

TOWN OF BELLEAIR SHORE, FLORIDA



ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

TOWN COMMISSION

STEVE BLUME, MAYOR

DANIEL STORIE
MICHAEL TOLBERT

TOWN CLERK

MARY PALMER

TOWN ATTORNEY

DANIEL LEWIS

INDEPENDENT AUDITORS

AAPG, LLP

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SEPTEMBER 30, 2024
TOWN OF BELLEAIR SHORE, FLORIDA

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INDEPENDENT AUDITORS' REPORT



AAPG, LLP

Aline Accounting Partners Group

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor
and Members of the Town Commission
Town of Belleair Shore, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the Town of Belleair Shore, Florida (the "Town"), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, based on our audit the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Town, as of September 30, 2024, and the respective changes in financial position, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing*

Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



704-566-0222



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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2025, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's 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 Town's internal control over financial reporting and compliance.

AAPG, LLP

Charlotte, North Carolina
June 26, 2025



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MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

As financial management of Town of Belleair Shore, Florida, (hereinafter referred to as the "Town"), we offer the readers of these basic financial statements this narrative overview and analysis of the Town's financial activities for the fiscal year that ended on September 30, 2024. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. We encourage readers to consider the information presented here in conjunction with the financial statements, which follow this section, taken as a whole.

Financial Highlights

- The total assets of the Town of Belleair Shore, Florida exceeded its liabilities (net position) at the close of the most recent fiscal year by \$696,129, compared to \$671,967 one year earlier. Of this amount, \$674,822 (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors.
- During 2024, gross revenues from governmental activities of the Town increased by \$19,390 to a total of \$207,487, compared to a total of \$188,097 in 2023. This was primarily due to a higher amount of investment earnings. Expenses for governmental activities totaled \$183,325 in 2024 compared to \$142,163 in 2023.
- The Town's governmental fund balance increased by \$33,119 in 2024 compared to an increase of \$48,049 in 2023.
- The Town's governmental fund reported fund balance is \$622,966 at the end of the current fiscal year, an increase of \$33,119 over the \$641,703 reported from one year earlier. All of this amount is available for spending at the Town's discretion (unassigned fund balance).
- At the end of fiscal year 2024, unassigned fund balance for the General Fund was \$622,966 or 357.27% of the total 2024 General Fund expenditures, which represents 1,303 days of excess funds. This represents an increase of \$18,737 over the \$641,703 reported at the end of 2023.

Overview of the Financial Statements

The Town's basic financial statements are comprised of three parts: 1) management's discussion and analysis, 2) the basic financial statements (including government-wide financial statements, fund financial statements, and notes to the financial statements), and 3) required supplementary information, including budgetary comparisons and other selected financial data.

Management's Discussion and Analysis (MD&A) is intended to serve as an introduction to the basic financial statements and required supplementary information. The MD&A represents management's examination and analysis of the Town's financial condition and financial performance as a whole. Summary financial statement data, key financial and operational indicators used in the strategic plan, budget, and other management tools were used for this analysis.

The basic financial statements include two kinds of statements that present different views of the Town. The first two statements consist of entity-wide financial statements that provide both the short- and long-term financial information about the Town's overall financial status, including its governmental activities. These statements report information about the Town using full accrual accounting methods and economic resources focus as utilized by similar business activities in the private sector. Information concerning all of the Town's assets and liabilities, both financial and capital, and short-term and long-term debt are included. Likewise, all revenues and expenses received during the year, regardless of when cash is received or paid are reported. The remaining statements are fund financial statements that focus on individual parts of the Town government, reporting the Town's operations in more detail than the government-wide financial statements. These fund statements tell how general government services like public safety were financed in the short-term as well as what remains for future spending.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances in a manner similar to a private-sector business. The basic financial statements of the Town include a statement of net position and a statement of activities, which are described as follows:

- A statement of net position presents information on all of the Town's assets and liabilities at the end of its fiscal year, 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 Town's financial position is improving or deteriorating. Net position increases when revenues exceed expenses. Increases to assets without a corresponding increase to liabilities results in increased net position, which indicates an improved financial condition.
- The statement of activities presents the results of business operations over the course of the fiscal year and information as to how the Town's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the 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 such as delinquent taxes and earned but unused personal leave.

The government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*government activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town include general government services, public safety (police, fire and building inspection), highways and streets, solid waste, street lighting, stormwater management, and recreation and leisure services. The Town did not operate any proprietary, or business-type, activities during the past fiscal year.

The basic entity-wide financial statements can be found on pages 16 and 17 of this report.

