

City of Belle Isle, Florida

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended
September 30, 2022



Prepared by the
City of Belle Isle Finance Department



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CITY OF BELLE ISLE, FLORIDA

Annual Comprehensive Financial Report

FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2022



PREPARED BY:
CITY OF BELLE ISLE, FLORIDA
FINANCE DEPARTMENT



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INTRODUCTORY SECTION

This section contains the following subsections:

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

	<u>Page</u>
I. Introductory Section:	
Table of Contents	i-ii
Letter of Transmittal	iii-vii
List of Principal Officials	viii
Organizational Chart	ix
Certificate of Achievement	x
II. Financial Section:	
Independent Auditor's Report	1-2
Management Discussion and Analysis	3-7
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	8
Statement of Activities	9
Fund Financial Statements:	
Governmental Fund Financial Statements -	
Balance Sheet - Governmental Funds	10
Statement of Revenues, Expenditures and Changes in Fund Balances -	
Governmental Funds	11
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund	
Balances of Governmental Funds to the Statement of Activities	12
Notes to the Financial Statements	13-25
Required Supplementary Information:	
Budgetary Comparison Schedules:	
General Fund	26
Budget and Actual-Stormwater Fund	27
Notes to Required Supplementary Information	28
Combining and Individual Fund Financial Statements and Schedules:	
Major Governmental Funds:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance	
Budget and Actual-Debt Service Fund	29
Budget and Actual-Capital Improvement Fund	30
Nonmajor Governmental Funds:	
Combining Balance Sheet - Nonmajor Governmental Funds	31
Combining Statement of Revenues, Expenditures and Changes in	
Fund Balance - Nonmajor Governmental Funds	32
Budgetary Comparison Schedules:	
Transportation Impact Fee Fund	33
Law Enforcement Education Fund	34
Capital Equipment Replacement Fund	35

III. Statistical Section:	
Table of Contents	36
Financial Trends:	
Net Position by Component	37
Changes in Net Position	38
Governmental Activities Tax Revenues by Source	39
Fund Balances of Governmental Funds	40
Changes in Fund Balances of Governmental Funds	41
Revenue Capacity:	
Assessed Value and Estimated Actual Value of Taxable Property	42
Property Tax Rates - Direct and Overlapping Governments	43
Principal Property Taxpayers	44
Property Tax Levies and Collections	45
Debt Capacity:	
Ratios of Outstanding Debt by Type	46
Direct and Overlapping Governmental Activities Debt	47
Pledged-Revenue Coverage	48
Demographic and Economic Information:	
Demographic and Economic Statistics	49
Principal Employer	50
Operating Information:	
Full-time Equivalent City Government Employees by Function	51
Operating Indicators by Function	52
Capital Asset Statistics by Function	53
IV. Internal Control and Compliance Section:	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	54-55
Management Letter	56-58
Independent Auditor's Report on Compliance with the Requirements of Section 218.415, Florida Statutes	59
Management Response to Auditor's Management Letter	60



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CITY OF BELLE ISLE

June 27, 2023

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 ending September 30, 2022. 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 by 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 the information presented in this report. To provide a reasonable basis for making these representations, the 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 internal controls framework 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.

McDermitt Davis, LLC, a licensed, certified public accountant firm, has audited the City of Belle Isle's financial statements. 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, 2022, 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. Based upon the audit, the independent auditor concluded 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, 2022, 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 requires 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 independent auditors' report.

Profile of the City

The City of Belle Isle, Florida, a municipality incorporated in 1924, is 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 founded by area residents to protect Lake Conway, the surrounding

chain of lakes, and the beautiful natural environment. 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 why it exists: "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 is: 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 real and personal properties 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.

Being on Lake Conway, one of Greater Orlando's largest lakes, near the Orlando International Airport and other Orlando amenities, and having low property taxes make 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 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 city's chief administrative officer responsible for carrying out the governing commission's policies and ordinances, overseeing the government's day-to-day operations, hiring 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. Orange County Utilities and Orlando Utilities Commission provides water and limited sanitary sewer services. Duke Energy provides electric service.

The annual budget is 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 and submit the proposed budget to the City's Budget Advisory Committee. The City created the Budget Advisory

Committee to provide increased public accountability and elected officials monitoring the City's fiscal position. The committee comprises seven citizens in the City representing each of the seven districts and approved by the City Council. The Budget Advisory Committee holds 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. It 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 best understood when considered from the broader perspective of the specific environment within which the City of Belle Isle operates.

Local Economy

Property and resale values have stabilized or increased compared to surrounding areas. The country's commercial market values have spared Belle Isle because the City is primarily residential and has few commercial businesses. The City of Belle Isle continues to be vigilant and is committed to the needs of our infrastructure and service provision. The City has seen residential and commercial construction growth and anticipates it will continue. The City is thriving, and due to 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 providing 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 42% of total general fund revenues. However, even with this surplus, identifying additional sustainable revenue sources for the general fund is still essential.

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 the 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 economic uncertainty. The five-year capital improvement plan remains essential to the City's long-term planning process. By annually reviewing, updating, and adopting the capital improvement plan, the City can identify capital improvement projects,

identify and forecast funding sources, prioritize improvements based on funding available, and estimate a timeline for the 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 mostly 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 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 the 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

Cornerstone Charter Academy (CCA) and the City entered into a new lease agreement. As part of the new lease agreement, CCA will refinance the \$9 million from the 2012 bond issue, removing this debt from the City. This will allow the City to borrow funds to complete a new police station/EOC. 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 on the best way to achieve this, physically and fiscally.

The City continues to renovate its parks. The City constructed a new ADA-compatible deck and installed fencing at Swann Beach and installed fencing on Barby Lane. The City completed many sidewalk and resurfacing repairs this past year and plans to continue significant sidewalk repairs and resurfacing in 2023. Additionally, the City installed solar-powered rectangular rapid flashing beacons at Hoffner/Pleasure Island and Daetwyler/Seminole as well as an in-road solar-powered crosswalk LED flasher system at Daetwyler/Seminole.

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. This last year the City began the Cove Drive and Sol Avenue reconstruction project.

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 ending September 30, 2021. This was the twenty-second consecutive year the City received this prestigious award.

The Certificate of Achievement is the highest form of recognition in 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. 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 before the audit could only have been accomplished with 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 especially thank the Mayor and each City Commissioner for their continued support and commitment to maintaining the City's financial integrity. The City can look forward to a secure financial future with their continued leadership.

