



City of Belle Isle, Florida

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended September 30, 2021

CITY OF BELLE ISLE, FLORIDA

Annual Comprehensive Financial Report

FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2021



PREPARED BY:
CITY OF BELLE ISLE, FLORIDA
FINANCE DEPARTMENT

INTRODUCTORY SECTION

This section contains the following subsections:

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

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CITY OF BELLE ISLE, FLORIDA

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April 28, 2022

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

We are pleased to submit the Annual Comprehensive Financial Report of the City of Belle Isle, Florida for the fiscal year ended September 30, 2021. State law requires that all general-purpose local governments publish, within nine months of the close of each fiscal year, 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, 2021 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, 2021 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of 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, Florida, a municipality incorporated in 1924, is located in Central Florida in Orange County and is considered part of the Orlando-Kissimmee-Sanford Metropolitan Statistical Area (MSA). The City of Belle Isle is a primarily residential community and was founded by area residents to protect Lake Conway and the surrounding chain of lakes and the beautiful natural environment of the area. The City currently occupies a total area of approximately 5.1

square miles, of which approximately 2.8 square miles is water, and is home to 7,032 residents according to the 2020 US Census.

The City's vision 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." This statement reflects what the City believes is, can and should be the "ideal state" for the City. The City's mission statement defines the City's purpose and the reason why it exists which 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 adopted a Strategic Plan in April 2020 under Resolution 20-05 which identified three (3) priority strategic goals 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.

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. Planned growth for the City includes those areas contiguous to the current city boundaries in the northwest and southwest areas of the City.

Being on Lake Conway, one of Greater Orlando's largest lakes, being in close proximity to the Orlando International Airport and other Orlando amenities, and having low property taxes makes the City of Belle Isle one of Orange County's most desirable communities.

The City of Belle Isle operates under 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 the chief administrative officer of the City and 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 the hiring of City employees and appointing the heads of various departments.

The City of Belle Isle provides a 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 and special events. Fire protection, building permitting, and solid waste and recycling collection are contracted. Water and limited sanitary sewer services are provided by Orange County Utilities and Orlando Utilities Commission. Electric service is provided by Duke Energy.

The annual budget serves as the foundation for the City of Belle Isle's financial planning and control. To begin the budget process, City departments submit their departmental budgets to the Finance Director to use as a starting point for developing the proposed budget. The City Manager and Finance Director prepare the proposed budget and submit it to the City's Budget Advisory Committee. The City created the Budget Advisory Committee to provide increased public accountability and elected official monitoring of the fiscal position of the City. The committee is made up of seven citizens in the City representing each of the seven districts and approved by the City Council. The Budget Advisory Committee holds a series of meetings to review and discuss the budget and capital expenditures and provides recommendations to the City Manager. Then, on or before the first council meeting in August, the City Manager submits the proposed budget to the City Council as required by the City Charter. As required by the Truth in Millage Act (TRIM), the City Council holds two public hearings on the proposed budget and millage rate in September and adopts a final budget and millage rate by no later than September 30th, the close of the City of Belle Isle's fiscal year.

The appropriated budget is prepared by fund and department. At any time during the fiscal year, the City Manager may make transfers of appropriations within a department. A resolution approved by the City Council is required to make transfers between funds or departments and for budget revisions that alter the total revenues, expenses, or reserves of any fund. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

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.

Local Economy

Despite the COVID-19 pandemic, residential property values in Orange County, Florida proved to be a resilient economic force. The property and resale values have stabilized or increased compared to property and resale values in the surrounding areas. The pandemic hit the county's commercial market values the hardest which spared Belle Isle due to the City being primarily residential and having an extremely small number of commercial businesses. While there were some families that had a difficult time with the uncertainty of the pandemic, the overall community in Belle Isle did not show many signs of an economic downturn during this time.

The City did feel the economic impact of the pandemic with the loss of revenue in the City; however, the effects are beginning to diminish. The amount of half cent sales tax revenue that the City received increased almost 13% over the prior year, almost returning to pre-pandemic amounts. This is a welcoming sign after suffering a 19% revenue loss the year prior. The amount of state shared revenue has almost completely recovered with a 14.6% increase this year, bringing the revenue almost back to where the City projected to be had there not been a pandemic. For the most part, the City has still been able to conduct business as usual despite the diminished revenues, mostly in part to relief provided with the Coronavirus Aid, Relief, and Economic Security Act (CARES) and the American Rescue Plan Act (ARPA) provided through the US Treasury Coronavirus State and Local Fiscal Recovery Funds (SLFRF).

The ARPA funding allotted to the City will not only alleviate the strain from lost revenues but will also allow the City to complete vital stormwater, street, and park projects that have been on the capital projects list for a number of years. With this added funding and the economy starting to recover from the pandemic, the City continues to keep services at a high level. In this next fiscal year, the City should continue to see the local economy recover with all revenues back to normal or possibly higher levels. Even if this does not occur, the City is still in a good financial position and will continue to provide the quality of services that Belle Isle residents are accustomed to receiving.

The relief provided by ARPA, CARES, and the COVID-19 vaccine is suppressing the fears of the pandemic, prompting consumers to begin spending and employers to resume hiring. Vital support is getting to communities that were in crisis and the economic effects are slowly being reversed, creating a foundation for a strong and equitable recovery.

Aside from the pandemic, 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.

The City has seen growth in residential and commercial construction and anticipates it will continue in the future. A new hotel in the City is open and thriving and as a result of the desirability of lakefront living and the unique location of Belle Isle, the City continues to experience a significant influx of newer residents with substantial financial resources. Many are making major renovations to existing homes, but also older, smaller homes are being purchased and demolished and replaced with larger homes.

Long-Term Financial Planning

The City of Belle Isle strives to maintain low property tax rates while continuing to provide the same level of services and maintaining a healthy level of financial resources to guard its citizens against service disruption in the event of unexpected revenue shortfalls or unanticipated and extraordinary events such as hurricanes. At the end of this fiscal year, the City has an unassigned fund balance in the general fund of 44% of total general fund revenues. However, even with this surplus, identifying additional sources of sustainable revenue for the general fund is still an important consideration.

Since 2010, the City has effectively operated without a millage rate increase; however, the surge in inflation is beginning to put a strain on providing the services that the residents of Belle Isle have gotten used to over the past decade. As other governments begin showing signs of raising taxes, the City Council will have a decision to make if the City is to continue the trend of not raising the millage rate.

Long-term planning is becoming even more critical with the recent period of economic uncertainty. The five-year capital improvement plan remains an important component of the City's long-term planning process. By annually reviewing, updating, and adopting the capital improvement plan, the City is able to identify capital improvement projects, identify and forecast funding sources, prioritize improvements based on funding available, and estimate a timeline for completion of individual improvements. Among the City's highest priorities, and to which a substantial portion of the five-year capital improvement plan is designated, are stormwater, drainage, and paving projects. However, with the receipt of ARPA funds, these one-time projects should be completed.