Fund Financial Statements

The fund financial statements provide more detailed information about the Town's most significant funds - not the Town as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The only fund of the Town is a governmental fund – the General Fund.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. These funds are reported using the modified accrual accounting method, which measures cash and all other financial assets that can be readily converted into cash. Such information is 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. These reconciliations can be found on pages 19 and 21.

The Town maintains only one individual governmental fund, the General Fund.

The Town adopts an annual appropriations budget for the General Fund in accordance with state statutes. Budgetary comparison statements have been provided for each fund to demonstrate compliance with these budgets.

The basic governmental fund financial statements and budgetary comparisons for the major governmental funds can be found on pages 18 to 23 of this report.

Notes to the Financial Statements. The financial statements also include notes which provide required disclosures and other information that are essential to a full understanding of material data provided in the statements. The notes present information about the Town's significant accounting policies, account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any. The notes to the financial statements can be found on pages 25 to 36 of this report.

Government-Wide Financial Analysis of the Town as a Whole

Net position. As noted previously, net position may serve over time as a useful indicator of a government's financial position. This year, the Town's combined net position increased from \$671,967 to \$696,129, which represents an increase of \$24,162 or 3.60%, over amounts reported last year. Of this amount, approximately 3.1% is invested in capital assets (land), and is not available for future spending. Although the Town's investment in capital assets are reported net of related debt, it should be noted that under normal circumstances 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. The remaining portion represents the Town's unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints of enabling legislation or other legal requirements, and totaled \$674,822, or 96.9% of total net position at the end of 2024.

The following is a summary of net position at year end:

	Governmental Activities	
	2024	2023
Assets:		
Current and other assets	\$ 684,031	\$ 645,342
Capital assets, net	21,307	30,264
Total assets	\$ 705,338	\$ 675,606
Liabilities:		
Accounts payable and accrued expenses	\$ 9,209	\$ 3,639
Total liabilities	9,209	3,639
Net position:		
Invested in capital assets	21,307	30,264
Unrestricted	674,822	641,703
Total net position	696,129	671,967
Total liabilities and net position	\$ 705,338	\$ 675,606

Changes in Net position. While the statement of net position shows a snapshot of the Town’s financial position at the end of the fiscal year, the statement of changes in net position provides answers as to the nature and source of those changes. During 2024, the Town’s combined net position increased by \$24,162, or 3.60% over the amount reported in the prior year. During this same period, the Town’s total revenues increased by \$19,390 to a total of \$207,487 compared to a total of \$188,097 in 2023. This increase was primarily due to higher investment earnings in 2024 of \$39,649, compared to \$23,780 in 2023.

During 2024, approximately 59.87% of the Town’s total revenue came from property taxes, and approximately 72.74 cents (compared to 81.42 cents in the prior year) of every dollar raised came from some type of tax (e.g. property taxes, sales tax, gas tax, utility tax, etc.).

Expenses incurred to operate the Town increased \$41,162 in 2024. This increase in expenses was primarily due to higher property and liability insurance costs, code enforcement services provided by County Sheriff’s Office and newspaper advertising costs.

Changes in Net position (Continued)

	Governmental Activities	
	2024	2023
Revenues:		
Program revenues:		
Charges for services	\$ 16,916	\$ 11,165
General revenues:		
Property taxes	124,228	124,370
Intergovernmental	26,694	28,782
Investment income	39,649	23,780
	<u>207,487</u>	<u>188,097</u>
Total revenues	207,487	188,097
Expenses:		
General government	128,269	90,305
Public safety	34,872	38,314
Physical Environment	20,184	13,544
	<u>183,325</u>	<u>142,163</u>
Total expenses	183,325	142,163
Increase in net assets	24,162	45,934
Net position, beginning of year	<u>671,967</u>	<u>626,033</u>
Net position, end of year	<u><u>\$ 696,129</u></u>	<u><u>\$ 671,967</u></u>

Governmental Activities

Revenues for the Town's governmental activities experienced an increase during 2024. Overall, the Town's governmental revenues totaled \$207,487, which represents an increase of \$19,390, or 10.31% over last year's reported governmental revenues totaling \$188,097.

Expenses for the Town's governmental activities totaled \$183,325 for fiscal year 2024, which represents an increase of \$41,162 or 28.95% over last year's reported governmental expenditures totaling \$142,163.

Financial Analysis of the Town's Funds

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

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

As the Town completed the current fiscal year, its governmental fund (the General Fund) reported a fund balance of \$674,822 which was \$33,119, or 5.2%, more than the \$641,703 reported last year. All of this amount constitutes unassigned fund balance, which is available for spending at the government’s discretion.