Respectfully submitted,



Travis Grimm
Interim City Manager



Tracey Richardson
Finance Director

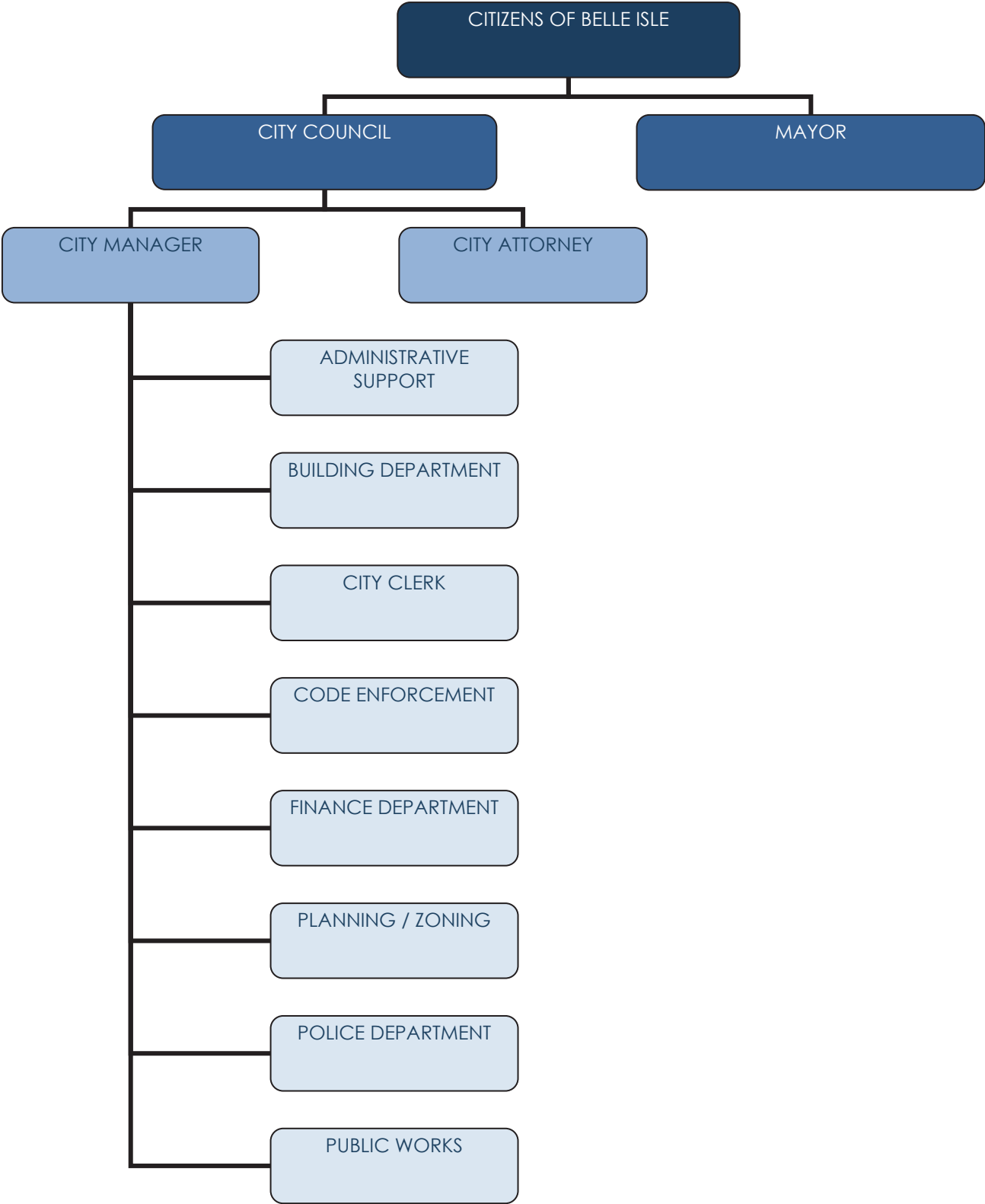
Elected Officials

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	Stanley Smith
District #7 City Commissioner	Jim Partin

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, 2021

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

This section contains the following subsections:

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

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Commissioners
City of Belle Isle, Florida

Report on Audit of the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, 2022, 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.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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.

Supplementary 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 combining and individual fund financial statements and schedules are presented for the 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.

Other Information Included in the Annual Report

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical schedules but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated June 27, 2023 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.

McDermitt Davis

Orlando, Florida
June 27, 2023

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, 2022. 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 \$20,157,583 (net position). Of this amount, \$3,873,418 (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 \$8,110,383.
- As of the close of the current fiscal year, the *City of Belle Isle's* governmental funds reported combined ending fund balances of \$4,698,512, a decrease of \$708,634 in comparison with the prior year. The general fund had an ending unassigned fund balance of \$3,696,533, which is 44% of total general fund expenditures.
- The *City of Belle Isle's* total debt is \$3,082,866 at September 30, 2022.

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, Stormwater 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 \$20,157,583 at the close of the most recent fiscal year.

Statement of Net Position

	Governmental Activities	
	2022	2021
Current and other assets	\$ 24,526,139	\$ 8,744,032
Capital assets	18,708,483	18,128,684
Total assets	43,234,622	26,872,716
Long-term liabilities outstanding	3,247,593	11,486,357
Other liabilities	3,337,807	3,336,886
Total liabilities	6,585,400	14,823,243
Total deferred inflows of resources	16,491,639	2,273
Net Position:		
Net investment in capital assets	16,045,825	8,172,436
Restricted	238,340	785,388
Unrestricted	3,873,418	3,089,376
Total net position	\$ 20,157,583	\$ 12,047,200

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Eighty percent (80%) 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, \$238,340 (1%) represents resources that are subject to external restrictions on how they may be used.

The remaining balance of unrestricted net position, \$3,873,418 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

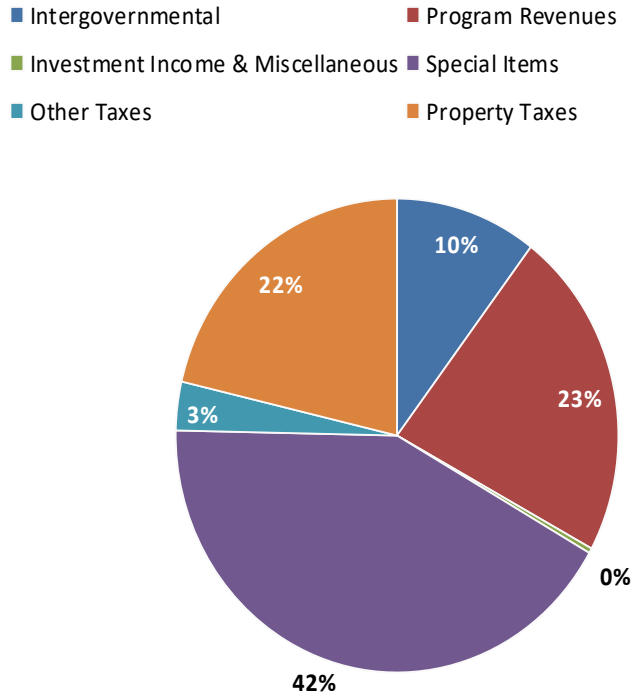
Governmental activities increased the *City of Belle Isle's* net position by \$8,110,383. Key elements of this increase are as follows:

Changes in Net Position

	Governmental Activities	
	2022	2021
Revenues:		
Program Revenues:		
Charges for services	\$ 3,062,702	\$ 2,728,384
Operating grants and contributions	888,901	596,427
Capital grants and contributions	29,563	11,786
	<u>3,981,166</u>	<u>3,336,597</u>
General Revenues:		
Property taxes	3,763,201	3,535,115
Franchise and utility taxes	585,835	560,621
Intergovernmental	1,823,413	1,447,019
Investment income and miscellaneous	60,676	49,794
Special items	7,421,327	22,441
	<u>13,654,452</u>	<u>5,614,990</u>
Total revenues	<u>17,635,618</u>	<u>8,951,587</u>
Expenses:		
General government	1,696,238	1,238,951
Public safety	4,672,622	4,108,254
Physical environment	2,543,679	2,451,847
Interest on long-term debt	612,696	579,866
Total expenses	<u>9,525,235</u>	<u>8,378,918</u>
Increase in Net Position	8,110,383	572,669
Net position, beginning	<u>12,047,200</u>	<u>11,474,531</u>
Net position, ending	<u>\$ 20,157,583</u>	<u>\$ 12,047,200</u>

Program revenues increased by \$644,569 primarily due to red light camera revenue and ARPA revenue recognized in 2022. On the expense side, expenses increased \$1,146,317 primarily due to ARPA expenses, depreciation on capital assets placed in service in 2022, and benefits costs for employees.

