

# PINELLAS COUNTY, FLORIDA

Required Auditor Communications

Fiscal Year Ended September 30, 2023

Presented By  
Jeff Wolf, CPA



CPAs & ADVISORS

CELEBRATING **50** *Years* AS FLORIDA'S FIRM



# Required Communications

- Auditor Responsibilities
- Management Responsibilities
- Internal Controls and Compliance
- Significant Difficulties (none)
- Unusual Accounting Conventions (none)
- Disagreements with Management (none)
- Audit Adjustments (none)
- Audit Schedule

# Services and Deliverables

- Independent Auditor's Report
  - Unmodified Opinion
- Report on Internal Control over Financial Reporting and on Compliance
  - No Findings Noted
- Single Audit Report
  - Unmodified Opinion
  - No Material Weaknesses, Significant Deficiencies, Findings or Questioned Costs
  - 5 Federal Programs and 2 State Projects audited

# Services and Deliverables *(Cont.)*

- Management Letter
  - No findings or non-compliance
- Independent Accountant's Reports
  - No non-compliance
- Agreed Upon Procedures Report – Solid Waste Management Facility
  - No Exceptions

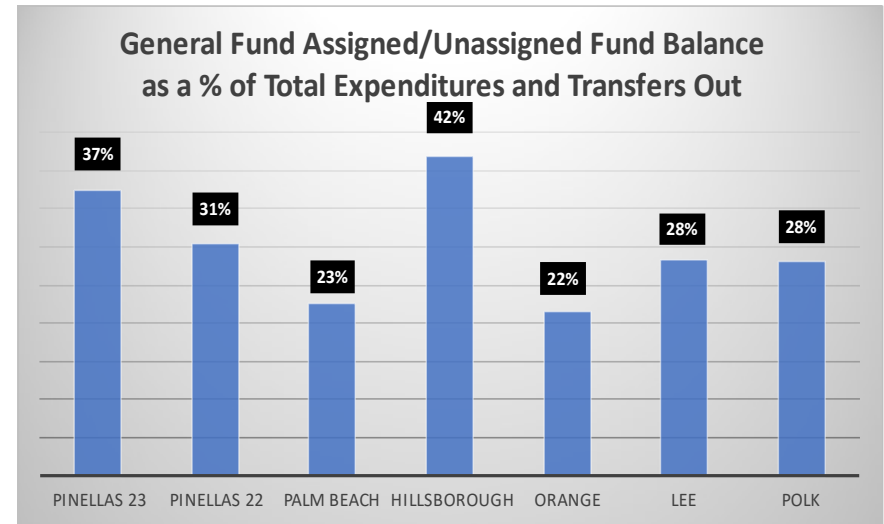
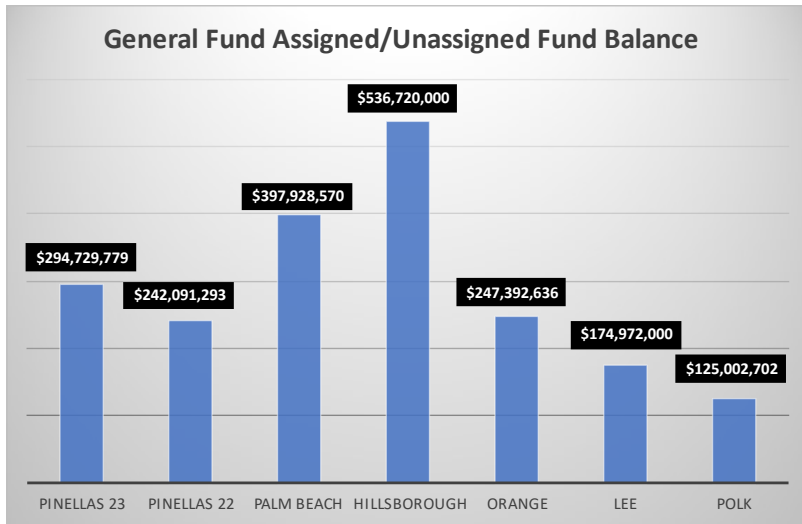
# Services and Deliverables *(Cont.)*

