

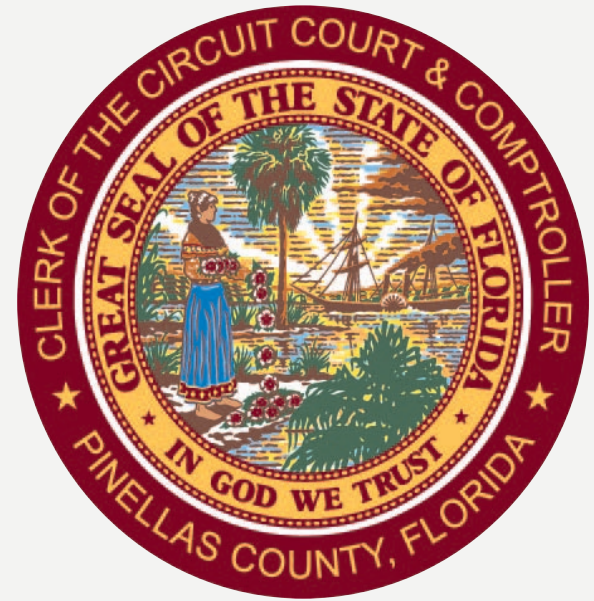


**PRESENTATION OF THE
FY 2019-2020
COMPREHENSIVE
ANNUAL FINANCIAL
REPORT**

Office of Ken Burke
Clerk of the Circuit Court
& Comptroller
Pinellas County, Florida

PINELLAS COUNTY CLERK – AT YOUR SERVICE

- 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



BY THE NUMBERS CLERK/COMPTROLLER



Manage \$1.3 Billion

Cash & Investments



Account for 5 issues –
\$235.5 million

Debt Issues



Ensure control of \$2.0 billion
budget

Budgetary Control



Over 18,914 receipts audited
with a value in excess of \$1.4
billion.

Accounts Receivable



Pre-audit and Process
108,260 payments in excess
of
\$120.7 million

Payroll Payments



Accounts for and report
\$134 million in Federal and
State Grants

Grants



Pre-audit and Process
97,000 payments valued at
\$1.3 billion

Invoices



27 Reports with 84
recommendations

Audits & Investigations

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

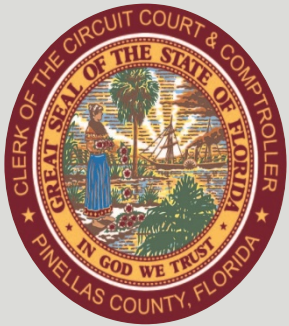
Sheriff

Clerk of the
Circuit
Court and
Comptroller

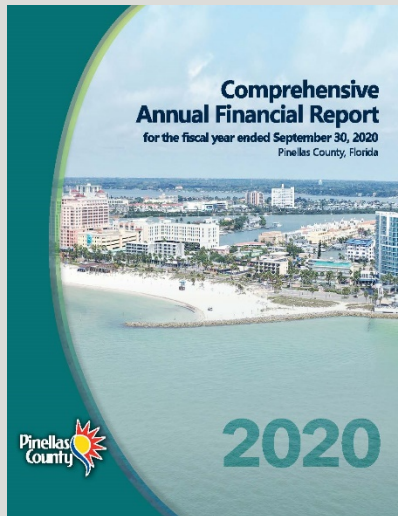
Tax
Collector

Supervisor
of Elections

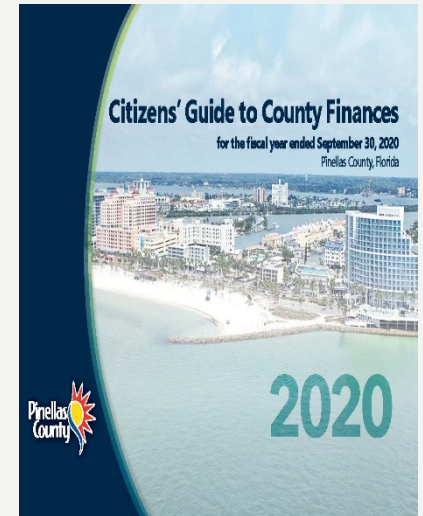
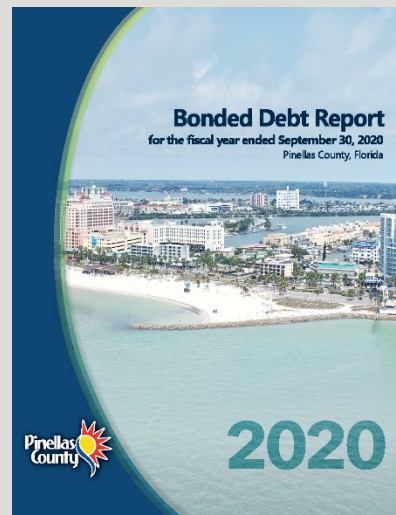
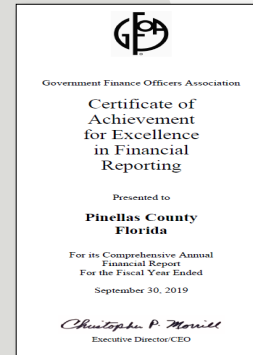
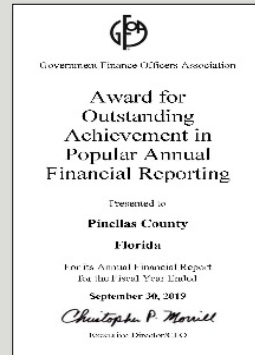
Property
Appraiser



FINANCIAL REPORTING



Recognition received for
39 consecutive years



Recognition received for
14 consecutive years

COMPONENTS OF THE COMPREHENSIVE AFR

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, 2021 (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.

