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# Audit Results

# Pinellas County Fiscal Year 2021

# Agenda

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- Audit Results
- Financial Statement Overview
- Comparative Data

*The accompanying information should be read in conjunction with the audited financial statements and is intended solely for the information and use of the Board of County Commissioners, management and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.*

# Audit Results

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- Independent Auditor's Report on the Annual Comprehensive Financial Report
  - Unmodified Opinion
- Independent Auditor's Report on Internal Control and Compliance - *Government Auditing Standards*
  - No Material Weaknesses or Significant Deficiencies
- Independent Auditor's Report on Compliance with Federal and State Grants
  - Unmodified Opinion
  - No Material Weaknesses, Significant Deficiencies, Findings or Questioned Costs

# Audit Results

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- Unmodified Opinions Issued On:
  - Clerk of the Circuit Court and Comptroller
  - Property Appraiser
  - Tax Collector
  - Sheriff
  - Supervisor of Elections
  - Passenger Facility Charges Collected and Expended (As Reported to the FAA)
  - Pinellas County Construction Licensing Board
  - Community Redevelopment Agency



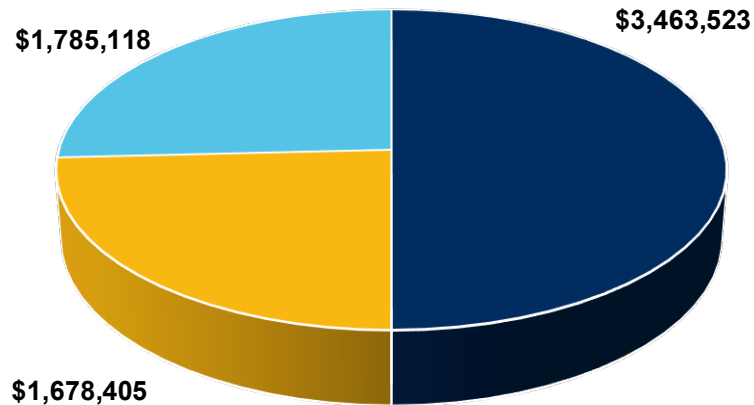
# Audit Results

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- Deepwater Horizon Oil Spill – No Non-Compliance
- Investment of Public Funds – No Non-Compliance
- E911 Receipts and Expenditures – No Non-Compliance
- Agreed Upon Procedures (AUP) Report:
  - Accounts Receivable Write-off Procedures – No Exceptions
  - Solid Waste Management Facility Letter – No exceptions

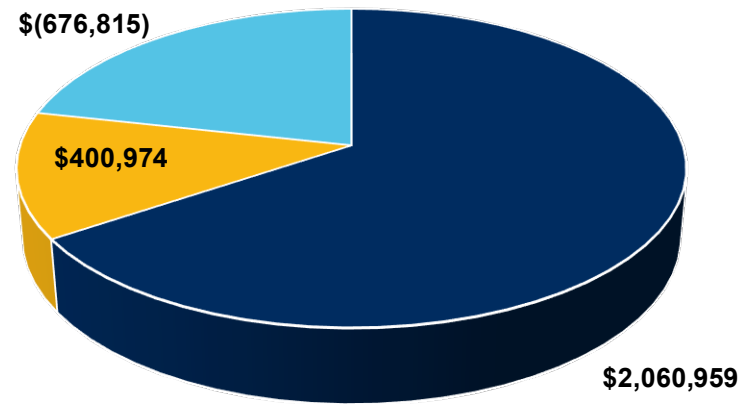
# Financial Statement Overview

**Statement of Net Position - Governmental Activities (dollars in thousands)**



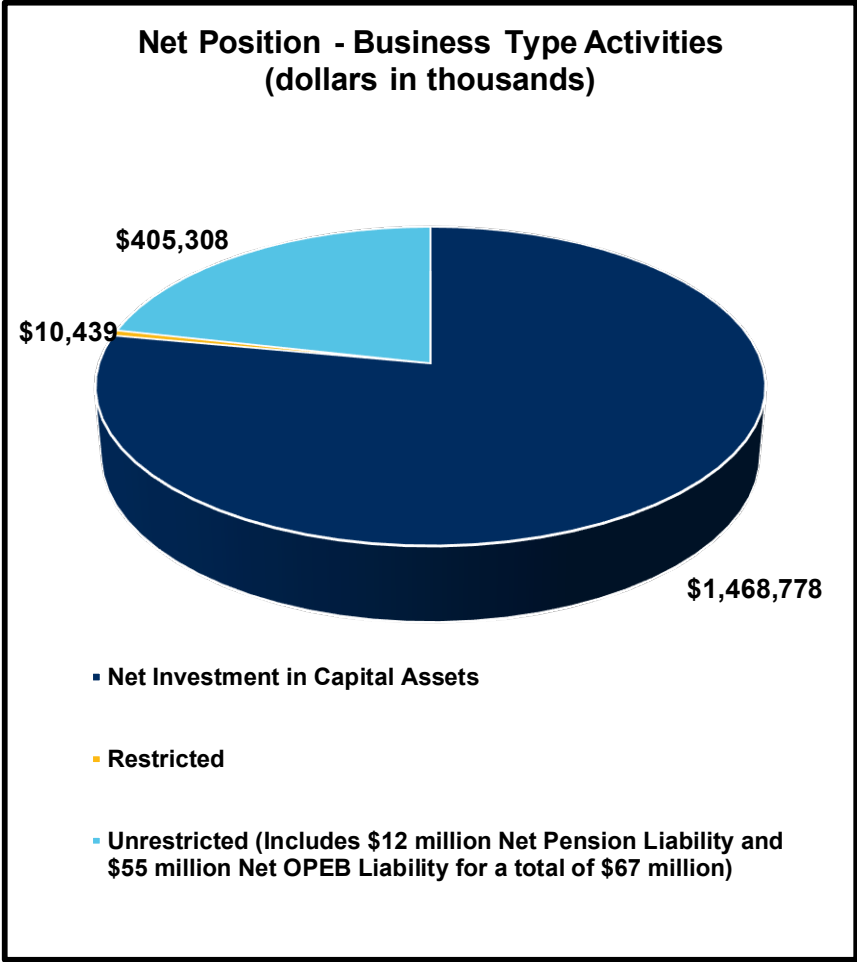
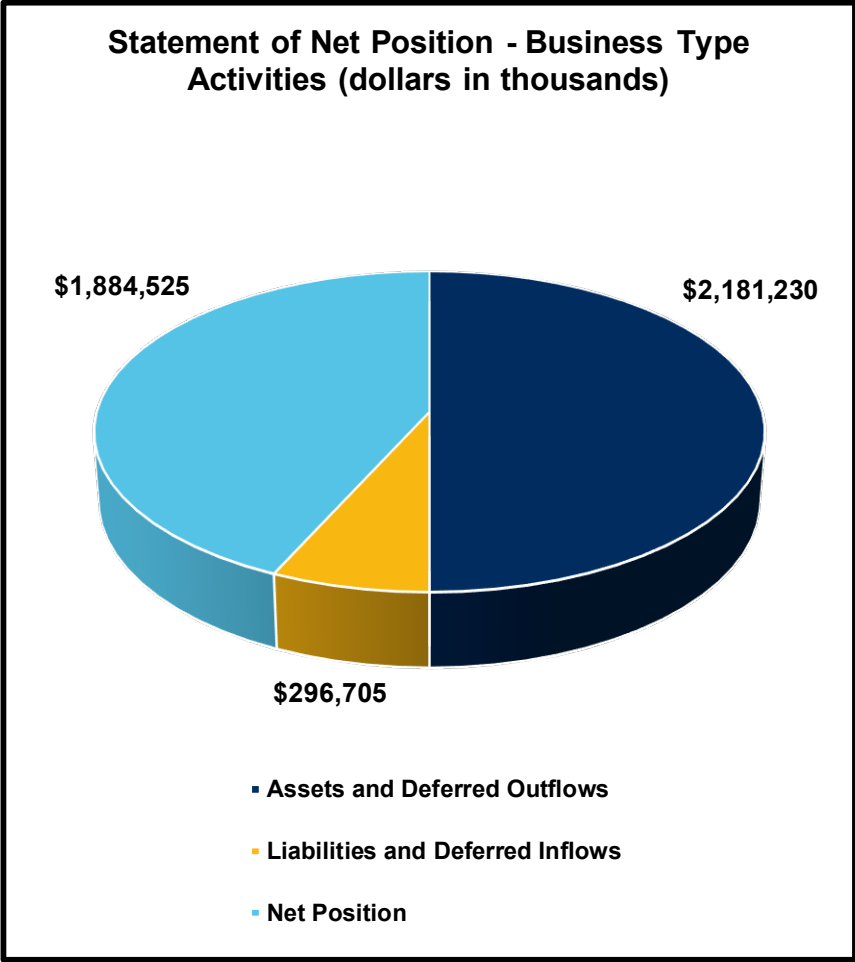
- Assets and Deferred Outflows
- Liabilities and Deferred Inflows
- Net Position