Revenues by Source - Governmental Activities



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 \$825,672 primarily due to the increased ARPA revenue, red light camera revenue, and the increase in state shared revenues.

The debt service fund balance decreased by \$1,263,741 primarily due to the payoff of the Series 2012 Bonds.

The stormwater fund balance decreased by \$233,310 primarily due to increase in infrastructure project costs taken on during the year.

The capital improvements fund balance decreased by \$11,660 primary due to minor expenses incurred for professional services.

General Fund Budgetary Highlights

Difference between original General Fund budget and the final amended General Fund budget resulted in a \$568,493 increase in expenditures during the current year due to increased roads and streets and general government expenditures.

During the fiscal 2022 year, actual revenues were more than budgeted revenues in the General Fund by approximately \$633,000. Also, expenditures less than budgeted by approximately \$278,000 primarily due to reduced operating costs in public safety.

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, 2022, amounts to \$18,708,483 (net of accumulated depreciation), as detailed below. The total increase in City's total capital assets for the current fiscal year was \$579,799 (a 3% increase in total capital assets).

**Capital Assets
(Net of Depreciation)**

	Governmental Activities	
	2022	2021
Land	\$ 3,499,595	\$ 3,499,595
Buildings	6,674,986	6,897,896
Improvements	2,063,462	1,583,020
Machinery and equipment	663,991	851,699
Intangibles	10,002	15,154
Infrastructure	5,253,545	5,251,538
Leases	325,394	-
Construction in progress	217,508	29,782
Total	\$ 18,708,483	\$ 18,128,684

Additional information on the *City of Belle Isle's* capital assets can be found in Note 7 of this report.

Long-Term Debt - At the end of the current fiscal year, the *City of Belle Isle* had total debt outstanding of \$3,082,866. This debt includes Charter School Lease Revenue Bonds, which are nonrecourse and were cancelled during the year, and Capital Improvement Revenue Note. Additional information on long-term debt can be found in Note 10 of this report.

Long-Term Debt

	Governmental Activities	
	2022	2021
Note payable	\$ 2,341,573	\$ 2,447,944
Bonds payable	405,000	8,900,000
Lease liability	336,293	-
Total	\$ 3,082,866	\$ 11,347,944

Next Year's Budget and Rates

During the current fiscal year, the fund balance in the general fund increased to \$4,023,928 and \$325,370 of this balance was appropriated for expenditure in Fiscal Year 2023.

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, 2022

	<u>Primary Government</u>
	<u>Governmental</u>
	<u>Activities</u>
Assets:	
Cash	\$ 7,829,491
Investments	36,140
Due from other governments	168,663
Lease receivable	16,489,820
Prepaid items	2,025
Capital Assets:	
Not being depreciated	3,717,103
Being depreciated, net	14,991,380
Total assets	<u>\$ 43,234,622</u>
Liabilities:	
Accounts payable	292,267
Accrued liabilities	21,263
Deposits	9,720
Due to other governments	7,055
Unearned revenue	3,007,502
Noncurrent Liabilities:	
Due within one year	335,879
Due in more than one year	2,911,714
Total liabilities	<u>6,585,400</u>
Deferred Inflows:	
Deferred credit on debt refunding	1,819
Deferred inflows - leases	16,489,820
Total deferred inflows of resources	<u>16,491,639</u>
Net Position:	
Net investment in capital assets	16,045,825
Restricted for:	
Debt service	104,058
Capital projects	114,758
Public safety	19,524
Unrestricted	3,873,418
Total net position	<u>\$ 20,157,583</u>

City of Belle Isle, Florida
Statement of Activities
Year Ended September 30, 2022

Functions/Programs	Expenses	Program Revenue			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Primary Governmental Activities
Primary Government:					
Governmental Activities:					
General government	\$ 1,696,238	\$ -	\$ 618,678	\$ -	\$ (1,077,560)
Public safety	4,672,622	755,789	31,857	29,563	(3,855,413)
Physical environment	2,543,679	1,273,305	238,366	-	(1,032,008)
Interest on long-term debt	612,696	1,033,608	-	-	420,912
Total governmental activities	9,525,235	3,062,702	888,901	29,563	(5,544,069)
Total primary government	\$ 9,525,235	\$ 3,062,702	\$ 888,901	\$ 29,563	(5,544,069)
General Revenues and special item:					
Taxes:					
Property taxes					3,763,201
Franchise and utility taxes					585,835
Intergovernmental					1,823,413
Unrestricted investment earnings					8,351
Miscellaneous					52,325
Gain on sale of capital assets					129,562
Gain on bond cancellation					7,291,765
Total general revenues and special item					13,654,452
Change in net position					8,110,383
Net position, beginning					12,047,200
Net position, ending					\$ 20,157,583

City of Belle Isle, Florida
Balance Sheet - Governmental Funds
September 30, 2022

	<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>
Assets:						
Cash and cash equivalents	\$ 6,252,574	\$ 158,894	\$ 833,528	\$ 430,441	\$ 154,054	\$ 7,829,491
Investments	36,140	-	-	-	-	36,140
Due from other funds	53,911	-	-	-	-	53,911
Due from other governments	168,663	-	-	-	-	168,663
Lease receivable	16,489,820	-	-	-	-	16,489,820
Prepaid items	2,025	-	-	-	-	2,025
Total assets	\$ 23,003,133	\$ 158,894	\$ 833,528	\$ 430,441	\$ 154,054	\$ 24,580,050
Liabilities:						
Accounts payable	\$ 183,993	\$ 925	\$ 107,349	\$ -	\$ -	\$ 292,267
Accrued liabilities	21,263	-	-	-	-	21,263
Due to other funds	-	53,911	-	-	-	53,911
Due to other governments	7,055	-	-	-	-	7,055
Unearned revenue	2,267,354	-	740,148	-	-	3,007,502
Deposits	9,720	-	-	-	-	9,720
Total liabilities	2,489,385	54,836	847,497	-	-	3,391,718
Deferred inflows						
Deferred inflows - leases	16,489,820	-	-	-	-	16,489,820
Fund Balances:						
Nonspendable	2,025	-	-	-	-	2,025
Restricted for:						
Debt service	-	104,058	-	-	-	104,058
Capital projects	-	-	-	430,441	-	430,441
Transportation impacts	-	-	-	-	114,757	114,757
Law enforcement education	-	-	-	-	19,524	19,524
Assigned for:						
Equipment replacement	-	-	-	-	19,773	19,773
Subsequent year's expenditure	325,370	-	-	-	-	325,370
Unassigned	3,696,533	-	(13,969)	-	-	3,682,564
Total fund balances	4,023,928	104,058	(13,969)	430,441	154,054	4,698,512
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 23,003,133</u>	<u>\$ 158,894</u>	<u>\$ 833,528</u>	<u>\$ 430,441</u>	<u>\$ 154,054</u>	