Relevant Financial Policies

The City has established a comprehensive set of financial policies to protect the overall financial well-being of the City and provide the framework for sound financial oversight of the City's operations.

The City has policies in place to govern the City budget and the transfer of appropriations and supplemental appropriations. The City maintains the goal of producing a balanced budget to achieve long-term financial stability for the community. Additionally, the City created the Budget Advisory Committee to enhance transparency of the budget, address long-term fiscal sustainability, and assist the City with its financial and budgetary goals.

The City Manager and Finance Director work throughout the year to monitor the City's financial activity and each month provides to the City Council a statement of revenues and expenditures and a complete check register. The same information is uploaded to the City's transparency center on the website, Cleargov, as the City believes that the City's financial information needs to be easy to access and understand and readily available to everyone.

It is the policy of the City and the will of the City Council to maintain a healthy general fund reserve. The City's Budget Advisory Committee recommended maintaining a general fund balance reserve of 25% of revenues. Additionally, the City adopted an investment policy with the objective to invest funds in a manner that will provide the highest investment return with the maximum security while meeting the City's daily cash flow demands and complying with all statutes governing the investment of City funds.

Major Initiatives

The City recently purchased the former Bank of America property with the intent to construct a new police station and emergency operations center (EOC) on the property; however with the project expansion of Cornerstone Charter Academy (CCA), the City and CCA entered into a new lease agreement to include the property in the CCA expansion. As part of the new lease agreement, CCA will refinance the \$9 million from the 2012 bond issue which will remove this debt from the City. This will allow the City to borrow funds to complete a new police station/EOC in the future. The City will partner with CCA as they continue to expand their campus, which the City owns. A master plan for the expansion is complete and both the City and CCA continue to work at the best way to achieve this expansion both physically and fiscally.

The City continues to renovate its parks and recently added Cross Lake Beach to its inventory of parks. The City added two pedestrian crosswalks to its streets for better pedestrian safety and is considering two additional crosswalks. The City also annexed four Orange County roads and will be placing safety and enforcement measures on these roads to reduce speeding and accidents. These changes are necessary on the east side of Belle Isle due to the large warehouse and apartment developments that Orlando recently approved which will add a significant amount of non-residential traffic to the City street system.

The City plans to continue sidewalk repairs and resurfacing in 2022. Sol Avenue will be reconstructed with grant funding received through the Florida Resiliency Program.

The City continues to look to expand its boundaries' through annexation to increase the tax base as well as acquire available real estate for future expansion of municipal facilities. The City will continue to look at acquisition of properties when it is advantageous to the City and its mission and vision.

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 plans to install a "baffle box" system on Barby Lane to filter out debris and excessive nutrients that could harm the lake.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the City of Belle Isle for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2020. This was the twenty-first consecutive year that the City has received this prestigious award.

The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management. To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report was made possible through the efficient, dedicated and professional efforts of the Finance Department. The significant amount of year-end closing procedures required prior to the audit could not have been accomplished without much hard work and personal sacrifice. We would also like to express our appreciation to all other City departments who, although not extensively involved in year-end audit activities, contributed significantly by ensuring the accuracy and integrity of accounting information compiled throughout the year.

We would like to especially thank the Mayor and each City Commissioner for their continued support and commitment to maintaining the financial integrity of the City. With their continued leadership, the City can look forward to a secure financial future.

Respectfully submitted,



Bob Francis
City Manager



Tracey Richardson
Finance Director

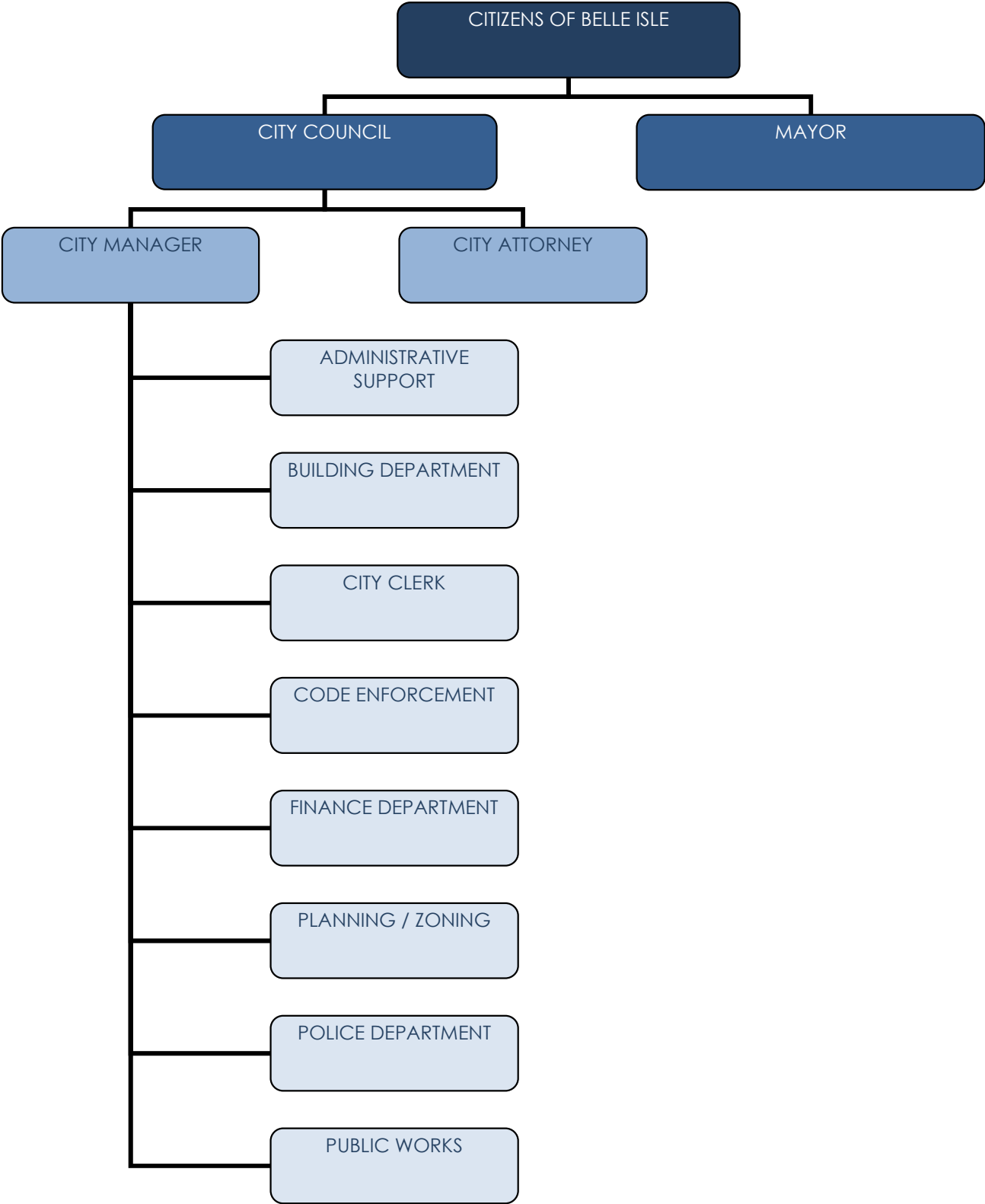
Elected Officials

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	Randy Holihan
District #5 City Commissioner	Beth Lowell
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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morrill

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* (the "City"), as of and for the year ended September 30, 2021, 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, as of September 30, 2021, 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 the 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 April 28, 2022 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
April 28, 2022

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, 2021. 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 \$12,047,200 (net position). Of this amount, \$3,089,376 (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 \$572,699.
- As of the close of the current fiscal year, the *City of Belle Isle's* governmental funds reported combined ending fund balances of \$5,407,146, a decrease of \$1,156,610 in comparison with the prior year. The general fund had an ending unassigned fund balance of \$3,192,006, which is 48% of total general fund expenditures.
- The *City of Belle Isle's* total debt is \$11,347,944 at September 30, 2021. 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 \$12,047,200 at the close of the most recent fiscal year.