FISCAL YEAR ENDED SEPTEMBER 30, 2020 AUDIT RESULTS



- ✓ Unmodified (clean) opinion on the financial statements
- ✓ No material weaknesses or significant deficiencies in internal control over financial reporting identified
- ✓ Unmodified opinion on compliance with major federal programs and state projects (single audit)
- ✓ No material weaknesses or significant deficiencies in internal control over major programs identified
- ✓ No current year findings disclosed relating to single audit; corrective action taken on prior year single audit compliance finding
- ✓ No matters related to internal controls or non-compliance identified within the Management Letter or examination reports

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

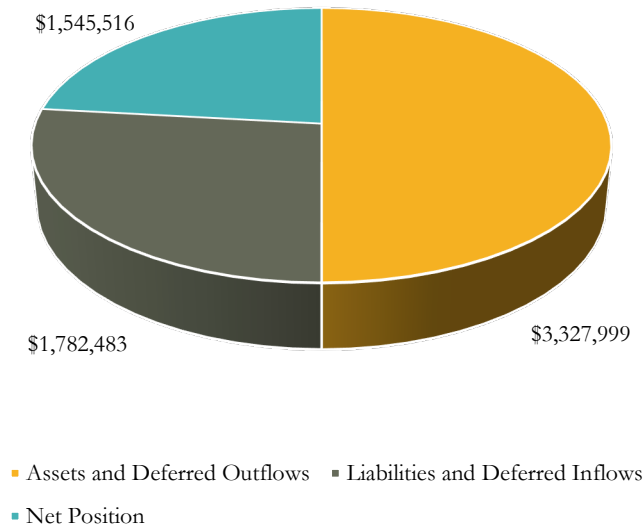
Governmental Fund

- 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

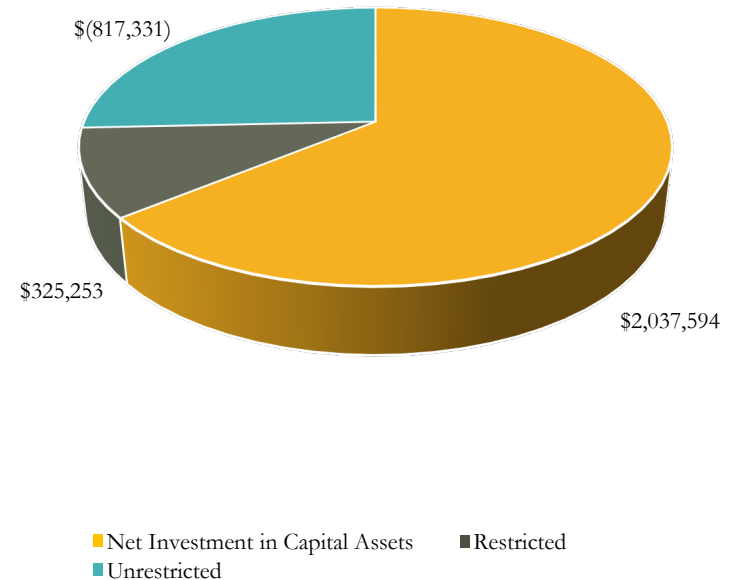
Business-type activities are only reported under the economic resource's measurement focus and full accrual basis of accounting.

GOVERNMENT-WIDE STATEMENT OF NET POSITION GOVERNMENTAL ACTIVITIES

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

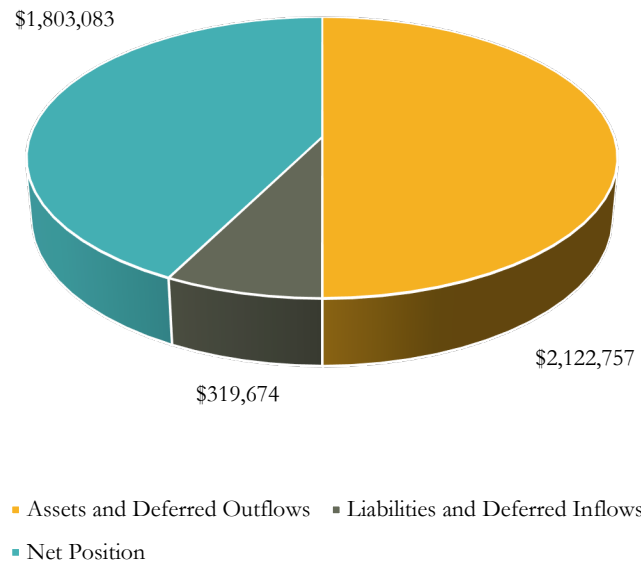


Net Position - Governmental Activities
(dollars in thousands)