**Net Position - Governmental Activities (dollars in thousands)**



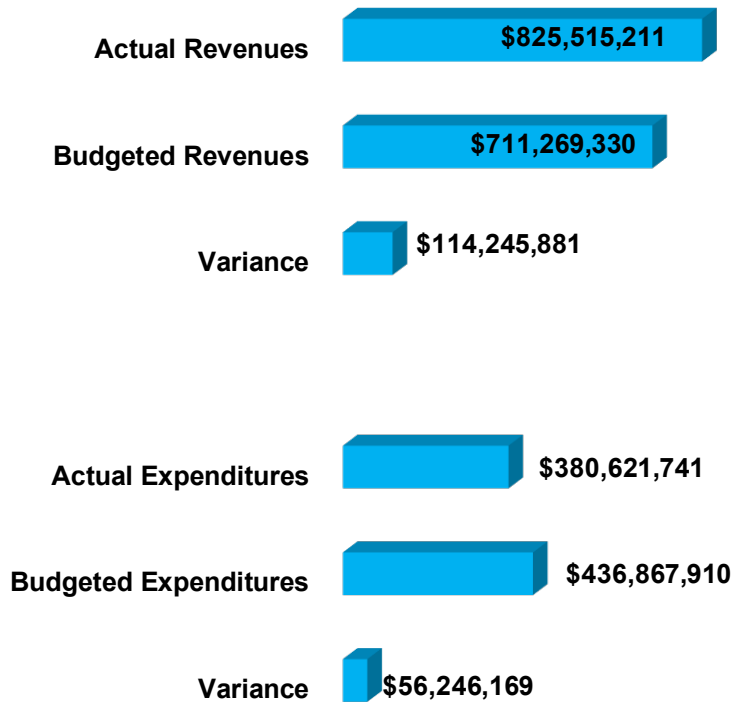
- Net Investment in Capital Assets
- Restricted
- Unrestricted (Includes \$217 million Net Pension Liability and \$661 million Net OPEB Liability for a total of \$878 million)