- Unmodified Opinions Issued On:
  - All Constitutional Officers
  - Community Redevelopment Agency
  - Passenger Facility Charges Collected and Expended (As Reported to the FAA)

# Comparative Data

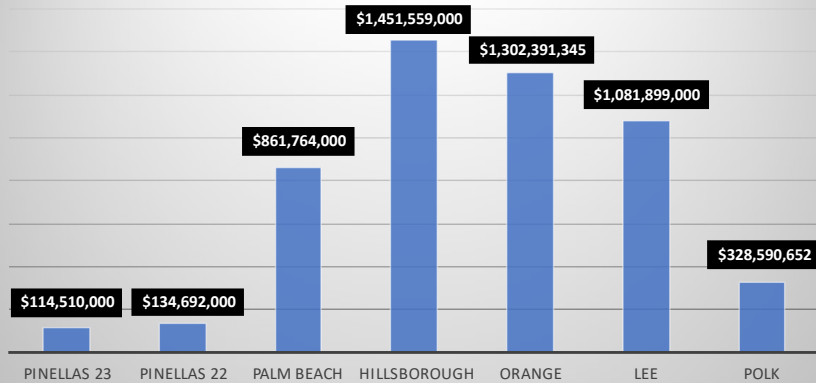
- Data on the counties listed below obtained from the Florida Auditor Generals website for the 2022 ACFRs.
  - Palm Beach
  - Hillsborough
  - Lee
  - Orange
  - Polk
- Data for Pinellas County taken from the 2022 and 2023 county ACFRs

# Comparative Data (Cont.)

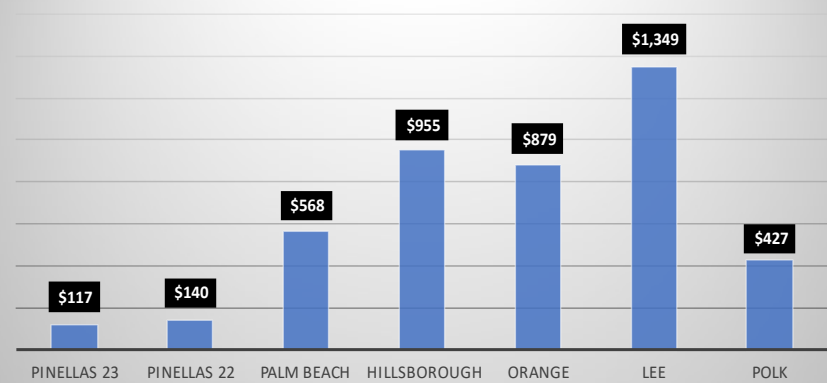


# Comparative Data (Cont.)

### Outstanding Debt of Primary Government



### Outstanding Debt Per Capita





Questions?



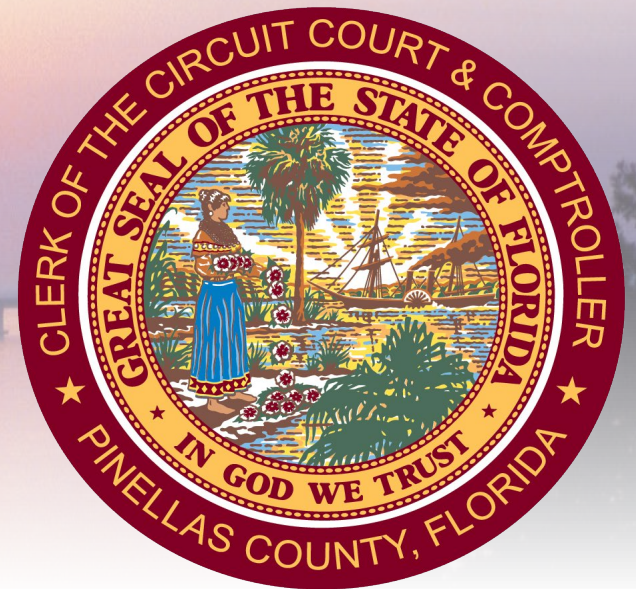
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# FY 2022 – 2023 Financial Update