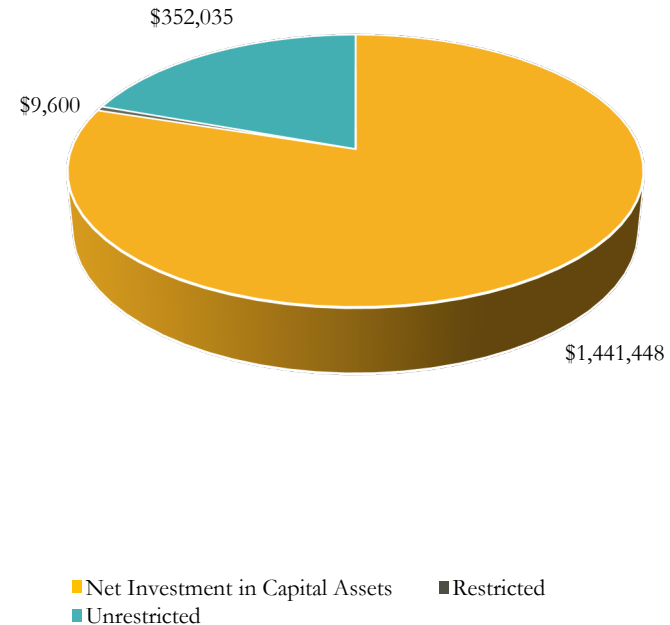


GOVERNMENT-WIDE STATEMENT OF NET POSITION BUSINESS TYPE ACTIVITIES

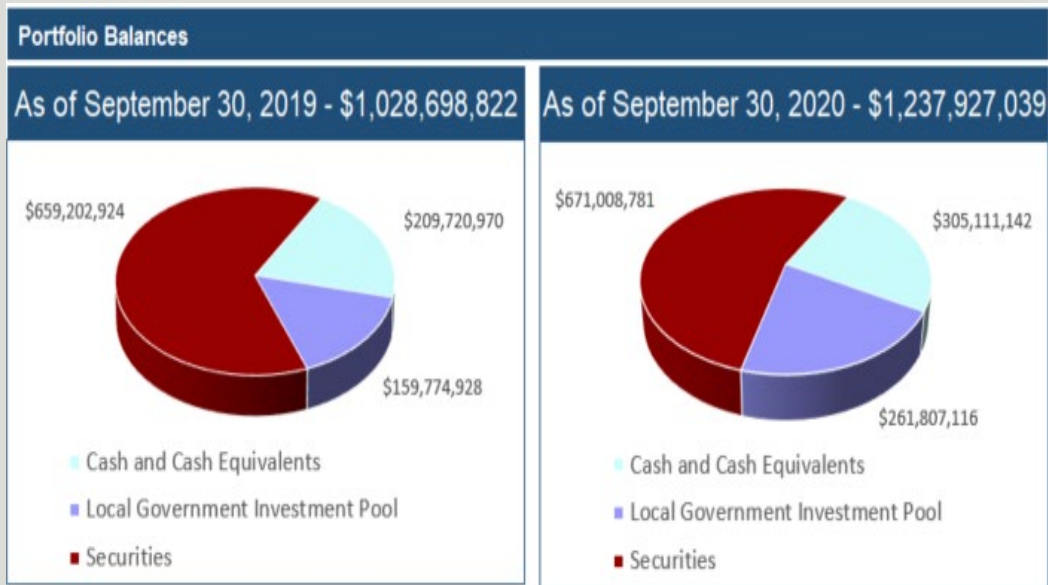
Statement of Net Position - Business
Type Activities
(dollars in thousands)



Net Position - Business Type Activities
(dollars in thousands)



A look at County Investments



| Portfolio Quarter-End Statistics | 9/2019 | 12/2019 | 3/2020 | 6/2020 | 9/2020 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Total Portfolio - book value | \$1,028,698,822 | \$1,362,476,326 | \$1,287,680,211 | \$1,370,443,576 | \$1,237,927,039 |
| Securities weighted average maturity (WAM) | 1.26 years | 1.48 years | 1.37 years | 1.34 years | 1.19 years |
| Realized investment income | \$6,070,757 | \$5,574,116 | \$6,057,275 | \$4,477,946 | \$4,041,603 |
| Composite Yields (3 month daily average) | | | | | |
| Short Term Portfolio | 2.25% | 1.82% | 1.47% | 0.47% | 0.31% |
| Benchmark (3-month T-Bill) | 2.02% | 1.61% | 1.13% | 0.14% | 0.11% |
| Long Term Portfolio | 2.34% | 2.34% | 2.22% | 2.16% | 2.06% |
| Benchmark (2-year-T-Bill) | 1.69% | 1.59% | 1.10% | 0.19% | 0.14% |
| Portfolio Overall | 2.31% | 2.15% | 1.94% | 1.48% | 1.37% |

Safety/Liquidity/Yield

CAPITAL ASSETS

Capital assets of the County increased by \$123m, or 3.5%, compared to the prior year. Capital assets by asset type as of September 30, 2020 and 2019 consist of the following:

| (Dollars in Thousands) | | |
|--------------------------------------|-----------------------|-----------------------|
| Asset Type | Balance at 9/30/20 | Balance at 9/30/19 |
| Land | \$460,304 | \$459,550 |
| Buildings | 562,982 | 476,399 |
| Improvements Other Than Buildings | 1,291,128 | 1,295,644 |
| Equipment | 93,761 | 90,300 |
| Intangible Assets | 35,467 | 26,861 |
| Infrastructure | 783,260 | 796,910 |
| Construction in Progress | 409,730 | 368,386 |
| TOTAL | \$3,636,632 | \$3,514,050 |

CAPITAL ASSETS, CONTINUED

Major capital asset projects funded and completed this fiscal year were as follows:

- **Governmental activities**
 - Jail Facility Upgrades (\$1.2 million)
 - Beach Renourishment Projects (\$10.4 million)
 - Countywide Drainage Improvements (\$5.2 million)
 - Sidewalk and ADA Improvements (\$2.8 million)
 - Countywide Paving & Intersection Improvements (\$11.2 million)
 - Wall Springs Park Development (\$5.5 million)
- **Business-type activities**
 - Airport Baggage & Landside Improvements (\$27.7 million)
 - Airport Custom & Border Protection (\$7.6 million)
 - Water & Sewer Billing Software Upgrade (\$3 million)
 - Water Main Replacements (\$1.9 million)
 - Solid Waste Facility Improvements (\$2 million)
 - South Cross Bayou Facility Improvements (\$2.5 million)
 - McKay Creek Reclaimed Water (\$1.7 million)
 - Sewer Pump Station Rehabilitation (\$6.6 million)

DEBT PORTFOLIO

- Governmental**

Activities: Outstanding balance at 9/30/20 is \$13,307,305, consisting of lease purchase agreements for Sheriff equipment (vehicles, helicopter, plane) for \$12,691,808, plus street sweeper leases totaling \$615,497

- Business-Type**

Activities: Outstanding balance at 9/30/20 is \$113,916,000, consisting of sewer revenue bonds and bank notes.