Statement of Net Position

	Governmental Activities	
	2021	2020
Current and other assets	\$ 8,744,032	7,282,600
Capital assets	18,128,684	16,797,956
Total assets	26,872,716	24,080,556
Long-term liabilities outstanding	11,486,357	11,884,454
Other liabilities	3,336,886	718,844
Total liabilities	14,823,243	12,603,298
Total deferred inflows of resources	2,273	2,727
Net Position:		
Net investment in capital assets	8,172,436	8,518,272
Restricted	785,388	578,578
Unrestricted	3,089,376	2,377,681
Total net position	\$ 12,047,200	\$ 11,474,531

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Sixty-eight percent (68%) 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, \$785,388 (7%) represents resources that are subject to external restrictions on how they may be used.

The remaining balance of unrestricted net position, \$3,089,376 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 \$572,669. Key elements of this increase are as follows:

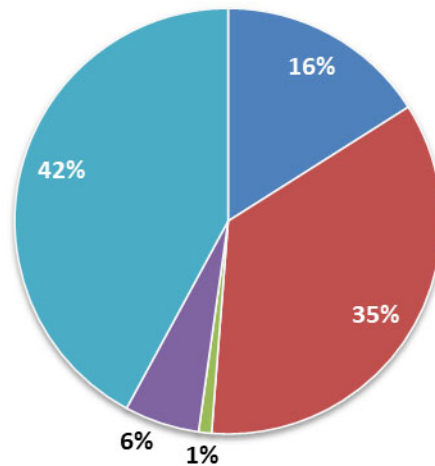
Changes in Net Position

	Governmental Activities	
	2021	2020
Revenues:		
Program Revenues:		
Charges for services	\$ 2,728,384	\$ 2,425,579
Operating grants and contributions	596,427	334,030
Capital grants and contributions	11,786	61,366
	<u>3,336,597</u>	<u>2,820,975</u>
General Revenues:		
Property taxes	3,535,115	3,370,685
Franchise and utility taxes	560,621	454,588
Intergovernmental	1,447,019	1,280,834
Investment income and miscellaneous	72,235	78,611
	<u>5,614,990</u>	<u>5,184,718</u>
Total revenues	<u>8,951,587</u>	<u>8,005,693</u>
Expenses:		
General government	1,238,951	1,333,531
Public safety	4,108,254	3,669,342
Physical environment	2,451,847	2,245,131
Interest on long-term debt	579,866	592,145
	<u>8,378,918</u>	<u>7,840,149</u>
Total expenses	<u>8,378,918</u>	<u>7,840,149</u>
Increase in Net Position	572,669	165,544
Net position, beginning	11,474,531	11,308,987
Net position, ending	<u>\$ 12,047,200</u>	<u>\$ 11,474,531</u>

Program revenues increased by \$515,622 primarily due to red light camera revenue and FEMA reimbursements received in 2021. On the expense side, expenses increased \$538,769 primarily due to red light camera expenses, depreciation on capital assets placed in service in 2021, 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 \$661,352 primarily due to the increased FEMA reimbursements, red light camera revenue, and the increase in state shared revenues due to the economy recovering from COVID.

The debt service fund balance increased by \$26,805 primarily due to rent revenue exceeding the amount spent on capital outlay and debt service.

The stormwater fund balance increased by \$256,143 primarily due to FEMA reimbursements, reimbursements from Orange County for a cost-sharing project, and an increase in stormwater service charges as a result of increasing the stormwater non-ad valorem rate.

The capital improvements fund balance decreased by \$2,057,899 primary due to the purchase of property.

General Fund Budgetary Highlights

Difference between original General Fund budget and the final amended General Fund budget resulted in a \$4,423 decrease in expenditures from the fund balance during the current year due to decreased road and street expenditures due to COVID.

During the fiscal 2021 year, actual revenues were more than budgeted revenues in the General Fund by approximately \$66,000. Also, expenditures less than budgeted by approximately \$40,000 primarily due to reduced operating costs in public safety and physical environment.

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, 2021, amounts to \$18,128,684 (net of accumulated depreciation), as detailed below. The total increase in City's total capital assets for the current fiscal year was \$1,330,728 (an 8% increase in total capital assets).

**Capital Assets
(Net of Depreciation)**

	Governmental Activities	
	2021	2020
Land	\$ 3,499,595	\$ 2,632,190
Buildings	6,897,896	5,927,831
Improvements	1,583,020	1,462,969
Machinery and equipment	851,699	1,036,280
Intangibles	15,154	20,536
Infrastructure	5,251,538	5,718,150
Construction in progress	29,782	-
Total	\$ 18,128,684	\$ 16,797,956

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 \$11,347,944. 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	
	2021	2020
Note payable	\$ 2,447,944	\$ 2,551,281
Bonds payable	8,900,000	9,180,000
Total	\$ 11,347,944	\$ 11,731,281

Next Year's Budget and Rates

During the current fiscal year, the fund balance in the general fund increased to \$3,198,256 and none of this balance was appropriated for expenditure in Fiscal Year 2022.

