

CITY OF BELLEAIR BEACH, FLORIDA



COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED SEPTEMBER 30, 2015

CITY OF BELLEAIR BEACH, FLORIDA

COMPREHENSIVE

ANNUAL FINANCIAL REPORT

FOR THE

FISCAL YEAR ENDED SEPTEMBER 30, 2015

Prepared by the
Department of Finance

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

CITY COUNCIL

Rob Baldwin, Mayor

Leslie Notaro, Vice Mayor

Mitchell Krach, Council-Member

Jeril Cohen, Council-Member

John Pietrowski, Council-Member

Pamela Gunn, Council-Member

Wanda Schwerer, Council-Member

CHARTER OFFICERS

City Manager

Nancy G. Gonzalez

City Treasurer

Melanie M. Kruszona

City Clerk

Patricia A. Gentry

INTRODUCTORY SECTION

CITY OF BELLEAIR BEACH, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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LETTER OF TRANSMITTAL



May 13, 2016

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

State law (section 218.32, Florida Statutes, as amended) requires that all general-purpose local governments publish within nine months after 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, 2015.

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 management, 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, 2015, 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, 2015 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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. An amendment to the charter effective March 10, 2004 adopted the council-manager 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 1,558 as of April 1, 2012 with a forecast of 1,547 for 2014. 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 and approved in 2004 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 in "a timely manner" each year. The Council is elected on a non-partisan basis. In even numbered years four council members, including the mayor, shall be elected for a three-year term and three council members shall be elected to a three-year term in the odd 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 City Council for review in a timely manner in July. Budget Workshops that are open to the public are held in July and August. 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 departmental details. Department heads may request transfers of appropriations within a department through a Budget transfer request by the City Manager and Finance Officer provided that the total budget within a fund, e.g., the General Fund, is not changed. However, if the total amount of budget appropriations within a fund is changed, a resolution authorizing a budget amendment is required to be approved by 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 26 as part of the basic financial statements for the governmental funds. For the Marina Fund, budget-to-actual comparisons are presented on page 77.

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 has been 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 shows a 6.54 percent increase in taxable values for 2015 as compared with 2014 values. In the Tampa Bay area, the unemployment rate of 5.00% in September 2015 is an improvement from 5.80% in 2014, as the overall economy throughout the country is slowly improving. The general consensus is that there will be some economic recovery but it is anticipated to be slow. For the next fiscal year, the outlook for the City's revenue stream from the following sources should be positive: Franchise fees are anticipated to increase very minimally due to higher utility rates. On the other hand, infrastructure sales taxes and state revenue sharing are expected to stay steady if not decrease due to cautious consumer spending which is adversely affected by unstable gas prices. There is some legislation being considered in Tallahassee that could negatively impact the Communication Services Tax for local municipalities, and this is being watched carefully. Ad Valorem should increase again this year as the local real estate market continues to slowly rebound.

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, seawall repairs and park renovations). The city's long-range financial plan has provided approximately \$4,784,234 for capital improvement projects impacting parks and recreation and infrastructure. Street resurfacing, valley curb repair and replacement program, park renovations and upgrades, dock replacement, seawall repairs and Gulf Boulevard Beautification projects are scheduled throughout Belleair Beach over the next five years.

Construction of the new Community Center was completed during fall (October/November) of 2009. The Community Center facilities, overlooking the Intracoastal Waterway, have generated rental income from weddings, parties, banquet furniture, meetings and fitness programs. The City believes that the Community Center enhances services to citizens, improves the aesthetics of the City and provides for a structurally and environmentally sound City Hall. The City of Belleair Beach, Florida received the proceeds of a tax-exempt bank loan with SunTrust Bank for \$3.0 million to fund the project. Per loan agreement, quarterly principal and interest payments have been regularly made; the loan principal balance as of September 30, 2015 is \$1.640 million. Other sources of funding include contributions from the General Fund and distributions received from the Infrastructure Sales Tax (Penny for Pinellas).

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 and Bank United. The City's investments with SBA Fund B have been fully distributed by fiscal year end. 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, thus minimizing accident-related losses as well as lowering premiums. Also, the Community Center is insured with Weston Insurance Company for windstorm insurance and with Wright Flood Insurance for flood insurance. The City is insured with Fidelity National Insurance for flood insurance coverage on the 1001 Cedar Drive property that is presently used as the Public Works Department's storage and occasional work area.

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.

At the present time, the City of Belleair Beach, Florida provides a defined benefit retirement plan for regular employees that have been employed prior to 1997 through the Florida Retirement System (FRS). Contribution rates are set by the state and currently are 10.26% for regular employees, consisting of 7.26% as City contribution and 3.00% as employee contribution

The City of Belleair Beach, Florida also provides a defined contribution retirement plan 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 matching amount up to 5% of the city manager's salary to the 457(b) plan and is included as additional compensation for the purposes of FICA. This deferred compensation plan is administered also by FMPTF as a 457 (b) plan.

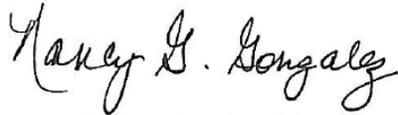
The City of Belleair Beach, Florida does not provide post-employment benefits for employees other than pension benefits. Post-employment health care benefits are made available through the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA).

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.

Acknowledgements

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,

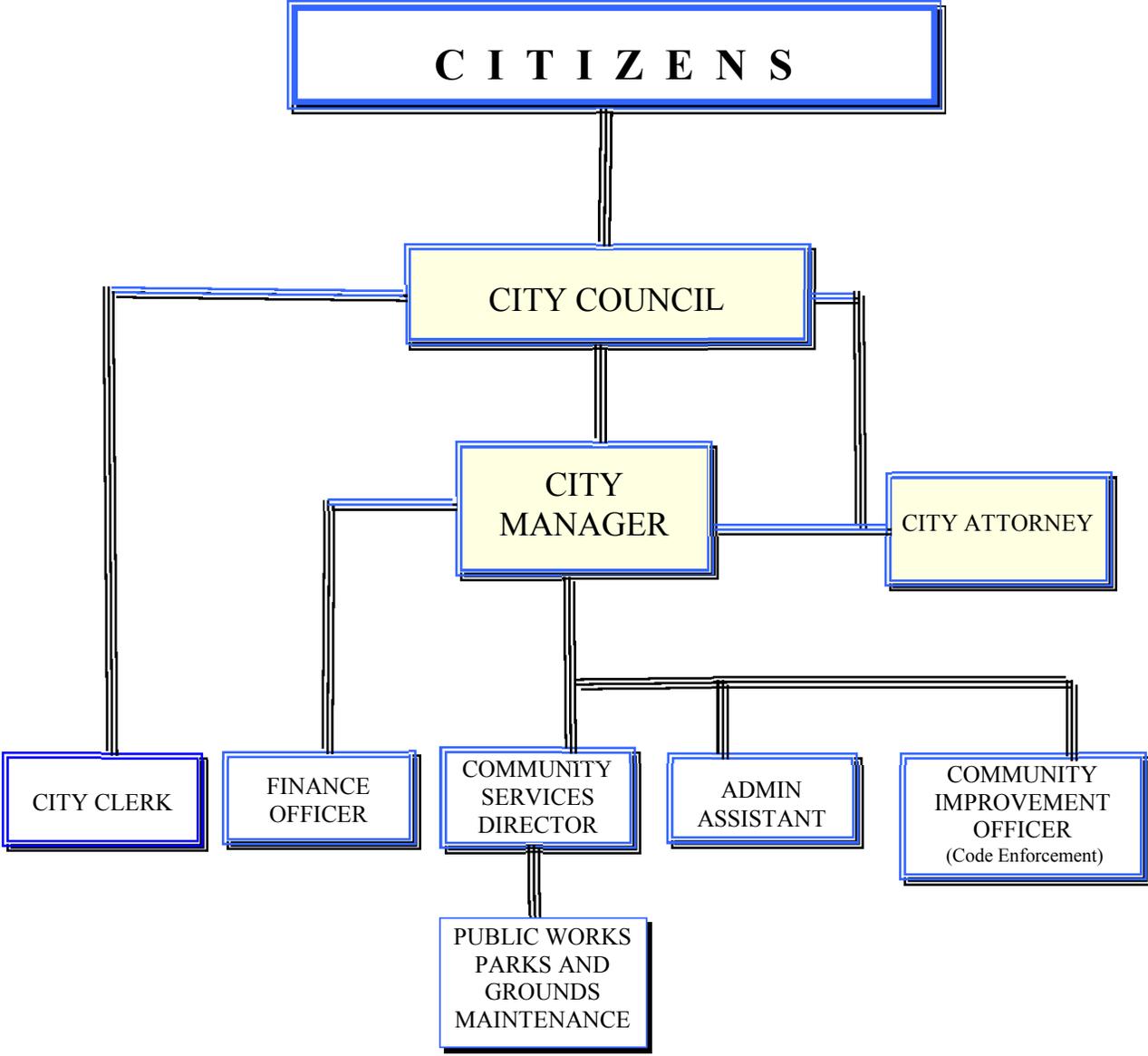


Nancy G. Gonzalez, City Manager



Melanie M. Kruszona, Finance Officer

**CITY OF BELLEAIR BEACH, FLORIDA
ORGANIZATIONAL CHART
FYE 2015**



CITY OF BELLEAIR BEACH, FLORIDA

LISTING OF CITY OFFICIALS

ELECTED OFFICIALS

FISCAL YEAR 2015

Mayor	Rob Baldwin
Vice-Mayor	Leslie Notaro
Council-member	Jeril Cohen
Council-member	Pamela Gunn
Council-member	Mitchell Krach
Council-member	John Pietrowski
Council-member	Wanda Schwerer

APPOINTED OFFICIALS

Paul J. Marino	City Attorney
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CHARTER OFFICERS

Nancy G. Gonzalez	City Manager
Patricia A. Gentry	City Clerk
Melanie M. Kruszona	City Treasurer

FINANCIAL SECTION

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

Davidson, Jamieson & Cristini, P.L.

Certified Public Accountants

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the budgetary comparisons for the general fund, and the aggregate remaining fund information of City of Belleair Beach, Florida, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the AICPA Professional Standards, at Sections 601.55 and 601.56. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error, in making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

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

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, as of September 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis-of-Matter - Change in Accounting Principle

As discussed in Note 1 to the financial statements, in the fiscal year ended September 30, 2015, the City adopted the provisions of Government Accounting Standards Board (GASB) Number 68, *Accounting and Financial Reporting for Pensions* and GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. As a result of the implementation of GASB 68 and 71, the City reported a restatement for the change in accounting principle as of October 1, 2014. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6-18, the Schedule of the City's Proportionate Share of the Florida Retirement System Net Pension Liability on page 75, the Schedule of the City's Contributions to the Florida Retirement System on page 76 and the Schedule of the Funded Status and Funding Progress of the City's OPEB Obligation on page 77 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the

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

information and comparing the information for consistency with management's responses to our inquiries, the basic financial statement, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Belleair Beach, Florida's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, schedules of capital assets, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules of capital assets are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining, nonmajor fund financial statements and schedules of capital assets are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Accounting Standards*, we have also issued our report dated February 1, 2016, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Davidson, Jamieson & Crutcher, P.C.

February 1, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2015. 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 *v-ix* 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 \$10,611,626 (*net position*). Of this amount \$5,459,710 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- *At September 30, 2015, the City's governmental activities fund balance reported an ending fund balance of \$4,885,564, a decrease of \$3,431 or 0.07% in comparison with the prior year.
- *The business-type activities operating revenue increased by \$8,634 or 1.1744% as compared with the prior year. This increase is primarily due to fewer vacant boat slips as a result of having finished the new catwalks and slips. There was an increase in net assets by \$ 25,108 attributed to lower operating costs.
- *At September 30, 2015, the unassigned fund balance of the General Fund (not restricted, committed or assigned to any specific purpose) was \$3,161,321 or 193.33 percent of total general fund expenditures of \$1,635,170.
- *Governmental fund revenues increased by \$365,572 or 16.897 percent over the prior fiscal year. This is primarily due to increases in Intergovernmental revenue by \$285,451 or 52.38% for the Gulf Boulevard Beautification reimbursement program and increases in interest and miscellaneous income.

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

The *statement of activities* presents information showing how the government's net assets changed during fiscal year 2015. 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, roads and streets, sanitation, and parks 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 19 – 21 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 22-26 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 27-31 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 32-74 of this report.

Supplementary Information

Supplementary information regarding the pension plan can be found on pages 75-76

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 77-81 of this report.

Infrastructure Assets

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 statements require that these assets be valued and recorded within the governmental columns of the Governmental-wide Statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$10,611,626 at the close of fiscal year ended September 30, 2015. The following table reflects the condensed Statement of Net Position compared to prior fiscal year.

**Statement of Net Position
As of September 30**

	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>		<u>Primary Government</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Current and other Assets	\$ 5,029,119	\$4,924,302	\$226,778	\$215,316	\$ 5,255,897	\$ 5,139,618
Capital Assets (net of Allowance)	<u>7,204,233</u>	<u>6,740,157</u>	<u>37,683</u>	<u>25,831</u>	<u>7,241,916</u>	<u>6,765,988</u>
Total Assets	<u>12,233,352</u>	<u>11,664,459</u>	<u>264,461</u>	<u>241,147</u>	<u>12,497,813</u>	<u>11,905,606</u>
Deferred Outflows of Resources						
Deferred outflows - pensions	23,135	-	-	-	23,135	-
Current and other Liabilities	140,903	35,522	5,067	5,832	145,970	41,354
Long-term liabilities outstanding						
Due within one year	164,070	168,025	-	-	164,070	168,025
Due in more than one year	<u>1,570,217</u>	<u>1,714,926</u>	<u>-</u>	<u>-</u>	<u>1,570,217</u>	<u>1,714,926</u>
Total Liabilities	1,875,190	1,918,473	5,067	5,832	1,880,257	1,924,305
Deferred Inflows of Resources						
Local rental registration FY	400		-		400	9,590
Community Ctr rentals FY	16,826		-		16,826	6,191
Related to pensions	11,338		-		11,338	-
Marina rental FY	-		501	1,530	501	1,530
Total Deferred inflows of Resources	28,564	15,781	501	1,530	29,065	17,311
Net Position						
Net investment in Capital Assets						
Net of related debt	5,114,233	4,940,157	37,683	25,831	5,151,916	4,965,988
Restricted	-	-	-	-	-	-
Unrestricted	<u>5,238,500</u>	<u>4,790,048</u>	<u>221,210</u>	<u>207,954</u>	<u>5,459,710</u>	<u>4,998,002</u>
Total Net Position	<u>\$10,352,733</u>	<u>\$9,730,205</u>	<u>\$258,893</u>	<u>\$233,785</u>	<u>\$ 10,611,626</u>	<u>\$ 9,963,990</u>

*For more detailed information see Statement of Net Position on page 19.

At September 30, 2015, a considerable portion of the City's net assets are invested in capital assets (e.g., land, buildings, equipment and marina docks) at 57.945 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 42.05 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, 2015 there are no significant external restrictions on how the City's resources may be used. The balance of unrestricted net assets of \$5,459,710 or 51.45 percent of total net assets may be used to meet the government's ongoing obligations to citizens and creditors.

