## **Debt Report**

for the fiscal year ended September 30, 2021

Pinellas County, Florida

















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Pinellas County complies with the Americans with Disabilities Act. To obtain accessible formats of this document, please contact the Finance Division at (727) 464-8300.



#### To the Citizens of Pinellas County:

Citizens frequently show interest in Pinellas County's debt. With this in mind, it is my pleasure to provide you with the Pinellas County Debt Report. The purpose of this report is to present information related to the debt of the County clearly and concisely so that you may understand the extent, nature, and purpose of the debt. This report provides a detailed look at the County's debt as of September 30, 2021,

a ten-year history showing the change in debt over time, and a comparison of Pinellas County's debt with four other counties of comparable population.

Every year, the Finance Division of the Clerk of the Circuit Court and Comptroller issues Annual Comprehensive Financial Report (ACFR), which is prepared in accordance with generally accepted accounting principles. The ACFR is subject to an annual audit by independent auditors who opine that the report

presents fairly the County's financial condition for the fiscal year. The information presented in the Debt Report is consistent with the disclosures in the ACFR.

The Government Finance Officers Association (GFOA), an independent organization government finance officials, evaluates ACFRs from local governments throughout the United States and Canada. The ACFRs issued by Pinellas County from 1981 to 2020 have received the Certificate of Achievement for Excellence in Financial Reporting from GFOA for forty consecutive years. This Certificate is awarded only for those ACFRs that achieve the highest standards in governmental accounting and financial reporting. The ACFR is available for inspection at <a href="https://www.mypinellasclerk">https://www.mypinellasclerk</a>. org/Home/Finance#60691-financial-reports. We have submitted our award application for review to GFOA for 2021 as well.

The Finance Division also issues a Citizens' Guide to County Finances (Citizens' Guide), a condensed analysis of the County's financial position and operating results for the year. The Citizens' Guide has received an Award for Outstanding Achievement in Popular Annual Financial Reporting from GFOA for

> the past fifteen years. The Citizen's Guide can be found on the Clerk's website at https://www.mypinellasclerk. org/Home/Finance#60691financial-reports. We have also submitted our award application for 2021.

> We hope this report helps enhance your understanding of the County's debt. If you need additional information or have questions about the report, please do not hesitate to contact my office for assistance at (727) 464-8300 or email clerkinfo@ mypinellasclerk.org.



Sincerely,

Ken Burke, CPA Clerk of the Circuit Court and Comptroller Clerk of Board of County Commissioners

Clerk of Water and Navigation Control Authority

County Auditor and Treasurer

Sen Bank

#### Pinellas County At A Glance

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Pinellas County for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2020. This was the 40th consecutive year that Pinellas County has achieved this prestigious award.

To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report whose contents conform to program standards. Such an Annual Comprehensive Financial Report must satisfy generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for one year only. We believe that our current Annual Comprehensive Financial Report continues to conform to the Certificate of Achievement Program's requirements.

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting for the fiscal year ended September 30, 2020. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious award recognizing conformance with the highest standards for preparing state and local government popular reports.

To receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Report whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for one year only. Pinellas County has received a Popular Award for the last fifteen consecutive years.



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

#### Pinellas County Florida

For its Annual Comprehensive Financial Report For the Fiscal Year Ended

September 30, 2020



Executive Director/CEO



Government Finance Officers Association

Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting

Presented to

Pinellas County Florida

For its Annual Financial Report for the Fiscal Year Ended

September 30, 2020

Christopher P. Morrill

Executive Director/CEO

#### Pinellas County At A Glance

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Distinguished Budget Presentation Award to Pinellas County for its separately issued annual budget for the fiscal year beginning October 1, 2020. This was the sixteenth consecutive year Pinellas County has achieved this prestigious award. To be awarded a Distinguished Budget Presentation Award, a government must publish a document meeting program criteria as a policy document, an operations guide, a financial plan, and a communication device.

The Association of Public Treasurers of the United States and Canada (APT US&C) awarded Pinellas County with the Certification of Excellence for its investment policy for the fourth time in 2021. This certification is subject to renewal every three years. Receiving this certification denotes the County has a sound investment policy founded upon professional standards to ensure prudent management of public funds.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished
Budget Presentation
Award

PRESENTED TO

Pinellas County Florida

For the Fiscal Year Beginning

October 01, 2020

Association of Public Treasurers of the United States and Canada

CERTIFICATION OF EXCELLENCE

**INVESTMENT POLICY** 

AWARDED TO

## PINELLAS COUNTY FLORIDA

IN RECOGNITION OF CONFORMANCE
TO THE SPECIFIED STANDARDS OF
INVESTMENT POLICY
AS ESTABLISHED BY THE ASSOCIATION

2020-21

#### Types of Debt and Debt Ratings

#### Types of Debt

ocal government debt is typically divided into three different types: general obligation debt, non-self-supporting revenue debt, and self-supporting revenue debt. Pinellas County had no outstanding general obligation debt or non-self-supporting revenue debt, and \$103,504,000 outstanding self-supporting revenue debt on September 30, 2021.