General Fund Budgetary Highlights

In fiscal year 2024, the Town Council adopted the General Fund operating budget and did not amend the budget during the year. Revenues recognized were \$37,134 more than the budgeted revenues during 2024, largely due to the interest earnings not being budgeted for. Actual expenditures in the General Fund for the current fiscal year were \$4,015 more than the \$170,353 in budgetary amounts appropriated.

Capital Assets

Capital Assets. At September 30, 2024, the Town had \$21,307 invested in land. This amount is lower than the amount the Town had invested in capital assets one year earlier. A decrease of \$42,295 in capital assets is reported, due to the write-off of unidentified assets. The Town could not identify these assets and determined they were no longer usable. Accumulated depreciation on capital assets totaled \$0.00 and \$33,338 at September 30, 2024 and 2023, respectively. The Town’s resultant net investment in capital assets totaled \$21,307 and \$30,264 at September 30, 2024 and 2023, respectively.

This overall investment in capital assets, net of depreciation, for all governmental activities is reflected in the following schedule:

A. Governmental Activities

	Balances 9/30/2023	Additions	Deletions	Balances 9/30/2024
Capital assets not being depreciated:				
Land	\$ 21,307	\$ -	\$ -	\$ 21,307
Total capital assets not being depreciated	<u>21,307</u>	<u>-</u>	<u>-</u>	<u>21,307</u>
Capital assets being depreciated:				
Improvements other than buildings	42,295	-	(42,295)	-
Total capital assets being depreciated	<u>42,295</u>	<u>-</u>	<u>(42,295)</u>	<u>-</u>
Less accumulated depreciation for:				
Improvements other than buildings	(33,338)		33,338	-
Total accumulated depreciation	<u>(33,338)</u>	<u>-</u>	<u>33,338</u>	<u>-</u>
Total capital assets being depreciated, net	<u>8,957</u>	<u>-</u>	<u>(8,957)</u>	<u>-</u>
Total capital assets, net	<u>\$ 30,264</u>	<u>\$ -</u>	<u>(8,957)</u>	<u>\$ 21,307</u>

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. Questions concerning any of the information provided in this report, or requests for additional information should be addressed to the Office of the City Clerk, Town of Belleair Shore, Florida, 1200 Gulf Blvd., Belleair Shore, Florida 33786.

BASIC FINANCIAL STATEMENTS

TOWN OF BELLEAIR SHORE, FLORIDA
STATEMENT OF NET POSITION
September 30, 2024

	Primary Government Governmental Activities
Assets:	
Cash and cash equivalents	\$ 81,420
Investments	549,686
Prepaid expenses	51,856
Due from other governments	1,069
Capital assets, net of accumulated depreciation	21,307
Total assets	705,338
Liabilities:	
Accounts payable and accrued liabilities	9,209
Total liabilities	9,209
Net Position:	
Net investment in capital assets	21,307
Unrestricted	674,822
Total net position	\$ 696,129

The accompanying notes are an integral part of the financial statements.

TOWN OF BELLEAIR SHORE, FLORIDA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2024

Functions / Programs	Expenses	Program Revenues		Net Revenue (Expense) and Changes in Net Assets- Primary Government
		Charges For Services	Operating Grants and Contributions	Governmental Activities
Primary Government:				
Governmental activities:				
General government	\$ 128,269	\$ -	\$ -	\$ (128,269)
Public safety	34,872	16,916	-	(17,956)
Physical environment	20,184	-	-	(20,184)
Total primary government	\$ 183,325	\$ 16,916	\$ -	(166,409)
General revenues:				
Property taxes levied for general purposes				124,228
Intergovernmental revenues				26,694
Investment earnings				39,649
Total general revenues				190,571
Change in net position				24,162
Net position - beginning of year				671,967
Net position - end of year				\$ 696,129

The accompanying notes are an integral part of the financial statements.

TOWN OF BELLEAIR SHORE, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUND
September 30, 2024

	<u>General Fund</u>
Assets:	
Cash and cash equivalents	\$ 81,420
Investments	549,686
Prepaid expense	51,856
Due from other governments	1,069
Total assets	\$ 684,031
Liabilities:	
Accounts payable	\$ 8,142
Accrued liabilities	1,067
Total liabilities	9,209
Fund Balance:	
Nonspendable	51,856
Unassigned	622,966
Total fund balance	674,822
Total liabilities and fund balance	\$ 684,031

The accompanying notes are an integral part of the financial statements.

TOWN OF BELLEAIR SHORE, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUND
TO THE STATEMENT OF NET POSITION
September 30, 2024

Fund balance - governmental fund	\$ 674,822
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 funds	<u>21,307</u>
Net position of governmental activities	<u><u>\$ 696,129</u></u>

The accompanying notes are an integral part of the financial statements.

