



FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2020

2020

Comprehensive Annual Financial Report

CITY OF BELLE ISLE, FLORIDA



CAFR



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CITY OF BELLE ISLE, FLORIDA

Comprehensive Annual Financial Report

FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2020



PREPARED BY:
CITY OF BELLE ISLE, FLORIDA
FINANCE DEPARTMENT

INTRODUCTORY SECTION

This section contains the following subsections:

- Table of Contents
- Letter of Transmittal
- List of Principal Officials
- Organizational Chart
- Certificate of Achievement

	<u>Page</u>
I. Introductory Section:	
Table of Contents	i-ii
Letter of Transmittal	iii-vii
List of Principal Officials	viii
Organizational Chart	ix
Certificate of Achievement	x
 II. Financial Section:	
Independent Auditor's Report	1-2
Management Discussion and Analysis (Required Supplementary Information)	3-7
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	8
Statement of Activities	9
Fund Financial Statements:	
Governmental Fund Financial Statements -	
Balance Sheet - Governmental Funds	10
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	11
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	12
Notes to the Financial Statements	13-24
Required Supplementary Information:	
Budgetary Comparison Schedules:	
General Fund	25
Notes to Required Supplementary Information	26
Combining and Individual Fund Financial Statements and Schedules:	
Major Governmental Fund:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance- Budget and Actual-Debt Service Fund	27
Budget and Actual-Capital Improvement Fund	28
Nonmajor Governmental Funds:	
Combining Balance Sheet - Nonmajor Governmental Funds	29
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	30
Budgetary Comparison Schedules:	
Transportation Impact Fee Fund	31
Stormwater Fund	32
Law Enforcement Education Fund	33
Capital Equipment Replacement Fund	34

III. Statistical Section:	
Table of Contents	35
Financial Trends:	
Net Position by Component	36
Changes in Net Position	37
Governmental Activities Tax Revenues by Source	38
Fund Balances of Governmental Funds	39
Changes in Fund Balances of Governmental Funds	40
Revenue Capacity:	
Assessed Value and Estimated Actual Value of Taxable Property	41
Property Tax Rates - Direct and Overlapping Governments	42
Principal Property Taxpayers	43
Property Tax Levies and Collections	44
Debt Capacity:	
Ratios of Outstanding Debt by Type	45
Direct and Overlapping Governmental Activities Debt	46
Pledged-Revenue Coverage	47
Demographic and Economic Information:	
Demographic and Economic Statistics	48
Principal Employers	49
Operating Information:	
Full-time Equivalent City Government Employees by Function	50
Operating Indicators by Function	51
Capital Asset Statistics by Function	52
IV. Internal Control and Compliance Section:	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	53-54
Management Letter	55-57
Management Response to Auditor's Management Letter	58
Independent Auditor's Report on Compliance with the Requirements of Section 218.415, Florida Statutes	59
Impact fee Affidavit	60



CITY OF BELLE ISLE, FLORIDA

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February 22, 2021

To the Honorable Mayor, Commissioners and Citizens of the City of Belle Isle, Florida:

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Belle Isle, Florida, for the fiscal year ended September 30, 2020. State law requires that all general-purpose local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with auditing standards generally accepted in the United States, by a firm of licensed certified public accountants. This report is issued pursuant to that requirement, as well as to provide transparency and accountability.

This report consists of management's representations concerning the finances of the City of Belle Isle, 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 Belle Isle has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Belle Isle's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Belle Isle'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 Belle Isle's financial statements have been audited by McDirmit Davis, LLC, 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 Belle Isle for the fiscal year ended September 30, 2020 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Belle Isle's financial statements for the fiscal year ended September 30, 2020 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 MD&A and should be read in conjunction with it. The City of Belle Isle's MD&A can be found immediately following the report of the independent auditors.

Profile of the City

The City of Belle Isle, incorporated in 1924, is located in Central Florida in Orange County and is considered part of the Orlando metropolitan area. The City of Belle Isle is a residential community and was formed by area residents to protect Lake Conway and the beautiful natural environment of the area. The City currently occupies a land area of approximately 5.12 square miles and is home to approximately 7,378 residents.

In 2019, the City Council held a strategic planning session and revised the mission and vision of the City. The Council adopted the Strategic Plan in April 2020 under Resolution 20-05. The new Mission Statement adopted by the Council is "A Safe, Serene Florida Community where families desire to reside, raise a family, enjoy our natural surroundings, excellent schools and quiet way of life".

The new Mission Statement, developed by the Council, is "The City of Belle Isle continuously preserves our natural resources and enhances our quality of life through intelligent, inclusive, leadership and outstanding municipal services".

The City Council and staff have identified three (3) priority strategic goals of the Strategic Plan to enhance the community which are: To Improve Communication and Relationships with All Stakeholders, Internally and Externally; To Maintain and Enhance City Infrastructure; and To Maximize All of the City's Resources to Accomplish the Mission, Vision and Goals Efficiently and Effectively.

Planned growth for the City includes those areas contiguous to the current city boundaries including the areas east, south and west of the City. Conservative fiscal management and growth has resulted in the City of Belle Isle becoming one of Orange County's most desirable communities.

The City of Belle Isle is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Council.

The City of Belle Isle operated under a strong-mayor form of government until November 2003 when a charter referendum was passed that changed the City to a council-manager form of government. The legislative powers of the City are vested in the City Council consisting of a non-voting mayor and seven commissioners, each representing one of the seven Districts in the City. Although the City is divided up by Districts, the City Council is elected at large on a non-partisan basis. Commissioners serve three-year staggered terms and the Mayor serves a three-year term. City Council is responsible, among other things, for passing ordinances and resolutions, adopting the budget, appointing committees, and hiring the City Manager, City Clerk, and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the governing commission, for overseeing the day-to-day operations of the government, and for appointing the heads of various departments.

The City of Belle Isle provides a full range of services, including general administration and support services; police and fire protection; solid waste and recycling collection; construction and maintenance of streets, sidewalks and other infrastructure; planning and zoning; building permitting and inspections; code enforcement; and recreational activities. Fire protection, planning services, and building services are contracted.

The annual budget serves as the foundation for the City of Belle Isle's financial planning and control. On or before the first council meeting in August of each year, the City Manager submits the proposed budget to the City Council. As required by the Truth in Millage Act (TRIM), the City Council holds public hearings on the proposed budget and adopts a final budget and millage rate by no later than September 30, the close of the City of Belle Isle's fiscal year. The appropriated budget is prepared by fund and department. The City Manager can make transfers within a department. Transfers between departments or funds require the approval of the City Council. Budget-to-actual comparisons are provided in this report for all funds.

As part of strategic planning, the City Council decided that they needed more citizen input in the formation of the City Budget and budget priorities to improve the transparency of budget information, and address the long-term fiscal sustainability of the City. In order to assist the City with its financial and budgetary goals, the City Council established a Budget Committee which is made up of seven citizens in the City and each representing each of the seven Districts in the City. The main goal of the Budget Committee is to gain greater citizen input and understanding of the budget and its components in order to increase transparency and to provide increased public accountability and elected official monitoring of the fiscal position of the City.

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 Belle Isle operates.

Although the City is in good financial condition at this time, the City has experienced the effects of COVID-19. State shared revenues have diminished but the City was still able to conduct business as usual this past year. The City has been fortunate in that we have not had to cut employee hours or conduct lay-offs. Certain members of the City staff worked from home during this time and City Hall was closed to the public for a time; however the City staff continued to keep City services at a high level. The City is cautiously optimistic that next year the City will see the local economy recover that we will see revenues back to normal levels. Even if this does not occur, the City is prepared to continue to provide the quality of services that Belle Isle residents are accustomed to receiving.

Local Economy

The City of Belle Isle remains in good and stable financial condition; however the City continues to have concerns relative to the actions of the Federal and State Governments. Federal and State unfunded mandates continue to be forced on the smaller local governments which can have a detrimental effect on funding and in some cases require funding to be allocated from reserve funds. This is coupled with the continued challenges from the State that affects our home rule charter. These present dangerous precedents that cities are most concerned about. The City of Belle Isle continues to be vigilant and is committed to slowing this trend while balancing the needs of our infrastructure and service provision.

COVID-19 has had an impact on the local economy; however with Belle Isle having an extremely small number of commercial businesses, the City did not have the major impacts to its economy that many other cities with a large commercial tax base have had.

Even through COVID, a new hotel is in its final construction stages and another hotel is planning for expansion by adding another 90 rooms. At least 10 new homes have been built and many individuals have made major renovations to their homes while they worked from home.

As a result of the desirability of lakefront living and our unique location, we are experiencing a significant influx of newer residents with substantial financial resources. The City has seen significant growth in residential and commercial construction and anticipates it's continuance in the future. We especially see an increase in older, smaller homes being bought and demolished with larger homes being built in their place. The property and resale values have stabilized or increased compared to property and resale values in the surrounding areas.

Long-Term Financial Planning

Identifying additional sources of revenue, stormwater, drainage and paving projects continue to be among the City's highest priorities. A substantial portion of the five year Capital Improvements Program is designated towards improvements in stormwater, drainage, and paving. However, a significant concern is that the City has not raised its millage rate in over 11 years. This is putting a strain on providing the services that the residents of Belle Isle have gotten used to over the past decade.

One change that took place in the City finances was that the City Council repealed the utility tax on electricity and in its place, created a franchise fee for electricity. Although the rate of 3% was the same, the City will see an increase in its revenues because some entities were exempt under a utility tax and they are not exempt under a franchise fee. The City staff also presented an updated Stormwater CIP to the City Council and the Council voted to increase the stormwater assessment by \$10 per residence last year and \$5 per year over the next four years.

Relevant Financial Policies

Along with the annual budget, the City provides a comprehensive five-year projection. This plan details estimated personnel operating and capital costs for continuing operations and expansion plans for all City functions.

Major Initiatives

Despite the challenges related to the economy, the City has continued to work on various projects. In addition, the City completed a number of miscellaneous concrete sidewalk repairs and street projects during 2020. The City installed traffic calming improvements to its roads, including redesigning the chicane on Trentwood Boulevard; installing a median on Hoffner Avenue, and is in the process of installing pedestrian flashing beacons on Hoffner Avenue. Next year, the City will install two additional lighted pedestrian crosswalks on Hoffner. The City Council also adopted an updated Transportation Master Plan that will provide enhanced traffic and pedestrian safety along the City's busiest streets. The City staff will be contacting Orange County to partner on many of these projects.

The City completed major renovations and repairs to one of its parks this past year that was significantly damaged by Hurricane Irma. The City plans to continue sidewalk repairs and resurfacing in 2021. The City also looks to expand its boundaries' through annexation to increase the tax base as well as acquire available real estate for future expansion of municipal facilities. As part of this expansion, the City also took over jurisdiction of four major roadways this past year from Orange County. The City also acquired the former Bank of America Building and is looking at various ideas for its use. The City will continue to look at acquisition of properties when it is advantageous to the City and its mission and vision.

The City will also partner with Cornerstone Charter Academy (CCA) as the Academy continues to expand its campus, which the City owns. A master plan for the expansion is complete. Both the City and CCA continue to work at the best way to achieve this expansion both physically and fiscally.

Parks beautification and barrier free accessibility is also being implemented through the City's community beautification program for enhancements to parks and open space within the City. The City purchased reclaimed land from the State this past year for Cross Lake Beach and is working with CCA to develop Wallace Field as a practice field for CCA athletics and as a passive parks for its residents.

The City made, and continues to make, needed improvements to its stormwater system, not only to control the street flooding that commonly occurs from downpours, but also to keep the water quality of Lake Conway at the highest level. To do this, the City installed a "baffle box" system at Gene Polk Park to filter out debris and excessive nutrients that could harm the lake and completed major stormwater projects on Wind Drift Avenue, Jade Circle, Cullen Lake Shore Drive, and Seminole Drive. This next year, the City will continue with a major reconstruction of Sol Avenue, St. Partin Place, Barby Lane, and Stafford Avenue to control street flooding.

