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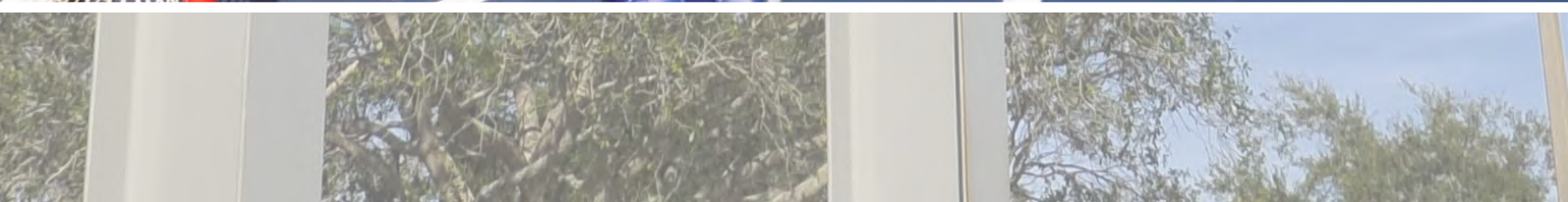
Pinellas Park, FL

The Heart of Pinellas

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

FISCAL YEAR ENDED
SEPTEMBER 30, 2020



Comprehensive Annual Financial Report

For the Fiscal Year Ended

September 30, 2020

City of Pinellas Park, Florida

Council-Manager Form of Government

City Council

Sandra Bradbury, Mayor

Jerry Mullins

Rick Butler, Vice-Mayor

Keith Sabiel, Sr.

Patti Reed

Administration

Douglas A. Lewis, City Manager

City Attorney

James W. Denhardt

City Clerk

Diane M. Corna

Deputy City Manager

Patrick Murphy

Information Technology Admin.

Tom Appugliese

Fire Chief

Brett Schlatterer

Police Chief

Michael L. Haworth

Finance Administrator – thru 2/24/21

George E. Kotala

Finance Admin. – as of 2/24/21

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.

Benjamin Ziskal

Prepared by the City of Pinellas Park Finance Department
Please visit the City on the web: www.pinellas-park.com

INTRODUCTORY SECTION

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City of

Pinellas Park

5141 78th Avenue North

P.O. Box 1100

Pinellas Park, FL 33780-1100



Florida

PHONE – (727) 369-0700

FAX – (727) 544-7448

March 22, 2021

Honorable Mayor, City Council and Citizens
City Of Pinellas Park
Pinellas Park, Florida 33781

Dear Mayor, City Council and Citizens:

The Comprehensive Annual Financial Report of the City of Pinellas Park, Florida, for the fiscal year ended September 30, 2020, is submitted in accordance with Chapter 2, Article XIII, Section 2-1303, City of Pinellas Park Code of Ordinances, Florida Statute 166.241 (4), and Chapter 10.500 of the Rules of the Auditor General for the State of Florida. The financial statements and supporting schedules have been prepared in accordance with generally accepted accounting principles of the United States of America (GAAP).

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Cherry Bekaert LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2020 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2020 are fairly presented in conformity with

GAAP. The report of independent auditor is presented as the first component of the financial section of the report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditor.

Profile of the City

Pinellas Park is a progressive, growing city of approximately 54,202 residents, with a diversified economy based firmly in manufacturing, sales, and services. Pinellas Park offers the advantages of a large, metropolitan area, while retaining a small town atmosphere. The City is situated on the Pinellas peninsula in the heart of Florida's west coast. It is directly located 15 miles west of Tampa and 5 miles generally north of downtown St. Petersburg.

The City operates under the council-city manager form of government. Policy-making and legislative authority are vested in a governing council consisting of the mayor and four other members. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the city manager, city clerk, and city attorney. The city manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing the heads of various departments.

The City provides a full range of municipal services that include police and fire protection; emergency medical services; planning, zoning and building code regulation and enforcement; maintenance of streets, sidewalks, storm drainage, public parks and recreation facilities; supervised recreation programs; public library; solid waste collection and recycling; water and reclaimed water supply and distribution; waste water collection; and general administrative services.

The annual budget serves as the foundation for the City's financial planning and control. The budget is prepared through the use of public processes that result in the development of a financial plan for the City's strategic and business plans over the next five year period. This includes an active involvement of the elected city officials in establishing priorities. The appropriated budget is prepared by fund, department, division, and line items.

Factors Affecting Financial Condition

Local Economy

The nation's economy has continued to improve in many of the major financial sectors such as housing, construction, and banking. The Federal Funds rate, which helps determine rates for mortgages, credit card and other borrowing, will now hover at 0.25%. Overall, rates are still historically low. The national unemployment rate (seasonally adjusted) for 2020 was 8.1%

(Florida's is 5.1%) The world's economy continues to experience economic problems. Several countries in the European Common Market and third world countries continue to have severe economic issues: high unemployment inflation, food shortages, low cost of crude oil (\$60 a barrel), etc. Moreover, there is concern regarding the level of large national debt of the United States, the European Common Market, and some third world countries.

Over the last fiscal year, our local economy has experienced positive gains. Our local economy is definitely growing. Several large multi-residential developments have completed construction. The City's level of construction has experienced an increase of 7.0% between fiscal years 2019 and 2020. The Building Development Division issued 5,056 and 4,727 total permits in fiscal year 2020 and 2019 respectively. For fiscal year ending September 30, 2019, the total tax valuations city-wide were \$3.8 billion and for fiscal year ending September 30, 2020, the total tax valuations were \$4.1 billion. The increase in valuations were mainly attributable to a significant increase in new construction and the continuing price escalation in market values in the City. It is anticipated that the total taxable valuations will increase by 6.5% - 7% for fiscal year ending September 30, 2021. An important point to note is the City receives an 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 5.0%.

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. Currently, the City has hired an economic consulting firm to study the entire City including the Gateway area and downtown. The firm will develop recommendations for the City to optimize the economic development in the City.

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. The City has currently entered into a contract with a developer to assist the City with the development and management of this area in the CRA district.

In addition, the City is currently working with a consultant for the development of the One City Center in the downtown area. This major initiative is meant to not only develop this area but also be a major focal point in the City. Both people within the City and outside as well, will be drawn to this area for business, fun, and social events. It also includes the redevelopment of Davis Field as well as a splash pad and possibly a pool. The City is in the preliminary phase of this initiative, however, it is estimated that the total cost will be an estimated \$5 million.

The City is also doing preliminary planning for the redevelopment of Youth Park along the City's southern border. It is envisioned that football fields and facilities for children will move from Davis Field to Youth Park. In addition, Youth Park will continue to host the City's major soccer fields along with several baseball diamonds. The parking and traffic flow will be revamped and drainage work will be done as well. It is anticipated that this project will be funded primarily through the CRA's tax increment financing and the estimated cost is \$4.5 million. The project should begin in fiscal year 2021/2022.

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. Beginning in fiscal year 2020/2021, the church will be demolished and the City will construct a new fire station. The estimated cost of the station is \$4.7 million. Finally, it is anticipated that in fiscal year 2021/2022, 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 \$25 million and take several years to design and construct. The City already owns the required land. The City will be issuing revenue bonds to finance 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 Program that includes a listing of designated funding sources approved by the City Council on a recurring annual basis.

The City maintains an investment policy that strives to protect capital above all else while seeking investment earnings and providing for daily cash needs.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2019. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

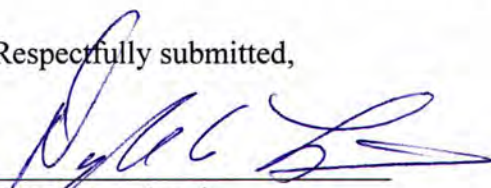
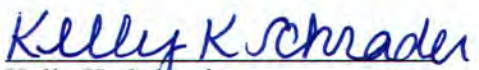
In addition, the City also received the GFOA's Distinguished Budget Presentation Award for the fiscal year 2020 Budget document. In order to qualify, the City's Budget document was judged to be proficient in several categories including as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this Comprehensive Annual Financial Report was made possible by the dedicated efforts of the Finance Department staff. Each member has our sincere appreciation for the contribution made to aid in its preparation.

Appreciation is also expressed to all City Department and Division Heads for their cooperation and assistance in matters pertaining to the financial affairs of the City. A special note of thanks is due to Finance Director Joy Yeates and Accounting Manager Shannon Conner for the major roles they had in preparing this report.

We would like to thank City Council for their interest and continued support in planning and conducting the financial operations of the City in a progressive and responsible manner.

Respectfully submitted,


Douglas A. Lewis
City Manager
Kelly K. Schrader
Finance Administrator



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Pinellas Park
Florida**

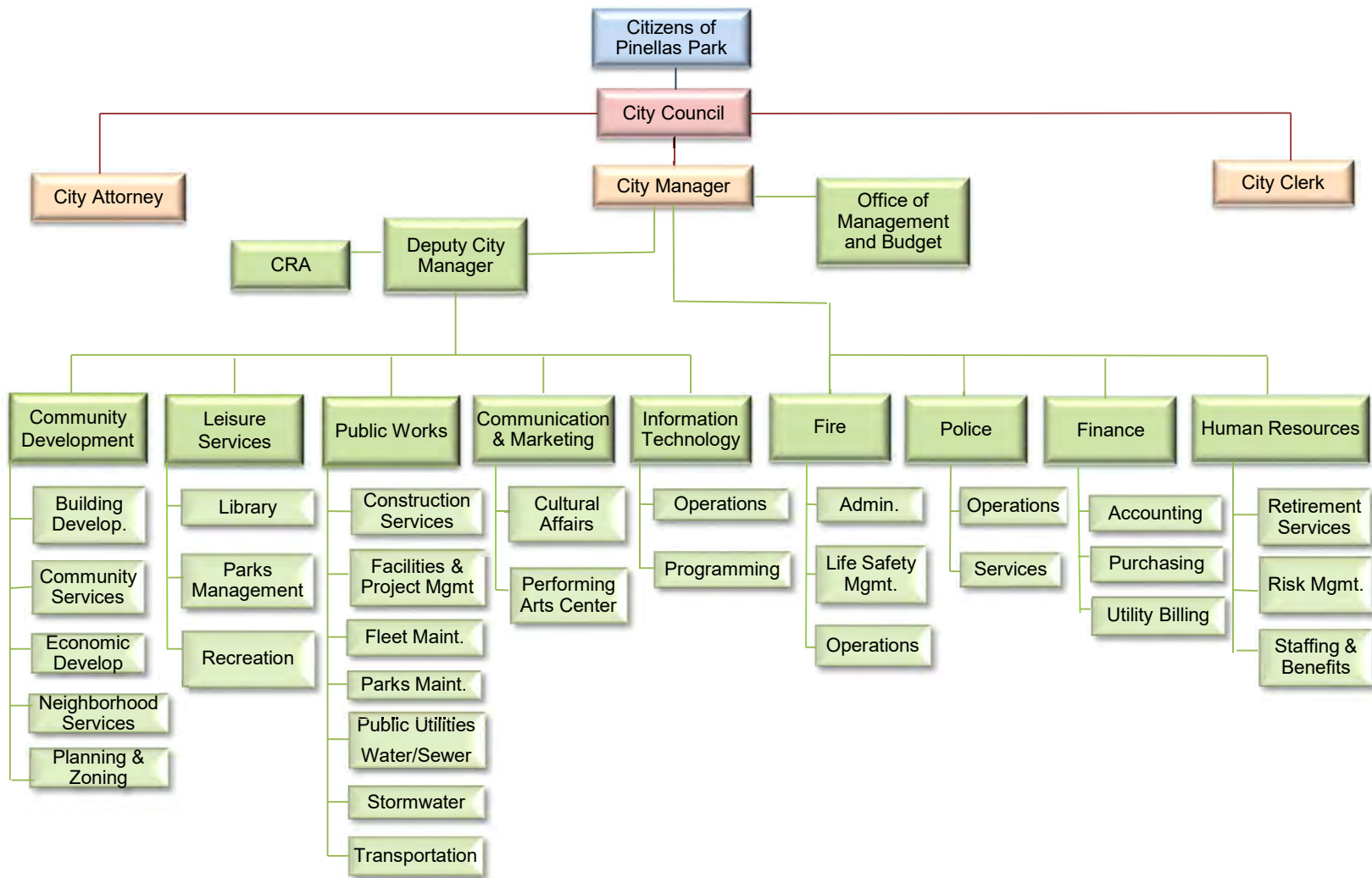
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morill

Executive Director/CEO

City of Pinellas Park Organizational Chart As of September 30, 2020



List of Principal Officials As of September 30, 2020

Elected Officials



Sandra Bradbury
Mayor



Keith Sabiel
Council Member
Seat 1



Patti Reed
Council Member
Seat 2



Rick Butler
Vice - Mayor
Seat 3



Jerry Mullins
Council Member
Seat 4

Officials Approved by City Council



Douglas Lewis
City Manager



Diane Corna
City Clerk

FINANCIAL SECTION

REPORT OF INDEPENDENT AUDITOR

MANAGEMENT'S DISCUSSION AND ANALYSIS

BASIC FINANCIAL STATEMENTS

REQUIRED SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements 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, as of September 30, 2020, 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

As discussed in Note 7 to the financial statements, in March 2020, the World Health Organization declared COVID-19 to constitute a "public health emergency of international concern". Given the uncertainty of the situation and the duration of any business disruption, the related financial impact cannot be reasonably estimated at this time. 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, 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 of Pinellas Park's basic financial statements. The introductory section, combining and individual fund statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual fund statements and schedules, and the schedule of expenditures of federal awards 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 and schedules, and the schedule of expenditures of federal awards 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 22, 2021, 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.

Handwritten signature of Cherry Bekant in black ink, followed by the text "LLP".

Tampa, Florida
March 22, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis (MD&A) provides the reader with a narrative overview and analysis of the City's financial activities for the fiscal year ended September 30, 2020. The MD&A should be read in conjunction with the City's Letter of Transmittal, which begins on page iii of this report.

FINANCIAL HIGHLIGHTS

The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2020 by \$234.5 million (net position). Of this amount, \$42.6 million (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

The City's total net position increased by \$9.6 million (or 4.2%). The governmental net position increased by \$8.3 million (or 5.0%) while the business-type net position increased by \$1.3 million (or 2.1%).

At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$44.6 million, an increase of approximately \$4.8 million (or 12.0%) in comparison with the prior year.

At the end of the fiscal year, unassigned fund balance for the General Fund was \$19.9 million or 33.2% of total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

The City's annual financial report consists of several sections. Taken together, they provide a comprehensive financial look at the City. The components of the report include the following:

- **Management's Discussion and Analysis.** This section of the report provides financial highlights, overview and economic factors affecting the City.
- **Basic Financial Statements.** Includes the Statement of Net Position, Statement of Activities, Fund Financial Statements and the notes to the financial statements. Statements of Net Position and Activities focus on an entity-wide presentation using the accrual basis of accounting. They are designed to be more corporate-like in that all activities are consolidated into a total for the City.
 - The Statement of Net Position focuses on resources available for future operations. In simple terms, this statement presents a snap-shot view of the assets and deferred outflows of resources the City owns, the liabilities and deferred inflows of resources it owes and the net position. The net position is further separated into amounts restricted for specific purposes and unrestricted amounts.
 - The Statement of Activities focuses on gross and net costs of city programs and the extent to which such programs rely upon general tax and other revenues. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.
 - Fund Financial Statements focus separately on major governmental funds and proprietary funds. Governmental Fund Statements follow the more traditional presentation of financial statements. Each of the City's major governmental funds is presented in their own column and the remaining funds are combined into a column titled "Other Governmental Funds." A budgetary comparison statement is presented for the General Fund. Statements for the City's Proprietary Funds follow the governmental funds and include net position, revenues, expenses and changes in net position, and cash flows.

- The notes to the financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the City's financial condition.
- The Required Supplementary Information provides more information regarding pension plans and Other Postemployment Benefits (OPEB).
- **Other Information.** Readers desiring additional information on nonmajor funds can find it in the Combining Statements of Nonmajor Funds sections of this report. Major funds are included within the Basic Financial Statements, whereas nonmajor funds are presented here. These statements include balance sheets and statements of revenues, expenditures and changes in fund balances.
- **Statistical Section.** Trend information and demographics.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$234.5 million at the close of the fiscal year ended September 30, 2020. The City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities, for both the current year and the prior year, as indicated in the following table:

City of Pinellas Park, Florida						
Net Position						
Primary Government						
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Assets						
Current and other assets	\$ 62,448,633	\$ 56,000,401	\$ 21,065,529	\$ 20,512,424	\$ 83,514,162	\$ 76,512,825
Capital assets	134,110,440	133,139,473	53,734,209	54,330,072	187,844,649	187,469,545
Total assets	196,559,073	189,139,874	74,799,738	74,842,496	271,358,811	263,982,370
Deferred outflows of resources	10,011,000	11,538,086	1,101,292	1,248,458	11,112,292	12,786,544
Liabilities						
Current and other liabilities	6,477,842	4,416,916	3,637,617	3,514,722	10,115,459	7,931,638
Long-term liabilities	20,160,947	19,267,476	9,239,284	10,329,279	29,400,231	29,596,755
Total liabilities	26,638,789	23,684,392	12,876,901	13,844,001	39,515,690	37,528,393
Deferred inflow of resources	7,267,722	12,602,585	1,191,469	1,681,215	8,459,191	14,283,800
Net position						
Net investment in capital assets	131,048,704	129,148,928	45,301,316	44,641,871	176,350,020	173,790,799
Restricted	14,609,800	11,183,743	915,330	1,257,895	15,525,130	12,441,638
Unrestricted	27,005,058	24,058,312	15,616,014	14,665,972	42,621,072	38,724,284
Total net position	\$ 172,663,562	\$ 164,390,983	\$ 61,832,660	\$ 60,565,738	\$ 234,496,222	\$ 224,956,721

A large portion of the City's net position \$176.4 million (or 75.2%) reflects its investment in capital assets (e.g., land, buildings, improvements other than buildings, machinery and equipment, infrastructure, and construction in progress), net of accumulated depreciation and less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens, and consequently these assets are not available for future spending. Although the City's investment in capital assets is reported net of accumulated depreciation and related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves will not be used to liquidate these liabilities.

An additional portion of the City's net position \$15.5 million (or 6.6%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$42.6 million (or 18.2%) may be used to meet the government's ongoing obligations to citizens and creditors.

Changes in Net Position

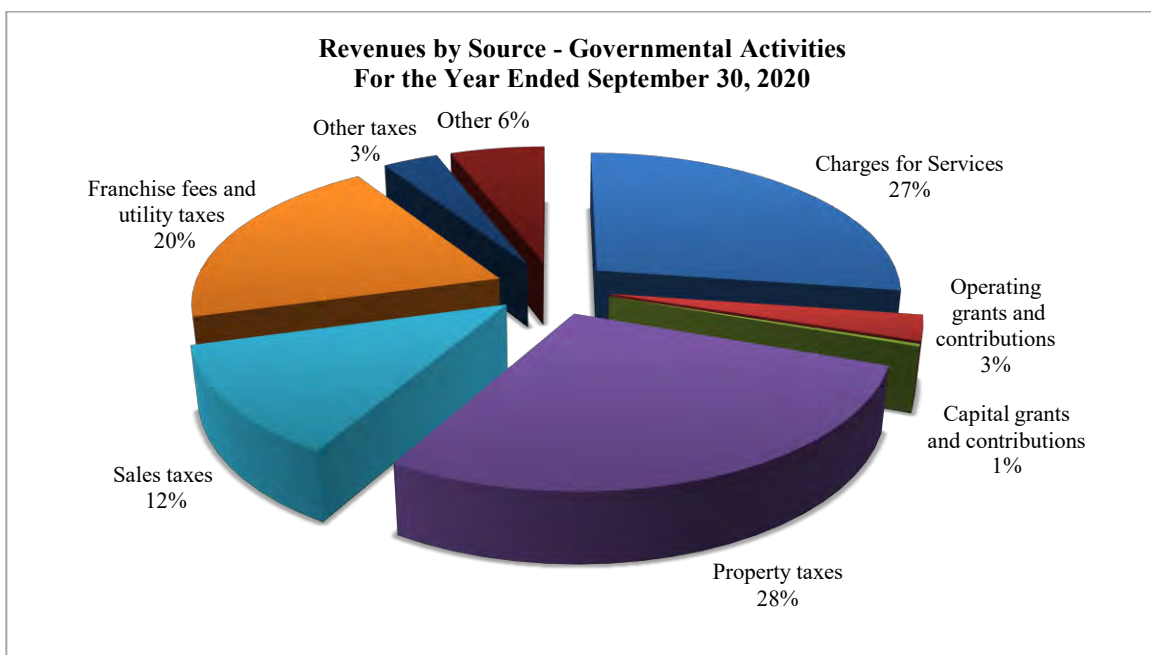
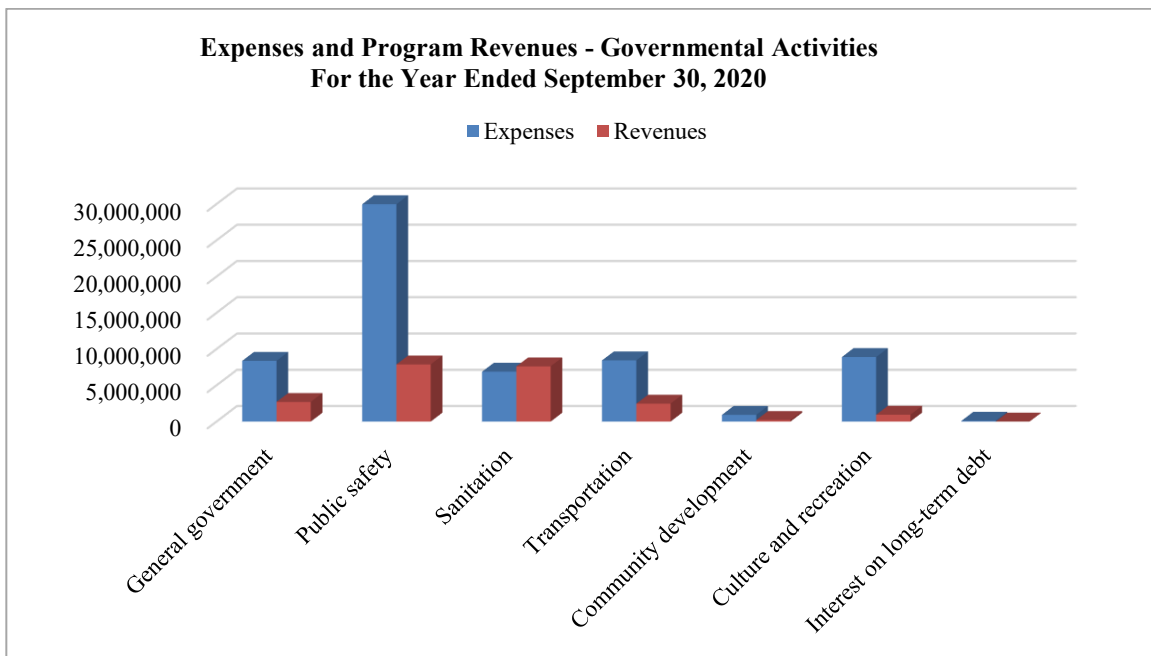
The following table reflects the changes in net position for the years ended September 30, 2020, and September 30, 2019:

City of Pinellas Park, Florida Changes in Net Position						
	Primary Government					
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues						
Charges for services	\$ 19,589,563	\$ 19,973,970	\$ 31,741,000	\$ 30,652,935	\$ 51,330,563	\$ 50,626,905
Operating grants and contributions	2,025,861	1,156,066	-	-	2,025,861	1,156,066
Capital grants and contributions	205,079	580,551	-	-	205,079	580,551
General revenues:						
Property taxes	20,138,568	18,486,029	-	-	20,138,568	18,486,029
Sales taxes	8,854,850	8,794,138	-	-	8,854,850	8,794,138
Franchise fees and utility taxes	14,376,698	14,224,779	-	-	14,376,698	14,224,779
Other taxes	2,456,651	2,677,302	-	-	2,456,651	2,677,302
Other	4,213,880	4,413,634	574,526	1,217,071	4,788,406	5,630,705
Total revenues	<u>71,861,150</u>	<u>70,306,469</u>	<u>32,315,526</u>	<u>31,870,006</u>	<u>104,176,676</u>	<u>102,176,475</u>
Expenses						
General government	8,367,779	6,715,373	-	-	8,367,779	6,715,373
Public safety	29,976,682	29,030,276	-	-	29,976,682	29,030,276
Sanitation	6,876,705	6,583,830	-	-	6,876,705	6,583,830
Transportation	8,431,946	8,042,065	-	-	8,431,946	8,042,065
Community development	922,992	837,746	-	-	922,992	837,746
Culture and recreation	8,905,430	8,849,204	-	-	8,905,430	8,849,204
Interest on long-term debt	107,037	127,184	-	-	107,037	127,184
Water and sewer	-	-	31,048,604	30,072,124	31,048,604	30,072,124
Total expenses	<u>63,588,571</u>	<u>60,185,678</u>	<u>31,048,604</u>	<u>30,072,124</u>	<u>94,637,175</u>	<u>90,257,802</u>
Increase in net position	8,272,579	10,120,791	1,266,922	1,797,882	9,539,501	11,918,673
Net position - beginning	<u>164,390,983</u>	<u>154,270,192</u>	<u>60,565,738</u>	<u>58,767,856</u>	<u>224,956,721</u>	<u>213,038,048</u>
Net position - ending	<u>\$ 172,663,562</u>	<u>\$ 164,390,983</u>	<u>\$ 61,832,660</u>	<u>\$ 60,565,738</u>	<u>\$ 234,496,222</u>	<u>\$ 224,956,721</u>

Governmental Activities

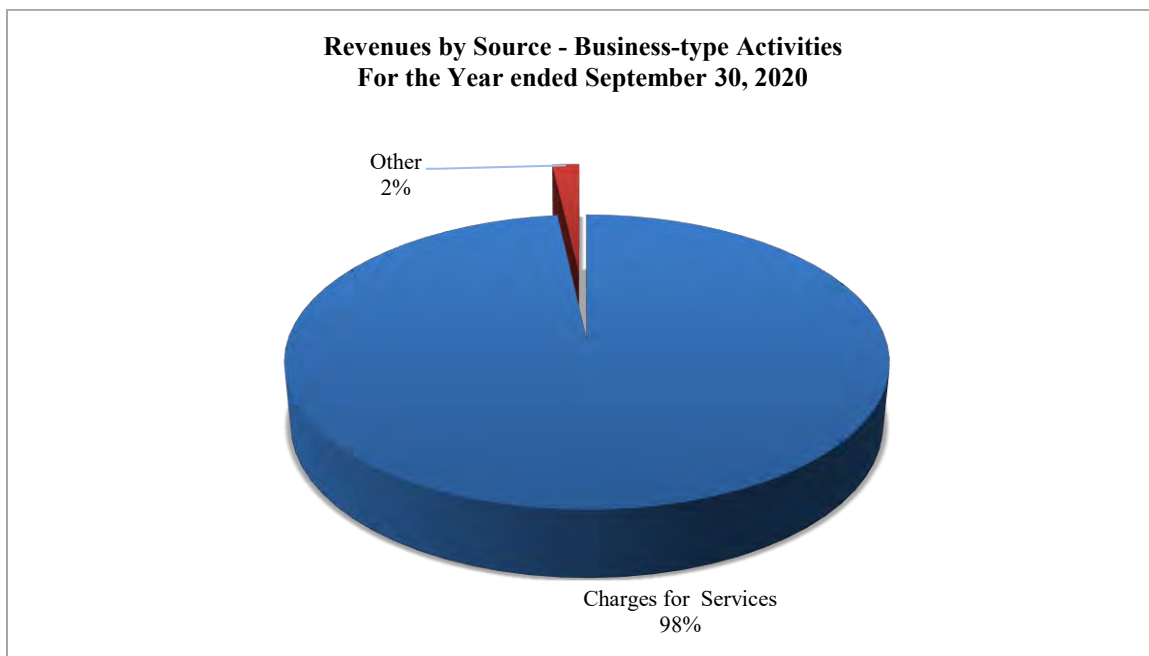
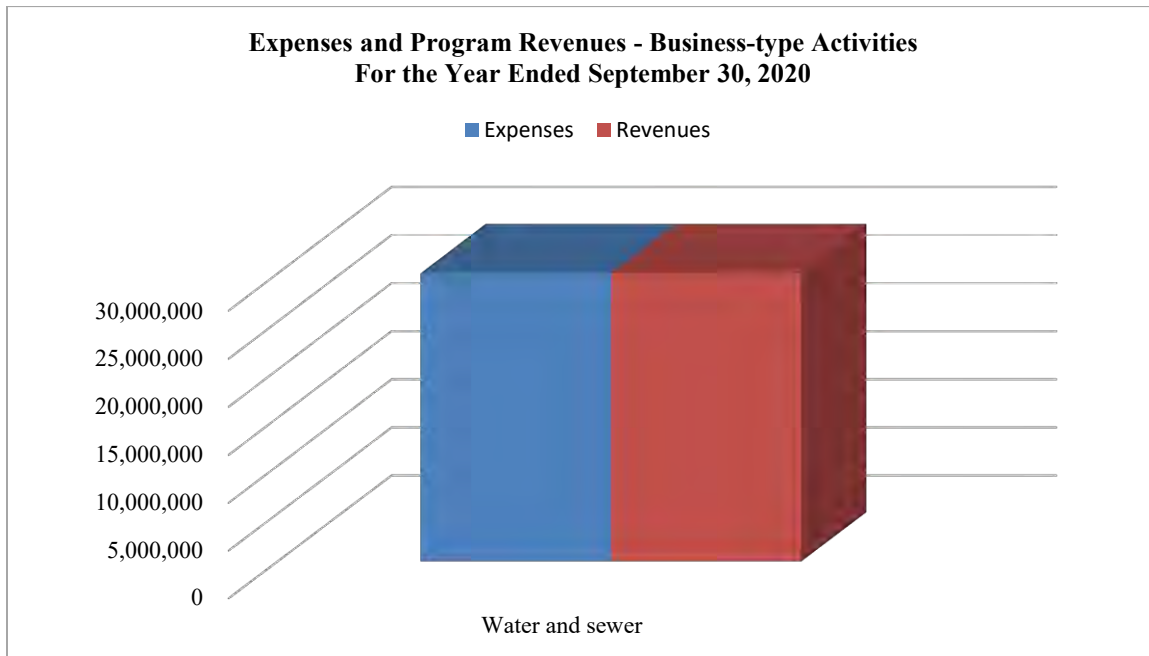
Governmental activities net position increased by \$8.3 million from \$164.4 million as of September 30, 2019, to \$172.7 million as of September 30, 2020. The majority of the increase was a change in deferred inflows for pension, while the remainder was an increase in assets and a large donation to the library.

The cost of all governmental activities this year was \$63.6 million. However, as shown on the Statement of Activities, the amount that the City's taxpayers ultimately financed for these activities through taxes and other were \$41.8 million because some of the cost was paid for by those who directly benefited from the programs (\$19.6 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$2.2 million).



Business-type Activities

Net position for business-type activities increased from \$60.6 million to \$61.8 million. This increase totaled \$1.3 million, reflecting a 2.1% increase in business-type activities net position. The outcome for net position was as expected for the year based on the budget.



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of government's net resources available for spending at the end of the fiscal year.

Fund balances are the differences between assets and liabilities in a governmental fund. The nonspendable fund balance includes amounts that are not in spendable form, or amounts that are required to be maintained intact. Restricted fund balance include amounts that can be spent only for the specific purposes stipulated by external providers, such as grant providers or bondholders, as well as amounts that are restricted constitutionally or through legislation. Committed fund balance includes amounts that can be used only for the specific purposes that are determined by a formal action of the government's highest level of decision making authority. Assigned fund balance applies to amounts that are intended for specific purposes as expressed by the governing body or authorized officials. Unassigned fund balances include all amounts not contained in other classifications for the general fund.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$44.6 million. Of that amount, \$0.8 million was nonspendable, \$14.6 million was restricted, \$0.9 million was committed, \$8.3 million was assigned, and \$20.0 million was unassigned.

The General Fund, the chief operating fund of the City, had a fund balance at September 30, 2020, of \$26.0 million. \$0.8 million was nonspendable, \$5.3 million was assigned, and \$19.9 million was unassigned.

As a measure of the General Fund's liquidity, it is useful to compare unassigned fund balance to total fund expenditures. The unassigned fund balance represents 33.2% of the total General Fund expenditures (before transfers) for the current fiscal year.

The fund balance of the City's General Fund had increased by \$0.9 million during the current fiscal year. The increase was a direct result of FEMA reimbursement for disaster relief.

The fund balance of the Capital Improvement Fund increased by \$3.9 million during the current fiscal year. This was mainly due to a decrease in capital projects being completed.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the business-type column of the government-wide financial statements, but in more detail. The proprietary funds are composed of the enterprise funds and the internal service funds, both of which are supported primarily through user charges.

Unrestricted net position of the Water and Sewer Fund at the end of the year amounted to \$15.6 million. The total change in net position was an increase of \$1.3 million, as compared to an increase of \$1.8 million in the prior year. This was primarily due to a small rate increase and an expansion to our customer base. Other factors concerning the finances of this fund have already been addressed in the discussion of the City's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

There were several differences between the original budget for General Fund revenues and their final amended budgets. Some of these changes include increases in Ad Valorem Taxes of \$302,022; Federal Disaster Relief Income of \$1,368,544 and Code Enforcement Liens of \$75,000 as well as some decreases in State Revenue Sharing of \$450,000 and Half Cent Sales Tax of \$450,000. There was also a difference between the original budget for General Fund expenditures and their final amended budgets. A few of these changes include a transfer to the City's Capital Improvement Fund of \$750,000 to help fund COVID-19 grants, operating supplies in the City's COVID-19 account of \$600,000 to cover unexpected expenses and Renovations in Purchasing of \$15,222 used to comply with social distancing protocols.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Capital assets include land, buildings, improvements other than buildings, machinery and equipment, infrastructure and construction in progress. The infrastructure asset category includes long-lived capital assets, typically stationary in nature, such as roads, drainage systems, water and sewer systems, etc. At September 30, 2020, the City had investments in capital assets totaling \$187,844,649 (net of accumulated depreciation).

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2018
Land	\$ 25,769,468	\$ 26,544,218	\$ 318,115	\$ 318,115	\$ 26,087,583	\$ 26,862,333
Buildings	14,039,550	14,783,683	455,018	522,126	14,494,568	15,305,809
Improvements other than buildings	24,455,634	24,131,245	-	-	24,455,634	24,131,245
Machinery and equipment	11,996,891	11,181,929	104,992	152,834	12,101,883	11,334,763
Infrastructure	55,681,922	55,893,885	52,191,256	53,336,997	107,873,178	109,230,882
Construction in progress	2,166,975	604,513	664,828	-	2,831,803	604,513
Total	\$ <u>134,110,440</u>	\$ <u>133,139,473</u>	\$ <u>53,734,209</u>	\$ <u>54,330,072</u>	\$ <u>187,844,649</u>	\$ <u>187,469,545</u>

* Net of accumulated depreciation

Net capital assets for the City's governmental activities increased from \$133.1 million to \$134.1 million, reflecting an increase of \$1.0 million for the current fiscal year, primarily due to construction in progress.

Net capital assets for the City's business-type activities decreased from \$54.3 million to \$53.7 million, reflecting a decrease of \$0.6 million for the current fiscal year. The decrease was due to fewer infrastructure projects.

Additional information on the City's capital assets can be found in Note III-C of this report.

Long-term Debt

At the end of the current fiscal year, the City had total bonded debt outstanding of \$9,230,000. This debt consists entirely of revenue bonds (secured solely by specified revenue sources) with no general obligation debt outstanding. Governmental activities revenue bonds totaled \$2,885,000 while business-type activities totaled \$6,345,000.

The City's total bonded debt decreased by \$1,316,000 during the current fiscal year. The entire decrease was the result of bond principal debt service payments.

Additional information on the City's long-term debt can be found in Note III-E of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The nation's economy has experienced a contraction in (GDP 2.3%) and inflation (1.4%). Fuel prices in 2020 led the way with the largest rate of price increase by 28.0% compared with the prior year of a price decrease of 6.7%. Europe and other areas in the world have continued to experience a contraction of GDP 4.9% and inflation of 2.3%. 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 0.9%. During fiscal year 2020, 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 2020 was 5.1%. 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 \$60 per barrel. Oil reserve estimates that the world has about 1.65 billion barrels of reserves, or about 47 years' worth of oil at today's production rate of 95.2 billion barrels per year. The placing 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.

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 2020, the consumer price index for all urban consumers was 1.4% and the unemployment percentage in the state of Florida for this same period was in the 5.1% range. The Federal Funds rate, which helps determine rates for mortgages, credit cards and other borrowing, will now hover in a range of 0.25%. Overall, rates are still historically low. Interest rates on a six month certificate of deposit were in the 0.5% range. The stock market had large increases in 2020. At the end of 2020, all three major indexes had gains. The Dow rose 7.3%; the S&P rose 16%; and the Nasdaq rose 43.3%. This has had a favorable effect on the returns for each of the City's three Pension Trusts.

The City's level of construction has experienced an increase of 7.0% between fiscal years 2019 and 2020. The Building Development Division issued 5,056 total permits in fiscal year 2020. For fiscal year ending September 30, 2020, the total valuations City-wide were \$4.1 billion and for fiscal year ending September 30, 2019, total valuations were \$3.8 billion. The increase in valuations was mainly attributable to new construction/annexations and a continuing recovery of market values in the housing market in the City. It is anticipated that total taxable valuations will increase by 6.5% - 7% for fiscal year ending September 30, 2021. 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 Development for permit fees and business taxes, and the Utility Billing Division for solid waste and recycling revenue, water and sewer revenue, etc. The Federal Government is currently in the process of passing its latest Stimulus package which will provide state and local governments \$350 billion to assist with COVID expenditures and also resultant revenue reductions in the budget.

When forecasting the following year's budget for future expenditures, items of particular importance are: increases in salaries and wages as required under union agreements; new or deleted positions; any increases in funding the City's contribution to any of the three pension trusts, anticipated increases in the City's contribution for health insurance; and any increases in general operating expenditures including workers' compensation and liability and casualty insurance.

The City is dependent on Pinellas County for supplying the City with potable water, reclaimed water, and sewage processing. The distribution system within the City is maintained by the City's Public Works Department. Any increases in the County's wholesale rates for these items will have to be passed on by the City to its customers. The City has been in compliance with its bond and state loan requirements relative to net income from the system and the associated utility rates.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all interested parties and to demonstrate the City's accountability. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to The City of Pinellas Park, Finance Department, 5141 78th Avenue, Pinellas Park, FL 33781.

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Basic Financial Statements

- **Government-wide Financial Statements**
- **Fund Financial Statements**
- **Notes to the Financial Statements**

City of Pinellas Park, Florida
Statement of Net Position
September 30, 2020

	Primary Government		
	Governmental	Business-type	
	Activities	Activities	Total
ASSETS			
Cash and cash equivalents	\$ 8,225	\$ -	\$ 8,225
Equity in pool cash and cash equivalents	20,998,192	5,636,504	26,634,696
Equity in pool investments	35,441,665	9,513,536	44,955,201
Receivables (net of allowance for uncollectibles)	3,792,748	3,741,600	7,534,348
Due from other governmental agencies	1,850,785	-	1,850,785
Internal balances	(1,138,944)	1,138,944	-
Inventories	478,387	-	478,387
Prepays	374,946	104,488	479,434
Restricted assets:			
Equity in pool cash and cash equivalents	-	346,039	346,039
Equity in pool investments	-	584,060	584,060
Interest receivable	-	358	358
Capital assets (net of accumulated depreciation):			
Land	25,769,468	318,115	26,087,583
Buildings	14,039,550	455,018	14,494,568
Improvements other than buildings	24,455,634	-	24,455,634
Machinery and equipment	11,996,891	104,992	12,101,883
Infrastructure	55,681,922	52,191,256	107,873,178
Construction in progress	2,166,975	664,828	2,831,803
Mortgage receivable	642,629		
Total assets	<u>196,559,073</u>	<u>74,799,738</u>	<u>270,716,182</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension resources	9,606,801	996,588	10,603,389
OPEB resources	338,489	54,489	392,978
Loss on debt refunding	65,710	50,215	115,925
Total deferred outflows of resources	<u>10,011,000</u>	<u>1,101,292</u>	<u>11,112,292</u>
LIABILITIES			
Accounts and contracts payable	4,251,366	1,562,983	5,814,349
Accrued liabilities	1,463,810	214,799	1,678,609
Due to other governmental agencies	169,751	-	169,751
Customer deposits	-	1,844,708	1,844,708
Unearned revenue	592,915	-	592,915
Liabilities payable from restricted assets	-	15,127	15,127
Noncurrent liabilities:			
Due within one year	983,928	995,848	1,979,776
Due in more than one year	4,334,323	7,487,260	11,821,583
Net pension liability	12,132,163	319,846	12,452,009
OPEB Liability	2,710,533	436,330	3,146,863
Total liabilities	<u>26,638,789</u>	<u>12,876,901</u>	<u>39,515,690</u>
DEFERRED INFLOWS OF RESOURCES			
Pension resources	6,608,809	1,086,596	7,695,405
OPEB resources	651,485	104,873	756,358
Gain on debt refunding	7,428	-	7,428
Total deferred inflows of resources	<u>7,267,722</u>	<u>1,191,469</u>	<u>8,459,191</u>
NET POSITION			
Net investment in capital assets	131,048,704	45,301,316	176,350,020
Restricted for:			
Public safety	265,279	-	265,279
Transportation	1,580,013	-	1,580,013
Culture and recreation	1,201,469	-	1,201,469
Debt service	35,832	915,330	951,162
Capital projects	5,364,289	-	5,364,289
Redevelopment	6,117,362	-	6,117,362
Other purposes	45,556	-	45,556
Unrestricted	<u>27,005,058</u>	<u>15,616,014</u>	<u>42,621,072</u>
Total net position	<u>\$ 172,663,562</u>	<u>\$ 61,832,660</u>	<u>\$ 234,496,222</u>

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

City of Pinellas Park, Florida
Statement of Activities
For the Year Ended September 30, 2020

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 8,367,779	\$ 1,195,044	\$ 1,508,548	\$ -	\$ (5,664,187)	\$ -	\$ (5,664,187)
Public safety	29,976,682	7,815,067	14,539	45,844	(22,101,232)	-	(22,101,232)
Sanitation	6,876,705	7,614,213	-	-	737,508	-	737,508
Transportation	8,431,946	2,467,012	-	-	(5,964,934)	-	(5,964,934)
Community development	922,992	95,815	118,312	-	(708,865)	-	(708,865)
Culture and recreation	8,905,430	402,412	384,462	159,235	(7,959,321)	-	(7,959,321)
Interest on long-term debt	107,037	-	-	-	(107,037)	-	(107,037)
Total governmental activities	63,588,571	19,589,563	2,025,861	205,079	(41,768,068)	-	(41,768,068)
Business-type activities:							
Water and sewer	31,048,604	31,741,000	-	-	-	692,396	692,396
Total primary government	\$ 94,637,175	\$ 51,330,563	\$ 2,025,861	\$ 205,079	(41,768,068)	692,396	(41,075,672)
General revenues:							
Property taxes					20,138,568	-	20,138,568
Half-cent sales tax					3,329,705	-	3,329,705
Unrestricted state revenue sharing					1,820,105	-	1,820,105
Franchise fees and utility taxes					14,376,698	-	14,376,698
One-cent infrastructure sales tax					5,525,145	-	5,525,145
Local option gas tax					636,546	-	636,546
Unrestricted intergovernmental revenue					1,770,354	-	1,770,354
Unrestricted investment earnings					575,978	208,818	784,796
Miscellaneous					1,867,548	365,708	2,233,256
Total general revenues					50,040,647	574,526	50,615,173
Change in net position					8,272,579	1,266,922	9,539,501
Net position - beginning					164,390,983	60,565,738	224,956,721
Net position - ending					\$ 172,663,562	\$ 61,832,660	\$ 234,496,222

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

City of Pinellas Park, Florida
Balance Sheet
Governmental Funds
September 30, 2020

	General	Capital Improvement	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 8,225	\$ -	\$ -	\$ 8,225
Equity in pool cash and cash equivalents	9,475,483	7,253,931	196,393	16,925,807
Equity in pool investments	15,993,134	12,243,502	331,480	28,568,116
Receivables (net of allowance for uncollectibles)	2,765,064	1,005,893	2,756	3,773,713
Due from other governmental agencies	1,030,760	820,025	-	1,850,785
Inventories	478,387	-	-	478,387
Prepaid items	281,547	-	21,544	303,091
	<u>30,032,600</u>	<u>21,323,351</u>	<u>552,173</u>	<u>51,908,124</u>
Total assets	\$ 30,032,600	\$ 21,323,351	\$ 552,173	\$ 51,908,124
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts and contracts payable	\$ 1,125,411	\$ 2,993,503	\$ 8,747	\$ 4,127,661
Accrued liabilities	1,014,189	300,767	10,617	1,325,573
Due to other governmental agencies	169,751	-	-	169,751
Due to other funds	1,138,944	-	-	1,138,944
Unearned revenue	592,915	-	-	592,915
	<u>4,041,210</u>	<u>3,294,270</u>	<u>19,364</u>	<u>7,354,844</u>
Total liabilities	4,041,210	3,294,270	19,364	7,354,844
Fund balances:				
Nonspendable:				
Prepaid items	281,547	-	21,544	303,091
Inventory	478,387	-	-	478,387
Total nonspendable	<u>759,934</u>	<u>-</u>	<u>21,544</u>	<u>781,478</u>
Restricted:				
Public Safety	15,614	-	249,665	265,279
Redevelopment projects	-	6,088,659	-	6,088,659
Debt service payments	-	-	35,832	35,832
Transportation projects	-	1,580,013	-	1,580,013
Community redevelopment	-	-	28,703	28,703
Angel fund	-	-	45,556	45,556
Library capital acquisitions	-	-	151,509	151,509
Culture and recreation	-	1,049,960	-	1,049,960
Capital improvement	-	5,364,289	-	5,364,289
Total restricted	<u>15,614</u>	<u>14,082,921</u>	<u>511,265</u>	<u>14,609,800</u>
Committed:				
Medical district	1,485	-	-	1,485
Public safety	-	218,212	-	218,212
Parkland dedication	-	725,684	-	725,684
Total committed	<u>1,485</u>	<u>943,896</u>	<u>-</u>	<u>945,381</u>
Assigned:				
Subsequent year budget shortfall	3,750,448	-	-	3,750,448
Stormwater projects	-	476,810	-	476,810
Vacation payable	1,554,880	-	-	1,554,880
Park improvements	-	282,544	-	282,544
Capital improvement	-	2,242,910	-	2,242,910
Total assigned	<u>5,305,328</u>	<u>3,002,264</u>	<u>-</u>	<u>8,307,592</u>
Unassigned:	<u>19,909,029</u>	<u>-</u>	<u>-</u>	<u>19,909,029</u>
Total fund balances	<u>25,991,390</u>	<u>18,029,081</u>	<u>532,809</u>	<u>44,553,280</u>
Total liabilities and fund balances	\$ 30,032,600	\$ 21,323,351	\$ 552,173	\$ 51,908,124