TOWN OF BELLEAIR SHORE, FLORIDA
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUND
For the Fiscal Year Ended September 30, 2024

	<u>General Fund</u>
Revenues:	
Taxes	\$ 124,228
Intergovernmental revenue	26,694
Court fines	16,916
Investment earnings and miscellaneous	39,649
Total revenues	207,487
Expenditures:	
Current:	
General government	119,312
Public safety	34,872
Physical environment	20,184
Total expenditures	174,368
Excess of revenue over expenditures	33,119
Net change in fund balance	33,119
Fund balance, beginning of year	641,703
Fund balance, end of year	\$ 674,822

The accompanying notes are an integral part of the financial statements.

TOWN OF BELLEAIR SHORE, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUND TO
THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2024

Net change in fund balances - total governmental funds	\$ 33,119
Amounts reported for governmental activities in the statement of activities are different because:	
Loss on disposal of capital assets	<u>(8,957)</u>
Change in net position of governmental activities	<u>\$ 24,162</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF BELLEAIR SHORE, FLORIDA
 BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
 For the Year Ended September 30, 2024

	Budget Original & Final	Actual Amounts	Variance With Budget Favorable (Unfavorable)
Revenues:			
Taxes:			
General property taxes	\$ 121,343	\$ 122,481	\$ 1,138
Local option gas taxes	2,050	1,747	(303)
	123,393	124,228	835
Intergovernmental Revenue:			
State shared revenues:			
State revenue sharing	2,100	2,207	107
Infrastructure tax	18,000	16,703	(1,297)
Communications Svc. Tax	2,800	1,795	(1,005)
Local one-half cent sales tax	6,000	5,989	(11)
	28,900	26,694	(2,206)
Court fines	12,000	16,916	4,916
Miscellaneous Revenues:			
Building permits	6,000	6,500	500
Miscellaneous revenue	-	461	461
Interest earnings	60	32,688	32,628
	6,060	39,649	33,589
Total revenues	170,353	207,487	37,134

The accompanying notes are an integral part of the financial statements.

TOWN OF BELLEAIR SHORE, FLORIDA
 BUDGETARY COMPARISON SCHEDULE – GENERAL FUND (CONTINUED)
 For the Year Ended September 30, 2024

	<u>Budget Original & Final</u>	<u>Actual Amounts</u>	<u>Variance With Budget Favorable (Unfavorable)</u>
Expenditures:			
Current:			
Financial and Administrative:			
Personnel services	17,750	16,608	1,142
Operating expenditures	<u>53,231</u>	<u>61,817</u>	<u>(8,586)</u>
	<u>70,981</u>	<u>78,425</u>	<u>(7,444)</u>
Legal Counsel:			
Operating expenditures	<u>25,000</u>	<u>17,760</u>	<u>7,240</u>
Comprehensive Planning:			
Operating expenditures	<u>7,500</u>	<u>11,968</u>	<u>(4,468)</u>
Other General Government:			
Operating expenditures	<u>10,500</u>	<u>11,159</u>	<u>(659)</u>
Total general government	<u>113,981</u>	<u>119,312</u>	<u>(5,331)</u>
Public Safety:			
Law Enforcement:			
Operating expenditures	<u>41,872</u>	<u>34,872</u>	<u>7,000</u>
Physical Environment:			
Garbage/Solid Waste Control Services:			
Operating expenditures	<u>14,500</u>	<u>20,184</u>	<u>(5,684)</u>
Total expenditures	<u>170,353</u>	<u>174,368</u>	<u>(4,015)</u>
Excess of revenue over (under) expenditures	<u>-</u>	<u>33,119</u>	<u>33,119</u>
Net change in fund balances	<u>\$ -</u>	<u>33,119</u>	<u>\$ 33,119</u>
Fund balance, beginning of year		<u>641,703</u>	
Fund balance, end of year		<u>\$ 674,822</u>	

The accompanying notes are an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

TOWN OF BELLEAIR SHORE, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Town of Belleair Shore, Florida (the “Town”), have been prepared in accordance with accounting principles generally accepted in the United States of America, as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for promulgating governmental accounting and financial reporting principles. The following is a summary of the Town’s significant accounting policies:

A. Reporting Entity

The Town was incorporated in 1955 and established by Charter in accordance with Chapters 67-1107 of the laws of Florida (1982). The Town is approximately 43 acres and operates under the Town Commission form of government. The legislative branch of the Town is composed of an elected five-member Town Commission consisting of the Mayor and four commissioners. The Town Commission is governed by the Town Charter and by state and local laws and regulations. The Town Commission is responsible for the establishment and adoption of policy. The execution of such policy is the responsibility of the Town’s Clerk and Director of Finance, who serves at the discretion of the Commission. The Town provides its citizens with police, fire, EMS, and wastewater services through operating agreements with departments of Pinellas County, Florida. Solid waste disposal services are provided by a private entity under a contracting agreement.