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, 2021

	<u>Primary Government</u>
	<u>Governmental</u>
	<u>Activities</u>
Assets:	
Cash	\$ 8,574,184
Investments	35,835
Due from other governments	127,763
Prepaid items	6,250
Capital Assets:	
Not being depreciated	3,529,377
Being depreciated, net	14,599,307
Total assets	<u>\$ 26,872,716</u>
Liabilities:	
Accounts payable	991,466
Accrued liabilities	81,030
Matured bonds and interest payable	441,600
Deposits	9,700
Unearned revenue	1,813,090
Noncurrent Liabilities:	
Due within one year	409,161
Due in more than one year	11,077,196
Total liabilities	<u>14,823,243</u>
Deferred Inflows:	
Deferred credit on debt refunding	2,273
Total deferred inflows of resources	<u>2,273</u>
Net Position:	
Net investment in capital assets	8,172,436
Restricted for:	
Debt service	405,413
Capital projects	144,639
Stormwater	219,341
Public safety	15,995
Unrestricted	3,089,376
Total net position	<u>\$ 12,047,200</u>

City of Belle Isle, Florida
Statement of Activities
Year Ended September 30, 2021

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Program Revenue</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
				<u>Capital Grants and Contributions</u>	<u>Primary Government</u>	
						<u>Governmental Activities</u>
Primary Government:						
Governmental Activities:						
General government	\$ 1,238,951	\$ -	\$ 19,208	\$ -	\$ (1,219,743)	
Public safety	4,108,254	355,192	67,206	11,786	(3,674,070)	
Physical environment	2,451,847	1,325,819	510,013	-	(616,015)	
Interest on long-term debt	579,866	1,047,373	-	-	467,507	
Total governmental activities	8,378,918	2,728,384	596,427	11,786	(5,042,321)	
Total primary government	\$ 8,378,918	\$ 2,728,384	\$ 596,427	\$ 11,786	(5,042,321)	
General Revenues:						
Taxes:						
Property taxes					3,535,115	
Franchise and utility taxes					560,621	
Intergovernmental					1,447,019	
Unrestricted investment earnings					4,968	
Miscellaneous					44,826	
Gain on disposal of capital assets					22,441	
Total general revenues					5,614,990	
Change in net position					572,669	
Net position, beginning					11,474,531	
Net position, ending					\$ 12,047,200	

City of Belle Isle, Florida
Balance Sheet - Governmental Funds
September 30, 2021

	General Fund	Debt Service Fund	Stormwater Fund	Capital Improvements Fund	Total Nonmajor Funds	Total Governmental Funds
Assets:						
Cash and cash equivalents	\$ 4,530,613	\$ 1,874,902	\$ 1,541,669	\$ 442,101	\$ 184,899	\$ 8,574,184
Investments	35,835	-	-	-	-	35,835
Due from other funds	62,190	-	-	-	-	62,190
Due from other governments	127,763	-	-	-	-	127,763
Prepaid items	6,250	-	-	-	-	6,250
Total assets	\$ 4,762,651	\$ 1,874,902	\$ 1,541,669	\$ 442,101	\$ 184,899	\$ 8,806,222
Liabilities:						
Accounts payable	\$ 974,972	\$ 3,313	\$ 7,931	\$ -	\$ 5,250	\$ 991,466
Accrued liabilities	81,030	-	-	-	-	81,030
Due to other funds	-	62,190	-	-	-	62,190
Matured bonds payable	-	185,000	-	-	-	185,000
Matured interest payable	-	256,600	-	-	-	256,600
Unearned revenue	498,693	-	1,314,397	-	-	1,813,090
Deposits	9,700	-	-	-	-	9,700
Total liabilities	1,564,395	507,103	1,322,328	-	5,250	3,399,076
Fund Balances:						
Nonspendable	6,250	-	-	-	-	6,250
Restricted for:						
Debt service	-	1,367,799	-	-	-	1,367,799
Capital projects	-	-	-	442,101	-	442,101
Stormwater	-	-	219,341	-	-	219,341
Transportation impacts	-	-	-	-	144,638	144,638
Law enforcement education	-	-	-	-	15,995	15,995
Assigned for:						
Equipment replacement	-	-	-	-	19,016	19,016
Unassigned	3,192,006	-	-	-	-	3,192,006
Total fund balances	3,198,256	1,367,799	219,341	442,101	179,649	5,407,146
Total Liabilities and Fund Balances	\$ 4,762,651	\$ 1,874,902	\$ 1,541,669	\$ 442,101	\$ 184,899	

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

18,128,684

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

(11,488,630)

Net position of governmental activities

\$ 12,047,200

City of Belle Isle, Florida
Statement of Revenue, Expenditures and Changes in Fund Balance
Governmental Funds
Year Ended September 30, 2021

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Stormwater Fund</u>	<u>Capital Improvements Fund</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
Revenues:						
Taxes:						
Property taxes	\$ 3,535,115	\$ -	\$ -	\$ -	\$ -	\$ 3,535,115
Franchise and utility	560,621	-	-	-	-	560,621
Licenses and permits	189,613	-	-	-	-	189,613
Intergovernmental	1,926,576	-	225,358	-	-	2,151,934
Charges for services	752,465	1,047,373	394,832	-	-	2,194,670
Impact fees	-	-	-	-	4,290	4,290
Fines and forfeitures	239,862	-	-	-	3,247	243,109
Investment income	1,038	3	981	-	2,946	4,968
Miscellaneous	44,826	-	-	-	-	44,826
Total revenues	7,250,116	1,047,376	621,171	-	10,483	8,929,146
Expenditures:						
Current:						
General government	1,181,554	-	-	-	-	1,181,554
Public safety	4,014,360	-	-	-	6,094	4,020,454
Physical environment	1,172,289	322,371	365,028	-	47,400	1,907,088
Debt Service:						
Principal	198,337	185,000	-	-	-	383,337
Interest and other charges	69,224	513,200	-	-	-	582,424
Capital outlay	-	-	-	2,057,899	-	2,057,899
Total expenditures	6,635,764	1,020,571	365,028	2,057,899	53,494	10,132,756
Excess (deficiency) of revenues over expenditures	614,352	26,805	256,143	(2,057,899)	(43,011)	(1,203,610)
Other Financing Sources (Uses):						
Sale of general capital assets	47,000	-	-	-	-	47,000
Total other financing sources	47,000	-	-	-	-	47,000
Net change in fund balances	661,352	26,805	256,143	(2,057,899)	(43,011)	(1,156,610)
Fund balances, beginning	2,536,904	1,340,994	(36,802)	2,500,000	222,660	6,563,756
Fund balances, ending	\$ 3,198,256	\$ 1,367,799	\$ 219,341	\$ 442,101	\$ 179,649	\$ 5,407,146

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

Year Ended September 30, 2021

Net Change in Fund Balances - Total Governmental Funds \$ (1,156,610)

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	\$ 2,443,748	
Depreciation	<u>(1,088,461)</u>	
		1,355,287

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. (24,559)

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.

Principal repayments	\$ 383,337	
		383,337

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	\$ 12,656	
Amortization of premium	2,104	
Amortization of deferred credit on refunding	<u>454</u>	
		<u>15,214</u>

Change in Net Position of Governmental Activities \$ 572,669

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.

Stormwater Special Revenue Fund - is used to account for stormwater management operations and related capital improvements.

Capital Improvements Capital Projects 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.

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 capital projects 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.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" or "advances to/from other funds." All other outstanding balances between funds are reported as "due to/from other funds." All receivables are shown net of an allowance for uncollectibles.

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, 2021.

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 2021, the City has not implemented any new accounting standards with a material effect on the City's financial statements.

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	\$ 8,900,000
Add: Issuance premium (to be amortized over life of debt)	10,517
Add: Deferred credit on refunding (to be amortized over life of debt)	2,273
Note payable	2,447,944
Compensated absences	127,896
	<u>11,488,630</u>
	<u>\$ 11,488,630</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.