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- The Clerk of the Circuit Court & Comptroller is the Clerk and Accountant to the Board of County Commissioners, and much more:
  - ▶ Clerk of the Circuit & County Court
  - ▶ Recorder of Deeds
  - ▶ Custodian of County funds
  - ▶ County Auditor
  
- The Clerk's office also provides:
  - ▶ County-wide mail operations
  - ▶ County-wide printing and mail services
  - ▶ Records Management



## APPENDIX

# County Stakeholders

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## Internal

Commissioners

Management

Constitutional Officers

Component Units

Employees

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## External – Grants & Compliance

Federal and State grant agencies

Florida Auditor General

FL Joint Legislative Auditing Committee (JLAC)

Other oversight agencies

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## External – Financing

Banks – Noteholders

Debtholders

Credit Rating Agencies

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## External – General

Citizens

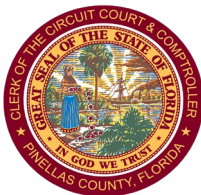
Media

External auditors

Business community

Public at large

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# The Reporting Entity

## Pinellas County, Florida

Board of County Commissioners

Constitutional Officers

Discretely Presented Component Units

Governmental Funds

Proprietary Funds

Blended Component Units

Custodial Funds

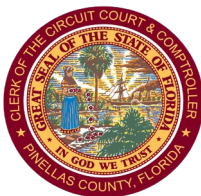
Sheriff

Clerk of the Circuit Court and Comptroller

Tax Collector

Supervisor of Elections

Property Appraiser



# Components of the ACFR

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## Introductory Section

- Letter of Transmittal
- GFOA Certificate of Achievement
- Organization Chart

## Financial Section

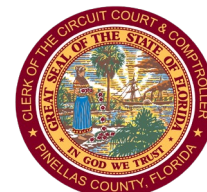
- Independent Auditor's Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Combining and Individual Fund Statements and Schedules

## Statistical Section

- Financial Trend Information
- Revenue Capacity Information
- Debt Capacity Information
- Demographic and Economic Information
- Operating Information

## Compliance Section

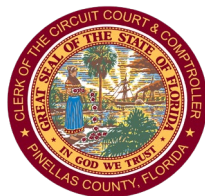
- Compliance-related Independent Auditor's Reports
- Schedule of Expenditures of Federal Awards and State Financial Assistance
- Schedule of Receipts and Expenditures of Funds Related to the Deepwater Horizon Spill
- Management Letter



# Overview of County Audit Requirements

- ▶ **Independent auditor’s report:**  
dated March 20, 2024
- ▶ **Legal requirement:** Annual financial audit of local government entity must be completed within 9 months after the end of fiscal year by an independent certified public accountant retained by it and paid from its public funds (Section 218.39, Florida Statutes)
- ▶ **Completion of single audit under Federal (Uniform Guidance, 2 CFR Part 200) and State (Florida Single Audit Act, Section 215.97, F.S.) guidelines**
- ▶ **Other required assurance in accordance with applicable laws & regulations**

SUBJECT MATTER	STATUTORY REFERENCE
Investment compliance	218.415, F.S.
Use of E911 funds	365.173, F.S.
Clerk of Court compliance	28.35, 28.36, 61.181, F.S.
Receipt/expenditure of Deepwater Horizon oil spill funds	288.8018(1), F.S.
Community Redevelopment Agency (CRA) compliance	163.387(6)(7), F.S.