Awards and Acknowledgements

The Government of Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Belle Isle for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2020. This was the twentieth consecutive year that the government received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement's Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance and administration department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the mayor and the governing commission for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Belle Isle's finances.

Respectfully submitted,


Bob Francis
City Manager


Tracey Richardson
Finance Director

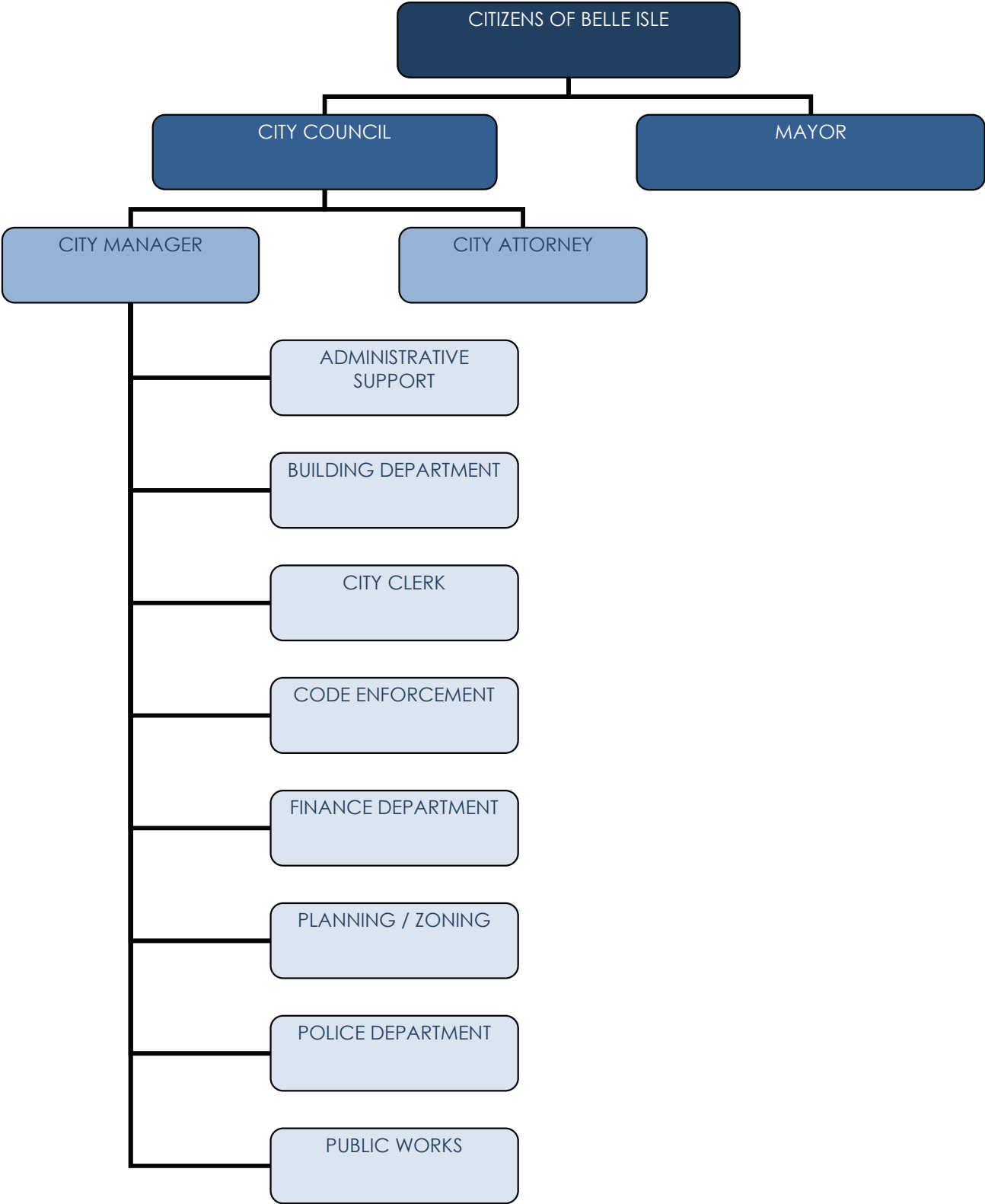
Elected Officials

Mayor	Honorable Nicholas Fouraker
District #1 City Commissioner	Ed Gold Jr.
District #2 City Commissioner	Anthony Carugno
District #3 City Commissioner	Karl Shuck
District #4 City Commissioner	Mike Sims
District #5 City Commissioner	Harvey Readey
District #6 City Commissioner	Jim Partin
District #7 City Commissioner	Sue Nielsen

City Officials

City Manager	Bob Francis
City Clerk	Yolanda Quiceno
Finance Director	Tracey Richardson

ORGANIZATIONAL CHART





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Belle Isle
Florida**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

This section contains the following subsections:

- Independent Auditor's Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Notes to Financial Statements
- Required Supplementary Information
- Combining and Individual Fund Statements and Schedules

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Commissioners
City of Belle Isle, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the *City of Belle Isle, Florida*, as of and for the year ended September 30, 2020, 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

The City's 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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 audit 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the *City of Belle Isle, Florida*, as of September 30, 2020, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining and individual nonmajor fund financial statements, and budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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, based on our audit, and the procedures performed as described above, the combining and individual nonmajor fund financial statements and budgetary comparison schedules 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 Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated February 22, 2021 on our consideration of the *City of Belle Isle, Florida's* internal control over financial reporting and 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 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.

McDiarmid Davis

Orlando, Florida
February 22, 2021

As management of the *City of Belle Isle, Florida* we offer readers of the *City of Belle Isle's* financial statements this narrative overview and analysis of the financial activities of the *City of Belle Isle* for the fiscal year ended September 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

- The assets of the *City of Belle Isle* exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$11,474,531 (net position). Of this amount, \$2,377,681 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$165,544.
- As of the close of the current fiscal year, the *City of Belle Isle's* governmental funds reported combined ending fund balances of \$6,563,756, an increase of \$2,742,341 in comparison with the prior year. The general fund had an ending unassigned fund balance of \$2,536,904, which is 40% of total general fund expenditures.
- The *City of Belle Isle's* total debt is \$11,731,281 at September 30, 2020. This includes Charter School Lease Revenue Bonds, Series 2012, which are payable solely from the pledged lease revenue and neither the property, nor the full faith and credit nor the taxing power of the City, is pledged as security for the payment of the Bonds.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the *City of Belle Isle's* (the City) basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the *City of Belle Isle'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, and deferred inflows/outflows of resources, with the difference 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 position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The governmental activities of the City of Belle Isle include general government, public safety and physical environment.

The government-wide financial statements include only the *City of Belle Isle* itself (known as the primary government).

The government-wide financial statements can be found on pages 8 - 9 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 Belle Isle*, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The *City of Belle Isle* has seven governmental funds - the General Fund, the Debt Service Fund, three special revenue funds, and two capital projects 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. 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 Belle Isle* adopts an annual appropriated budget for all governmental funds. A budgetary comparison statement has been provided for the general fund, debt service fund, special revenue funds, and capital projects funds to demonstrate compliance with this budget and are presented as required supplementary information for the General Fund, Debt Service Fund, Capital Projects Fund, and combining schedules for the nonmajor governmental funds.

The basic governmental fund financial statements can be found on pages 10-12 of this report.

Government-Wide Financial Analysis

Statement of Net Position - 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 of Belle Isle*, assets exceeded liabilities and deferred inflows of resources by \$11,474,531 at the close of the most recent fiscal year.

Statement of Net Position

	Governmental Activities	
	2020	2019
Current and other assets	\$ 7,282,600	\$ 4,435,567
Capital assets	16,797,956	17,124,443
Total assets	24,080,556	21,560,010
Long-term liabilities outstanding	11,884,454	9,631,412
Other liabilities	718,844	616,430
Total liabilities	12,603,298	10,247,842
Total deferred inflows of resources	2,727	3,181
Net Position:		
Net investment in capital assets	8,518,272	8,560,971
Restricted	578,578	464,127
Unrestricted	2,377,681	2,283,889
Total net position	\$ 11,474,531	\$ 11,308,987

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Seventy-four percent (74%) of the City's net position is net investment in capital assets (e.g., land, buildings, improvements, infrastructure and equipment) less any related debt used to acquire those assets that is still outstanding. 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 net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the City's net position, \$578,578 (5%) represents resources that are subject to external restrictions on how they may be used.

The remaining balance of unrestricted net position, \$2,377,681 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the *City of Belle Isle* is able to report positive balances in all categories of net position.

Statement of Activities

Governmental activities increased the *City of Belle Isle's* net position by \$165,544. Key elements of this increase are as follows:

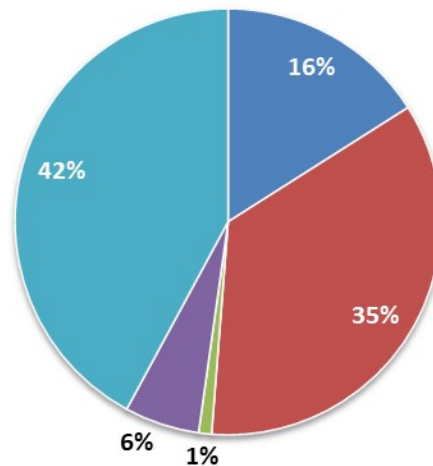
Changes in Net Position

	Governmental Activities	
	2020	2019
Revenues:		
Program Revenues:		
Charges for services	\$ 2,425,579	\$ 2,383,291
Operating grants and contributions	334,030	1,443,033
Capital grants and contributions	61,366	401,166
	<u>2,820,975</u>	<u>4,227,490</u>
General Revenues:		
Property taxes	3,370,685	3,104,093
Franchise and utility taxes	454,588	416,555
Intergovernmental	1,280,834	1,516,204
Investment income and miscellaneous	78,611	81,871
	<u>5,184,718</u>	<u>5,118,723</u>
Total revenues	<u>8,005,693</u>	<u>9,346,213</u>
Expenses:		
General government	1,333,531	1,028,547
Public safety	3,669,342	3,502,256
Physical environment	2,245,131	2,199,798
Interest on long-term debt	592,145	570,192
	<u>7,840,149</u>	<u>7,300,793</u>
Total expenses	<u>7,840,149</u>	<u>7,300,793</u>
Increase in Net Position	165,544	2,045,420
Net position, beginning	<u>11,308,987</u>	<u>9,263,567</u>
Net position, ending	<u>\$ 11,474,531</u>	<u>\$ 11,308,987</u>

Program revenues decreased by \$1,406,515 primarily due to FEMA reimbursements received in 2019 for Hurricane Irma cleanup. On the expense side, expenses increased \$539,356 primarily due to increased solid waste disposal costs, depreciation on capital assets placed in service in 2019, and benefits costs for employees.

Revenues by Source - Governmental Activities

- Intergovernmental
- Program Revenues
- Investment Income & Miscellaneous
- Other Taxes
- Property Taxes



Financial Analysis of the Government's Funds

As noted earlier, the *City of Belle Isle* used fund accounting to ensure and demonstrate compliance with finance-related requirements.

Governmental Funds - The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the *City of Belle Isle'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.

The general fund is the largest fund of the *City of Belle Isle, Florida*. The general fund balance increased by \$165,881 primarily due to the increased ad valorem tax revenues driven by increased property values.

The debt service fund balance increased by \$161,703 primarily due to less capital outlay spending on charter school improvements as a result of COVID-19.

The capital improvements fund balance increased by \$2,500,000 primary due to the issuance of a new note for a property purchase and improvements.

General Fund Budgetary Highlights

Difference between original General Fund budget and the final amended General Fund budget resulted in a \$132,001 increase in expenditures from the fund balance during the current year due to increased fire protection costs from Orange County and information technology upgrades.

During the fiscal 2020 year, actual revenues were more than budgeted revenues in the General Fund by approximately \$33,000. Also, expenditures less than budgeted by approximately \$127,000 primarily due to planned capital projects spending that were on hold as a result of COVID-19.