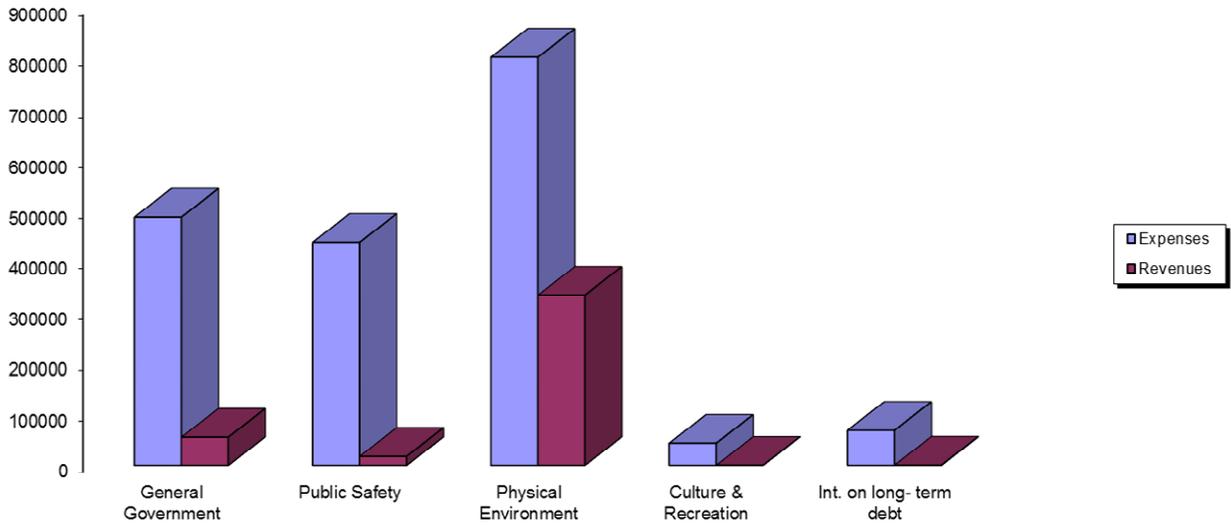
At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Statement of Activities

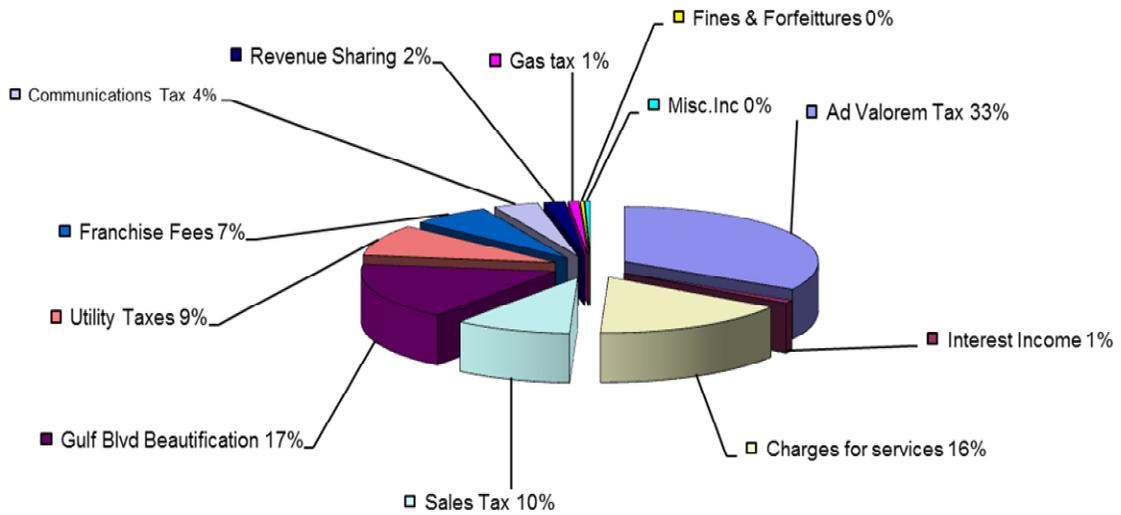
The following schedule compares the revenues and expenses for the current and previous fiscal year.

	For the Year Ended September 30					
	Governmental Activities		Business Type Activities		Total Primary Government	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues						
Program revenues:						
Charges for services	\$ 422,884	\$ 412,823	\$ 57,535	\$ 48,955	\$ 480,419	\$ 461,778
Capital grants and						
Contributions	1,200	1,201	-	-	1,200	1,201
General revenues:						
Property taxes	843,286	783,665	-	-	843,286	783,665
Franchise Fee	167,080	168,469	-	-	167,080	168,469
Utility taxes	232,420	244,522	-	-	232,420	244,522
Sales and Other taxes	829,163	543,711	-	-	829,163	543,711
Miscellaneous	33,092	9,162	607	553	33,799	9,715
Total Revenues	2,529,125	2,163,553	58,142	49,508	2,587,267	2,213,061
Expenses						
General Government	747,626	557,882	-	-	747,626	557,882
Public Safety	454,371	438,853	-	-	454,371	438,853
Physical Environment	682,547	803,110	-	-	682,547	803,110
Culture and						
Recreation	15,595	43,711	-	-	15,595	43,711
Marina rental Ops.	-	-	33,034	47,190	33,034	47,190
Total Expenses	1,900,139	1,843,556	33,034	47,190	1,933,173	1,890,746
Excess of revenues over (under) expenditures	628,986	319,997	25,108	2,318	654,094	322,315
Changes in net position	628,986	319,997	25,108	2,318	654,094	322,315
Prior period adjustment	(6,458)	-	-	-	(6,458)	-
Net Position before PPA	9,730,205	-	-	-	9,963,990	-
Net Position - 9/30/14	9,723,747	9,410,208	233,785	231,467	9,957,532	9,641,675
Net Position - 9/30/15	<u>\$10,352,733</u>	<u>\$ 9,730,205</u>	<u>\$258,893</u>	<u>\$ 233,785</u>	<u>\$10,611,626</u>	<u>\$9,963,990</u>

**Expenses and Program Revenues - Governmental Activities
FY 2015**



**Revenues By Source~FY 2015
Governmental Activities**



Governmental Activities

Governmental Activities increased the City's net position by \$628,986 compared with prior year's increase of \$319,997. This fiscal year's increase accounts for 6.07 percent of the total net governmental position at year-end of \$10,352,733. Total Revenues are up primarily due to Inter-governmental Revenues and Ad Valorem. This rate of increase is higher than last fiscal year's increase due to an increase in Total Revenues of \$365,573.

Business-type Activities

Business-type activities increased the City's net assets by \$25,108 compared to the prior year's increase of \$2,318. Key elements of this increase of \$25,108 are as follows:

- The City-owned Marina generated a net operating income of \$24,501 as compared to prior year's net operating income of \$1,765. During the fiscal year 2014-2015 the Marina Fund transferred \$17,672 to the general fund, in year 2013-2014 \$20,761 was transferred to the general fund to cover the costs of managing and operating the Marina. Planned capital improvement projects for fiscal year 2014-2015 included two new cat walks and decking.

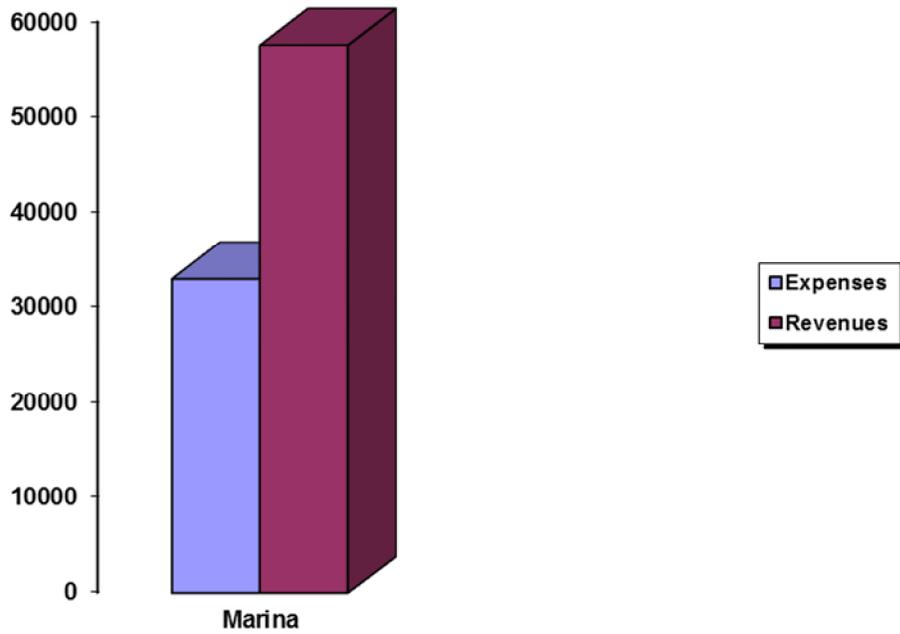
Financial Analysis of the City's Funds

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

Governmental funds

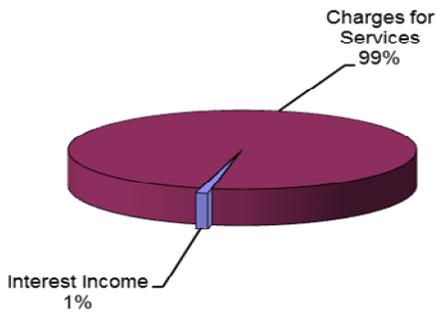
The focus of the city's *governmental fund* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's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

**Expenses and Program Revenues - Business-type Activities
FYE 2015**



9
6
2

**Revenue by Sources - Business type Activites
FYE 15**



Governmental funds (cont'd.)

As of the end of fiscal year 2015, the city's governmental funds reported combined ending fund balances of \$4,885,564 a decrease of \$3,431 in comparison with the prior year. There was a decrease in total revenue by 16.897 percent as compared with the previous year due to increased revenue generated in the following areas: Ad Valorem taxes, attributed to a slight increase in taxable values; Charges for Services increased due to higher Rental Registration Fees. These were offset by lower Franchise Fees and Utility Taxes.

Expenditures, including capital improvements and principal and interest payments on the Community Center loan, increased by \$566,515, or 28.82 per cent. This is primarily due to the General Fund Physical Environment Expenditures of \$1,302,460. The Capital Project Fund had an interest expenditure reduction of \$5,952.

General Fund

The general fund is the chief operating fund of the City. At the end of September 30, 2015, the unassigned fund balance of the general fund, which has not been restricted, committed or assigned to specific purposes, was \$3,161,321. This is available for spending at the city's discretion.

The remainder of the general fund balance of \$850,763 is not available for new spending and has been classified as: 1) Non spendable (cannot be converted into cash) for prepaid items \$10,763, 2) Committed (per Resolution approved by City Council for catastrophic events) for \$840,000. 3) Assigned for Encumbrances, for open PO or contracts already budgeted but unexpended of \$0. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. The unassigned fund balance represents 193.33 percent of total general fund expenditures, while total fund balance represents 245.36 percent of that same amount.

Capital Projects Fund CPF)

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, 2015, the unassigned fund balance of the CPF, which has not been restricted, committed or assigned to specific purposes, was \$873,480. This is available for spending for capital outlays that meet the above- mentioned criteria of minimum cost and estimated useful life.

Community Center construction was completed in November 2009 at a cost of \$3.927 million. Funding sources consisted of a \$3 million bank loan, infrastructure sales tax (Penny for Pinellas) and contributions from the General Fund. The loan principal balance as of September 30, 2015 was \$1,640,000.

As a measure of the capital projects fund’s liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. For the fiscal year ending September 30, 2015, unassigned fund balance of \$873,480 represents 97.33 percent of total capital projects fund expenditures of \$897,386. The capital projects fund expenditures include principal and interest payment on the Community Center loan. On the revenue side, Infrastructure Sales Tax was collected in the amount of \$149,674.

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 position of proprietary funds at the end of the year in comparison to prior year amounted to:

<u>FUNDS</u>	<u>2015</u>	<u>2014</u>
Marina	<u>221,210</u>	<u>207,954</u>
Totals	<u><u>\$ 221,210</u></u>	<u><u>\$ 207,954</u></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, 2015 the significant variances between the final amended budget and the actual results are shown below:

- Revenues are higher than budgeted amount by 96,416 primarily due to: slightly higher ad valorem taxes due to payments of prior years and fines, higher franchise fees and utility taxes, increased fines and charges for services, intergovernmental revenues and interest.
- Expenditures are lower than budgeted amount by 97,181 due to lower expenditures in the areas of Public Works, Library and Parks and Recreation and General Government.

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, 2015 amounts to \$7,241,917 (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 increase in the City's capital assets for the current fiscal year was \$464,076 or 6.44 percent for governmental activities and an increase of \$11,852 or 31.45 percent for the business-type activities. The increase includes current year's depreciation.

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

- Buildings decreased by \$(86,443) due to full year depreciation provision for the new Community Center and other equipment.
- Administrative decreased by \$(2,213) due to a full year of depreciation.
- Improvements Other than Buildings- increase of \$421,728 primarily due to additions for the Gulf Boulevard Beautification project partially offset by depreciation.
- Parks & Recreation decreased by \$(5,268) due to full year depreciation partially offset by additions of Sanibel lighting at Bayside Park.
- Legislative- decrease of \$(61) due to full year's depreciation of audio/ visual system for the Community Center and channel system and microphones for City Council meetings
- Public Works – decreased by \$(5,396) due to full year's depreciation.
- Information Technology – decrease of \$(1,533) for depreciation of equipment.
- Roads and Street – increased by \$143,263 for bridge repairs offset by depreciation.

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

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Land	\$1,426,738	\$ -	\$1,426,738
Buildings	3,555,617	-	3,555,617
Improvements other than Buildings	1,617,250	37,683	1,654,933
Roads and streets	481,418		481,418
Parks and recreation	115,659		115,659
Equipment	<u>7,551</u>	<u>-</u>	<u>7,551</u>
Totals	<u>\$7,204,233</u>	<u>\$ 37,683</u>	<u>\$7,241,916</u>

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 2015, the City has a total outstanding loan payable of \$1,640,000. 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 the SunTrust 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, 2015 was 5.0 percent, which was lower than the 2014 rate of 5.80 percent.
- * 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 increased by 6.54 percent as compared with a 7.10 percent increase in the prior year.
- * Amendment I, approved by voters in January 2008 had a negative impact on 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 2015-2016 fiscal year.
- * The employees received a 3.0% merit increase in salaries and wages for the new Fiscal Year 2015-2016 with no cost of living allowance (COLA), as compared with the prior year when the employees received a 5% a merit increase and there was no COLA either.
 - As of the fiscal year ended September 30, 2015, unassigned fund balance in the general fund, which has not been restricted, committed or assigned to specific purposes was \$3,161,321.

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's 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.

BASIC FINANCIAL STATEMENTS

This section contains the following subsections:

Government-Wide Financial Statements

Statement of Net Position
Statement of Activities

Fund Financial Statements

Governmental Fund Financial Statements

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

Proprietary Fund Financial Statements

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

Notes to Financial Statements

CITY OF BELLEAIR BEACH, FLORIDA

STATEMENT OF NET POSITION

SEPTEMBER 30, 2015

ASSETS	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Cash and cash equivalents	\$ 4,742,059	\$ 224,743	\$ 4,966,802
Receivables (net of allowance for uncollectibles)	276,297	-	276,297
Prepays	10,763	2,035	12,798
Capital Assets:			
Land	1,426,738	-	1,426,738
Buildings	4,101,928	-	4,101,928
Improvements other than buildings	2,881,695	344,876	3,226,571
Equipment	500,195	-	500,195
Accumulated depreciation	<u>(1,706,323)</u>	<u>(307,193)</u>	<u>(2,013,516)</u>
Total Assets	<u>12,233,352</u>	<u>264,461</u>	<u>12,497,813</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pension plans	<u>23,135</u>	<u>-</u>	<u>23,135</u>
LIABILITIES			
Accounts payable	112,151	413	112,564
Accrued payroll	9,578	-	9,578
Accrued interest	14,574	-	14,574
Deposits	4,600	4,654	9,254
Noncurrent Liabilities:			
Due within one year	164,070	-	164,070
Due in more than one year	1,554,811	-	1,554,811
Net pension liability	<u>15,406</u>	<u>-</u>	<u>15,406</u>
Total Liabilities	<u>1,875,190</u>	<u>5,067</u>	<u>1,880,257</u>
DEFERRED INFLOWS OF RESOURCES			
Local rental registrations - future year	400	-	400
Community Center rentals - future year	16,826	-	16,826
Marina rental - future year	-	501	501
Deferred inflows of resources related to pension plans	<u>11,338</u>	<u>-</u>	<u>11,338</u>
Total Deferred Inflows of Resources	<u>28,564</u>	<u>501</u>	<u>29,065</u>
NET POSITION			
Net investment in capital assets	5,114,233	37,683	5,151,916
Unrestricted	<u>5,238,500</u>	<u>221,210</u>	<u>5,459,710</u>
Total Net Position	<u>\$ 10,352,733</u>	<u>\$ 258,893</u>	<u>\$ 10,611,626</u>

See Notes to Financial Statements.

CITY OF BELLEAIR BEACH, FLORIDA

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

		<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	\$ 684,320	\$ 63,989	\$ -
Public Safety	454,371	12,632	-
Physical environment	682,547	346,095	1,200
Culture and recreation	15,595	-	-
Interest on long-term debt	63,306	168	-
Total governmental activities	<u>1,900,139</u>	<u>422,884</u>	<u>1,200</u>
Business-Type Activities:			
Marina	<u>33,034</u>	<u>57,535</u>	<u>-</u>
Total business-type activities	<u>33,034</u>	<u>57,535</u>	<u>-</u>
Total primary government	<u>\$ 1,933,173</u>	<u>\$ 480,419</u>	<u>\$ 1,200</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
 Other taxes
Investment income
Miscellaneous
Total General Revenues
Change in net position
Net position - beginning
Restatement of Net Position
 due to Prior Period Adjustment
Net position-beginning restated
Net position - ending

See Notes to Financial Statements.

Net (Expense) Revenue and
Changes in Net Position

Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (620,331)	\$ -	\$ (620,331)
(441,739)	-	(441,739)
(335,252)	-	(335,252)
(15,595)	-	(15,595)
(63,138)	-	(63,138)
(1,476,055)	-	(1,476,055)
-	24,501	24,501
-	24,501	24,501
(1,476,055)	24,501	(1,451,554)
843,286	-	843,286
167,080	-	167,080
232,420	-	232,420
43,889	-	43,889
95,298	-	95,298
22,401	-	22,401
149,674	-	149,674
94,797	-	94,797
423,104	-	423,104
22,952	607	23,559
10,140	-	10,140
2,105,041	607	2,105,648
628,986	25,108	654,094
9,730,205	233,785	9,963,990
(6,458)	-	(6,458)
9,723,747	233,785	9,957,532
\$ 10,352,733	\$ 258,893	\$ 10,611,626

See Notes to Financial Statements.