# Financial Statement Overview

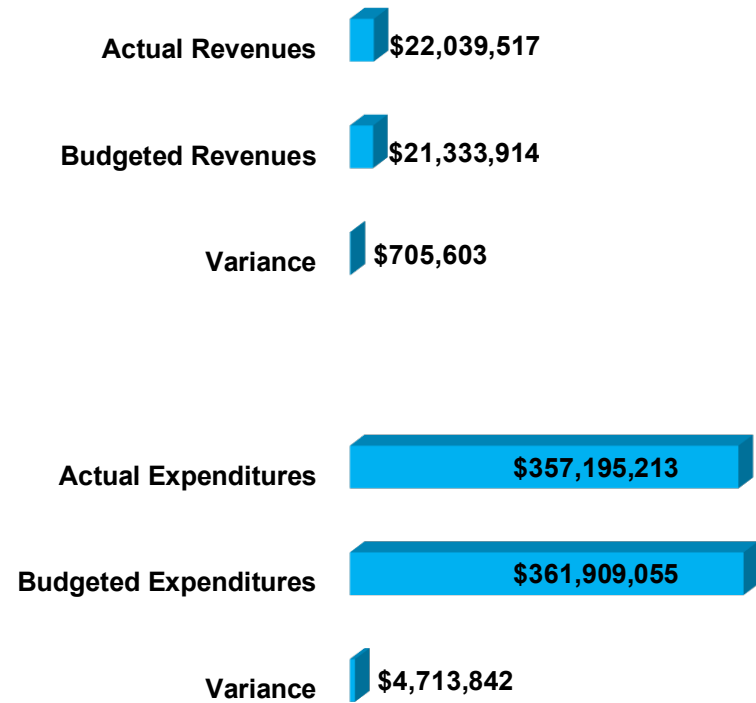


# Financial Statement Overview

## General Fund

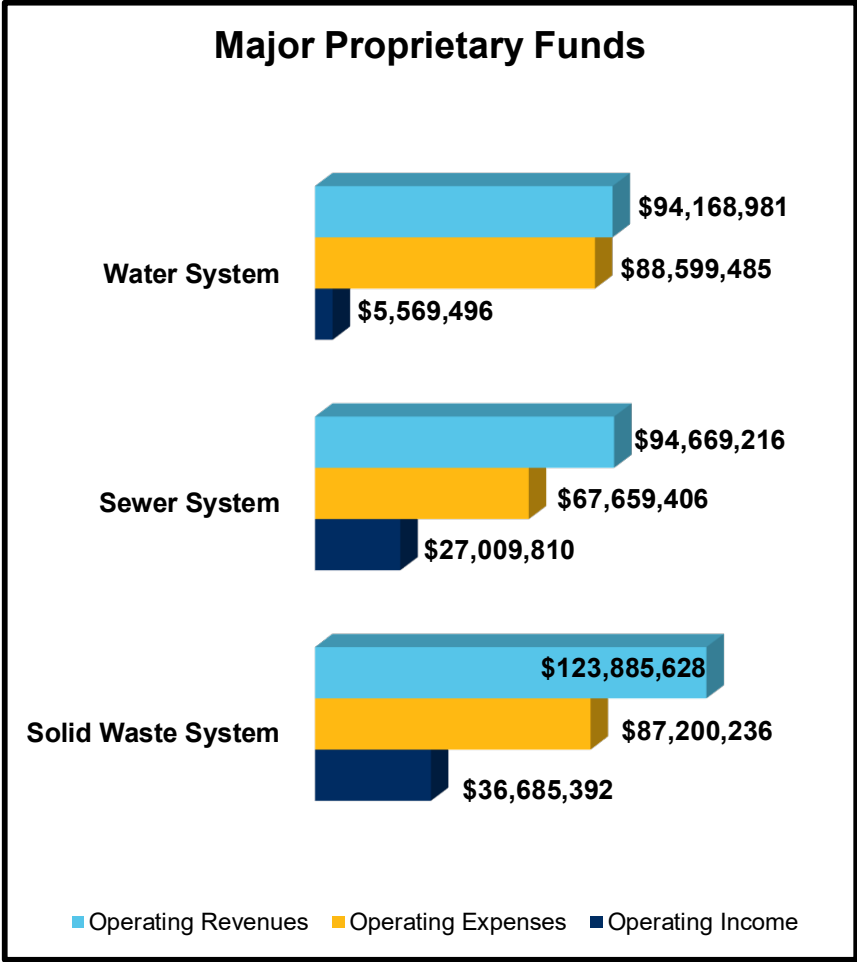
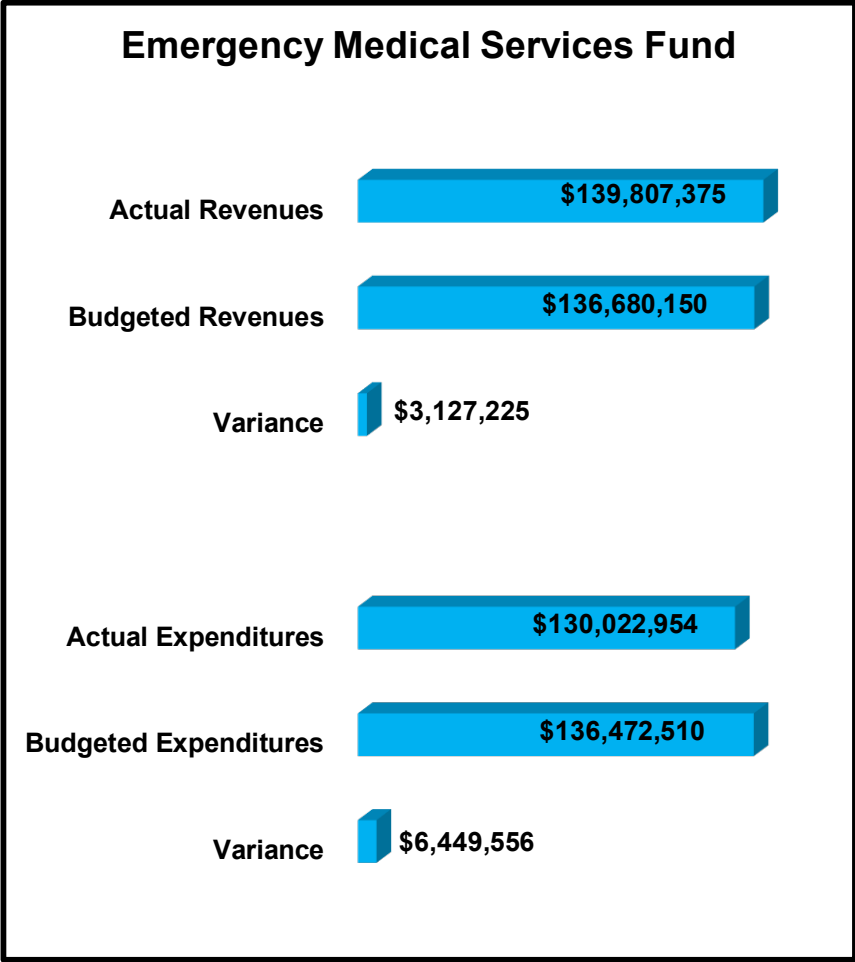