Expenditures in Excess of Appropriations

The physical environment solid waste department, and debt service of the General Fund contained expenditures in excess of appropriations for the fiscal year ended September 30, 2021.

NOTE 4 CASH AND INVESTMENTS

Following are the components of the City's cash and investments at September 30, 2021:

Cash	\$	8,574,184
Investments		35,835
	\$	<u>8,610,019</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 prices 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, 2021, 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, 2021 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	\$ 35,835	AAAm	49 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, 2021, 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, 2021, 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, 2021, 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 \$4,702,412, before discount, additionally each year from the present assessed valuation of \$839,986,403 before the limit is reached.

NOTE 6 CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2021 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	\$ 2,632,190	\$ 867,405	\$ -	\$ 3,499,595
Construction in progress	-	29,782	-	29,782
Total capital assets, not being depreciated	<u>2,632,190</u>	<u>897,187</u>	<u>-</u>	<u>3,529,377</u>
Capital Assets, Being Depreciated:				
Buildings	7,776,433	1,190,495	-	8,966,928
Improvements	2,448,140	277,212	(21,892)	2,703,460
Machinery & equipment	2,316,530	64,354	(213,254)	2,167,630
Intangibles	75,768	-	(14,481)	61,287
Infrastructure	10,475,284	14,500	(1,482)	10,488,302
Total capital assets being depreciated	<u>23,092,155</u>	<u>1,546,561</u>	<u>(251,109)</u>	<u>24,387,607</u>
Less Accumulated Depreciation for:				
Buildings	(1,848,602)	(220,430)	-	(2,069,032)
Improvements	(985,171)	(151,907)	16,638	(1,120,440)
Machinery & equipment	(1,280,250)	(229,629)	193,948	(1,315,931)
Intangibles	(55,232)	(5,382)	14,481	(46,133)
Infrastructure	(4,757,134)	(481,113)	1,483	(5,236,764)
Total accumulated depreciation	<u>(8,926,389)</u>	<u>(1,088,461)</u>	<u>226,550</u>	<u>(9,788,300)</u>
Total capital assets being depreciated, net	<u>14,165,766</u>	<u>458,100</u>	<u>(24,559)</u>	<u>14,599,307</u>
Governmental activities capital assets, net	<u>\$ 16,797,956</u>	<u>\$ 1,355,287</u>	<u>\$ (24,559)</u>	<u>\$ 18,128,684</u>

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

Governmental Activities:	
General government	\$ 278,095
Public safety	131,471
Physical environment	678,895
Total depreciation expense, governmental activities	<u>\$ 1,088,461</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 17.5% of eligible wages for police officers and 14% 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, 2021, there were 28 participants in the plan.

During the year ended September 30, 2021, the City contributed \$303,009 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, 2021, there were 17 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, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Revenue bonds	\$ 9,180,000	\$ -	\$ (280,000)	\$ 8,900,000	\$ 290,000
Unamortized premium	12,621	-	(2,104)	10,517	-
Revenue note	2,551,281	-	(103,337)	2,447,944	106,371
Compensated absences	140,552	127,896	(140,552)	127,896	12,790
	<u>\$ 11,884,454</u>	<u>\$ 127,896</u>	<u>\$ (525,993)</u>	<u>\$ 11,486,357</u>	<u>\$ 409,161</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, 2021 is \$534,863. For the year ended September 30, 2021, total principal and interest paid was \$110,273.

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, 2021 is \$15,324,825. For the year ended September 30, 2021, principal and interest paid was \$698,200 and total pledged revenue for the year was \$1,047,373.

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, 2021 is \$2,988,483. For the year ended September 30, 2021, total principal and interest paid was \$157,288.

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

Governmental Activities	Interest Rates and Dates	Maturity	Original Amount	Balance September 30, 2021
Charter school lease revenue Bonds, Series 2012	5.50% - 6.00% (4/1 & 10/1)	10/1/2042	\$ 9,625,000	\$ 8,400,000
FMLC refunding revenue Bonds, Series 2016	2.00% - 4.00% (4/1 & 10/1)	10/1/2026	\$ 935,000	500,000
Total revenue bond				8,900,000
Capital improvement revenue Note, Series 2020	2.08% (4/1 & 10/1)	10/1/2040	\$ 2,551,281	2,447,944
Total				<u>\$ 11,347,944</u>

NOTE 9 LONG-TERM DEBT (CONTINUED)

Annual debt service requirements to maturity are as follows:

Year Ending September, 30	Revenue Notes		Revenue Bonds	
	Principal	Interest	Principal	Interest
2022	\$ 106,371	\$ 50,917	\$ 290,000	\$ 515,450
2023	108,584	48,705	300,000	500,925
2024	110,842	46,446	315,000	486,725
2025	113,148	44,141	335,000	471,825
2026	115,501	41,787	350,000	455,663
2027 - 2031	614,559	171,884	1,450,000	2,029,200
2032 - 2036	681,188	105,255	1,940,000	1,538,700
2037 - 2041	597,751	31,404	2,600,000	881,999
2042	-	-	1,320,000	79,200
	<u>\$ 2,447,944</u>	<u>\$ 540,539</u>	<u>\$ 8,900,000</u>	<u>\$ 6,959,687</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, 2021). Repayment terms are interest only due monthly with maturity date of October 19, 2023. The line of credit is unsecured. At September 30, 2021, 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, 2021. The City received rent of \$1,047,373 during the year ended September 30, 2021. The City’s budget for FYE 2022 includes annual rent to be received of \$1,037,341 based on an estimated student count of 1482. The estimated future minimum payments to be received by the City are as follows:

<u>Fiscal Year Ending</u>	<u>Amount</u>
2022	\$ 1,040,200
2023	1,040,200
2024	1,040,200
2025	1,040,200
2026	1,040,200
2027 - 2031	5,201,000
2032 - 2036	5,201,000
2037 - 2041	5,201,000
2042	1,040,200
	<u>\$ 21,844,200</u>

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

Land, buildings, and equipment	\$ 9,041,456
Accumulated depreciation	(1,773,814)
Capital assets held for lease	<u>\$ 7,267,642</u>