# Financial Statement Presentation - Terminology

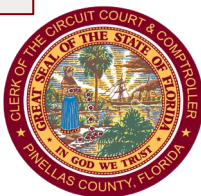
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**Basis of accounting: Determines when transactions and events are recognized.**

- Accrual – recognition when substantive economic impact completed
- Modified accrual – recognition of revenue when it is measurable and available

**Measurement Focus – Determines what is being reported upon.**

- The proprietary funds and the government-wide financial statements adopt an accrual basis of accounting and report on **all** assets and liabilities and increases/decreases in net capital are recognized as revenues or expenses
  - Economic resources focus: report on determination of net income, financial position, and cash flows; measures operational accountability
- Governmental funds adopt a **modified accrual** basis of accounting and a measurement focus on short-term financial assets and liabilities
  - Current resources focus: report on inflows and outflows of current financial resources; measures fiscal accountability



# Differences Between Government-wide and Fund Level Financial Statements

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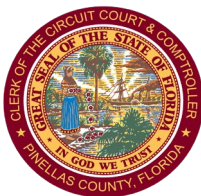
## Government-Wide

- Economic resources measurement focus
  - Adds long-term assets and liabilities
- Full accrual basis
- Includes:
  - Capital assets
  - Pension
  - OPEB
  - Pollution remediation
  - Long-term debt (e.g., capital leases)
  - Long-term receivables (e.g., EMS collections beyond 60-days)
- Internal service funds reported with governmental activities

## Governmental Fund

- Financial resources measurement focus
  - Cash, inventory, accounts payable/receivable, or other current assets and liabilities
- Modified accrual basis
- Tracks the near term and budgetary basis
- Expenditures for capital items purchased during the year

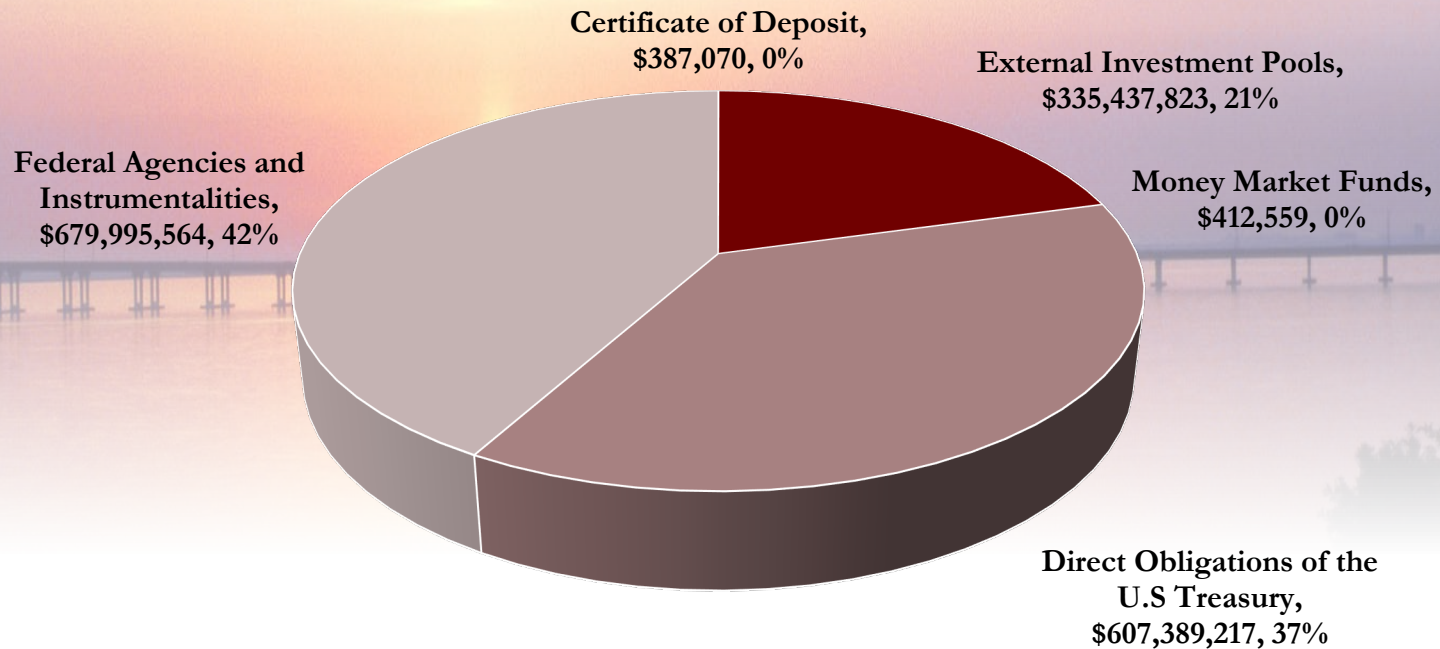
Business-type activities are only reported under the economic resource's measurement focus and full accrual basis of accounting.