The accompanying financial statements present the financial position and results of operations of the applicable fund governed by or dependent on the Town (the primary government). In evaluating the Town as a reporting entity, management has addressed all potential component units for which the entity may or may not be financially accountable and, as such, be included within the Town’s financial statements. No component units exist that require inclusion in the Town’s financial statements.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements, comprised of the statement of net position and the statement of activities, report aggregated information for the overall government for all of the activities of the primary government. These statements do not report fiduciary funds or fiduciary component units such as retirement trust funds. Those activities are reported only in fund financial statements, when required. The effect of interfund activity has been removed from these statements, when applicable.

All of the Town’s activities are governmental activities which are supported from ad valorem and other taxes, intergovernmental revenues, charges for services, fines and forfeitures, and other nonexchange revenues. The Town does not engage in any business-type activities.

The Statement of Net Position presents the overall government’s financial position at year-end. The Statement of Activities presents direct expenses of a given function or segment offset by program revenues for the fiscal reporting period. The resulting net expense or revenue is then totaled and offset by general revenues producing the aggregate change in net position for the period. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment of the government. Taxes and other nonexchange revenues not properly included among program revenues are reported as general revenues.

TOWN OF BELLEAIR SHORE, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

C. 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. Revenues are recorded as earned. Expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, unless accrued for grant reimbursements of costs previously funded by the Town. 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.

Taxes, intergovernmental revenue, charges for services 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 government.

Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized and grouped into four classes, based on their principal characteristics. The accounting treatment for each type of transaction is as follows:

Derived Tax Revenue, defined as assessments imposed on exchange transactions. Examples include: sales taxes, franchise tax, utility taxes, etc. Assets from derived tax revenue are recognized in the period when the exchange transaction on which the tax is imposed or when resources are received, whichever occurs first. Revenues are recognized, net of estimated uncollectible amounts, in the same period that the assets are recognized. Resources received in advance are recorded as unearned revenue until the period of the exchange.

Imposed Nonexchange Revenue, result from assessments on nongovernmental entities, other than assessments on exchange transactions. Examples include: ad valorem (property) taxes, fines and penalties, and property forfeitures. Assets from imposed nonexchange revenues are recognized in the period when an enforceable legal claim to the assets arises or when the resources are received, whichever occurs first. Property taxes are recognized in the period for which the taxes are levied. All other imposed nonexchange revenues are recognized in the same period that the assets are recognized.

Government-mandated Nonexchange Transactions, frequently establish eligibility requirements before a transaction can occur. Examples include federal awards and state financial assistance. Until the requirements are met, the recipient does not have a receivable and the recognition of revenue received in advance is deferred. The providers (usually federal, state, and county governments) often offer resources on a reimbursement (“expenditure-driven”) basis at the time the recipient has incurred allowable costs under the applicable program.

TOWN OF BELLEAIR SHORE, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

Voluntary Nonexchange Transactions, result from legislative or contractual agreements other than exchanges, entered into willingly by two or more parties. Examples include certain grants, entitlements, and donations by nongovernmental entities. Principal characteristics of these types of transactions are (1) they are not imposed on the provider or recipient, and (2) fulfillment of eligibility requirements is essential for a transaction to occur. Assets and revenues are recognized when all applicable eligibility requirements, including time requirements, are met. Resources received in advance are reported as unearned revenue.

The Town's accounts are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The focus of the governmental fund financial statements is on major funds.

The Town reports the following major governmental fund:

General Fund - The General Fund is the principal fund of the Town which accounts for all financial transactions not accounted for in other funds. All of the current operating expenditures of the Town are financed through revenues received by the General Fund.

Amounts reported as program revenues include charges to customers for services, and fines collected. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes, except those that are statutorily restricted for special functional cost elements.

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

D. Assets, Liabilities, and Net Assets or Equity

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

The Town's investment policies are governed by state statutes and local resolution. Allowable investment instruments include: bonds, notes, certificates of indebtedness, treasury bills, or other securities which are guaranteed by the full faith and credit of the United States of America, interest bearing savings accounts, interest bearing certificates of deposit and interest bearing time deposits. All of the Town's investments are reported at fair value.

Receivables and payables. All trade and property tax receivables and amounts due from other governments are reported net of an allowance for uncollectible accounts, which is based upon management's analysis of historical trends.