Capital Asset and Debt Administration

Capital Assets - The *City of Belle Isle's* investment in capital assets for its governmental activities as of September 30, 2020, amounts to \$16,797,956 (net of accumulated depreciation), as detailed below. The total decrease in City's total capital assets for the current fiscal year was \$326,487 (a 2% decrease in total capital assets).

**Capital Assets
(Net of Depreciation)**

	Governmental Activities	
	2020	2019
Land	\$ 2,632,190	\$ 2,613,190
Buildings	5,927,831	6,120,979
Improvements	1,462,969	1,181,587
Machinery and equipment	1,036,280	1,094,853
Intangibles	20,536	3,918
Infrastructure	5,718,150	6,109,916
Total	\$ 16,797,956	\$ 17,124,443

Additional information on the *City of Belle Isle's* capital assets can be found in Note 6 of this report.

Long-Term Debt - At the end of the current fiscal year, the *City of Belle Isle* had total debt outstanding of \$11,731,281. This debt includes Charter School Lease Revenue Bonds, which are nonrecourse, and Capital Improvement Revenue Note. Additional information on long-term debt can be found in Note 9 of this report.

Long-Term Debt

	Governmental Activities	
	2020	2019
Capital lease payable	\$ -	\$ 59,831
Note payable	2,551,281	-
Bonds payable	9,180,000	9,445,000
Total	\$ 11,731,281	\$ 9,504,831

Next Year's Budget and Rates

During the current fiscal year, the fund balance in the general fund increased to \$2,536,904 and none of this balance was appropriated for expenditure in Fiscal Year 2021.

Requests for Information

This financial report is designed to provide a general overview of the *City of Belle Isle's* finances for all those with an interest in the government's finances. Questions concerning any of the information should be addressed to the office of the Finance Director, *City of Belle Isle*, 1600 Nela Avenue, Belle Isle, FL 32809.

Basic Financial Statements

City of Belle Isle, Florida
Statement of Net Position
September 30, 2020

	<u>Primary Government</u>
	<u>Governmental</u>
	<u>Activities</u>
Assets:	
Cash	\$ 6,963,462
Investments	35,779
Due from other governments	133,359
Restricted Assets:	
Cash with fiscal agent	150,000
Capital Assets:	
Not being depreciated	2,632,190
Being depreciated, net	14,165,766
Total assets	<u>\$ 24,080,556</u>
Liabilities:	
Accounts payable	203,941
Accrued liabilities	64,791
Matured bonds and interest payable	436,412
Deposits	13,700
Noncurrent Liabilities:	
Due within one year	397,392
Due in more than one year	11,487,062
Total liabilities	<u>12,603,298</u>
Deferred Inflows:	
Deferred credit on debt refunding	2,727
Total deferred inflows of resources	<u>2,727</u>
Net Position:	
Net investment in capital assets	8,518,272
Restricted for:	
Debt service	374,049
Capital projects	186,766
Public safety	17,763
Unrestricted	2,377,681
Total net position	<u>\$ 11,474,531</u>

City of Belle Isle, Florida
Statement of Activities
Year Ended September 30, 2020

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Program Revenue Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
					Primary Government
					Governmental Activities
Primary Government:					
Governmental Activities:					
General government	\$ 1,333,531	\$ -	\$ 67,603	\$ -	\$ (1,265,928)
Public safety	3,669,342	150,349	3,434	61,366	(3,454,193)
Physical environment	2,245,131	1,238,589	262,993	-	(743,549)
Interest on long-term debt	592,145	1,036,641	-	-	444,496
Total governmental activities	7,840,149	2,425,579	334,030	61,366	(5,019,174)
Total primary government	\$ 7,840,149	\$ 2,425,579	\$ 334,030	\$ 61,366	(5,019,174)
General Revenues:					
Taxes:					
Property taxes					3,370,685
Franchise and utility taxes					454,588
Intergovernmental					1,280,834
Unrestricted investment earnings					20,201
Miscellaneous					58,410
Total general revenues					5,184,718
Change in net position					165,544
Net position, beginning					11,308,987
Net position, ending					\$ 11,474,531

City of Belle Isle, Florida
Balance Sheet - Governmental Funds
September 30, 2020

	General Fund	Debt Service Fund	Capital Improvements Fund	Total Nonmajor Funds	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 2,562,289	\$ 1,828,513	\$ 2,350,000	\$ 222,660	\$ 6,963,462
Investments	35,779	-	-	-	35,779
Due from other funds	79,476	-	-	-	79,476
Due from other governments	133,359	-	-	-	133,359
Cash with fiscal agent	-	-	150,000	-	150,000
Total assets	\$ 2,810,903	\$ 1,828,513	\$ 2,500,000	\$ 222,660	\$ 7,362,076
Liabilities:					
Accounts payable	\$ 195,508	\$ 321	\$ -	\$ 8,112	\$ 203,941
Accrued liabilities	64,791	-	-	-	64,791
Due to other funds	-	50,786	-	28,690	79,476
Matured bonds payable	-	175,000	-	-	175,000
Matured interest payable	-	261,412	-	-	261,412
Deposits	13,700	-	-	-	13,700
Total liabilities	273,999	487,519	-	36,802	798,320
Fund Balances:					
Restricted for:					
Debt service	-	1,340,994	-	-	1,340,994
Capital projects	-	-	2,500,000	-	2,500,000
Transportation impacts	-	-	-	186,766	186,766
Law enforcement education	-	-	-	17,763	17,763
Assigned for:					
Equipment replacement	-	-	-	18,131	18,131
Unassigned	2,536,904	-	-	(36,802)	2,500,102
Total fund balances	2,536,904	1,340,994	2,500,000	185,858	6,563,756
Total Liabilities and Fund Balances	\$ 2,810,903	\$ 1,828,513	\$ 2,500,000	\$ 222,660	

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

Capital assets used in governmental activities are not fund resources and, therefore, are not reported in the funds	16,797,956
Some liabilities and deferred inflows, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	(11,887,181)
Net position of governmental activities	\$ 11,474,531

City of Belle Isle, Florida
Statement of Revenue, Expenditures and Changes in Fund Balance
Governmental Funds
Year Ended September 30, 2020

	General Fund	Debt Service Fund	Capital Improvements Fund	Total Nonmajor Funds	Total Governmental Funds
Revenues:					
Taxes:					
Property taxes	\$ 3,370,685	\$ -	\$ -	\$ -	\$ 3,370,685
Franchise and utility	454,588	-	-	-	454,588
Licenses and permits	248,296	-	-	-	248,296
Intergovernmental	1,668,599	-	-	7,631	1,676,230
Charges for services	740,773	1,036,641	-	360,985	2,138,399
Impact fees	-	-	-	1,430	1,430
Fines and forfeitures	35,563	-	-	1,891	37,454
Investment income	2,680	9,626	-	7,895	20,201
Miscellaneous	58,410	-	-	-	58,410
Total revenues	6,579,594	1,046,267	-	379,832	8,005,693
Expenditures:					
Current:					
General government	1,114,817	-	-	-	1,114,817
Public safety	3,610,528	-	-	1,790	3,612,318
Physical environment	1,517,221	185,180	-	453,308	2,155,709
Debt Service:					
Principal	149,831	175,000	-	-	324,831
Interest and other charges	21,316	524,384	51,281	-	596,981
Capital outlay	-	-	-	9,977	9,977
Total expenditures	6,413,713	884,564	51,281	465,075	7,814,633
Excess (deficiency) of revenues over expenditures	165,881	161,703	(51,281)	(85,243)	191,060
Other Financing Sources (Uses):					
Notes payable issued	-	-	2,551,281	-	2,551,281
Total other financing sources	-	-	2,551,281	-	2,551,281
Net change in fund balances	165,881	161,703	2,500,000	(85,243)	2,742,341
Fund balances, beginning	2,371,023	1,179,291	-	271,101	3,821,415
Fund balances, ending	\$ 2,536,904	\$ 1,340,994	\$ 2,500,000	\$ 185,858	\$ 6,563,756

**Reconciliation of the Statement Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities**

Year Ended September 30, 2020

Net Change in Fund Balances - Total Governmental Funds \$ 2,742,341

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

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.

Capital outlay	\$	699,907	
Depreciation		(1,025,230)	
			(325,323)

In the statement of activities, only the loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold. (1,164)

Governmental funds report debt proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of debt as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the amount by which repayments exceeded proceeds in the current period.

Proceeds from issuance of note payable	\$	(2,551,281)	
Principal repayments		324,831	
			(2,226,450)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds.

Compensated absences	\$	(28,696)	
Accrued interest		2,278	
Amortization of premium		2,104	
Amortization of deferred credit on refunding		454	
			(23,860)

Change in Net Position of Governmental Activities	\$	165,544
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Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The *City of Belle Isle, Florida* (the "City") was incorporated April 25, 1924 under the Laws of Florida 75-329. The City operates under a council-manager form of government, with an appointed City Manager, seven elected City Commissioners, and a separately elected Mayor. The City provides the following services as authorized by its charter: public safety (fire and law enforcement), highways and streets, sanitation, parks and recreation, public improvements, planning and zoning, and general administrative services. The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governmental units. The more significant of the City's accounting policies are described below.

In evaluating how to define the City, for financial reporting purposes, management has considered all potential component units. The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it. In applying the above criteria, the City has identified no component units.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the City. Since the City has no business-type activities, only governmental activities are reported on the government-wide financial statements.

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.

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 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 revenues as soon as all eligibility requirements imposed by the provider have been met.

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

Property taxes, 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 revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

General Fund - is the City's primary operating fund, and is always classified as a major fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Debt Service Fund - is used to account for the lease revenue received from the Charter Schools. The lease revenue is used to pay the debt service on the Series 2012 Lease Revenue Bonds issued by the City in October 2012 as well as repairs and maintenance to the Charter Schools as required by the lease agreement.

Capital Improvements Fund - is used to account for the use of the proceeds of the Capital Improvement Revenue Note, Series 2020, for the acquisition of land and the construction of improvements as allowed by the Note.

The government reports the following nonmajor governmental funds:

Transportation impact fee special revenue fund - is used to account for collected impact fees on new development which are restricted for transportation related improvements.

Stormwater special revenue fund - is used to account for stormwater management operations and related capital improvements.

Law enforcement education special revenue fund - is used to account for revenues received pursuant to Florida Statutes, which imposes a \$2.00 court cost against persons convicted for violations of criminal statutes. Funds must be used to educate and train law enforcement personnel.

Capital equipment replacement fund - is used to set aside funds for future equipment replacement.

Assets, Liabilities, Deferred Outflows/Inflows, and Net Position/Fund Balance

Deposits and Investments

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

Investments for the City are reported at fair value within the fair value hierarchy established in accordance with GASB Statement No 72, *Fair Value Measurement and Application*, except for the position in the Florida State Board of Administration's Local Government Surplus Investment Pool (LGIP). In accordance with state law, the LGIP operate in conformity with all of the requirements of the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended. Accordingly, the LGIP's qualify as a 2a7-like pools and are reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. The Florida State Board of Administration is subject to regulatory oversight by the State of Florida, although it is not registered with the SEC. The City's investments consist of investments authorized per their investment policy adopted in accordance with section 218.415, Florida Statutes.

Prepaid Items

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

Capital Assets

Capital assets, which include property, plant equipment and infrastructure assets (e.g., roads, sidewalks and similar items), are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Land and construction in progress are not depreciated. The other property, plant, equipment and infrastructure of the City is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Improvements	5 - 15
Machinery & equipment	5 - 15
Intangibles	3 - 5
Infrastructure	25 - 40

Compensated Absences

The City’s personnel policies permit full time employees to accrue personal leave time based upon length of service with the City. This paid time off (PTO) may be used for vacation, sick leave, or doctor appointments. Unused PTO will be paid to employees upon separation from City service at 100% after completion of six (6) months of continuous employment. For governmental activities, compensated absences are generally liquidated by the General Fund. A liability for these amounts is reported in the general fund only if they have matured, for example, due to employee retirements.