CITY OF BELLEAIR BEACH, FLORIDA

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2015

ASSETS

	General Fund	Capital Projects Fund	Total Governmental Funds
Cash and cash equivalents	\$ 3,951,314	\$ 790,745	\$ 4,742,059
Receivables (net of allowance for uncollectible accounts):			
Taxes:			
Franchise fees	17,946	-	17,946
Utility	27,057	-	27,057
Accounts	42,445	-	42,445
Intergovernmental:			
State	22,184	-	22,184
County	17,561	149,104	166,665
Prepaid items	10,763	-	10,763
Total Assets	<u>\$ 4,089,270</u>	<u>\$ 939,849</u>	<u>\$ 5,029,119</u>

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE

Liabilities:			
Accounts payable	\$ 45,782	\$ 66,369	\$ 112,151
Deposit	4,600	-	4,600
Accrued payroll	9,578	-	9,578
Total Liabilities	59,960	66,369	126,329
Deferred Inflows of Resources:			
Local rental registrations - future year	400	-	400
Community Center rentals - future year	16,826	-	16,826
Total Deferred Inflows of Resources	17,226	-	17,226
Fund Balances:			
Nonspendable	10,763	-	10,763
Committed	840,000	-	840,000
Unassigned	3,161,321	873,480	4,034,801
Total Fund Balances	<u>4,012,084</u>	<u>873,480</u>	<u>4,885,564</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 4,089,270</u>	<u>\$ 939,849</u>	<u>\$ 5,029,119</u>

See Notes to Financial Statements.

CITY OF BELLEAIR BEACH, FLORIDA

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

SEPTEMBER 30, 2015

Fund balances - total governmental funds		\$ 4,885,564
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	\$ 8,910,556	
Less accumulated depreciation	<u>(1,706,323)</u>	
		7,204,233
Certain deferred outflows of resources are not available to pay current period expenditures and therefore are not reported in the funds.		
Deferred outflows of resources related to pension plan.		23,135
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	1,640,000	
Accrued interest payable	14,574	
Other postemployment benefits payable	2,701	
Compensated absences	<u>76,180</u>	
		(1,733,455)
Certain liabilities and deferred inflows of resources are not due and payable in the current period and therefore are not reported in the funds.		
Net pension liability	(15,406)	
Deferred inflows of resources related to the pension plan.	<u>(11,338)</u>	
		<u>(26,744)</u>
Net position of governmental activities		<u>\$ 10,352,733</u>

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, 2015

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
Revenues:			
Taxes:			
Ad valorem	\$ 843,286	\$ -	\$ 843,286
Franchise fees	167,080	-	167,080
Utility	232,420	-	232,420
Intergovernmental	257,585	572,778	830,363
Charges for services	415,163	-	415,163
Fines	7,721	-	7,721
Interest	20,627	2,325	22,952
Miscellaneous	10,140	-	10,140
	<hr/>	<hr/>	<hr/>
Total Revenues	1,954,022	575,103	2,529,125
Expenditures:			
Current:			
General government	535,415		535,415
Public safety	454,371	-	454,371
Physical environment	629,802	672,658	1,302,460
Culture and recreation	15,582	-	15,582
Debt service:			
Principal	-	160,000	160,000
Interest	-	64,728	64,728
	<hr/>	<hr/>	<hr/>
Total Expenditures	1,635,170	897,386	2,532,556
Excess of Revenues Over (Under) Expenditures	318,852	(322,283)	(3,431)
Other Financing Sources (Uses):			
Transfers in (out)	<hr/> (293,688)	<hr/> 293,688	<hr/> -
Total other financing sources (uses)	<hr/> (293,688)	<hr/> 293,688	<hr/> -
Net change in fund balances	25,164	(28,595)	(3,431)
Fund Balance - Beginning of Year	<hr/> 3,986,920	<hr/> 902,075	<hr/> 4,888,995
Fund Balance - End of Year	\$ <hr/> <hr/> 4,012,084	\$ <hr/> <hr/> 873,480	\$ <hr/> <hr/> 4,885,564

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, 2015

Net change in fund balances - total governmental funds	\$		(3,431)
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	\$	665,626	
Less current year depreciation		<u>(190,566)</u>	
			475,060
Deferred outflows of resources related to pension plan.			23,135
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		<u>(1,422)</u>	
			158,578
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.			
Other post-employment benefit costs		-	
Change in long-term compensated absences		(4,070)	
Change in net pension liability		(8,948)	
Deferred inflows of resources related to pension plan		<u>(11,338)</u>	
			<u>(24,356)</u>
Change in net position of governmental activities	\$		<u>628,986</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, 2015

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Ad valorem	\$ 824,897	\$ 824,897	\$ 843,286	\$ 18,389
Franchise fees	150,750	150,750	167,080	16,330
Utility	224,125	224,125	232,420	8,295
Intergovernmental	253,480	253,480	257,585	4,105
Charges for services	381,754	381,754	415,163	33,409
Fines	5,000	5,000	7,721	2,721
Interest	13,000	13,000	20,627	7,627
Miscellaneous	4,600	4,600	10,140	5,540
Total Revenues	<u>1,857,606</u>	<u>1,857,606</u>	<u>1,954,022</u>	<u>96,416</u>
Expenditures:				
Current:				
General Government:				
Legislative	12,129	12,129	9,587	2,542
Executive	423,749	423,749	413,535	10,214
Financial administration	113,098	113,098	112,293	805
	<u>548,976</u>	<u>548,976</u>	<u>535,415</u>	<u>13,561</u>
Public Safety:				
Police	434,432	434,432	434,427	5
Protective inspections	16,714	16,714	19,944	(3,230)
	<u>451,146</u>	<u>451,146</u>	<u>454,371</u>	<u>(3,225)</u>
Physical Environment:				
Public Works	441,215	441,215	395,765	45,450
Sanitation	234,064	234,064	234,037	27
	<u>675,279</u>	<u>675,279</u>	<u>629,802</u>	<u>45,477</u>
Transportation:				
Streets	16,000	16,000	-	16,000
Culture and Recreation:				
Library	13,500	13,500	10,500	3,000
Parks and recreation	27,450	27,450	5,082	22,368
	<u>40,950</u>	<u>40,950</u>	<u>15,582</u>	<u>25,368</u>
Total Expenditures	<u>1,732,351</u>	<u>1,732,351</u>	<u>1,635,170</u>	<u>97,181</u>
Excess (deficiency) of revenues over (under) expenditures	125,255	125,255	318,852	193,597
Other Financing Sources (uses):				
Transfers out	(293,688)	(293,688)	(293,688)	-
Total other financing sources (uses)	<u>(293,688)</u>	<u>(293,688)</u>	<u>(293,688)</u>	<u>-</u>
Net Change in Fund Balances	(168,433)	(168,433)	25,164	193,597
Fund Balance, Beginning of Year	<u>3,986,920</u>	<u>3,986,920</u>	<u>3,986,920</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 3,818,487</u>	<u>\$ 3,818,487</u>	<u>\$ 4,012,084</u>	<u>\$ 193,597</u>

See Notes to Financial Statements.

CITY OF BELLEAIR BEACH, FLORIDA

STATEMENT OF NET POSITION

PROPRIETARY FUND

SEPTEMBER 30, 2015

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND

ASSETS

	<u>Marina</u>
Current Assets:	
Cash and cash equivalents	\$ 224,743
Prepaid expenses	<u>2,035</u>
Total Current Assets	226,778
Noncurrent Assets:	
Capital Assets:	
Improvements other than buildings	<u>344,876</u>
	344,876
Less accumulated depreciation	<u>307,193</u>
Total Noncurrent Assets	<u>37,683</u>
Total Assets	<u>\$ 264,461</u>

See Notes to Financial Statements

CITY OF BELLEAIR BEACH, FLORIDA

STATEMENT OF NET POSITION

PROPRIETARY FUND

September 30, 2015

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND

LIABILITIES

	<u>Marina</u>
Current Liabilities:	
Accounts payable	\$ <u>413</u>
Total Current Liabilities	413
Noncurrent Liabilities:	
Deposits	<u>4,654</u>
Total Noncurrent Liabilities	<u>4,654</u>
Total Liabilities	5,067
DEFERRED INFLOWS OF RESOURCES	
Marina rentals - future year	<u>501</u>
Total Deferred Inflows of Resources	<u>501</u>
NET POSITION	
Net investment in capital assets	37,683
Unrestricted	<u>221,210</u>
Total Net Position	\$ <u><u>258,893</u></u>

See Notes to Financial Statements

CITY OF BELLEAIR BEACH, FLORIDA

STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION

PROPRIETARY FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND

	<u>Marina</u>
Operating Revenues:	
Charges for sales and services	\$ 57,535
Operating Expenses:	
Materials and supplies	24,620
Utilities	3,522
Depreciation	<u>4,892</u>
Total operating expenses	<u>33,034</u>
Operating Income	24,501
Nonoperating Revenues:	
Interest revenue	<u>607</u>
Total nonoperating revenues	<u>607</u>
Change in Net Position	<u>25,108</u>
Net Position - Beginning of Year	<u>233,785</u>
Net Position - End of Year	<u>\$ 258,893</u>

See Notes to Financial Statements

CITY OF BELLEAIR BEACH, FLORIDA

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	<u>Business-Type Activities - Enterprise Fund</u>
	<u>Marina</u>
Cash Flows From Operating Activities:	
Cash received from customers	\$ 56,082
Cash payments to suppliers for goods and services	<u>(28,457)</u>
Net Cash Provided (Used) By Operating Activities	27,625
Cash Flows From Capital And Related Financing Activities:	
Purchase of capital assets	<u>(16,744)</u>
Net Cash Used For Capital And Related Financing Activities:	(16,744)
Cash Flows From Investing Activities:	
Interest income	<u>607</u>
Net Cash Provided (Used) For Investing Activities	<u>607</u>
Net Increase (Decrease) in Cash and Cash Equivalents	11,488
Cash and Cash Equivalents at Beginning of Year	<u>213,255</u>
Cash and Cash Equivalents at End of Year	<u>\$ 224,743</u>

See Notes to Financial Statements

CITY OF BELLEAIR BEACH, FLORIDA

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

Business-Type Activities - Enterprise Fund
Marina

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

Operating income (loss):	\$ 24,501
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	4,892
Change in assets and liabilities:	
(Increase) decrease in prepaid expenses	26
Increase (decrease) in accounts payable	(341)
Increase (decrease) in deferred inflows of resources	(1,029)
Increase (decrease) in deposits	<u>(424)</u>
Total adjustments	<u>3,124</u>
Net Cash Provided by Operating Activities:	\$ <u><u>27,625</u></u>

See Notes to Financial Statements.

NOTES TO
FINANCIAL STATEMENTS

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

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 2004. The amended Charter (effective as of March 10, 2004) 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, 2015.

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

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. 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, 2015

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 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, 2015

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 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 Position 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 twelve 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, 2015

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.

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, 2015

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 2015 millage rate assessed by the City was 2.0394.

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, 2015

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 one year. 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, 2015

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.

Compensated Absences - It is the City's policy to permit employees to accumulate earned but unused annual leave and sick pay benefits. Regular and full-time employees earn annual leave and sick leave after three months of employment.

Annual 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 10	15
10 years and over	20

A maximum amount of annual leave an employee may have to their credit at any time is forty days.

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

1. Summary of Significant Accounting Policies (Continued)

An employee who has served six months or more and who terminates employment with the City is paid for any unused annual leave accumulated to the time of termination up to the maximum. This is provided that a two week written notice is given.

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:

<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 annual leave 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 annual leave and sick leave of the proprietary fund is recorded as an expense and liability of those funds as the benefits accrue to employees.

All annual leave 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.

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

1. Summary of Significant Accounting Policies (Continued)

Deferred Outflows of Resources/Deferred Inflows of Resources - Government Accounting Standards Board (GASB) Concept Statement No. 4, "Elements of Financial Statements", introduced two new elements of the financial statements in addition to Assets, Liabilities and Net Assets (changed to Net Position) which are:

Deferred Outflows of Resources is a consumption of net assets by the government that is applicable to a future reporting period.

Deferred Inflows of Resources is an acquisition of net assets by the government that is applicable to a future reporting period.

Government Accounting Standards Board (GASB) Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position" provide financial reporting guidance for Deferred Outflows of Resources and Deferred Inflows of Resources and also identifies Net Position (replacing Net Assets) as the residual of all the elements (Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflow of Resources) presented in a statement of financial position.

Government Accounting Standards Board (GASB) Statement No. 65, "Items Previously Reported as Assets and Liabilities" establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflow of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

1. Summary of Significant Accounting Policies (Continued)

In implementing GASB Statement No. 65 the City established the following items that qualify for reporting in this category:

- A. Local Rental Registrations and Community Center Rentals that were all billed in fiscal year 2015.
- B. Pension contributions after measurement date - These contributions are deferred and recognized in the following fiscal year.
- C. Difference in projected and actual earnings on pension assets - This difference is deferred and amortized over a closed five year period.

Cost-Sharing Pension Plan - For purposes of measuring the net pension liability, pension related deferred outflows and deferred inflows of resources, and pension expense, the City's specific information from the Florida Retirement System (FRS) and additions to/deductions from the City's Fiduciary Net Position have been determined on the same basis as they are reported by FRS. Information regarding the City's total pension liability is obtained from FRS through a report prepared for the City by the FRS consulting actuary, Milliman, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions.

Net Position:

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

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

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

Net Position (Continued)

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

Restricted - This component consists of net position that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or law or regulations of other governments) or by law through constitutional provisions or enabling legislation.

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

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.

Fund Balance:

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components - nonspendable, restricted, committed, assigned and unassigned.

Subsequent Events - Management has adopted the provisions set forth in GASB Statement Number 56, *Subsequent Events*, and considered subsequent events through the date of the audit report.

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

2. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds and net position - governmental activities* as reported in the government-wide statement of net assets. The detail of this \$5,467,169 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	\$ 8,910,556	
Less accumulated depreciation	<u>(1,706,323)</u>	
		7,204,233

Certain deferred outflows of resources are not available to pay current period expenditures and therefore are not reported in the funds.

Deferred outflows of resources related to pension plan		23,135
--	--	--------

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

Revenue note payable	1,640,000	
Accrued interest payable	14,574	
Other postemployment benefits payable	2,701	
Compensated absences	<u>76,180</u>	
		(1,733,455)

Certain liabilities and deferred inflows of resources are not due and payable in the current period and therefore are not reported in the funds.

Net pension liability	(15,406)	
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Deferred inflows of resources related to the pension plan.	<u>(11,338)</u>	
--	-----------------	--

(26,744)

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

\$ 5,467,169

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

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

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds and changes in net 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 \$632,417 difference are as follows:

Capital outlay	\$ 665,626	
Depreciation expense	<u>(190,566)</u>	475,060
Deferred outflows of resources related to pension plan		23,135
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.		
Principal payments	160,000	
Change in accrued interest	<u>(1,422)</u>	
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.		158,578
Other post-employment benefit costs	-	
Change in long-term compensated absences	(4,070)	
Change in net pension liability	(8,948)	
Deferred inflows of resources related to pension plan	<u>(11,338)</u>	(24,356)
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>\$ 632,417</u>

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

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 City Manager to the City Council for review in July. 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 there were no supplementary appropriations.

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

Establishment/Elimination of Funds - No funds were established or eliminated during the fiscal year ended September 30, 2015.

4. Cash and Cash Equivalents

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

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

5. Deposits

At year-end the carrying amount of the City's deposits was \$4,966,802 and the bank balance was \$4,996,479. 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

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 benchmarks such as the Lehman Brothers Aggregate Bond Index.

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.
- (c) Interest-bearing time deposits or savings accounts in qualified public depositories as defined in s. 280.02.
- (d) Direct obligations of the United States Treasury.

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

6. Investments (Continued)

- (e) Federal agencies and instrumentalities.
- (f) Securities of, or other interests in, any open-end or closed-end management-type investment company or investment trust registered under the Investment Company Act of 1940, 15 U.S.C. ss. 80a-1 et seq., as amended from time to time, provided that the portfolio of such investment company or investment trust is limited to obligations of the United States Government or any agency or instrumentality thereof and to repurchase agreements fully collateralized by such United States Government obligations, and provided that such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian.