| Sewer Issuance Type | Interest Rate | Original Amount | Balance at 9/30/20 |
|---|---------------|----------------------|----------------------|
| Revenue Bonds – Series 2003 | 5.0% | \$86,580,000 | \$5,215,000 |
| Revenue Note – Series 2008A | 4.41% | 42,005,000 | 37,185,000 |
| Revenue Refunding Note – Series 2008B-1 | 4.24% | 32,700,000 | 19,430,000 |
| Revenue Refunding Bonds – Series 2012 | 5.0% | 59,510,000 | 44,400,000 |
| Revenue Refunding Note – Series 2016 | 2.2% | 14,733,000 | 7,686,000 |
| TOTAL | | \$235,528,000 | \$113,916,000 |

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

Amounts In Thousands

| Governmental Activities | FY 2020 | FY 2019 | FY 2018 |
|----------------------------------|-------------|-------------|-------------|
| Net Investment in Capital Assets | \$2,037,594 | \$2,001,065 | \$1,984,768 |
| Restricted | 325,254 | 395,598 | 344,174 |
| Unrestricted | (817,331) | (894,510) | (859,644) |
| Business-Type Activities | FY 2020 | FY 2019 | FY 2018 |
| Net Investment in Capital Assets | 1,441,448 | 1,408,140 | 1,359,345 |
| Restricted | 9,600 | 8,171 | 8,338 |
| Unrestricted | 352,035 | 313,390 | 300,625 |
| Total Primary Gov't | FY 2020 | FY 2019 | FY 2018 |
| Net Investment in Capital Assets | 3,479,042 | 3,409,205 | 3,344,113 |
| Restricted | 334,854 | 403,769 | 352,512 |
| Unrestricted | (465,296) | (581,120) | (559,019) |

PENSION & OTHER POST EMPLOYMENT BENEFITS

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

County's Other Employment Benefits (OPEB) covers eligible retirees & their dependents and consist of two plans – County Plan and Sheriff Plan

| | FY 2020 | FY 2019 | Difference |
|-----------------------------|---------------|---------------|---------------|
| FRS – Net Pension Liability | \$583,350,993 | \$460,258,238 | \$123,092,755 |
| FRS – Pension Expense | 123,710,155 | 113,795,026 | 9,915,129 |
| HIS – Net Pension Liability | 129,769,301 | 118,930,634 | 10,838,667 |
| HIS – Pension Expense | 11,313,241 | 11,700,080 | (386,839) |
| Total OPEB Liability | 699,030,887 | 758,010,951 | (58,980,064) |
| OPEB Expense | 21,334,007 | 34,908,874 | (13,574,867) |

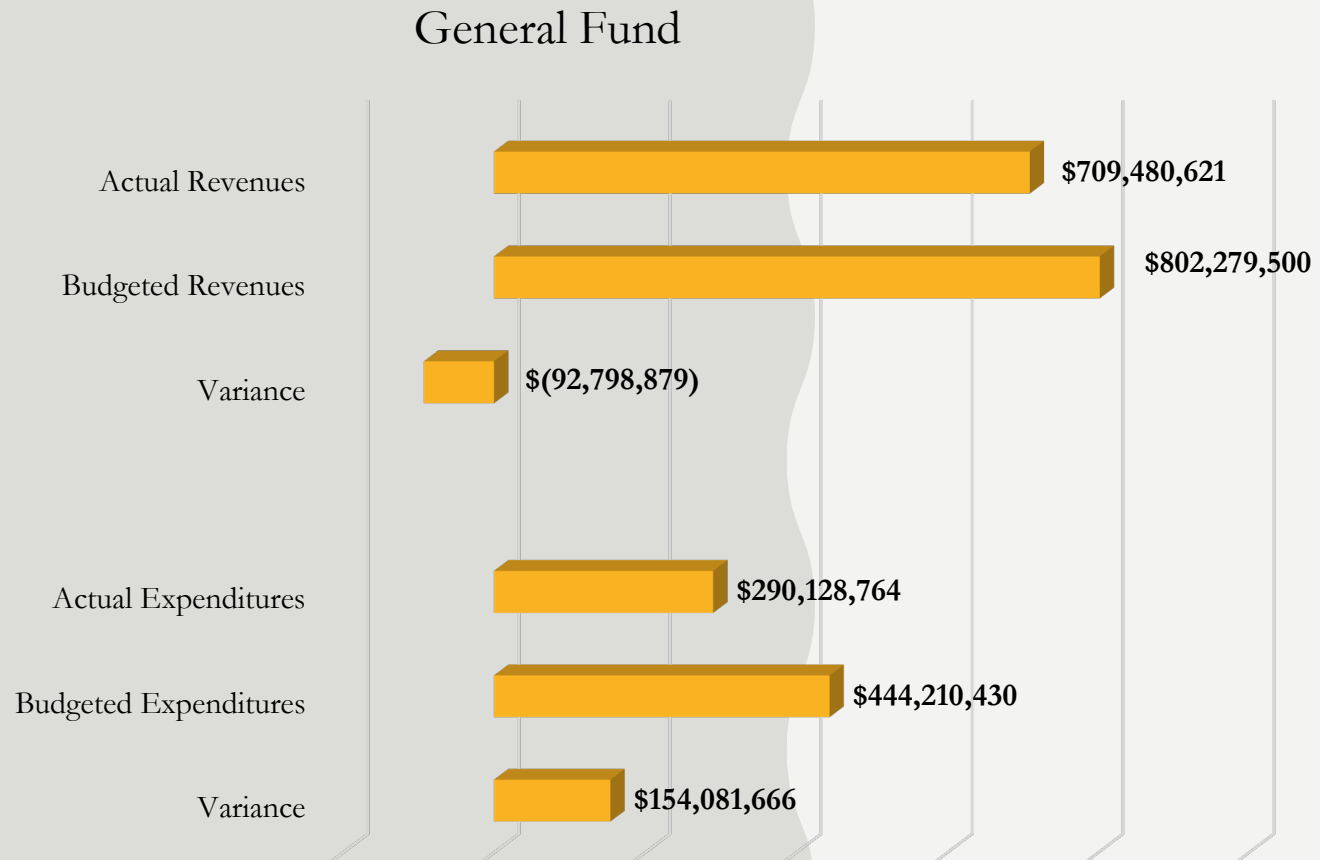
FINANCIAL OVERVIEW

GENERAL FUND

General Fund Highlights:

- Revenues and transfers in increased by \$86.9m, or 13.7%, from prior year
- Tax revenue increased by \$33.6m, due primarily to 7.4% increase in taxable property values
- Intergovernmental revenues increased by \$55.3m, or 62.8%, largely resulting from grant funding from the Coronavirus Aid, Relief, and Economic Security (CARES) Act
- Expenditures and transfers out increased by \$69.8m, or 11.5% primarily due to providing financial assistance to individuals and small businesses, acquiring personal protective equipment, and other personnel and operating costs incurred to combat the economic and health impacts from the COVID-19 pandemic

GENERAL FUND BUDGET TO ACTUAL



FINANCIAL OVERVIEW AD VALOREM PROPERTY TAXES

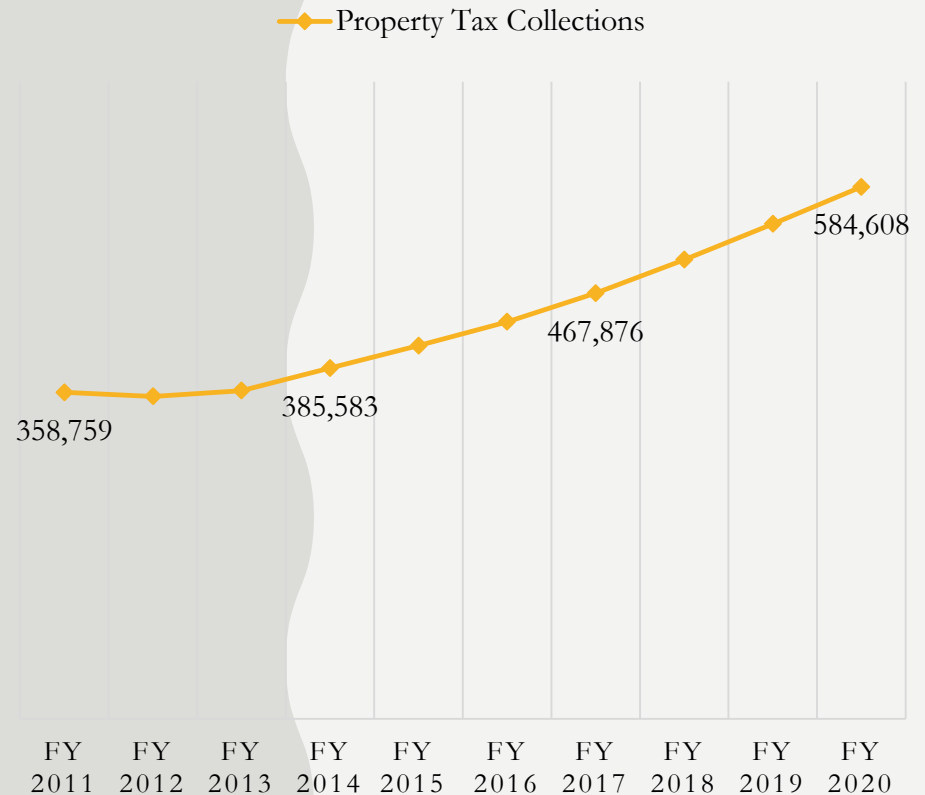
PROPERTY TAXES

County-wide single
largest revenue source

-Countywide millage
rate remained
unchanged

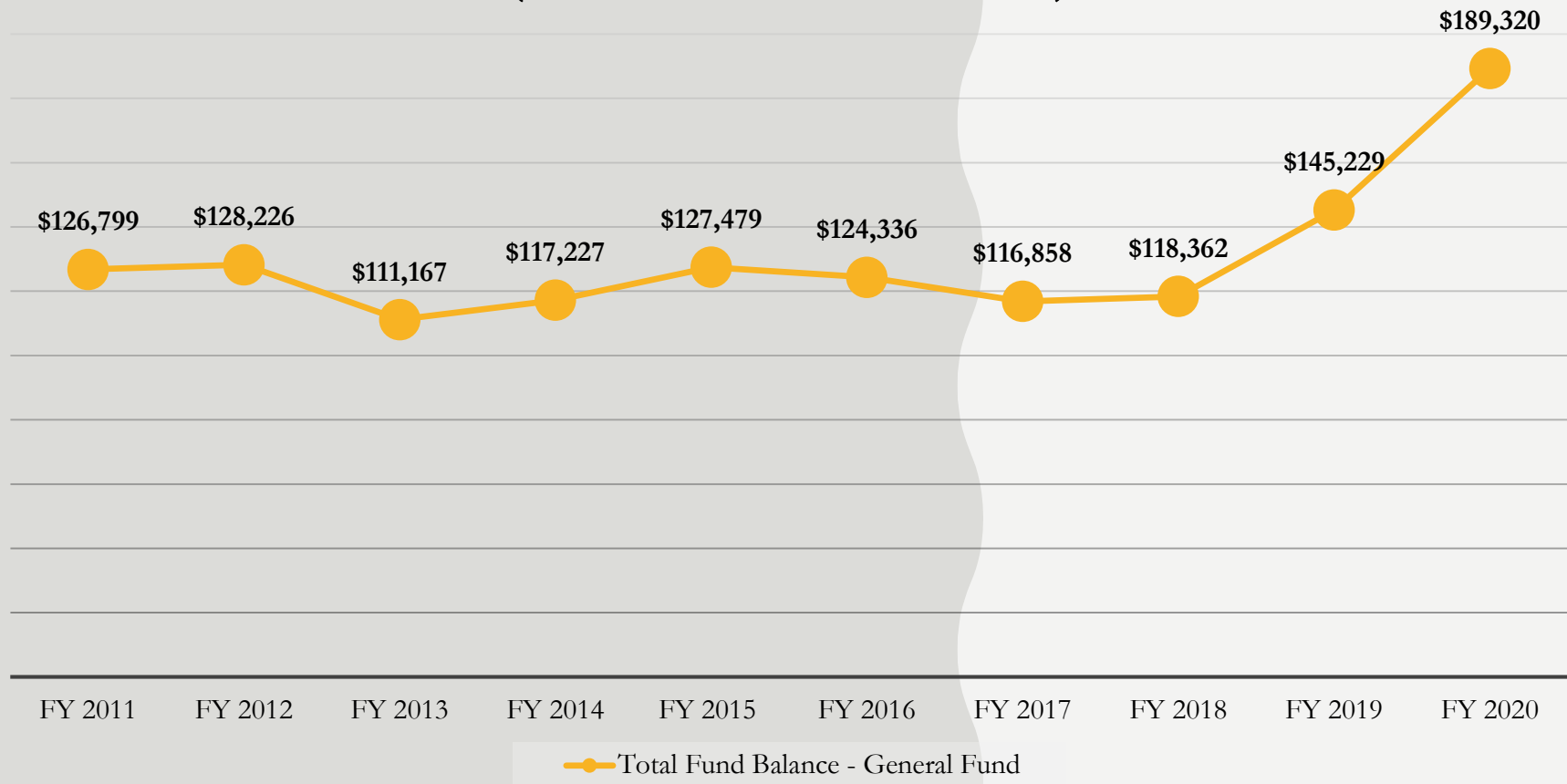
-7.68% increase in
taxable assessed value
(real & personal
property) from FY 19
to FY 20

