

# Comprehensive Annual Financial Report

2018



**Fiscal Year ended September 30, 2018**



CITY of

*Pinellas Park, Florida*

The Heart of Pinellas

# **Comprehensive Annual Financial Report**

**For the Fiscal Year Ended**

**September 30, 2018**

**City of Pinellas Park, Florida**

Council-Manager Form of Government

## **City Council**

**Sandra Bradbury, Mayor**

Jerry Mullins

Rick Butler

Keith Sabiel, Sr.

Patricia L. Johnson, Vice-Mayor

## **Administration**

**Douglas A. Lewis, City Manager**

City Attorney

James W. Denhardt

City Clerk

Diane M. Corna

Deputy City Manager

Patrick Murphy

Information Technology Admin.

Dan Speaker

Fire Chief

Brett Schlatterer

Police Chief

Michael L. Haworth

Finance Administrator

George E. Kotala

Assistant Finance Administrator

Kelly K. Schrader

Human Resources Administrator

Lisa Hendrickson

Public Works Administrator

Bart Diebold

Office of Management and Budget Admin.

Dan C. Katsiyannis

Leisure Services Administrator

Keith Sabiel, Jr.

Communications & Marketing Admin.

Lana Beck

Community Development Admin.

Susan Walker

Prepared by the City of Pinellas Park Finance Department

Please visit the City on the web: [www.pinellas-park.com](http://www.pinellas-park.com)

City of Pinellas Park, Florida  
 Comprehensive Annual Financial Report  
 For the Fiscal Year Ended September 30, 2018

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important point to note is the City receives in annual ad valorem approximately \$.005 for every dollar in property valuations in the City.

Major industries with headquarters or divisions located within the City's boundaries include pharmaceuticals, optical equipment and product manufacturing; retail merchandising, and medical equipment manufacturing. In addition, the City has a large diversified base of mid-sized manufacturing, such as various products produced by tool and die and plastic manufacturing. The immediate area's current unemployment rate is 3.6%.

The City of Pinellas Park is located in the heart of Pinellas County. The City is strategically located between St. Petersburg and Clearwater and has excellent access to Tampa, central Florida, and the best beaches in the United States. The City of Pinellas Park has a larger concentration of industry and commercial business relative to land area than any other city in Pinellas County. The City's Gateway area, comprised of 245 acres, should be developed for retail, industrial, commercial, and residential use in the next few years.

### **Future Major Capital Projects**

The City continues to devote resources to redevelop the downtown area within the Community Redevelopment Area (CRA) commonly referred to as the 5600 block. Old dilapidated buildings have been torn down, small houses have been revitalized, property has been purchased, and several new shipping containers have been obtained to redevelop this block, and the surrounding area. The City has spent an estimated \$4.5 million of tax increment financing for this project. During fiscal year 2017, the City acquired the Ademek property for an additional \$850,000 which include a building and land. This property will be used to redevelop the CRA area of the 5600 block.

During fiscal year 2017, the City acquired a church and property that are immediately adjacent to U.S. Highway 19. The acquisition costs were \$915,000 and paid from the Penny for Pinellas funds. Within a two year time frame, the church will be demolished and the City will construct a new Fire station. The estimated cost of the station will be four million. Finally, it is anticipated that in five years, the City will begin the design work for a new Police and Fire Operations Center in the downtown area. The center will cost an estimated \$20 million and take several years to design and construct. The City already owns the required land. The City will look into various financing options to pay for this project.

### **Debt Administration**

For many years, the City has had no general obligation debt and does not anticipate any for the foreseeable future. The City currently has the following revenue bond issues outstanding: Public Improvement Revenue Refunding Bond, which is solely secured by public services tax revenues; and Water and Sewer Revenue Refunding Bond, which is solely secured by net revenues of the Water and Sewer System. The Public Improvement Bond issue will be paid off and subsequently the City will sell a new bond issue to pay for the Capital Improvement projects highlighted above.

### **Relevant Financial Policies**

It is the policy of the City to only issue bonds or other financial instruments for the purpose of acquiring and/or constructing required or necessary land, fixed assets, and/or infrastructure to provide important municipal services.