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

City of Pinellas Park, Florida
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
September 30, 2020

Total fund balances of governmental funds		\$ 44,553,280
Amounts reported for governmental activities in the statement of net position are different because:		
Mortgage receivable used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		642,629
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Governmental capital assets	\$ 196,720,022	
Accumulated depreciation	<u>(73,960,833)</u>	
		122,759,189
Certain liabilities are not due and payable in the current period and therefore are not reported in the governmental funds:		
Revenue bonds payable	\$ (2,885,000)	
Notes payable	(235,018)	
Compensated absences	(1,533,233)	
OPEB liability	(2,710,533)	
Net pension liability	<u>(12,132,163)</u>	
		(19,495,947)
Deferred outflows of resources that are not reported in the governmental funds:		
Pension resources		9,606,801
OPEB resources		338,489
Loss on debt refunding		65,710
Deferred inflows of resources that are not reported in the governmental funds:		
Pension resources		(6,608,809)
OPEB resources		(651,485)
Gain on debt refunding		(7,428)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The liabilities of the internal service funds are reported with governmental activities.		
Net position of internal service funds	\$ 20,893,124	
Net pension liability included in total governmental net pension liability above	228,462	
Deferred outflow of pension resources included in total governmental deferred outflows of pension resources above	(687,325)	
Deferred outflow of OPEB resources included in total governmental deferred outflows of OPEB resources above	(28,070)	
Deferred inflow of pension resources included in total governmental deferred inflows of pension resources above	776,140	
Deferred inflow of OPEB resources included in total governmental deferred inflows of pension resources above	54,026	
OPEB liability included in total governmental OPEB liability above	<u>224,776</u>	
		<u>21,461,133</u>
Net position of governmental activities		<u>\$ 172,663,562</u>

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

City of Pinellas Park, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2020

	General	Capital Improvement	Other Governmental Funds	Total
REVENUES				
Taxes	\$ 35,266,627	\$ -	\$ -	\$ 35,266,627
Licenses and permits	926,506	-	-	926,506
Intergovernmental	11,401,594	4,683,230	1,685,893	17,770,717
Charges for services	14,208,407	360,354	-	14,568,761
Transportation impact fees	-	444,260	-	444,260
Fines and forfeitures	171,453	-	14,163	185,616
Investment earnings	393,646	174,768	7,562	575,976
Miscellaneous	972,292	1,046,440	103,954	2,122,686
	<u>63,340,525</u>	<u>6,709,052</u>	<u>1,811,572</u>	<u>71,861,149</u>
Total revenues				
EXPENDITURES				
Current:				
General government	6,911,416	99,772	481,795	7,492,983
Public safety	31,075,861	-	15,659	31,091,520
Sanitation	6,876,705	-	-	6,876,705
Transportation	6,037,321	-	-	6,037,321
Community development	951,746	-	-	951,746
Culture and recreation	7,877,788	-	-	7,877,788
Debt service:				
Principal	-	23,242	925,000	948,242
Interest	-	12,482	75,122	87,604
Capital outlay	212,599	5,308,478	40,103	5,561,180
	<u>59,943,436</u>	<u>5,443,974</u>	<u>1,537,679</u>	<u>66,925,089</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>3,397,089</u>	<u>1,265,078</u>	<u>273,893</u>	<u>4,936,060</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	943,865	2,825,920	2,669,175	6,438,960
Transfers out	(3,419,176)	(155,000)	(3,018,869)	(6,593,045)
	<u>(2,475,311)</u>	<u>2,670,920</u>	<u>(349,694)</u>	<u>(154,085)</u>
Total other financing sources (uses)				
Net change in fund balances	921,778	3,935,998	(75,801)	4,781,975
Fund balance - beginning	25,069,612	14,093,083	608,610	39,771,305
Fund balance - ending	<u>\$ 25,991,390</u>	<u>\$ 18,029,081</u>	<u>\$ 532,809</u>	<u>\$ 44,553,280</u>

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

City of Pinellas Park, Florida
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended September 30, 2020

Net change in fund balances - total governmental funds \$ 4,781,975

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.

Expenditures for capital assets	\$ 5,561,180	
Less: current year depreciation	<u>(4,147,684)</u>	

1,413,496

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals and donations) is to increase net position.

(568,116)

The issuance of long-term debt provides current financial resources to governmental funds. However, issuing debt increases long-term liabilities in the statement of net position. Also, Governmental funds report the effect of premiums and discounts when debt is issued, whereas these amounts are deferred and amortized in the statement of activities.

Amortization of deferred loss on refunding	\$ (21,906)	
Amortization of deferred gain on refunding	<u>2,473</u>	

(19,433)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Revenue bond principal payments	\$ 925,000	
Notes payable payments	<u>23,242</u>	

948,242

Net pension asset is not a current financial resource, therefore, it is not reported in the funds. However, it is an asset in the Statement of Net Position.

Current year change in the net pension asset

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.

Current year change in deferred outflows	(1,843,669)
Current year change in deferred inflows	5,329,385

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

Deferred outflows and inflows of resources related to OPEB are applicable to future periods and, therefore, are not reported in the funds.

Current year change in deferred outflows	338,489
Current year change in deferred inflows	3,005

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Current year change in compensated absences	\$ (269,962)	
Current year change in OPEB liability	(442,709)	
Current year change in net pension liability	<u>(1,109,042)</u>	(1,821,713)

The net revenues of the internal service funds are reported with governmental activities.

Net revenues of the internal service funds	\$ (149,624)	
Less: Current year change in net pension liability included in total governmental change above.	63,362	
Less: Current year change in deferred outflows included in total governmental change above.	140,128	
Less: Current year change in deferred outflows included in total governmental change above.	(28,070)	
Less: Current year change in deferred inflows included in total governmental change above.	(117)	
Less: Current year change in deferred inflows included in total governmental change above.	(351,931)	
Less: Current year change in OPEB liability included in total governmental change above.	<u>37,170</u>	<u>(289,082)</u>

Change in net position of governmental activities	\$ <u><u>8,272,579</u></u>
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City of Pinellas Park, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 34,336,543	\$ 34,924,565	\$ 35,266,627	\$ 342,062
Licenses and permits	848,120	798,120	926,506	128,386
Intergovernmental	10,346,242	10,819,390	11,401,594	582,204
Charges for services	13,936,151	13,956,151	14,208,407	252,256
Fines and forfeitures	201,500	201,500	171,453	(30,047)
Investment earnings	330,000	230,000	393,646	163,646
Miscellaneous	1,133,563	1,223,263	972,292	(250,971)
Total Revenue	61,132,119	62,152,989	63,340,525	1,187,536
EXPENDITURES				
Current:				
General government				
City council	458,366	458,366	429,074	29,292
City clerk	844,169	844,169	740,594	103,575
City attorney	482,000	482,000	429,866	52,134
City manager	584,467	584,467	579,224	5,243
Human resources	1,131,696	1,131,696	1,012,180	119,516
Purchasing	795,790	806,790	758,277	48,513
Planning and development services	670,962	670,962	560,082	110,880
Non-departmental	1,874,405	2,465,639	2,402,119	63,520
	6,841,855	7,444,089	6,911,416	532,673
Public safety				
Police	17,389,241	17,519,686	16,740,435	779,251
Fire	8,416,538	8,400,722	7,954,660	446,062
Emergency medical service	4,163,345	4,150,767	3,966,707	184,060
Neighborhood services	848,836	847,381	813,855	33,526
Building development	1,643,099	1,643,099	1,600,204	42,895
	32,461,059	32,561,655	31,075,861	1,485,794
Sanitation	6,605,000	6,605,000	6,876,705	(271,705)
Transportation				
Transportation and stormwater	5,458,795	5,483,347	5,475,090	8,257
Construction services	564,727	566,727	562,231	4,496
	6,023,522	6,050,074	6,037,321	12,753

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

Community development	<u>1,105,184</u>	<u>1,105,184</u>	<u>951,746</u>	<u>153,438</u>
Culture and recreation				
Library	2,149,289	2,145,044	2,104,164	40,880
Leisure services	4,593,633	4,611,292	4,479,498	131,794
Communications and marketing	1,155,136	1,157,036	935,968	221,068
Special events	<u>573,173</u>	<u>573,173</u>	<u>358,158</u>	<u>215,015</u>
	<u>8,471,231</u>	<u>8,486,545</u>	<u>7,877,788</u>	<u>608,757</u>
Capital outlay	<u>44,133</u>	<u>197,226</u>	<u>212,599</u>	<u>(15,373)</u>
Total expenditures	<u>61,551,984</u>	<u>62,449,773</u>	<u>59,943,436</u>	<u>2,506,337</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(419,865)</u>	<u>(296,784)</u>	<u>3,397,089</u>	<u>3,693,873</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	942,949	942,949	943,865	916
Transfers out	<u>(2,669,745)</u>	<u>(3,419,745)</u>	<u>(3,419,176)</u>	<u>569</u>
Total other financing sources (uses)	<u>(1,726,796)</u>	<u>(2,476,796)</u>	<u>(2,475,311)</u>	<u>1,485</u>
Net change in fund balances	(2,146,661)	(2,773,580)	921,778	3,695,358
Fund balance - beginning	<u>25,069,612</u>	<u>25,069,612</u>	<u>25,069,612</u>	<u>-</u>
Fund balance - ending	<u>\$ 22,922,951</u>	<u>\$ 22,296,032</u>	<u>\$ 25,991,390</u>	<u>\$ 3,695,358</u>

City of Pinellas Park, Florida
Statement of Net Position
Proprietary Funds
September 30, 2020

	Business-type Activities-- Enterprise Fund Water and Sewer	Governmental Activities-- Internal Service Funds
ASSETS		
Current assets:		
Equity in pool cash and cash equivalents	\$ 5,636,504	\$ 4,072,385
Equity in pool investments	9,513,536	6,873,549
Interest receivable	6,825	4,554
Receivables (net of allowance for uncollectibles)	3,734,775	14,481
Due from other funds	1,138,944	-
Prepaid expenses	104,488	71,855
Restricted assets:		
Equity in pool cash and cash equivalents	346,039	-
Equity in pool investments	584,060	-
Interest receivable	358	-
Total current assets	<u>21,065,529</u>	<u>11,036,824</u>
Capital assets:		
Land	318,115	-
Buildings	15,151,975	-
Machinery and equipment	1,014,850	26,420,613
Infrastructure	94,230,822	-
Construction in progress	664,828	-
Less accumulated depreciation	<u>(57,646,381)</u>	<u>(15,069,362)</u>
Total capital assets (net of accumulated depreciation)	<u>53,734,209</u>	<u>11,351,251</u>
Total noncurrent assets	<u>53,734,209</u>	<u>11,351,251</u>
Total assets	<u>74,799,738</u>	<u>22,388,075</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension resources	996,588	687,325
OPEB resources	54,489	28,070
Loss on debt refunding	<u>50,215</u>	<u>-</u>
Total deferred outflows of resources	<u>\$ 1,101,292</u>	<u>\$ 715,395</u>

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

	Business-type Activities-- Enterprise Fund Water and Sewer	Governmental Activities-- Internal Service Funds
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 1,562,983	\$ 123,705
Accrued and other liabilities	213,081	138,237
Customer deposits payable	1,844,708	-
Escrow payable	1,718	-
Current liabilities payable from restricted assets:		
Accrued interest payable	15,127	-
Current portion of long-term liabilities:		
Bonds payable	201,000	-
Notes payable	794,848	-
Claims payable	-	373,922
	<hr/>	<hr/>
Total current liabilities	4,633,465	635,864
	<hr/>	<hr/>
Noncurrent liabilities:		
Bonds payable	6,144,000	-
Notes payable	1,343,260	-
Claims payable	-	291,078
Net pension liability	319,846	228,462
OPEB liability	436,330	224,776
	<hr/>	<hr/>
Total noncurrent liabilities	8,243,436	744,316
	<hr/>	<hr/>
Total liabilities	12,876,901	1,380,180
	<hr/>	<hr/>
DEFERRED INFLOW OF RESOURCES		
Pension resources	1,086,596	776,140
OPEB resources	104,873	54,026
	<hr/>	<hr/>
Total deferred inflows of resources	\$ 1,191,469	\$ 830,166
	<hr/>	<hr/>
NET POSITION		
Net investment in capital assets	45,301,316	11,351,251
Restricted for:		
Debt service	915,330	-
Unrestricted	15,616,014	9,541,873
	<hr/>	<hr/>
Total net position	\$ 61,832,660	\$ 20,893,124
	<hr/>	<hr/>

City of Pinellas Park, Florida
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended September 30, 2020

	Business-type Activities-- Enterprise Fund Water and Sewer	Governmental Activities-- Internal Service Funds
Operating revenues:		
Charges for services	\$ 31,741,000	\$ 7,372,720
Insurance premiums	-	665,000
Insurance claims	-	59,014
Miscellaneous	365,423	38,149
	<hr/>	<hr/>
Total operating revenues	32,106,423	8,134,883
	<hr/>	<hr/>
Operating expenses:		
Wages and benefits	4,621,275	3,009,817
Supplies	680,126	1,557,352
Repairs and maintenance	596,958	448,214
Cost of water and reclaimed water for resale	7,654,860	-
Sewer treatment charges	9,662,562	-
Service charge by general fund	2,382,834	-
Insurance claims	-	450,811
Depreciation	2,471,691	2,394,304
Other operating expenses	2,685,986	954,711
	<hr/>	<hr/>
Total operating expenses	30,756,292	8,815,209
	<hr/>	<hr/>
Operating income (loss)	1,350,131	(680,326)
	<hr/>	<hr/>
Nonoperating revenues (expenses):		
Investment earnings	208,818	140,180
Interest expense	(285,728)	-
Amortization of bond discount	(6,584)	-
Gain on sale of capital assets	285	236,438
	<hr/>	<hr/>
Total nonoperating revenues (expenses)	(83,209)	376,618
	<hr/>	<hr/>
Gain (loss) before contributions and transfers	1,266,922	(303,708)
	<hr/>	<hr/>
Contributions and Transfers:		
Transfers in	-	155,000
Transfers out	-	(916)
	<hr/>	<hr/>
Change in net position	1,266,922	(149,624)
	<hr/>	<hr/>
Total net position - beginning	60,565,738	21,042,748
	<hr/>	<hr/>
Total net position - ending	\$ 61,832,660	\$ 20,893,124
	<hr/>	<hr/>

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

City of Pinellas Park, Florida
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2020

	Business-type Activities-- Enterprise Fund Water and Sewer	Governmental Activities-- Internal Service Funds
OPERATING ACTIVITIES		
Receipts from customers and users	\$ 31,031,307	\$ -
Receipts from interfund services provided	665,323	8,120,402
Payments to suppliers	(18,512,934)	(3,272,026)
Payments to employees	(4,785,316)	(3,141,675)
Payments for interfund services used	(2,382,834)	-
Claims paid	-	(430,811)
Other receipts (payments)	(2,322,275)	-
Net cash provided by operating activities	<u>3,693,271</u>	<u>1,275,890</u>
NONCAPITAL AND RELATED FINANCING ACTIVITIES		
Transfer from other funds	-	155,000
Transfer to other funds	-	(916)
Net cash provided by noncapital and related financing activities	<u>-</u>	<u>154,084</u>
CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(1,875,828)	(3,210,671)
Proceeds from sale of capital assets	285	284,589
Principal paid on capital debt	(1,261,892)	-
Interest paid on capital debt	(289,499)	-
Net cash used by capital and related financing activities	<u>(3,426,934)</u>	<u>(2,926,082)</u>
INVESTING ACTIVITIES		
Purchase of investments	(6,386,260)	(3,230,177)
Proceeds from sales and maturities of investments	6,671,968	4,541,272
Interest and dividends received	233,469	159,243
Net cash provided by investing activities	<u>519,177</u>	<u>1,470,338</u>
Net increase (decrease) in cash and cash equivalents	785,514	(25,770)
Cash and cash equivalents, beginning of year	<u>5,197,029</u>	<u>4,098,155</u>
Cash and cash equivalents, end of year	<u>\$ 5,982,543</u>	<u>\$ 4,072,385</u>
Reconciliation of operating income (loss) to net cash provided by operating activities		
Operating income (loss)	\$ 1,350,131	\$ (680,326)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Depreciation expense	2,471,691	2,394,304
Interest expense for customer deposits	(1,712)	-
(Increase) decrease in due from other funds	323	-
(Increase) decrease in receivables	(71,683)	(14,481)
(Increase) decrease in prepaid expenses and other assets	(6,590)	(53,662)
(Increase) decrease in deferred outflows of pension resources	195,071	140,128
(Increase) decrease in deferred outflows of OPEB resources	(54,489)	(28,070)
Increase (decrease) in accounts payable	88,162	(258,087)
Increase (decrease) in accrued salaries payable	13,226	7,600
Increase (decrease) in customer deposits	26,990	-
Increase (decrease) in other accrued liabilities	-	20,000
Increase (decrease) in net pension liability	88,707	63,362
Increase (decrease) in OPEB liability	83,190	37,170
Increase (decrease) in deferred inflows of pension resources	(492,703)	(351,931)
Increase (decrease) in deferred inflows of OPEB resources	2,957	(117)
Total adjustments	<u>2,343,140</u>	<u>1,956,216</u>
Net cash provided by operating activities	<u>\$ 3,693,271</u>	<u>\$ 1,275,890</u>
Noncash investing, capital, and financing activities:		
Increase in fair value of investments	\$ 20,616	\$ 13,073
Gain on sale of capital assets	\$ 285	\$ 236,438
Amortization of bond discount	\$ 6,584	\$ -

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

City of Pinellas Park, Florida
Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2020

	Employee Retirement Funds
ASSETS	
Cash and short-term investments	\$ <u>6,078,547</u>
Receivables:	
Interest receivable on investments	194,313
Employer contribution receivable	<u>6,480</u>
Total receivables	<u>200,793</u>
Investments, at fair value:	
U.S. agencies and instrumentalities	14,953,208
Corporate bonds	22,780,695
Mortgage backed debt	8,253,496
Common stock	63,907,163
Mutual funds	88,773,560
Pooled investments	<u>42,141,707</u>
Total investments	<u>240,809,829</u>
Total assets	<u>247,089,169</u>
LIABILITIES	
Accounts payable	<u>-</u>
Total liabilities	<u>-</u>
NET POSITION	
Net position restricted for pensions	\$ <u><u>247,089,169</u></u>

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

City of Pinellas Park, Florida
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended September 30, 2020

	Employee Retirement Funds
ADDITIONS	
Contributions:	
Employer	\$ 5,030,790
Plan members	<u>1,771,300</u>
Total contributions	<u>6,802,090</u>
Intergovernmental revenue:	
State excise tax	<u>961,482</u>
Investment income:	
Net increase in fair value of investments (realized and unrealized)	17,667,734
Interest	1,569,940
Dividends	<u>4,885,034</u>
Total investment income	24,122,708
Less investment expenses:	
Investment management fees	<u>771,305</u>
Net investment income	<u>23,351,403</u>
Total additions	<u>31,114,975</u>
DEDUCTIONS	
Benefits	11,888,339
Refunds of contributions	156,633
Administrative expense	<u>584,192</u>
Total deductions	<u>12,629,164</u>
Changes in net position	18,485,811
Net position - beginning of year	<u>228,603,358</u>
Net position - end of year	<u><u>\$ 247,089,169</u></u>

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, 2020

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 Community Redevelopment Agency of the City of Pinellas Park and the Pinellas Park Angel Fund, Inc. The Community Redevelopment Agency of the City of Pinellas Park 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 Community Redevelopment Agency and the Angel Fund's operations are recorded as Special Revenue Funds.

Effective for Fiscal Year 2020, the State of Florida Legislature enacted Chapter 2019-163, Laws of Florida, which amended section 163.387(8), Florida Statutes, to require each Community Redevelopment Agency that has revenues or a total of expenditures and expenses in excess of \$100,000 to have performed a separate audit. In accordance with Florida Auditor General Rule 10.557(3), the Community Redevelopment Agency audit report must include basic financial statements, notes to the financial statements, and management's discussion and analysis and other required supplementary information. The Community Redevelopment Agency of the City of Pinellas Park meets the requirements for separate statements to be issued. For further information on this Community Redevelopment Agency, the contact information is as follows:

Planning and Development Services Division
City of Pinellas Park
6051 78th Avenue N
Pinellas Park, FL 33781

CITY OF PINELLAS PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues.

Fund financial statements display information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified and summarized as governmental, proprietary, or fiduciary. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are consolidated into a single column within each fund type in the financial section of the basic financial statements and are detailed in the supplemental information.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule include charges between the City's business-type activities/enterprise funds and the General Fund. The City allocates charges as reimbursement for services provided by the General Fund in support of those functions based on levels of service provided. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. These charges are included in direct program expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed.

CITY OF PINELLAS PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation

The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund balance, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The City reports the following major governmental funds:

General Fund – the City’s primary operating fund which accounts for all the financial operations of the City except those required to be accounted for in another fund.

Capital Improvement Fund – used to account for financial resources segregated for the acquisition and construction of non-proprietary major capital facilities and other project oriented activities.

Additionally, the City reports non-major funds within the governmental fund type:

Special Revenue Funds – used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Debt Service Funds – used to account for the accumulation of resources and the payment of principal and interest on general long-term debt.

Capital Projects Funds – to account for financial resources used for bond financed non-proprietary capital projects.

The City reports the following major proprietary fund:

Water and Sewer Fund – to account for all the activities of the water and sewer system.

Additionally, the City reports the following fund types:

Internal Service Funds – to account for building and fleet maintenance, information technology and risk management services provided to other City departments on a cost reimbursement basis.

Employee Retirement Funds – to account for the activities in the General, Police and Fire pension trust funds, which accumulate resources for pension benefits payments to qualified employees.

D. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus.

The government-wide financial statements and the proprietary funds financial statements are presented on a full accrual basis of accounting with an economic resources measurement focus, as are the fiduciary fund financial statements. An economic resource focus concentrates on an entity or fund’s net position. All transactions and events that affect the total economic resources (net position) during the period are reported. Under the full accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash inflows and outflows.

CITY OF PINELLAS PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental funds financial statements are presented on a modified accrual basis of accounting with a current financial resources measurement focus. This measurement focus concentrates on the fund's resources available for spending currently or in the near future. Only transactions and events affecting the fund's current financial resources during the period are reported. Similar to the connection between an economic resources measurement focus and full accrual accounting, a current financial resources measurement focus is inseparable from a modified accrual basis of accounting. Under modified accrual accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Franchise fees, utility taxes, licenses, most intergovernmental revenues and investment earnings associated with the current fiscal period are all considered susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenues such as fines and forfeitures and miscellaneous revenues are considered to be measurable and available only when cash is received.

An unearned revenue liability may arise in the Governmental Funds Balance Sheet when potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the government-wide Statement of Activities, with a full accrual basis of accounting, revenue must be recognized as soon as it is earned regardless of its availability. Thus, the liability created on the Governmental Funds Balance Sheet for unearned revenue is eliminated in the Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.

Unearned revenues also arise outside the scope of measurement focus and basis of accounting, such as when the City receives resources before it has a legal claim to them. For instance, City business tax fees are received in advance of the period for which they are due, resulting in unearned revenue.