PROPERTY TAX COLLECTIONS BY FISCAL YEAR (AMOUNTS IN THOUSANDS)

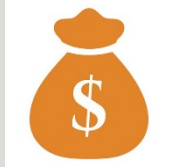


FUND BALANCE – GENERAL FUND

General Fund – Total Fund Balance (Amounts in Thousands)



RECOMMENDATIONS



Formalize a Debt Policy



**Improve IT systems and
leverage the power of ERP
systems across the County**



Update Capital Asset Policy

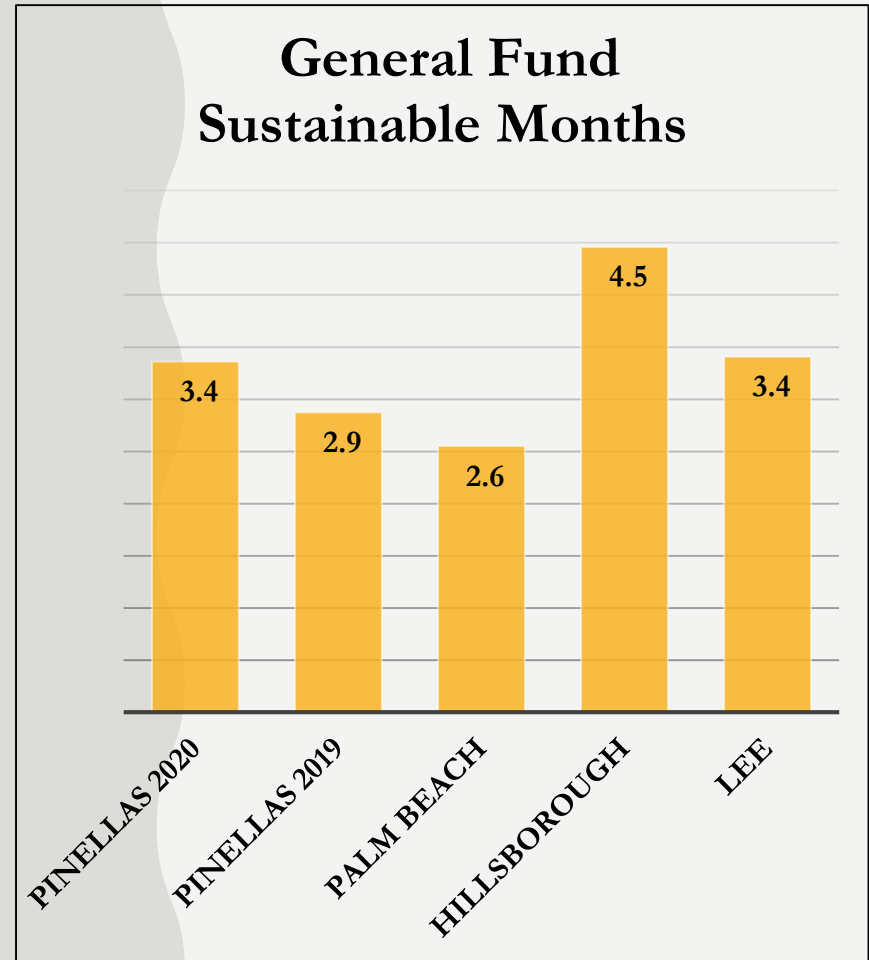
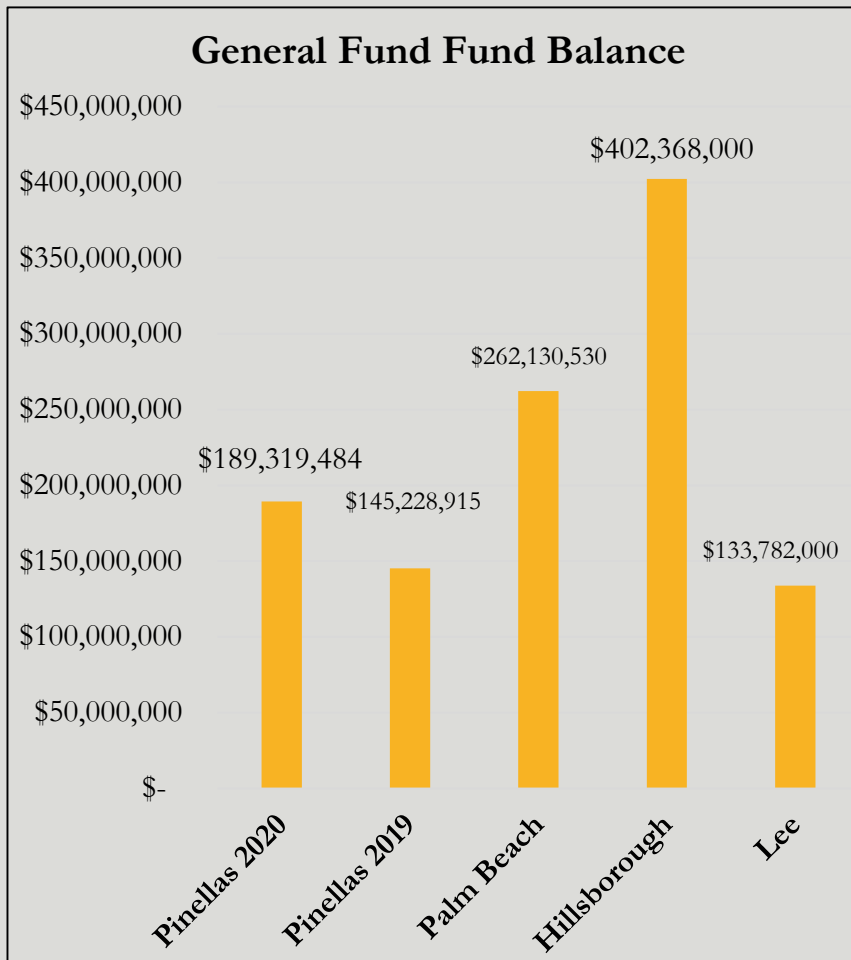
FUTURE CONSIDERATIONS: GASB IMPLEMENTATIONS