The City Council has established that all Penny for Pinellas funds will be used to fund major Capital Improvement Projects. Each year the City Council formally adopts a five-year Capital Improvement

## **Report of Independent Auditor**

To the Honorable Mayor and City Council  
City of Pinellas Park, Florida

### **Report on Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Pinellas Park, Florida (the "City") as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents. We have also audited the financial statements of the Pinellas Park Community Redevelopment Agency (a nonmajor special revenue fund) which is presented as supplementary information in the accompanying combining and individual fund statements and schedules as of and for the year ended September 30, 2018, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City and the financial statements of the Pinellas Park Community Redevelopment Agency (a nonmajor special revenue fund), as of September 30, 2018, and the respective changes in financial position, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

### *Change in Accounting Principle*

As discussed in Note IV E to the financial statements, the City adopted the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, during the year ended September 30, 2018. Our opinions are not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and the required supplementary information section, as listed in the table of contents on pages 3 through 11 and 66 through 79, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

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

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

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Cherry Bekant* LLP

Tampa, Florida  
March 14, 2019



## **Emphasis of Matter**

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*Cherry Bekant* LLP

Tampa, Florida  
March 14, 2019



## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The nation's economy has continued to experience moderate growth (GDP 3.4%) and inflation (1.9%). Fuel prices in 2018 led the way with the largest rate of price decrease by -10.1%. Europe and other areas in the world have continued to experience moderate growth in GDP 3.1% and inflation of 5.7%. The Tax Cuts and Jobs Act of 2017 has stimulated the U.S. economy and job growth. These items have caused consumer confidence to remain somewhat positive and short-term interest rates to be at record low levels at 2%. During fiscal year 2018, residential construction activity in the City has continued to be positive. Several large multi-residential developments have completed construction. The unemployment rate in Florida at the end of 2018 was 3.6%. There is the development of Tampa's Channelside and the continued development of downtown St. Petersburg that demonstrate definite signs that the economy in the Tampa Bay area is continuing to grow and expand.

A threat from the past for a recovery is the lower price of crude oil in the open market. The current price of a barrel of oil hovers at \$73 per barrel. Oil reserve estimates that the world has about 2,092 billion barrels of reserves, or about 70 years worth of oil at today's production rate of 30 billion barrels per year. The lifting of sanctions against Iran is also impacting the world supply and price of crude oil. The US economic sanctions against Russia (placed for the Crimean invasion in 2014) combined with the low price of crude oil has continued to keep the value of the ruble low relative to the dollar and other currencies in the world. In addition, there is the threat of a financial crisis with the impending withdrawal of Great Britain from the European Common Market. The potential defaults on the debt from Spain and Italy to the European Common Market continues to have an adverse effect on the world's global markets. The U.S. has imposed tariffs against some countries imports and is in the process of negotiating a new trade agreement with China.

On a state level, there has been discussions once again concerning tax reform. An additional \$25,000 homestead exemption was on the ballot this past November. It would have applied only to taxable values in the \$100,000 - \$125,000 tranche. Assuming this item passed by voters, it would apply to the following year's ad valorem taxes. For our City, it would result in a decrease of ad valorem tax revenue of an estimated \$410,000 annually. The voters did not pass the proposed tax reform legislation.

For forecasting purposes, more of an emphasis is placed by the City on the local economy in terms of unemployment rates, the consumer price index, interest rates, construction activity, property valuation increases, and tourism. For calendar year 2018, the consumer price index for all urban consumers was 2.2% and the unemployment percentage in the state of Florida for this same period was in the low 3.2% range. The Federal Funds rate, which helps determine rates for mortgages, credit cards and other borrowing, will now hover in a range of 2.5%. Overall, rates are still historically low. Policy makers plan to raise rates twice in 2019. Interest rates on a six month certificate of deposit were in the 2.3% range. The stock market had a decrease in 2018. At the end of 2018, all three major indexes had losses. The Dow fell 5.6%; the S&P lost 6.2%; and the Nasdaq was down 4%. This has had a negative effect on the returns for each of the City's three Pension Trusts.

The City's level of construction has experienced a small increase between fiscal years 2017 and 2018. The Building Development Division issued 4,508 total permits in fiscal year 2018. For fiscal year ending September 30, 2018, the total valuations City-wide were \$3.5 billion and for fiscal year ending September 30, 2017, total valuations were \$3.3 billion. The increase in valuations was mainly attributable to a continuing recovery of market values in the housing market in the City. It is anticipated that total taxable valuations will increase by 6% for fiscal year ending September 30, 2019. An important point to note is the City receives in annual ad valorem approximately \$.005 for every dollar increase in property valuations in the City.