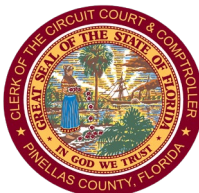


# A Look at County Investments

## Pinellas County Investment Portfolio \$1,623,622,233



**Safety/Liquidity/Yield**

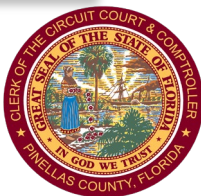


# Debt Portfolio

- ▶ **Governmental Activities:**  
Outstanding balance at 9/30/23 is \$2,099,669, consisting of lease-purchase agreements for Sheriff equipment (vehicles, helicopter, and airplane)
- ▶ **Business-Type Activities:**  
Outstanding balance at 9/30/23 is \$81,111,000, consisting of sewer bank notes.

\*Excludes lease obligations and capital notes payable included on slide 8

Sewer Issuance Type	Interest Rate	Original Amount	Balance at 9/30/23
Revenue Note – Series 2008A	4.41%	\$42,005,000	\$35,530,000
Revenue Refunding Note – Series 2008B-1	4.24%	32,700,000	5,165,000
Revenue Refunding Note – Series 2016	2.20%	14,733,000	1,985,000
Revenue Refunding Note – Series 2021B	2.00%	5,292,000	5,276,000
Revenue Refunding Note – Series 2022	1.17%	40,862,000	33,155,000
<b>TOTAL*</b>		<b>\$135,592,000</b>	<b>\$81,111,000</b>

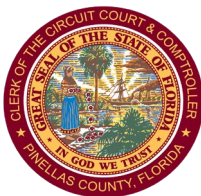


# Net Position By Component Multi-Year Comparison

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## Amounts In Thousands

<b>Governmental Activities</b>	<b>FY 2023</b>	<b>FY 2022</b>	<b>FY 2021</b>
Net Investment in Capital Assets	\$2,126,412	\$2,100,070	\$2,060,959
Restricted	754,279	576,754	400,974
Unrestricted	(621,332)	(651,024)	(676,815)
<b>Business-Type Activities</b>	<b>FY 2023</b>	<b>FY 2022</b>	<b>FY 2021</b>
Net Investment in Capital Assets	\$1,464,411	\$1,472,883	\$1,468,778
Restricted	16,568	13,643	10,440
Unrestricted	625,360	493,548	405,308
<b>Total Primary Government</b>	<b>FY 2023</b>	<b>FY 2022</b>	<b>FY 2021</b>
Net Investment in Capital Assets	\$3,590,823	\$3,572,953	\$3,529,737
Restricted	770,847	590,397	411,414
Unrestricted	4,028	(157,476)	(271,507)



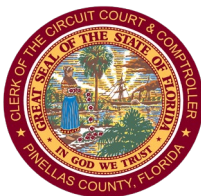
# Pension & Other Post-Employment Benefits

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County retirement plans consist of the Florida Retirement System (FRS) Pension and Health Insurance Subsidy (HIS) Plans

County Other Post Employment Benefits (OPEB) cover eligible retirees & their dependents and consist of two plans – the County Plan and the Sheriff’s Plan