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, 2015

7. Receivables

Receivables at September 30, 2015, consist of the following:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Receivables:			
Taxes	\$ 45,003	\$ -	\$ 45,003
Accounts	42,445	-	42,445
Intergovernmental	39,745	149,104	188,849
	<hr/>	<hr/>	<hr/>
Gross receivables	127,193	149,104	276,297
Less: Allowance for uncollectibles	<hr/> -	<hr/> -	<hr/> -
Net total receivables	<u>\$ 127,193</u>	<u>149,104</u>	<u>\$ 276,297</u>

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

8. Capital Assets

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

	Balance October 1, 2014	Increases	Decreases	Balance September 30, 2015
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ <u>1,426,738</u>	\$ _____ -	\$ _____ -	\$ <u>1,426,738</u>
Total capital assets, not being depreciated	1,426,738	-	-	1,426,738
Capital assets, being depreciated:				
Buildings	4,098,930	2,998	-	4,101,928
Improvements other than buildings	2,239,657	642,038	-	2,881,695
Equipment	<u>515,303</u>	<u>15,754</u>	<u>(30,862)</u>	<u>500,195</u>
Total capital assets, being depreciated	6,853,890	660,790	(30,862)	7,483,818
Less accumulated depreciation for:				
Buildings	(456,870)	(89,441)	-	(546,311)
Improvements other than buildings	(705,980)	(77,048)	-	(783,028)
Equipment	<u>(377,621)</u>	<u>(24,077)</u>	<u>24,714</u>	<u>(376,984)</u>
Total accumulated depreciation	<u>(1,540,471)</u>	<u>(190,566)</u>	<u>24,714</u>	<u>(1,706,323)</u>
Total capital assets, being depreciated, net	<u>5,313,419</u>	<u>470,224</u>	<u>(6,148)</u>	<u>5,777,495</u>
Governmental activities				
Capital assets, net	<u>\$ <u>6,740,157</u></u>	<u>\$ <u>470,224</u></u>	<u>\$ <u>(6,148)</u></u>	<u>\$ <u>7,204,233</u></u>

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

8. Capital Assets (Continued)

	Balance October 1, 2014	Increases	Decreases	Balance September 30, 2015
<u>Business-type activities:</u>				
Capital assets, being depreciated:				
Improvements other than buildings	\$ 328,132	\$ 16,744	\$ -	\$ 344,876
Total capital assets, being depreciated	328,132	16,744	-	344,876
Less accumulated depreciation for:				
Improvements other than buildings	(302,301)	(4,892)	-	(307,193)
Total accumulated depreciation	(302,301)	(4,892)	-	(307,193)
Total capital assets, being depreciated, net	25,831	11,852	-	37,683
Business-type activities capital assets, net	<u>\$ 25,831</u>	<u>\$ 11,852</u>	<u>\$ -</u>	<u>\$ 37,683</u>

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

8. Capital Assets (Continued)

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

Governmental activities:	
General government	\$ 148,252
Public safety	-
Physical environment	26,547
Culture and recreation	<u>15,767</u>
Total depreciation expenses - governmental activities	\$ <u><u>190,566</u></u>
Business-type activities:	
Marina	\$ <u>4,892</u>
Total depreciation expense - business-type activities	\$ <u><u>4,892</u></u>

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, life, building and contents, employee bonds, mobile property, flood, windstorm 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, 2015

10. Long-Term Debt

Changes in long-term liabilities

Long-term liability activity for the fiscal year ended September 30, 2015 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	\$ 80,250	\$ 51,057	\$ 55,127	\$ 76,180	4,070
Revenue note	1,800,000	-	160,000	1,640,000	160,000
Other post-employment benefits (OPEB)	<u>2,701</u>	<u>-</u>	<u>-</u>	<u>2,701</u>	<u>-</u>
Governmental activity long-term liabilities	<u>\$ 1,882,951</u>	<u>\$ 51,057</u>	<u>\$ 215,127</u>	<u>\$ 1,718,881</u>	<u>\$ 164,070</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, 2015

10. Long-Term Debt (Continued)

Debt service requirements to maturity are as follows:

	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2016	\$ 160,000	\$ 59,593
2017	160,000	53,558
2018	160,000	47,523
2019	160,000	41,488
2020	160,000	35,335
2021 - 2025	800,000	84,420
2026	<u>40,000</u>	<u>2,821</u>
	<u>\$ 1,640,000</u>	<u>\$ 324,738</u>

Revenue note balance as of September 30, 2015 was \$1,640,000.

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, 2015, as shown in the following table:

<u>Enterprise Fund</u>	<u>Administrative Costs Allocated</u>
Marina	\$ <u>17,672</u>

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

12. Fund Balance/Net Position Policy

Restricted

Restricted represents the amount that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), service/contractual agreement, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. This may be budgeted and reported in either the General Fund or the Capital Projects Fund. Reserved fund balances indicate those portions of fund balances that are legally segregated for a specific use or not available for appropriation or expenditure.

Committed

Commitment may be made for such purposes as, (a) major maintenance and repair projects; (b) meeting future obligations resulting from a natural disaster; (c) accumulating resources pursuant to stabilization arrangements; (d) establishing reserves for disasters; and/or (e) for setting aside amounts for specific projects.

As of August 31, 2011, there is a committed fund balance in the General Fund, per Resolution 2008-04 approved by City Council to cover emergency purchases arising from catastrophic events such as hurricanes and other destructive natural disaster.

Assigned

Assigned may or may not be appropriated for expenditures during the budget process and in the subsequent year depending on the timing of the project/reserve for which it was assigned. This reflects management's (City Manager, Committee or Department Head) intended use of resources and does not need further action by City Council.

Non-Spendable

Non-spendable is established to report items that are not expected to be converted to cash such as inventory and prepaid items; items not currently in cash form such as the long-term amount of loans and notes receivable as well as property acquired for resale; and items legally or contractually required to be maintained intact such as the corpus (or principal) of a permanent fund.

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

12. Fund Balance/Net Position Policy (Continued):

Minimum Level of Unassigned Fund Balance

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

If, after the annual audit, prior committed or assigned fund balance causes the unassigned fund balance to fall below 20% of general fund operating expenditures, the City Manager will so advise City Council in order for the necessary action to be taken to restore the unassigned fund balance to at least 20% of General Fund operating expenditures.

The City Manager and Finance Officer will prepare and submit a plan for committed and/or assigned fund balance reduction, expenditure reduction and/or revenue increase to City Council. The City shall take action necessary to restore the unassigned fund balance to acceptable levels within two years.

13. Committed Fund Balances

Whenever necessary, the City Council hereby establishes the following committed fund balance:

- a) Disaster Committed Fund Balance - The disaster fund balance will be committed by City Council and will be reviewed periodically and included in the annual budget process to ensure the maintenance of services to the public during disaster situations such as, but not limited to, hurricanes.
- b) Environmental Initiative Committed Fund Balance - The environmental initiative fund balance will be committed by City Council to be reviewed periodically and included in the annual budget process to ensure services are available to address environmental damage.
- c) Insurance Deductible Committed Fund Balance - The insurance deductible fund balance will be committed by City Council, reviewed periodically and included in the annual budget process to ensure coverage of the City's deductible on its insured properties and equipment.

Assigned Fund Balance - The assigned fund balance with the details will be reviewed and updated periodically and included in the annual budget process.

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

13. Committed Fund Balances (Continued)

Details of constraints on fund balances of governmental funds:

	<u>General Fund</u>	<u>Capital Project Fund</u>	<u>Total</u>
Fund balances:			
Nonspendable:			
Prepays	\$ 10,763	\$ -	\$ 10,763
Committed to:			
Contingencies	840,000	-	840,000
Unassigned:	<u>3,161,321</u>	<u>873,480</u>	<u>4,034,801</u>
Total fund balances	<u>\$ 4,012,084</u>	<u>\$ 873,480</u>	<u>\$ 4,885,564</u>

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, 2015.

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

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, 2015, and is not, therefore, subject to the program compliance audit by the grantee under the Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations".

As of October 2012 the City had a three year cancelable operations lease for the copier equipment. Lease expense during the year ended September 30, 2015 was \$4,274.

The City has not entered into any operating leases with scheduled rent increases as of September 30, 2015.

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

16. Employee Retirement Systems

The City maintains a defined contribution 401(a) plan which covers the City's general employees hired on or after January 1, 1996. General employees hired prior to January 1, 1996 participate in the Florida Retirement System (System), a 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, 2015

16. Employee Retirement Systems (Continued)

The five classes of members are as follows:

1. *Regular Class* - Members of the FRS who do not qualify for membership in the other classes.
2. *Senior Management Service Class (SMSC)* - Members in senior management level positions in state and local governments as well as assistant state attorneys, assistant statewide prosecutors, assistant public defenders, assistant attorneys general, deputy court administrators, assistant capital collateral representatives, and judges of compensation claims. Members of the Elected Officers' Class may elect to withdraw from the FRS or participate in the SMSC in lieu of the Elected Officers' Class.
3. *Special Risk Class* - Members who are employed as law enforcement officers, firefighters, firefighter trainers, fire prevention officers, state fixed-wing pilots for aerial firefighting surveillance, correctional officers, emergency medical technicians, paramedics, community-based correctional probation officers, youth custody officers (from July 1, 2001, through June 30, 2014), certain health-care related positions within state forensic or correctional facilities, or specified forensic employees of a medical examiner's office or a law enforcement agency, and meet the criteria to qualify for this class.
4. *Special Risk Administrative Support Class* - Former Special Risk Class members who are transferred or reassigned to nonspecial risk, law enforcement, firefighting, emergency medical care, or correctional administrative support positions within an FRS special risk-employing agency.
5. *Elected Officers Class (EOC)* - Members who are elected state and county officers, firefighters, and the elected officers of cities and special districts that choose to place their elected officials in this class.

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

16. Employee Retirement Systems (Continued)

Beginning July 1, 2001, through June 30, 2011, the FRS Pension Plan provided for vesting benefits after six-years of creditable service for members initially enrolled during this period. Members not actively working in a position covered by the FRS on July 1, 2001 must return to covered employment for up to one work year to be eligible to vest with less service than was required under the law in effect before July 1, 2001. Members initially enrolled on or after July 1, 2011, vest after eight years of creditable service. Members are eligible for normal retirement when they have met the requirements listed below. Early retirement may be taken any time after vesting within 20 years of normal retirement age; however, there is a 5 percent benefit reduction for each year prior to the normal retirement age.

Regular Class, Senior Management Service Class, and Elected Officers' Class Members - For members initially enrolled in the FRS before July 1, 2011, six or more years of creditable service and age 62, or the age after completing six years of creditable service if after age 62. Thirty years of creditable service regardless of age before age 62.

For members initially enrolled in the FRS on or after July 1, 2011, eight or more years of creditable service and age 65, or the age after completing eight years of creditable service if after age 65. Thirty-three years of creditable service regardless of age before age 65.

Special Risk Class and Special Risk Administrative Support Class Members - For members initially enrolled in the FRS before July 1, 2011, six or more years of Special Risk Class service and age 55, or the age after completing six years of Special Risk Class service if after age 55. Twenty-five years of special risk service regardless of age before age 55. A total of 25 years of service including special risk service and up to four years of active duty wartime service and age 52. Without six years of Special Risk Class service, members of the Special Risk Administrative Support Class must meet the requirements of the Regular Class.

For members initially enrolled in the FRS or after July 1, 2011, eight or more years of Special Risk Class service and age 60, or the age after completing eight years of Special Risk Class service if after age 60. Thirty years of special risk service regardless of age before age 60. Without eight years of Special Risk Class service, members of the Special Risk Administrative Support Class must meet the requirements of the Regular Class.

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

16. Employee Retirement Systems (Continued)

Per State Statutes, contribution requirements of the active employees and the participating employers are established and may be amended by the FRS Board. Employees are required to contribute 3.00 percent of their annual pay. The City’s contractually required contribution rates for the year ended June 30, 2015 and September 30, 2015 , was 7.37 and 7.26 percent, respectively, of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the City were \$3,535 for the year ended September 30, 2015.

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, 2015	Employer Contribution Rates Beginning July 1, 2015
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.	7.37% of covered payroll	7.26% of covered payroll
Drop from FRS	-	-	12.28% of covered payroll	12.88% of covered payroll

Participants in FRS contribute 3% of salary.

The City’s contributions include 1.26% for a post-retirement health insurance subsidy.

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

16. Employee Retirement Systems (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 DROP interest rate is reduced to 1.3% for members who enter DROP on or after 7/1/11.) 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 4.42% 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, 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
September 30, 2010	4,558	100.0
September 30, 2011	4,351	100.0
September 30, 2012	3,604	100.0
September 30, 2013	4,006	100.0
September 30, 2014	3,335	100.0
September 30, 2015	3,535	100.0

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

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

Florida Retirement System (Continued)

Funding Policy (Continued):

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2015, the City reported a liability of \$15,405 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating governments, actuarially determined. At June 30, 2015, the City's proportion was .000119 percent, which was the same as of June 30, 2014.

For the year ended September 30, 2015, the City recognized pension expense of \$686. For the year ended September 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 15,864	\$ (366)
Changes in assumptions	1,023	-
Net difference between projected and actual earnings on pension plan investments	5,426	(9,105)
Changes in proportion and difference between City's contributions and proportionate share of contributions	101	(1,867)
City contributions subsequent to the measurement date	<u>721</u>	<u>-</u>
Total	<u>\$ 23,135</u>	<u>(11,338)</u>

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

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

Florida Retirement System (Continued)

Funding Policy (Continued):

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

\$721 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended June 30:		
2016	\$	(186)
2017		(186)
2018		(186)
2019		(186)
2020		(186)
Thereafter		(789)

Actuarial Assumptions. The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary increases	3.25 percent, average, including inflation
Investment rate of return	7.65 percent, net of pension plan investment expense, including inflation
Discount rate of return	7.65 percent

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale BB.

The actuarial assumptions used in the June 30, 2015 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2008 - June 30, 2013.

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

16. Employee Retirement Systems (Continued)

Florida Retirement System (Continued)

Funding Policy (Continued):

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and
Deferred Inflows of Resources Related to Pensions (Continued)**

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in October 2015 the FRS Actuarial Assumptions conference reviewed long-term assumptions developed by both Milliman's capital market assumptions team and by a capital market assumptions team from Aon Hewitt Investment Consulting, which consults to the Florida State Board of Administration. The table below shows Milliman's assumptions for each of the asset classes in which the plan invested at that time based on the long-term target asset allocation. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead on a forward-looking capital market economic model.

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1%	3.2%	3.1%	1.7%
Fixed income	18%	4.8%	4.7%	4.7%
Global equity	53%	8.5%	7.2%	17.7%
Real estate (property)	10%	6.8%	6.2%	12.0%
Private equity	6%	11.9%	8.2%	30.0%
Strategic investments	12%	6.7%	6.1%	11.4%
Assumed Inflation - Mean		2.6%		1.9%

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

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

Florida Retirement System (Continued)

Funding Policy (Continued):

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Discount rate. The discount rate used to measure the total pension liability was 7.65 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from the City will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods for projected benefit payments to determine the total pension liability.

Sensitivity of the City's proportionate shares of the net pension liability to changes in the discount rate. The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.65 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.65 percent) or 1-percentage-point higher (8.65 percent) than the current rate:

	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)
City's proportionate share of the net pension liability	\$ <u>39,899</u>	\$ <u>15,406</u>	\$ <u>(4,994)</u>

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

16. Employee Retirement Systems (Continued)

Florida Retirement System (Continued)

Funding Policy (Continued):

Deferred Retirement Option Program (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, 2015 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 ninety days 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.

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

16. Employee Retirement Systems (Continued)

Employees' 401(a) Fund (Continued)

The City's total payroll in fiscal year 2015 was \$413,124. The City's contributions were calculated using the participants' salary amount of \$330,320. The City made the required contributions summarized as follows:

	<u>Contribution Amount</u>	<u>Percentage of Current Covered Payroll</u>
Required:		
City	\$ 33,032	10.0 %
Forfeitures applied	<u>-</u>	<u>-</u>
Total contributions	<u>\$ 33,032</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.

Resolution 2012-06 amended the eligibility period from one year to ninety days.

The plan has not issued an audited stand-alone financial report for the year ended September 30, 2015.

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

17. 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.

18. Post-Employment Health Care 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.

GASB Statement No. 45: *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* (OPEB), established new accounting standards for postretirement benefits. The new standard does not require funding of OPEB expense, but any difference between the annual required contribution (ARC) and the amount funded during the year is required to be recorded in the employer's financial statement as an increase (or decrease) in the net OPEB obligation. The effective date for implementation of GASB 45 by the City of Belleair Beach is October 1, 2008.

Plan Description and Funding Policy

Employees who retire from the City of Belleair Beach (City), and eligible dependents and survivors, are eligible to continue to participate in the City's health insurance programs at the "blended" employee group rate which is determined annually by the City and approved by the City Council. Retirees have 31 days to elect to enroll in the City's health insurance plan in which they were participating at the time of retirement unless otherwise stated in a plan document or collective bargaining agreement. As of September 30, 2015, there were no eligible retirees and dependents participating in the City's health program.