Long Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of premiums or discounts.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City does not have any item that qualifies for reporting in this category for the year ended September 30, 2020.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has one item that qualifies for reporting in this category, a deferred credit on debt refunding. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted 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 City’s policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Flow Assumptions

Sometimes the City 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 City's 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

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Commission is the highest level of decision-making authority for the City 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.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Commission is authorized to assign fund balance. The commission may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Estimates

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

New Accounting Standards

In fiscal year 2020, the City implemented Government Accounting Standards Board (GASB) Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This pronouncement provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of provisions in certain other statements. There was no effect on beginning balances of the City for the implementation of this statement.

NOTE 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 position. One element of that reconciliation explains that "long-term liabilities including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this difference are as follows:

Bonds payable	\$ 9,180,000
Add: Issuance premium (to be amortized over life of debt)	12,621
Add: Deferred credit on refunding (to be amortized over life of debt)	2,727
Note payable	2,551,281
Compensated absences	140,552
	<u>\$ 11,887,181</u>

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities.

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. On or before the first Commission meeting in August, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them for all of the City's funds.
2. Public hearings are conducted at the City Hall to obtain taxpayer comments. Prior to September 30, the budget is legally enacted through passage of a resolution.
3. The City cannot legally exceed the budget; however, the City Manager is authorized to transfer budgeted amounts within a department. Any revisions that change the total expenditures of any department must be approved by the City Commission. The legal level of budgetary control is the department level.
4. Formal budgetary integration is employed as a management control device during the year for all of the City's funds.
5. Budgeted amounts presented in the accompanying financial statements have been adjusted for legally authorized revisions of the annual budget during the year. Encumbrance accounting is not employed. Unexpended and unencumbered appropriations lapse at the end of the fiscal year and are reappropriated in the ensuing year.

Deficit Fund Balance

The Stormwater Fund has a deficit fund balance as of September 30, 2020 due to the timing of grant receipts.

Expenditures in Excess of Appropriations

The physical environment solid waste department of the General Fund contained expenditures in excess of appropriations for the fiscal year ended September 30, 2020.

NOTE 4 CASH AND INVESTMENTS

Following are the components of the City's cash and investments at September 30, 2020:

Cash	\$	6,963,462
Cash with fiscal agent		150,000
Investments		35,779
	\$	<u>7,149,241</u>

Deposits

All of the City's deposits are at institutions which are Qualified Public Depositories pursuant to Florida Statutes. Therefore, all bank deposits are entirely insured or collateralized by the Federal Depository Insurance Corporation (FDIC) and the Bureau of Collateral Securities, Division of Treasury.

Investments

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

Under GASB 72, assets or liabilities are classified into one of three levels. Level 1 is the most reliable and is based on quoted price for identical assets, or liabilities, in an active market. Level 2 uses significant other observable inputs when obtaining quoted prices for identical or similar assets, or liabilities, in markets that are not active. Level 3 is the least reliable, and uses significant unobservable inputs that uses the best information available under the circumstances, which includes the City's own data in measuring unobservable inputs.

The City's investment policies are governed by State Statutes and City ordinances. City ordinance allows investments in any financial institution that is a qualified public depository of the State of Florida as identified by the State Treasurer, in accordance with Chapter 280 of the Florida Statutes. Authorized investments are:

1. The State Board of Administration Local Government Investment Pool (SBA);
2. Securities and Exchange Commission Registered Money Market Funds;
3. Savings accounts and certificates of deposit in state-certified qualified public depositories;
4. The Florida Municipal Investment Trust, administered by the Florida League of Cities, Inc.
5. U.S. Government Agency Securities and U.S. Treasury Bills, Notes and Bonds;
6. Overnight bank sweep accounts.

The SBA is not a registrant with the Securities and Exchange Commission (SEC); however, the State of Florida does provide regulatory oversight. The Board has adopted operating procedures consistent with the requirements for a 2a-7 fund for the Florida Prime Fund; therefore, the pool net asset value per share can be used as fair value for financial reporting. The SBA does not impose any limitations or restrictions on withdrawals; however, under certain conditions involving a material impact on liquidity or operations of the fund, the SBA may limit withdrawals for a period of up to 15 days. As of September 30, 2020, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value.

NOTE 4 CASH AND INVESTMENTS (CONTINUED)

Investments made by the *City of Belle Isle* at September 30, 2020 are summarized below. In accordance with GASB 31, investments are reported at amortized cost, which approximates fair value.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Weighted Average Maturity</u>
Florida PRIME	\$ 35,779	AAAm	48 days

Credit Risk

The City's investment policy limits credit risk by restricting authorized investments to those described above.

Custodial Credit Risk

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy requires that bank deposits be secured as provided by Chapter 280, Florida Statutes. This law requires local governments to deposit funds only in financial institutions designated as qualified public depositories by the Chief Financial Officer of the State of Florida, and creates the Public Deposits Trust Fund, a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a default or insolvency has occurred. At September 30, 2020, all of the City's bank deposits were in qualified public depositories.

For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At September 30, 2020, none of the investments listed are exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

Concentration of Credit Risk

The City's investment policy requires diversification, but does not specify limits on types of investments.

Interest Rate Risk

The City's investment policy does not specifically address interest rate risk; however, the general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and in general, avoid speculative investments. The City manages its exposure to declines in fair values by investing primarily in pooled investments that have a weighted average maturity of less than three months.

NOTE 5 PROPERTY TAX

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and payable by March 31. The County bills and collects property taxes. Collections of the property taxes by the county and remittance of them to the City are accounted for in the general fund. City property tax revenues are recognized when levied to the extent that they result in current receivables.

The City is permitted by the Municipal Finance Law of the State to levy taxes up to \$10 per \$1,000 of assessed valuation for general governmental services other than the payment of principal and interest on long-term debt and in unlimited amounts for the payment of principal and interest on long-term debt. The combined tax rate to finance general governmental services for the year ended September 30, 2020, was 4.4018 per \$1,000, which means the City has a tax margin of 5.5982 per \$1,000 and could raise up to \$4,443,481, before discount, additionally each year from the present assessed valuation of \$793,733,937 before the limit is reached.

NOTE 6 CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Increases/ Transfers</u>	<u>Decreases/ Transfers</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 2,613,190	\$ 19,000	\$ -	\$ 2,632,190
Construction in progress	-	354,212	(354,212)	-
Total capital assets, not being depreciated	<u>2,613,190</u>	<u>373,212</u>	<u>(354,212)</u>	<u>2,632,190</u>
Capital Assets, Being Depreciated:				
Buildings	7,776,433	-	-	7,776,433
Improvements	2,044,258	407,035	(3,153)	2,448,140
Machinery & equipment	2,234,373	166,692	(84,535)	2,316,530
Intangibles	55,768	20,000	-	75,768
Infrastructure	10,388,104	87,180	-	10,475,284
Total capital assets being depreciated	<u>22,498,936</u>	<u>680,907</u>	<u>(87,688)</u>	<u>23,092,155</u>
Less Accumulated Depreciation for:				
Buildings	(1,655,454)	(193,148)	-	(1,848,602)
Improvements	(862,671)	(125,653)	3,153	(985,171)
Machinery & equipment	(1,139,520)	(224,101)	83,371	(1,280,250)
Intangibles	(51,850)	(3,382)	-	(55,232)
Infrastructure	(4,278,188)	(478,946)	-	(4,757,134)
Total accumulated depreciation	<u>(7,987,683)</u>	<u>(1,025,230)</u>	<u>86,524</u>	<u>(8,926,389)</u>
Total capital assets being depreciated, net	<u>14,511,253</u>	<u>(344,323)</u>	<u>(1,164)</u>	<u>14,165,766</u>
Governmental activities capital assets, net	<u>\$ 17,124,443</u>	<u>\$ 28,889</u>	<u>\$ (355,376)</u>	<u>\$ 16,797,956</u>

Depreciation was charged to functions/programs of the City as follows:

Governmental Activities:	
General government	\$ 240,592
Public safety	130,911
Physical environment	653,727
Total depreciation expense, governmental activities	<u>\$ 1,025,230</u>

NOTE 7 RETIREMENT PLANS

Employees Defined Contribution Plans

The City is a participant in the Florida Municipal Pension Trust Fund, a multiple employer 401(a) defined contribution plan. The plan is established and administered by and can be amended under the authority of the Florida League of Cities, Inc. All full-time employees are eligible to participate in the plan the first full month from date of hire. As soon as an employee is eligible to participate in the plan, contributions are made by the City. Under this plan, the City contributes 17% of eligible wages for police officers and 13% for all other eligible employees. The contribution rate is established by the City Commission. Employees do not participate in the plan funding. Employees are 100% vested upon completion of one year of service. No fixed benefits are paid or payable upon retirement. At September 30, 2020, there were 28 participants in the plan.

During the year ended September 30, 2020, the City contributed \$226,953 to the plan and forfeitures of \$8,524 were used to reduce the City's contribution. The City has no unfunded liability under this plan.

Deferred Compensation Plan

The City also participates in the Florida Municipal Pension Trust Fund 457(b) Deferred Compensation Plan, a multiple employer plan created in accordance with Internal Revenue Code Section 457 (the 457 Plan). The 457 Plan, available to all full-time employees immediately upon employment, permits participants to defer a portion of their current salary until future years. The plan is established and administered by, and can be amended under the authority of the Florida League of Cities, Inc. The City is not required and does not contribute to the 457 Plan. At September 30, 2020, there were 18 active plan participants. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All assets of these plans are held in trust for the exclusive benefit of plan participants and their beneficiaries, and are not accounted for in the City's financial statements.

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS

Pursuant to Resolution 10-15, the City has elected not to make continuation of group health insurance through the City's current provider available to retirees and eligible dependents.

NOTE 9 LONG-TERM DEBT

Long-term debt activity for the year ended September 30, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Capital leases	\$ 59,831	\$ -	\$ (59,831)	\$ -	\$ -
Revenue bonds	9,445,000	-	(265,000)	9,180,000	280,000
Unamortized premium	14,725	-	(2,104)	12,621	-
Revenue note	-	2,551,281	-	2,551,281	103,337
Compensated absences	111,856	136,353	(107,657)	140,552	14,055
	<u>\$ 9,631,412</u>	<u>\$ 2,687,634</u>	<u>\$ (434,592)</u>	<u>\$ 11,884,454</u>	<u>\$ 397,392</u>

NOTE 9 LONG-TERM DEBT (CONTINUED)

Revenue Bonds - Public Offering

On September 27, 2016, the City issued \$935,000 of FMLC Refunding and Improvement Revenue Bonds, Series 2016 with interest rates ranging from 2.0% to 4.0% to refund FMLC Revenue Bonds, Series 2006. The \$935,000 loan is secured by a covenant to appropriate in the annual budget the amount of non-ad valorem revenues to satisfy repayment. In the event of default, the lender may declare all principal and accrued interest to be due and payable immediately.

Total principal and interest remaining on the Series 2016 Bonds as of September 30, 2020 is \$637,500. For the year ended September 30, 2020, total principal and interest paid was \$107,898.

In October 2012, the City of Belle Isle issued Charter School Lease Revenue Bonds, Series 2012, in the amount of \$9,625,000. The proceeds of the Bonds were used to finance the costs of acquisition of charter school facilities located within the City of Belle Isle. The City is leasing these facilities to the City of Belle Isle Charter Schools, Inc. (the "Charter Schools") pursuant to the Lease Agreement dated October 1, 2012. The Charter Schools are obligated to make base rent payments under the Lease in a total amount sufficient to pay all sinking fund installments of the 2012 Bonds until maturity in 2042. Under the Lease, all Charter School revenues are pledged to the payment of base rent to the City. See Note 13 for further discussion of Lease. The average annual debt service on these Bonds is \$700,000 per year. These Series 2012 Bonds are limited obligations of the City of Belle Isle payable solely out of the pledged revenues and neither the property, the full faith and credit, nor the taxing power of the City, is pledged as security for the payment of the Bonds. In the event of default, the bondholders may declare all principal and accrued interest to be due and payable immediately. Additionally, the bond trustee may terminate the charter school lease and re-let the property to another tenant.