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	18,708,483
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	<u>(3,249,412)</u>
Net position of governmental activities	<u>\$ 20,157,583</u>

City of Belle Isle, Florida
Statement of Revenue, Expenditures and Changes in Fund Balance
Governmental Funds
Year Ended September 30, 2022

	<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	\$ 3,763,201	\$ -	\$ -	\$ -	\$ -	\$ 3,763,201
Franchise and utility	585,835	-	-	-	-	585,835
Licenses and permits	182,088	-	-	-	-	182,088
Intergovernmental	2,741,877	-	-	-	-	2,741,877
Charges for services	889,635	1,033,928	411,665	-	-	2,335,228
Impact fees	-	-	-	-	2,862	2,862
Fines and forfeitures	537,512	-	-	-	5,012	542,524
Investment income	1,063	4,259	758	-	2,271	8,351
Miscellaneous	52,325	-	-	-	-	52,325
Total revenues	<u>8,753,536</u>	<u>1,038,187</u>	<u>412,423</u>	<u>-</u>	<u>10,145</u>	<u>10,214,291</u>
Expenditures:						
Current:						
General government	1,373,037	-	-	11,660	-	1,384,697
Public safety	4,909,751	-	-	-	2,240	4,911,991
Physical environment	1,835,852	690,671	645,733	-	33,500	3,205,756
Debt Service:						
Principal	258,227	1,108,235	-	-	-	1,366,462
Interest and other charges	112,232	503,022	-	-	-	615,254
Total expenditures	<u>8,489,099</u>	<u>2,301,928</u>	<u>645,733</u>	<u>11,660</u>	<u>35,740</u>	<u>11,484,160</u>
Excess (deficiency) of revenues over expenditures	<u>264,437</u>	<u>(1,263,741)</u>	<u>(233,310)</u>	<u>(11,660)</u>	<u>(25,595)</u>	<u>(1,269,869)</u>
Other Financing Sources (Uses):						
Sale of general capital assets	168,086	-	-	-	-	168,086
Leases issued	393,149	-	-	-	-	393,149
Total other financing sources	<u>561,235</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>561,235</u>
Net change in fund balances	<u>825,672</u>	<u>(1,263,741)</u>	<u>(233,310)</u>	<u>(11,660)</u>	<u>(25,595)</u>	<u>(708,634)</u>
Fund balances, beginning	<u>3,198,256</u>	<u>1,367,799</u>	<u>219,341</u>	<u>442,101</u>	<u>179,649</u>	<u>5,407,146</u>
Fund balances, ending	<u>\$ 4,023,928</u>	<u>\$ 104,058</u>	<u>\$ (13,969)</u>	<u>\$ 430,441</u>	<u>\$ 154,054</u>	<u>\$ 4,698,512</u>

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

Year Ended September 30, 2022

Net Change in Fund Balances - Total Governmental Funds \$ (708,634)

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	\$ 1,796,269	
Depreciation	<u>(1,177,946)</u>	618,323

In the statement of activities, only the loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold. (38,524)

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.

Leases issued	\$ (393,149)	
Gain on bond cancellation	7,291,765	
Principal repayments	<u>1,366,462</u>	8,265,078

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

Compensated absences	\$ (28,418)	
Amortization of premium	2,104	
Amortization of deferred credit on refunding	<u>454</u>	<u>(25,860)</u>

Change in Net Position of Governmental Activities \$ 8,110,383

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.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 operates 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 assets 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, 2022.

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 assets 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 two items that qualify for reporting in this category, a deferred credit on debt refunding, and deferred inflows of leases. The deferred credit on debt refunding 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 GASB Statements Implemented

In fiscal year 2022, the City has implemented GASB Statement No. 87, *Leases*. The statement requires the City to recognize certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the contract's payment provisions. Furthermore, a lessee is required to recognize a lease liability and a right to use the leased asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, in doing so, enhancing the relevance and consistency of information about the City's leasing activities. As a result of implementation, the City increased beginning receivable and deferred inflow balances in the General Fund \$16,489,820.

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	\$	405,000
Add: Issuance premium (to be amortized over life of debt)		8,413
Add: Deferred credit on refunding (to be amortized over life of debt)		1,819
Note payable		2,341,573
Lease liability		336,293
Compensated absences		156,314
	<u>\$</u>	<u>3,249,412</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 debt service of the General Fund and Debt Service Fund contained expenditures in excess of appropriations for the fiscal year ended September 30, 2022.

Budgetary Basis of Accounting

The General Fund budget is prepared on a budgetary basis, where the City does not budget for capital outlay expenditures and other financing sources related to the acquisition of assets through leases.

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

The following adjustments were necessary to convert General Fund expenditures and other financing sources (uses) on the GAAP basis to the budgetary basis:

	Expenditures	Other Financing Sources (Uses)
GAAP basis	\$ 8,489,099	\$ 561,235
Nonbudgeted capital lease transactions	(393,149)	(393,149)
Budgetary basis	<u>\$ 8,095,950</u>	<u>\$ 168,086</u>

NOTE 4 CASH AND INVESTMENTS

Following are the components of the City's cash and investments at September 30, 2022:

Cash	\$ 7,829,491
Investments	36,140
	<u>\$ 7,865,631</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.

NOTE 4 CASH AND INVESTMENTS (CONTINUED)

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, 2022, 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.

Investments made by the *City of Belle Isle* at September 30, 2022 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	\$ 36,140	AAAm	21 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, 2022, 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, 2022, 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 RECEIVABLES

In accordance with the City's implementation of GASB Statement No. 87, *Leases*, the City's lease receivable is measured at the present value of lease payments expected to be received during the lease term. The receivables totaling \$16,489,820 are reported as deferred inflows of resources in the governmental activities statement of net position and general fund balance sheet. See Note 14 Leases for further information.

NOTE 6 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, 2022, 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 \$4,919,491, before discount, additionally each year from the present assessed valuation of \$878,763,046 before the limit is reached.