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, 2021

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive
	Original	Final		
Revenues:				
Taxes:				
Property taxes	\$ 3,524,598	\$ 3,524,598	\$ 3,535,115	\$ 10,517
Franchise fees and utility taxes	446,000	556,100	560,621	4,521
Licenses and permits	150,000	191,463	189,613	(1,850)
Intergovernmental	1,606,000	1,897,782	1,926,576	28,794
Fines and forfeitures	382,500	236,260	239,862	3,602
Charges for services	760,946	746,229	752,465	6,236
Investment income	3,000	1,000	1,038	38
Miscellaneous	28,000	31,122	44,826	13,704
Total revenues	6,901,044	7,184,554	7,250,116	65,562
Expenditures:				
Current:				
General Government:				
Legislative	40,500	40,500	36,607	3,893
Executive	2,550	2,550	2,088	462
Finance and administrative	491,090	522,201	518,272	3,929
Other general government	586,400	643,730	624,587	19,143
Total general government	1,120,540	1,208,981	1,181,554	27,427
Public Safety:				
Law enforcement	2,293,830	2,366,661	2,338,681	27,980
Fire control	1,681,919	1,675,679	1,675,679	-
Total public safety	3,975,749	4,042,340	4,014,360	27,980
Physical Environment:				
Roads and streets	678,771	514,168	504,208	9,960
Solid waste disposal	666,486	666,486	668,081	(1,595)
Total physical environment	1,345,257	1,180,654	1,172,289	8,365
Debt Service:				
Principal	177,670	181,000	198,337	(17,337)
Interest	61,182	63,000	69,224	(6,224)
Total debt service	238,852	244,000	267,561	(23,561)
Total expenditures	6,680,398	6,675,975	6,635,764	40,211
Excess (deficiency) of revenues over expenditures	220,646	508,579	614,352	105,773
Other Financing Sources (Uses):				
Sale of general capital assets	-	46,999	47,000	1
Total other financing sources (uses)	-	46,999	47,000	1
Net change in fund balance	220,646	555,578	661,352	105,774
Fund balance, beginning	2,536,904	2,536,904	2,536,904	-
Fund balance, ending	\$ 2,757,550	\$ 3,092,482	\$ 3,198,256	\$ 105,774

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, 2021, there were no differences between GAAP basis and budgetary basis.

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**Combining and Individual Fund
Statements and Schedules**

City of Belle Isle, Florida
Major Governmental Funds

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.

The Stormwater Fund

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

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, 2021

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 10,000	\$ -	\$ 3	\$ 3
Charges for services	1,040,141	1,040,141	1,047,373	7,232
Total revenues	1,050,141	1,040,141	1,047,376	7,235
Expenditures:				
Current:				
Physical environment	251,138	323,688	322,371	1,317
Debt Service:				
Principal	185,000	185,000	185,000	-
Interest	515,000	515,000	513,200	1,800
Total expenditures	951,138	1,023,688	1,020,571	3,117
Excess (deficiency) of revenues over expenditures	99,003	16,453	26,805	10,352
Net change in fund balance	99,003	16,453	26,805	10,352
Fund balance, beginning	1,340,994	1,340,994	1,340,994	-
Fund balance, ending	\$ 1,439,997	\$ 1,357,447	\$ 1,367,799	\$ 10,352

City of Belle Isle, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Stormwater Fund
Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 225,357	\$ 225,358	\$ 1
Charges for services	411,671	391,087	394,832	3,745
Investment income	2,300	1,000	981	(19)
Total revenues	413,971	617,444	621,171	3,727
Expenditures:				
Current:				
Physical environment	405,180	377,867	365,028	12,839
Debt Service:				
Principal	20,668	19,000	-	19,000
Interest	10,795	10,000	-	10,000
Total expenditures	436,643	406,867	365,028	41,839
Excess (deficiency) of revenues over expenditures	(22,672)	210,577	256,143	45,566
Net change in fund balance	(22,672)	210,577	256,143	45,566
Fund balance, beginning	(36,802)	(36,802)	(36,802)	-
Fund balance, ending	\$ (59,474)	\$ 173,775	\$ 219,341	\$ 45,566

City of Belle Isle, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Capital Improvement Fund
Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures:				
Capital Outlay	\$ -	\$ 2,057,900	\$ 2,057,899	\$ 1
Total expenditures	-	2,057,900	2,057,899	1
Excess (deficiency) of revenues over expenditures	-	(2,057,900)	(2,057,899)	1
Net change in fund balance	-	(2,057,900)	(2,057,899)	1
Fund balance, beginning	2,500,000	2,500,000	2,500,000	-
Fund balance, ending	\$ 2,500,000	\$ 442,100	\$ 442,101	\$ 1

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.

**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, 2021

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	Transportation Impact Fee	Law Enforcement Education	Total Special Revenue Funds	Capital Equipment Replacement Fund	
Assets:					
Cash and cash equivalents	\$ 149,888	\$ 15,995	\$ 165,883	\$ 19,016	\$ 184,899
Total assets	<u>\$ 149,888</u>	<u>\$ 15,995</u>	<u>\$ 165,883</u>	<u>\$ 19,016</u>	<u>\$ 184,899</u>
Liabilities:					
Accounts payable	\$ 5,250	\$ -	\$ 5,250	\$ -	\$ 5,250
Total liabilities	<u>5,250</u>	<u>-</u>	<u>5,250</u>	<u>-</u>	<u>5,250</u>
Fund Balances:					
Restricted for:					
Transportation impacts	144,638	-	144,638	-	144,638
Law enforcement education	-	15,995	15,995	-	15,995
Assigned	-	-	-	19,016	19,016
Total fund balances	<u>144,638</u>	<u>15,995</u>	<u>160,633</u>	<u>19,016</u>	<u>179,649</u>
Total liabilities and fund balances	<u>\$ 149,888</u>	<u>\$ 15,995</u>	<u>\$ 165,883</u>	<u>\$ 19,016</u>	<u>\$ 184,899</u>

City of Belle Isle, Florida
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
Year Ended September 30, 2021

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	Transportation Impact Fee	Law Enforcement Education	Total Special Revenue Funds	Capital Equipment Replacement Fund	
Revenues:					
Impact fees	\$ 4,290	\$ -	\$ 4,290	\$ -	\$ 4,290
Fines and forfeitures	-	3,247	3,247	-	3,247
Investment earnings	982	1,079	2,061	885	2,946
Total revenues	5,272	4,326	9,598	885	10,483
Expenditures:					
Current:					
Public safety	-	6,094	6,094	-	6,094
Physical environment	47,400	-	47,400	-	47,400
Total expenditures	47,400	6,094	53,494	-	53,494
Excess (deficiency) of revenues over expenditures	(42,128)	(1,768)	(43,896)	885	(43,011)
Net change in fund balances	(42,128)	(1,768)	(43,896)	885	(43,011)
Fund balances, beginning	186,766	17,763	204,529	18,131	222,660
Fund balances, ending	\$ 144,638	\$ 15,995	\$ 160,633	\$ 19,016	\$ 179,649

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, 2021

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Impact fees	\$ 3,000	\$ 3,000	\$ 4,290	\$ 1,290
Investment income	2,300	1,000	982	(18)
Total revenues	5,300	4,000	5,272	1,272
Expenditures:				
Current:				
Physical environment	35,000	64,500	47,400	17,100
Total expenditures	35,000	64,500	47,400	17,100
Excess (deficiency) of revenues over expenditures	(29,700)	(60,500)	(42,128)	18,372
Net change in fund balance	(29,700)	(60,500)	(42,128)	18,372
Fund balance, beginning	186,766	186,766	186,766	-
Fund balance, ending	\$ 157,066	\$ 126,266	\$ 144,638	\$ 18,372

