 464-8117
- (3) Pinellas County Economic Development Research (727) 464-8117
- (4) Pinellas County Economic Development Research (727) 464-8117
- (5) Pinellas County Economic Development Research (727) 464-8117
- (6) Pinellas County School Board - Accounting & Research Dept (727) 586-0000 Belleair Beach
- (7) U.S. Department of Labor Bureau of Statistics for the Tampa-St. Pete-Clearwater Metro Area

CITY OF BELLEAIR BEACH, FLORIDA

PRINCIPAL EMPLOYERS
CURRENT YEAR AND PRIOR YEAR

	2009			2008		
	Number of Employers	Rank	Percentage of Total City Employment	Number of Employers	Rank	Percentage of Total City Employment
City of Belleair Beach	7 full time 1 part time	1	44%	7 full time 1 part time	1	38%
Nautical Watch Time Share	5 full time	2	29%	5	3	26%
Belleair Beach Club	4 full time 1 part time	3	27%	7	2	36%

Note: GASB Statement No. 44 was implemented for the fiscal year ended September 30, 2006.

OPERATING
INFORMATION

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CITY OF BELLEAIR BEACH, FLORIDA

FULL-TIME EQUIVALENT
CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST FIVE FISCAL YEARS

<u>FUNCTION</u>	Full-Time Equivalent Employees as of September 30,				
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
General Government	4.00	4.00	4.00	5.00	5.00
Public Safety:					
Police:					
Officers	-	-	-	10.00	9.50
Civilians	-	-	-	-	-
Highways and streets					
Maintenance	3.00	3.00	3.00	3.00	3.00
Culture and recreation	-	-	-	-	-
Total	<u>7.00</u>	<u>7.00</u>	<u>7.00</u>	<u>18.00</u>	<u>17.50</u>

CITY OF BELLEAIR BEACH, FLORIDA

SCHEDULE OF INSURANCE IN FORCE

September 30, 2009

Type of Coverage	Policy Number	Company	Co-insurance	Amount	From	To	Original Premium
Employee Bond	105176598	Florida League of Cities Self-Insurance	\$ -	\$ 15,000	10/01/08	10/01/09	\$ 303
Comprehensive General & Professional Liability:	FMIT#042	Florida League of Cities Self-Insurance	-	1,000,000	10/01/08	10/01/09	10,472
General Liability:							
- Broad Form Property Damage				Per Form			incl.
- Extra Contractual Legal Expense				25,000			incl.
- Fire Legal Liability				250,000			incl.
- Malpractice Liability				1,000,000			incl.
Errors & Omissions Liability				1,000,000			incl.
- Employment Practices Liability				1,000,000			incl.
- Employee Benefits Program Administration Liability				1,000,000			incl.
Automobile (4) Liability	FMIT#042	Florida League of Cities		1,000,000	10/01/08	10/01/09	2,592
- Uninsured Motorists				35,000			incl.
- Personal Injury Protection				10,000			incl.
- Physical Damage				N/A			incl.
PROPERTY:	FMIT#042	Florida League of Cities	100%		10/01/08	10/01/09	2,821
Real Property Limit			Deductible 1,000	707,985			
Personal Property Limit			Deductible 1,000	50,000			
Real Property- more details in Property Schedule							
- Bayside Park							incl.
Tennis Courts 2 w/ fencing				75,438			incl.
Modular Play System				42,313			incl.
Boardwalks 3 with stairs				15,000			incl.
- Marina							incl.
Boat Docks 11- 2 side				82,500			incl.
Fence, poles, signs				10,650			incl.
- Morgan Park							incl.
Restroom				37,804			incl.
Pavilion				14,607			incl.
Webscape Activity Net				8,356			incl.
- 16th Street Park				7,438			incl.
- 7th Street Park				8,175			incl.
- Harbor Park				5,875			incl.
- 1001 Cedar Dr. temporary City Hall				348,000			incl.
Personal Property							
-temporary City Hall				50,000			incl.
Time Element							incl.
Business Income							
Extra Expense							
Inland Marine				98,497			incl.
Crime Bond							
-Honesty Blanket Bond			100 deductible	2,500			incl.
Subtotal carried forward							\$ 16,188

CITY OF BELLEAIR BEACH, FLORIDA

SCHEDULE OF INSURANCE IN FORCE

September 30, 2009

(Continued)

<u>Type of Coverage</u>	<u>Policy Number</u>	<u>Company</u>	<u>Co-insurance</u>	<u>Amount</u>	<u>From</u>	<u>To</u>	<u>Original Premium</u>
Subtotal brought forward							\$ 16,188
Marina Operators Gen/Legal Liab	9CC7052-1	Florida League of Cities Self-Insurance			07/20/09	07/20/10	2,525
Windstorm - new Community Center	1481780	Citizens Property Ins.		1,000,000	09/14/09	09/14/10	6,970
Basic Term Life, Accidental Death and Dismemberment - General Employees	G-411552	Guardian Life Insur.		annual earnings 60,000 maximum	12/1/08	3/1/10	6,907
- Long term Disability				60% of earnings 5,000 monthly maximum			incl.
Worker's Compensation	FMIT #0042	Florida League of Cities Self-Insurance					
-Bodily Injury by Accident each accident				\$ 1,000,000	10/1/08	10/1/09	8,229
-Bodily iInjury by Disease policy limit				1,000,000			
-Bodily Injury by Disease each employee				1,000,000			
Flood Insurance -Community Center 444 Causeway -Contents	AB00069036	American Bankers Ins		500,000 500,000	9/12/09	9/12/10	1,228 incl.
Flood Insurance -1001 Cedar Dr. -Contents	09 7701226989	Fidelity National		138,700 50,000	3/9/09	3/6/10	1,765 incl.
		Total					\$ <u>43,812</u>