When forecasting the following year's budget, the items of particular importance for doing the revenue forecast are: the estimates provided by Pinellas County with respect to property tax revenue for the City, Community Redevelopment Area, fire and Emergency Medical Services districts, the library cooperative, local option fuel and sales taxes; the state of Florida for intergovernmental revenues such as the alcohol beverage tax, half cent sales tax, and state shared revenue; and the estimates for electric franchise fees and public service taxes; Building

**City of Pinellas Park, Florida**  
**Balance Sheet**  
**Governmental Funds**  
**September 30, 2018**

	<u>General</u>	<u>Capital Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 10,037	\$ -	\$ -	\$ 10,037
Equity in pool cash and cash equivalents	6,046,364	3,271,003	166,957	9,484,324
Equity in pool investments	14,673,925	7,938,399	405,186	23,017,510
Receivables (net of allowance for uncollectibles)	2,768,099	24,021	6,837	2,798,957
Due from other governmental agencies	1,401,101	1,333,336	-	2,734,437
Inventories	395,470	-	-	395,470
Prepaid items	261,157	-	17,185	278,342
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	\$ 25,556,153	\$ 12,566,759	\$ 596,165	\$ 38,719,077
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts and contracts payable	\$ 1,061,925	\$ 673,180	\$ 10,636	\$ 1,745,741
Accrued liabilities	734,304	300,767	10,922	1,045,993
Due to other governmental agencies	89,071	84,902	-	173,973
Due to other funds	1,128,731	-	-	1,128,731
Unearned revenue	594,582	-	-	594,582
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	3,608,613	1,058,849	21,558	4,689,020
<b>Fund balances:</b>				
<b>Nonspendable:</b>				
Prepaid items	261,157	-	17,185	278,342
Inventory	395,470	-	-	395,470
	<hr/>	<hr/>	<hr/>	<hr/>
Total nonspendable	656,627	-	17,185	673,812
<b>Restricted:</b>				
Public Safety	9,436	-	134,539	143,975
Redevelopment projects	-	3,920,211	-	3,920,211
Debt service payments	-	-	35,753	35,753
Transportation projects	-	982,495	-	982,495
Community redevelopment	-	-	107,360	107,360
Angel fund	-	-	136,192	136,192
Library capital acquisitions	-	-	143,578	143,578
Culture and recreation	-	49,960	-	49,960
Capital improvement	-	3,417,778	-	3,417,778
	<hr/>	<hr/>	<hr/>	<hr/>
Total restricted	9,436	8,370,444	557,422	8,937,302
<b>Committed:</b>				
Hazardous waste	13,212	544,304	-	557,516
Medical district	83	-	-	83
Public safety	-	211,126	-	211,126
Parkland dedication	-	415,730	-	415,730
	<hr/>	<hr/>	<hr/>	<hr/>
Total committed	13,295	1,171,160	-	1,184,455
<b>Assigned:</b>				
Subsequent year budget shortfall	1,388,216	-	-	1,388,216
Stormwater projects	-	374,648	-	374,648
Vacation payable	1,161,027	-	-	1,161,027
Park improvements	-	273,929	-	273,929
Capital improvement	-	1,317,729	-	1,317,729
	<hr/>	<hr/>	<hr/>	<hr/>
Total assigned	2,549,243	1,966,306	-	4,515,549
<b>Unassigned:</b>				
	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances	21,947,540	11,507,910	574,607	34,030,057
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	\$ 25,556,153	\$ 12,566,759	\$ 596,165	\$ 38,719,077

The notes to the financial statements are an integral part of this statement.

CITY OF PINELLAS PARK, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018

**NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Pinellas Park, (the City) have been prepared in accordance with Accounting Principles Generally Accepted in the United States of America (GAAP). GAAP statements include all relevant Governmental Accounting Standards Board (GASB) pronouncements. GASB is the accepted primary standard-setting body for establishing governmental accounting and financial reporting principles. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

**A. The Reporting Entity**

The City of Pinellas Park provides a wide range of services that include fire and police protection, waste collection, typical public work services, and general administration. The City also operates a major enterprise activity, a water and sewer system.

The City of Pinellas Park is a municipal corporation created by the Laws of Florida, 1915-7225, and is governed by an elected mayor and four-member council. As required by GAAP, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government.