All unpaid property taxes receivable at year end are at least 180 days past due, at which time the applicable property is subject to lien, and penalties and interest are assessed.

TOWN OF BELLEAIR SHORE, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

Prepaid Items Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures or expenses when consumed rather than when purchased.

Capital Assets. Capital assets include land.

Capital assets are defined by the Town as assets with an initial individual cost of \$750 or more and an estimated useful life of more than one-year. Such assets are recorded at historical cost or estimated historical cost, if purchased or constructed. Contributed assets are recorded at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are only capitalized if they meet the dollar threshold above for capitalization.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized, but charged to operating expense as incurred. Major outlays for capital assets and improvements are capitalized as projects are constructed.

The Town has historically recorded all easements and rights of way that are determined to have limited useful lives at estimated fair market value on the date received. The Town has elected to not retroactively report intangible assets that are determined to have indefinite useful lives. The Town does not have any intangible assets previously subjected to amortization that have now been determined to have indefinite useful lives.

Fund Balance Flow Assumptions. Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Those classifications are as follows:

Nonspendable. This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash such as inventories and prepaid amounts. It also includes the long-term amount of loans and notes receivable, as well as property acquired for resale unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

Restricted. This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation (i.e. when the government assesses, levies, charges, or otherwise mandates payment of resources from external resource providers and

TOWN OF BELLEAIR SHORE, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation). None of the fund balance is restricted.

Committed. When applicable, this classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Town Commission. The Town Commission is the highest level of decision-making authority for the Town that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. None of the fund balance is committed.

Assigned. When applicable, this classification includes amounts that are constrained by the Town's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Town Commission or through the Town Commission delegating this responsibility to the Town Clerk through the budgetary process, as is authorized by the Town's Code of Ordinances. None of the fund balance is assigned.

Unassigned. This classification includes the residual fund balance for the General Fund and fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

The Town would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

Net Position. The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted. Net investment in capital assets groups all capital assets into one component of net position; accumulated depreciation and the outstanding balances of debt that are attributed to the acquisition, construction or improvement of these assets reduce the balance in this category. Restricted net position includes all net position with external restrictions imposed by creditors, grantors, or laws and regulations of other governments. Unrestricted net position is the residual amount of net position of the Town that is not restricted for any particular purpose.

Net Position Flow Assumption. Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g. grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

E. Recent Accounting Standards

The following Governmental Accounting Standards Board (GASB) Statements have been implemented in the current financial statements:

- Statement No. 100, Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62. The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable,

TOWN OF BELLEAIR SHORE, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections. The provisions of this statement are effective for reporting periods beginning after June 15, 2023.

The Town is currently evaluating the effects that the following Governmental Accounting Standards Board (GASB) Statements, which will be implemented in future financial statements, will have on its financial statements for subsequent fiscal years.

- Statement No. 101, Compensated Absences. This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences. The provisions of this statement will be effective for reporting periods beginning after December 15, 2023.
- Statement No. 102, Certain Risk Disclosures. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The provisions of this statement will be effective for reporting periods beginning after June 15, 2024.
- Statement No. 103, Financial Reporting Model Improvements. This statement was issued to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The Statement's focus areas are on the Management Discussion & Analysis; the Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Position; Unusual and Infrequent Items; Major Component Unit presentation in the Statement of Net Position and Statement of Activities; and Budgetary Comparison Information. The provisions of this statement will be effective for reporting periods beginning after June 15, 2025.
- Statement No. 104, Disclosure of Certain Capital Assets. This statement was issued to provide users of government financial statements with essential information about certain types of capital asset and to improve consistency and comparability between governments. The statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures. The statement also requires additional disclosures for capital assets held for sale. The provisions of this statement will be effective for reporting periods beginning after June 15, 2025.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

- A. Budgetary Information** - An annual budget was adopted for the Town's sole governmental fund. The basis on which the budget was prepared is consistent with generally accepted accounting principles for the fund. The Town uses the following procedures in establishing the budgetary data reflected in the accompanying financial statements:

TOWN OF BELLEAIR SHORE, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended September 30, 2024

1. On or before July 1st, the Town Clerk submits a preliminary budget to the Town Commission for the ensuing fiscal year.
2. Budget workshop sessions are scheduled by the Town Commission, as needed.
3. A general summary of the budget and notice of public hearing is published in a local newspaper.
4. Prior to October 1st, the budget is legally enacted through passage of an ordinance.
5. The Town Commission, by ordinance, may make supplemental appropriations in excess of those estimated for the year up to the amount of available revenue in accordance with the Town Charter. Prior to the end of the fiscal year, supplemental appropriations are made for unanticipated spending requirements by the Commission.
6. The Town Commission must approve all inter-departmental budget amendments and/or appropriations transfers. Budgetary control is exercised at the fund level.
7. Every appropriation lapses at the close of the fiscal year.