GASB 84: This Statement establishes 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.

GASB 87: 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.

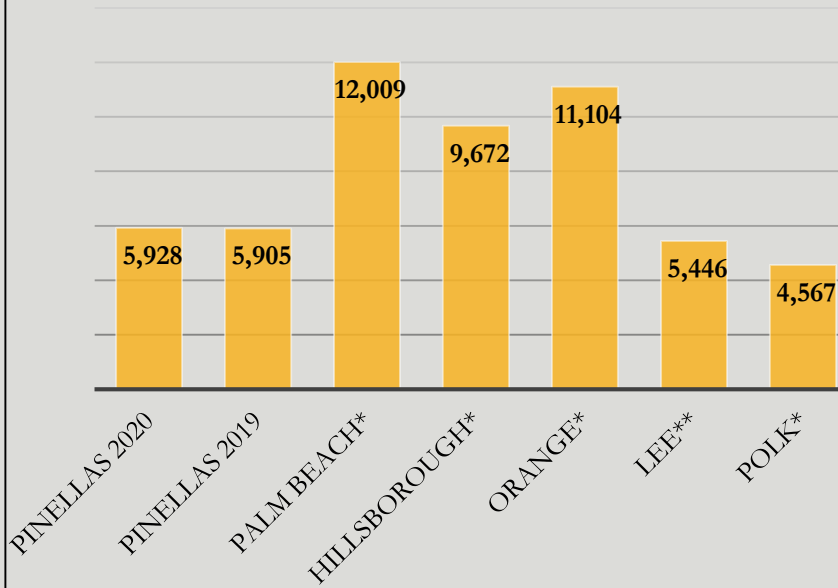
GASB 96: This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments).

COMPARATIVE DATA

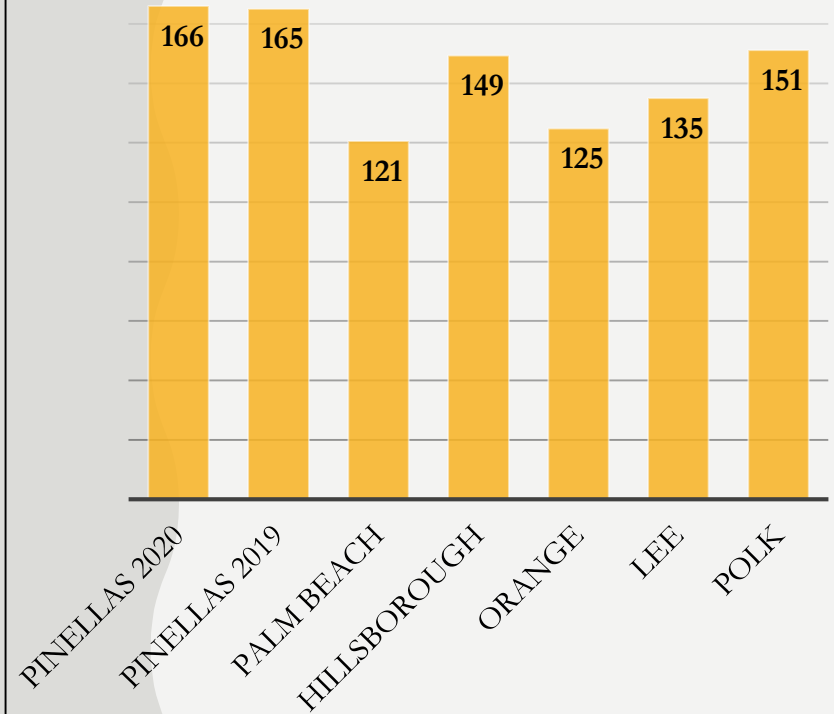


COMPARATIVE DATA

County Government Employees
*Employ Firefighters and EMT/Paramedics
**Employ EMT/Paramedics