## Sheriff's Operations Fund





# Financial Statement Overview

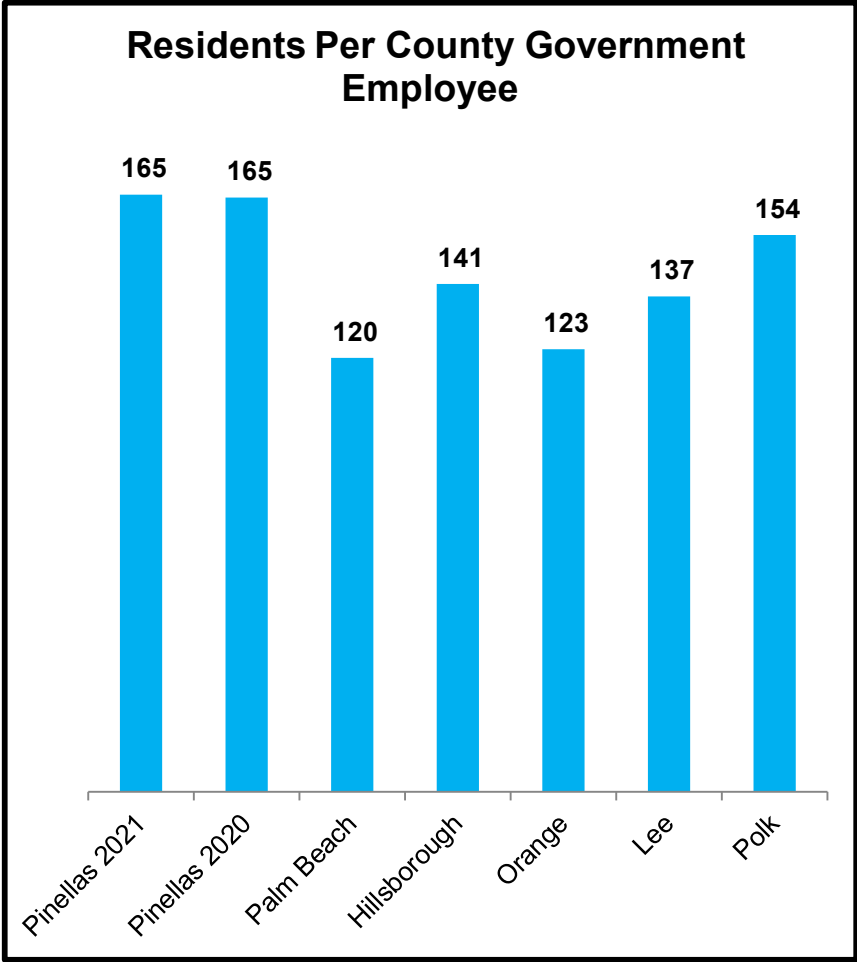
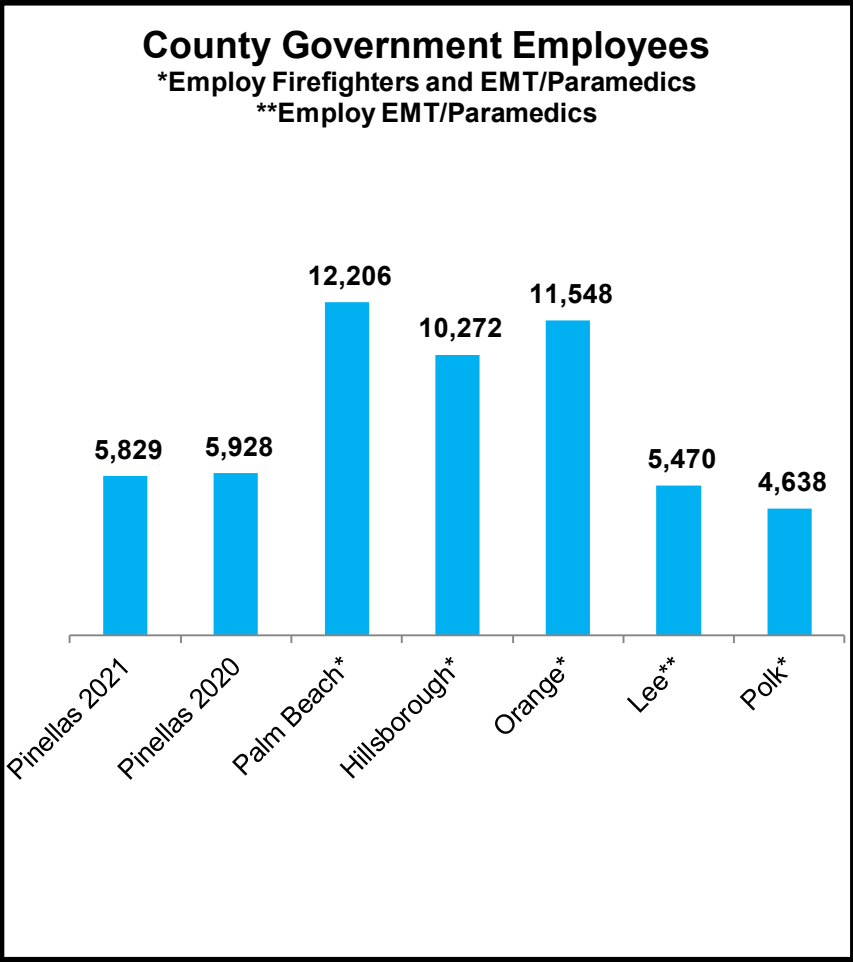