B. Excess of Expenditures over Appropriations

During the year ended September 30, 2024, physical environment expenditures exceeded budget appropriations in the amount of \$5,684 and general government expenditures exceeded budget appropriations in the amount of \$5,331.

NOTE 3 - PROPERTY TAX CALENDAR

Under Florida law, the assessment of all properties and the collection of all county, municipal and school district property taxes are consolidated in the offices of the County Property Appraiser and County Finance Director. The laws of the state regulating tax assessment are also designed to assure a consistent property valuation method statewide. State Statutes permit municipalities to levy property taxes at a rate of up to 10 mills. The millage rate assessed by the Town was .5345 mills (2023 levy collected in the year ended September 30, 2024).

The property tax calendar is as follows:

Valuation Date	January 1
Property Appraiser prepares the assessment roll with values as of January 1, submits preliminary roll for approval by the State and notifies each taxing authority of their respective valuations.	July 1
Town Commission holds two required public hearings and adopts a budget and ad valorem tax millage rate for the coming fiscal year.	September
Property Appraiser certified the assessment roll and all real and tangible personal property taxes are due and payable (levy date).	November 1

TOWN OF BELLEAIR SHORE, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

A Notice of Taxes is mailed to each property owner on the assessment roll. Taxes are paid November through March, with the following applicable discounts: November 1

<u>Month Paid</u>	<u>Discount</u>
November	4%
December.....	3%
January.....	2%
February.....	1%
March.....	None

All unpaid taxes on real and tangible personal property become delinquent. April 1

A list of unpaid tangible personal property taxes and a list of unpaid real property taxes are advertised. April/May

Tax certificates are sold on all real estate parcels with unpaid real property taxes (Lien date). June 1

A court order is obtained authorizing the seizure and sale of personal property if the taxpayer fails to pay the delinquent taxes August

NOTE 4 -CASH DEPOSITS AND INVESTMENTS

Deposits. At September 30, 2024, the carrying value of the Town’s cash deposit accounts totaled \$81,420 and the bank balances totaled \$82,844. The cash deposits are held by banks that qualify as public depositories under the Florida Security for Public Deposits Act (mentioned below) as required by Chapter 280, Florida Statutes and are fully insured.

Investments. At September 30, 2024, the Town had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment and Maturities</u>	
		<u>(Years)</u>	
		<u>Less Than 1</u>	<u>From 1-5</u>
Florida Local Government Investment Pool	\$ 549,686	\$ -	\$ 549,686
Total investments - primary government	<u>\$ 549,686</u>	<u>\$ -</u>	<u>\$ 549,686</u>

Interest Rate Risk. Generally, the Town limits its exposure to fair value losses arising from increases in interest rates by limiting the investment of its operating funds in investments with maturities of less than one year. Substantially all of the Town’s surplus funds are invested in the Florida State Board of Administration investment pool.

Credit Risk. The provisions of Section 218.415, Florida Statutes, require that the investment activity of the Town be conducted in accordance with a written investment plan adopted by the governing body. Under that plan, allowable investment instruments include: bonds, notes, certificates of indebtedness, treasury bills, or other securities which are guaranteed by the full faith and credit of the United States of America,

TOWN OF BELLEAIR SHORE, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

interest bearing savings accounts, interest bearing certificates of deposit and interest bearing time deposits, including those held with the Florida State Board of Administration investment pool.

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the Town’s deposits may not be returned to it. Pursuant to the applicable provisions of Chapter 280, Florida Statutes, *The Florida Security for Public Deposits Act* ("the Act"), the State of Florida, Department of Financial Services, Division of Treasury, Bureau of Collateral Management have established specific requirements relative to the security and collateralization for public deposits. Accordingly, banks qualifying as a public depository in the State of Florida must adopt the necessary procedures outlined in these statutes and meet all of the requirements of this chapter to be designated by the State’s Chief Financial Officer as eligible to receive deposits from municipal depositors. Collateral having a market value equal to 50% of the average daily balance for each month of all public deposits in excess of any applicable depository insurance is required to be pledged or deposited with the State’s Chief Financial Officer to secure such deposits. Additional collateral, up to a maximum of 125% may be required if deemed necessary under the conditions set forth in the Act. Securities eligible to be pledged as collateral are generally limited to obligations of the United States government and any state thereof and are held in the name of the State Chief Financial Officer’s office. Compliance with the provisions of Chapter 280, Florida Statutes, is monitored by a Qualified Public Depository Oversight Board with members appointed by the State Chief Financial Officer.