Similar to the way its revenues are recorded, governmental funds only record those expenditures that affect current financial resources. Principal and interest on general long-term debt are recorded as fund liabilities only when due, or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. In the government-wide financial statements, however, with a full accrual basis of accounting, all expenditures affecting the economic resource status of the government must be recognized. Thus, the expense and related accrued liability for long-term portions of debt must be included.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is necessary to explain the adjustments needed to transform the fund based financial statements into the governmental column of the government-wide presentation. This reconciliation is part of the financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

CITY OF PINELLAS PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's Water and Sewer Fund are charges to customers for sales and services. The Water and Sewer Fund also recognizes fees intended to recover the cost of connecting new customers to the City's utility systems as operating revenue. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and overhead, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balance

1. Deposits and Investments

Investments with original maturities of three months or less are considered to meet the definition of cash equivalents. The majority of the investments in which the City's funds have equity are held by the City's consolidated pool of cash and investments. The City utilizes the consolidated cash pool to account for cash and investments of all City funds other than those that are required by ordinance to be physically segregated. The consolidated cash pool concept allows each participating fund to benefit from the economies of scale and improved yield that are inherent to a larger investment pool. Formal accounting records detail the individual equities of the participating funds. The cash pool utilizes a single checking account for all City receipts and disbursements, with a separate checking account for payroll disbursements. Investments for the City are reported at fair value. The State Board of Administration and the Florida Municipal Investment Trust external investment pools operate in accordance with appropriate state laws and regulations. The reported value of the pools are the same as the fair value of the pool shares.

2. Receivables and Payables

Activity between funds that represent lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 90 days are reserved at the average loss experience rate of 7.65%.

Property tax revenue is recognized in the fiscal year for which the taxes are levied, provided the availability test is met in conformance with National Council of Governmental Accounting Interpretation No 3. Property taxes for the following fiscal year are levied by council action in September of each year. This levy is apportioned to property owners based on the previous January 1 assessed values. Tax bills are mailed out on or about November 1 and the collection period runs from November 1 through March 31. On April 1, unpaid property taxes are considered delinquent and become a lien. Tax certificates are sold in June for real property with delinquent taxes. Since taxes are not collected prior to November 1, the City does not record revenue for advance collections.

CITY OF PINELLAS PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Inventories and Prepaid Items

All inventories are valued at cost using the weighted average method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

4. Restricted Assets

Assets whose use is restricted for debt service or by other agreement are segregated on the Government-wide Statement of Net Position and the Proprietary Funds Statement of Net Position.

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, drainage systems, water and sewer systems, etc.) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are charged to expenditures as purchased in the governmental fund statements, and capitalized in the proprietary fund statements. Capital assets are recorded at historical cost or estimated historical cost. Donated assets are recorded at acquisition value as of the date of the donation.

Capital assets are defined by the City as assets with an initial individual cost of \$1,000 or more, and an estimated useful life of at least one year. Additions or improvements and other capital outlays that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Other costs for repairs and maintenance are expensed as incurred.

For intangible assets, the City maintains a \$10,000 threshold for software related assets and a \$100,000 threshold for other intangible assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed, however interest incurred during the construction phase of capital assets of business-type activities is no longer included as part of the capitalized value of the assets constructed.

Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position and is provided on the straight-line basis over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Improvements other than buildings	40
Machinery and equipment	3-10
Infrastructure	40

CITY OF PINELLAS PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The City has three items that meet this criterion - a loss on debt refunding, deferred outflows of pension resources and deferred outflow of OPEB resources. In addition to liabilities, the statement of financial position can also report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The City has three items that meet this criterion – a gain on debt refunding, deferred inflows of pension resources, and deferred inflow of OPEB resources. The deferred inflows of pension and OPEB resources are made up of contributions made after the measurement date and changes in the actuarial determined liability.

7. Compensated Absences

All full-time employees of the City are entitled to vacation and sick leave with pay. Vacation leave is allowed to accumulate up to thirty days. Upon termination, accrued vacation leave is paid at the terminating employee's ending rate of pay. Accrued vacation is recorded when incurred in the government-wide and proprietary fund financial statements based on current rates of pay. The governmental funds record expenditures for compensated absences as they are paid. Sick leave is granted to City employees at the beginning of each fiscal year. Fifty percent of any unused sick leave time is paid to all employees in the first week of October for the previous fiscal year. This accrued sick leave time is recorded as a current liability for both governmental and proprietary fund types. The current portion of compensated absences is the amount estimated to be used in the following year. For governmental activities, compensated absences are liquidated within the same governmental funds where the employee vacation and/or sick leave was earned. This has typically been the general fund.

8. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

CITY OF PINELLAS PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. Pensions

In the government-wide statement of net position, pension liabilities and assets are recognized for the City's proportionate share of each pension plan's net pension liability or asset. For purposes of measuring the net pension liability or asset, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the defined benefit plans and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the plants. For this purpose, benefit payments (including refunds of employee contributions are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

10. Other Post Employment Benefits (OPEB)

In the statement of net position, a liability is recognized for the City's OPEB liability as determined by an actuarial review of the healthcare coverage purchased by retirees to continue participation in the City's self-insured health plan. The City is responsible for covering the excess of retiree claims over premium payments made by retirees to the City, which creates an other post employment benefit. OPEB expense is recognized immediately for changes in the OPEB liability resulting from current-period service cost, interest on the total OPEB liability and changes of benefit terms.

11. Fund Balances

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

Restricted – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the city to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance) of City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

CITY OF PINELLAS PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assigned – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed.

In the general fund, assigned amounts represent intended uses established by City Council or by the City Manager or his designee, the Office of Management and Budget Administrator, who has been delegated that authority by the City Charter as part of the budgeting process.

Unassigned – Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The City applies restricted resources first, followed by the committed, assigned, and then unassigned resources when expenditures are incurred for purposes for which either restricted or committed, assigned, and unassigned amounts are available.

12. Subsequent Events

The City has evaluated subsequent events through March 22, 2021, in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued.

NOTE II – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

The following procedures are used in establishing the budgetary data reflected in the financial statements:

In July, the City Manager submits to the City Council a proposed budget for the upcoming fiscal year. It contains proposed expenditures and the means to finance them, including a proposed property tax millage rate. Public hearings are conducted to obtain taxpayer comments on the proposed budget and property tax millage rate. The budget and property tax millage rate are approved by the City Council in September. Annual budgets 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 2020 in the General, Confiscated Property, Capital Improvement, Water and Sewer and Capital Equipment Replacement 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.

CITY OF PINELLAS PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

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, 2020, there was only one department in the General Fund that had expenditures in excess of appropriations. That department was Sanitation in the amount of \$271,705. 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.

Investments are reported at fair value other than those using the Net Asset Value ("NAV") or amortized cost. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value determinations, other than those measured using the NAV as a practical expedient, are made based upon a hierarchy that prioritizes the inputs to valuation techniques. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Level 1 – Inputs are unadjusted quoted prices for identical assets or liabilities in active markets that the City has the ability to access.

CITY OF PINELLAS PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE III – DETAILED NOTES ON ALL FUNDS (Continued)

Level 2 – Inputs include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; interest rates and yield curves observable at commonly quoted intervals; implied volatilities; credit spreads; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability, and the reporting entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

NAV – Investments in the Florida Municipal Investment Trust, PIMCO Distressed Senior Credit Opportunities Fund II, PIMCO Distressed Senior Credit Opportunities Fund III, PIMCO Tactical Opportunities Onshore Fund L.P., PIMCO Corporate Opportunities Fund III, Principal US Property and U.S. Real Estate Investment Fund represent \$48,751,064 in pooled investment programs (collectively, the “Programs”). No specific investments are assigned to the City, rather the value of the City’s investment is equal to the total fund net asset value times the City’s units as a percentage of total units outstanding. Any dividends or interest of the programs are reinvested. There were no unfunded commitments related to the Programs as of September 30, 2020.

Florida Municipal Investment Trust has a monthly redemption frequency and the redemption notice period is 5 business days prior to the valuation of the portfolio. They invest mainly in US government and agency securities, asset-backed securities and corporate bonds.

PIMCO Distressed Senior Credit Opportunities Fund II has a quarterly redemption frequency and the redemption notice period is 60 days before the quarter end. This fund’s investment strategy is to seek to provide investors enhanced returns principally through long-biased opportunistic investments in undervalued senior and super senior structured credit securities that are expected to produce attractive levels of current income and that may also appreciate in value over time.

PIMCO Distressed Senior Credit Opportunities Fund III has a three year lockup period with the potential for a fourth at the General Partner’s discretion. This fund’s investment strategy is to seek to provide investors enhanced returns principally through long-biased opportunistic investments in undervalued or dislocated senior and super senior structured credit securities that are expected to produce attractive levels of current income and that may also appreciate in value over time.

PIMCO Tactical Opportunities Onshore Fund L.P. has a semiannual redemption frequency and the redemption notice period is 90 days before the quarter end. This fund’s investment strategy is to seek returns by investing principally in (otherwise gaining exposure to) performing, stressed or distressed securities and loans of any type and with any sector across the global fixed income markets. Following an initial twenty four month lock-up period for each capital contribution, withdrawals may be made semiannually on June 30th or December 31st (or if any such date is not a Business Day, then on the immediately preceding Business Day) upon 90 days’ prior written notice to the Administrator. In the event that the aggregate amount of a Limited Partner’s withdrawal request with respect to any given withdrawal date exceeds one-fifth of such Limited Partner’s total base capital account, such withdrawal request will be reduced so that not more than one-fifth of such Limited Partner’s total base capital account will be withdrawn as of such withdrawal date.

CITY OF PINELLAS PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE III – DETAILED NOTES ON ALL FUNDS (Continued)

PIMCO Corporate Opportunities Fund III is a closed end fund that has a 7-10 year anticipated life. This fund's strategy is to make opportunistic investments in corporate credit, both public and private, and may include distressed credit, stressed credit, capital solutions (lending) and idiosyncratic opportunities.

Principal US Property has a daily redemption frequency and a one day notice period. They invest the majority of the assets in commercial real estate holdings focusing on both lease income and appreciation of the buildings' marketable value.

U.S. Real Estate Investment Fund has a quarterly redemption frequency and the redemption notice is 90 days before the quarter end. This fund's purpose is to actively manage a core and value-added portfolio of primarily equity real estate investments located in the United States.

Amortized Cost – Money markets are at amortized cost. Florida PRIME is a 2a7-like pool, which is not registered with the SEC as an investment company, but nevertheless has a policy that it will, and does, operate as a qualifying external investment pool. Thus, this pool operates essentially as a money market fund. Florida PRIME has a Standard & Poor's rating of AAAM at September 30, 2020 and is recorded at amortized cost.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

While the City believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

CITY OF PINELLAS PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE III – DETAILED NOTES ON ALL FUNDS (Continued)

As of September 30, 2020, the City had the following investments measured at fair value and cash:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	9/30/2020			
Investments by fair value level - Primary government				
Debt Securities				
U.S. agencies and instrumentalities	\$ 21,975,627	\$ -	21,975,627	-
Total debt securities	21,975,627	-	21,975,627	-
Investments by fair value level - Fiduciary funds				
Debt Securities				
U.S. agencies and instrumentalities	14,953,208	-	14,953,208	-
Mortgage backed debt	8,253,496	-	8,253,496	-
Corporate Bonds	22,780,695	-	22,780,695	-
Total debt securities	45,987,399	-	45,987,399	-
Equity securities				
Common stock	63,907,164	62,923,104	984,060	-
Mutual funds	88,773,560	88,773,560	-	-
Total equity securities	152,680,724	151,696,664	984,060	-
Total investments by fair value level	20,643,750	\$ 151,696,664	\$ 68,947,086	\$ -
Investments measured at the net asset value (NAV) - Primary government				
Florida Municipal Investment Trust	6,609,357			
Investments measured at the net asset value (NAV) - Fiduciary funds				
PIMCO	18,509,232			
Principal US Property	12,292,462			
U.S. Real Estate Investment Fund	11,340,013			
Total investments measured at NAV	48,751,064			
Investments at amortized cost - Primary government				
State Board of Administration - Florida PRIME	51,492			
Money market funds	23,563,634			
Investments at amortized cost - Fiduciary funds				
Money market funds	6,078,547			
Total investments measured at amortized cost	29,693,673			
Total investments	299,088,487			
Total cash	20,328,110			
Total investments and cash	\$ 319,416,597			

CITY OF PINELLAS PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE III – DETAILED NOTES ON ALL FUNDS (Continued)

Interest Rate Risk-Primary Government

In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the investment maturity or duration of its investment portfolio to a maximum of ten years, with a preference of five years or less.

Interest Rate Risk-Fiduciary Funds

The pension plans (collectively the “Plans”) manage their exposure to declines in fair values through methods such as evaluating credit ratings, diversifying the investments in the portfolio, investment laddering and outside portfolio consulting. The Plans do not limit the weighted average maturity of their investment portfolio.

Information regarding the exposure of the City’s debt type investments to interest rate risk is as follows:

Investment Type	Fair Value	Investment Maturities (in years)			
		Less than 1 year	1-4 years	5-10 years	Over 10 years
Primary government					
U.S. agencies and instrumentalities	\$ 21,975,627	\$ -	\$ 18,967,327	\$ 3,008,300	\$ -
Total primary government	<u>21,975,627</u>	<u>-</u>	<u>18,967,327</u>	<u>3,008,300</u>	<u>-</u>
Fiduciary funds - defined benefit plans					
U.S. agencies and instrumentalities	14,953,208	5,868,883	4,641,635	3,509,340	933,350
Corporate bonds	22,780,695	-	2,836,203	15,973,041	3,971,451
Mortgage backed debt	8,253,496	-	39,767	617,881	7,595,848
Total fiduciary funds	<u>45,987,399</u>	<u>5,868,883</u>	<u>7,517,605</u>	<u>20,100,262</u>	<u>12,500,649</u>
Total deposits and investments	\$ <u>67,963,026</u>	\$ <u>5,868,883</u>	\$ <u>26,484,932</u>	\$ <u>23,108,562</u>	\$ <u>12,500,649</u>

Credit Risk-Primary Government

As required by Florida State Statute, the City’s investment policy requires that certificates of deposits be purchased from qualified Florida public depositories and that other bank liability products such as commercial paper and bank notes be purchased from commercial banking institutions whose long-term debt rating is “A” or better by Standard & Poor’s and Moody’s. Commercial paper issued by a corporation must have a short-term rating of A1/P1 or better, and short-term floating rate or auction rate securities must be rated “AA” or better by at least one nationally recognized rating agency.

Some of the City’s investments in U.S. agencies carry the explicit guarantee of the U.S. Government. The City’s investments in the Florida Municipal Investment Trust are AAA rated by Fitch and the Florida PRIME.

CITY OF PINELLAS PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE III – DETAILED NOTES ON ALL FUNDS (Continued)

Credit Risk-Fiduciary Funds

The Plans limit their short-term investments to the following: money market or short-term investment fund provided by the funds custodians; direct obligations of the United States Government with a maturity of one year or less; commercial paper issued by United States Corporations which have a maturity of 270 days or less and that is rated A-1 or higher by Standard & Poor's or P-1 or higher by Moody's and Bankers Acceptances issued by the largest fifty banks in the United States. All equity investments are limited to fully and easily negotiable equity securities. Investments in the shares of companies that have been publicly traded for less than one year are limited to no more than 15% of the fair value of an investment manager's total equity portfolio. Investments in corporate fixed income securities are limited to those securities rated "BAA" or higher by Moody's or "BBB" or higher by Standard & Poor's rating services. Investments in collateralized mortgage obligations are limited to 15% of the fair value of the investment manager's total portfolio and are restricted to those issues that are backed by securities issued by the Government National Mortgage Association (GNMA), the Federal Home Loan Mortgage Corporation (FHLMC), the Federal National Mortgage Corporation (FNMA) or that are rated "Aaa" by Moody's or "AAA" by Standard & Poor's rating services.

Some of the Plan's investments in U.S. Agencies carry the explicit guarantee of the U.S. Government. The Primary Government and Fiduciary Funds rated investments were rated by Standard & Poor's as follows:

Credit Rating	U.S. Agencies	Corporate Bonds	Mortgage Backed	Money Market Funds
AAA	\$ 305,050	\$ 199,680	\$ -	\$ 29,642,181
AA	33,736,249	643,752	-	-
A	-	11,967,562	-	-
BBB	-	9,969,701	-	-
Not Rated	2,887,536	-	8,253,496	-
	<u>\$ 36,928,835</u>	<u>\$ 22,780,695</u>	<u>\$ 8,253,496</u>	<u>\$ 29,642,181</u>

Concentration of Credit Risk-Primary Government

The City's investment policy establishes limitations on portfolio composition by issuer in order to control concentration of credit risk. No more than 25% of the entire portfolio may be invested in the securities of any single issuer with the exception of U.S. Government and agency securities and the State Board of Administration which have no limitations.

CITY OF PINELLAS PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE III – DETAILED NOTES ON ALL FUNDS (Continued)

Concentration of Credit Risk-Fiduciary Funds

The Plans do not allow for any investment of more than 5% (at cost) of an investment manager's equity portfolio to be invested in the shares of a single corporate issuer. Investment in equity securities shall not exceed 70% of the total fund at fair value. No more than 10% (at cost) of any investment manager's total fixed income portfolio shall be invested in a single corporate issuer. No more than 10% of the Plans' assets may be invested in equity securities issued by corporations domiciled outside the United States. Investments in equity securities whose market capitalization is less than \$2 billion dollars is limited to 25% of the total equity portfolio for the Firefighter and General Employees plans. The limit is 20% for market capitalization of less than \$3 billion dollars for the Police Officers' Plan. There is no limit on fixed income securities issued by the U.S. Government or any agency or instrumentality.

Custodial Credit Risk-Primary Government

For deposits, custodial credit risk is the risk that in the event of a failure of a depository financial institution, the City may not recover its deposits. All of the bank balances were covered by federal depository insurance or collateralized in accordance with the Florida Public Deposits Program. Under this program banks holding public deposits in excess of the amounts insured by Federal Deposit Insurance Corporation must deposit eligible collateral as determined by Florida State Statutes 280.13 and 280.14 with the State Treasurer. In the unlikely event that a public depository institution should fail, the City's deposits would be fully collateralized to the extent of the total assets collateralization with the State Treasurer. The State Treasurer is responsible for monitoring compliance with the collateralization and reporting requirements of the program and for notifying local governments of compliance by banks and savings and loans. A multiple financial institution collateral pool that provides for additional assessments is similar to depository insurance. If any member financial institution fails, the entire collateral pool becomes available to satisfy the claims of the governmental entities. If the value of the pool's collateral is inadequate to cover the loss, additional amounts would be assessed on a prorata basis to the members of the pool. The funds deposited in accordance with the requirements of the program are considered fully secured.

For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Per City policy, the City's designated custodian shall hold all securities purchased by the City. The securities must be in the City's name and identifiable on the custodian's books as belonging to the City. The custodian must be a third party.

Custodial Credit Risk-Fiduciary Funds

For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Plans will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Plan's investment policies require that investment securities be held in trust by a third party institution in the Plan's names. As such, although uninsured and unregistered, the Plan's investments are not exposed to custodial credit risk since the securities are held by the counterparty's trust department in the Plan's name.

CITY OF PINELLAS PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE III – DETAILED NOTES ON ALL FUNDS (Continued)

Foreign Currency Risk – Fiduciary Funds

Risk of loss arises from changes in currency exchange rates. The investment policies of the Plans do not have a formal policy to limit foreign currency risk other than limiting the investments in foreign securities to 2% (at market) of the total portfolio value.

B. Accounts and Mortgages Receivable

Receivables at September 30, 2020 for the City's major and non-major governmental funds including the applicable allowances for uncollectible accounts are as follows:

	General	Capital Improvement Assessment	Total Non-Major	Total
Receivables:				
Interest	\$ 10,186	\$ 5,893	\$ 1,020	\$ 17,099
Utility taxes	1,058,632	-	-	1,058,632
Franchise fees	511,095	-	-	511,095
Accounts	1,241,469	1,000,000	1,736	2,243,205
Gross receivables	2,821,382	1,005,893	2,756	3,830,031
Less: allowance for uncollectibles	(56,318)	-	-	(56,318)
Net total receivables	\$ <u>2,765,064</u>	\$ <u>1,005,893</u>	\$ <u>2,756</u>	\$ <u>3,773,713</u>

Receivables of the City's business-type activities are reported net of uncollectible amounts. Total uncollectible amounts in the Water and Sewer Enterprise Fund related to revenues of the current period are \$197,390.

Governmental funds defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the unearned revenue reported in the governmental funds was \$592,915, which represents business tax fees.

The CRA holds a mortgage receivable from the sale of the Namaste property. Mortgage balance at September 30, 2020 is \$642,629 with an imputed interest rate of 0.27% APR. Payments are due to the CRA upon sale of each of the 25 lots in the amounts of \$13,111 per lot. A balloon payment is due in 2022 in the amount of \$294,000. Total mortgage is due and payable in 2023.

CITY OF PINELLAS PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE III – DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets

Capital asset activity for the year ended September 30, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 26,544,218	\$ 125,814	\$ (900,564)	\$ 25,769,468
Construction in progress	604,513	5,215,300	(3,652,838)	2,166,975
Total capital assets, not being depreciated	<u>27,148,731</u>	<u>5,341,114</u>	<u>(4,553,402)</u>	<u>27,936,443</u>
Capital assets, being depreciated:				
Buildings	31,853,545	118,699	(148,973)	31,823,271
Improvements other than buildings	33,466,676	1,214,988	-	34,681,664
Machinery and equipment	29,892,267	3,473,744	(1,548,566)	31,817,445
Infrastructure	94,692,174	2,189,638	-	96,881,812
Total capital assets being depreciated	<u>189,904,662</u>	<u>6,997,069</u>	<u>(1,697,539)</u>	<u>195,204,192</u>
Less accumulated depreciation for:				
Buildings	17,169,862	642,397	(28,538)	17,783,721
Improvements other than buildings	9,335,431	890,599	-	10,226,030
Machinery and equipment	18,710,338	2,607,390	(1,497,174)	19,820,554
Infrastructure	38,798,289	2,401,601	-	41,199,890
Total accumulated depreciation	<u>84,013,920</u>	<u>6,541,987</u>	<u>(1,525,712)</u>	<u>89,030,195</u>
Total capital assets, being depreciated, net	<u>105,890,742</u>	<u>455,082</u>	<u>(171,827)</u>	<u>106,173,997</u>
Governmental activities capital assets, net	<u>\$ 133,039,473</u>	<u>\$ 5,796,196</u>	<u>\$ (4,725,229)</u>	<u>\$ 134,110,440</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 318,115	\$ -	\$ -	\$ 318,115
Construction in progress	-	1,679,954	(1,015,126)	664,828
Total capital assets, not being depreciated	<u>318,115</u>	<u>1,679,954</u>	<u>(1,015,126)</u>	<u>982,943</u>
Capital assets, being depreciated:				
Buildings	15,151,975	-	-	15,151,975
Machinery and equipment	1,021,315	2,432	(8,897)	1,014,850
Infrastructure	93,022,254	1,208,568	-	94,230,822
Total capital assets being depreciated	<u>109,195,544</u>	<u>1,211,000</u>	<u>(8,897)</u>	<u>110,397,647</u>
Less accumulated depreciation for:				
Buildings	14,629,849	67,108	-	14,696,957
Machinery and equipment	868,481	50,274	(8,897)	909,858
Infrastructure	39,685,257	2,354,309	-	42,039,566
Total accumulated depreciation	<u>55,183,587</u>	<u>2,471,691</u>	<u>(8,897)</u>	<u>57,646,381</u>
Total capital assets, being depreciated, net	<u>54,011,957</u>	<u>(1,260,691)</u>	<u>-</u>	<u>52,751,266</u>
Business-type activities capital assets, net	<u>\$ 54,330,072</u>	<u>\$ 419,263</u>	<u>\$ (1,015,126)</u>	<u>\$ 53,734,209</u>

CITY OF PINELLAS PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE III – DETAILED NOTES ON ALL FUNDS (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

General government	\$ 370,140
Public safety	295,094
Transportation, including depreciation of general infrastructure assets	2,458,932
Culture and recreation	1,022,898
Community Development	619
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>2,394,304</u>

Total depreciation expense - governmental activities	\$ <u>6,541,987</u>
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Business-type activities:

Water and sewer	\$ <u>2,471,691</u>
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At September 30, 2020, outstanding construction commitments totaled \$8,177,311.49, which includes retainage.