NOTE 7 CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2022 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	\$ 3,499,595	\$ -	\$ -	\$ 3,499,595
Construction in progress	29,782	217,508	(29,782)	217,508
Total capital assets, not being depreciated	<u>3,529,377</u>	<u>217,508</u>	<u>(29,782)</u>	<u>3,717,103</u>
Capital Assets, Being Depreciated:				
Buildings	8,966,928	-	-	8,966,928
Improvements	2,703,460	660,243	-	3,363,703
Machinery & equipment	2,167,630	63,782	(561,117)	1,670,295
Intangibles	61,287	-	-	61,287
Infrastructure	10,488,302	491,369	-	10,979,671
Leased equipment	-	393,149	-	393,149
Total capital assets being depreciated	<u>24,387,607</u>	<u>1,608,543</u>	<u>(561,117)</u>	<u>25,435,033</u>
Less Accumulated Depreciation for:				
Buildings	(2,069,032)	(222,910)	-	(2,291,942)
Improvements	(1,120,440)	(179,801)	-	(1,300,241)
Machinery & equipment	(1,315,931)	(212,966)	522,593	(1,006,304)
Intangibles	(46,133)	(5,152)	-	(51,285)
Infrastructure	(5,236,764)	(489,362)	-	(5,726,126)
Leased equipment	-	(67,755)	-	(67,755)
Total accumulated depreciation	<u>(9,788,300)</u>	<u>(1,177,946)</u>	<u>522,593</u>	<u>(10,443,653)</u>
Total capital assets being depreciated, net	<u>14,599,307</u>	<u>430,597</u>	<u>(38,524)</u>	<u>14,991,380</u>
Governmental activities capital assets, net	<u>\$ 18,128,684</u>	<u>\$ 648,105</u>	<u>\$ (68,306)</u>	<u>\$ 18,708,483</u>

NOTE 7 CAPITAL ASSETS (CONTINUED)

Depreciation and amortization of leased assets was charged to functions/programs of the City as follows:

Governmental Activities:

General government	\$ 291,954
Public safety	114,499
Public safety- leased equipment	67,755
Physical environment	<u>703,738</u>
Total depreciation expense, governmental activities	<u>\$ 1,177,946</u>

NOTE 8 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, 2022, there were 33 participants in the plan.

During the year ended September 30, 2022, the City contributed \$323,689 to the plan and forfeitures of \$5,011 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, 2022, 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 9 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 10 LONG-TERM DEBT

Long-term debt activity for the year ended September 30, 2022 was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Revenue bonds	\$ 8,900,000	\$ -	\$ (8,495,000)	\$ 405,000	\$ 95,000
Unamortized premium	10,517	-	(2,104)	8,413	-
Revenue note	2,447,944	-	(106,371)	2,341,573	108,584
Lease liability	-	393,149	(56,856)	336,293	116,664
Compensated absences	127,896	156,314	(127,896)	156,314	15,631
	<u>\$ 11,486,357</u>	<u>\$ 549,463</u>	<u>\$ (8,788,227)</u>	<u>\$ 3,247,593</u>	<u>\$ 335,879</u>

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, 2022 is \$427,438. For the year ended September 30, 2022, total principal and interest paid was \$107,425.

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 14 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.

As of September 30, 2022, Charter School Lease Revenue Bonds, Series 2012 were redeemed and a gain on bond cancellation of \$7,291,765 was recognized for the portion of outstanding bonds redeemed by the Charter Schools. For the year ended September 30, 2022, principal and interest paid was \$8,903,025 and total pledged revenue for the year was \$1,033,608.

Revenue Notes - Direct Borrowing

On September 25, 2020, the City issued \$2,551,281 of Capital Improvement Revenue Notes, Series 2020 with an 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, 2022 is \$2,831,194. For the year ended September 30, 2022, total principal and interest paid was \$157,288.

NOTE 10 LONG-TERM DEBT (CONTINUED)

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

Governmental Activities	Interest Rates and Dates	Maturity	Original Amount	Balance September 30, 2022
Charter school lease revenue Bonds, Series 2012	5.50% - 6.00% (4/1 & 10/1)	10/1/2042	\$ 9,625,000	\$ -
FMLC refunding revenue Bonds, Series 2016	2.00% - 4.00% (4/1 & 10/1)	10/1/2026	\$ 935,000	405,000
Total revenue bond				405,000
Capital improvement revenue Note, Series 2020	2.08% (4/1 & 10/1)	10/1/2040	\$ 2,551,281	2,341,573
Total				\$ 2,746,573

Annual debt service requirements to maturity are as follows:

Year Ending September, 30	Revenue Notes		Revenue Bonds	
	Principal	Interest	Principal	Interest
2023	\$ 108,584	\$ 48,705	\$ 95,000	\$ 8,625
2024	110,842	46,446	100,000	6,725
2025	113,148	44,141	105,000	4,725
2026	115,501	41,787	105,000	2,363
2027	117,904	39,385	-	-
2028 - 2032	627,342	159,100	-	-
2033 - 2037	695,356	91,087	-	-
2038 - 2042	452,896	18,970	-	-
	\$ 2,341,573	\$ 489,621	\$ 405,000	\$ 22,438

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 6.25% (6.75% at September 30, 2022). Repayment terms are interest only due monthly with maturity date of October 19, 2023. The line of credit is unsecured. At September 30, 2022, the City had no balance outstanding and \$750,000 available on the line of credit to draw down.

Leases

The City has entered into agreements to lease certain equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The City has entered into a master lease agreement on March 14, 2018, to lease vehicles. Individual lease terms range from 12 to 36 months, however, only the leases with 36 month terms have been recognized as other than short-term leases. These leases require 36 monthly payments ranging from \$615.69 to \$1,200.22. There are no variable payment components of the leases. The lease liability is measured at a discount rate of 2%, which is the City's incremental borrowing rate. As a result of the lease, the City has recorded a right to use asset with a net book value of \$325,394 as of September 30, 2022.

NOTE 10 LONG-TERM DEBT (CONTINUED)

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2022, were as follows:

<u>Year Ending September, 30</u>	<u>Leases</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 116,664	\$ 68,428
2024	147,958	37,134
2025	71,671	7,671
	<u>\$ 336,293</u>	<u>\$ 113,233</u>

NOTE 11 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 12 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 13 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 10 & 14). 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 14 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. The City received rent of \$1,033,608 during the year ended September 30, 2022.

In October 2021, the lease agreement was modified as a result of the bond payoff. The new agreement is a thirty-seven year lease, effective on the bond payoff date for the use of the City owned charter school buildings. Under the new lease agreement, an initial lease receivable was recorded in the amount of \$16,489,820. The lessee is required to make annual payments of \$334,827. The annual payments are subject to an annual CPI increase, not to exceed 2% per annum. The lease has an interest rate of 0%. As of September 30, 2022, the value of the lease receivable and deferred inflows of resources is \$16,489,820 and the City has not recognized lease revenue during the fiscal year under the revised lease agreement.

NOTE 14 LEASE AGREEMENT (CONTINUED)

Total minimum future lease payments to be received by the City are as follows:

<u>Fiscal Year Ending</u>	<u>Amount</u>
2023	\$ 334,827
2024	339,008
2025	343,272
2026	347,621
2027	352,057
2028 - 2032	1,830,000
2033 - 2037	1,955,000
2038 - 2042	2,100,608
2043 - 2047	2,311,126
2048 - 2052	2,551,675
2053 - 2057	2,817,260
2058 - 2059	1,207,366
	<u>\$ 16,489,820</u>

Following is a schedule of approximate cost and accumulated depreciation of capital assets under leases:

Land, buildings, and equipment	\$ 9,041,456
Accumulated depreciation	<u>(2,037,673)</u>
Capital assets held for lease	<u>\$ 7,003,783</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, 2022