- **GENERAL OBLIGATION DEBT** pledges the full faith and credit of the County, with general taxing power as the method of repayment. The County had no general obligation debt outstanding at fiscal year-end.
- Non-Self-Supporting Revenue Debt pledges a specific revenue source as a method of repayment of the outstanding debt. This type of debt is a special obligation of the County and does not constitute a general obligation. The County had no non-self-supporting revenue debt outstanding at fiscal yearend.
- SELF-SUPPORTING REVENUE DEBT is funded by user revenues generated from operations. In Pinellas County, revenues from the Sewer System have been pledged to repay outstanding debt.

Note:The interest rates listed in each debt issue represent the current fixed rates for the outstanding maturities. Debt rating codes may be appended by Moody's (1, 2, or 3), Standard and Poor's ("+" or "-"), and Fitch ("+" or "-") to denote relative status in a major rating category.

#### **DEBT RATINGS**

Many debt issues are assigned a rating by a rating agency, such as Moody's Investment Services, Inc., Standard & Poor's Ratings Services, and Fitch Investors Services. The rating is an important factor for determining an issue's marketability and the interest rate the County will pay. Investors rely on ratings to make investment decisions and underwriters to decide whether to underwrite a particular issue.

For a debt issue to be rated, the government must contract with a rating agency and pay a fee. The government provides the rating agency with operational and financial information. The agency assesses the risk and rates the debt issue based on a detailed analysis of this information. Although somewhat different in their letter usage, debt is rated in descending alphabetical order.

RATING	Moody's	S&P	<b>F</b> ітсн
Highest Quality	Aaa	AAA	AAA
High Quality	Aa	AA	AA
Upper medium Quality	А	Α	Α
Medium grade	Baa	BBB	BBB
Somewhat speculative	Ва	BB	BB
Low grade, speculative	В	В	В
Low grade, default possible	Caa	CCC	CCC
Low grade, partial recovery possible	Ca	CC	CC
Default, recovery unlikely	С	С	С

## **Outstanding Debt Issues**

Issue Date	Description		IGINAL ISSUE Amount	AMOUNT OUTSTANDING SEPTEMBER 30, 2021	Current Maturities <sup>1</sup>	
July 2008	Sewer Revenue Note, Series 2008A		42,005,000	36,660,000	-	
July 2008	Sewer Revenue Refunding Note, Series 2008B-1		32,700,000	14,870,000	-	
July 2016	Sewer Revenue Refunding Note, Series 2016		14,733,000	5,824,000	-	
January 2021	Sewer Revenue Refunding Note, Series 2021A		44,400,000	40,862,000	-	
January 2021	Sewer Revenue Refunding Note, Series 2021B		5,292,000	5,288,000	-	
Total		\$	139,130,000	\$ 103,504,000	\$ -	

<sup>&</sup>lt;sup>1</sup> Current maturities represent the amount of debt required to be paid during the next fiscal year.

# SELF-SUPPORTING REVENUE DEBT (DOLLARS IN THOUSANDS)



### Self-Supporting Revenue Debt

\$42,005,000 Sewer Revenue Note, Series 2008A

**Amount Outstanding:** \$36,660,000

**FY2022 Debt Service:** 

Principal - \$0 Interest - \$817,335

Maturity Date: October 1, 2028

Initial Call Date: Anytime; Make-Whole Call

Interest Rate: 4.41% Ratings: N/A (bank loan)

**Purpose:** The County issued the \$42,005,000 Sewer Revenue Note, Series 2008A to provide funds, together with other available funds of the County, to finance the cost of specific capital projects for the Sewer System and fund a debt service reserve.

**Pledge:** The payment of principal and interest on the Note is secured solely by a lien upon and pledge of the net revenues derived from the operation of the County's Sewer System, all monies on deposit, investments held for the credit of certain funds, and the earnings on such investments. The Series 2008A Note is on parity with the Series 2008B-1, 2016, 2021A, and 2021B Notes.