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

18. Post-Employment Health Care Benefits

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

Annual OPEB Cost and Net OPEB Obligation

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

	Annual OPEB Cost	
	<u>9/30/13</u>	<u>9/30/12</u>
Annual required contribution (ARC)	\$ 734	\$ 1,981
Interest on net OPEB obligation	79	-
Adjustment to ARC	<u>(93)</u>	<u>-</u>
Annual OPEB cost	720	1,981
Contributions made (pay-as-you-go basis)	<u>-</u>	<u>-</u>
Increase in net OPEB obligation	720	1,981
Net OPEB obligation, beginning of year	<u>1,981</u>	<u>-</u>
Net OPEB obligation, end of year	<u>\$ 2,701</u>	<u>\$ 1,981</u>

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

19. Recently Issued and Implemented Accounting Pronouncements

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

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

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

CITY OF BELLEAIR BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

20. **Restatement of Beginning Net Position**

Statement No. 68 of the Governmental Accounting Standards Board, *Accounting and Financial Reporting for Pensions*, requires the net pension liability of the City's allocation of the Florida Retirement System to be reported as a liability in the Statement of Net Position. Accordingly, the beginning net position as of October 1, 2014 has been restated as follows:

Statement of Net Position	<u>Governmental Activities</u>
Beginning Net Position as previously reported	\$ 9,730,205
Deduct: Net Pension Liability, 9/30/14	(7,230)
Add: Deferred outflows, 10/01/2014	<u>772</u>
Beginning Net Position, restated	<u>\$ 9,723,747</u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BELLEAIR BEACH, FLORIDA

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE
OF THE FLORIDA RETIREMENT SYSTEM NET PENSION LIABILITY**

Last One Fiscal Year

	<u>September 30, 2015</u>
City's proportion of the net pension liability (asset)	.000119%
City's proportionate share of the net pension liability (asset)	\$ 15,405
City's covered employee payroll	48,158
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	31.98%
Plan fiduciary net position as a percentage of the total pension liability	41.92%

CITY OF BELLEAIR BEACH, FLORIDA

**SCHEDULE OF THE CITY'S CONTRIBUTIONS
TO THE FLORIDA RETIREMENT SYSTEM**

Last One Fiscal Year

	<u>September 30, 2015</u>
Contractual required contribution	\$ 3,535
Contributions in relation to the contractually required contribution	<u>3,535</u>
Contribution deficiency (excess)	<u><u>\$ -</u></u>
City's covered employee payroll	\$ 48,158
Contributions as a percentage of covered-employee payroll	7.34%

CITY OF BELLEAIR BEACH, FLORIDA

SCHEDULE OF THE FUNDED STATUS AND FUNDING PROGRESS
OF THE CITY'S OPEB OBLIGATION

The funded status of the plan as of October 1, 2014 and 2013, was as follows:

	Funded Status	
	<u>9/30/13</u>	<u>9/30/12</u>
Actuarial accrued liability	\$ 4,465	\$ 7,245
Actuarial value of plan assets	<u>-</u>	<u>-</u>
Unfunded actuarial accrued liability	<u>\$ 4,465</u>	<u>\$ 7,245</u>
Funded ratio	<u>0%</u>	<u>0%</u>
Covered payroll	<u>N/A</u>	<u>N/A</u>
Unfunded actuarial accrued liability as a percentage of covered payroll	<u>N/A</u>	<u>N/A</u>

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the status of the plan and the annual required contributions of the City are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information in the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

INDIVIDUAL FUND
FINANCIAL STATEMENTS
AND SCHEDULES

ENTERPRISE FUND

CITY OF BELLEAIR BEACH, FLORIDA

MARINA FUND

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	<u>ORIGINAL AND FINAL BUDGETED AMOUNTS</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)</u>
Operating Revenues:			
Service charges	\$ 47,453	\$ 57,535	\$ 10,082
Operating Expenses:			
Materials and supplies	38,972	24,620	14,352
Utilities	3,700	3,522	178
Depreciation	<u>5,160</u>	<u>4,892</u>	<u>268</u>
Total Operating Expenses	<u>47,832</u>	<u>33,034</u>	<u>14,798</u>
Operating Income	(379)	24,501	24,880
Nonoperating Revenues:			
Interest revenue	<u>379</u>	<u>607</u>	<u>228</u>
Total Nonoperating Revenues	<u>379</u>	<u>607</u>	<u>228</u>
Change in Net Position	-	25,108	25,108
Net Position - Beginning of Year	<u>233,785</u>	<u>233,785</u>	-
Net Position - End of Year	<u>\$ 233,785</u>	<u>\$ 258,893</u>	<u>\$ 25,108</u>

CAPITAL ASSETS
USED IN THE OPERATIONS
OF GOVERNMENTAL FUNDS

CITY OF BELLEAIR BEACH, FLORIDA

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

SEPTEMBER 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Governmental Funds Capital Assets:		
Land	\$ 1,426,738	\$ 1,426,738
Buildings	4,101,928	4,098,930
Improvements other than buildings	2,881,695	2,239,657
Equipment	<u>500,195</u>	<u>515,303</u>
Total Governmental Funds Capital Assets	<u>\$ 8,910,556</u>	<u>\$ 8,280,628</u>
Governmental Funds Capital Assets by Source:		
General Fund revenues	\$ 8,380,841	\$ 7,750,913
Federal revenue sharing entitlements	57,906	57,906
Donations	55,500	55,500
Grants	<u>416,309</u>	<u>416,309</u>
Total Governmental Funds Capital Assets	<u>\$ 8,910,556</u>	<u>\$ 8,280,628</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, 2015 AND 2014

2015					
Function and Activity	Total	Land	Buildings	Improvements Other Than Buildings	Equipment
General Government:					
Control:					
Administrative	\$ 8,431,293	\$ 1,426,738	\$ 4,101,928	\$ 2,881,695	\$ 20,932
Executive	15,520	-	-	-	15,520
Legislative	<u>54,942</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,942</u>
Total General Government	8,501,755	1,426,738	4,101,928	2,881,695	91,394
Public Safety:					
Police protection	754	-	-	-	754
Public Works	91,121	-	-	-	91,121
Recreation	<u>316,926</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>316,926</u>
Total Governmental Funds					
Capital Assets	<u>\$ 8,910,556</u>	<u>\$ 1,426,738</u>	<u>\$ 4,101,928</u>	<u>\$ 2,881,695</u>	<u>\$ 500,195</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, 2015 AND 2014

2014					
Function and Activity	Total	Land	Buildings	Improvements Other Than Buildings	Equipment
General Government:					
Control:					
Administrative	\$ 7,793,767	\$ 1,426,738	\$ 4,098,930	\$ 2,239,657	\$ 28,442
Executive	25,629	-	-	-	25,629
Legislative	<u>54,942</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,942</u>
Total General Government	7,874,338	1,426,738	4,098,930	2,239,657	109,013
Public Safety:					
Police protection	754	-	-	-	754
Public Works					
	97,020	-	-	-	97,020
Recreation					
	<u>308,516</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>308,516</u>
Total Governmental Funds					
Capital Assets	<u>\$ 8,280,628</u>	<u>\$ 1,426,738</u>	<u>\$ 4,098,930</u>	<u>\$ 2,239,657</u>	<u>\$ 515,303</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
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY⁽¹⁾

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

Function and Activity	Governmental Fund Capital Assets October 1, 2014			Additions	Deductions	Governmental Fund Capital Assets September 30, 2015
General Government:						
Control:						
Administrative	\$ 7,793,767	\$ 645,036	\$ 7,510	\$ 8,431,293		
Executive	25,629	-	10,109	15,520		
Legislative	<u>54,942</u>	<u>-</u>	<u>-</u>	<u>54,942</u>		
Total General Government	7,874,338	645,036	17,619	8,501,755		
Public Safety:						
Police protection	754	-	-	754		
Public Works	97,020	-	5,899	91,121		
Recreation	<u>308,516</u>	<u>15,754</u>	<u>7,344</u>	<u>316,926</u>		
Total Governmental Funds Capital Assets	<u>\$ 8,280,628</u>	<u>\$ 660,790</u>	<u>\$ 30,862</u>	<u>\$ 8,910,556</u>		

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

STATISTICAL SECTION

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	82
<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	94
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
Debt Capacity	100
<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	105
<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	107
<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.

FINANCIAL TRENDS

CITY OF BELLEAIR BEACH, FLORIDA

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS⁽¹⁾
 (accrual basis of accounting)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental activities:										
Net investment in capital assets:										
Restricted	\$ 5,114,233	\$ 4,940,157	\$ 4,819,447	\$ 4,815,617	\$ 4,763,065	\$ 4,722,478	\$ 4,587,744	\$ 3,139,937	\$ 2,559,896	\$ 2,464,996
Unrestricted	-	-	-	-	-	-	-	3,901,365	4,356,488	3,545,830
Total governmental activities net position	<u>\$ 5,238,500</u>	<u>\$ 4,790,048</u>	<u>\$ 4,590,761</u>	<u>\$ 4,368,877</u>	<u>\$ 4,255,462</u>	<u>\$ 4,127,774</u>	<u>\$ 4,043,190</u>	<u>\$ 1,182,201</u>	<u>\$ 454,279</u>	<u>\$ 262,133</u>
Business-type activities:										
Net investment in capital assets:										
Unrestricted	\$ 37,683	\$ 25,831	\$ 35,240	\$ 44,694	\$ 57,108	\$ 60,135	\$ 73,888	\$ 84,076	\$ 86,445	\$ 98,945
Total business-type activities net position	<u>\$ 221,210</u>	<u>\$ 207,954</u>	<u>\$ 196,227</u>	<u>\$ 183,022</u>	<u>\$ 168,879</u>	<u>\$ 162,100</u>	<u>\$ 151,614</u>	<u>\$ 130,888</u>	<u>\$ 116,821</u>	<u>\$ 105,087</u>
Primary government:										
Net investment in capital assets:										
Restricted	\$ 5,151,916	\$ 4,965,988	\$ 4,854,687	\$ 4,860,311	\$ 4,820,173	\$ 4,782,613	\$ 4,661,632	\$ 3,224,013	\$ 2,646,341	\$ 2,563,941
Unrestricted	-	-	-	-	-	-	-	3,901,365	4,356,488	3,545,830
Total primary government net position	<u>\$ 5,459,710</u>	<u>\$ 4,998,002</u>	<u>\$ 4,786,988</u>	<u>\$ 4,551,899</u>	<u>\$ 4,424,521</u>	<u>\$ 4,289,874</u>	<u>\$ 4,194,804</u>	<u>\$ 1,313,089</u>	<u>\$ 571,100</u>	<u>\$ 367,220</u>
Total primary government net position	<u>\$ 10,611,626</u>	<u>\$ 9,963,990</u>	<u>\$ 9,641,675</u>	<u>\$ 9,412,210</u>	<u>\$ 9,244,694</u>	<u>\$ 9,072,487</u>	<u>\$ 8,856,436</u>	<u>\$ 8,438,467</u>	<u>\$ 7,573,929</u>	<u>\$ 6,476,991</u>

CITY OF BELLEAIR BEACH, FLORIDA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS⁽¹⁾
(accrual basis of accounting)

EXPENSES	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental Activities:										
General government	\$ 684,320	\$ 488,624	\$ 591,967	\$ 583,354	\$ 583,919	\$ 501,968	\$ 313,594	\$ 195,665	\$ 390,901	\$ 360,528
Public safety	454,371	438,853	435,287	445,486	443,474	431,952	419,268	417,458	490,816	584,333
Physical environment	682,547	803,110	599,649	602,300	549,682	553,091	574,679	560,193	557,199	497,346
Transportation	-	-	17,279	11,585	12,212	136,755	217,185	262,146	137,129	311,106
Culture and recreation	15,595	43,711	36,196	39,198	35,074	37,074	36,168	20,384	26,081	24,144
Interest on long-term debt	63,306	69,258	75,429	80,661	84,564	92,144	101,843	107,042	109,479	44,308
Total governmental activities expenses	1,900,139	1,843,556	1,755,807	1,762,584	1,708,925	1,752,984	1,662,737	1,562,888	1,711,605	1,821,765
Business-type activities:										
Marina	33,034	47,190	51,109	52,763	50,982	58,908	50,034	49,528	59,659	59,693
Total business-type activities expenses	33,034	47,190	51,109	52,763	50,982	58,908	50,034	49,528	59,659	59,693
Total primary government expenses	\$ 1,933,173	\$ 1,890,746	\$ 1,806,916	\$ 1,815,347	\$ 1,759,907	\$ 1,811,892	\$ 1,712,771	\$ 1,612,416	\$ 1,771,264	\$ 1,881,458
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
Solid Waste	\$ 346,095	\$ 334,599	\$ 331,772	\$ 325,513	\$ 320,743	\$ 288,623	\$ 265,995	\$ 266,875	\$ 258,681	\$ -
Administrative Fees	76,789	73,875	74,989	90,751	60,471	52,274	55,106	59,322	92,191	361,931
Operating grants and contributions	1,200	1,201	1,198	5,439	2,417	-	1,922	100,000	96,000	1,726
Total governmental activities program revenues	424,084	409,675	407,959	421,703	383,631	340,897	323,023	426,197	446,872	363,657
Business-type activities:										
Charges for services:										
Marina	57,535	48,955	51,109	53,538	53,300	53,660	57,548	58,368	54,611	46,256
Total business-type activities revenues	57,535	48,955	51,109	53,538	53,300	53,660	57,548	58,368	54,611	46,256
Total primary government program revenues	\$ 481,619	\$ 458,630	\$ 459,068	\$ 475,241	\$ 436,931	\$ 394,557	\$ 380,571	\$ 484,565	\$ 501,483	\$ 409,913
Net Revenue/(Expense)										
Governmental activities	\$ (1,476,055)	\$ (1,433,881)	\$ (1,347,848)	\$ (1,340,881)	\$ (1,325,294)	\$ (1,412,087)	\$ (1,339,714)	\$ (1,136,691)	\$ (1,264,733)	\$ (1,022,467)
Business-type activities	24,501	1,765	2,882	775	2,318	(5,248)	7,514	8,840	(5,048)	(53,420)
Total primary government net expense	\$ (1,451,554)	\$ (1,432,116)	\$ (1,344,966)	\$ (1,340,106)	\$ (1,322,976)	\$ (1,417,335)	\$ (1,332,200)	\$ (1,127,851)	\$ (1,269,781)	\$ (1,075,887)

CITY OF BELLEAIR BEACH, FLORIDA

CHANGES IN NET POSITION
 LAST TEN FISCAL YEARS⁽¹⁾
 (accrual basis of accounting)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes:										
Property taxes	\$ 843,286	\$ 783,665	\$ 741,269	\$ 734,011	\$ 711,981	\$ 768,538	\$ 911,776	\$ 1,021,943	\$ 1,165,311	\$ 977,480
Franchise fees	167,080	168,469	150,040	154,559	166,415	180,420	164,765	146,165	152,068	150,551
Sales taxes	244,972	227,014	216,612	206,577	196,877	212,810	265,551	286,035	300,874	315,005
Other taxes	772,722	521,486	344,195	327,205	339,537	350,912	331,363	313,270	322,628	341,696
State revenue sharing	43,889	39,733	42,905	42,569	42,273	42,091	41,889	42,630	43,608	43,230
Investment earnings	22,952	9,162	25,210	35,011	32,479	59,254	25,427	159,666	365,983	226,842
Miscellaneous	10,140	4,349	53,331	6,736	4,187	17,380	6,374	19,822	11,965	19,012
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>2,105,041</u>	<u>1,753,878</u>	<u>1,573,562</u>	<u>1,506,668</u>	<u>1,493,749</u>	<u>1,631,405</u>	<u>1,747,145</u>	<u>1,989,531</u>	<u>2,362,437</u>	<u>2,073,816</u>
Business-type activities:										
Investment earnings	607	553	869	954	1,434	1,981	3,024	2,858	4,282	3,678
Transfers	-	-	-	-	-	-	-	-	-	-
Gain on sale of assts	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>607</u>	<u>553</u>	<u>869</u>	<u>954</u>	<u>1,434</u>	<u>1,981</u>	<u>3,024</u>	<u>2,858</u>	<u>4,282</u>	<u>3,678</u>
Total primary government	<u>\$ 2,105,648</u>	<u>\$ 1,754,431</u>	<u>\$ 1,574,431</u>	<u>\$ 1,507,622</u>	<u>\$ 1,495,183</u>	<u>\$ 1,633,386</u>	<u>\$ 1,750,169</u>	<u>\$ 1,992,389</u>	<u>\$ 2,366,719</u>	<u>\$ 2,077,494</u>
CHANGE IN NET POSITION										
Governmental activities:	\$ 628,986	\$ 319,997	\$ 225,714	\$ 165,787	\$ 168,455	\$ 340,897	\$ 407,431	\$ 852,840	\$ 1,097,704	\$ 615,708
Business-type activities	<u>25,108</u>	<u>2,318</u>	<u>3,751</u>	<u>1,729</u>	<u>3,752</u>	<u>53,660</u>	<u>10,538</u>	<u>11,698</u>	<u>(766)</u>	<u>(9,759)</u>
Total primary government	<u>\$ 654,094</u>	<u>\$ 322,315</u>	<u>\$ 229,465</u>	<u>\$ 167,516</u>	<u>\$ 172,207</u>	<u>\$ 394,557</u>	<u>\$ 417,969</u>	<u>\$ 864,538</u>	<u>\$ 1,096,938</u>	<u>\$ 605,949</u>