# Comparative Data

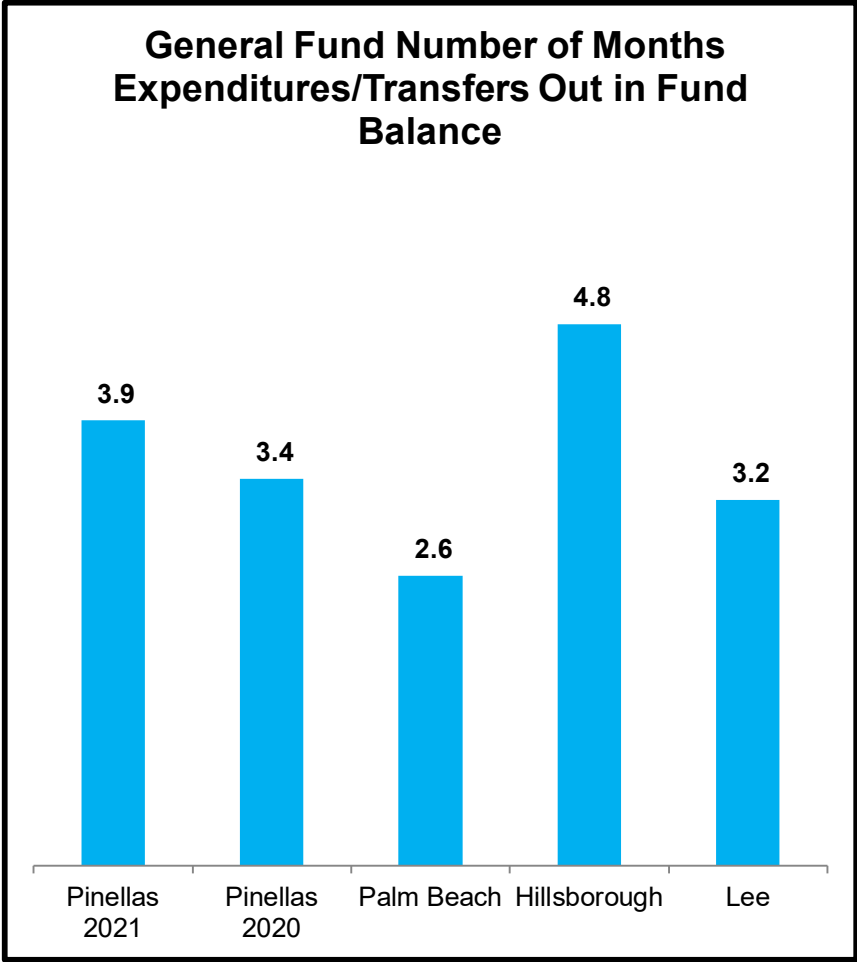
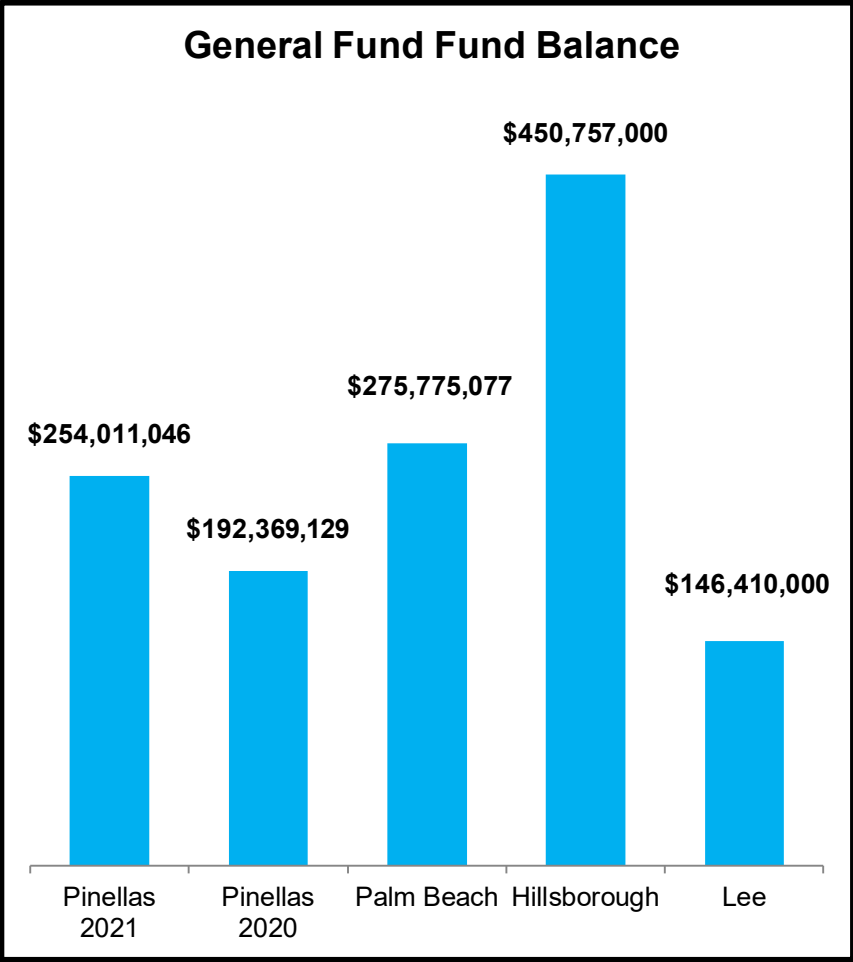
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- The information on the following charts was taken from 2020 Comprehensive Annual Financial Reports publicly available.
- The information for the general fund slides was taken from the following:
  - Pinellas – General Fund
  - Palm Beach – General Fund BOCC Category
  - Hillsborough – General Fund Countywide/Unincorporated Area Category
  - Lee – General Fund Board of County Commissioners
  - Orange and Polk – Information not available for comparative purposes

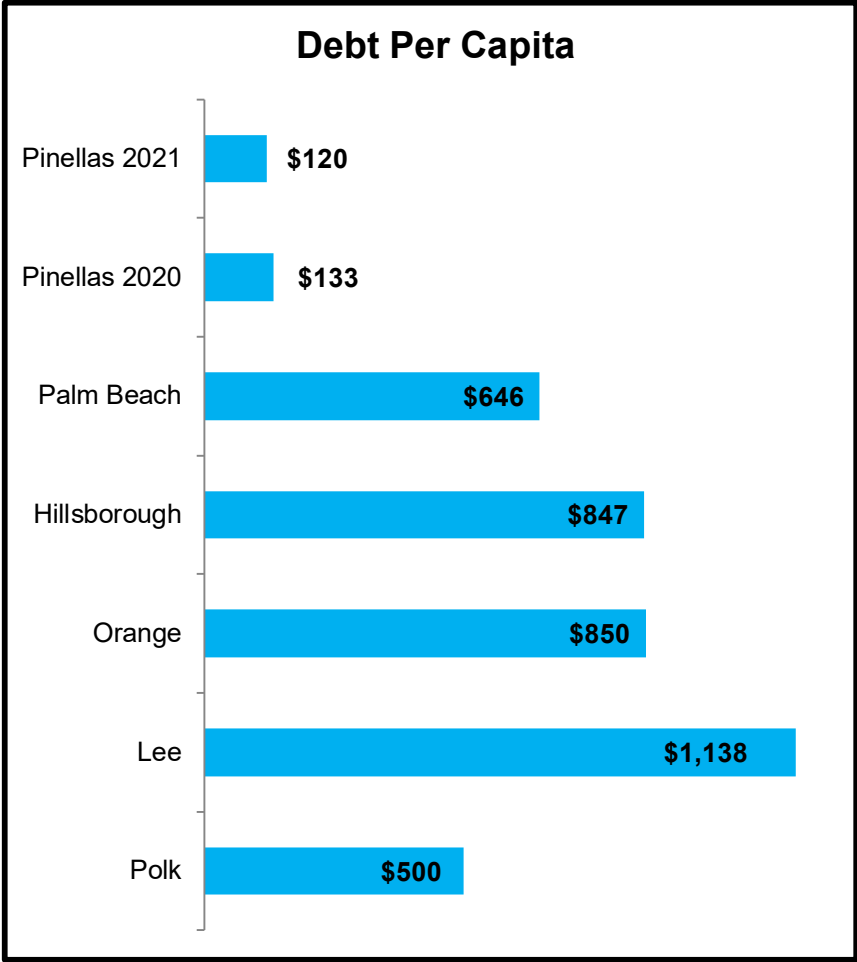
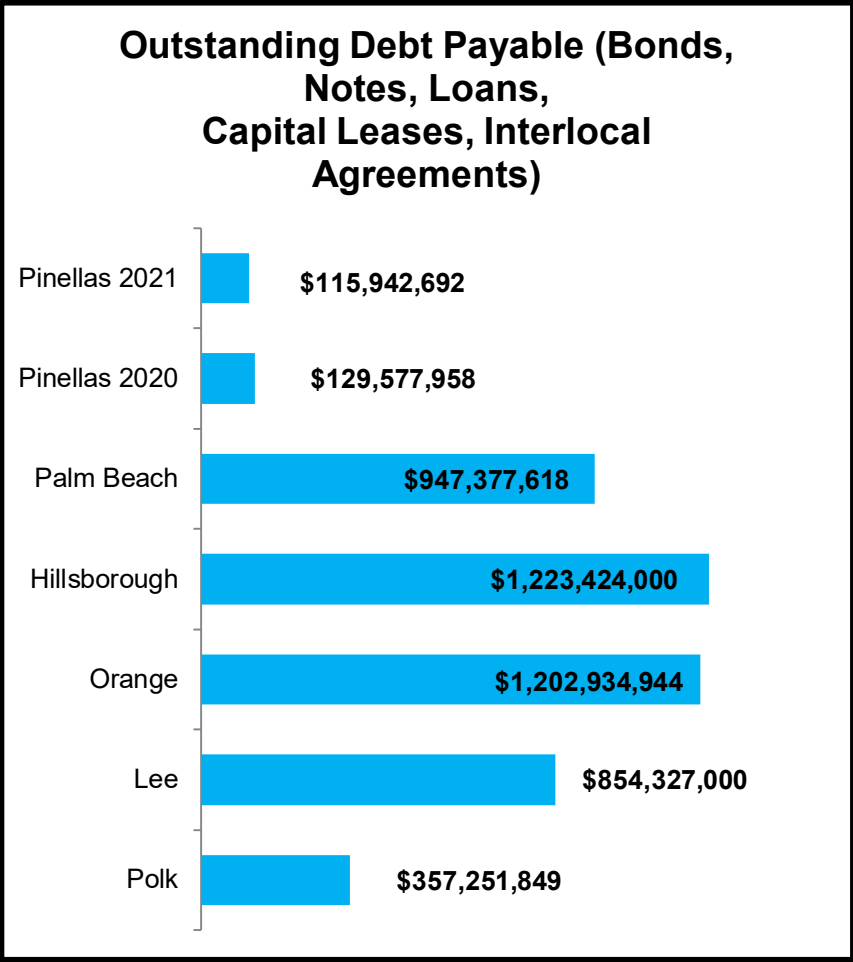
# Comparative Data