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, 2021

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 1,500	\$ 1,500	\$ 3,247	\$ 1,747
Investment income	2,300	1,000	1,079	79
Total revenues	3,800	2,500	4,326	1,826
Expenditures:				
Current:				
Public safety	6,200	6,200	6,094	106
Total expenditures	6,200	6,200	6,094	106
Excess (deficiency) of revenues over expenditures	(2,400)	(3,700)	(1,768)	1,932
Net change in fund balance	(2,400)	(3,700)	(1,768)	1,932
Fund balance, beginning	17,763	17,763	17,763	-
Fund balance, ending	\$ 15,363	\$ 14,063	\$ 15,995	\$ 1,932

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, 2021

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ 884	\$ 885	\$ 1
Total revenues	-	884	885	1
Excess (deficiency) of revenues over expenditures	-	884	885	1
Net change in fund balance	-	884	885	1
Fund balance, beginning	18,131	18,131	18,131	-
Fund balance, ending	\$ 18,131	\$ 19,015	\$ 19,016	\$ 1

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>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>	<u>2021</u>
Governmental Activities:										
Net investment in capital assets	\$ 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	\$ 8,172,436
Restricted	951,727	3,166,639	2,579,822	3,369,730	3,574,581	1,180,583	1,084,890	464,127	578,578	785,388
Unrestricted	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	3,089,376
Total governmental activities net position	\$ 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	\$ 12,047,200

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

	<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>	<u>2021</u>
Expenses										
Governmental Activities:										
General government	\$ 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	\$ 1,238,951
Public safety	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	4,108,254
Physical environment	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	2,451,847
Human Services	5,938,563	6,579,138	8,307,234	8,579,049	9,161,001	-	-	-	-	-
Interest on long-term debt	82,149	594,659	628,992	616,652	644,253	585,303	560,511	570,192	592,145	579,866
Total governmental activities expense	\$ 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	\$ 8,378,918
Program Revenues										
Governmental Activities:										
Charges for Services:										
General government	\$ 18,978	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	20,800	38,077	40,943	54,125	56,471	92,006	119,566	235,533	150,349	355,192
Physical environment	750,586	822,231	853,785	847,737	1,040,533	1,252,569	1,056,529	1,128,850	1,238,589	1,325,819
Human services	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	1,047,373
Operating grants and contributions	560,001	771,226	436,178	384,248	368,188	236,272	279,947	1,443,033	334,030	596,427
Capital grants and contributions	377,504	304,156	608,518	619,626	384,035	7,934	5,000	401,166	61,366	11,786
Total Governmental Activities Program:										
Revenues	\$ 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	\$ 3,336,597
Total governmental activities net expense	\$ (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)	\$ (5,042,321)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Taxes:										
Property taxes	\$ 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	\$ 3,535,115
Franchise and utility taxes	395,910	409,916	410,408	405,135	388,501	395,702	410,481	416,555	454,588	560,621
Intergovernmental-unrestricted	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	1,447,019
Investment income and Miscellaneous	27,841	49,285	155,053	91,701	160,661	63,298	64,963	81,871	78,611	72,235
Total governmental activities	\$ 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	\$ 5,614,990
Change in Net Position:										
Governmental Activities	\$ 968,276	\$ 1,043,704	\$ 1,088,801	\$ 1,549,777	\$ 1,665,606	\$ 184,834	\$ (310,396)	\$ 2,045,420	\$ 165,544	\$ 572,669

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>
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
2021	3,535,115	560,621	4,095,736

City of Belle Isle, Florida

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	<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>	<u>2021</u>
General Fund:										
Nonspendable	\$ 171,605	\$ 1,815	\$ 1,353	\$ 520	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,250
Assigned	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	3,192,006
Total general fund	\$ 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	\$ 3,198,256
All Other Governmental Funds:										
Nonspendable	\$ 61,250	\$ 277,303	\$ 153,226	\$ 123,979	\$ 113,381	\$ -	\$ -	\$ 1,790	\$ -	\$ -
Restricted	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	2,189,874
Assigned	-	-	-	-	-	-	-	27,000	18,131	19,016
Unassigned	-	-	-	-	-	-	-	-	(36,802)	-
Total all other governmental funds	\$ 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	\$ 2,208,890

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

	<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>	<u>2021</u>
Revenues:										
Taxes:										
Property	\$ 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	\$3,535,115
Franchise and utility	395,910	409,916	410,408	405,135	388,501	373,060	410,481	416,555	454,588	560,621
Licenses and permits	114,745	119,342	134,284	158,170	214,627	358,957	232,092	172,845	248,296	189,613
Intergovernmental revenues	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	2,151,934
Charges for services	772,144	826,483	888,487	893,399	1,051,372	890,294	895,126	2,185,075	2,138,399	2,194,670
Impact fees	7,315	29,138	4,394	14,075	11,730	104,390	31,460	4,290	1,430	4,290
Fines and forfeitures	20,296	37,733	47,943	26,365	18,411	13,576	17,417	21,081	37,454	243,109
Investment Income	6,359	4,739	1,725	4,267	14,500	20,839	19,319	29,388	20,201	4,968
Miscellaneous	40,460	742,956	1,038,364	1,032,434	1,111,915	1,006,133	1,036,488	52,483	58,410	44,826
Total revenues	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	8,929,146
Expenditures:										
General government	879,717	8,815,568	988,079	991,080	1,136,552	1,945,805	2,101,282	1,290,432	1,114,817	1,181,554
Public safety	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	4,020,454
Physical environment	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	1,907,088
Human services	6,092,366	6,852,622	8,913,168	8,981,368	9,418,861	-	-	-	-	-
Debt Service:										
Principal	575,355	298,326	339,634	250,210	285,919	235,356	303,916	556,597	324,831	383,337
Interest and fiscal charges	91,309	1,035,251	630,970	617,878	645,508	575,093	570,311	575,998	596,981	582,424
Capital outlay	-	-	-	-	-	-	-	-	9,977	2,057,899
Total expenditures	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	10,132,756
Excess Revenues Over Expenditures	555,908	(7,452,002)	751,764	1,255,211	559,906	188,574	(1,690,188)	461,670	191,060	(1,203,610)
Other Financing Sources:										
Sale of general capital assets	-	-	-	-	-	-	-	-	-	47,000
Line of credit	-	-	-	-	-	-	250,000	-	-	-
Capital lease	-	-	87,512	21,999	-	-	179,677	-	-	-
Bonds/Notes issued	-	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	-	9,625,000	187,512	21,999	183,786	-	429,677	-	2,551,281	47,000
Net change in fund balance	\$ 555,908	\$ 2,172,998	\$ 939,276	\$ 1,277,210	\$ 743,692	\$ 188,574	\$ (1,260,511)	\$ 461,670	\$ 2,742,341	\$ (1,156,610)
Debt service as a % of noncapital expenditures	6.52%	11.54%	7.47%	6.61%	6.70%	12.75%	12.39%	16.34%	12.96%	12.56%

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>
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%
2021	807,261,537	32,581,139	839,842,676	4.4018	842,860,574	99.64%