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive
	Original	Final		
Revenues:				
Taxes:				
Property taxes	\$ 3,684,899	\$ 3,684,899	\$ 3,763,201	\$ 78,302
Franchise fees and utility taxes	504,500	531,165	585,835	54,670
Licenses and permits	176,900	176,900	182,088	5,188
Intergovernmental	2,180,693	2,311,137	2,741,877	430,740
Fines and forfeitures	417,500	487,500	537,512	50,012
Charges for services	829,010	881,395	889,635	8,240
Investment income	500	500	1,063	563
Miscellaneous	28,000	47,004	52,325	5,321
Total revenues	7,822,002	8,120,500	8,753,536	633,036
Expenditures:				
Current:				
General Government:				
Legislative	51,000	61,536	56,989	4,547
Executive	3,300	3,300	2,039	1,261
Finance and administrative	515,053	549,141	537,752	11,389
Other general government	527,500	848,396	776,257	72,139
Total general government	1,096,853	1,462,373	1,373,037	89,336
Public Safety:				
Law enforcement	2,942,737	2,961,893	2,762,770	199,123
Fire control	1,760,054	1,753,834	1,753,832	2
Total public safety	4,702,791	4,715,727	4,516,602	199,125
Physical Environment:				
Roads and streets	1,077,525	1,240,854	1,148,221	92,633
Solid waste disposal	690,000	690,000	687,631	2,369
Total physical environment	1,767,525	1,930,854	1,835,852	95,002
Debt Service:				
Principal	183,000	201,372	258,227	(56,855)
Interest	55,000	63,336	112,232	(48,896)
Total debt service	238,000	264,708	370,459	(105,751)
Total expenditures	7,805,169	8,373,662	8,095,950	277,712
Excess (deficiency) of revenues over expenditures	16,833	(253,162)	657,586	910,748
Other Financing Sources (Uses):				
Sale of general capital assets	-	168,086	168,086	-
Total other financing sources (uses)	-	168,086	168,086	-
Net change in fund balance	16,833	(85,076)	825,672	910,748
Fund balance, beginning	3,198,256	3,198,256	3,198,256	-
Fund balance, ending	\$ 3,215,089	\$ 3,113,180	\$ 4,023,928	\$ 910,748

City of Belle Isle, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Stormwater Fund
Year Ended September 30, 2022

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,314,397	\$ 301,079	\$ -	\$ (301,079)
Charges for services	405,341	405,341	411,665	6,324
Investment income	500	500	758	258
Total revenues	1,720,238	706,920	412,423	(294,497)
Expenditures:				
Current:				
Physical environment	1,463,750	744,509	645,733	98,776
Debt Service:				
Principal	19,000	-	-	-
Interest	9,100	-	-	-
Capital Outlay	-	-	-	-
Total expenditures	1,491,850	744,509	645,733	98,776
Excess (deficiency) of revenues over expenditures	228,388	(37,589)	(233,310)	(195,721)
Net change in fund balance	228,388	(37,589)	(233,310)	(195,721)
Fund balance, beginning	219,341	219,341	219,341	-
Fund balance, ending	\$ 447,729	\$ 181,752	\$ (13,969)	\$ (195,721)

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.

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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.

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, 2022

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 1,037,341	\$ 1,026,141	\$ 1,033,928	\$ 7,787
Investment income	-	-	4,259	4,259
Total revenues	1,037,341	1,026,141	1,038,187	12,046
Expenditures:				
Current:				
Physical environment	719,173	701,475	690,671	10,804
Debt Service:				
Principal	185,000	185,000	1,108,235	(923,235)
Interest	515,000	515,000	503,022	11,978
Total expenditures	1,419,173	1,401,475	2,301,928	(900,453)
Excess (deficiency) of revenues over expenditures	(381,832)	(375,334)	(1,263,741)	(888,407)
Net change in fund balance	(381,832)	(375,334)	(1,263,741)	(888,407)
Fund balance, beginning	1,367,799	1,367,799	1,367,799	-
Fund balance, ending	\$ 985,967	\$ 992,465	\$ 104,058	\$ (888,407)

City of Belle Isle, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Capital Improvement Fund
Year Ended September 30, 2022

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
General government:	-	11,660	11,660	-
Capital outlay	442,100	-	-	-
Total expenditures	442,100	11,660	11,660	-
Excess (deficiency) of revenues over expenditures	(442,100)	(11,660)	(11,660)	-
Net change in fund balance	(442,100)	(11,660)	(11,660)	-
Fund balance, beginning	442,101	442,101	442,101	-
Fund balance, ending	\$ 1	\$ 430,441	\$ 430,441	\$ -

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, 2022

	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	\$ 114,757	\$ 19,524	\$ 134,281	\$ 19,773	\$ 154,054
Total assets	<u>\$ 114,757</u>	<u>\$ 19,524</u>	<u>\$ 134,281</u>	<u>\$ 19,773</u>	<u>\$ 154,054</u>
Fund Balances:					
Restricted for:					
Transportation impacts	114,757	-	114,757	-	114,757
Law enforcement education	-	19,524	19,524	-	19,524
Assigned	-	-	-	19,773	19,773
Total fund balances	<u>114,757</u>	<u>19,524</u>	<u>134,281</u>	<u>19,773</u>	<u>154,054</u>
Total liabilities and fund balances	<u>\$ 114,757</u>	<u>\$ 19,524</u>	<u>\$ 134,281</u>	<u>\$ 19,773</u>	<u>\$ 154,054</u>

City of Belle Isle, Florida
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
Year Ended September 30, 2022

	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	\$ 2,862	\$ -	\$ 2,862	\$ -	\$ 2,862
Fines and forfeitures	-	5,012	5,012	-	5,012
Investment earnings	757	757	1,514	757	2,271
Total revenues	3,619	5,769	9,388	757	10,145
Expenditures:					
Current:					
Public safety	-	2,240	2,240	-	2,240
Physical environment	33,500	-	33,500	-	33,500
Total expenditures	33,500	2,240	35,740	-	35,740
Excess (deficiency) of revenues over expenditures	(29,881)	3,529	(26,352)	757	(25,595)
Net change in fund balances	(29,881)	3,529	(26,352)	757	(25,595)
Fund balances, beginning	144,638	15,995	160,633	19,016	179,649
Fund balances, ending	\$ 114,757	\$ 19,524	\$ 134,281	\$ 19,773	\$ 154,054

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, 2022

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Impact fees	\$ -	\$ -	\$ 2,862	\$ 2,862
Investment income	500	500	757	257
Total revenues	500	500	3,619	3,119
Expenditures:				
Current:				
Physical environment	55,100	39,600	33,500	6,100
Total expenditures	55,100	39,600	33,500	6,100
Excess (deficiency) of revenues over expenditures	(54,600)	(39,100)	(29,881)	(2,981)
Net change in fund balance	(54,600)	(39,100)	(29,881)	(2,981)
Fund balance, beginning	144,638	144,638	144,638	-
Fund balance, ending	\$ 90,038	\$ 105,538	\$ 114,757	\$ (2,981)

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, 2022

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 1,500	\$ 1,500	\$ 5,012	\$ 3,512
Investment income	500	500	757	257
Total revenues	2,000	2,000	5,769	3,769
Expenditures:				
Current:				
Public safety	6,000	6,000	2,240	3,760
Total expenditures	6,000	6,000	2,240	3,760
Excess (deficiency) of revenues over expenditures	(4,000)	(4,000)	3,529	7,529
Net change in fund balance	(4,000)	(4,000)	3,529	7,529
Fund balance, beginning	15,995	15,995	15,995	-
Fund balance, ending	\$ 11,995	\$ 11,995	\$ 19,524	\$ 7,529