The City has two blended component units that meet the criteria for blended presentation in accordance with GASB Statement No. 61; the Pinellas Park Community Redevelopment Agency and the Pinellas Park Angel Fund, Inc. The Pinellas Park Community Redevelopment Agency was approved by the Board of County Commissioners of Pinellas County under Chapter 163, Florida Statutes, to act as the redevelopment agency for the Pinellas Park Community Redevelopment Area. The Pinellas Park Angel Fund is a 501(c)(3) corporation organized exclusively for charitable purposes to assist Pinellas Park residents and utility customers. The City Council is the governing body for both of these blended component units, while the City's management maintains all operational responsibility and there is a financial burden relationship between the City and both component units. Both the Pinellas Park Community Redevelopment Agency and the Angel Fund's operations are recorded as Special Revenue Funds.

**B. Basic Financial Statements**

Basic financial statements are presented at both the government-wide and fund financial level. Both levels of statements categorize primary activities as either governmental or business-type. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely significantly on fees and charges for support.

Government-wide financial statements report information on all of the non-fiduciary activities of the reporting government as a whole. For the most part, the effect of interfund activity has been removed from these statements. These statements focus on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. These aggregated statements consist of the Statement of Net Position and the Statement of Activities.

CITY OF PINELLAS PARK, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018

**NOTE II – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)**

were adopted for the following funds: General, Confiscated Property, Community Redevelopment and Capital Improvement Fund. Budgets were also adopted for the Water and Sewer Enterprise Fund and all Internal Service Funds. The legal level of budgetary control is the department level. The City Manager is authorized to transfer budgeted amounts between line items of individual departments. Transfers across departmental lines and changes in overall fund appropriations require City Council approval. The budget is reviewed on a periodic basis, and supplemental appropriations to the original budget may be approved by City Council when deemed necessary. Supplemental appropriations were approved for fiscal year 2018 in the General, Capital Improvement, Water and Sewer, Capital Equipment Replacement and Insurance Loss Funds. All appropriations lapse at fiscal year end except for issued but unreceived purchase orders, which become automatic reappropriations in the new year unless canceled. Budgets for governmental funds are adopted on a basis consistent with GAAP.

In the governmental and proprietary funds, appropriations lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances are re-appropriated and become part of the subsequent year's budget pursuant to state regulations. There were no significant encumbrances to disclose other than the construction commitments found in Note III-C.

**B. Excess of Expenditures Over Appropriations**

For the year ended September 30, 2018, there were a few departments in the General Fund that had expenditures in excess of appropriations. They are Purchasing, \$12,462; Planning and Development Services, \$18,396; and Sanitation, \$445,689. These expenditures were all funded by greater than anticipated revenues.

**NOTE III – DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

The City maintains an investment policy which establishes guidelines for safeguarding and efficient management of City funds and for the purchase and sale of investment instruments. It applies to all funds except the Pension Trust Funds. The primary objective of the City's investment policy is to keep the City's cash resources productively employed, providing satisfactory yields while maximizing their security and availability. Safety of principal is regarded as the highest priority in the handling of investments for the City.

The City's investment policy permits investments in obligations of the U.S. Treasury, U.S. government agencies, repurchase agreements, certificates of deposit, commercial paper, bank notes, other time deposits, short-term floating rate or auction rate securities, any open-end money market mutual funds regulated by the U.S. Government under the Investment Company Act rule 2a-7, any investment fund regulated or advised by a Registered Investment Advisor under rule 3c-7 and county tax certificates.

Plan administration and investment management of the City's three Pension Trust Funds (Police, Firefighter and General Employees) are the responsibility of the Board of Trustees of each plan. Each Board accomplishes the daily management of the plans investments through external investment managers who act as a fiduciary for each plan. Each Board has adopted an investment policy and guidelines to formally document their investment objectives and responsibilities. The Boards give the investment managers full investment discretion with respect to assets under its management provided investment decisions adhere to the investment policy.

# **Nonmajor Funds**

## **Special Revenue Funds**

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

**Confiscated Property Fund** – This fund is used to account for the proceeds of property confiscated by the City Police Department pursuant to Chapter 932, Florida Statutes, which provides for the taking of property used in the commission of a felony.

**Community Redevelopment Fund** – This fund is used to account for the funds that are appropriated to the Pinellas Park Community Redevelopment Agency to finance, or refinance, the Community Redevelopment Projects within the Redevelopment Area of the City of Pinellas Park pursuant to the provisions of Section 163.387 Florida Statutes and City of Pinellas Park Ordinance No. 2047.

**Angel Fund** – This fund is used to account for the funds of the Pinellas Park Angel Fund, a 501(c)(3) corporation organized exclusively for charitable purposes to assist Pinellas Park residents and utility customers.

**Stinson Expendable Trust Fund** – This fund is used to account for assets held for the benefit of the City of Pinellas Park Public Library pursuant to City of Pinellas Park Resolution 86-59.