\$32,700,000 Sewer Revenue Refunding Note, Series 2008B-1

Amount outstanding: \$14,870,000 FY2022 Debt Service:

Principal - \$0

Interest - \$318,747

Maturity Date: October 1, 2024

Initial Call Date: Anytime; Make-Whole Call

Interest Rate: 4.24% Ratings: N/A (bank loan) **Purpose:** The County issued the \$32,700,000 Sewer Revenue Refunding Note, Series 2008B-1 to provide funds, together with other available funds of the County, to refund \$32,045,000 of the County's outstanding Sewer Revenue and Revenue Refunding Bonds, Series 1998 and to pay related costs of issuance of the Note.

**Pledge:** The payment of principal and interest on the Note is secured solely by a lien upon and pledge of the net revenues derived from the operation of the County's Sewer System, all monies on deposit, investments held for the credit of certain funds, and the earnings on such investments. The Series 2008B-1 Note is on parity with the Series 2008A, 2016, 2021A, and 2021B Notes.

\$14,733,000 Sewer Revenue Refunding Note, Series 2016

Amount Outstanding: \$5,824,000 FY2022 Debt Service:

Principal - \$0 Interest - \$64,064

Maturity Date: October 1, 2024 Initial Call Date: Not Callable

Interest Rate: 2.20% Ratings: N/A (bank loan)

**Purpose:** The County issued the \$14,733,000 Sewer Revenue Refunding Note, Series 2016 to refund a portion of the County's outstanding Sewer Revenue Refunding Bonds, Series 2006 and pay related costs.

**Pledge:** The payment of principal and interest on the Note is secured solely by a lien upon and pledge of the net revenues derived from the operation of the County's Sewer System, all monies on deposit, investments held for the credit of certain funds, and the earnings on such investments. The Series 2016 Note is on parity with the Series 2008A, 2008B-1, 2021A, and 2022B Notes.

#### Self-Supporting Revenue Debt

#### \$44,400,00 Sewer Revenue Refunding Note, Series 2021A

**Amount Outstanding:** \$40,862,000

FY 2022 Debt Service:

Principal - \$0 Interest - \$294,206

Maturity Date: October 1, 2031

Initial Call Date: Anytime; Make-Whole Call

Interest Rate: 1.44% Ratings: N/A (bank loan)

**Purpose:** The County issued the \$44,400,000 Taxable Sewer Revenue Refunding Note, Series 2021A to provide funds, together with other available funds of the County, to advance refund the County's outstanding Sewer Revenue Bonds, Series 2012 and to pay related costs.

**Pledge:** Payment of principal and interest on the Note is secured solely by a lien upon and pledge of the net revenue derived from the operation of the County's Sewer System, all monies on deposit, investments held for the credit of certain funds, and the earnings on such investments. The Series 2021A Note is on parity with the Series 2008A, 2008B-1, 2016, and 2021B Notes.

#### \$5,292,000 Sewer Revenue Refunding Note, Series 2021B

Amount Outstanding: \$5,288,000 FY 2022 Debt Service:

Principal - \$0 Interest – \$52,880

Maturity Date: October 1, 2032

Initial Call Date: Anytime; Make-Whole Call

Interest Rate: 2.00% Ratings: N/A (bank loan)

**Purpose:** The County issued the \$5,292,000 Sewer Revenue Refunding Note, Series 2021B to provide funds, together with other available funds of the County, to refund the County's outstanding Sewer Revenue Bonds, Series 2003 and to pay related costs.

**Pledge:** Payment of principal and interest on the Note is secured solely by a lien upon and pledge of the net revenue derived from the operation of the County's Sewer System, all monies on deposit, investments held for the credit of certain funds, and the earnings on such investments. The Series 2021B Note is on parity with the Series 2008A, 2008B-1, 2016, and 2021A Notes.