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, 2022

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 500	\$ 500	\$ 757	\$ 257
Total revenues	<u>500</u>	<u>500</u>	<u>757</u>	<u>257</u>
Excess (deficiency) of revenues over expenditures	<u>500</u>	<u>500</u>	<u>757</u>	<u>257</u>
Net change in fund balance	500	500	757	257
Fund balance, beginning	19,016	19,016	19,016	-
Fund balance, ending	<u>\$ 19,516</u>	<u>\$ 19,516</u>	<u>\$ 19,773</u>	<u>\$ 257</u>

Statistical Section



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This part of the *City of Belle Isle's* annual comprehensive 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	37
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	42
These schedules contain formation to help the reader asses the government's most significant local revenue source, the property tax.	
Debt Capacity	46
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	49
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	51
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>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>	<u>2022</u>
Governmental Activities:										
Net investment in capital assets	\$ 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	\$ 16,045,825
Restricted	3,166,639	2,579,822	3,369,730	3,574,581	1,180,583	1,084,890	464,127	578,578	785,388	238,340
Unrestricted	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	3,873,418
Total governmental activities net position	\$ 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	\$ 20,157,583

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

	<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>	<u>2022</u>
Expenses										
Governmental Activities:										
General government	\$ 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	\$ 1,696,238
Public safety	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	4,672,622
Physical environment	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	2,543,679
Human Services	6,579,138	8,307,234	8,579,049	9,161,001	-	-	-	-	-	-
Interest on long-term debt	594,659	628,992	616,652	644,253	585,303	560,511	570,192	592,145	579,866	612,696
Total governmental activities expense	\$ 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	\$ 9,525,235
Program Revenues										
Governmental Activities:										
Charges for Services:										
Public safety	\$ 38,077	\$ 40,943	\$ 54,125	\$ 56,471	\$ 92,006	\$ 119,566	\$ 235,533	\$ 150,349	\$ 355,192	\$ 755,789
Physical environment	822,231	853,785	847,737	1,040,533	1,252,569	1,056,529	1,128,850	1,238,589	1,325,819	1,273,305
Human services	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	1,033,608
Operating grants and contributions	771,226	436,178	384,248	368,188	236,272	279,947	1,443,033	334,030	596,427	888,901
Capital grants and contributions	304,156	608,518	619,626	384,035	7,934	5,000	401,166	61,366	11,786	29,563
Total Governmental Activities Program:										
Revenues	\$ 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	\$ 3,981,166
Total governmental activities net expense	\$ (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)	\$ (5,544,069)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Taxes:										
Property taxes	\$ 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	\$ 3,763,201
Franchise and utility taxes	409,916	410,408	405,135	388,501	395,702	410,481	416,555	454,588	560,621	585,835
Intergovernmental-unrestricted	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	1,823,413
Investment income and Miscellaneous	49,285	155,053	91,701	160,661	63,298	64,963	81,871	78,611	72,235	60,676
Special items	-	-	-	-	-	-	-	-	-	7,421,327
Total governmental activities	\$ 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	\$ 13,654,452
Change in Net Position:										
Governmental Activities	\$ 1,043,704	\$ 1,088,801	\$ 1,549,777	\$ 1,665,606	\$ 184,834	\$ (310,396)	\$ 2,045,420	\$ 165,544	\$ 572,669	\$ 8,110,383

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>
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
2022	3,763,201	585,835	4,349,036

City of Belle Isle, Florida
Fund Balances of Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	<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>	<u>2022</u>
General Fund:										
Nonspendable	\$ 1,815	\$ 1,353	\$ 520	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,250	\$ 2,025
Assigned	532,657	-	-	303,662	202,394	490,772	-	-	-	325,370
Unassigned	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	3,696,533
Total general fund	\$ 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	\$ 4,023,928
All Other Governmental Funds:										
Nonspendable	\$ 277,303	\$ 153,226	\$ 123,979	\$ 113,381	\$ -	\$ -	\$ 1,790	\$ -	\$ -	\$ -
Restricted	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	668,780
Assigned	-	-	-	-	-	-	27,000	18,131	19,016	19,773
Unassigned	-	-	-	-	-	-	-	(36,802)	-	(13,969)
Total all other governmental funds	\$ 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	\$ 674,584

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

	<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>	<u>2022</u>
Revenues:										
Taxes:										
Property	\$ 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	\$3,763,201
Franchise and utility	409,916	410,408	405,135	388,501	373,060	410,481	416,555	454,588	560,621	585,835
Licenses and permits	119,342	134,284	158,170	214,627	358,957	232,092	172,845	248,296	189,613	182,088
Intergovernmental revenues	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	2,741,877
Charges for services	826,483	888,487	893,399	1,051,372	890,294	895,126	2,185,075	2,138,399	2,194,670	2,335,228
Impact fees	29,138	4,394	14,075	11,730	104,390	31,460	4,290	1,430	4,290	2,862
Fines and forfeitures	37,733	47,943	26,365	18,411	13,576	17,417	21,081	37,454	243,109	542,524
Investment Income	4,739	1,725	4,267	14,500	20,839	19,319	29,388	20,201	4,968	8,351
Miscellaneous	742,956	1,038,364	1,032,434	1,111,915	1,006,133	1,036,488	52,483	58,410	44,826	52,325
Total revenues	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	10,214,291
Expenditures:										
General government	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	1,384,697
Public safety	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	4,911,991
Physical environment	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	3,205,756
Human services	6,852,622	8,913,168	8,981,368	9,418,861	-	-	-	-	-	-
Debt Service:										
Principal	298,326	339,634	250,210	285,919	235,356	303,916	556,597	324,831	383,337	1,366,462
Interest and fiscal charges	1,035,251	630,970	617,878	645,508	575,093	570,311	575,998	596,981	582,424	615,254
Capital outlay	-	-	-	-	-	-	-	9,977	2,057,899	-
Total expenditures	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	11,484,160
Excess Revenues Over Expenditures	(7,452,002)	751,764	1,255,211	559,906	188,574	(1,690,188)	461,670	191,060	(1,203,610)	(1,269,869)
Other Financing Sources:										
Sale of general capital assets	-	-	-	-	-	-	-	-	47,000	168,086
Line of credit	-	-	-	-	-	250,000	-	-	-	-
Capital lease	-	87,512	21,999	-	-	179,677	-	-	-	393,149
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	561,235
Net change in fund balance	\$ 2,172,998	\$ 939,276	\$ 1,277,210	\$ 743,692	\$ 188,574	\$ (1,260,511)	\$ 461,670	\$ 2,742,341	\$ (1,156,610)	\$ (708,634)
Debt service as a % of noncapital expenditures	11.54%	7.47%	6.61%	6.70%	12.75%	12.39%	16.34%	12.96%	12.56%	20.46%

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>
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%
2022	844,961,144	33,714,846	878,675,990	4.4018	881,194,409	99.71%