CITY OF BELLEAIR BEACH, FLORIDA

PROGRAM REVENUES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS⁽¹⁾

(accrual basis of accounting)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
FUNCTION/PROGRAM										
Governmental activities:										
General government	\$ 63,989	\$ 55,712	\$ 63,421	\$ 75,562	\$ 38,662	\$ 29,209	\$ 34,092	\$ 22,218	\$ 8,024	\$ 10,636
Public safety	12,632	17,857	10,754	14,641	21,216	19,606	11,000	16,233	43,167	77,819
Physical environment	346,095	334,599	331,772	325,513	320,743	288,623	274,656	277,661	289,144	258,721
Transportation	-	-	398	168	231	3,068	1,255	7,519	10,052	16,088
Culture and recreation	<u>168</u>	<u>306</u>	<u>416</u>	<u>380</u>	<u>362</u>	<u>391</u>	<u>98</u>	<u>2,566</u>	<u>485</u>	<u>393</u>
Subtotal general governmental activities	<u>422,884</u>	<u>408,474</u>	<u>406,761</u>	<u>416,264</u>	<u>381,214</u>	<u>340,897</u>	<u>321,101</u>	<u>326,197</u>	<u>350,872</u>	<u>363,657</u>
Business-type activities:										
Marina	<u>57,535</u>	<u>48,955</u>	<u>53,991</u>	<u>53,538</u>	<u>53,300</u>	<u>53,660</u>	<u>57,548</u>	<u>58,368</u>	<u>54,611</u>	<u>46,256</u>
Total business-type activities	<u>57,535</u>	<u>48,955</u>	<u>53,991</u>	<u>53,538</u>	<u>53,300</u>	<u>53,660</u>	<u>57,548</u>	<u>58,368</u>	<u>54,611</u>	<u>46,256</u>
Total primary government	<u>\$ 480,419</u>	<u>\$ 457,429</u>	<u>\$ 460,752</u>	<u>\$ 469,802</u>	<u>\$ 434,514</u>	<u>\$ 394,557</u>	<u>\$ 378,649</u>	<u>\$ 384,565</u>	<u>\$ 405,483</u>	<u>\$ 409,913</u>

CITY OF BELLEAIR BEACH, FLORIDA

GENERAL GOVERNMENTAL REVENUES BY SOURCE⁽¹⁾

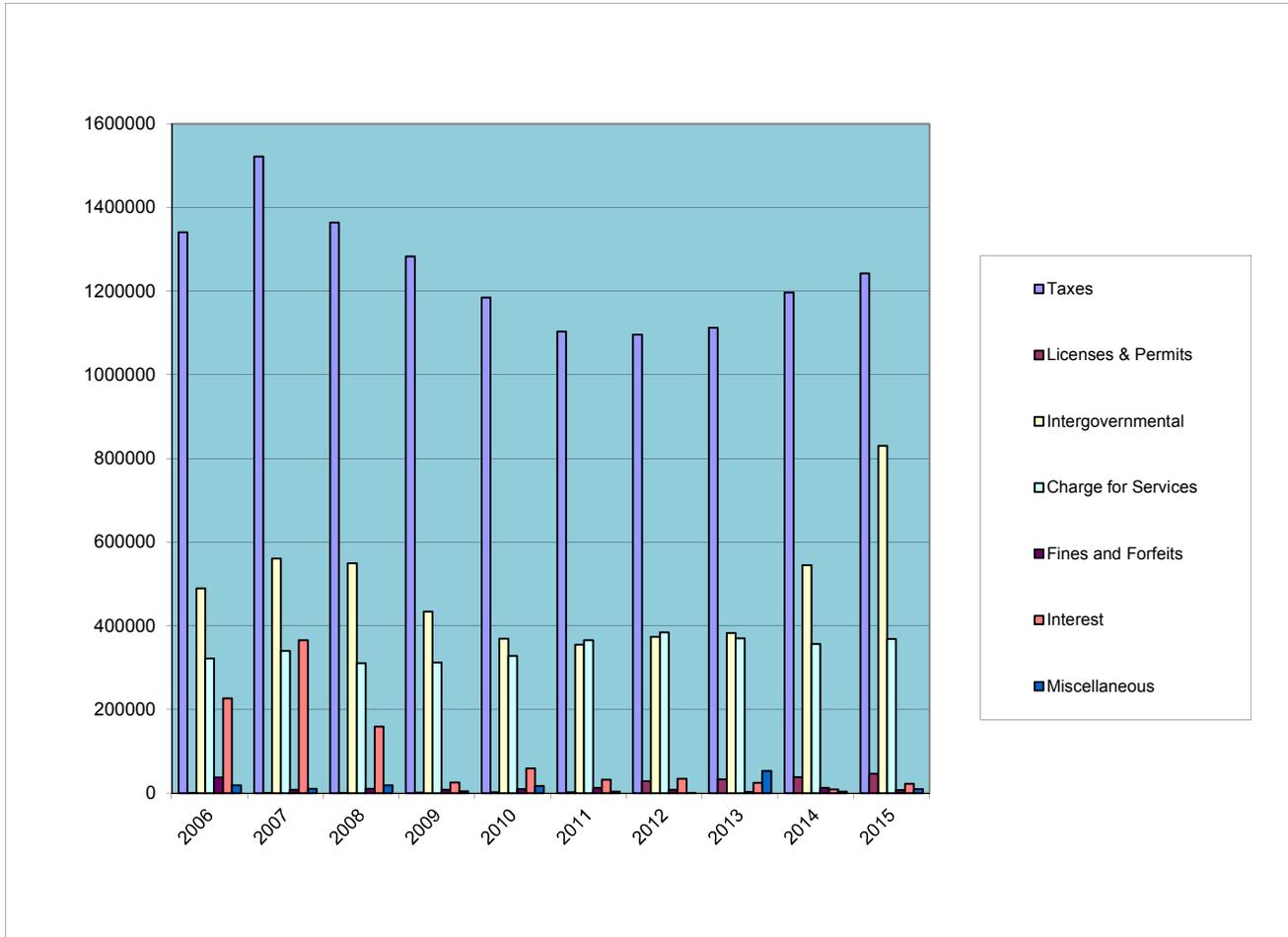
<u>Fiscal Year</u>	<u>Taxes</u>	<u>Licenses and Permits</u>	<u>Intergovernmental</u>	<u>Charge for Services</u>	<u>Fines and Forfeits</u>	<u>Interest</u>	<u>Miscellaneous</u>	<u>Total</u>
2006	\$ 1,340,927	\$ 1,190	\$ 489,760	\$ 322,332	\$ 37,410	\$ 226,842	\$ 19,012	\$ 2,437,473
2007	1,521,709	875	560,765	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
2010	1,185,158	2,500	369,613	328,482	9,915	59,254	17,380	1,972,302
2011	1,103,922	2,719	355,578	365,672	12,823	32,479	4,187	1,877,380
2012	1,096,444	28,795	373,916	379,305	8,164	35,011	6,736	1,928,371
2013	1,112,869	33,264	383,350	370,205	3,292	25,210	53,331	1,981,521
2014	1,196,656	38,711	544,912	356,950	12,813	9,162	4,349	2,163,553
2015	1,242,786	46,514	830,363	368,649	7,721	22,952	10,140	2,529,125

GENERAL GOVERNMENTAL TAX REVENUE BY SOURCE⁽¹⁾

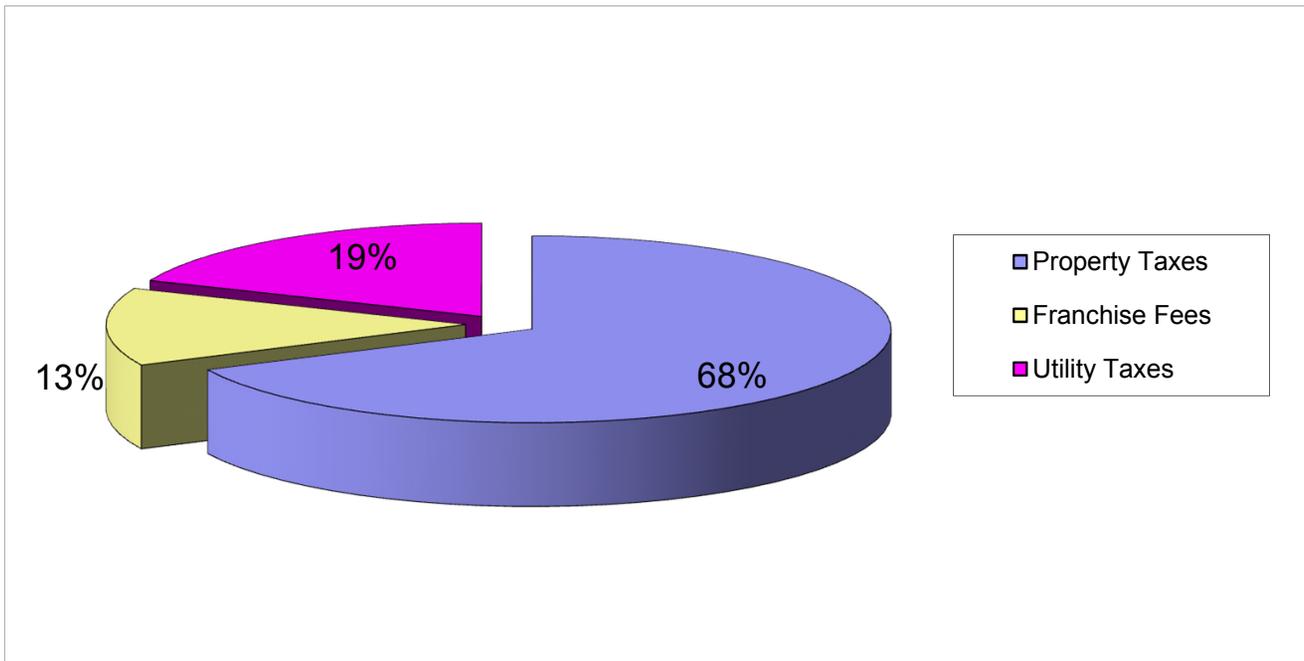
<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Franchise Fee</u>	<u>Utility Tax</u>	<u>Total</u>
2006	\$ 977,480	\$ 150,551	\$ 212,896	\$ 1,340,927
2007	1,165,311	152,068	204,330	1,521,709
2008	1,021,943	146,165	196,329	1,364,437
2009	911,776	164,765	206,315	1,282,856
2010	768,538	180,420	236,200	1,185,158
2011	711,981	166,415	225,526	1,103,922
2012	734,011	154,559	207,874	1,096,444
2013	741,269	150,040	221,560	1,112,869
2014	783,665	168,469	244,522	1,196,656
2015	843,286	167,080	232,420	1,242,786

⁽¹⁾ Includes general fund and capital projects fund.

CITY OF BELLEAIR BEACH, FLORIDA
GENERAL GOVERNMENTAL REVENUES BY SOURCE
Last Ten Fiscal Years



CITY OF BELLEAIR BEACH, FLORIDA
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
Fiscal Year Ended September 30, 2015



CITY OF BELLEAIR BEACH, FLORIDA

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Fund:										
Nonspendable	\$ 10,763	\$ 17,176	\$ 7,762	\$ 15,031	\$ 14,592	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	134	-	-	-	-	-
Committed	840,000	840,000	840,000	840,000	840,000	-	-	-	-	-
Assigned	-	-	-	-	6,442	14,498	167,935	125,967	322,751	119,806
Unassigned	<u>3,161,321</u>	<u>3,129,744</u>	<u>3,203,575</u>	<u>3,043,820</u>	<u>2,927,858</u>	<u>3,644,598</u>	<u>3,352,901</u>	<u>3,330,773</u>	<u>2,841,530</u>	<u>3,017,718</u>
Total general fund	\$ <u>4,012,084</u>	\$ <u>3,986,920</u>	\$ <u>4,051,337</u>	\$ <u>3,898,851</u>	\$ <u>3,789,026</u>	\$ <u>3,659,096</u>	\$ <u>3,520,836</u>	\$ <u>3,456,740</u>	\$ <u>3,164,281</u>	\$ <u>3,137,524</u>
All Other Governmental Funds:										
Restricted	\$ -	\$ -	\$ -	\$ -	2,597	\$ -	10,779	\$ -	3,515	\$ -
Assigned	-	-	49,000	-	-	-	-	-	-	-
Unassigned	<u>873,480</u>	<u>902,075</u>	<u>591,146</u>	<u>567,663</u>	<u>547,616</u>	<u>537,964</u>	<u>581,728</u>	<u>3,901,365</u>	<u>4,352,973</u>	<u>3,446,862</u>
Total all other governmental funds	\$ <u>873,480</u>	\$ <u>902,075</u>	\$ <u>640,146</u>	\$ <u>567,663</u>	\$ <u>547,616</u>	\$ <u>537,964</u>	\$ <u>581,728</u>	\$ <u>3,901,365</u>	\$ <u>4,352,973</u>	\$ <u>3,446,862</u>

CITY OF BELLEAIR BEACH, FLORIDA

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

REVENUES	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Taxes	\$ 1,242,786	\$ 1,196,656	\$ 1,112,869	\$ 1,096,444
Licenses, fees and permits	46,514	38,711	33,264	28,795
Intergovernmental	830,363	544,912	383,350	373,916
Charges for services	368,649	356,950	370,205	379,305
Fines and forfeits	7,721	12,813	3,292	8,164
Interest earnings	22,952	9,162	25,210	35,011
Miscellaneous	<u>10,140</u>	<u>4,349</u>	<u>53,331</u>	<u>6,736</u>
Total revenues	<u>2,529,125</u>	<u>2,163,553</u>	<u>1,981,521</u>	<u>1,928,371</u>
 EXPENDITURES				
General government	535,415	489,456	472,378	494,227
Public safety	454,371	438,765	435,136	445,335
Physical environment	1,302,460	780,482	575,203	581,239
Transportation			17,279	11,585
Culture and recreation	15,582	26,658	19,924	26,126
Debt service:				
Principal	160,000	160,000	160,000	160,000
Interest	<u>64,728</u>	<u>70,680</u>	<u>76,632</u>	<u>82,584</u>
Total expenditures	<u>2,532,556</u>	<u>1,966,041</u>	<u>1,756,552</u>	<u>1,801,096</u>
Excess of revenues over (under) expenditures	(3,431)	197,512	224,969	127,275
 OTHER FINANCING SOURCES (USES)				
Proceeds loan	-	-	-	-
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (3,431)</u>	<u>\$ 197,512</u>	<u>\$ 224,969</u>	<u>\$ 127,275</u>
Debt service as a percentage of noncapital expenditures	<u>10%</u>	<u>13%</u>	<u>15%</u>	<u>15%</u>

CITY OF BELLEAIR BEACH, FLORIDA

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$	1,103,922	\$ 1,185,158	\$ 1,282,856	\$ 1,364,437	\$ 1,521,709	\$ 1,340,927
	2,719	2,500	1,692	920	875	1,190
	355,578	369,613	434,318	549,727	560,765	489,760
	365,672	328,482	312,621	311,230	340,480	322,332
	12,823	9,915	8,572	10,846	8,408	37,410
	32,479	59,254	25,427	159,666	365,983	226,842
	4,187	17,380	4,682	18,902	11,089	19,012
	<u>1,877,380</u>	<u>1,972,302</u>	<u>2,070,168</u>	<u>2,415,728</u>	<u>2,809,309</u>	<u>2,437,473</u>
	464,941	498,225	3,838,389	872,724	407,238	416,466
	443,323	431,952	419,959	415,718	535,451	554,081
	547,066	550,581	567,678	561,814	554,707	491,839
	12,212	136,755	217,185	262,146	413,384	311,106
	19,123	17,419	16,948	198,053	24,823	17,876
	160,000	160,000	160,000	160,000	80,000	200,000
	88,536	93,653	101,845	108,173	107,323	19,903
	<u>1,735,201</u>	<u>1,888,585</u>	<u>5,322,004</u>	<u>2,578,628</u>	<u>2,122,926</u>	<u>2,011,271</u>
	142,179	83,717	(3,251,836)	(162,900)	686,383	426,202
	-	-	-	-	250,000	2,750,000
	-	-	7,074	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>7,074</u>	<u>-</u>	<u>250,000</u>	<u>2,750,000</u>
\$	<u>142,179</u>	<u>83,717</u>	<u>(3,244,762)</u>	<u>(162,900)</u>	<u>936,383</u>	<u>3,176,202</u>
	<u>17%</u>	<u>13%</u>	<u>13%</u>	<u>12%</u>	<u>10%</u>	<u>12%</u>