Total principal and interest remaining on the Series 2012 Bonds as of September 30, 2020 is \$16,023,025. For the year ended September 30, 2020, principal and interest paid was \$699,384 and total pledged revenue for the year was \$1,036,641.

Revenue Notes - Direct Borrowing

On September 25, 2020, the City issued \$2,551,281 of Capital Improvement Revenue Notes, Series 2020 with interest rate of 2.08%. The proceeds of the Note are to be used to finance the costs of acquisition and improvement of property located within the City of Belle Isle for a future purpose. Additionally, funds may be used for stormwater improvements within the City. The \$2,551,281 loan is secured by a covenant to appropriate in the annual budget the amount of non-ad valorem revenues to satisfy repayment and that the loan shall only be used for payment of the costs of the projects. In the event of default, the lender may declare all principal and accrued interest to be due and payable immediately.

Total principal and interest remaining on the 2020 Note as of September 30, 2020 is \$3,145,771. For the year ended September 30, 2020, no principal and interest payments were due.

Revenue bonds and revenue note outstanding at year end are as follows:

Governmental Activities	Interest Rates and Dates	Maturity	Original Amount	Balance September 30, 2020
Charter school lease revenue Bonds, Series 2012	5.50% - 6.00% (4/1 & 10/1)	10/1/2042	\$ 9,625,000	\$ 8,585,000
FMLC refunding revenue Bonds, Series 2016	2.00% - 4.00% (4/1 & 10/1)	10/1/2026	\$ 935,000	595,000
Total revenue bond				9,180,000
Capital improvement revenue Note, Series 2020	2.08% (4/1 & 10/1)	10/1/2040	\$ 2,551,281	2,551,281
Total				<u>\$ 11,731,281</u>

NOTE 9 LONG-TERM DEBT (CONTINUED)

Annual debt service requirements to maturity are as follows:

<u>Year Ending September, 30</u>	<u>Revenue Notes</u>		<u>Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 103,337	\$ 53,951	\$ 280,000	\$ 527,050
2022	106,371	50,917	290,000	513,550
2023	108,584	48,705	300,000	499,975
2024	110,842	46,446	315,000	485,725
2025	113,148	44,141	335,000	470,643
2026 - 2030	602,037	184,407	1,475,000	2,112,582
2031 - 2035	667,307	119,135	1,830,000	1,648,500
2036 - 2040	739,655	46,788	2,455,000	1,029,300
2040 - 2042	-	-	1,900,000	193,200
	<u>\$ 2,551,281</u>	<u>\$ 594,490</u>	<u>\$ 9,180,000</u>	<u>\$ 7,480,525</u>

Line of Credit

The City entered into a revolving line of credit agreement with a financial institution on July 19, 2012 for the amount of \$750,000. The interest rate is the Wall Street Journal prime rate plus 0.5% floating with a floor of 4.5% (5.00% at September 30, 2020). Repayment terms are interest only due monthly with maturity date of October 19, 2023. The line of credit is unsecured. At September 30, 2020, the City had no balance outstanding and \$750,000 available on the line of credit to draw down.

NOTE 10 RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; and natural disasters. Risk of loss from the above is transferred by the City to various commercial insurers through the purchase of insurance. There has been no significant reduction in insurance coverage from the previous year. There have been no settlements in excess of insurance coverage in any of the prior three fiscal years.

NOTE 11 CONTINGENCIES

During the ordinary course of its operations, the City is a party to various claims, legal actions, and complaints. In addition, although the outcome of these lawsuits is not presently determinable, in the opinion of the City's management and legal counsel, these matters are not anticipated to have a material financial impact on the City.

NOTE 12 RELATED PARTIES

The City has authority to appoint 2 seats (out of a total of 9) to the Board of Directors of the City of Belle Isle Charter Schools Inc. (see Notes 9 & 13). The City has no ability to impose its will upon the Charter Schools and the Charter Schools are not fiscally accountable to the City. Therefore, the Charter Schools are not considered component units of the City.

NOTE 13 LEASE AGREEMENT

On October 1, 2012, the Charter Schools entered into an educational facilities lease agreement with the City of Belle Isle. Pursuant to the Lease, the Charter Schools are obligated to make payments of “Incremental Rent” to the City. Annual incremental rent shall equal \$700 multiplied by the total enrolled students for the schools, with minimum rent equaling the debt service requirements for the year. The Charter Schools must also meet certain requirements and covenants under the lease agreement, including maintaining a “Debt Service Coverage Ratio” of at least 1.20 and maintaining 45 days cash and unrestricted available funds on hand. These covenants were met during the year ended September 30, 2020. The City received rent of \$1,036,641 during the year ended September 30, 2020. The City’s budget for FYE 2021 includes annual rent to be received of \$1,040,200 based on an estimated student count of 1486. The estimated future minimum payments to be received by the City are as follows:

Following is a schedule of cost and accumulated depreciation of capital assets under the operating lease:

Land, buildings, and equipment	\$ 8,873,721
Accumulated depreciation	<u>(1,517,306)</u>
Capital assets held for lease	<u>\$ 7,356,415</u>

NOTE 14 SUBSEQUENT EVENT

Subsequent to year end, the City entered into an agreement to purchase a building for approximately \$2,000,000 that was funded by the Capital Improvement Revenue Notes, Series 2020 - see Note 9.

Required Supplementary Information

City of Belle Isle, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive
	Original	Final		
Revenues:				
Taxes:				
Property taxes	\$ 3,324,398	\$ 3,324,398	\$ 3,370,685	\$ 46,287
Franchise fees and utility taxes	861,184	386,684	454,588	67,904
Licenses and permits	121,400	201,400	248,296	46,896
Intergovernmental	1,796,065	1,703,746	1,668,599	(35,147)
Fines and forfeitures	368,000	115,000	35,563	(79,437)
Charges for services	725,735	765,298	740,773	(24,525)
Investment income	1,000	2,300	2,680	380
Miscellaneous	21,000	48,000	58,410	10,410
Total revenues	7,218,782	6,546,826	6,579,594	32,768
Expenditures:				
Current:				
General Government:				
Legislative	54,850	44,003	41,553	2,450
Executive	3,300	2,550	1,950	600
Finance and administrative	498,145	507,600	478,609	28,991
Other general government	636,865	664,810	592,705	72,105
Total general government	1,193,160	1,218,963	1,114,817	104,146
Public Safety:				
Law enforcement	2,115,670	2,107,331	2,024,189	83,142
Fire control	1,506,500	1,586,339	1,586,339	-
Total public safety	3,622,170	3,693,670	3,610,528	83,142
Physical Environment:				
Roads and streets	844,179	815,628	805,042	10,586
Solid waste disposal	641,857	641,857	712,179	(70,322)
Total physical environment	1,486,036	1,457,485	1,517,221	(59,736)
Debt Service:				
Principal	90,000	149,831	149,831	-
Interest	18,000	21,418	21,316	102
Total debt service	108,000	171,249	171,147	102
Total expenditures	6,409,366	6,541,367	6,413,713	127,654
Excess (deficiency) of revenues over expenditures	809,416	5,459	165,881	160,422
Other Financing Sources (Uses):				
Transfers out	(602,000)	-	-	-
Total other financing sources (uses)	(602,000)	-	-	-
Net change in fund balance	207,416	5,459	165,881	160,422
Fund balance, beginning	2,371,023	2,371,023	2,371,023	-
Fund balance, ending	\$ 2,578,439	\$ 2,376,482	\$ 2,536,904	\$ 160,422

The governmental funds' budgets are prepared on a budgetary basis, whereby the City may include a portion of the prior year's fund balance represented by unappropriated liquid assets remaining in the fund as a budgeted revenue in the succeeding year. The results of operations on a GAAP basis do not recognize the fund balance allocation as revenue as it represents prior periods' excess of revenues over expenditures. Also, the City does not budget for financing activities relating to the acquisition of capital assets or refunding of debt. For the year ended September 30, 2020, there were no differences between GAAP basis and budgetary basis.

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**Combining and Individual Fund
Statements and Schedules**

Debt Service Fund

This fund was established to account for the lease revenue received from the Charter Schools. The lease revenue is used to pay the debt service on the Series 2012 Lease Revenue Bonds issued by the City in October 2012, as well as to provide common area maintenance and improvements for the leased properties.

Capital Improvement Fund

This fund was established to account for the use of the proceeds of the Capital Improvement Revenue Note, Series 2020, for the acquisition of land and the construction of improvements as allowed by the Note.

City of Belle Isle, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Debt Service Fund
Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 1,000	\$ 10,000	\$ 9,626	\$ (374)
Charges for services	1,029,700	1,036,640	1,036,641	1
Total revenues	1,030,700	1,046,640	1,046,267	(373)
Expenditures:				
Current:				
Physical environment	410,743	423,835	185,180	238,655
Debt Service:				
Principal	300,000	300,000	175,000	125,000
Interest	527,825	527,825	524,384	3,441
Total expenditures	1,238,568	1,251,660	884,564	367,096
Excess (deficiency) of revenues over expenditures	(207,868)	(205,020)	161,703	366,723
Other Financing Sources (Uses):				
Transfers in	150,000	-	-	-
Total other financing sources (uses)	150,000	-	-	-
Net change in fund balance	(57,868)	(205,020)	161,703	366,723
Fund balance, beginning	1,179,291	1,179,291	1,179,291	-
Fund balance, ending	\$ 971,423	\$ 974,271	\$ 1,340,994	\$ 366,723

City of Belle Isle, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Capital Improvement Fund
Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures:				
Debt Service:				
Interest and other charges	\$ -	\$ 51,281	\$ 51,281	\$ -
Total expenditures	-	51,281	51,281	-
Excess (deficiency) of revenues over expenditures	-	(51,281)	(51,281)	-
Other Financing Sources (Uses):				
Notes payable issued	-	2,551,281	2,551,281	-
Total other financing sources (uses)	-	2,551,281	2,551,281	-
Net change in fund balance	-	2,500,000	2,500,000	-
Fund balance, beginning	-	-	-	-
Fund balance, ending	\$ -	\$ 2,500,000	\$ 2,500,000	\$ -

Nonmajor Special Revenue Funds

**Transportation Impact Fee
Special Revenue Fund**

This fund is used to account for collected impact fees on new development which are restricted for use in funding road construction directly related to new growth.

The Stormwater Fund

This fund is used to account for stormwater management operations and related capital improvements.

**Law Enforcement Education
Special Revenue Fund**

This fund is used to account for revenues received pursuant to Florida Statutes which imposes a \$2.00 court cost against persons convicted for violations of criminal statutes. Funds must be used to educate and train law enforcement personnel.

Nonmajor Capital Projects Fund

**Capital Equipment Replacement
Fund**

This fund is used to account for replacements of capital equipment used by the city.