	FY 2023	FY 2022	Difference
FRS – Net Pension Liability	490,017,962	\$462,635,324	\$27,382,638
FRS – Pension Expense (Benefit)	95,511,339	60,796,568	34,714,771
HIS – Net Pension Liability	163,067,084	111,795,565	51,271,519
HIS – Pension Expense	60,988,539	6,133,257	54,855,282
Total OPEB Liability	393,966,460	515,479,700	(121,513,240)
OPEB Expense (Benefit)	(39,595,975)	(8,397,714)	(31,198,261)



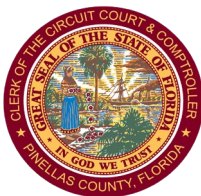
# General Fund Highlights

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## Financial Overview

## General Fund

- ▶ Revenues and other financing sources increased by \$58.8 Million, or 7.5%, from the prior year.
- ▶ Tax revenue increased by \$27.0 Million, due primarily to a 5.0% increase in ad valorem.
- ▶ Intergovernmental revenues decreased by \$11.4 million, or 8.6%, primarily due to the completion of the Emergency Rental Assistance Program (ERA1) grant funding in the prior year.
- ▶ Expenditures and transfers out decreased by \$5.3 Million, or 0.7%.



# Financial Overview

## AD Valorem Property Taxes

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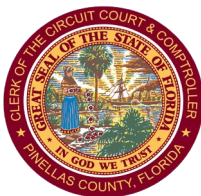
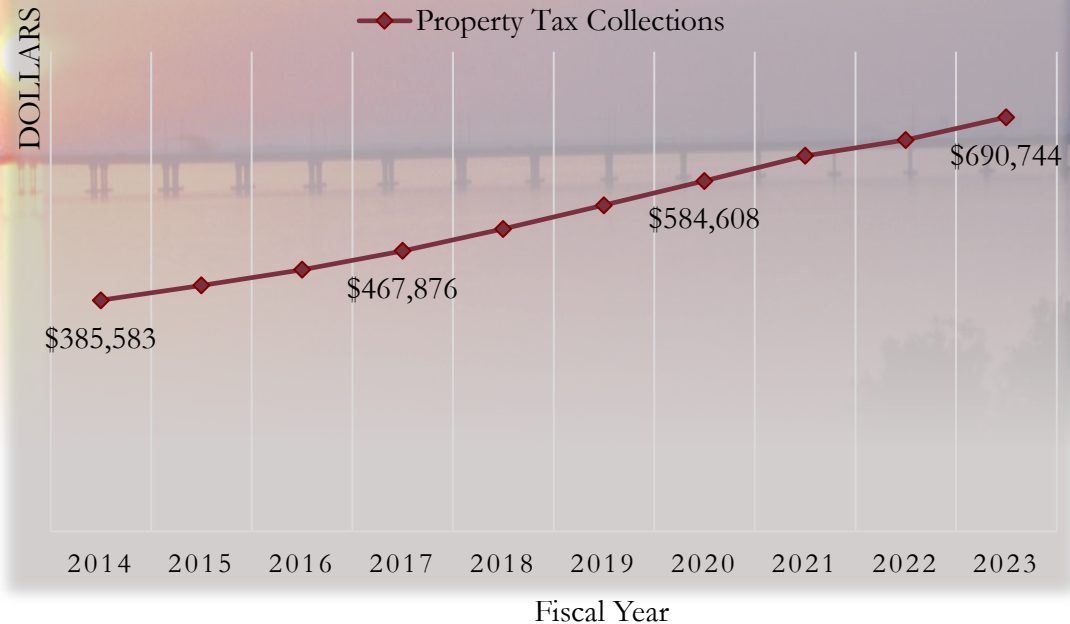
### Property Taxes