CITY OF BELLEAIR BEACH, FLORIDA

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION⁽¹⁾

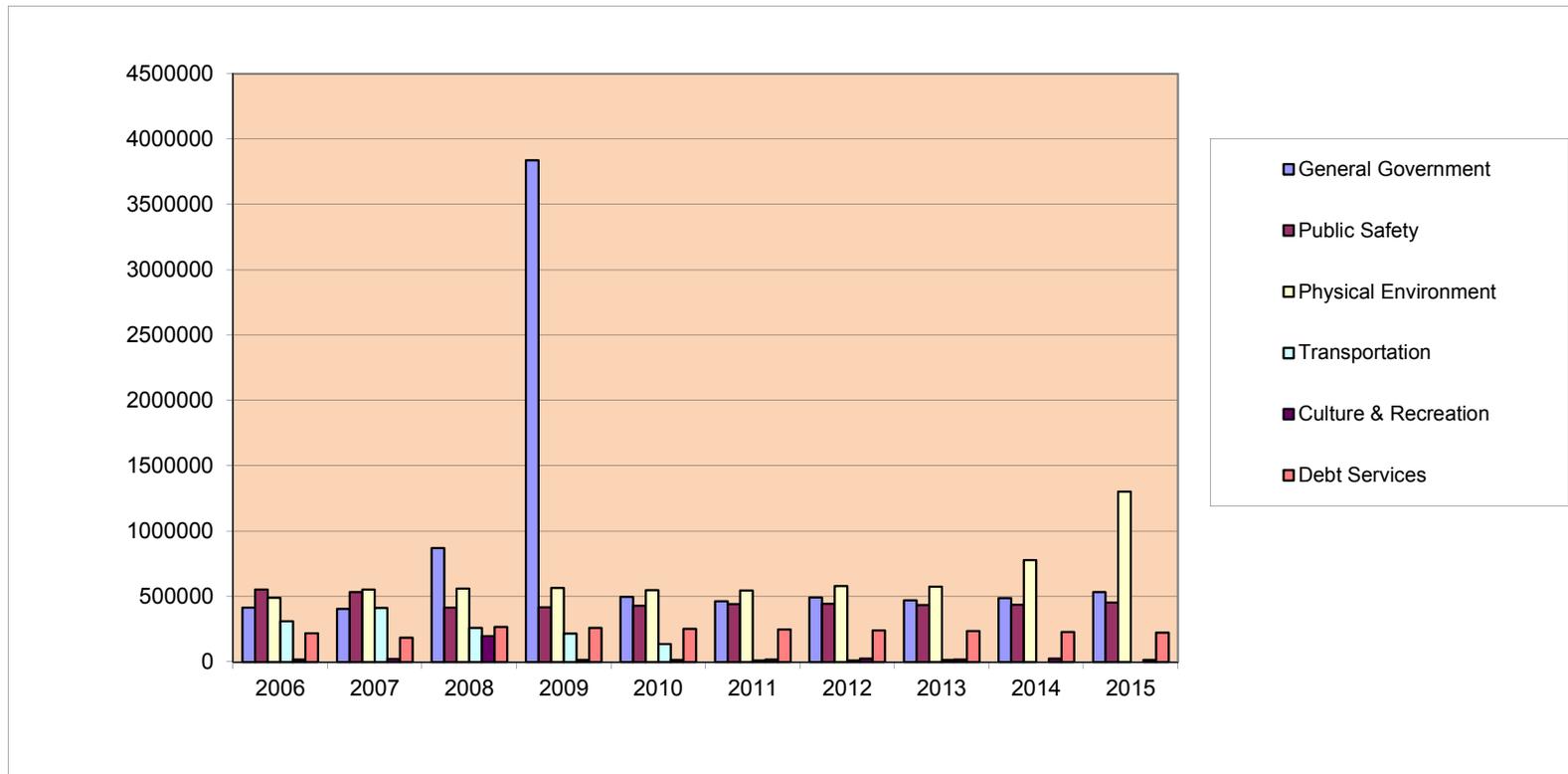
LAST TEN FISCAL YEARS

<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>
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
2010	498,225	431,952	550,581	136,755	17,419	253,653	1,888,585
2011	464,941	443,323	547,066	12,212	19,123	248,536	1,735,201
2012	494,227	445,335	581,239	11,585	26,126	242,584	1,801,096
2013	472,378	435,136	575,203	17,279	19,924	236,632	1,756,552
2014	489,456	438,765	780,482	-	26,658	230,680	1,966,041
2015	535,415	454,371	1,302,460	-	15,582	224,728	2,532,556

⁽¹⁾ Includes general fund and capital projects fund.

CITY OF BELLEAIR BEACH, FLORIDA

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION - LAST TEN FISCAL YEARS



REVENUE CAPACITY

CITY OF BELLEAIR BEACH, FLORIDA

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Fiscal Year	Real Property	Personal Property	Final Total Taxable	Total Exempt	Total All	Total Direct Tax Rate	Percentage		
							Assessed Value to Estimated Market	Yearly Increase	
								Taxable	Total
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%
2010	368,903,562	2,466,880	371,370,442	75,725,566	447,096,008	17.2172	100	-7.30%	-10.64%
2011	380,980,811	2,304,900	383,285,711	81,472,380	464,758,091	17.3276	100	3.21%	3.95%
2012	372,308,501	2,019,596	374,328,097	63,895,719	438,223,816	17.6333	100	-2.34%	-5.71%
2013	394,583,151	1,940,046	396,523,197	79,546,569	476,069,766	17.6488	100	5.93%	8.64%
2014	419,789,096	2,019,477	421,808,573	157,845,919	580,291,128	17.4138	100	6.38%	21.89%
2015	446,072,813	1,868,800	447,941,613	151,562,391	599,504,004	17.3258	100	6.20%	3.31%

Source: Pinellas County Property Appraiser.

CITY OF BELLEAIR BEACH, FLORIDA

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
City of Belleair Beach				
Operating	<u>2.3100</u>	<u>1.9800</u>	<u>1.9800</u>	<u>1.9800</u>
Total City millage	2.3100	1.9800	1.9800	1.9800
Pinellas County School Board:				
Operating	8.2100	7.7310	8.0610	8.3460
Pinellas County:				
Operating	5.4700	4.8730	4.8108	4.8108
EMS	0.6300	0.5832	0.5832	0.5832
Debt services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total County millage	6.1000	5.4562	5.3940	5.3940
County-wide millage set by other taxing authorities:				
-Pinellas County				
Planning Council	0.0195	0.0170	0.0170	0.0125
-Juvenile Welfare Board	0.7963	0.7384	0.7915	0.7915
-South West Florida Water Management District	0.4220	0.3866	0.3866	0.3866
-Pinellas County Anclote River Basin	<u>0.4000</u>	<u>0.3701</u>	<u>0.3600</u>	<u>0.3200</u>
Total County-wide millage	<u>1.6378</u>	<u>1.5121</u>	<u>1.5551</u>	<u>1.5106</u>
TOTAL	<u><u>18.2578</u></u>	<u><u>16.6793</u></u>	<u><u>16.9901</u></u>	<u><u>17.2306</u></u>

Source: Pinellas County Tax Collector.

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>1.9800</u>	<u>1.9800</u>	<u>2.0394</u>	<u>2.0394</u>	<u>2.0394</u>	<u>2.0394</u>
1.9800	1.9800	2.0394	2.0394	2.0394	2.0394
8.3400	8.3850	8.3020	8.1222	7.9032	7.8322
4.8730	4.8730	5.0727	5.2755	5.2755	5.2755
0.5832	0.8506	0.9158	0.9158	0.9158	0.9158
-	-	-	-	-	-
<u>5.4562</u>	<u>5.7236</u>	<u>5.9885</u>	<u>6.1913</u>	<u>6.1913</u>	<u>6.1913</u>
0.0125	0.0125	0.0125	0.0160	0.0160	0.0160
0.7915	0.8337	0.8981	0.8981	0.8981	0.8981
0.3770	0.3928	0.3928	0.3818	0.3658	0.3488
<u>0.2600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1.4410</u>	<u>1.2390</u>	<u>1.3034</u>	<u>1.2959</u>	<u>1.2799</u>	<u>1.2629</u>
<u>17.2172</u>	<u>17.3276</u>	<u>17.6333</u>	<u>17.6488</u>	<u>17.4138</u>	<u>17.3258</u>

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Total valuations	\$ 593,862,990	\$ 766,278,250	\$ 642,327,200	\$ 500,350,585	\$ 447,096,008	\$ 464,758,091	\$ 438,223,816	\$ 476,069,766	\$ 580,291,128	\$ 599,504,004
Real estate exemptions:										
Government exemptions	13,331,830	18,746,430	15,878,930	10,467,679	10,175,185	9,621,087	9,245,039	9,578,326	10,260,480	11,113,631
Institutional exemption	8,000	8,000	-	-	-	-	-	-	-	-
Assessment differential (F.S. 193.155) ⁽³⁾	143,917,300	209,700,183	118,546,917	56,481,330	33,061,220	39,954,488	23,709,958	38,911,319	115,815,715	108,990,187
Individual or homestead exemptions	<u>18,132,800</u>	<u>18,171,398</u>	<u>33,465,223</u>	<u>32,777,436</u>	<u>32,489,161</u>	<u>31,896,805</u>	<u>30,940,722</u>	<u>31,056,924</u>	<u>31,769,724</u>	<u>31,458,573</u>
Total exemptions and adjustments	<u>175,389,930</u>	<u>246,626,011</u>	<u>167,891,070</u>	<u>99,726,445</u>	<u>75,725,566</u>	<u>81,472,380</u>	<u>63,895,719</u>	<u>79,546,569</u>	<u>157,845,919</u>	<u>151,562,391</u>
Total valuation	\$ <u>418,473,060</u>	\$ <u>519,652,239</u>	\$ <u>474,436,130</u>	\$ <u>400,624,140</u>	\$ <u>371,370,442</u>	\$ <u>383,285,711</u>	\$ <u>374,328,097</u>	\$ <u>396,523,197</u>	\$ <u>422,445,209</u>	\$ <u>447,941,613</u>
Millage levied	<u>2.410</u>	<u>2.310</u>	<u>1.980</u>	<u>1.980</u>	<u>1.980</u>	<u>1.980</u>	<u>2.0394</u>	<u>2.0394</u>	<u>2.0394</u>	<u>2.0394</u>
Total taxes levied	\$ 1,008,520	\$ 1,200,397	\$ 1,050,252	\$ 941,519	\$ 795,786	\$ 736,633	\$ 759,895	\$ 764,292	\$ 810,195	\$ 860,681
Less: Adjustments and discounts	<u>31,040</u>	<u>35,086</u>	<u>28,309</u>	<u>29,970</u>	<u>27,327</u>	<u>25,764</u>	<u>26,459</u>	<u>25,863</u>	<u>26,607</u>	<u>30,088</u>
Net taxes levied	\$ <u>977,480</u>	\$ <u>1,165,311</u>	\$ <u>1,021,943</u>	\$ <u>911,549</u>	\$ <u>768,459</u>	\$ <u>710,869</u>	\$ <u>733,436</u>	\$ <u>738,429</u>	\$ <u>783,588</u>	\$ <u>830,593</u>
Net collected ⁽¹⁾⁽²⁾	\$ <u>975,877</u>	\$ <u>1,161,597</u>	\$ <u>1,021,943</u>	\$ <u>911,549</u>	\$ <u>768,459</u>	\$ <u>710,869</u>	\$ <u>733,436</u>	\$ <u>738,429</u>	\$ <u>783,588</u>	\$ <u>831,259</u>

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, 2015

Marion, Joel G	\$	5,630,480	1	1.26%
Saint Antonio's Investment LLC		3,475,489	2	0.78%
Arfman, Dale C.		2,462,139	3	0.55%
D M Belleair Development LLC		2,095,461	4	0.47%
Brinton, Anthony J.		2,016,703	5	0.45%
Steslicki, Sarah L.		1,906,208	6	0.43%
Prescott, Douglas S		1,888,468	7	0.42%
Gagnon, Karen		1,843,360	8	0.41%
Smith, Shirley L		1,749,712	9	0.39%
Emanuel, James		<u>1,729,508</u>	10	0.39%
	\$	<u>24,797,528</u>		5.54%

447,941,613

Source: Pinellas County Property Appraiser.

CITY OF BELLEAIR BEACH, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN 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
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	1,021,943	97%	N/A	1,021,943	97%
2009	500,350,585	400,624,140	941,519	911,549	97%	N/A	911,776	97%
2010	447,096,008	371,370,442	795,786	768,459	97%	N/A	768,538	97%
2011	464,758,091	383,285,711	736,633	710,869	97%	N/A	711,981	97%
2012	438,223,816	374,328,097	759,895	733,436	97%	N/A	734,011	97%
2013	476,069,766	396,523,197	763,299	738,429	97%	N/A	741,269	97%
2014	580,291,128	421,808,573	810,195	783,588	97%	N/A	783,665	97%
2015	599,504,004	447,941,613	860,681	831,259	97%	N/A	843,286	98%

(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 collected all ad valorem tax revenues.

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

DEBT CAPACITY

CITY OF BELLEAIR BEACH, FLORIDA

OUTSTANDING DEBT BY TYPE
LAST TEN 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		
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
2010	-	2,440,000	-	-	-	-	2,440,000	1,517
2011	-	2,280,000	-	-	-	-	2,280,000	1,459
2012	-	2,120,000	-	-	-	-	2,120,000	1,361
2013	-	1,960,000	-	-	-	-	1,960,000	1,269
2014	-	1,800,000	-	-	-	-	1,800,000	1,164
2015	-	1,640,000	-	-	-	-	1,640,000	1,140

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
Population 1,439 per esri demographics

CITY OF BELLEAIR BEACH, FLORIDA

RATIOS OF GENERAL REVENUE AND CAPITAL LEASE DEBT OUTSTANDING
LAST TEN 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>
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
2010		2,440,000	0.66%	1,517
2011		2,280,000	0.59%	1,459
2012		2,120,000	0.56%	1,361
2013		1,960,000	0.49%	1,269
2014		1,800,000	0.43%	1,164
2015		1,640,000	0.37%	1,140

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 84 for property value data.

² Population data can be found in the Schedule of Demographic and Economic Statistics on page 95.

CITY OF BELLEAIR BEACH, FLORIDA

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	<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	\$ -	\$ 1,640,000	\$ 1,640,000	100%	\$ 1,640,000
Overlapping Debt:					
Pinellas County School Board(1)	14,884,000	-	14,884,000	0.70%	<u>104,188</u>
Total Direct and Overlapping Debt					\$ <u><u>1,744,188</u></u>
RATIO:					
Overall debt to 2015 taxable value				<u><u>0.46%</u></u>	
Overall debt per capita					\$ <u><u>1,251</u></u>

⁽¹⁾ The City's share is calculated based on the ratio of the 2015 County Taxable Value of \$63,639,808,833 to the City's Taxable Value of \$447,941,613.

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

CITY OF BELLEAIR BEACH, FLORIDA

COMPUTATION OF LEGAL DEBT MARGIN

September 30, 2015

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

CITY OF BELLEAIR BEACH, FLORIDA

PLEDGED-REVENUE COVERAGE
CURRENT FISCAL YEAR

		Revenue Loan			
		Pledged Revenues	Debt Service(1)		
		Non-Advalorem Revenue	Principal	Interest	Coverage
			\$ 160,000	\$ 64,728	100.00 %
<u>General Fund</u>					
	Local Option Gas Tax	\$ 22,401			
	Franchise Fees	167,080			
	Public Service Tax	232,420			
	Communications Service Tax	94,797			
	Rental Registration	19,305			
	Revenue Sharing	139,187			
	BOCC-Garbage	281,527			
	Fines & Forfeitures	7,721			
	Parking Fees	46,514			
	Rental CC Income	38,858			
	All Other	40,300 *			
		<u>1,090,110</u>			
<u>Capital Projects Fund</u>					
	Infrastructure Sales Tax	149,674			
		<u>149,674</u>			
	Total	\$ <u>1,239,784</u>			

⁽¹⁾ Interest expense was for the full Fiscal Year 2015.