Residents Per County Government Employee

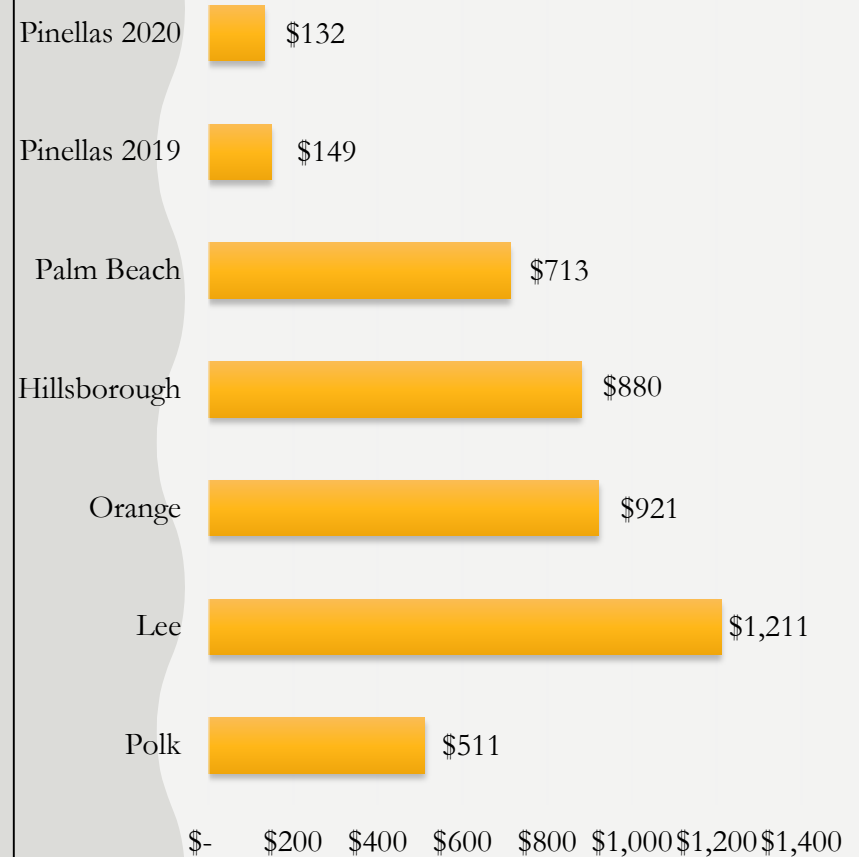


COMPARATIVE DATA

Outstanding Debt Payable (Bonds, Notes, Loans, Capital Leases, Interlocal Agreements)



Debt Per Capita



RESOURCES

Comprehensive Annual Financial Report, Popular Annual Financial Report, Pinellas County Investment Reports

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

Division of Inspector General – Pinellas County Clerk

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

Florida Auditor General

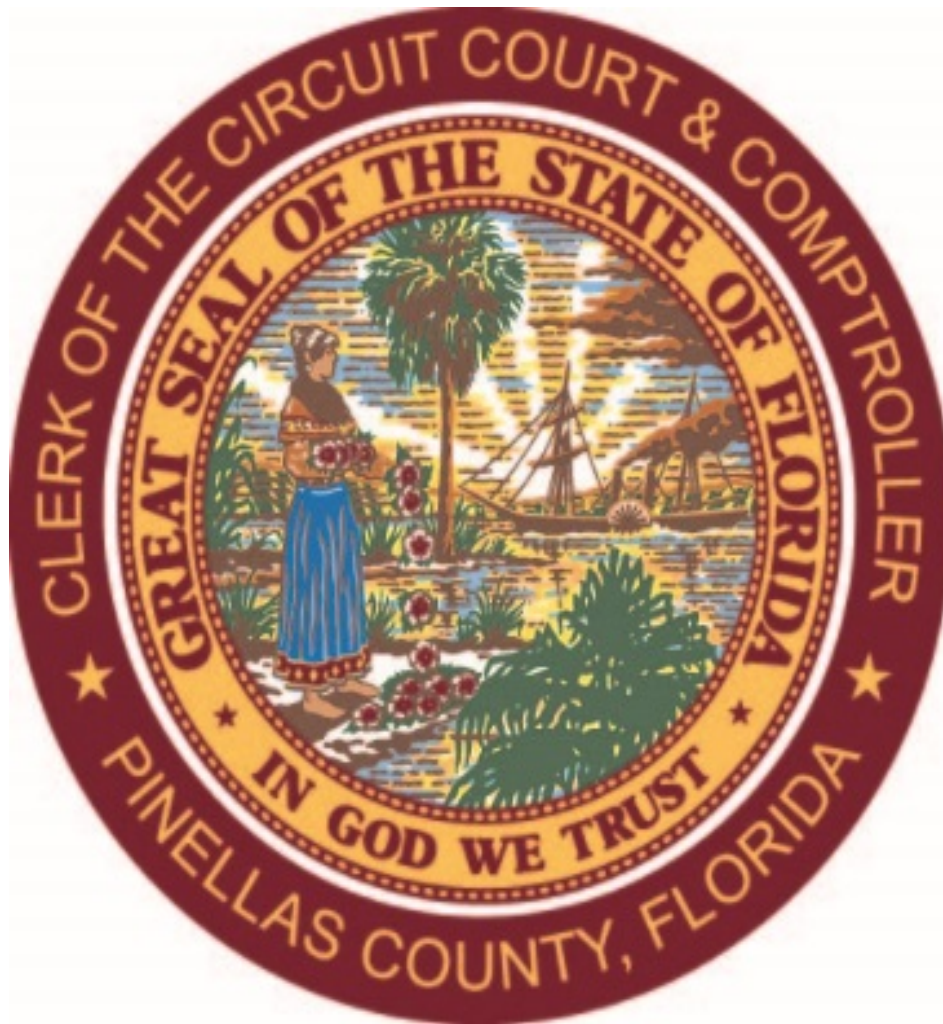
- <https://flauditor.gov/>

Florida Government Finance Officers Association

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

Florida Department of Financial Services

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



THANK YOU

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and Comptroller

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