D. Interfund receivables, payables, and transfers

The composition of interfund balances as of September 30, 2020, is as follows:

Due to/from other funds:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General	\$ -	\$ 1,138,944
Water and sewer	<u>1,138,944</u>	<u>-</u>
	\$ <u>1,138,944</u>	\$ <u>1,138,944</u>

Interfund receivables resulted from the time between the receipt of goods and the provision of services and the related reimbursement as a part of normal business operations. All balances are expected to be repaid within one year.

Interfund transfers:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 943,865	\$ 3,419,175
Capital improvement	2,825,920	155,000
Non-major governmental	2,669,175	3,018,869
Internal service	<u>155,000</u>	<u>916</u>
	\$ <u>6,593,960</u>	\$ <u>6,593,960</u>

Transfers are primarily used to 1) transfer revenues that have been collected in the required fund per statute, ordinance or budget to the funds and activities that statute, ordinance or budget allows for expenditures; 2) transfer funding from governmental funds to debt service and capital improvement funds.

CITY OF PINELLAS PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE III – DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-Term Debt

1. Revenue Bonds

The covenants of the City's various revenue bonds require that the City establish and make monthly contributions from pledged revenues to debt service accounts. The covenants also require that bond proceeds be used for those capital improvements set forth in the covenants.

Public Improvement Revenue Refunding Bond

On July 29, 2014, the City issued an \$8,277,000 Public Improvement Revenue Refunding Bond, Series 2014, which is payable solely from a pledge of future Public Service Tax revenues. The bond proceeds were used to refund all of the outstanding Public Improvement Refunding Revenue Bonds, Series 2003, which were called on August 14, 2014. The bond was sold through a negotiated private placement at a fixed interest rate of 2.10% and matures on October 1, 2023.

Annual debt service requirements to maturity for the Public Improvement Revenue Refunding Bond is as follows:

Year Ending September 30,	Principal Due	Interest Due	Total Debt Service
2021	\$ 470,000	\$ 30,292	\$ 500,292
2022	953,000	45,759	998,759
2023	971,000	25,662	996,662
2024	<u>491,000</u>	<u>5,156</u>	<u>496,156</u>
Total	\$ <u>2,885,000</u>	\$ <u>106,869</u>	\$ <u>2,991,869</u>

Water and Sewer Revenue Refunding Bond

On July 29, 2014, the City issued an \$8,582,000 Water and Sewer Revenue Refunding Bond, Series 2014, which is payable from the net revenues of the Water and Sewer system. The bond proceeds were used to refund all of the outstanding Water and Sewer Revenue Bonds, Series 2003, which were called on August 14, 2014. The bond was sold through a negotiated private placement at a fixed interest rate of 3.06% and matures on October 1, 2033.

CITY OF PINELLAS PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE III – DETAILED NOTES ON ALL FUNDS (Continued)

Annual debt service requirements to maturity for the Water and Sewer Revenue Refunding Bond is as follows:

Year Ending September 30,	Principal Due	Interest Due	Total Debt Service
2021	\$ 201,000	\$ 97,078	\$ 298,078
2022	410,000	184,931	594,931
2023	422,000	172,263	594,263
2024	436,000	159,258	595,258
2025	448,000	145,824	593,824
2026-2030	2,466,000	512,611	2,978,611
2031-2034	<u>1,962,000</u>	<u>121,834</u>	<u>2,083,834</u>
Total	<u>\$ 6,345,000</u>	<u>\$ 1,393,799</u>	<u>\$ 7,738,799</u>

2. State Revolving Loans

The City has several loans issued through the Environmental Protection Agency, State Revolving Loan Fund Program. These loans provided funds for the construction of a reclaimed water system. The loans are payable over 20 years at interest rates ranging from 2.97% to 3.09%.

Annual debt service requirements to maturity for the State Revolving Loans are as follows:

Year Ending September 30,	Principal Due	Interest Due	Total Debt Service
2021	\$ 794,848	\$ 59,970	\$ 854,818
2022	635,486	35,153	670,639
2023	468,234	18,226	486,460
2024	<u>239,540</u>	<u>3,690</u>	<u>243,230</u>
Total	<u>\$ 2,138,108</u>	<u>\$ 117,039</u>	<u>\$ 2,255,147</u>

CITY OF PINELLAS PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE III – DETAILED NOTES ON ALL FUNDS (Continued)

3. Notes Payable

During the fiscal year ended September 30, 2008, the City entered into an agreement to purchase property for the expansion of the yard at the Public Works Service Facility. The seller is holding the mortgage for the entire purchase price of \$400,000 bearing a fixed interest rate of 5% per annum. Payments are amortized over a 20 year schedule, payable quarterly, to balloon after 10 years, and with both parties to negotiate a possible payoff in full of the balance at that time. A mutual agreement to pay off the balance at year 10 was not reached, therefore the agreement will continue for another 10 years.

Annual debt service requirements to maturity for this note are as follows:

Year Ending September 30,	Principal Due	Interest Due	Total Debt Service
2021	\$ 21,742	\$ 10,012	\$ 31,754
2022	22,850	8,905	31,755
2023	24,014	7,741	31,755
2024	25,237	6,517	31,754
2025	26,523	5,232	31,755
2026-2028	87,954	7,309	95,263
Total	\$ 208,320	\$ 45,716	\$ 254,036

During the fiscal year ended September 30, 2009, the City entered into an agreement to purchase property located at 4931 78th Avenue North for a purchase price of \$56,300. The City made a down payment of \$6,300 and the seller is holding the mortgage for the remaining \$50,000 bearing a fixed interest rate of 5% per annum. Payments are amortized over a 20 year schedule, payable quarterly.

Annual debt service requirements to maturity for this note are as follows:

Year Ending September 30,	Principal Due	Interest Due	Total Debt Service
2021	\$ 2,684	\$ 1,285	\$ 3,969
2022	2,821	1,148	3,969
2023	2,965	1,005	3,970
2024	3,116	854	3,970
2025	3,274	695	3,969
2026-2029	11,838	1,062	12,900
Total	\$ 26,698	\$ 6,049	\$ 32,747

CITY OF PINELLAS PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE III – DETAILED NOTES ON ALL FUNDS (Continued)

4. Changes in Long-Term Debt

Long-term debt activity for the year ended September 30, 2020, was as follows:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds payable:					
Public Improvement Refunding Revenue Bond Series 2014	\$ 3,810,000	\$ -	\$ 925,000 *	\$ 2,885,000	\$ 470,000
Notes payable	258,260	-	23,242	235,018	24,426
Claims payable	645,000	20,000	-	665,000	373,922
Compensated absences	1,263,271	1,472,774	1,202,812	1,533,233	115,580
Net pension liability	11,023,121	1,109,042	-	12,132,163	-
Total OPEB liability	<u>2,267,824</u>	<u>442,709</u>	<u>-</u>	<u>2,710,533</u>	<u>-</u>
Total Governmental Activities Long-Term Debt	\$ <u>19,267,476</u>	\$ <u>3,044,525</u>	\$ <u>2,151,054</u>	\$ <u>20,160,947</u>	\$ <u>983,928</u>
<u>Business-Type Activities</u>					
Bonds payable:					
Water and Sewer Revenue Bond Series 2014	\$ 6,736,000	\$ -	\$ 391,000 *	\$ 6,345,000	\$ 201,000
State revolving loans	3,009,000	-	870,892	2,138,108	794,848
Net pension liability	231,139	88,707	-	319,846	-
Total OPEB liability	<u>353,140</u>	<u>83,190</u>	<u>-</u>	<u>436,330</u>	<u>-</u>
Total Business-Type Activities Long-Term Debt	\$ <u>10,329,279</u>	\$ <u>171,897</u>	\$ <u>1,261,892</u>	\$ <u>9,239,284</u>	\$ <u>995,848</u>

* Bond principal reduction for year ended September 30, 2020 represents the bond principal payment that was due October 1, 2020.

The general fund normally liquidates 91.7 percent of the Governmental Activities OPEB liability and 98.1 percent of the Governmental Activities net pension liability, while the remaining 8.3 percent and 1.9 percent, respectively, are normally liquidated by the internal service funds. Compensated absences are liquidated within the same fund to which the liability is directly associated. This has typically been the General Fund.

CITY OF PINELLAS PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE III – DETAILED NOTES ON ALL FUNDS (Concluded)

F. Restricted Assets

The balances of the restricted asset accounts in the Water and Sewer Fund are as follows:

Revenue bond debt service	\$ 27,728
State revolving loan debt service	<u>902,729</u>
Total restricted assets	<u>\$ 930,457</u>

NOTE IV – OTHER INFORMATION

A. Risk Management

The City maintains an Internal Service Fund known as the Self-Insurance Fund, pursuant to City Resolution 89-34. The purpose of the fund is to self-insure the deductible portion of all City property and automobiles, in the event of physical damage losses. Loss claims outstanding and an estimate of incurred but not reported claims at year end are accrued. Appropriations of premiums to be paid into the fund are made according to the actuarial recommendations of the City's Risk Management Director. There have been no significant reductions in insurance coverage this fiscal year. Settled claims have not exceeded coverage for any of the past three years.

The City also maintains an Internal Service Fund known as the Workers' Compensation Fund, pursuant to City Resolution 89-35. The purpose of this fund is to provide for future adjustment payments of Workers' Compensation insurance premiums only. Individual claims are not paid out of the fund. Appropriations for insurance premiums are based on the actuarial recommendations of the City's Risk Management Director. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The liability for unpaid claims is estimated based upon actual historical results adjusted for current trends. The estimated insurance claims payable was recorded using a combination of the "incurred loss development" method, the "paid loss development" method, the "Bornhuetter-Ferguson incurred loss" method, and the "Bornhuetter-Ferguson paid loss" method, which were actuarially determined. Changes in claims liability amounts in fiscal years 2019 and 2020 were as follows:

	Self Insurance	Workers' Compensation
Balance at September 30, 2018	\$ 337,000	\$ 316,000
Increase (decrease) in claims provision	228,114	41,670
Claim payments	<u>(187,114)</u>	<u>(90,670)</u>
Balance at September 30, 2019	378,000	267,000
Increase (decrease) in claims provision	182,048	210,998
Claim payments	<u>(169,048)</u>	<u>(203,998)</u>
Balance at September 30, 2020	<u>\$ 391,000</u>	<u>\$ 274,000</u>

CITY OF PINELLAS PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE IV – OTHER INFORMATION (Continued)

B. Litigation

The City Attorney has advised that the City is involved in various litigation occurring in the normal course of business. Results are anticipated to have no material effect on the financial condition of the City.

C. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from the estimates.

D. Employee Retirement Systems and Pension Plans

1. Deferred Compensation Plans

The City offers its employees two deferred compensation plans created in accordance with Section 457 of the Internal Revenue Code. The plans, which are available to all City employees through the International City Managers Association (ICMA) and Nationwide Retirement Solutions, Inc., permit the employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

2. Defined Benefit Pension Plans

The pension plans for employees of the City of Pinellas Park are partially contributory, single employer defined benefit pension plans (the “Plans”) which cover all full-time employees and City Council members on a mandatory basis. Benefits vest after ten years of full-time employment. The Plans cover police, fire, and general employee groups with each group being accounted for separately.

The Plans are reported as part of the City’s reporting entity and, therefore separate financial statements are not issued. Each employee group has a Board of Trustees that administers the Plan. Provisions of the Plans are established or may be amended by City ordinance. The obligation to contribute is established or may be amended by City ordinance. High-risk members are required to contribute a minimum of one-half of one percent of their compensation.

The City is obligated by the Plan documents to pay into the Trust Funds amounts required to provide the benefits under this system. These contributions shall be determined by actuarial study of the system at least every two years.

The Police group covers all sworn personnel which include the positions of Chief, Captain, Lieutenant, Sergeant and Police Officer. The Fire group covers all high-risk staff, including the positions of Chief, Deputy Chief, Division Chief, District Chief, Lieutenant and Firefighter. The General group covers all other full-time employees and members of City Council. The plan required contribution for the Police group is 8 percent and the Fire group contribution is 9 percent. General employees are divided into two groups; Benefit Level 1 which provides for basic benefits and Benefit Level 2 which provides for an increased level of benefits. Employees hired before October 1, 2006 were required to make a one-time irrevocable election to participate in one of the two benefit levels. Participation in Benefit Level 2 is mandatory for all employees hired on or after October 1, 2006. The required contribution for Benefit Level 1 is 3 percent. The required contribution for Benefit Level 2 is 5 percent.

CITY OF PINELLAS PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE IV – OTHER INFORMATION (Continued)

At September 30, 2020, membership consisted of:

	<u>General</u>	<u>Police</u>	<u>Fire</u>	<u>Total</u>
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them:	292	88	95	475
Drop participants:	11	4	0	15
Current employees - vested:	108	41	35	184
Current employees - not vested:	171	62	41	274

Benefits for employees are calculated by multiplying average final compensation by the number of years of full-time service which is then multiplied by the benefit rate. Multipliers vary by employee group and are shown below.

Average Final Compensation

General:	Best 3 of last 5 years annual compensation, or best 5 of last 10 years whichever is greater. This does not include payments for overtime in excess of 300 hours per calendar year; bonuses, and payouts for unused sick or vacation hours.
Police:	Highest 3 calendar years of annual compensation. This does not include payments for overtime in excess of 300 hours per calendar year; bonuses, and payouts for unused sick or vacation hours.
Fire:	Best 3 of last 5 years fixed remuneration, or best 5 of last 10 years whichever is greater. This does not include payments for overtime in excess of 300 hours per calendar year; bonuses, and payouts for unused sick or vacation hours

Benefit Rate

General:	1.6% for service prior to 10/01/01 1.7% for service on or after 10/01/01 2.1% on or after 10/01/06 for Benefit Level 2 employees
Police:	2.0% for service prior to 10/01/93 2.5% for service 10/01/93 through 9/30/02 3.0% for service 10/01/02 through 9/30/03 3.25% on or after 10/01/03 3.0% for members hired on or after 10/01/09
Fire:	2.0% for service prior to 10/01/78 2.5% for service 10/01/78 through 9/30/02 3.0% for service 10/01/02 through 9/30/03 3.25% on or after 10/01/03 3.0% for members hired on or after 10/01/09 3.0% for service after 12/27/11 for members not eligible for normal retirement by that date

Normal Retirement

General:	Age 62 with 10 years of creditable service or 30 years of full time service, regardless of age
Police and Fire:	Age 55 with 10 years of creditable service or 25 years of full time service, regardless of age

CITY OF PINELLAS PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE IV – OTHER INFORMATION (Continued)

A Deferred Retirement Option Plan (DROP) was adopted for general, police and fire employee groups through City Ordinances 3773, 3861, and 3790, respectively. The DROP plan provides an eligible member to have their pension benefit calculated as of a certain date prior to retirement for a period of up to three years and the accumulated value of their DROP balance debited or credited in an amount equal to the positive or negative net investment return experienced by the Pension Fund. However, the maximum positive quarterly return shall be one percent (1.00%) and the maximum negative quarterly return shall be one percent (1.00%).

The City's policy is to fund pension costs that are accrued. An actuarial valuation is performed by a qualified actuarial firm at least bi-annually on a fiscal year basis effective October 1, 2000. The pension plans' funding policy provides for actuarially determined periodic contributions by the City. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

Costs have been determined using the frozen accrued liability modification of the entry age normal funding method. As of December 31, 1971, the unfunded actuarial accrued liability was redetermined using the individual entry age normal method. This liability became "frozen" as of that date and was amortized over a period of 40 years from December 31, 1971. The amortization is accomplished in a manner similar to that in which a loan or mortgage is paid off. Each year, contributions made by the City and State in excess of the annual normal cost requirements are applied as amortization payments.

Future gains and losses are not specifically identified each year. Instead, they are spread over the future working period of the Plan's members as adjustments to the annual normal cost. Changes in the Plan's provisions or in the actuarial assumptions which impact the actuarial accrued liability are specifically identified. The unfunded actuarial accrued liability as of the valuation date immediately following such change is adjusted to reflect this impact. Any adjustments related to changes in plan provisions or actuarial assumptions are amortized over a 30-year period for liabilities established prior to the enactment of the Public Employee Retirement Benefits Act and over the statutory time frame for any liabilities established subsequent to that date.

The Pension Trust Funds are managed by professional investment managers pursuant to agreements between the managers and the Boards of Trustees. Administrative costs are derived from the various revenues of the pension plans. Stock holdings in the Pension Trust Funds are uninsured, unregistered, and are held by a counterpart (Depository Trust Company) in the Trustee's name rather than the City's name.

The DROP account balances as of September 30, 2020, for each plan is as follows:

	<u>DROP Balance</u>
Firefighters	\$ -
Police Officers	\$ 179,873
General	\$ 334,668

CITY OF PINELLAS PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE IV – OTHER INFORMATION (Continued)

The information presented above was determined as part of the actuarial valuations of the three groups of the dates indicated. Additional information as of the latest actuarial valuation follows:

	Firefighters	Police Officers	General
Valuation date	October 1, 2020	October 1, 2020	October 1, 2020
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal
Amortization method	UAAL amortization bases are amortized over 25 years	Level percentage of pay/closed	Level dollar closed
Amortization period	Consolidated 16 years Actuarial gain 23 years Benefits change 23 years Actuarial gain 24 years Actuarial gain 25 years Asmp/Mthd Change 25 years	30 years	30 years
Asset valuation method	Five year market value adjustment	Five year smoothed market value	Five year smoothed market value
Actuarial assumptions:			
Investment rate of return	7.25%	7.45%	6.75%
Projected salary increases*	4.5-10% depending on service	2.5 - 5.5% depending on service	5 - 7% depending on service
*includes inflation at	2.5%	3.0%	2.4%
Cost of living adjustments	2% or 3%	2% or 3%	2.00%
Mortality rate table Experience study used	PubS.H-2010	PUB-2010	PUB-2010

CITY OF PINELLAS PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE IV – OTHER INFORMATION (Continued)

Separate financial statements are provided in the Notes per the guidance of GASB Statement No. 67:

Statement of Fiduciary Net Position as of September 30, 2020:

	Employee Retirement Funds			
	Defined Benefit			
	Fire Employees	Police Employees	General Employees	Total Retirement Funds
ASSETS				
Cash and short-term investments	\$ 1,631,690	\$ 1,576,116	\$ 2,870,741	\$ 6,078,547
Receivables:				
Interest receivable on investments	51,637	59,236	83,440	194,313
Employer contribution receivable	6,480	-	-	6,480
Total receivables	58,117	59,236	83,440	200,793
Investments at fair value:				
U.S. agencies and instrumentalities	5,398,023	3,849,014	5,706,171	14,953,208
Corporate bonds	7,187,200	6,218,571	9,374,924	22,780,695
Mortgage backed debt	221,229	3,324,189	4,708,078	8,253,496
Common stock	8,683,668	22,236,771	32,986,724	63,907,163
Mutual funds	35,555,230	26,801,949	26,416,381	88,773,560
Pooled investments	11,596,262	13,200,218	17,345,227	42,141,707
Total investments	68,641,612	75,630,712	96,537,505	240,809,829
Total assets	70,331,419	77,266,064	99,491,686	247,089,169
LIABILITIES				
Accounts payable	-	-	-	-
Total liabilities	-	-	-	-
NET POSITION				
Net position restricted for pensions	\$ 70,331,419	\$ 77,266,064	\$ 99,491,686	\$ 247,089,169

CITY OF PINELLAS PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE IV – OTHER INFORMATION (Continued)

Statement of Changes in Fiduciary Net Position for the year ended September 30, 2020:

	Employee Retirement Funds			
	Defined Benefit			Total Retirement Funds
	Fire Employees	Police Employees	General Employees	
ADDITIONS				
Contributions:				
Employer	\$ 1,868,284	\$ 904,721	\$ 2,257,785	\$ 5,030,790
Plan members	466,712	604,453	700,135	1,771,300
Total contributions	2,334,996	1,509,174	2,957,920	6,802,090
Intergovernmental revenue:				
State excise tax	409,396	552,086	-	961,482
Investment income:				
Net increase in fair value of investments (realized and unrealized)	4,291,744	6,200,473	7,175,517	17,667,734
Interest	438,426	469,912	661,602	1,569,940
Dividends	1,556,062	1,641,157	1,687,815	4,885,034
Total investment income	6,286,232	8,311,542	9,524,934	24,122,708
Less investment expenses:				
Investment management fees	186,342	152,914	432,049	771,305
Net investment income	6,099,890	8,158,628	9,092,885	23,351,403
Total additions	8,844,282	10,219,888	12,050,805	31,114,975
DEDUCTIONS				
Benefits	4,223,355	3,034,772	4,630,212	11,888,339
Refunds of contributions	28,592	35,965	92,076	156,633
Administrative expenses	133,576	280,381	170,235	584,192
Total deductions	4,385,523	3,351,118	4,892,523	12,629,164
Change in net position	4,458,759	6,868,770	7,158,282	18,485,811
Net position - beginning of year	65,872,660	70,397,294	92,333,404	228,603,358
Net position - end of year	\$ 70,331,419	\$ 77,266,064	\$ 99,491,686	\$ 247,089,169

CITY OF PINELLAS PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE IV – OTHER INFORMATION (Continued)

For the year ended September 30, 2020 the annual money-weighted rate of return on the Plan's investments, net of pension plan investment expense, was 9.02 percent for Fire, 11.25 percent for Police and 9.65 percent for General. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The net pension liability of the City reported on the Statement of Net Position at September 30, 2020, with a measurement date of September 30, 2019, calculated in accordance with GASB Statement No. 68, consisted of the following components:

	<u>Firefighters</u>	<u>Police Officers</u>	<u>General</u>
Total pension liability	\$ 76,361,107	\$ 70,837,780	\$ 93,856,480
Plan fiduciary net position	<u>(65,872,660)</u>	<u>(70,397,294)</u>	<u>(92,333,404)</u>
Net pension liability	<u>\$ 10,488,447</u>	<u>\$ 440,486</u>	<u>\$ 1,523,076</u>
Plan fiduciary net position as a percentage of total pension liability	86.26%	99.38%	98.38%

The net pension (asset) liability of the City as measured as of the Plans' most recent year end which is September 30, 2020, calculated in accordance with GASB Statement No. 67, *Financial Reporting for Pension Plans*, consisted of the following components:

	<u>Firefighters</u>	<u>Police Officers</u>	<u>General</u>
Total pension liability	\$ 77,467,865	\$ 72,838,975	\$ 95,495,784
Plan fiduciary net position	<u>(70,331,419)</u>	<u>(77,266,064)</u>	<u>(99,491,686)</u>
Net pension liability (asset)	<u>\$ 7,136,446</u>	<u>\$ (4,427,089)</u>	<u>\$ (3,995,902)</u>
Plan fiduciary net position as a percentage of total pension liability	90.79%	106.08%	104.18%

The long-term expected rate on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2020 are summarized in the following table:

Long Term Expected Real Rate of Return

Asset Class	<u>Firefighters</u>	<u>Police Officers</u>	<u>General</u>
Domestic equity	10.0%	10.0%	10.0%
International equity	11.0%	11.0%	11.0%
Domestic bonds	5.0%	5.0%	5.0%
International bonds	6.0%	6.0%	6.0%
Real estate	7.0%	7.0%	7.0%

CITY OF PINELLAS PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE IV – OTHER INFORMATION (Continued)

A discount rate was used to measure the total pension liability. The discount rate used was 7.25 percent for Fire, 7.5 percent for Police and 6.75 percent for General. The projection of cash flows used to determine this discount rate assumed member contributions will be made at the current contribution rate and employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current fund members. Therefore, the long-term expected rate of return on Fund investment was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

The detailed changes in the net pension liability for fiscal year ending September 30, 2020 is as follows:

	Firefighters		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension (Asset)Liability</u>
Balance at September 30, 2019	\$ 73,951,181	\$ 64,476,596	\$ 9,474,585
Changes for the year:			
Service cost	1,285,995	-	1,285,995
Interest	5,294,122	-	5,294,122
Changes of assumptions	-	-	-
Share plan allocation	146,452	-	146,452
Changes of benefit terms	(53,845)	-	(53,845)
Differences between expected and actual experience	39,843	-	39,843
Contributions - City	-	1,928,008	(1,928,008)
Contributions - Member	-	453,937	(453,937)
Contributions - State	-	398,177	(398,177)
Net investment income	-	2,971,599	(2,971,599)
Benefit payments, including refunds of employee contributions	(4,302,641)	(4,302,641)	-
Administrative expenses	-	(53,016)	53,016
Net changes	<u>2,409,926</u>	<u>1,396,064</u>	<u>1,013,862</u>
Balance at September 30, 2020	\$ <u>76,361,107</u>	\$ <u>65,872,660</u>	\$ <u>10,488,447</u>

CITY OF PINELLAS PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE IV – OTHER INFORMATION (Continued)

	Police Officers		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension (Asset) Liability</u>
Balance at September 30, 2019	\$ 68,982,514	\$ 68,303,503	\$ 679,011
Changes for the year:			
Service cost	1,428,291	-	1,428,291
Interest	4,978,998	-	4,978,998
Benefit changes	(1,430,336)	-	(1,430,336)
Changes of assumptions	256,451	-	256,451
Differences between expected and actual experience	(227,822)	-	(227,822)
Contributions - City	-	1,180,259	(1,180,259)
Contributions - Member	-	594,309	(594,309)
Contributions - State	-	515,132	(515,132)
Net investment income	-	3,112,099	(3,112,099)
Benefit payments, including refunds of employee contributions	(3,150,316)	(3,150,316)	-
Administrative expenses	-	(157,692)	157,692
Net changes	<u>1,855,266</u>	<u>2,093,791</u>	<u>(238,525)</u>
Balance at September 30, 2020	<u>\$ 70,837,780</u>	<u>\$ 70,397,294</u>	<u>\$ 440,486</u>
	General		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension (Asset) Liability</u>
Balance at September 30, 2019	\$ 90,245,389	\$ 89,144,745	\$ 1,100,644
Changes for the year:			
Service cost	1,938,515	-	1,938,515
Interest	6,529,574	-	6,529,574
Benefit changes	-	-	-
Changes of assumptions	1,036,604	-	1,036,604
Differences between expected and actual experience	(1,651,961)	-	(1,651,961)
Contributions - City	-	2,397,250	(2,397,250)
Contributions - Member	-	666,613	(666,613)
Net investment income	-	4,522,531	(4,522,531)
Benefit payments, including refunds of employee contributions	(4,241,641)	(4,241,641)	-
Administrative expenses	-	(156,094)	156,094
Net changes	<u>3,611,091</u>	<u>3,188,659</u>	<u>422,432</u>
Balance at September 30, 2020	<u>\$ 93,856,480</u>	<u>\$ 92,333,404</u>	<u>\$ 1,523,076</u>

CITY OF PINELLAS PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE IV – OTHER INFORMATION (Continued)

The following presents the sensitivity of the net pension (asset) liability as of the City's measurement date of September 30, 2019, calculated under GASB Statement No. 68 using the discount rate as well as what it would be if it were calculated using a discount rate that is 1% lower and 1% higher than the current rate:

Firefighters				
	1 % Decrease	Current	1 % Increase	
	<u>6.25%</u>	<u>Discount Rate</u>	<u>8.25%</u>	
		<u>7.25%</u>		
Net pension liability	\$ 19,848,163	\$ 10,488,447	\$ 2,754,110	

Police Officers				
	1 % Decrease	Current	1 % Increase	
	<u>6.5%</u>	<u>Discount Rate</u>	<u>8.5%</u>	
		<u>7.5%</u>		
Net pension (asset) liability	\$ 9,936,386	\$ 440,486	\$ (7,296,852)	

General				
	1 % Decrease	Current	1 % Increase	
	<u>5.75%</u>	<u>Discount Rate</u>	<u>7.75%</u>	
		<u>6.75%</u>		
Net pension (asset) liability	\$ 13,915,172	\$ 1,523,076	\$ (8,693,398)	

The following presents the sensitivity of the net pension (asset) liability of the Plans' current fiscal year of September 30, 2020, calculated under GASB Statement No. 67 using the discount rate as well as what it would be if it were calculated using a discount rate that is 1% lower and 1% higher than the current rate:

Firefighters				
	1 % Decrease	Current	1 % Increase	
	<u>6.25%</u>	<u>Discount Rate</u>	<u>8.25%</u>	
		<u>7.25%</u>		
Net pension (asset) liability	\$ 16,436,071	\$ 7,136,446	\$ (582,389)	

Police Officers				
	1 % Decrease	Current	1 % Increase	
	<u>6.45%</u>	<u>Discount Rate</u>	<u>8.45%</u>	
		<u>7.45%</u>		
Net pension (asset) liability	\$ 5,074,917	\$ (4,427,089)	\$ (12,200,428)	

General				
	1 % Decrease	Current	1 % Increase	
	<u>5.75%</u>	<u>Discount Rate</u>	<u>7.75%</u>	
		<u>6.75%</u>		
Net pension (asset) liability	\$ 8,396,522	\$ (3,995,902)	\$ (14,249,287)	

CITY OF PINELLAS PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE IV – OTHER INFORMATION (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

For year ended September 30, 2020, the City recognized pension benefit related to the change in net pension liability and related components of \$935,583, \$680,272 and \$969,744 for the General, Firefighters, and Police Officers' Pension plans respectively.

At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the below sources for each pension plan

	Deferred Outflow of Resources			
	<u>Firefighters</u>	<u>Police Officers</u>	<u>General</u>	<u>Total</u>
Employer contributions made between measurement date and the reporting date	\$ 1,868,285	\$ 904,721	\$ 2,257,785	\$ 5,030,791
Difference between actual and expected experience on liabilities	33,205	1,122,465	-	1,155,670
Change of assumptions	794,815	731,078	2,527,030	4,052,923
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>364,005</u>	<u>-</u>	<u>364,005</u>
Balance at September 30, 2020	\$ <u>2,696,305</u>	\$ <u>3,122,269</u>	\$ <u>4,784,815</u>	\$ <u>10,603,389</u>

	Deferred Inflow of Resources			
	<u>Firefighters</u>	<u>Police Officers</u>	<u>General</u>	<u>Total</u>
Net difference between actual and expected experience on liabilities	\$ 1,910,132	\$ 611,006	\$ 5,174,267	\$ 7,695,405

Deferred inflows of resources related to City contributions made subsequent to the measurement date of September 30, 2020, will be recognized as a reduction of the net pension liability in the year ended September 30, 2021.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended September 30,</u>	<u>Firefighters</u>	<u>Police Officers</u>	<u>General</u>
2021	\$ (555,045)	\$ 160,217	\$ (701,091)
2022	(941,645)	63,447	(1,668,447)
2023	185,226	629,573	(639,652)
2024	222,711	634,142	361,953
2025	6,641	119,163	-
Thereafter	-	-	-

CITY OF PINELLAS PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE IV – OTHER INFORMATION (Continued)

E. Other Postemployment Benefits (OPEB)

GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions (OPEB)* provides for the determination and disclosure of the Total OPEB Liability and the annual cost of providing other post-employment benefits.

Plan Description – In accordance with Section 112.0801, Florida Statutes, because the City provides medical plans to employees of the City and their eligible dependents, the City is also required to provide retirees the opportunity to participate in the group employee health plan. Although not required by Florida Law, the City has opted to pay a portion of the cost of such participation for retired City employees through a single employer defined benefit plan (the “Plan”). Retired employees who receive a monthly retirement benefit from one of the City’s three defined benefit plans and who were participants in the existing medical plan at the time of retirement are entitled to participation in the Plan. They are also eligible to receive a monthly Premium Credit to be applied toward the cost of health insurance. Monthly Premium Credits are \$6.00 for each full year of pension-creditable employment up to a maximum of \$150.00 per month. Premium Credits may not be applied towards dental or life insurance and expire upon the attainment of age 65. The Plan does not issue stand alone financial statements.

Funding Policy – The ability of retirees to obtain health insurance coverage at a group rate which includes active employees constitutes a significant economic benefit to retirees, or an “implicit” subsidy. This implicit subsidy and the explicit subsidy defined above, is considered to be an other postemployment benefit (OPEB) obligation of the City. The City is currently funding this OPEB obligation on a pay-as-you-go basis.

Participant Data – Participants included as of September 30, 2020:

Active participants:	
Fully eligible	56
Potentially eligible	428
Retired participants (with health premium credits)	<u>30</u>
Total participants included	514

Participant Contributions – Eligible retirees have two options to choose from. Below are their contribution rates as of September 30, 2020:

	HMO Total Monthly Premium	PPO Total Monthly Premium
Retiree only	\$ 778.36	\$ 810.06
Retiree + one	\$ 1,640.85	\$ 1,707.68
Retiree + family	\$ 2,297.01	\$ 2,390.57

CITY OF PINELLAS PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE IV – OTHER INFORMATION (Continued)

Actuarial Assumption - The total OPEB liability was determined using the following assumptions:

Valuation date	September 30, 2020
Measurement date	September 30, 2020
Actuarial cost method	Entry age normal, level percentage of payroll
Program funding	The Program is funded on a “pay-as-you-go” basis when benefits are due.
Discount rate	2.30% per annum determined as the average of the following two indices as of the Valuation Date, rounded to the nearest 0.10%: The Bond Buyer 20-Bond General Obligation Index (2.25%) and The Fidelity General Obligation 20-Year AA Index (2.43%)
Inflation rate	1.20% per annum
Salary Increases	1.70% per annum, average, including inflation
Mortality rate table	RP-2000 Combined Mortality Tables for Healthy Males and Females (sex distinct)
Withdrawals rates	Table T-8 of the Actuary's Pension Handbook
Retirement rates	Employees are assumed to retire when first eligible under the City's Pension Funds for Police Officers, Firefighter, or General Employees
Loss ratio	A premium loss ratio of 85% was utilized in determining the implicit rate subsidy under the Program
Utilization rate	A retiree utilization adjustment of 2.5% per year was used to determine age-specific costs of the Program and the implicit rate subsidy.
Healthcare cost trend rates	Healthcare cost trend rates for purposes of determining the implicit rate subsidy under the Program were assumed to be 8.0% for 2021, tapering off 0.5% each year for eight years to a 5.00% ultimate rate for years 2027 and beyond.
Contributions	The estimated OPEB contribution for any fiscal year is the annualized rate of all premium credits in pay status as of the valuation date.
Coverage rates	95% of all active employees are assumed covered under one of the City's health insurance programs while employed. Of these insured while actively employed, 35% of all retired employees eligible for health insurance premium credits are assumed to elect coverage under the Program. Of those eligible retirees electing health insurance coverage, 50% are likely to pay for dental coverage up to age 75.
Expected payments	For purposes of projecting the Net OPEB Obligation (NOO) as of the end of each fiscal year, all active employees beyond the assumed retirement age or who are in DROP status as of the valuation date are assumed to work one more year before retiring or exiting DROP.

CITY OF PINELLAS PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE IV – OTHER INFORMATION (Continued)

Changes in the Actuarial Cost Method or Actuarial Assumptions - The discount rate assumption was changed from 4.00% to 2.30% in accordance with the provisions of GASB 75. The inflation rate assumption was changed from 2.25% to 1.20% (reflecting CPI-U as of the valuation date). The salary increase assumption of 2.75% per annum was lowered to 1.70% to reflect the trend in CPI-U.

Changes in Total OPEB Liability – The detailed changes in the total OPEB liability for the fiscal year ended September 30, 2020 is as follows:

	Total OPEB Liability
Balance at September 30, 2019	\$ 2,620,964
Changes for the year:	
Service cost	125,800
Interest	103,763
Changes in benefit terms	-
Difference between expected and actual experience	(76,735)
Changes in assumptions	426,855
Expected benefit payments	(53,784)
Net changes	<u>525,899</u>
Balance at September 30, 2020	\$ <u><u>3,146,863</u></u>

OPEB Expense and Deferred Inflows of Resources and Deferred Outflows of Resources Related to OPEB – For the year ended September 30, 2020, the City recognized OPEB expense of \$132,873. In addition, the City reported deferred inflows of resources and deferred outflows of resources related to OPEB from the following sources:

Deferred Inflows and Outflow of Resources

	Deferred Inflows of Resources	Deferred Outflows of Resources
Difference between actual and expected experience	\$ 709,124	\$ -
Change in assumptions	<u>47,234</u>	<u>392,978</u>
Total	\$ <u><u>756,358</u></u>	\$ <u><u>392,978</u></u>

CITY OF PINELLAS PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE IV – OTHER INFORMATION (Continued)

Amounts reported as deferred inflows of resources and deferred outflows of resources will be recognized in OPEB expense as follow:

Year Ending September 30,	
2021	\$ (42,906)
2022	(42,906)
2023	(42,906)
2024	(42,906)
2025	(42,906)
Thereafter	(148,850)

Interest Rate Sensitivity – The following presents the interest rate sensitivity of the total OPEB liability as of the City's measurement date of September 30, 2020, calculated under GASB Statement No. 75 using the discount rate as well as what it would be if it were calculated using a discount rate that is 1% lower and 1% higher than the current rate:

	1 % Decrease 1.30%	Current Discount Rate 2.30%	1 % Increase 3.30%
Total OPEB liability	\$ 3,443,277	\$ 3,146,863	\$ 2,882,203

Healthcare Cost Trend Sensitivity – The following presents the health care cost trend sensitivity on the total OPEB liability as of the City's measurement date of September 30, 2020 calculated under GASB Statement No. 75 using the trend rate as well as what it would be if it were calculated using a trend rate that is 1% lower and 1% higher than the current rate:

	1 % Decrease 7.0% decreasing to 4.0%	Trend Rate 8.0% decreasing to 5.0%	1 % Increase 9.0% decreasing to 6.0%
Total OPEB liability	\$ 2,965,717	\$ 3,146,863	\$ 3,351,608

CITY OF PINELLAS PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE IV – OTHER INFORMATION (Concluded)

F. Community Redevelopment Fund

Pursuant to Florida Statute 163.387, listed below is a summary of the sources and amounts of deposits into, and the amount and purpose of withdrawals from the Community Redevelopment Fund (CRA) for the fiscal year ended September 30, 2020:

	<u>Deposits</u>	<u>Withdrawals</u>
Sources of deposits:		
City of Pinellas Park	\$ 1,669,027	\$ -
Pinellas County	1,636,743	-
Investment earnings	1,993	-
Rental income	45,555	-
Miscellaneous	34,394	-
Purpose of withdrawals:		
Salary and salary related	-	166,716
Supplies	-	7,432
Programming	-	5,877
Maintenance	-	36,991
Appraisal services	-	3,900
Audit services	-	4,300
Attorney services	-	62,899
Property tax	-	28,815
Memberships	-	1,295
CRA training	-	4,155
Utilities	-	19,171
General Insurance	-	17,409
Operating Equipment	-	1,747
Advertising	-	8,136
Transfers to:		
General Fund for police operations within redevelopment district	-	942,949
Capital Projects Fund for redevelopment area projects	-	2,075,920
	<u>\$ 3,387,712</u>	<u>\$ 3,387,712</u>

NOTE V – CONTINGENCIES

The impact on and uncertainties related to the financial condition of the City resulting from federal, state, and local declarations of emergency relating to COVID-19, and associated orders and measures, has not been determined. In any event, the City does not believe that such impact or uncertainty will affect the City's ability to continue its routine operations or to pay debt service.

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Required Supplementary Information

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City of Pinellas Park, Florida
Required Supplementary Information
Schedule of Changes in Fiduciary Net Pension (Asset) Liability - Firefighters
September 30, 2020

	<u>2020</u>	<u>Fiscal Year 2019</u>	<u>2018</u>
Total pension liability			
Service Cost	\$ 1,331,732	\$ 1,285,995	\$ 1,201,004
Interest	5,478,947	5,294,122	5,167,599
Benefit changes	-	(53,845)	-
Difference between actual and expected experience	(267,169)	39,843	(690,158)
Share plan allocation	153,413	146,452	146,459
Change of assumptions	(1,347,857)	-	-
Benefit payments, including refunds of member contributions	(4,242,308)	(4,302,641)	(3,899,886)
Net change in total pension liability	1,106,758	2,409,926	1,925,018
Net pension liability - beginning of year	76,361,107	73,951,181	72,026,163
Net pension liability - end of year	<u>\$ 77,467,865</u>	<u>\$ 76,361,107</u>	<u>\$ 73,951,181</u>
Plan fiduciary net position			
Contributions - employer	\$ 1,868,285	\$ 1,928,008	\$ 2,556,964
Contribution - state	409,395	398,177	375,525
Contributions - plan members	466,712	453,937	431,864
Net investment income	6,035,154	2,971,599	4,553,192
Benefit payments, including refunds of member contributions	(4,242,308)	(4,302,641)	(3,899,886)
Administrative expenses	(78,479)	(53,016)	(52,592)
Net change in plan fiduciary net pension	4,458,759	1,396,064	3,965,067
Plan fiduciary net position - beginning of year	65,872,660	64,476,596	60,511,529
Plan fiduciary net position - end of year	<u>\$ 70,331,419</u>	<u>\$ 65,872,660</u>	<u>\$ 64,476,596</u>
Net pension liability - end of year	\$ 7,136,446	\$ 10,488,447	\$ 9,474,585
Plan fiduciary net position as a percentage of total pension liability	90.79 %	86.26 %	87.19 %
Covered payroll	\$ 5,185,689	\$ 5,043,746	\$ 4,798,487
Net pension liability as a percentage of covered payroll	137.62 %	207.95 %	197.45 %

Notes:

Benefit Changes: None

Assumption Changes:

For measurement date of 09/30/17, as required by Chapter 2015-157, Laws of Florida, the assumed rates of mortality have been changed from those in the July 1, 2015 FRS Valuation report to those used in the July 1, 2016 FRS valuation report.

As a result of an Experience Study dated December 1, 2017, the Board approved the following changes to the assumptions:

- 1.) Change the assumed rate of individual salary increases from a flat 6% per year to an assumption of 10.0% during the first year of employment, 5.00% for each of the next 9 years of employment and 4.50% per year after that.
 - 2.) Change the expected rate of retirement as outlined in the "Actuarial Assumptions and Methods" section of the 10/01/2017 Valuation report.
 - 3.) Change the expected rates of non-retirement terminations from an age based table to an assumption of 10.0% per year during the first year of employment, 4.0% for each of the next 4 years and 2.5% per year beginning at 5 years of employment.
 - 4.) The Unfunded Actuarial Accrued Liability was consolidated into one base with a 19 year amortization.
- Additionally, the inflation assumption rate was lowered from 3.00% to 2.5%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

For measurement date of 09/30/16, as a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the assumptions used by the Florida Retirement System for special risk employees.

The Covered Employee Payroll numbers shown are in compliance with GASB 82, except for the 09/30/15 measurement period which includes DROP payroll.

Information is not available for years preceding fiscal year 2014.

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$	1,432,313	\$ 1,288,555	\$ 1,237,208	\$ 1,325,457
	5,181,529	4,725,868	4,631,639	4,540,395
	-	-	-	-
	(624,535)	(30,018)	(1,389,700)	-
	109,835	136,310	167,623	173,125
	(1,764,814)	3,923,203	-	-
	<u>(4,588,680)</u>	<u>(3,318,463)</u>	<u>(3,473,029)</u>	<u>(5,921,641)</u>
	(254,352)	6,725,455	1,173,741	117,336
	72,280,515	65,555,060	64,381,319	64,263,983
\$	<u><u>72,026,163</u></u>	<u><u>72,280,515</u></u>	<u><u>65,555,060</u></u>	<u><u>64,381,319</u></u>
\$	2,378,646	\$ 2,288,940	\$ 2,253,269	\$ 2,418,899
	338,901	365,376	396,690	402,192
	411,436	385,657	366,656	369,177
	7,116,481	4,519,439	1,130,248	4,560,486
	(4,588,680)	(3,318,463)	(3,473,029)	(5,921,641)
	<u>(48,608)</u>	<u>(46,742)</u>	<u>(49,764)</u>	<u>(54,419)</u>
	5,608,176	4,194,207	624,070	1,774,694
	<u>54,903,353</u>	<u>50,709,146</u>	<u>50,085,076</u>	<u>48,310,382</u>
\$	<u><u>60,511,529</u></u>	<u><u>54,903,353</u></u>	<u><u>50,709,146</u></u>	<u><u>50,085,076</u></u>
\$	11,514,634	\$ 17,377,162	\$ 14,845,914	\$ 14,296,243
	84.01 %	75.96 %	77.35 %	77.79 %
\$	4,571,507	\$ 4,285,073	\$ 4,665,300	\$ 4,101,967
	251.88 %	405.53 %	318.22 %	348.52 %

City of Pinellas Park, Florida
Required Supplementary Information
Schedule of Changes in Fiduciary Net Pension (Asset) Liability - Police Officers
September 30, 2020

	<u>2020</u>	<u>Fiscal Year 2019</u>	<u>2018</u>
Total pension liability			
Service Cost	\$ 1,538,883	\$ 1,428,291	\$ 1,453,395
Interest	5,223,075	4,978,998	4,917,586
Benefit changes	-	(1,430,336)	-
Difference between actual and expected experience	(439,354)	(227,822)	1,094,926
Share plan allocation	-	-	-
Assumption changes	(1,250,672)	256,451	-
Benefit payments, including refunds of member contributions	<u>(3,070,737)</u>	<u>(3,150,316)</u>	<u>(3,082,338)</u>
Net change in total pension liability	2,001,195	1,855,266	4,383,569
Net pension liability - beginning of year	70,837,780	68,982,514	64,598,945
Net pension liability - end of year	<u>\$ 72,838,975</u>	<u>\$ 70,837,780</u>	<u>\$ 68,982,514</u>
Plan fiduciary net position			
Contributions - employer	\$ 904,721	\$ 1,180,259	\$ 1,072,975
Contribution - state	552,086	515,132	468,529
Contributions - plan members	604,453	594,309	550,142
Net investment income	8,158,628	3,112,099	4,553,612
Benefit payments, including refunds of member contributions	(3,070,737)	(3,150,316)	(3,082,338)
Administrative expenses	(280,381)	(157,692)	(79,040)
Other	<u>-</u>	<u>-</u>	<u>-</u>
Net change in plan fiduciary net pension	6,868,770	2,093,791	3,483,880
Plan fiduciary net position - beginning of year	70,397,294	68,303,503	64,819,623
Plan fiduciary net position - end of year	<u>\$ 77,266,064</u>	<u>\$ 70,397,294</u>	<u>\$ 68,303,503</u>
Net pension (asset) liability - end of year	\$ (4,427,089)	\$ 440,486	\$ 679,011
Plan fiduciary net position as a percentage of total pension (asset) liability	106.08 %	99.38 %	99.02 %
Covered payroll	\$ 7,555,664	\$ 7,428,864	\$ 6,876,772
Net pension (asset) liability as a percentage of covered payroll	(58.59) %	5.93 %	9.87 %

Notes:

Benefit Changes:

2018: COLA eligibility updated

2016: DROP provisions updated

Assumption Changes:

2019: Mortality rates and investment return assumption updated

2018: Employee withdrawal rates, salary increase factors and retirement rates updated

2016: Mortality rates updated

Information is not available for years preceding fiscal year 2014.