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	
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
2021	4.4018	4.4347	6.8570	0.3748	0.2287	0.4107	16.7077
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	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Duke Energy Florida	\$ 14,425,670	1	1.79%	\$ 3,887,868	8	0.69%
Legacy Holdings	9,845,539	2	1.22%	6,530,053	3	1.17%
Belle Isle Commons	9,529,732	3	1.18%	6,735,686	2	1.20%
Regal Marine Industries	6,750,772	4	0.84%	7,815,770	1	1.40%
Woodspring Suites	6,607,688	5	0.82%	-	-	-
Sri Balaji Hotels	5,924,849	6	0.73%	3,340,252	9	0.60%
Capital Lodging LLC	5,544,683	7	0.69%	-	-	-
Klingensmith Associates LLC	5,090,235	8	0.63%	-	-	-
McCoy Federal Credit Union	4,712,111	9	0.58%	3,241,411	10	0.58%
Marketing Business Associates	4,422,604	10	0.55%	-	-	-
Conway IG LLC	-	-	-	4,851,485	4	0.87%
McCoy Condominium Investment LLC	-	-	-	4,610,538	6	0.82%
Columbia Land & Development Corp	-	-	-	4,786,998	5	0.86%
Lee Leo Y TR	-	-	-	4,062,642	7	0.73%
	<u>\$ 72,853,883</u>		<u>9.02%</u>	<u>\$ 49,862,703</u>		<u>8.92%</u>

Source: Orange County Property Appraiser
 2012 City of Belle Isle Comprehensive Annual Financial Report

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>
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%
2021	3,697,452	3,535,115	95.61%	-	3,535,115	95.61%

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			
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
2021	11,358,461	-	11,358,461	3.32%	1616

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, 2021

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	-		-
City of Belle Isle Direct Debt	11,358,461	100%	11,358,461
Total direct and overlapping debt	<u>\$ 11,358,461</u>		<u>\$ 11,358,461</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	
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
2021	-	-	-	-	-	-	-	-	1,047,373	185,000	513,200	1.50

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
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%
2021	7,027	341,659,767	48,621	48.9	14.5	7.27%

¹ Orlando Economic Partnership

² Bureau of Economic and Business Research, University of Florida

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

Employer	2021			2012		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Regal Marine	794	1	11.30%	368	1	66.79%
Cornerstone Charter	161	2	2.29%	65	2	11.80%
McCoy Federal Credit Union	83	3	1.18%	-	-	-
Crunch Fitness	35	4	0.50%	-	-	-
City of Belle Isle	32	5	0.46%	-	-	-
Wawa	31	6	0.44%	-	-	-
Wendy's	30	7	0.43%	13	9	2.36%
Advanced Auto Parts	30	8	0.43%	-	-	-
Growing Together Pediatrics	18	9	0.26%	-	-	-
Quality Inn	15	10	0.21%	15	5	2.72%
La Petite	-	-	-	20	3	3.63%
CVS	-	-	-	16	4	2.90%
Travel Lodge	-	-	-	14	6	2.54%
Comfort Suites	-	-	-	14	7	2.54%
Best Western	-	-	-	13	8	2.36%
Tires Plus	-	-	-	13	10	2.36%
Total	1,229		17.49%	551		100.00%

Source: Bureau of Economic and Business Research, University of Florida
 2021 The City of Belle Isle has a population of 7027

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

Function	<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>	<u>2021</u>
General Government	4	6	5	5	5	5	5	5	5	5
Public Safety	-	-	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-	-	-
Public Works	2	2	2	2	2	2	3	3	3	3
Parks and Recreation	-	-	-	-	-	-	-	-	-	-
Police Department	14	16	16	16	16	17	17	21	21	21.3
Total	20	24	23	23	23	24	25	29	29	29.3

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

Function	<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>	<u>2021</u>
General Government:										
Building permits	1450	1020	1107	502	899	650	1017	1030	824	970
Rental licenses issued	*	175	219	262	157	319	201	252	511	368
Occupational licenses issued	*	*	100	178	185	244	150	221	243	141
Lien searches processed	*	*	*	*	*	*	*	215	192	215
Employees paid	39	41	41	40	38	38	43	43	40	37
AP checks issued	*	*	*	*	*	*	*	837	768	788
Code violations	*	*	*	*	*	*	*	751	714	561
Public Safety										
Calls for service	*	*	*	*	*	*	*	5912	5796	5730
Case reports	*	*	*	*	*	*	*	292	683	800
Arrests	*	*	*	*	*	*	*	168	106	328
Traffic citations	*	*	*	*	*	*	*	486	1339	2140
Marine citations	*	*	*	*	*	*	*	142	162	472
Parking citations	48	24	34	18	14	39	20	63	425	311
DUI citations	*	*	*	*	*	*	*	8	25	37
Information reports	*	*	*	*	*	*	*	10	19	27
Crash reports	*	*	*	*	*	*	*	90	79	142
Trespass reports	*	*	*	*	*	*	*	29	38	56
Advance training attended	*	*	*	*	*	*	*	29	17	3
Highways & Streets										
Streets paved (miles)	25.00	25.00	25.00	25.00	25.00	0.00	0.01	1.50	0.00	26.24
Sidewalks/bike paths built or repaired (feet)	1200.00	2200.00	2200.00	474.00	212.50	2289.00	922.50	2554.00	49.00	107.00
Public Works										
Work orders processed	*	*	*	*	*	*	*	60	93	90

* Data not available
 Source: City Departments

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

Function	<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>	<u>2021</u>
Number of employees	*	*	*	*	*	*	*	29	32	32
Public Safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Police vehicles	*	*	*	*	*	*	*	22	23	23
Patrol vessels	*	*	*	*	*	*	*	2	2	2
Police officers	*	*	*	*	*	*	*	17	18	18
Highways & Streets										
Streets, paved (miles)	25.00	25.00	25.00	25.00	25.00	25.00	26.24	26.24	26.24	26.24
Streets, unpaved (miles)	0.03	0.03	0.03	0.03	0.03	0.03	1.00	1.00	1.00	0.15
Street lights	740	740	740	740	740	740	741	701	703	705
Parks and Recreation										
Parks	3	3	3	3	3	3	10	10	10	10
Public Works										
Stormwater pump stations	*	*	*	*	*	*	*	1	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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated April 28, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, 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. 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. 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 April 28, 2022.

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
April 28, 2022

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, 2021, and have issued our report thereon dated April 28, 2022.

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 April 28, 2022, 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 2020 Finding #	FY 2019 Finding #
ML 21-01	ML 20-01	ML 19-01

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 communicate 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
April 28, 2022

ML 21-01 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

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Management Response to Auditor's Management Letter Recommendations to Improve Financial Management Fiscal Year Ending September 30, 2021

April 28, 2022

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, 2021. The following is our response to the recommendations to improve financial management:

ML21-01 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. We have continued to deal with limited staff size and not having an additional person to fulfill the recommended role but we are looking to add an additional staff member in the Finance Department in the upcoming year and hope to be able to work towards correcting this issue.


Bob Francis
City Manager


Tracey Richardsoh
Finance Director



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**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, 2021. 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, 2021.

McDermitt Davis

Orlando, Florida
April 28, 2022