City of Belle Isle, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2020

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	Transportation Impact Fee	Stormwater Fund	Law Enforcement Education	Capital Equipment Replacement Fund	
Assets:					
Cash and cash equivalents	\$ 186,766	\$ -	\$ 17,763	\$ 18,131	\$ 222,660
Total assets	<u>\$ 186,766</u>	<u>\$ -</u>	<u>\$ 17,763</u>	<u>\$ 18,131</u>	<u>\$ 222,660</u>
Liabilities:					
Accounts payable	\$ -	\$ 8,112	\$ -	\$ -	\$ 8,112
Due to other funds	-	28,690	-	-	28,690
Total liabilities	<u>-</u>	<u>36,802</u>	<u>-</u>	<u>-</u>	<u>36,802</u>
Fund Balances:					
Restricted for:					
Transportation impacts	186,766	-	-	-	186,766
Law enforcement education	-	-	17,763	-	17,763
Assigned	-	-	-	18,131	18,131
Unassigned	-	(36,802)	-	-	(36,802)
Total fund balances	<u>186,766</u>	<u>(36,802)</u>	<u>17,763</u>	<u>18,131</u>	<u>185,858</u>
Total liabilities and fund balances	<u>\$ 186,766</u>	<u>\$ -</u>	<u>\$ 17,763</u>	<u>\$ 18,131</u>	<u>\$ 222,660</u>

City of Belle Isle, Florida
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
Year Ended September 30, 2020

	Special Revenue Funds				Capital Projects Fund	Total Nonmajor Governmental Funds
	Transportation Impact Fee	Stormwater Fund	Law Enforcement Education	Total Special Revenue Funds	Capital Equipment Replacement Fund	
Revenues:						
Intergovernmental	\$ -	\$ 7,631	\$ -	\$ 7,631	\$ -	\$ 7,631
Charges for services	-	360,985	-	360,985	-	360,985
Impact fees	1,430	-	-	1,430	-	1,430
Fines and forfeitures	-	-	1,891	1,891	-	1,891
Investment earnings	2,262	2,263	2,262	6,787	1,108	7,895
Total revenues	3,692	370,879	4,153	378,724	1,108	379,832
Expenditures:						
Current:						
Public safety	-	-	1,790	1,790	-	1,790
Physical environment	21,500	431,808	-	453,308	-	453,308
Capital outlay	-	-	-	-	9,977	9,977
Total expenditures	21,500	431,808	1,790	455,098	9,977	465,075
Excess (deficiency) of revenues over expenditures	(17,808)	(60,929)	2,363	(76,374)	(8,869)	(85,243)
Net change in fund balances	(17,808)	(60,929)	2,363	(76,374)	(8,869)	(85,243)
Fund balances, beginning	204,574	24,127	15,400	244,101	27,000	271,101
Fund balances, ending	\$ 186,766	\$ (36,802)	\$ 17,763	\$ 167,727	\$ 18,131	\$ 185,858

City of Belle Isle, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Transportation Impact Fee Fund
Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Impact fees	\$ 3,000	\$ -	\$ 1,430	\$ 1,430
Investment income	1,000	2,300	2,262	(38)
Total revenues	4,000	2,300	3,692	1,392
Expenditures:				
Current:				
Physical environment	120,000	60,000	21,500	38,500
Total expenditures	120,000	60,000	21,500	38,500
Excess (deficiency) of revenues over expenditures	(116,000)	(57,700)	(17,808)	39,892
Net change in fund balance	(116,000)	(57,700)	(17,808)	39,892
Fund balance, beginning	204,574	204,574	204,574	-
Fund balance, ending	\$ 88,574	\$ 146,874	\$ 186,766	\$ 39,892

City of Belle Isle, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Stormwater Fund
Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Intergovernmental	\$ -	\$ 141,797	\$ 7,631	\$ (134,166)
Charges for services	370,000	344,000	360,985	16,985
Investment income	1,000	2,300	2,263	(37)
Total revenues	371,000	488,097	370,879	(117,218)
Expenditures:				
Current:				
General government:				
Physical environment	625,588	452,956	431,808	21,148
Total expenditures	625,588	452,956	431,808	21,148
Excess (deficiency) of revenues over expenditures	(254,588)	35,141	(60,929)	(96,070)
Other Financing Sources (Uses):				
Transfers out	(10,000)	-	-	-
Total other financing sources (uses)	(10,000)	-	-	-
Net change in fund balance	(264,588)	35,141	(60,929)	(96,070)
Fund balance, beginning	24,127	24,127	24,127	-
Fund balance, ending	\$ (240,461)	\$ 59,268	\$ (36,802)	\$ (96,070)

City of Belle Isle, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Law Enforcement Education Fund
Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 1,500	\$ 1,500	\$ 1,891	\$ 391
Investment income	1,000	2,300	2,262	(38)
Total revenues	2,500	3,800	4,153	353
Expenditures:				
Current:				
Public safety	8,200	8,200	1,790	6,410
Total expenditures	8,200	8,200	1,790	6,410
Excess (deficiency) of revenues over expenditures	(5,700)	(4,400)	2,363	6,763
Net change in fund balance	(5,700)	(4,400)	2,363	6,763
Fund balance, beginning	15,400	15,400	15,400	-
Fund balance, ending	\$ 9,700	\$ 11,000	\$ 17,763	\$ 6,763

City of Belle Isle, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Capital Equipment Replacement Fund
Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ -	\$ 1,108	\$ 1,108
Total revenues	-	-	1,108	1,108
Expenditures:				
Capital outlay	10,000	9,977	9,977	-
Total expenditures	10,000	9,977	9,977	-
Excess (deficiency) of revenues over expenditures	(10,000)	(9,977)	(8,869)	1,108
Other Financing Sources (Uses):				
Transfers in	62,000	-	-	-
Total other financing sources (uses)	62,000	-	-	-
Net change in fund balance	52,000	(9,977)	(8,869)	1,108
Fund balance, beginning	27,000	27,000	27,000	-
Fund balance, ending	<u>\$ 79,000</u>	<u>\$ 17,023</u>	<u>\$ 18,131</u>	<u>\$ 1,108</u>

Statistical Section

This part of the *City of Belle Isle'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 health.

Contents	<u>Page</u>
Financial Trends	36
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
Revenue Capacity	41
These schedules contain formation to help the reader asses the government's most significant local revenue source, the property tax.	
Debt Capacity	45
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 additional debt in the future.	
There are no limitations placed upon the amount of debt the <i>City of Belle Isle</i> may issue by either the City Charter or the City's Code of Ordinances or by Florida Statutes.	
The <i>City of Belle Isle</i> has no general obligation bonds outstanding.	
Demographic and Economic Information	48
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	
Operating Information	50
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.	

City of Belle Isle, Florida
Net Position by Component
 Last Ten Fiscal Years
 (accrual basis of accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Governmental Activities:										
Net investment in capital assets	\$ 7,118,248	\$ 7,312,195	\$ 6,040,624	\$ 7,244,583	\$ 7,530,107	\$ 8,475,455	\$ 6,012,551	\$ 6,819,323	\$ 8,560,971	\$ 8,518,272
Restricted	442,964	951,727	3,166,639	2,579,822	3,369,730	3,574,581	1,180,583	1,084,890	464,127	578,578
Unrestricted	807,189	1,072,755	1,146,711	1,618,370	2,092,715	2,608,122	2,380,829	1,359,354	2,283,889	2,377,681
Total governmental activities net position	\$ 8,368,401	\$ 9,336,677	\$ 10,353,974	\$ 11,442,775	\$ 12,992,552	\$ 14,658,158	\$ 9,573,963	\$ 9,263,567	\$ 11,308,987	\$ 11,474,531

City of Belle Isle, Florida
Changes in Net Position
 Last Ten Fiscal Years
 (accrual basis of accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Expenses										
Governmental Activities:										
General government	\$ 1,003,552	\$ 836,317	\$ 1,425,899	\$ 1,184,379	\$ 1,181,293	\$ 1,326,981	\$ 2,000,529	\$ 2,281,821	\$ 1,028,547	\$ 1,333,531
Public safety	2,214,034	2,262,930	2,425,114	2,544,994	2,623,288	2,669,212	2,827,193	3,152,637	3,502,256	3,669,342
Physical environment	1,267,319	1,240,441	1,294,967	1,268,403	1,262,891	1,273,663	1,491,093	1,591,156	2,199,798	2,245,131
Human Services	5,428,025	5,938,563	6,579,138	8,307,234	8,579,049	9,161,001	-	-	-	-
Interest on long-term debt	83,098	82,149	594,659	628,992	616,652	644,253	585,303	560,511	570,192	592,145
Total governmental activities expense	\$ 9,996,028	\$ 10,360,400	\$ 12,319,777	\$ 13,934,002	\$ 14,263,173	\$ 15,075,110	\$ 6,904,118	\$ 7,586,125	\$ 7,300,793	\$ 7,840,149
Program Revenues										
Governmental Activities:										
Charges for Services:										
General government	\$ -	\$ 18,978	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	22,065	20,800	38,077	40,943	54,125	56,471	92,006	119,566	235,533	150,349
Physical environment	814,619	750,586	822,231	853,785	847,737	1,040,533	1,252,569	1,056,529	1,128,850	1,238,589
Human services	126,182	143,114	152,388	180,380	190,147	199,136	-	-	-	-
Interest on long-term debt	-	-	698,135	862,972	928,900	957,249	963,674	984,844	1,018,908	1,036,641
Operating grants and contributions	689,780	560,001	771,226	436,178	384,248	368,188	236,272	279,947	1,443,033	334,030
Capital grants and contributions	415,585	377,504	304,156	608,518	619,626	384,035	7,934	5,000	401,166	61,366
Total Governmental Activities Program:										
Revenues	\$ 2,068,231	\$ 1,870,983	\$ 2,786,213	\$ 2,982,776	\$ 3,024,783	\$ 3,005,612	\$ 2,552,455	\$ 2,445,886	\$ 4,227,490	\$ 2,820,975
Total governmental activities net expense	\$ (7,927,797)	\$ (8,489,417)	\$ (9,533,564)	\$ (10,951,226)	\$ (11,238,390)	\$ (12,069,498)	\$ (4,351,663)	\$ (5,140,239)	\$ (3,073,303)	\$ (5,019,174)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Taxes:										
Property taxes	\$ 2,397,747	\$ 2,386,130	\$ 2,392,337	\$ 2,479,107	\$ 2,506,520	\$ 2,574,866	\$ 2,711,321	\$ 2,912,422	\$ 3,104,093	\$ 3,370,685
Franchise and utility taxes	438,427	395,910	409,916	410,408	405,135	388,501	395,702	410,481	416,555	454,588
Intergovernmental-unrestricted	6,390,668	6,647,812	7,725,730	8,995,459	9,784,811	10,611,076	1,366,176	1,441,977	1,516,204	1,280,834
Investment income and Miscellaneous	211,805	27,841	49,285	155,053	91,701	160,661	63,298	64,963	81,871	78,611
Total governmental activities	\$ 9,438,647	\$ 9,457,693	\$ 10,577,268	\$ 12,040,027	\$ 12,788,167	\$ 13,735,104	\$ 4,536,497	\$ 4,829,843	\$ 5,118,723	\$ 5,184,718
Change in Net Position:										
Governmental Activities	\$ 1,510,850	\$ 968,276	\$ 1,043,704	\$ 1,088,801	\$ 1,549,777	\$ 1,665,606	\$ 184,834	\$ (310,396)	\$ 2,045,420	\$ 165,544

City of Belle Isle, Florida
Governmental Activities Tax Revenues by Source
 Last Ten Fiscal Years
 (accrual basis of accounting)

	<u>Property Tax</u>	<u>Franchise Fees and Utility Tax</u>	<u>Total</u>
2011	\$ 2,397,747	\$ 438,427	\$ 2,836,174
2012	2,382,619	388,468	2,771,087
2013	2,392,337	409,916	2,802,253
2014	2,479,107	410,408	2,889,515
2015	2,506,520	405,135	2,911,655
2016	2,574,866	388,501	2,963,367
2017	2,711,321	373,060	3,084,381
2018	2,912,422	384,446	3,296,868
2019	3,104,093	416,555	3,520,648
2020	3,370,685	454,588	3,825,273