County-wide single largest revenue source

\*Countywide millage rate decreased

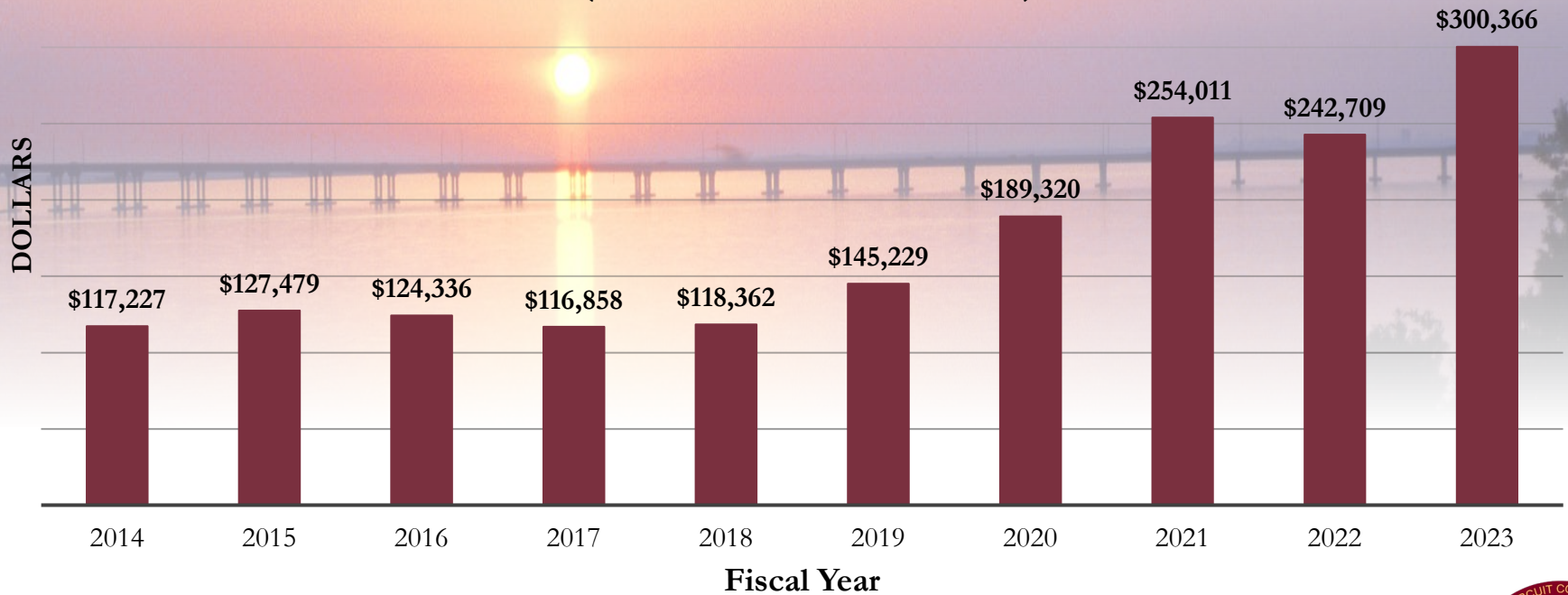
\*13.6% increase in taxable assessed value (real & personal property) from FY 22 to FY 23

PROPERTY TAX COLLECTIONS BY FISCAL YEAR  
(AMOUNTS IN THOUSANDS)

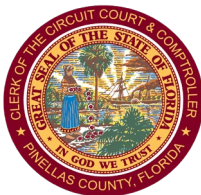


# Fund Balance – General Fund

### General Fund – Total Fund Balance (Amounts in Thousands)



■ Total Fund Balance - General Fund



# GASB Implementation

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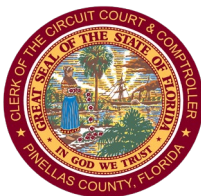
- **GASB 96 Subscription Based Information Technology Arrangements (SBITAs):** This statement required recognition of certain cloud-based right-to-use software implementation and subscription assets, and associated lessee liabilities that previously were classified, respectively, as intangible-assets-software and operating subscriptions and recognized as outflows of resources based upon the payment provisions of the contract.
  - Governmental activities added capital assets and matching payable liabilities in the amount of \$6.2 million.
  - Business-type activities added capital assets and matching payables liabilities in the amount of \$8.4 million.