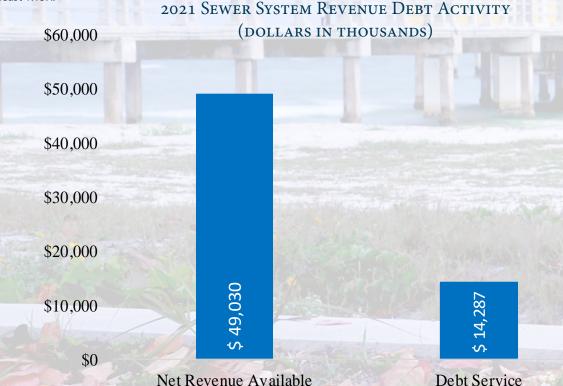
## Schedules of Revenue Debt Coverage

# Sewer System Revenue Debt for the Last Ten Years (Dollars in Thousands)

FISCAL GROSS			NET REVENUE	DEBT SERVICE REQUIREMENTS (b)							
YEAR	REVENUES (C)	Expenses (a)	Available for Debt Service	PRINCIPAL	Interest	TOTAL	Coverage (d)				
2012	\$ 61,373	\$ 35,322	\$ 26,051	\$ 7,050	\$ 7,890	\$ 14,940	1.74				
2013	66,107	37,724	28,383	7,295	7,158	14,453	1.96				
2014	70,767	38,411	32,356	7,545	6,909	14,454	2.24				
2015	74,540	39,969	34,571	7,730	6,726	14,456	2.39				
2016	75,367	40,313	35,054	7,935	6,453	14,388	2.44				
2017	80,998	42,661	38,337	8,312	5,998	14,310	2.68				
2018	78,534	44,607	33,927	8,861	5,768	14,629	2.32				
2019	82,105	47,525	34,580	9,205	5,431	14,636	2.36				
2020	89,182	47,183	41,999	9,554	5,087	14,641	2.87				
2021	95,010	45,980	49,030	10,489	3,798	14,287	3.43				

<sup>(</sup>a) Excludes depreciation, amortization, loss on abandonment of fixed assets and debt interest expense.

(d) The County is contractually obligated to establish and maintain Sewer rates that will provide a "Coverage" as computed above of at least 1.15X.



<sup>(</sup>b) Interest due on April 1st and October 1st and principal due on October 1st.

<sup>(</sup>c) Gross Revenue has been restated for FY 2012 through FY 2014 to be net of bad debt expense.

## Future Principal & Interest Payments



# Comparison of Outstanding Debt & Debt Ratios With Other Florida Counties

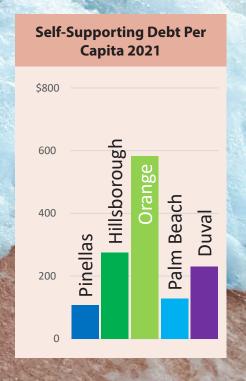
Debt Ratios With Other Florida Counties as of September 30, 2021 (Most Current Data Available)(1)										
		PINELLAS		HILLSBOROUGH ORANGE			PALM BEACH		Duval	
Population <sup>(2)</sup>		964,490		1,490,374		1,457,940		1,502,495		1,016,809
Taxable Assessed Property Value <sup>3</sup>	\$	91,725,857	\$	113,127,000	\$	143,362,278	\$	246,137,900	\$	62,194,122
General Obligation Debt	\$	-	\$	106,805,000	\$	-	\$	44,740,000	\$	-
General Obligation Debt Per Capita	\$	-	\$	71.66	\$	-	\$	29.78	\$	-
General Obligation Debt as % of Taxable Assessed Value		0.00%		0.09%		0.00%		0.02%		0.00%
Non-Self-Supporting Revenue Debt	\$	-	\$	564,964,000	\$	199,730,000	\$	602,316,080	\$	1,841,210,000
Non-Self-Supporting Revenue Debt per Capita	\$	-	\$	379.08	\$	136.99	\$	400.88	\$	1,810.77
Non-Self-Supporting Revenue Debt as % of Taxable Assessed Value		0.00%		0.50%		0.14%		0.24%		2.96%
Self-Supporting Debt	\$	103,504,000	\$	410,545,000	\$	850,695,000	\$	193,495,000	\$	234,710,000
Self-Supporting Debt per Capita	\$	107.31	\$	275.46	\$	583.49	\$	128.78	\$	230.83
Self-Supporting Debt as % of Taxable Assessed Value		0.11%		0.36%		0.59%		0.08%		0.38%

<sup>&</sup>lt;sup>1</sup> The debt and taxable assessed property value amounts for Pinellas County were obtained from the September 30, 2021 Annual Comprehensive Financial Report. The September 30, 2020 Annual Comprehensive Financial Reports were utilized for the remaining counties.

<sup>&</sup>lt;sup>3</sup> Dollars in thousands.







<sup>&</sup>lt;sup>2</sup> Population information was obtained from the Office of Economic & Demographic Research website (April 1, 2021).

# **Debt Report**







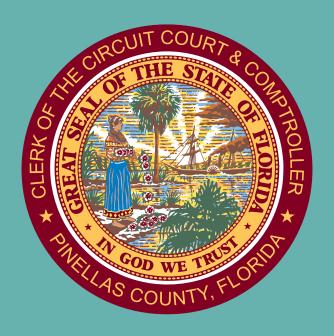


Photo on the front cover courtesy of the Pinellas County Marketing & Communications
Department

## Ken Burke, CPA

Clerk of the Circuit Court and Comptroller Pinellas County, Florida

315 Court St. Clearwater, FL 33756 (727) 464-7000 www.mypinellasclerk.org

This Debt Report was prepared by the Clerk's Finance Division, Clerk's Administration, and the Board of County Commissioners Marketing & Communications Department.