City of Belle Isle, Florida

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Fund:										
Nonspendable	\$ -	\$ 171,605	\$ 1,815	\$ 1,353	\$ 520	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned	822,976	719,039	532,657	-	-	303,662	202,394	490,772	-	-
Unassigned	-	224,677	543,735	1,641,803	2,130,022	2,245,970	2,284,723	982,369	2,371,023	2,536,904
Total general fund	\$ 822,976	\$ 1,115,321	\$ 1,078,207	\$ 1,643,156	\$ 2,130,542	\$ 2,549,632	\$ 2,487,117	\$ 1,473,141	\$ 2,371,023	\$ 2,536,904
All Other Governmental Funds:										
Nonspendable	\$ -	\$ 61,250	\$ 277,303	\$ 153,226	\$ 123,979	\$ 113,381	\$ -	\$ -	\$ 1,790	\$ -
Restricted	692,964	895,277	2,889,336	3,387,740	4,206,811	4,542,011	2,133,139	1,886,604	1,421,602	4,045,523
Assigned	-	-	-	-	-	-	-	-	27,000	18,131
Unassigned	-	-	-	-	-	-	-	-	-	(36,802)
Total all other governmental funds	\$ 692,964	\$ 956,527	\$ 3,166,639	\$ 3,540,966	\$ 4,330,790	\$ 4,655,392	\$ 2,133,139	\$ 1,886,604	\$ 1,450,392	\$ 4,026,852

City of Belle Isle, Florida
Changes in Fund Balances of Governmental Funds
 Last Ten Fiscal Years

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Revenues:										
Taxes:										
Property	\$ 2,397,747	\$ 2,386,130	\$ 2,392,337	\$ 2,479,107	\$ 2,506,520	\$ 2,574,866	\$ 2,711,321	\$ 2,912,422	\$ 3,104,093	\$3,370,685
Franchise and utility	438,427	395,910	409,916	410,408	405,135	388,501	373,060	410,481	416,555	454,588
Licenses and permits	151,377	114,745	119,342	134,284	158,170	214,627	358,957	232,092	172,845	248,296
Intergovernmental revenues	7,823,267	7,585,317	8,692,337	10,028,321	10,766,686	11,363,299	1,610,382	1,726,924	2,965,570	1,676,230
Charges for services	629,298	772,144	826,483	888,487	893,399	1,051,372	890,294	895,126	2,185,075	2,138,399
Impact fees	34,045	7,315	29,138	4,394	14,075	11,730	104,390	31,460	4,290	1,430
Fines and forfeitures	21,611	20,296	37,733	47,943	26,365	18,411	13,576	17,417	21,081	37,454
Investment Income	3,646	6,359	4,739	1,725	4,267	14,500	20,839	19,319	29,388	20,201
Miscellaneous	7,460	40,460	742,956	1,038,364	1,032,434	1,111,915	1,006,133	1,036,488	52,483	58,410
Total revenues	11,506,878	11,328,676	13,254,981	15,033,033	15,807,051	16,749,221	7,088,952	7,281,729	8,951,380	8,005,693
Expenditures:										
General government	1,006,852	879,717	8,815,568	988,079	991,080	1,136,552	1,945,805	2,101,282	1,290,432	1,114,817
Public safety	2,221,937	2,273,447	2,453,318	2,547,179	2,531,847	2,577,934	2,884,526	3,289,668	3,440,099	3,612,318
Physical environment	1,290,521	860,574	1,251,898	862,239	1,179,457	2,124,541	1,259,598	2,706,740	2,626,584	2,155,709
Human services	6,354,123	6,092,366	6,852,622	8,913,168	8,981,368	9,418,861	-	-	-	-
Debt Service:										
Principal	315,127	575,355	298,326	339,634	250,210	285,919	235,356	303,916	556,597	324,831
Interest and fiscal charges	92,519	91,309	1,035,251	630,970	617,878	645,508	575,093	570,311	575,998	596,981
Capital outlay	-	-	-	-	-	-	-	-	-	9,977
Total expenditures	11,281,079	10,772,768	20,706,983	14,281,269	14,551,840	16,189,315	6,900,378	8,971,917	8,489,710	7,814,633
Excess Revenues Over Expenditures	225,799	555,908	(7,452,002)	751,764	1,255,211	559,906	188,574	(1,690,188)	461,670	191,060
Other Financing Sources:										
Line of credit	-	-	-	-	-	-	-	250,000	-	-
Capital lease	-	-	-	87,512	21,999	-	-	179,677	-	-
Bonds/Notes issued	250,000	-	9,625,000	100,000	-	1,081,000	-	-	-	2,551,281
Premium on bonds	-	-	-	-	-	21,036	-	-	-	-
Payment to refunded bond escrow	-	-	-	-	-	(918,250)	-	-	-	-
Total other financing sources	250,000	-	9,625,000	187,512	21,999	183,786	-	429,677	-	2,551,281
Net change in fund balance	\$ 475,799	\$ 555,908	\$ 2,172,998	\$ 939,276	\$ 1,277,210	\$ 743,692	\$ 188,574	\$ (1,260,511)	\$ 461,670	\$ 2,742,341
Debt service as a % of noncapital expenditures	3.78%	6.52%	11.54%	7.47%	6.61%	6.70%	12.75%	12.39%	16.34%	12.96%

City of Belle Isle, Florida
Assessed Value and Estimated Value of Taxable Property
 Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Total * Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value as a Percentage of Actual Value</u>
2011	547,396,958	18,999,294	566,396,252	4.4018	591,737,558	95.72%
2012	541,210,654	18,248,983	559,459,637	4.4018	561,857,096	99.57%
2013	543,214,623	18,057,560	561,272,183	4.4018	562,034,022	99.86%
2014	562,918,210	18,467,610	581,385,820	4.4018	584,568,215	99.46%
2015	585,089,524	17,762,519	602,852,043	4.4018	603,075,188	99.96%
2016	595,651,703	17,857,310	613,509,013	4.4018	614,146,295	99.90%
2017	620,289,033	17,137,421	637,426,454	4.4018	637,008,672	99.93%
2018	660,858,252	23,410,913	684,269,165	4.4018	684,329,205	99.99%
2019	703,209,512	26,794,880	730,004,392	4.4018	731,373,629	99.81%
2020	763,905,552	29,388,882	793,294,434	4.4018	794,985,303	99.79%

Source:
 Orange County Property Appraiser

* Breakdown between residential & commercial not available

Property Tax Rates Direct and Overlapping Governments

Last Ten Fiscal Years

Fiscal Year	Direct(1)	Overlapping(2)					Total Direct & Overlapping Rates
	City of Belle Isle	Orange County	School Board	County Library	St. Johns WMD	Lake Conway MSTU	
2011	4.4018	4.4347	7.8940	0.3748	0.4158	0.4107	17.9318
2012	4.4018	4.4347	8.5450	0.3748	0.3313	0.4107	18.4983
2013	4.4018	4.4347	8.4780	0.3748	0.3313	0.4107	18.4313
2014	4.4018	4.4347	8.3620	0.3748	0.3283	0.4107	18.3123
2015	4.4018	4.4347	8.4740	0.3748	0.3164	0.4107	18.4124
2016	4.4018	4.4347	8.2180	0.3748	0.3023	0.4107	18.1423
2017	4.4018	4.4347	7.8110	0.3748	0.2885	0.4107	17.7215
2018	4.4018	4.4347	7.4700	0.3748	0.2724	0.4107	17.3644
2019	4.4018	4.4347	7.2990	0.3748	0.2562	0.4107	17.1772
2020	4.4018	4.4347	7.1090	0.3748	0.2414	0.4107	17.1772
Millage Rates (\$1 per \$1,000 of taxable value)							

(1) The direct rate is for operating millage. There is no debt service millage.

(2) Overlapping rates are those of local and county governments that apply to property owners within the City of Belle Isle.

Source: Orange County Tax Collector

City of Belle Isle, Florida
Principal Property Taxpayers
 Current Year and Nine Years Ago

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Duke Energy Florida	\$12,555,188	1	1.58%	\$ -	-	-
Belle Isle Commons	9,415,638	2	1.19%	6,735,686	2	1.13%
Legacy Holdings	8,950,490	3	1.13%	6,530,053	3	1.10%
Sri Balaji Hotels	6,978,866	4	0.88%	4,125,933	7	0.69%
Woodspring Suites	6,921,938	5	0.87%	-	-	-
Regal Marine Industries	6,693,018	6	0.84%	8,667,996	1	1.46%
Capital Lodging LLC	5,432,715	7	0.68%	-	-	-
Klingensmith Associates LLC	4,715,223	8	0.59%	-	-	-
McCoy Federal Credit Union	4,330,856	9	0.55%	3,241,411	9	0.54%
Marketing Business Associates	4,029,162	10	0.51%	-	-	-
Conway IG LLC	-	-	-	4,851,485	4	0.82%
McCoy Condominium Investment LLC	-	-	-	4,610,538	6	0.77%
Columbia Land & Development Corp	-	-	-	4,786,998	5	0.80%
Lee Leo Y TR	-	-	-	4,062,642	8	0.68%
Efesos Properties, Inc. (Winn Dixie)	-	-	-	2,525,446	10	0.42%
	<u>\$ 70,023,094</u>		<u>8.83%</u>	<u>\$ 50,138,188</u>		<u>8.41%</u>

Source: Orange County Property Appraiser
 2011 City of Belle Isle CAFR

City of Belle Isle, Florida
Property Tax Levies and Collections
 Last Ten Fiscal Years

	<u>Total Tax Levy for Fiscal Year</u>	<u>Collected Within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2011	\$ 2,493,163	\$ 2,390,974	95.90%	\$ 1,454	\$ 2,392,428	95.96%
2012	2,462,629	2,386,130	96.89%	-	2,386,130	96.89%
2013	2,471,814	2,392,337	96.78%	-	2,392,337	96.78%
2014	2,566,675	2,479,107	96.59%	-	2,479,107	96.78%
2015	2,653,634	2,506,520	94.46%	-	2,506,520	94.46%
2016	2,702,361	2,574,866	95.28%	-	2,574,866	95.28%
2017	2,807,923	2,711,321	96.56%	-	2,711,321	96.56%
2018	3,012,280	2,912,422	96.68%	-	2,912,422	96.68%
2019	3,214,400	3,104,093	96.57%	-	3,104,093	96.57%
2020	3,493,858	3,370,685	96.47%	-	3,370,685	96.47%

City of Belle Isle, Florida
Ratios of Outstanding Debt By Type
 Last Ten Fiscal Years

	Governmental Activities		Total Primary Government	Percentage of Personal Income ¹	Per Capita
	Revenue Bonds	Capital Leases			
2011	1,785,000	108,769	1,893,769	0.77%	316
2012	1,510,000	58,414	1,568,414	0.54%	257
2013	10,860,328	45,088	10,905,416	4.24%	1703
2014	10,559,326	92,966	10,652,292	3.89%	1659
2015	10,358,560	64,755	10,423,315	3.63%	1613
2016	10,181,036	11,023	10,192,059	3.89%	1558
2017	9,953,933	667	9,954,600	3.26%	1486
2018	9,711,829	116,428	9,828,257	3.10%	1415
2019	9,459,725	59,831	9,519,556	2.56%	1293
2020	11,743,902	-	11,743,902	3.11%	1592

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

1 See Demographic and Economic Statistics for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

City of Belle Isle, Florida
Direct and Overlapping Governmental Activities Debt
As of September 30, 2020

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Overlapping General Obligation Debt:			
Orange County Board of County Commissioners	-		-
Orange County School Board	-		-
St. John's River Management District	-		-
Direct debt	11,743,902	100%	11,743,902
Total direct and overlapping debt	<u>\$ 11,743,902</u>		<u>\$ 11,743,902</u>

Note:

(1) Ratio of assessed valuation of taxable property in overlapping unit to that within the City of Belle Isle.