# Comparative Data



# Comparative Data





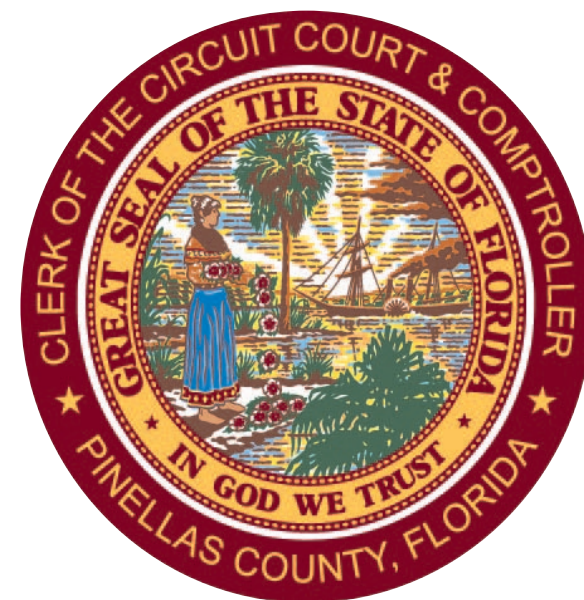
# Thank You

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# FY 2021 – 2022 Financial Update

- ▶ 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
  - ▶ Clerk of the Water and Navigation Control Authority
- ▶ The Clerk's office also provides:
  - ▶ County-wide mail operations
  - ▶ County-wide printing and mail services
  - ▶ Records Management



## APPENDIX



# County Stakeholders

## Internal

Commissioners  
 Management  
 Constitutional Officers  
 Component Units  
 Employees

## External – Grants & Compliance

Federal and State grant agencies  
 Florida Auditor General  
 FL Joint Legislative Auditing Committee (JLAC)  
 Other oversight agencies

## External – Financing

Banks – Noteholders  
 Bondholders  
 Credit Rating Agencies

## External – General

Citizens  
 Media  
 External auditors  
 Business community  
 Public at large



# The Reporting Entity

## Pinellas County, Florida

Board of County Commissioners

Constitutional Officers

Discretely Presented Component Units

Governmental Funds

Proprietary Funds

Blended Component Units

Agency Funds

Sheriff

Clerk of the Circuit Court and Comptroller

Tax Collector

Supervisor of Elections

Property Appraiser



# Components of the ACFR

## 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 25, 2022 (consistent with previous years)
- ▶ 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

**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

## 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

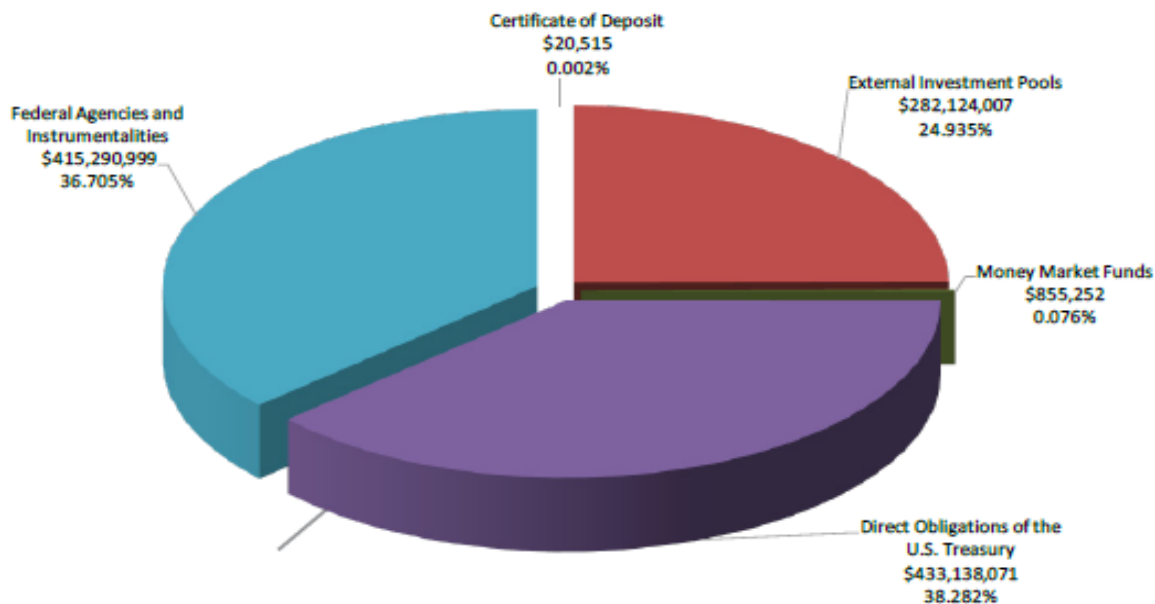
- Financial resources measurement focus
  - Cash, inventory, accounts payable/receivable, or other current assets and liabilities
- Modified accrual basis
- Tracks the near term and budgetary basis
- Expenditures for capital items purchased during the year