CITY OF BELLEAIR BEACH, FLORIDA

MISCELLANEOUS STAISTICAL DATA

September 30, 2009

Date of Incorporation	1950
Form of Government:	Council/City Manager
Number of Employees:	7
Population (U.S. Censurs):	
1960	563
1970	952
1980	1,643
1990	2,070
2000	1,633
2006	1,619 (University of Florida)
2007	1,617 (University of Florida)
2008	1,604 (University of Florida)
2009	1,607 (University of Florida)
Area in Square Miles:	
Land	2 square miles
City of Belleair Beach Facilities/services:	
Law Enforcement:	
Effective June 1, 2007, law enforcement was contracted out to the Sheriff's Office, Pinellas County	
Transportation:	
Paved Streets	8.5 miles
Recreation Facilities:	
Parks	8 (5 acres) and access to addional 3
Playgrounds	1
Beaches	4,500 feet
Tennis	2 courts
Basketball Outdoor	1 court
Picnic Areas	3
Marina	20 Boat Slips
Boat Ramp	1
Fishing Docks	4
Sunset/Sunrise Viewing Areas	7

Power is provided by Progress Energy.

The water, reclaimed water (when online), and sewer systems are owned and maintained by Pinellas County Utilities

Telephone service is provided by Verizon Florida, LLC.

Cable tevelvision is provided by Bright House Networks.

CITY OF BELLEAIR BEACH, FLORIDA

OPERATING INDICATORS BY FUNCTION
LAST FIVE FISCAL YEARS

FUNCTION	Fiscal Year				
	2009	2008	2007	2006	2005
Public Safety*					
Police arrests	29	44	N/A	38	36
Parking violations	134	128	N/A	180	206
Traffic violations	270	297	N/A	582	1,105
Warning citation	43	-	N/A	-	-
Highways and streets:					
Street Drainage Improvement completed (number of streets/ linear feet)	3 ST	-	500 LF	-	-
Street resurfacing/curb work started/ completed (number of streets / linear feet) curb work	5 ST 167 LF	7 ST	729 LF	-	-
Street name signs upgrade	-	city wide	-	-	-
Pedestrian Crosswalk Beacon/Signals installed	2	-	8	-	-
Pothole & street repaired	5	-	-	-	-
Culture and Recreation:					
Beach Parking Permits & Stickers issued	478	460	437	482	N/A
Library cards**	137	122	147	140	127
Beaches (feet)	4,500 LF	4,500 LF	4,500 LF	4,500 LF	4,500 LF
New docks constructed/existing dock repaired	4 repr	2 repr	2 new	-	-
Landscape curbing on planter beds (linear feet)	-	475 LF	-	-	-
Park upgrades					
Bayside Part tennis courts resurfaced/ bench canopy	-	2	-	-	-
new Morgan Park Pavillion	-	1	-	-	-
new Morgan Park Restroom	-	1	-	-	-
new Morgan Park children's play area	-	1	-	-	-
Park improvements	9 ***				
Cul de Sac improvements	7 ****				
Park irrigation systems upgraded	4	4	2	-	-
Seawall repaired	-	1	2	-	-
Buoy replacement	all beaches				
Marina					
Boat Slips	1 20	1 20	1 20	1 20	1 20

* Effective June 1, 2007 law enforcement was contracted out to the Pinellas County Sheriff's Office

** The City of Belleair Beach offers payment for residents' Library cards either by direct payment to a Pinellas Public Library Cooperative or by reimbursement to a resident.

*** Parks improvements were made at these locations: Crossman Park, 20th St. Park, Bayside Park, 7th St. Park, 12th St. Park, 19th St. Park, Hibiscus Park East, County Stormwater Pond and Marina

**** Installed crushed shells at all Cul de Sacs: 14th, 15th, 16th, 17th, 18th, Howard and Harrison Ave.

CITY OF BELLEAIR BEACH, FLORIDA

**CAPITAL ASSETS STATISTICS BY FUNCTION
LAST FIVE FISCAL YEARS**

<u>FUNCTION</u>	<u>Fiscal Year</u>				
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Public Safety					
Police:					
Stations	- *	- *	- *	1	1
Patrol units	- *	- *	- *	4	3
Highways and streets					
Bridges	2	2	2	2	2
Street (miles)	8	8	8	8	8
Curb (miles)	16	16	16	16	16
Streetlights	21	20	20	20	20
Traffic signs	1	1	1	1	1
Pedestrian beacons/crosswalk	10	8	8	-	-
Culture and Recreation					
Cul de Sac	8	8	8	8	n/a
Docks	5	5	5	5	n/a
Park acreage	5	5	5	5	5
Parks	11	11 **	12 **	12	12 **
Tennis Courts	2	2	2	2	2
Marina					
Boat slips	1	1	1	1	1
	20	20	20	20	20

* Effective June 1, 2007 law enforcement service was contracted out to the Pinellas County Sheriff's Office

** City of Belleair Beach residents are allowed access to additional 3 parks at Belleair Shore and 1 at Causeway Beach. These parks are maintained by the City of Belleair Beach.