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	
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
2022	4.4018	4.4347	6.7370	0.3748	0.2189	0.4107	16.5779
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	2022			2013		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Duke Energy Florida	\$14,419,555	1	1.79%	3,474,730	9	0.62%
Legacy Holdings	10,830,093	2	1.34%	6,333,571	3	1.13%
Belle Isle Commons	10,403,438	3	1.29%	6,703,142	2	1.20%
Thirumala Hotels	9,613,230	4	1.19%	-	-	-
Regal Marine Industries	7,286,264	5	0.90%	8,929,768	1	1.60%
Tiger Orlando	6,676,325	6	0.83%	-	-	-
Sri Balaji Hotels	6,517,334	7	0.81%	3,674,277	6	0.66%
Capital Lodging LLC	6,099,151	8	0.76%	-	-	-
Klingensmith Associates LLC	5,360,801	9	0.66%	-	-	-
McCoy Federal Credit Union	5,183,322	10	0.64%	3,081,736	10	0.55%
Conway IG LLC	-	-	-	5,099,105	4	0.91%
McCoy Condominium Investment LLC	-	-	-	4,214,912	5	0.75%
Columbia Land & Development Corp	-	-	-	3,637,500	7	0.65%
Emerald Eagles	-	-	-	3,509,792	8	0.63%
	<u>\$82,389,513</u>		<u>10.21%</u>	<u>\$ 48,658,533</u>		<u>8.92%</u>

Source: Orange County Property Appraiser
 2013 City of Belle Isle Annual Comprehensive Financial Report

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

	Total Tax Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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%
2022	3,868,139	3,763,201	97.29%	-	3,763,201	97.29%

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	Leases			
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	11,358,462	-	11,358,462	3.32%	1616
2022	2,754,987	336,293	3,091,280	0.90%	439

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, 2022

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	3,091,280	100%	3,091,280
Total direct and overlapping debt	<u>\$ 3,091,280</u>		<u>\$ 3,091,280</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	
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
2022	-	-	-	-	-	-	-	-	1,033,608	8,400,000	503,025	0.12

Notes:

- The City made last payment on 2002C debt in 2013.
- The City made last payment on 2003B debt in 2014.

	Population²	Personal Income¹	Per Capita Personal Income¹	Median Age¹	Education Level In Years of Formal Schooling¹	Unemployment Rate¹
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%
2022	7,042	376,493,488	53,464	48.3	14.5	2.70%

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	2022			2013		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Regal Marine	874	1	12.41%	375	1	64.77%
Cornerstone Charter	161	2	2.29%	86	2	14.85%
McCoy Federal Credit Union	83	3	1.18%	-	-	-
City of Belle Isle	39	4	0.55%	-	-	-
Wawa	35	5	0.50%	-	-	-
Advanced Auto Parts	35	6	0.50%	-	-	-
Crunch Fitness	32	7	0.45%	-	-	-
Wyndham Gardens	30	8	0.43%	-	-	-
Wendy's	26	9	0.37%	13	9	2.25%
Comfort Suites	26	10	0.37%	14	7	2.42%
Quality Inn	-	-	-	15	5	2.59%
La Petite	-	-	-	20	3	3.45%
CVS	-	-	-	16	4	2.76%
Travel Lodge	-	-	-	14	6	2.42%
Best Western	-	-	-	13	8	2.25%
Tires Plus	-	-	-	13	10	2.25%
Total	1,341		19.04%	579		100.00%

Source: Bureau of Economic and Business Research, University of Florida
 2021 The City of Belle Isle has a population of 7042

Full - Time Equivalent City Government Employees by Function

Last Ten Fiscal Years

Function	<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>	<u>2022</u>
General Government	6	5	5	5	5	5	5	5	5	6
Public Safety	-	-	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-	-	-
Public Works	2	2	2	2	2	3	3	3	3	5
Parks and Recreation	-	-	-	-	-	-	-	-	-	-
Police Department	16	16	16	16	17	17	21	21	21.3	26.3
Total	24	23	23	23	24	25	29	29	29.3	37.3

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

Function	<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>	<u>2022</u>
General Government:										
Building permits	1020	1107	502	899	650	1017	1030	824	970	812
Rental licenses issued	175	219	262	157	319	201	252	511	368	369
Occupational licenses issued	*	100	178	185	244	150	221	243	141	195
Lien searches processed	*	*	*	*	*	*	215	192	215	142
Employees paid	41	41	40	38	38	43	43	40	37	49
AP checks issued	*	*	*	*	*	*	837	768	788	840
Code violations	*	*	*	*	*	*	751	714	561	229
Public Safety										
Calls for service	*	*	*	*	*	*	5912	5796	5730	5094
Case reports	*	*	*	*	*	*	292	683	800	603
Arrests	*	*	*	*	*	*	168	106	328	317
Traffic citations	*	*	*	*	*	*	486	1339	2140	1789
Marine citations	*	*	*	*	*	*	142	162	472	381
Parking citations	24	34	18	14	39	20	63	425	311	229
DUI citations	*	*	*	*	*	*	8	25	37	33
Information reports	*	*	*	*	*	*	10	19	27	103
Crash reports	*	*	*	*	*	*	90	79	142	116
Trespass reports	*	*	*	*	*	*	29	38	56	53
Advance training attended	*	*	*	*	*	*	29	17	3	33
Highways & Streets										
Streets paved (miles)	25.00	25.00	25.00	25.00	0.00	0.01	1.50	0.00	26.24	0.00
Sidewalks/bike paths built or repaired (feet)	2200.00	2200.00	474.00	212.50	2289.00	922.50	2554.00	49.00	107.00	1521.00
Public Works										
Work orders processed	*	*	*	*	*	*	60	93	90	85

* Data not available
 Source: City Departments

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

Function	<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>	<u>2022</u>
Number of employees	*	*	*	*	*	*	29	32	32	41
Public Safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Police vehicles	*	*	*	*	*	*	22	23	23	22
Patrol vessels	*	*	*	*	*	*	2	2	2	2
Police officers	*	*	*	*	*	*	17	18	18	22
Highways & Streets										
Streets, paved (miles)	25.00	25.00	25.00	25.00	25.00	26.24	26.24	26.24	26.24	30.07
Streets, unpaved (miles)	0.03	0.03	0.03	0.03	0.03	1.00	1.00	1.00	0.15	0.24
Street lights	740	740	740	740	740	741	701	703	705	705
Parks and Recreation										
Parks	3	3	3	3	3	10	10	10	10	10
Public Works										
Stormwater pump stations	*	*	*	*	*	*	1	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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 27, 2023.

Report on 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 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.

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance, or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we have reported to management of the City of Belle Isle in a separate letter dated June 27, 2023.

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
June 27, 2023

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, 2022, and have issued our report thereon dated June 27, 2023.

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 June 27, 2023, 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 2021 Finding #	FY 2020 Finding #
ML 22-01	ML 21-01	ML 20-01

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
June 27, 2023

ML 22-01 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.



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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, 2022. 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, 2022.

McDermitt Davis

Orlando, Florida
June 27, 2023



CITY OF BELLE ISLE

Management Response to Auditor's Management Letter Recommendations to Improve Financial Management Fiscal Year Ending September 30, 2022

June 27, 2023

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, 2022. The following is our response to the recommendations to improve financial management:

ML22-01 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. In May 2022, we added an additional person to the Finance Department to fulfill the recommended role and hope this issue will be corrected next fiscal year.

Travis Grimm
Interim City Manager

Tracey Richardson
Finance Director