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 Board of County Commissioners Investment Portfolio \$1.13 Billion



**Safety/Liquidity/Yield**



# Debt Portfolio

- ▶ **Governmental Activities:** Outstanding balance at 9/30/21 is \$13,307,305, consisting of lease purchase agreements for Sheriff equipment (vehicles, helicopter, plane) for \$12,005,521, plus street sweeper leases totaling \$433,171
- ▶ **Business-Type Activities:** Outstanding balance at 9/30/21 is \$103,504,000, consisting of sewer bank notes.

Sewer Issuance Type	Interest Rate	Original Amount	Balance at 9/30/21
Revenue Note – Series 2008A	4.41%	42,005,000	36,660,000
Revenue Refunding Note – Series 2008B-1	4.24%	32,700,000	14,870,000
Revenue Refunding Note – Series 2016	2.2%	14,733,000	5,824,000
Revenue Refunding Note – Series 2021A	1.44%	44,400,000	40,862,000
Revenue Refunding Note – Series 2021B	2.0%	5,292,000	5,288,000
<b>TOTAL</b>		<b>\$139,130,000</b>	<b>\$103,504,000</b>



# Debt Portfolio – FY '21 Refundings

In January 2021,  
County issued  
Taxable Sewer  
Revenue Refunding  
Note, Series 2021A  
for \$44,400,000

Proceeds used to advance refund outstanding Sewer Revenue Refunding Bonds, Series 2012

Estimated aggregate savings of \$3,274,400



In January 2021,  
County issued tax-  
exempt Sewer  
Refunding Revenue  
Note, Series 2021B  
for \$5,292,000

Proceeds used to advance refund outstanding Sewer Revenue Refunding Bonds, Series 2003

Estimated aggregate savings of \$1,598,800



# Net Position By Component Multi-Year Comparison

A11

## Amounts In Thousands

<b>Governmental Activities</b>	<b>FY 2021</b>	<b>FY 2020</b>	<b>FY 2019</b>
Net Investment in Capital Assets	\$2,060,959	\$2,037,594	\$2,001,065
Restricted	400,974	325,254	395,598
Unrestricted	(676,815)	(817,331)	(894,510)
<b>Business-Type Activities</b>	<b>FY 2021</b>	<b>FY 2020</b>	<b>FY 2019</b>
Net Investment in Capital Assets	\$1,468,778	\$1,441,448	\$1,408,140
Restricted	10,440	9,600	8,171
Unrestricted	405,308	352,035	313,390
<b>Total Primary Government</b>	<b>FY 2021</b>	<b>FY 2020</b>	<b>FY 2019</b>
Net Investment in Capital Assets	\$3,529,737	\$3,479,042	\$3,409,205
Restricted	411,414	334,854	403,769
Unrestricted	(271,507)	(465,296)	(581,120)



# Pension & Other Post-Employment Benefits

A12

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 2021	FY 2020	Difference
FRS – Net Pension Liability	\$97,165,749	\$583,350,993	\$(486,185,244)
FRS – Pension Expense (Benefit)	(1,410,706)	123,710,155	(125,120,861)
HIS – Net Pension Liability	132,560,923	129,769,301	2,791,622
HIS – Pension Expense	10,391,830	11,313,241	(921,411)
Total OPEB Liability	717,811,753	699,030,887	18,780,866
OPEB Expense (Benefit)	(874,177)	21,334,007	(22,208,184)





# General Fund Highlights

## Financial Overview

## General Fund

- ▶ Revenues and other financing sources increased by \$117.7 Million, or 16.3%, from the prior year.
- ▶ Tax revenue increased by \$33.1 Million, due primarily to a 7.6% increase in taxable property values.
- ▶ Intergovernmental revenues increased by \$76.6 Million, or 53.4%, largely resulting from grant funding from the Coronavirus Aid, Relief, and Economic Security (CARES) Act.
- ▶ Expenditures and transfers out increased by \$100.2 Million, or 14.8%, primarily related to CARES Small Business Grants which provided funding to businesses affected by the pandemic, as well as additional purchases of COVID supplies and the transfer to the Sheriff's Operations Fund for funding of personnel and other expenditures relating to COVID-19.



# Financial Overview

## AD Valorem Property Taxes

A14

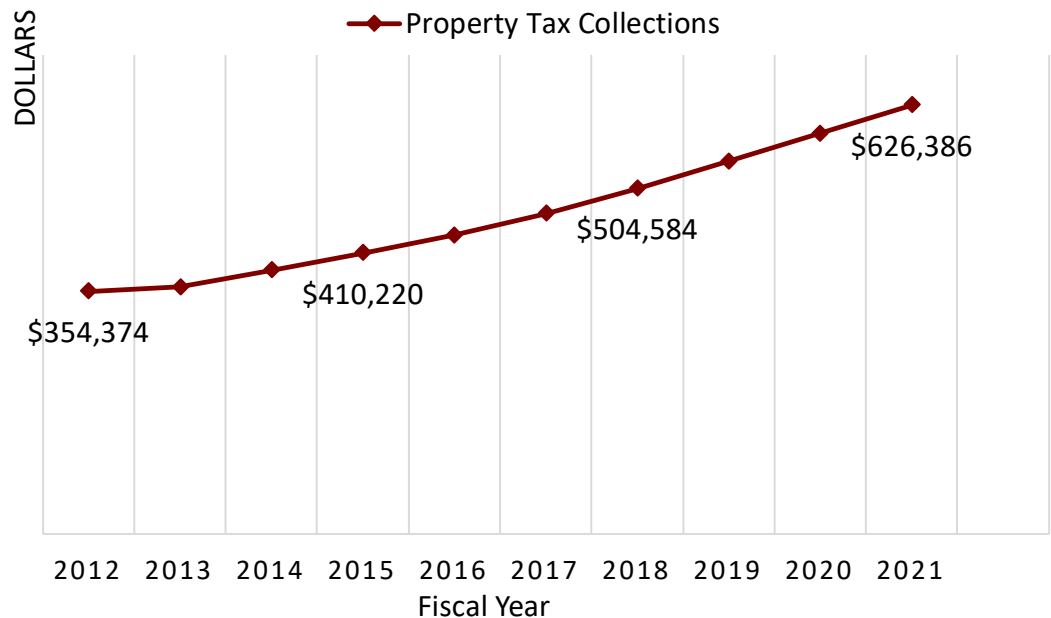
### Property Taxes

County-wide single largest revenue source

\*Countywide millage rate remained unchanged

\*7.6% increase in taxable assessed value (real & personal property) from FY 20 to FY 21