* All other made up of Foreclosure, Lot mowing, Claim of Lien, Tennis court rental, NPDES fees, Misc revenue and Enterprise fund contribution

DEMOGRAPHIC AND ECONOMIC
INFORMATION

CITY OF BELLEAIR BEACH, FLORIDA

DEMOGRAPHICS AND ECONOMIC STATISTICS
LAST TEN YEARS

Fiscal Year	(1) Population	(2) Personal Income (Amounts Expressed in thousands)	(3) Per Capita Personal Income	(4) Median Age	(5) Education Level in Years of Formal Schooling	(6) School Enrollment	(7) Unemployment Rate
2015	1,439	\$ 87,426	\$ 56,243	60	16	228	4.90%
2014	1,547	83,433	55,454	59	16	148	5.80%
2013	1,544	90,306	73,750	60	16	151	6.70%
2012	1,558	70,862	50,820	58	13.9	67	8.50%
2011	1,563	77,778	63,475	59.5	16	71	10.80%
2010	1,608	82,422	66,894	59.5	16	75	12.40%
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	14.5	97	4.30%
2006	1,619	46,583	58,734	52.4	13.4	90	3.20%
2005	1,619	31,122	34,380	52.4	13.4	81	3.70%
2004	1,632	30,850	33,844	52.4	13.4	78	4.40%

Data Sources

- (1) esri demographics-Pinellas County Economic Development Research (727) 464-7332 catha@pinellascounty.org
- (2) ersi - Pinellas County Economic Development Research (727) 464-7332 catha@pinellascounty.org
- (3) ersi - Pinellas County Economic Development Research (727) 464-7332 catha@pinellascounty.org
- (4) ersi - Pinellas County Economic Development Research (727) 464-7332 catha@pinellascounty.org
- (5) Pinellas County Economic Development Research (727) 464-7332 catha@pinellascounty.org
- (6) Pinellas County Economic Development Research (727) 464-7332 catha@pinellascounty.org
- (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

	<u>2015</u>			<u>2014</u>		
	<u>Number of Employers</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Number of Employers</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
City of Belleair Beach	7 full time 1 part time	1	47.0%	7 full time 1 part time	1	47.0%
Nautical Watch Time Share	3 full time 2 part time	2	29.5%	3 full time 2 part time	2	29.5%
Belleair Beach Club	1 full time 3 part time	3	23.5%	1 full time 3 part time	3	23.5%

OPERATING
INFORMATION

CITY OF BELLEAIR BEACH, FLORIDA

FULL-TIME EQUIVALENT
CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN YEARS

<u>FUNCTION</u>	<u>Full-Time Equivalent Employees as of September 30,</u>									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Government	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00
Public Safety:										
Police:										
Officers	-	-	-	-	-	-	-	-	-	10.00
Civilians	-	-	-	-	-	-	-	-	-	-
Highways and streets Maintenance	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Culture and recreation	-	-	-	-	-	-	-	-	-	-
Total	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	18.00

CITY OF BELLEAIR BEACH, FLORIDA

SCHEDULE OF INSURANCE IN FORCE
September 30, 2015

Type of Coverage	Policy Number	Company	Co-insurance	Amount	From	To	Original Premium
Comprehensive General & Professional Liability:	FMIT#042	Florida League of Cities	-	1,000,000	10/01/14	10/01/15	9,546
General Liability:							
- Broad Form Property Damage			-	Per Form			incl.
- Extra Contractual Legal Expense			-	25,000			incl.
- Fire Legal Liability				500,000			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.
- Employee Bond	105176598			15,000			incl.
Automobile (2) Liability	FMIT#042	Florida League of Cities		1,000,000	10/01/14	10/01/15	1,053
- Uninsured Motorists				35,000			incl.
- Personal Injury Protection				10,000			incl.
- Medical Payments				N/A			N/A
- Physical Damage				N/A			incl.
PROPERTY:	FMIT#042	Florida League of Cities			10/01/14	10/01/15	14,614
Real Property Limit			deductible 1,000	2,879,837			
Personal Property Limit			deductible 1,000	550,000			
Real Property-details in Property Schedule on file							
- City Hall/Community Center				2,140,311			incl.
Flagpole				3,025			incl.
444 Causeway Blvd				8,000			incl.
- Bayside Park							
Tennis Courts 2 w/ fencing				75,438			incl.
Modular Play System				42,313			incl.
Boardwalks 3 with stairs				18,461			incl.
Pavilion/ picnic tables				8,838			incl.
Climbers - playground				5,070			incl.
All other (includes fishing dock 5,000)				33,547			incl.
- Marina							
Boat Docks 11- 2 side				82,500			incl.
CALE parking meter				11,600			incl.
Trash cans				30,200			incl.
Electrical power				500			incl.
Fence, pole, signs, flag				11,350			incl.
- Hibiscus park				350			incl.
- Belle Isle Park				1,844			incl.
- Gulf Coast Access				1,013			incl.
- Morgan Park							
CALE Parking Meter				10,600			incl.
Restroom				45,120			incl.
Pavilion				14,839			incl.
Shower fence and benches				9,180			incl.
Morgan Park Sign				1,795			incl.
Misc other				3,398			incl.
- Crossman park				1,281			incl.
- 16th Street Park (includes fishing dock 5,000)				10,569			incl.
- 7th Street Park (includes fishing/ boat launch 7,000)				8,175			incl.
- 22nd Street Park (includes fishing dock)				7,470			incl.
- Harbor Park (includes fishing dock 5,000)				6,225			incl.
- South park				1,394			incl.
- East side Causeway intercoastal				1,312			incl.
- Howard Drive bike racks				7,200			incl.
- 21st Street bike racks				7,200			incl.
- 25th Street bike racks				7,200			incl.
- 1001 Cedar Dr. (Public Works storage facilities)				280,944			incl.
Personal Property							
- City Hall/Community Center				500,000			incl.
- 1001 Cedar Dr. (Public Works storage facilities)				50,000			incl.
Time Element							incl.
Business Income							
Extra Expense							
Inland Marine			deductible 500	88,016			incl.
Crime Bond							
-Honesty Blanket Bond			deductible 100	5,000			incl.
Subtotal carried forward							\$ 25,213

CITY OF BELLEAIR BEACH, FLORIDA

SCHEDULE OF INSURANCE IN FORCE

September 30, 2015

(Continued)

Type of Coverage	Policy Number	Company	Co-insurance	Amount	From	To	Original Premium
Subtotal brought forward							\$ 25,213
Marina Operators B-2 Gen/Legal Liab	9CC7052-3	Florida League of Cities Self-Insurance		2,000,000	07/20/15	07/20/16	2,568
Windstorm - new Community Center	1481780	Citizens Property Ins.	deductible 64,315	1,000,000	09/14/15	09/14/16	5,597
Basic Term Life, Accidental Death and Dismemberment - General Employees	G-411552 - 89	Guardian Life Insur.		annual earnings 65,000 maximum	10/01/14	10/01/15	5,600
- Long term Disability				60% of earnings 5,000 monthly maximum			3,723
Worker's Compensation	FMIT #0042	Florida League of Cities Self-Insurance			10/01/14	10/01/15	5,462
-Bodily Injury by Accident each accident				\$ 1,000,000			
-Bodily Injury by Disease				1,000,000			
-Bodily Injury Aggregate By Disease				1,000,000			
Flood Insurance -Community Center 444 Causeway -Contents	AB00069036	American Bankers Ins	deductible 1,000 deductible 1,000	500,000 500,000	9/12/15	9/12/16	1,622 incl.
Flood Insurance -1001 Cedar Dr. -Contents	09 7701226989	Fidelity National		152,600 52,000	3/9/15	3/6/16	2,539 incl.
		Total					\$ <u>52,324</u>

CITY OF BELLEAIR BEACH, FLORIDA

MISCELLANEOUS STATISTICAL DATA

September 30, 2015

Date of Incorporation	1950
Form of Government:	Council/City Manager
Number of Employees:	7 FT, 1 PT
Population (U.S. Censurs):	
1960	563
1970	952
1980	1,643
1990	2,070
2000	1,633
2008	1,604 (University of Florida)
2009	1,607 (University of Florida)
2010	1,608 (University of Florida)
2011	1,563 (University of Florida)
2012	1,558 (University of Florida)
2013	1,544 (U.S. Census Bureau)
2014	1,547 (www.esri demographic estimates)
2015	1,439 (www.esri demographic estimates)

Area in Square Miles:	
Land	2 square miles

City of Belleair Beach Facilities/services:

Law Enforcement:
 Effective June 1, 2007-was contracted out to the Pinellas County Sheriff's Office

Transportation:
 Paved Streets 8.5 miles

Recreation Facilities:

Parks	11 and access to additional 3
Playgrounds	2
Beaches	4,500 feet
Tennis	2 courts
Tennis clinics- free introductory lessons and regular class schedules for children/adults	
Basketball Outdoor	1 court
Picnic Areas	3
Marina	19 Boat Slips
Boat Ramp	1
Fishing Docks	4
Sunset/Sunrise Viewing Areas	7

FIT FOREVER-weight/strength training, yoga, pilates and stretching for full body workout offered at Community Center
 YOGA-stretch/ flex class to increase flexibility offered at Community Center

Wedding, party and seminar venue available at Community Center overlooking the Intracoastal Waterway

Power is provided by Duke Energy.
 Water, reclaimed water and sewer systems are owned and maintained by Pinellas County Utilities.
 Garbage and recycling services are provided by Waste Management.
 Telephone service is provided by Bright House Networks and Frontier Florida.
 Cable Television and Internet Service are provided by Bright House, Frontier and Knology.

CITY OF BELLEAIR BEACH, FLORIDA

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

FUNCTION	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Public Safety*										
Police arrests	51	56	44	10	55	48	29	44	N/A	38
Parking violations	174	227	102	307	402	177	134	128	N/A	180
Traffic violations	148	176	143	107	168	287	270	297	N/A	582
Warning citation	724	422	373	356	353	139	43	-	N/A	-
Highways and streets:										
Street Drainage Improvement completed (number of streets/ linear feet)		-	200 LF	-	-	1 ST	3 IT	-	500 LF	-
Street resurfacing/curb work started/ completed (number of streets / linear feet) curb work	5,288 LF			3 ST		1 ST	5 IT	7 ST	729 LF	-
Valley Curb	880 LF	-	400 LF	260 LF	1,602 LF	-	167 LF	-	-	-
Street name signs upgrade	-	-	-	-	-	2	-	city wide	-	-
Pedestrian Crosswalk Beacon/Signals installed	10	-	-	-	-	-	2	-	8	-
Pothole & street repaired	city wide	city wide	city wide	city wide	city wide	city wide	5	-	-	-
Bridges:										
Harrison Ave. Bridge superstructure	-	-	-	-	-	1	-	-	-	-
22nd Street Bridge repair	1	1	1	-	1	1	-	-	-	-
Culture and Recreation:										
Beach Parking Permits & Stickers issued **	825	629	548	732	1,152	1,123	478	460	437	482
Library cards***	105	115	119	122	131	140	137	122	147	140
Beaches (feet)		4,500	4,500 LF	4,500 LF	4,500 LF	4,500 LF	4,500 LF	4,500 LF	4,500 LF	4,500 LF
New docks constructed/existing dock repaired (replaced)	6	1	1	1	1	-	4 pr	2 pr	2 new	-
Landscape curbing on planter beds (linear feet)	-	-	-	-	-	-	-	475 LF	-	-
Park upgrades										
Bayside Park landscape project	-	-	-	-	-	1	-	-	-	-
new pedestal fountain	-	-	-	-	-	1	-	-	-	-
new Basketball back board	-	-	-	-	-	1	-	-	-	-
Bayside Park tennis courts resurfaced/ bench canopy / nets	2	1	-	-	-	-	-	2	-	-
Harrison Ave. landscape project	-	-	-	-	-	1	-	-	-	-
new Morgan Park Pavillion	-	-	-	-	-	-	-	1	-	-
new Morgan Park Restroom	-	-	-	-	-	-	-	1	-	-
Park improvements							9 **			
32 gallon RPL waste shroud	-	-	-	-	-	5	-	-	-	-
Parking meter - Morgan Park	-	-	-	-	-	1	-	-	-	-
Parking meter - Marina	-	-	-	-	-	1	-	-	-	-
Outdoor showers - 6th St, 12th St, 19th St, Morgan Park	4	-	-	-	-	4	-	-	-	-
4' bench custom logo - Crossman Park, Causeway	-	-	-	-	-	3	-	-	-	-
4' x 3' Park sign - Morgan Park	-	-	-	-	-	1	-	-	-	-
Cul de Sac improvements	-	-	-	-	-	-	7 **	-	-	-
Park irrigation systems upgraded	-	-	-	-	-	city wide	4	4	2	-
Seawall repaired	-	-	-	1	1	1	-	1	2	-
Buoy replacement	-	-	30	-	-	all beaches	all beaches	-	-	-
Marina	1	1	1	1	1	1	1	1	1	1
Boat Slips (combined 19& 20 to make larger slip)	19	20	20	20	20	20	20	20	20	20

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

** Includes beach parking permits for owners. Renters, marina and temporary permits

*** 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.

CITY OF BELLEAIR BEACH, FLORIDA
CAPITAL ASSETS STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

FUNCTION	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Public Safety										
Police:										
Stations	-	-	-	-	- *	- *	- *	- *	- *	1
Patrol units	-	-	-	-	- *	- *	- *	- *	- *	4
-										
Highways and streets										
Bridges	2	2	2	2	2	2	2	2	2	2
Street (miles)	8	8	8	8	8	8	8	8	8	8
Curb (miles)	16	16	16	16	16	16	16	16	16	16
Streetlights	21	21	21	21	21	21	21	20	20	20
Intersection traffic signal-										
Gulf Blvd/Causeway	1	1	1	1	1	1	1	1	1	1
Flashing traffic signals-										
Morgan, 6th, 12th, 19th & Harrison North	5	5	5	5	5	5				
Pedestrian beacons/crosswalk (New LED beacons at each)	10	10	10	10	10	10	10	8	8	-
Culture and Recreation										
Cul de Sac	8	8	8	8	8	8	8	8	8	8
Docks	5	5	5	5	5	5	5	5	5	5
Park acreage	5	5	5	5	5	5	5	5	5	5
Parks	11 **	11 **	11 **	11 **	11 **	11 **	11 **	11 **	12 **	12 **
Tennis Courts	2	2	2	2	2	2	2	2	2	2
Marina										
Boat slips (combined slip 19&20 for 1 larger slip)	1	1	1	1	1	1	1	1	1	1
	19	20	20	20	20	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 Bayside Park. These parks are maintained by the City of Belleair Beach.

OTHER REPORTS



CITY OF BELLEAIR BEACH, FLORIDA

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

AND

MANAGEMENT LETTER

AND

ATTESTATION REPORT
ON COMPLIANCE WITH SECTION 218.415
FLORIDA STATUTES

AND

MANAGEMENT MEMORANDUM
ON REVIEW OF INTERNAL CONTROL STRUCTURE

September 30, 2015

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

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the budgetary comparisons for the general fund and the aggregate remaining fund information of the City of Belleair Beach, Florida, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City of Belleair Beach, Florida's (City) basic financial statements, and have issued our report thereon dated February 1, 2016.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Davidson, Jamieson & Crutcher, P.C.

February 1, 2016

MANAGEMENT LETTER

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

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The Honorable Mayor
and City Council
Belleair Beach, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Belleair Beach, Florida as of and for the fiscal year ended September 30, 2015 and have issued our report thereon dated February 1, 2016.

Auditor's Responsibility

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

Other Reports and Schedule

We have issued our Independent Auditors Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General Disclosures in those reports and schedule, which are dated February 1, 2016, should be considered in conjunction with this management letter.

Prior Audit Findings

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

The Honorable Mayor
and City Council
Belleair Beach, Florida

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This disclosure has been included in the City's Comprehensive Annual Financial Report for the fiscal year ended September 30, 2015.

Financial Condition

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

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

Annual Financial Report

Sections 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether the annual financial report for the City for the fiscal year ended September 30, 2015, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2015. In connection with our audit, we determined that these two reports were in agreement.

The Honorable Mayor
and City Council
Belleair Beach, Florida

Other Matters

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

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

Purpose of this Letter

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

Davidson, Jamieson & Cristini, P.L.

February 1, 2016

ATTESTATION REPORT

Davidson, Jamieson & Cristini, P.L.

Certified Public Accountants

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the City of Belleair Beach's compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2015. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

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

Davidson, Jamieson & Cristini, P.L.

February 1, 2016

MANAGEMENT MEMORANDUM
ON REVIEW
OF INTERNAL CONTROL STRUCTURE

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

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February 1, 2016

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

We have audited the basic financial statements of the governmental activities, the business-type activities, each major fund, the budgetary comparisons for the general fund and the aggregate remaining fund information which collectively comprise the basic financial statements of the City of Belleair Beach, Florida as of and for the year ended September 30, 2015, and have issued our report thereon dated February 1, 2016.

We have issued our Report on Compliance and Internal Accounting Controls in Accordance with *Government Auditing Standards* dated February 1, 2016. Disclosures in that report, if any, should be considered in conjunction with this management memorandum.

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

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

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

2013-2014

A. Accounting and Financial Reporting for Pensions

2013-2014

A. Accounting and Financial Reporting for Pensions

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

Under this Standard, the City is required to report a liability on the government-wide statement of net position.

The information for this liability and the related note disclosures for the City's CAFR will be provided by the Florida Retirement System.

Last year we recommended that the City Council become familiar with this new standard. There are significant changes to the notes to the financial statements in the fiscal year 2014-2015 comprehensive annual financial report for GASB 68.

* * * * *

This memorandum is intended solely for the use of the Mayor and City Council, and the State of Florida Office of the Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

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

DAVIDSON, JAMIESON & CRISTINI, P.L.

MANAGEMENT RESPONSE



March 5, 2016

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

This is in response to the Management Memorandum on Review of Internal Control Structure prepared by the City's independent auditor Davidson, Jamieson & Cristini, P.L., Certified Public Accountants.

CURRENT YEAR

There were no instances of weakness or areas of internal control that could be improved upon noted in the auditor's report for the current year.

PRIOR YEAR – 2013-2014

The following note was in last year's audit report and has been addressed. It is being noted in the auditor's report again because of the required implementation period of September 30, 2015.

Accounting and Financial Reporting for Pensions

The Governmental Accounting Standards Board (GASB) was established "to promulgate standards of financial accounting and reporting with respect to activities and transactions of state and local government entities." The GASB has issued Statement No. 68 which requires the City to report a liability on the government-wide statement of net position.

The City of Belleair Beach will implement GASB Statement 68 on "Accounting and Financial Reporting for Pensions" and this will be reflected in the City's audited financial statements for the year ended September 30, 2015. This information only pertains to one city employee who is nearing retirement. The information regarding to the liability the City is responsible for this will be provided by the Florida Retirement System and will be included in future CAFRs.

Sincerely yours,


Melanie M. Kruszona
Finance Officer