**Gary R. Smith Expendable Trust Fund** – This fund is used to account for assets held for the benefit of the City of Pinellas Park Police Department. Such assets are held pursuant to City of Pinellas Park Resolution 90-26.

## **Debt Service Funds**

Debt Service Funds provide separate accounting records for all debt interest, principal, and reserve requirements for general government long-term debt. Debt of proprietary funds is serviced through restricted accounts maintained within the individual enterprise or internal service fund associated with the debt.

**2003 Public Improvement Revenue Bond Debt Service Fund** – This fund is used to account for the debt service requirements for the 2003 Public Improvement Revenue Bond.

**2014 Public Improvement Revenue Bond Debt Service Fund** – This fund is used to account for the debt service requirements for the 2014 Public Improvement Revenue Refunding Bond.

## **Capital Projects Funds**

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds. The single nonmajor Capital Projects Fund is the 2003 Public Improvement Revenue Bond Construction Fund.

**City of Pinellas Park, Florida  
Combining Balance Sheet  
Nonmajor Governmental Funds  
Special Revenue Funds  
September 30, 2018**

	<u>Confiscated Property</u>	<u>Community Redevelopment</u>	<u>Angel</u>	<u>Stinson Trust</u>	<u>Gary R. Smith Trust</u>	<u>Total</u>
<b>ASSETS</b>						
Equity in pool cash and cash equivalents	\$ 36,167	\$ 35,441	\$ 40,180	\$ 41,766	\$ 2,970	\$ 156,524
Equity in pool investments	87,772	86,013	97,512	101,361	7,208	379,866
Receivables (net of allowance for uncollectibles)	391	5,530	434	451	31	6,837
Prepaid items	-	16,285	900	-	-	17,185
Total assets	<u>\$ 124,330</u>	<u>\$ 143,269</u>	<u>\$ 139,026</u>	<u>\$ 143,578</u>	<u>\$ 10,209</u>	<u>\$ 560,412</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts and contracts payable	\$ -	\$ 8,702	\$ 1,934	\$ -	\$ -	\$ 10,636
Accrued liabilities	-	10,922	-	-	-	10,922
Total liabilities	<u>-</u>	<u>19,624</u>	<u>1,934</u>	<u>-</u>	<u>-</u>	<u>21,558</u>
Fund balances:						
Nonspendable	-	16,285	900	-	-	17,185
Restricted	124,330	107,360	136,192	143,578	10,209	521,669
Total fund balances	<u>124,330</u>	<u>123,645</u>	<u>137,092</u>	<u>143,578</u>	<u>10,209</u>	<u>538,854</u>
Total liabilities and fund balances	<u>\$ 124,330</u>	<u>\$ 143,269</u>	<u>\$ 139,026</u>	<u>\$ 143,578</u>	<u>\$ 10,209</u>	<u>\$ 560,412</u>

**City of Pinellas Park, Florida**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Special Revenue Funds**  
**For the Year Ended September 30, 2018**

	<u>Confiscated Property</u>	<u>Community Redevelopment</u>	<u>Angel</u>	<u>Stinson Trust</u>	<u>Gary R. Smith Trust</u>	<u>Total</u>
<b>REVENUES</b>						
Intergovernmental	\$ 11,298	\$ 1,299,504	\$ 6,000	\$ -	\$ -	\$ 1,316,802
Fines and forfeitures	9,094	-	-	-	-	9,094
Investment earnings (loss)	(669)	(15,770)	(598)	(657)	128	(17,566)
Miscellaneous	-	68,185	15,690	-	538	84,413
Total revenues	<u>19,723</u>	<u>1,351,919</u>	<u>21,092</u>	<u>(657)</u>	<u>666</u>	<u>1,392,743</u>
<b>EXPENDITURES</b>						
General government	-	190,144	36,444	-	538	227,126
Public safety	13,766	-	-	-	-	13,766
Total expenditures	<u>13,766</u>	<u>190,144</u>	<u>36,444</u>	<u>-</u>	<u>538</u>	<u>240,892</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,957</u>	<u>1,161,775</u>	<u>(15,352)</u>	<u>(657)</u>	<u>128</u>	<u>1,151,851</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	1,323,675	-	-	-	1,323,675
Transfers out	-	(2,506,186)	-	-	-	(2,506,186)
Total other financing uses	<u>-</u>	<u>(1,182,511)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,182,511)</u>
Net change in fund balance	5,957	(20,736)	(15,352)	(657)	128	(30,660)
Fund balance - beginning	<u>118,373</u>	<u>144,381</u>	<u>152,444</u>	<u>144,235</u>	<u>10,081</u>	<u>569,514</u>
Fund balance - ending	<u>\$ 124,330</u>	<u>\$ 123,645</u>	<u>\$ 137,092</u>	<u>\$ 143,578</u>	<u>\$ 10,209</u>	<u>\$ 538,854</u>