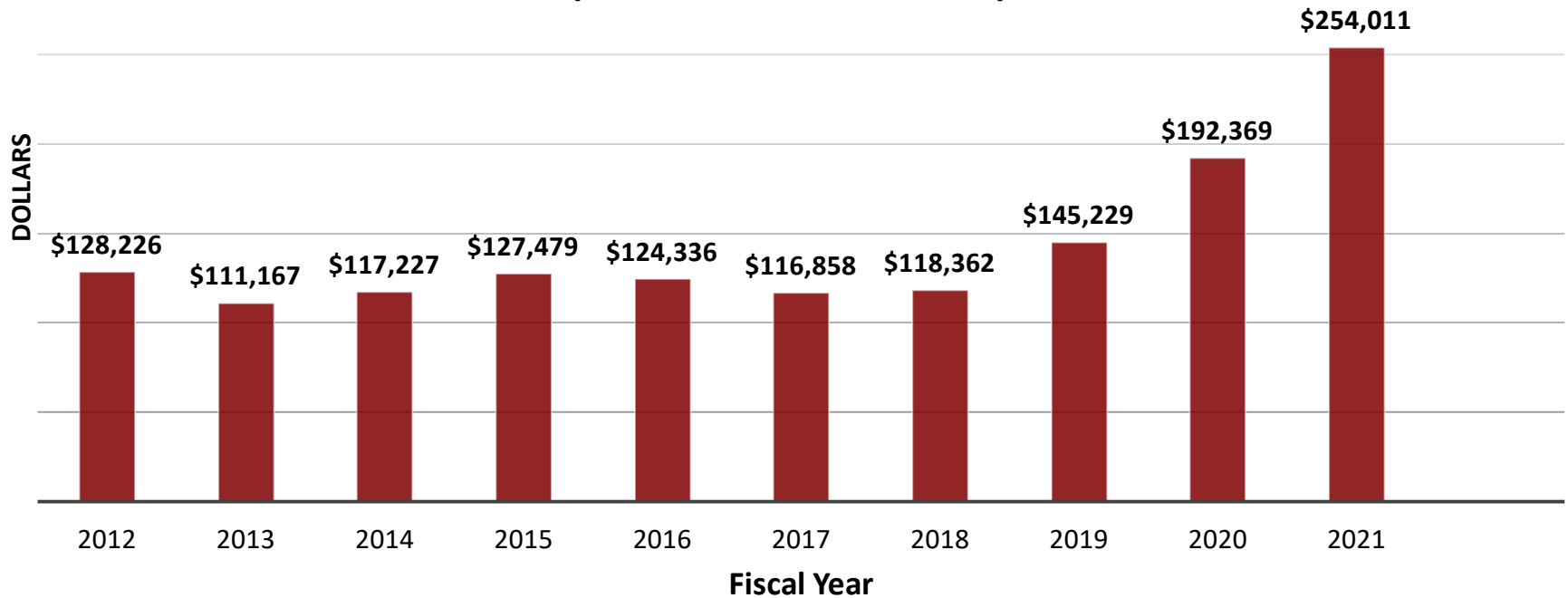
PROPERTY TAX COLLECTIONS BY FISCAL YEAR  
(AMOUNTS IN THOUSANDS)





# Fund Balance – General Fund

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



■ Total Fund Balance - General Fund



# GASB Implementations FY 2021

A16

- ▶ **GASB 84:** This Statement established criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists
  - ▶ Resulted in the elimination of certain previously reported fiduciary funds:
    - ▶ BOCC Trust and Payroll funds
    - ▶ Sheriff Payroll fund



# GASB Implementations: Future Years

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**GASB 87 (FY 2022 Implementation):** This statement requires recognition of 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 payment provisions of the contract.

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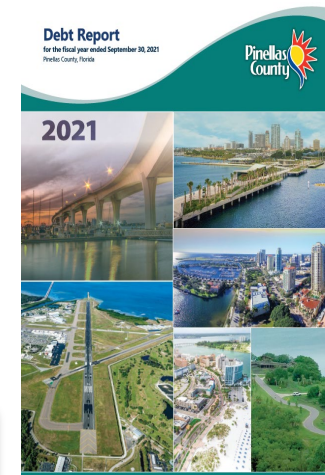
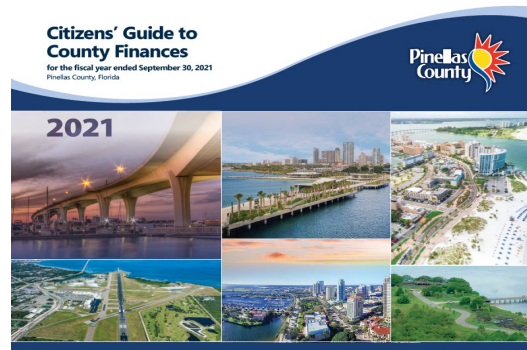
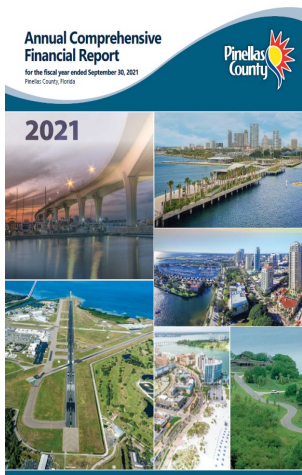
**GASB 96 (FY 2023 Implementation):** This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users.





# Reports & Awards

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



Government Finance Officers Association

Certificate of  
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in Financial  
Reporting

Presented to

**Pinellas County  
Florida**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended  
September 30, 2020

*Christopher P. Morill*  
Executive Director/CEO



Government Finance Officers Association

Award for  
Outstanding  
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