At September 30, 2024, all of the Town’s deposits were adequately covered by a combination of federal depository insurance and the statutory provisions of the Act.

NOTE 5 - CAPITAL ASSETS

The following is a summary of changes in capital assets during the year:

A. Governmental Activities

	Balances 9/30/2023	Additions	Deletions	Balances 9/30/2024
Capital assets not being depreciated:				
Land	\$ 21,307	\$ -	\$ -	\$ 21,307
Total capital assets not being depreciated	<u>21,307</u>	<u>-</u>	<u>-</u>	<u>21,307</u>
Capital assets being depreciated:				
Improvements other than buildings	42,295	-	(42,295)	-
Total capital assets being depreciated	<u>42,295</u>	<u>-</u>	<u>(42,295)</u>	<u>-</u>
Less accumulated depreciation for:				
Improvements other than buildings	(33,338)		33,338	-
Total accumulated depreciation	<u>(33,338)</u>	<u>-</u>	<u>33,338</u>	<u>-</u>
Total capital assets being depreciated, net	<u>8,957</u>	<u>-</u>	<u>(8,957)</u>	<u>-</u>
Total capital assets, net	<u>\$ 30,264</u>	<u>\$ -</u>	<u>(8,957)</u>	<u>\$ 21,307</u>

TOWN OF BELLEAIR SHORE, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

NOTE 6 - LEGAL MATTERS

The Town is from time to time engaged in routine litigation incidental to the conduct of its municipal affairs. As of September 30, 2024 there are no lawsuits against the Town.

NOTE 7 -RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters, all of which is satisfactorily insured by general liability insurance. Commercial insurance policies are also obtained for all other risks of loss, including workers' compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

Grants. Amounts received or receivable from grantor agencies in current and prior years are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund(s). The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

Law Enforcement Services. On August 18, 2020, the Town renewed its Interlocal Agreement with the Sherriff of Pinellas County, Florida, whereby the Sherriff's Office will continue to provide municipal law enforcement services and equipment to the Town in lieu of the Town using its own personnel and equipment. Under the renewal Agreement, the Town committed to pay \$34,872 the fiscal year ending September 30, 2024. The Town renewed its Interlocal Agreement with Pinellas County, Florida under similar terms for the ending September 30, 2025. The Town is committed to pay \$37,332 during the fiscal year ending September 30, 2025.

NOTE 9 - SUBSEQUENT EVENTS

Evaluation of Events and Transactions. In preparing these financial statements, the Town has evaluated events and transactions for potential recognition or disclosure through June 26, 2025, the date the financial statements were available to be issued.

COMPLIANCE SECTION



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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*

To the Honorable Mayor
and the members of the Town Commission
Town of Belleair Shore, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Town of Belleair Shore, Florida (the "Town"), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise Town's basic financial statements, and have issued our report thereon dated June 26, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town's financial statements are free from 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 financial statements. 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*.



704-566-0222



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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.

AAPG, LLP

Charlotte, North Carolina
June 26, 2025



704-566-0222



7229 Albemarle Rd., Suite A Charlotte, NC 28227



AAPG, LLP

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MANAGEMENT LETTER

The Honorable Mayor
and Members of the Town Commission
Town of Belleair Shore, Florida

Report on Financial Statements

We have audited the financial statements of Town of Belleair Shore, Florida, (the “Town”) as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated June 26, 2025.

Auditors’ Responsibility

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

Other Reports and Schedule

We have issued our Independent Auditor’s 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*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 26, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings and recommendations made in the preceding annual financial audit report.

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.



704-566-0222



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Financial Condition and Management

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

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

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

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, the Town does not have a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, within the Town's geographical boundaries during the fiscal year under audit.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that has 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, Commission Members, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

AAPG, LLP

June 26, 2025



704-566-0222



7229 Albemarle Rd., Suite A Charlotte, NC 28227



AAPG, LLP

Aline Accounting Partners Group

INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Mayor
and Members of the Town Commission
Town of Belleair Shore, Florida

We have examined the Town of Belleair Shore, Florida's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the period October 1, 2023 to September 30, 2024. Management is responsible for the Town of Belleair Shore, Florida's compliance with those requirements. Our responsibility is to express an opinion on the Town of Belleair Shore, Florida's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Town of Belleair Shore, Florida complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Town of Belleair Shore, Florida complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Town of Belleair Shore, Florida's compliance with specified requirements.

In our opinion, the Town of Belleair Shore, Florida complied, in all material respects, with the aforementioned requirements during the period October 1, 2023 to September 30, 2024.

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

AAPG, LLP

June 26, 2025



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