**City of Pinellas Park, Florida**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Community Redevelopment Fund**  
**For the Year Ended September 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 1,296,580	\$ 1,299,504	\$ 1,299,504	\$ -
Investment earnings (loss)	4,100	4,100	(15,770)	(19,870)
Miscellaneous	47,025	47,125	68,185	21,060
Total revenues	<u>1,347,705</u>	<u>1,350,729</u>	<u>1,351,919</u>	<u>1,190</u>
<b>EXPENDITURES</b>				
General government	<u>205,365</u>	<u>205,365</u>	<u>190,144</u>	<u>15,221</u>
Total expenditures	<u>205,365</u>	<u>205,365</u>	<u>190,144</u>	<u>15,221</u>
Excess of revenues over expenditures	<u>1,142,340</u>	<u>1,145,364</u>	<u>1,161,775</u>	<u>16,411</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,326,179	1,323,676	1,323,675	(1)
Transfers out	<u>(2,506,186)</u>	<u>(2,506,186)</u>	<u>(2,506,186)</u>	<u>-</u>
Total other financing uses	<u>(1,180,007)</u>	<u>(1,182,510)</u>	<u>(1,182,511)</u>	<u>(1)</u>
Net change in fund balances	(37,667)	(37,146)	(20,736)	16,410
Fund balance - beginning	<u>144,381</u>	<u>144,381</u>	<u>144,381</u>	<u>-</u>
Fund balance - ending	<u>\$ 106,714</u>	<u>\$ 107,235</u>	<u>\$ 123,645</u>	<u>\$ 16,410</u>

**Pinellas Park Community Redevelopment Agency**

**City of Pinellas Park, Florida**  
**Balance Sheet**  
**Nonmajor Governmental Funds**  
**Pinellas Park Community Redevelopment Agency**  
**September, 30, 2018**

	<u>Community Redevelopment</u>
<b>ASSETS</b>	
Equity in pool cash and cash equivalents	\$ 35,441
Equity in pool investments	86,013
Receivables (net of allowance for uncollectibles)	5,530
Prepaid Items	<u>16,285</u>
 Total assets	 \$ <u><u>143,269</u></u>
 <b>LIABILITIES AND FUND BALANCES</b>	
Liabilities:	
Accounts and contracts payable	\$ 8,702
Accrued liabilities	<u>10,922</u>
 Total Liabilities	 <u>19,624</u>
 Fund balances:	
Nonspendable	16,285
Restricted	<u>107,360</u>
 Total fund balances	 <u>123,645</u>
 Total liabilities and fund balances	 \$ <u><u>143,269</u></u>

**City of Pinellas Park, Florida**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**Pinellas Park Community Redevelopment Agency**  
**For the Year Ended September 30, 2018**

	<u>Community Redevelopment</u>
<b>REVENUES</b>	
Intergovernmental - tax increment financing revenue	\$ 1,299,504
Investment earnings	(15,770)
Miscellaneous	<u>68,185</u>
Total revenues	<u>1,351,919</u>
<b>EXPENDITURES</b>	
General government	<u>190,144</u>
Total expenditures	<u>190,144</u>
Excess of revenues over expenditures	<u>1,161,775</u>
<b>OTHER FINANCING SOURCES (USES)</b>	
Transfers in - tax increment financing revenue	1,323,675
Transfers out - capital redevelopment projects / operations	<u>(2,506,186)</u>
Total other financing uses	<u>(1,182,511)</u>
Net change in fund balances	(20,736)
Fund balance - beginning	<u>144,381</u>
Fund balance - ending	<u><u>\$ 123,645</u></u>

**Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards**

To the Honorable Mayor and City Council  
City of Pinellas Park, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pinellas Park, Florida (the "City") as of and for the year ended September 30, 2018 and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 14, 2019. We also have audited the financial statements of the Pinellas Park Community Redevelopment Agency which is presented as supplementary information in the accompanying combining and individual fund statements and schedules as of and for the year ended September 30, 2018.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our 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 a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**Compliance and Other Matters**

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