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$	1,285,424	\$ 1,266,571	\$ 1,247,515	\$ 1,155,503
	4,655,536	4,343,121	4,043,948	3,821,074
	-	-	-	-
	(147,430)	(810,726)	1,199,603	282,456
	-	-	-	-
	933,355	-	-	63,375
	<u>(2,781,366)</u>	<u>(2,280,478)</u>	<u>(3,245,763)</u>	<u>(2,433,369)</u>
	3,945,519	2,518,488	3,245,303	2,889,039
	60,653,426	58,134,938	54,889,635	52,000,596
\$	<u><u>64,598,945</u></u>	<u><u>60,653,426</u></u>	<u><u>58,134,938</u></u>	<u><u>54,889,635</u></u>

\$	1,152,440	\$ 1,285,940	\$ 1,267,374	\$ 1,530,260
	418,840	403,570	363,725	350,065
	527,992	485,932	467,634	468,919
	7,785,308	3,966,633	(39,491)	5,438,640
	<u>(2,781,366)</u>	<u>(2,280,478)</u>	<u>(3,245,763)</u>	<u>(2,433,369)</u>
	(123,827)	(109,130)	(93,784)	(145,736)
	-	-	-	90,654
	<u>6,979,387</u>	<u>3,752,467</u>	<u>(1,280,305)</u>	<u>5,299,433</u>
	57,840,236	54,087,769	55,368,074	50,068,641
\$	<u><u>64,819,623</u></u>	<u><u>57,840,236</u></u>	<u><u>54,087,769</u></u>	<u><u>55,368,074</u></u>

\$	(220,678)	\$ 2,813,190	\$ 4,047,169	\$ (478,439)
	100.34	95.36	93.04	100.87
\$	6,599,898	\$ 6,074,143	\$ 6,278,490	\$ 6,508,441
	(3.34)	46.31	64.46	(7.35)

City of Pinellas Park, Florida
Required Supplementary Information
Schedule of Changes in Fiduciary Net Pension (Asset) Liability - General Employees
September 30, 2020

	<u>2020</u>	<u>Fiscal Year</u> <u>2019</u>	<u>2018</u>
Total pension liability			
Service Cost	\$ 2,097,766	\$ 1,938,515	\$ 1,885,452
Interest	6,317,534	6,529,574	6,385,075
Benefit changes	21,433	-	-
Difference between actual and expected experience	(53,402)	(1,651,961)	(2,237,181)
Share plan allocation	-	-	-
Changes of assumptions	(2,021,739)	1,036,604	-
Benefit payments, including refunds of member contributions	(4,722,288)	(4,241,641)	(3,945,068)
Net change in total pension liability	1,639,304	3,611,091	2,088,278
Net pension liability - beginning of year	93,856,480	90,245,389	88,157,111
Net pension liability - end of year	<u>\$ 95,495,784</u>	<u>\$ 93,856,480</u>	<u>\$ 90,245,389</u>
Plan fiduciary net position			
Contributions - employer	\$ 2,257,785	\$ 2,397,250	\$ 2,360,464
Contribution - state	-	-	-
Contributions - plan members	700,135	666,613	637,042
Net investment income	9,092,885	4,522,531	9,783,435
Benefit payments, including refunds of member contributions	(4,722,288)	(4,241,641)	(3,945,068)
Administrative expenses	(170,235)	(156,094)	(158,234)
Other	-	-	-
Net change in plan fiduciary net position	7,158,282	3,188,659	8,677,639
Plan fiduciary net position - beginning of year	92,333,404	89,144,745	80,467,106
Plan fiduciary net position - end of year	<u>\$ 99,491,686</u>	<u>\$ 92,333,404</u>	<u>\$ 89,144,745</u>
Net pension (asset) liability - end of year	\$ (3,995,902)	\$ 1,523,076	\$ 1,100,644
Plan fiduciary net position as a percentage of total pension (asset) liability	104.18 %	98.38 %	98.78 %
Covered payroll	\$ 14,676,146	\$ 13,696,547	\$ 13,690,994
Net pension (asset) liability as a percentage of covered payroll	(27.23) %	11.12 %	8.04 %

Notes:

Benefit Changes:

2016: Members who are eligible for Normal Retirement entering the DROP on or after October 1, 2014 shall be allowed to participate in the DROP Program for a maximum DROP calculation period of three years.

2020: Members who are eligible for Normal Retirement entering the DROP on or after October 1, 2019, or who are currently in the DROP and remain employed on or after October 1, 2019 shall have his or her DROP Account credited at the Fund's actual quarterly performance (less the actual quarterly cost of administering the DROP). However, the maximum positive quarterly return shall be 1.00% and the maximum negative quarterly return shall be 1.00%.

Assumption Changes:

2014: The investment rate of return was lowered from 7.50% to 7.25%

2016: Updated mortality to reflect Florida Statute 112.63(1)(f):

Pre-Retirement Healthy Mortality:

Female: RP-2000 Generational, 100% Combined Healthy White Collar, Scale BB

Male: RP-2000 Generational, 50% Combined Healthy White Collar / 50% Combined Healthy Blue Collar, Scale BB

Post-Retirement Healthy Mortality:

Female: RP-2000 Generational, 100% Annuitant White Collar, Scale BB

Male: RP-2000 Generational, 50% Annuitant White Collar / 50% Annuitant Blue Collar, Scale BB

Post-Disablement Mortality:

Female: RP-2000, 100% Disabled Female set forward two years, no projected scale

Male: RP-2000, 100% Disabled Male set forward two years, no projection scale

Information is not available for years preceding fiscal year 2014.

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 1,698,159	\$ 1,603,536	\$ 1,629,561	\$ 1,510,455
5,696,953	5,641,856	5,369,673	5,215,890
(35,126)	-	-	-
(434,255)	(2,565,890)	(533,952)	-
-	-	-	-
6,328,537	-	2,194,571	-
<u>(3,955,259)</u>	<u>(4,073,134)</u>	<u>(3,257,337)</u>	<u>(3,823,734)</u>
9,299,009	606,368	5,402,516	2,902,611
78,858,102	78,251,734	72,849,218	69,946,607
<u>\$ 88,157,111</u>	<u>\$ 78,858,102</u>	<u>\$ 78,251,734</u>	<u>\$ 72,849,218</u>

\$ 1,901,132	\$ 2,069,993	\$ 2,000,099	\$ 2,183,913
-	-	-	-
626,584	615,489	580,972	594,736
9,020,989	5,894,287	172,293	5,712,723
(3,955,259)	(4,073,134)	(3,257,337)	(3,823,734)
(141,722)	(146,936)	(151,930)	(171,317)
-	-	-	-
<u>7,451,724</u>	<u>4,359,699</u>	<u>(655,903)</u>	<u>4,496,321</u>
73,015,382	68,655,683	69,311,586	64,815,265
<u>\$ 80,467,106</u>	<u>\$ 73,015,382</u>	<u>\$ 68,655,683</u>	<u>\$ 69,311,586</u>

\$ 7,690,005	\$ 5,842,720	\$ 9,596,051	\$ 3,537,632
91.28 %	92.59 %	87.74 %	95.14 %
\$ 13,975,204	\$ 13,252,545	\$ 13,607,331	\$ 12,785,190
55.03 %	44.09 %	70.52 %	27.67 %

Assumption Changes continued:

2017: The amortization method was changed from Level Percentage of Payroll to Level Dollar

2018: 1) The investment rate of return was lowered from 7.25% to 6.75%

2) The salary inflation rate was lowered from 4.00% to 3.00%

3) The projected salary increases were lowered from 6.00% to 8.00%, including inflation, to 5.00% to 7.00%, including inflation

4) The assumed COLA for retirees or members entering the DROP who are eligible for normal retirement as of October 1, 2013 was lowered from 2.75% to 2.00%

2020: Updated mortality to reflect Florida Statute 112.63(1)(f):

Pre-Retirement Health Mortality:

Female: PUB-2010 Headcount Weighted General Below Median Employee Female Table

Male: PUB-2010 Headcount Weighted General Below Median Employee Male Table, set back 1 year

Projection Scale: MP-2018

Post-Retirement Healthy Mortality:

Female: PUB-2010 Headcount Weighted General Below Median Healthy Retiree Female Table

Male: PUB-2010 Headcount Weighted General Below Median Healthy Retiree Male Table, set back 1 year

Projection Scale: MP-2018

Post-Retirement Disabled Mortality:

Female: PUB-2010 Headcount Weighted General Disabled Retiree Female Table, set forward 3 years

Male: PUB-2010 Headcount Weighted General Disabled Retiree Male Table, set forward 3 years

Projection Scale: MP-2018

City of Pinellas Park, Florida
Required Supplementary Information
Schedule of City Contributions - Firefighters
September 30, 2020

	Fiscal Year			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 1,868,285	\$ 1,928,008	\$ 2,556,964	\$ 2,322,647
Prepaid contribution/adjustment		-	-	(55,999)
Contributions in relation to the actuarially determined contribution	<u>1,868,285</u>	<u>1,928,008</u>	<u>2,556,964</u>	<u>2,378,646</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered payroll	\$ 5,185,689	\$ 5,043,746	\$ 4,798,487	\$ 4,571,507
Contributions as a percentage of covered payroll	36.03%	38.23%	53.29%	52.03%

Notes to Schedule

Valuation date:

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding method:	Entry age normal actuarial cost method.
Amortization method:	Level percentage of pay, closed.
Remaining amortization period:	30 years, as of 10/01/2017
Asset valuation method:	5 year average Market Value return
Inflation:	2.50% per year
Salary increases:	4.50-10.00% per year
Interest rate:	7.25% per year, net of investment related expenses
Payroll Growth:	None
Cost of living adjustments:	Members eligible for Normal Retirement 12/27/11: 3% per year beginning at the first October 1st following age 65. All others: 2% per year beginning at the first October 1st following the earlier of age 65 or 5 years after commencement of benefits.
Retirement age:	<u>Current Assumption</u>
	Age and Service
	Probability
	1st eligibility for Normal Retirement 50.00%
	2nd year of eligibility 15.00%
	3rd-5th year of eligibility 50.00%
	5+ years after 1st eligibility 100.00%
Mortality:	This was based upon a December 1, 2017 Actuarial Experience Study. RP-2000 Generational table

Note: Information is not available for years preceding fiscal year 2014.

<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 2,339,814	\$ 2,253,269	\$ 2,418,999
50,874	50,874	-
<u>2,288,940</u>	<u>2,202,395</u>	<u>2,418,999</u>
\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>
\$ 4,285,073	\$ 4,665,300	\$ 4,101,967
53.42%	47.21%	58.97%

City of Pinellas Park, Florida
Required Supplementary Information
Schedule of City Contributions - Police Officers
September 30, 2020

	Fiscal Year			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 904,721	\$ 1,180,259	\$ 1,072,975	\$ 1,152,440
Contributions in relation to the actuarially determined contribution	<u>904,721</u>	<u>1,180,259</u>	<u>1,072,975</u>	<u>1,152,440</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 7,555,664	\$ 7,428,864	\$ 6,876,772	\$ 6,599,898
Contributions as a percentage of covered payroll	11.97%	15.89%	15.60%	17.46%

Notes to Schedule

Valuation date:

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding method:	Entry age
Amortization method:	Level percentage of pay, closed
Remaining amortization period:	30 years
Asset valuation method:	Smoothed market value
Inflation:	3% per year
Salary increases:	2.5%-5.5%
Investment rate of return	7.45% per year, net of investment related expenses
Payroll Growth:	4% per year, limited to average annual increase most recent 10 years
Cost of living adjustments:	2% - 3%
Retirement age:	Experience based table of rates that are specific to the type of eligibility condition
Mortality:	PUB-2010

Note: Information is not available for years preceding fiscal year 2014.

<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 1,285,940	\$ 1,267,374	\$ 1,530,260
<u>1,285,940</u>	<u>1,267,374</u>	<u>1,530,260</u>
\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>
\$ 6,074,143	\$ 6,278,490	\$ 6,508,441
21.17%	20.19%	23.51%

City of Pinellas Park, Florida
Required Supplementary Information
Schedule of City Contributions - General Employees
September 30, 2020

	Fiscal Year			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 2,257,785	\$ 2,397,250	\$ 2,360,464	\$ 1,901,132
Contributions in relation to the actuarially determined contribution	<u>2,257,785</u>	<u>2,397,250</u>	<u>2,360,464</u>	<u>1,901,132</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 14,676,146	\$ 13,696,547	\$ 13,690,994	\$ 13,975,204
Contributions as a percentage of covered payroll	15.38%	17.50%	17.24%	13.60%

Notes to Schedule

Valuation date:

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding method:	Entry age
Amortization method:	Level dollar, closed
Remaining amortization period:	30 years
Asset valuation method:	5 year smoothed market
Inflation:	2% per year
Salary increases:	5%-7%
Investment rate of return	6.75% per year, net of investment related expenses
Payroll Growth:	2% per year, limited to average annual increase most recent 10 years
Cost of living adjustments:	2.00%
Retirement age:	Experience based table of rates that are specific to the type of eligibility condition
Mortality:	PUB-2010

Note: Information is not available for years preceding fiscal year 2014.

<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 2,069,993	\$ 2,000,099	\$ 2,183,913
<u>2,069,993</u>	<u>2,000,099</u>	<u>2,183,913</u>
\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>
\$ 13,252,545	\$ 13,607,331	\$ 12,785,190
15.62%	14.70%	17.08%

City of Pinellas Park, Florida
Required Supplementary Information
Schedule of Investment Returns
Annual Money-Weighted Rate of Return, Net of Investment Expense
September 30, 2020

	<u>Firefighters</u>	<u>Police Officers</u>	<u>General</u>
9/30/2020	9.02%	11.25%	9.65%
9/30/2019	4.49%	4.26%	4.87%
9/30/2018	7.26%	6.81%	11.87%
9/30/2017	12.70%	13.27%	12.15%
9/30/2016	8.63%	6.94%	8.32%
9/30/2015	0.02%	-0.28%	0.02%
9/30/2014	11.73%	10.28%	8.27%

City of Pinellas Park, Florida
Required Supplementary Information
Schedule of Changes in OPEB
September 30, 2019

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability			
Service Cost	\$ 125,800	\$ 122,433	\$ 119,156
Interest	103,763	97,776	119,269
Changes in benefit terms	-	-	-
Difference between actual and expected experience	(76,735)	-	(835,948)
Changes of assumptions	426,855	-	(61,844)
Benefit payments	<u>(53,784)</u>	<u>(87,312)</u>	<u>(66,168)</u>
Net change in total OPEB liability	525,899	132,897	(725,535)
Total OPEB liability - beginning of year	<u>2,620,964</u>	<u>2,488,067</u>	<u>3,213,602</u>
Total OPEB liability - end of year	<u>\$ 3,146,863</u>	<u>\$ 2,620,964</u>	<u>\$ 2,488,067</u>
 Covered payroll	 \$ 26,156,944	 \$ 21,260,536	 \$ 24,093,051
 Total OPEB liability as a percentage of covered payroll	 12.03 %	 12.33 %	 10.33 %
 Fiduciary net position	 0.00 %	 0.00 %	 0.00 %

Notes:

Benefit Changes: None

Assumption Changes: Effective with the September 30, 2018 valuation,

2018: The Projected Unit Credit Actuarial Cost Method used in prior valuations was changed to the Entry Age Actuarial Cost Method. At the same time, the discount rate used in prior valuations was changed from 3.75% to 4.00%. Also, a salary increase assumption of 2.75% per annum was introduced in conjunction with the percentage-of-pay calculations of the Entry Age Actuarial Cost Method.

2020: The discount rate assumption was changed from 4.00% to 2.30% in accordance with the provisions of GASB 75. The inflation rate assumption was changed from 2.25% to 1.20%. The salary increase assumption was lowered from 2.75% to 1.70%.

Information is not available for years preceding fiscal year 2018.

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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.

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.

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City of Pinellas Park, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2020

	Special Revenue	2014 Public Improvement Revenue Bond Debt Service	Total
ASSETS			
Equity in pool cash and cash equivalents	\$ 183,062	\$ 13,331	\$ 196,393
Equity in pool investments	308,979	22,501	331,480
Receivables (net of allowance for uncollectibles)	2,756	-	2,756
Prepaid items	21,544	-	21,544
 Total assets	 \$ 516,341	 \$ 35,832	 \$ 552,173
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts and contracts payable	\$ 8,747	\$ -	\$ 8,747
Accrued liabilities	10,617	-	10,617
 Total liabilities	 19,364	 -	 19,364
 Fund balances:			
Nonspendable	21,544	-	21,544
Restricted	475,433	35,832	511,265
 Total fund balances	 496,977	 35,832	 532,809
 Total liabilities and fund balances	 \$ 516,341	 \$ 35,832	 \$ 552,173

City of Pinellas Park, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
Special Revenue Funds
September 30, 2020

	Confiscated Property	Community Redevelopment	Angel	Stinson Trust	Gary R. Smith Trust	Total
ASSETS						
Equity in pool cash and cash equivalents	\$ 89,144	\$ 16,161	\$ 17,705	\$ 56,346	\$ 3,706	\$ 183,062
Equity in pool investments	150,461	27,278	29,882	95,103	6,255	308,979
Receivables (net of allowance for uncollectibles)	95	2,578	19	60	4	2,756
Prepaid items	-	21,544	-	-	-	21,544
Total assets	<u>\$ 239,700</u>	<u>\$ 67,561</u>	<u>\$ 47,606</u>	<u>\$ 151,509</u>	<u>\$ 9,965</u>	<u>\$ 516,341</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts and contracts payable	\$ -	\$ 6,697	\$ 2,050	\$ -	\$ -	\$ 8,747
Accrued liabilities	-	10,617	-	-	-	10,617
Total liabilities	<u>-</u>	<u>17,314</u>	<u>2,050</u>	<u>-</u>	<u>-</u>	<u>19,364</u>
Fund balances:						
Nonspendable	-	21,544	-	-	-	21,544
Restricted	239,700	28,703	45,556	151,509	9,965	475,433
Total fund balances	<u>239,700</u>	<u>50,247</u>	<u>45,556</u>	<u>151,509</u>	<u>9,965</u>	<u>496,977</u>
Total liabilities and fund balances	<u>\$ 239,700</u>	<u>\$ 67,561</u>	<u>\$ 47,606</u>	<u>\$ 151,509</u>	<u>\$ 9,965</u>	<u>\$ 516,341</u>

City of Pinellas Park, Florida
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2020

	Special Revenue	2014 Public Improvement Revenue Bond Debt Service	Total
REVENUES			
Intergovernmental	\$ 1,685,893	\$ -	\$ 1,685,893
Fines and forfeitures	14,163	-	14,163
Investment earnings	7,562	-	7,562
Miscellaneous	103,954	-	103,954
	<u>1,811,572</u>	<u>-</u>	<u>1,811,572</u>
EXPENDITURES			
General government	481,795	-	481,795
Public safety	15,659	-	15,659
Debt service:			
Principal	-	925,000	925,000
Interest	-	75,122	75,122
Capital outlay	40,103	-	40,103
	<u>537,557</u>	<u>1,000,122</u>	<u>1,537,679</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,274,015</u>	<u>(1,000,122)</u>	<u>273,893</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	1,669,027	1,000,148	2,669,175
Transfers out	(3,018,869)	-	(3,018,869)
	<u>(1,349,842)</u>	<u>1,000,148</u>	<u>(349,694)</u>
Net change in fund balances	(75,827)	26	(75,801)
Fund balance - beginning	572,804	35,806	608,610
Fund balance - ending	<u>\$ 496,977</u>	<u>\$ 35,832</u>	<u>\$ 532,809</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, 2020

	<u>Confiscated Property</u>	<u>Community Redevelopment</u>	<u>Angel</u>	<u>Stinson Trust</u>	<u>Gary R. Smith Trust</u>	<u>Total</u>
REVENUES						
Intergovernmental	\$ 43,150	\$ 1,636,743	\$ 6,000	\$ -	\$ -	\$ 1,685,893
Fines and forfeitures	14,163	-	-	-	-	14,163
Investment earnings	2,540	1,993	1,148	1,776	105	7,562
Miscellaneous	-	79,949	23,467	-	538	103,954
	<u>-</u>	<u>79,949</u>	<u>23,467</u>	<u>-</u>	<u>538</u>	<u>103,954</u>
Total revenues	<u>59,853</u>	<u>1,718,685</u>	<u>30,615</u>	<u>1,776</u>	<u>643</u>	<u>1,811,572</u>
EXPENDITURES						
General government	-	368,843	112,414	-	538	481,795
Public safety	15,659	-	-	-	-	15,659
Capital outlay	40,103	-	-	-	-	40,103
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>55,762</u>	<u>368,843</u>	<u>112,414</u>	<u>-</u>	<u>538</u>	<u>537,557</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,091</u>	<u>1,349,842</u>	<u>(81,799)</u>	<u>1,776</u>	<u>105</u>	<u>1,274,015</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	1,669,027	-	-	-	1,669,027
Transfers out	-	(3,018,869)	-	-	-	(3,018,869)
	<u>-</u>	<u>(3,018,869)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,018,869)</u>
Total other financing uses	<u>-</u>	<u>(1,349,842)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,349,842)</u>
Net change in fund balance	4,091	-	(81,799)	1,776	105	(75,827)
Fund balance - beginning	<u>235,609</u>	<u>50,247</u>	<u>127,355</u>	<u>149,733</u>	<u>9,860</u>	<u>572,804</u>
Fund balance - ending	<u>\$ 239,700</u>	<u>\$ 50,247</u>	<u>\$ 45,556</u>	<u>\$ 151,509</u>	<u>\$ 9,965</u>	<u>\$ 496,977</u>

City of Pinellas Park, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Confiscated Property Fund
For the Year Ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Intergovernmental	\$ 8,000	\$ 38,000	\$ 43,150	\$ 5,150
Fines and forfeitures	5,000	5,000	14,163	9,163
Investment earnings	1,510	1,510	2,540	1,030
	<u>14,510</u>	<u>44,510</u>	<u>59,853</u>	<u>15,343</u>
Total revenues	14,510	44,510	59,853	15,343
EXPENDITURES				
Public safety	29,500	34,500	15,659	18,841
Capital outlay	10,000	75,103	40,103	35,000
	<u>39,500</u>	<u>109,603</u>	<u>55,762</u>	<u>53,841</u>
Total expenditures	39,500	109,603	55,762	53,841
Excess (deficiency) of revenue over (under) expenditures	<u>(24,990)</u>	<u>(65,093)</u>	<u>4,091</u>	<u>69,184</u>
OTHER FINANCING USES				
Transfers out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing uses	-	-	-	-
Net change in fund balances	(24,990)	(65,093)	4,091	69,184
Fund balance - beginning	<u>235,609</u>	<u>235,609</u>	<u>235,609</u>	<u>-</u>
Fund balance - ending	<u>\$ 210,619</u>	<u>\$ 170,516</u>	<u>\$ 239,700</u>	<u>\$ 69,184</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, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Intergovernmental	\$ 1,636,924	\$ 1,636,924	\$ 1,636,743	\$ (181)
Investment earnings	4,100	4,100	1,993	(2,107)
Miscellaneous	60,025	60,025	79,949	19,924
Total revenues	1,701,049	1,701,049	1,718,685	17,636
EXPENDITURES				
General government	411,612	411,612	368,843	42,769
Total expenditures	411,612	411,612	368,843	42,769
Excess of revenues over expenditures	1,289,437	1,289,437	1,349,842	60,405
OTHER FINANCING SOURCES (USES)				
Transfers in	1,669,595	1,669,595	1,669,027	(568)
Transfers out	(3,082,348)	(3,082,348)	(3,018,869)	(63,479)
Total other financing uses	(1,412,753)	(1,412,753)	(1,349,842)	(64,047)
Net change in fund balances	(123,316)	(123,316)	-	123,316
Fund balance - beginning	50,247	50,247	50,247	-
Fund balance - ending	\$ (73,069)	\$ (73,069)	\$ 50,247	\$ 123,316

City of Pinellas Park, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Capital Improvement Fund
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 4,410,201	\$ 5,185,959	\$ 4,683,230	\$ (502,729)
Charges for services	320,000	320,000	360,354	40,354
Transportation impact fees	13,500	13,500	444,260	430,760
Investment earnings	67,300	4,463	174,768	170,305
Miscellaneous	7,000	157,000	1,046,440	889,440
Total revenues	4,818,001	5,680,922	6,709,052	1,028,130
EXPENDITURES				
General government	200,000	157,500	99,772	57,728
Debt Service:				
Principal	23,243	23,243	23,242	1
Interest	12,487	12,487	12,482	5
Capital outlay	7,685,701	11,965,212	5,308,478	6,656,734
Total expenditures	7,921,431	12,158,442	5,443,974	6,714,468
Excess (deficiency) of revenues over (under) expenditures	(3,103,430)	(6,477,520)	1,265,078	7,742,598
OTHER FINANCING SOURCES (USES)				
Transfers in	2,139,399	3,183,649	2,825,920	(357,729)
Transfers out	(155,000)	(155,000)	(155,000)	-
Total other financing sources	1,984,399	3,028,649	2,670,920	(357,729)
Net change in fund balances	(1,119,031)	(3,448,871)	3,935,998	7,384,869
Fund balance - beginning	14,093,083	14,093,083	14,093,083	-
Fund balance - ending	\$ 12,974,052	\$ 10,644,212	\$ 18,029,081	\$ 7,384,869

Internal Service Funds

Internal service funds are used to account for the financing of services provided by one department to other departments on a cost reimbursement basis.