# GASB Implementation

- **GASB 101 Compensated Absences:** This statement requires liabilities for compensated absences to be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and established guidance for measuring a liability for leave that has not been used.
  - Governmental activities recognized an additional \$1.5 million in beginning compensated absence liability.
  - Business-type activities recognized an additional \$0.3 million in beginning compensated absence liability.



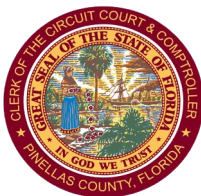
# GASB Statement Implementation: Future Years

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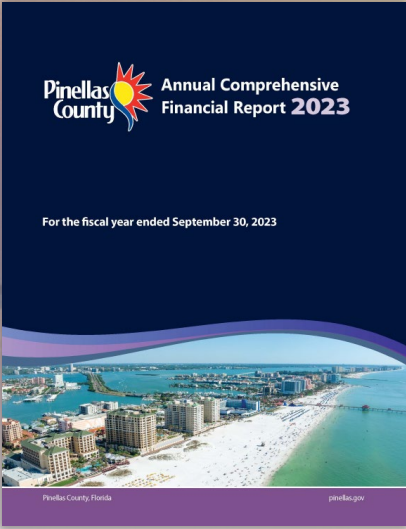
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## **GASB 102 Certain Risk Disclosures (FY 2025 Implementation):**

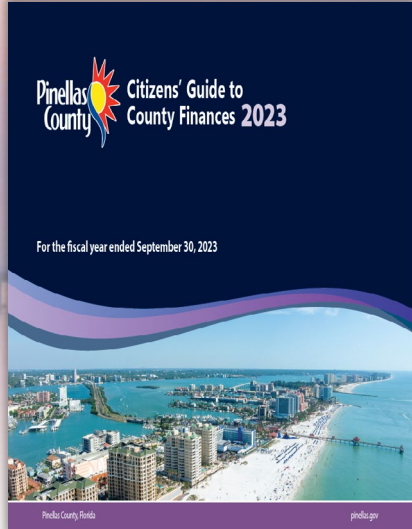
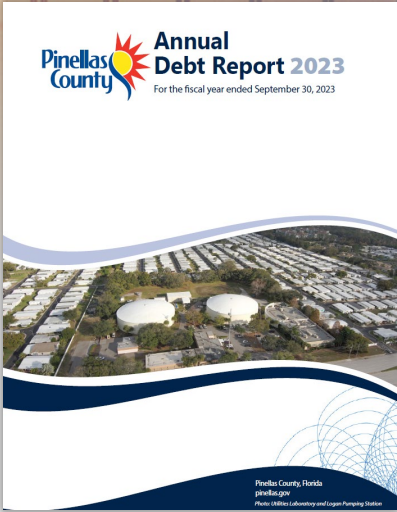
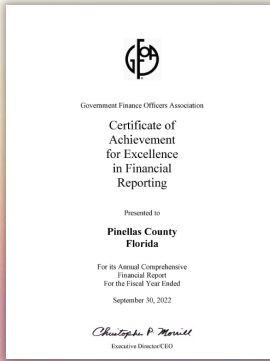
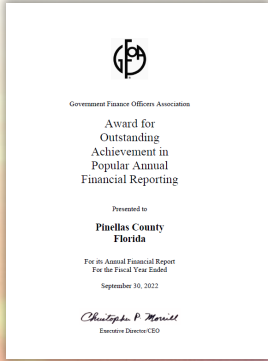
This statement provides guidance on risks related to a government's vulnerabilities due to certain concentrations or constraints.



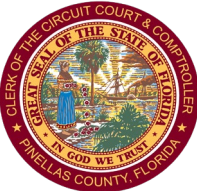
# Reports & Awards



Recognition received for 42 consecutive years



Recognition received for 17 consecutive years



# Resources

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<https://www.mypinellasclerk.org/Home/Finance#60691-financial-reports>

<https://www.mypinellasclerk.org/Home/Inspector-General>

<https://flauditor.gov/>

<https://www.fgfoa.org/>

<https://www.myfloridacfo.com/>