City of Belle Isle, Florida
Pledge - Revenue Coverage
 Last Ten Fiscal Years

Fiscal Year Ended Sept 30,	2002C Revenue Bonds				2003B Revenue Bonds				2012 Lease Revenue Bonds			
	Half-Cent Sales Tax	Debt Service		Coverage	Communication Service Taxes	Debt Service		Coverage	Lease Revenue	Debt Service		Coverage
		Principal	Interest			Principal	Interest			Principal	Interest	
2011	751,309	105,000	11,625	6.44	255,377	100,000	14,956	2.22	-	-	-	-
2012	776,496	110,000	6,800	6.65	252,981	105,000	11,816	2.17	-	-	-	-
2013	833,187	115,000	2,300	7.10	266,822	110,000	12,788	2.17	698,135	-	532,373	1.31
2014	-	-	-	-	248,568	110,000	2,888	2.20	862,972	125,000	570,400	1.24
2015	-	-	-	-	-	-	-	-	928,900	135,000	563,526	1.33
2016	-	-	-	-	-	-	-	-	957,249	140,000	555,898	1.38
2017	-	-	-	-	-	-	-	-	963,674	145,000	548,400	1.39
2018	-	-	-	-	-	-	-	-	984,844	155,000	540,425	1.42
2019	-	-	-	-	-	-	-	-	1,018,908	165,000	531,900	1.46
2020	-	-	-	-	-	-	-	-	1,036,641	175,000	522,825	1.49

Notes:

The City made last payment on 2002C debt in 2013.

The City made last payment on 2003B debt in 2014.

City of Belle Isle, Florida
Demographic and Economic Statistics
 Last Ten Fiscal Years

	Population ²	Personal Income ¹	Per Capita Personal Income ¹	Median Age ¹	Education Level In Years of Formal Schooling ¹	Unemployment Rate ¹
2011	5,988	245,831,352	41,054	43.7	13.4	1.80%
2012	6,111	289,673,622	47,402	32.8	14.2	9.80%
2013	6,404	257,402,376	40,194	46.1	14.3	9.90%
2014	6,422	274,090,960	42,680	47.5	14.7	7.70%
2015	6,464	286,865,856	44,379	47.3	14.8	4.80%
2016	6,541	262,320,264	40,104	47.9	14.2	4.40%
2017	6,701	305,599,105	45,605	48.5	13.6	3.50%
2018	6,944	316,750,560	45,615	49.0	14.2	3.30%
2019	7,365	371,917,770	50,498	48.3	14.5	2.30%
2020	7,378	377,414,212	51,154	48.4	14.6	7.30%

¹ Orlando Economic Partnership or U.S. Census Bureau

² Bureau of Economic and Business Research

City of Belle Isle, Florida
Principal Employer
 Current Year and Nine Years Ago

Employer	2020			2011		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Regal Marine	725	1	9.83%	180	1	58.06%
Cornerstone Charter	143	2	1.94%	-	-	-
McCoy Federal Credit Union	87	3	1.18%	-	-	-
City of Belle Isle	35	4	0.47%	-	-	-
WaWa	31	5	0.42%	-	-	-
Wendy's	30	6	0.41%	13	8	4.19%
Advance Auto Parts	30	7	0.41%	-	-	-
Crunch Fitness	25	8	0.34%	-	-	-
Quality Inn	18	9	0.24%	15	4	4.84%
Growing Together Pediatrics	18	10	0.24%	-	-	-
La Petite	-	-	-	20	2	6.45%
CVS	-	-	-	16	3	5.16%
Travel Lodge	-	-	-	14	5	4.52%
Comfort Suites	-	-	-	14	6	4.52%
Best Western	-	-	-	13	7	4.19%
Dollar General	-	-	-	13	9	4.19%
Tires Plus	-	-	-	12	10	3.87%
Total	1,142		15.48%	310		100.00%

Source: Field inspection
 2020 The City of Belle Isle has a population of 7378

City of Belle Isle, Florida
Full - Time Equivalent City Government Employees by Function
 Last Ten Fiscal Years

Function	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Government	5	4	6	5	5	5	5	5	5	5
Public Safety	-	-	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-	-	-
Public Works	2	2	2	2	2	2	2	3	3	3
Parks and Recreation	-	-	-	-	-	-	-	-	-	-
Police Department	20	14	16	16	16	16	17	17	21	21
Total	27	20	24	23	23	23	24	25	29	29

City of Belle Isle, Florida
Operating Indicators by Function
 Last Ten Fiscal Years

Function	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Government:										
Building permits	1170	1450	1020	1107	502	899	650	1017	1030	824
Rental licenses issued	*	*	175	219	262	157	319	201	252	511
Occupational licenses issued	*	*	*	100	178	185	244	150	221	243
Lien searches processed	*	*	*	*	*	*	*	*	215	192
Employees paid	27	39	41	41	40	38	38	43	43	40
AP checks issued	*	*	*	*	*	*	*	*	837	768
Code violations	*	*	*	*	*	*	*	*	751	714
Public Safety										
Calls for service	*	*	*	*	*	*	*	*	5912	5796
Case reports	*	*	*	*	*	*	*	*	292	683
Arrests	*	*	*	*	*	*	*	*	168	106
Vehicle citations	*	*	*	*	*	*	*	*	486	1339
Marine citations	*	*	*	*	*	*	*	*	142	162
Parking citations	56	48	24	34	18	14	39	20	63	425
DUI citations	*	*	*	*	*	*	*	*	8	25
Information reports	*	*	*	*	*	*	*	*	10	19
Crash reports	*	*	*	*	*	*	*	*	90	79
Trespass reports	*	*	*	*	*	*	*	*	29	38
Advance training attended	*	*	*	*	*	*	*	*	29	17
Highways & Streets										
Streets paved (miles)	25.00	25.00	25.00	25.00	25.00	25.00	0.00	0.01	1.50	0.00
Sidewalks/bike paths built or repaired (feet)	262.00	1200.00	2200.00	2200.00	474.00	212.50	2289.00	922.50	2554.00	49.00
Public Works										
Work orders processed	*	*	*	*	*	*	*	*	60	93

* Data not available
 Source: City Departments

City of Belle Isle, Florida
Capital Asset Statistics by Function
 Last Ten Fiscal Years

Function	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Number of employees	*	*	*	*	*	*	*	*	29	32
Public Safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Police vehicles	*	*	*	*	*	*	*	*	22	23
Patrol vessels	*	*	*	*	*	*	*	*	2	2
Police officers	*	*	*	*	*	*	*	*	17	18
Highways & Streets										
Streets, paved (miles)	25.00	25.00	25.00	25.00	25.00	25.00	25.00	26.24	26.24	26.24
Streets, unpaved (miles)	0.03	0.03	0.03	0.03	0.03	0.03	0.03	1.00	1.00	1.00
Street lights	740	740	740	740	740	740	740	741	701	703
Parks and Recreation										
Parks	2	3	3	3	3	3	3	10	10	10
Public Works										
Stormwater pump stations	*	*	*	*	*	*	*	*	1	1

* Data not available
 Source: City Departments

Internal Control and Compliance Section

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

The Honorable Mayor and City Commissioners
City of Belle Isle, Florida

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the *City of Belle Isle, Florida*, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated February 22, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the *City of Belle Isle, Florida'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 the City's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 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 over financial reporting 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 of Belle Isle's* financial statements are free of material misstatement, we performed tests on 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*.

We noted certain matters that we have reported to management of the City of Belle Isle in a separate letter dated February 22, 2021.

City's Response to Findings

The *City of Belle Isle, Florida's* response to the finding identified in our audit is included in this report. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of the 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.

McDiarmid Davis

Orlando, Florida
February 22, 2021



MANAGEMENT LETTER

Honorable Mayor and City Commission
City of Belle Isle, Florida

Report on the Financial Statements

We have audited the financial statements of the *City of Belle Isle, Florida*, as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated February 22, 2021.

Auditor's Responsibility

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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and 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 February 22, 2021, 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 findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address the recommendation made in the preceding annual financial audit report except as noted below:

Tabulation of Uncorrected Audit Findings		
Current Year Finding #	FY 2019 Finding #	FY 2018 Finding #
ML 20-01	ML 19-01	ML 18-01

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 information has been disclosed in the notes to the financial statements.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, requires us to apply appropriate procedures and communicate the results of our determination as to whether or not the *City of Belle Isle, Florida* 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 of Belle Isle, Florida* 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 *City of Belle Isle, Florida*. It is management's responsibility to monitor the *City of Belle Isle, Florida'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.

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. See Appendix A.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note 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 Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the City Commission, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

McDiarmid Davis

Orlando, Florida
February 22, 2021

ML 20-01 Segregation of Duties

Criteria

Effectively designed internal control requires adequate segregation of duties.

Condition

During our audit, we noted that the design of internal controls included adequate segregation of duties. However, due to the small organization size, the position responsible for the review function for items such as payroll and bank reconciliations is not a part of the finance department.

Cause

The design of internal control relies upon a position that is typically held by an individual with no accounting background or expertise.

Effect

Even though there is adequate segregation of duties in the design of internal control, misstatements could occur, whether due to fraud or error, and may not be identified or corrected in a timely manner.

Recommendation

The review function should be assigned to an individual with the appropriate level of expertise.



CITY OF BELLE ISLE, FLORIDA

1600 Nela Avenue
Belle Isle, Florida 32809
(407) 851-7730 • FAX (407) 240-2222
www.cityofbelleislefl.org

Management Response to Auditor's Management Letter Recommendations to Improve Financial Management Fiscal Year Ending September 30, 2020

February 22, 2021

We have reviewed the management letter issued by the independent auditor, McDirmit Davis, LLC, in connection with their audit of the City of Belle Isle for the fiscal year ending September 30, 2020. The following is our response to the recommendations to improve financial management:

ML20-01 Segregation of Duties

We have reviewed the recommendation to assign the review function of items such as payroll and bank reconciliations to an individual with the appropriate level of expertise. At this time, due to limited staff size, we do not have an additional person to fulfill the recommended role.



Bob Francis
City Manager



Tracey Richardson
Finance Director



934 North Magnolia Avenue, Suite 100
Orlando, Florida 32803
Tel. 407-843-5406
www.mcdermittdavis.com

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH
THE REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES**

The Honorable Mayor and City Commissioners
City of Belle Isle, Florida

We have examined City of Belle Isle, Florida's (the City) compliance with the requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2020. 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 the standards applicable to attestation engagements contained in Government Auditing Standards issued by the Comptroller General of the United States and, accordingly, included examining, on a test basis, 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, City of Belle Isle, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.

McDermitt Davis

Orlando, Florida
February 22, 2021



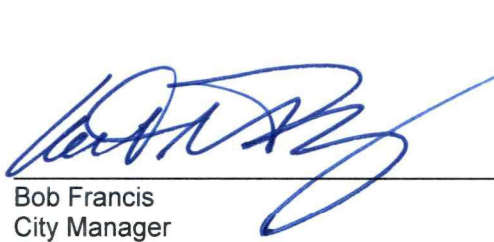
CITY OF BELLE ISLE, FLORIDA

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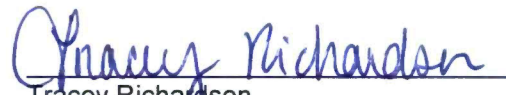
February 22, 2021

AFFIDAVIT OF IMPACT FEE COMPLIANCE

Impact Fees are assessed in accordance with Chapter 46: Land Development, Article VII Road Impact Fees, of the City of Belle Isle Code of Ordinances. Impact fee collections, expenditures and accounting are provided for in separate accounting funds and comply with Florida Statute 163.31801.



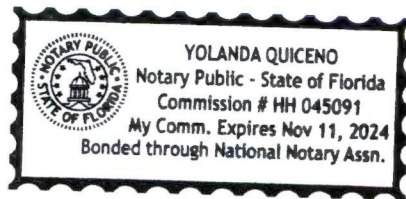
Bob Francis
City Manager

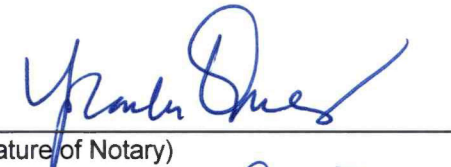


Tracey Richardson
Finance Director

STATE OF FLORIDA
COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this 22nd day of February, 2021,
by Bob Francis and Tracey Richardson.





(Signature of Notary)

Yolanda Quiceno

(Name of Notary Typed, Printed, or Stamped)

Personally Known OR Produced Identification