Capital Equipment Replacement Fund – This fund is used to account for equipment that is purchased and then leased to user departments and to account for the Fleet Maintenance, Building Maintenance, and the Data Processing Services functions.

Self-Insurance Fund – This fund is used to account for receipts from insured funds and disbursements for insurance claims.

Workers' Compensation Fund – This fund is used to account for receipts and/or disbursements relative to adjusted insurance premiums.

City of Pinellas Park, Florida
Combining Statement of Net Position
Internal Service Funds
September 30, 2020

	<u>Capital Equipment Replacement</u>	<u>Self- Insurance</u>	<u>Workers' Compensation</u>	<u>Total</u>
ASSETS				
Current assets:				
Equity in pool cash and cash equivalents	\$ 3,483,818	\$ 181,015	\$ 407,552	\$ 4,072,385
Equity in pool investments	5,880,141	305,525	687,883	6,873,549
Receivables	4,461	14,139	435	19,035
Prepaid expenses	<u>71,855</u>	<u>-</u>	<u>-</u>	<u>71,855</u>
Total current assets	<u>9,440,275</u>	<u>500,679</u>	<u>1,095,870</u>	<u>11,036,824</u>
Capital assets:				
Machinery and equipment	26,417,771	2,842	-	26,420,613
Less accumulated depreciation	<u>(15,067,304)</u>	<u>(2,058)</u>	<u>-</u>	<u>(15,069,362)</u>
Total capital assets (net of accumulated depreciation)	<u>11,350,467</u>	<u>784</u>	<u>-</u>	<u>11,351,251</u>
Total noncurrent assets	<u>11,350,467</u>	<u>784</u>	<u>-</u>	<u>11,351,251</u>
Total assets	<u>20,790,742</u>	<u>501,463</u>	<u>1,095,870</u>	<u>22,388,075</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension resources	650,203	37,122	-	687,325
OPEB resources	<u>26,419</u>	<u>1,651</u>	<u>-</u>	<u>28,070</u>
Total deferred outflows of resources	676,622	38,773	-	715,395
LIABILITIES				
Current liabilities:				
Accounts payable	122,541	1,164	-	123,705
Accrued and other liabilities	128,872	9,365	-	138,237
Claims payable	<u>-</u>	<u>219,866</u>	<u>154,056</u>	<u>373,922</u>
Total current liabilities	<u>251,413</u>	<u>230,395</u>	<u>154,056</u>	<u>635,864</u>
Noncurrent liabilities:				
Claims payable	-	171,134	119,944	291,078
Net pension liability	213,231	15,231	-	228,462
OPEB liability	<u>211,554</u>	<u>13,222</u>	<u>-</u>	<u>224,776</u>
Total noncurrent liabilities	<u>424,785</u>	<u>199,587</u>	<u>119,944</u>	<u>744,316</u>
Total liabilities	<u>676,198</u>	<u>429,982</u>	<u>274,000</u>	<u>1,380,180</u>
DEFERRED INFLOWS OF RESOURCES				
Pension resources	724,397	51,743	-	776,140
OPEB resources	<u>50,848</u>	<u>3,178</u>	<u>-</u>	<u>54,026</u>
Total deferred inflows of resources	<u>775,245</u>	<u>54,921</u>	<u>-</u>	<u>830,166</u>
NET POSITION				
Net investment in capital assets	11,350,467	784	-	11,351,251
Unrestricted	<u>8,665,454</u>	<u>54,549</u>	<u>821,870</u>	<u>9,541,873</u>
Total net position	<u>\$ 20,015,921</u>	<u>\$ 55,333</u>	<u>\$ 821,870</u>	<u>\$ 20,893,124</u>

City of Pinellas Park, Florida
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended September 30, 2020

	Capital Equipment Replacement	Self- Insurance	Workers' Compensation	Total
Operating revenues:				
Charges for services	\$ 7,372,720	\$ -	\$ -	\$ 7,372,720
Insurance premiums	-	391,000	274,000	665,000
Insurance claims	-	59,014	-	59,014
Miscellaneous	21,129	17,020	-	38,149
Total operating revenues	<u>7,393,849</u>	<u>467,034</u>	<u>274,000</u>	<u>8,134,883</u>
Operating expenses:				
Wages and benefits	2,825,973	183,844	-	3,009,817
Supplies	1,555,149	2,203	-	1,557,352
Repairs and maintenance	443,350	4,864	-	448,214
Insurance claims	-	239,813	210,998	450,811
Depreciation	2,393,629	675	-	2,394,304
Other operating expenses	934,361	20,350	-	954,711
Total operating expenses	<u>8,152,462</u>	<u>451,749</u>	<u>210,998</u>	<u>8,815,209</u>
Operating income (loss)	<u>(758,613)</u>	<u>15,285</u>	<u>63,002</u>	<u>(680,326)</u>
Nonoperating revenues:				
Investments earnings	122,771	5,093	12,316	140,180
Gain on sale of capital assets	236,438	-	-	236,438
Total non-operating revenues	<u>359,209</u>	<u>5,093</u>	<u>12,316</u>	<u>376,618</u>
Gain (loss) before capital contributions and transfers	(399,404)	20,378	75,318	(303,708)
Transfers in	155,000	-	-	155,000
Transfers out	<u>(916)</u>	<u>-</u>	<u>-</u>	<u>(916)</u>
Change in net position	(245,320)	20,378	75,318	(149,624)
Total net position - beginning	<u>20,261,241</u>	<u>34,955</u>	<u>746,552</u>	<u>21,042,748</u>
Total net position - ending	<u>\$ 20,015,921</u>	<u>\$ 55,333</u>	<u>\$ 821,870</u>	<u>\$ 20,893,124</u>

City of Pinellas Park, Florida
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended September 30, 2020

	Capital Equipment Replacement	Self- Insurance	Workers' Compensation	Total
OPERATING ACTIVITIES				
Receipts from interfund services provided	\$ 7,393,307	\$ 453,095	\$ 274,000	\$ 8,120,402
Payments to suppliers	(3,245,280)	(26,746)	-	(3,272,026)
Payments to employees	(2,948,925)	(192,750)	-	(3,141,675)
Claims paid	-	(226,813)	(203,998)	(430,811)
Net cash provided by operating activities	<u>1,199,102</u>	<u>6,786</u>	<u>70,002</u>	<u>1,275,890</u>
NONCAPITAL AND RELATED FINANCING ACTIVITIES				
Advance from other funds	155,000	-	-	155,000
Payment to other funds	(916)	-	-	(916)
Net cash provided by noncapital and related financing activities	<u>154,084</u>	<u>-</u>	<u>-</u>	<u>154,084</u>
CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(3,210,671)	-	-	(3,210,671)
Proceeds from sale of assets	284,589	-	-	284,589
Net cash used by capital and related financing activities	<u>(2,926,082)</u>	<u>-</u>	<u>-</u>	<u>(2,926,082)</u>
INVESTING ACTIVITIES				
Purchase of investments	(2,570,720)	(191,363)	(468,094)	(3,230,177)
Proceeds from sales and maturities of investments	3,885,210	201,634	454,428	4,541,272
Interest and dividends received	139,656	5,873	13,714	159,243
Net cash provided by investing activities	<u>1,454,146</u>	<u>16,144</u>	<u>48</u>	<u>1,470,338</u>
Net increase (decrease) in cash and cash equivalents	(118,750)	22,930	70,050	(25,770)
Cash and cash equivalents, beginning of year	<u>3,602,568</u>	<u>158,085</u>	<u>337,502</u>	<u>4,098,155</u>
Cash and cash equivalents, end of year	<u>\$ 3,483,818</u>	<u>\$ 181,015</u>	<u>\$ 407,552</u>	<u>\$ 4,072,385</u>
Reconciliation of operating loss to net cash provided by operating activities				
Operating income (loss)	\$ (758,613)	\$ 15,285	\$ 63,002	\$ (680,326)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities				
Depreciation expense	2,393,629	675	-	2,394,304
(Increase) decrease in accounts receivable	(542)	(13,939)	-	(14,481)
(Increase) decrease in prepaid items	(53,662)	-	-	(53,662)
(Increase) decrease in deferred outflows of pension resources	131,175	8,953	-	140,128
(Increase) decrease in deferred outflows of OPEB resources	(26,419)	(1,651)	-	(28,070)
Increase (decrease) in accounts payable	(258,758)	671	-	(258,087)
Increase (decrease) in accrued salaries payable	6,749	851	-	7,600
Increase (decrease) in other accrued liabilities	-	13,000	7,000	20,000
Increase (decrease) in net pension liability	59,138	4,224	-	63,362
Increase (decrease) in OPEB liability	34,984	2,186	-	37,170
Increase (decrease) in deferred inflows of pension resources	(328,469)	(23,462)	-	(351,931)
Increase (decrease) in deferred inflows of OPEB resources	(110)	(7)	-	(117)
Total adjustments	<u>1,957,715</u>	<u>(8,499)</u>	<u>7,000</u>	<u>1,956,216</u>
Net cash provided by operating activities	<u>\$ 1,199,102</u>	<u>\$ 6,786</u>	<u>\$ 70,002</u>	<u>\$ 1,275,890</u>
Noncash investing, capital, and financing activities:				
Increase in fair value of investments	\$ 11,242	\$ 580	\$ 1,251	\$ 13,073
Gain on sale of capital assets	<u>\$ 236,438</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 236,438</u>

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Fiduciary Funds

Fiduciary funds are used to account for resources that are managed in a trustee capacity or as an agent for other parties of funds.

Fire Employees Pension Trust Fund – This fund accounts for the assets held for the Fire Employees Retirement System.

Police Employees Pension Trust Fund – This fund accounts for the assets held for the Police Employees Retirement System.

General Employees Pension Trust Fund – This fund accounts for the assets held for the General Employees Retirement System.

City of Pinellas Park, Florida
Combining Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2020

	Employee Retirement Funds			
	Defined Benefit			
	Fire Employees	Police Employees	General Employees	Total Retirement Funds
ASSETS				
Cash and short-term investments	\$ 1,631,690	\$ 1,576,116	\$ 2,870,741	\$ 6,078,547
Receivables:				
Interest receivable on investments	51,637	59,236	83,440	194,313
Employer contribution receivable	6,480	-	-	6,480
Total receivables	58,117	59,236	83,440	200,793
Investments at fair value:				
U.S. agencies and instrumentalities	5,398,023	3,849,014	5,706,171	14,953,208
Corporate bonds	7,187,200	6,218,571	9,374,924	22,780,695
Mortgage backed debt	221,229	3,324,189	4,708,078	8,253,496
Common stock	8,683,668	22,236,771	32,986,724	63,907,163
Mutual funds	35,555,230	26,801,949	26,416,381	88,773,560
Pooled investments	11,596,262	13,200,218	17,345,227	42,141,707
Total investments	68,641,612	75,630,712	96,537,505	240,809,829
Total assets	70,331,419	77,266,064	99,491,686	247,089,169
LIABILITIES				
Accounts payable	-	-	-	-
Total liabilities	-	-	-	-
NET POSITION				
Net position restricted for pensions	\$ 70,331,419	\$ 77,266,064	\$ 99,491,686	\$ 247,089,169

City of Pinellas Park, Florida
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended September 30, 2020

	Employee Retirement Funds			
	Defined Benefit			
	Fire Employees	Police Employees	General Employees	Total Retirement Funds
ADDITIONS				
Contributions:				
Employer	\$ 1,868,284	\$ 904,721	\$ 2,257,785	\$ 5,030,790
Plan members	466,712	604,453	700,135	1,771,300
Total contributions	2,334,996	1,509,174	2,957,920	6,802,090
Intergovernmental revenue:				
State excise tax	409,396	552,086	-	961,482
Investment income:				
Net increase in fair value of investments (realized and unrealized)	4,291,744	6,200,473	7,175,517	17,667,734
Interest	438,426	469,912	661,602	1,569,940
Dividends	1,556,062	1,641,157	1,687,815	4,885,034
Total investment income	6,286,232	8,311,542	9,524,934	24,122,708
Less investment expenses:				
Investment management fees	186,342	152,914	432,049	771,305
Net investment income	6,099,890	8,158,628	9,092,885	23,351,403
Total additions	8,844,282	10,219,888	12,050,805	31,114,975
DEDUCTIONS				
Benefits	4,223,355	3,034,772	4,630,212	11,888,339
Refunds of contributions	28,592	35,965	92,076	156,633
Administrative expenses	133,576	280,381	170,235	584,192
Total deductions	4,385,523	3,351,118	4,892,523	12,629,164
Changes in net position	4,458,759	6,868,770	7,158,282	18,485,811
Net position - beginning of year	65,872,660	70,397,294	92,333,404	228,603,358
Net position - end of year	\$ 70,331,419	\$ 77,266,064	\$ 99,491,686	\$ 247,089,169

STATISTICAL SECTION

This part of the City of Pinellas Park's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

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Table I
City of Pinellas Park, Florida
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2011*	2012	2013	2014**
Governmental activities:				
Net investment in capital assets	\$ 102,814,212	\$ 105,334,371	\$ 106,404,554	\$ 107,815,307
Restricted for:				
Grant programs	-	-	-	-
Public safety	839,437	301,383	235,376	232,267
Transportation	1,101,975	878,528	1,005,859	878,063
Culture and recreation	387,412	138,922	138,699	140,909
Debt service	37,408	36,799	36,260	35,721
Capital projects	2,153,830	2,385,968	3,244,024	4,158,693
Redevelopment	-	3,895,492	3,074,709	3,078,143
Other Purposes	-	6,930	5,352	5,812
Unrestricted	46,378,080	42,207,117	41,566,964	20,916,669
Total governmental activities net position	153,712,354	155,185,510	155,711,797	137,261,584
Business-type activities:				
Net investment in capital assets	32,651,395	33,494,328	33,929,415	34,952,799
Restricted for:				
Debt service	1,661,824	1,678,964	1,686,888	1,693,654
Renewal and replacement	600,784	600,784	600,784	-
Unrestricted	4,240,976	6,344,647	8,609,299	8,473,270
Total business-type activities net position	39,154,979	42,118,723	44,826,386	45,119,723
Primary government:				
Net investment in capital assets	135,465,607	138,828,699	140,333,969	142,768,106
Restricted for:				
Grant programs	-	-	-	-
Public safety	839,437	301,383	235,376	232,267
Transportation	1,101,975	878,528	1,005,859	878,063
Culture and recreation	387,412	138,922	138,699	140,909
Debt service	1,699,232	1,715,763	1,723,148	1,729,375
Capital projects	2,153,830	2,385,968	3,244,024	4,158,693
Renewal and replacement	600,784	600,784	600,784	-
Redevelopment	-	3,895,492	3,074,709	3,078,143
Other Purposes	-	6,930	5,352	5,812
Unrestricted	50,619,056	48,551,764	50,176,263	29,389,939
Total primary government net position	\$ 192,867,333	\$ 197,304,233	\$ 200,538,183	\$ 182,381,307

Note: * Unrestricted net position restated back to 2011 due to GASB Statement No. 65

Note: **Unrestricted net position restated back to 2014 due to GASB Statement No. 68 and No. 71

Note: ***Unrestricted net position restated back to 2017 due to GASB Statement No. 75

Fiscal Year					
2015	2016	2017***	2018	2019	2020
\$ 108,339,459	\$ 113,722,479	\$ 118,693,048	\$ 125,521,058	\$ 129,148,928	\$ 131,048,704
-	-	-	-	-	-
226,202	155,069	135,134	143,975	258,719	265,279
935,129	948,615	929,653	982,495	1,220,662	1,580,013
142,735	196,084	194,195	193,538	199,693	1,201,469
35,729	35,753	35,753	35,753	35,806	35,832
5,580,055	6,292,524	4,993,192	3,417,778	4,995,890	5,364,289
2,817,601	3,029,289	4,323,061	4,027,571	4,345,618	6,117,362
6,108	166,464	151,544	136,192	127,355	45,556
28,096,277	25,135,632	20,914,941	19,811,832	24,058,312	27,005,058
146,179,295	149,681,909	150,370,521	154,270,192	164,390,983	172,663,562
36,762,492	38,264,303	43,671,010	44,564,780	44,641,871	45,301,316
1,723,302	1,746,413	1,756,699	1,286,419	1,257,895	915,330
-	-	-	-	-	-
9,032,685	11,143,393	10,353,914	12,916,657	14,665,972	15,616,014
47,518,479	51,154,109	55,781,623	58,767,856	60,565,738	61,832,660
145,101,951	151,986,782	162,364,058	170,085,838	173,790,799	176,350,020
-	-	-	-	-	-
226,202	155,069	135,134	143,975	258,719	265,279
935,129	948,615	929,653	982,495	1,220,662	1,580,013
142,735	196,084	194,195	193,538	199,693	1,201,469
1,759,031	1,782,166	1,792,452	1,322,172	1,293,701	951,162
5,580,055	6,292,524	4,993,192	3,417,778	4,995,890	5,364,289
-	-	-	-	-	-
2,817,601	3,029,289	4,323,061	4,027,571	4,345,618	6,117,362
6,108	166,464	151,544	136,192	127,355	45,556
37,128,962	36,279,025	31,268,855	32,728,489	38,724,284	42,621,072
\$ 193,697,774	\$ 200,836,018	\$ 206,152,144	\$ 213,038,048	\$ 224,956,721	\$ 234,496,222

Table II
City of Pinellas Park, Florida
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2011	2012*	2013	2014
Expenses				
Governmental activities:				
General government	\$ 5,558,574	\$ 5,486,690	\$ 6,047,672	\$ 6,400,725
Public safety	26,520,971	26,601,510	27,068,884	25,665,126
Sanitation	5,164,697	5,195,790	5,326,580	5,505,901
Transportation	6,956,051	6,983,086	6,928,015	6,946,689
Community development	1,054,471	970,955	994,614	1,103,341
Culture and recreation	6,665,943	6,951,719	7,275,317	7,199,941
Interest on long-term debt	537,868	498,142	472,486	423,220
Total governmental activities expenses	<u>52,458,575</u>	<u>52,687,892</u>	<u>54,113,568</u>	<u>53,244,943</u>
Business-type activities:				
Water and sewer	<u>23,353,203</u>	<u>23,198,354</u>	<u>24,422,957</u>	<u>26,571,518</u>
Total primary government expenses	<u>\$ 75,811,778</u>	<u>\$ 75,886,246</u>	<u>\$ 78,536,525</u>	<u>\$ 79,816,461</u>
Program revenues				
Governmental activities:				
Charges for services:				
General government	\$ 1,210,847	\$ 1,154,828	\$ 1,148,385	\$ 1,247,433
Public Safety	7,224,899	7,302,114	7,557,964	5,516,619
Sanitation	5,692,746	5,810,731	5,925,861	6,107,878
Transportation	1,729,743	1,786,086	2,410,683	2,482,345
Community development	29,536	32,677	32,506	54,344
Culture and recreation	366,965	372,706	515,661	394,965
Operating grants and contributions	708,767	670,268	375,816	342,815
Capital grants and contributions	486,798	1,241,210	717,554	624,646
Total governmental activities program revenues	<u>17,450,301</u>	<u>18,370,620</u>	<u>18,684,430</u>	<u>16,771,045</u>
Business-type activities:				
Charges for services:				
Water and sewer	23,601,020	25,677,062	26,541,339	27,064,329
Capital grants and contributions	-	2,571	14,328	-
Total business-type activities program revenues	<u>23,601,020</u>	<u>25,679,633</u>	<u>26,555,667</u>	<u>27,064,329</u>
Total primary government program revenues	<u>\$ 41,051,321</u>	<u>\$ 44,050,253</u>	<u>\$ 45,240,097</u>	<u>\$ 43,835,374</u>
Net (expense)/revenue				
Governmental activities	\$ (35,008,274)	\$ (34,317,272)	\$ (35,429,138)	\$ (36,473,898)
Business-type activities	<u>247,817</u>	<u>2,481,279</u>	<u>2,132,710</u>	<u>492,811</u>
Total primary government net expense	<u>\$ (34,760,457)</u>	<u>\$ (31,835,993)</u>	<u>\$ (33,296,428)</u>	<u>\$ (35,981,087)</u>
General revenues and other changes in net position				
Governmental activities:				
Taxes:				
Property taxes	\$ 13,622,469	\$ 13,402,099	\$ 13,518,083	\$ 14,045,085
Half-cent sales tax	2,628,982	2,594,836	2,722,174	2,875,850
Unrestricted state revenue sharing	1,287,423	1,453,582	1,442,132	1,531,641
Franchise fees and utility taxes	12,995,683	12,473,105	12,372,114	13,023,257
One cent infrastructure sales tax	3,328,388	3,607,624	3,926,416	3,958,355
Local option gas tax	598,211	607,488	619,328	619,951
Unrestricted intergovernmental revenue	842,196	739,529	749,788	831,204
Unrestricted investment earnings	229,930	207,439	(58,695)	268,547
Miscellaneous	619,784	704,726	664,085	749,908
Total governmental activities	<u>36,153,066</u>	<u>35,790,428</u>	<u>35,955,425</u>	<u>37,903,798</u>
Business-type activities:				
Unrestricted investment earnings	96,088	51,032	(16,631)	96,812
Miscellaneous	<u>517,701</u>	<u>431,433</u>	<u>591,584</u>	<u>601,587</u>
Total business-type activities	<u>613,789</u>	<u>482,465</u>	<u>574,953</u>	<u>698,399</u>
Total primary government	<u>\$ 36,766,855</u>	<u>\$ 36,272,893</u>	<u>\$ 36,530,378</u>	<u>\$ 38,602,197</u>
Changes in net position				
Governmental activities	\$ 1,144,792	\$ 1,473,156	\$ 526,287	\$ 1,429,900
Business-type activities	<u>861,606</u>	<u>2,963,744</u>	<u>2,707,663</u>	<u>1,191,210</u>
Total primary government	<u>\$ 2,006,398</u>	<u>\$ 4,436,900</u>	<u>\$ 3,233,950</u>	<u>\$ 2,621,110</u>

Note: * 2012 restated for the adoption of GASB Statement No. 65

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 5,948,902	\$ 5,938,339	\$ 6,145,385	\$ 7,176,663	\$ 6,715,373	\$ 8,367,779
22,487,664	28,476,268	29,527,298	29,258,310	29,030,276	29,976,682
5,617,870	5,786,186	6,110,209	6,348,319	6,583,830	6,876,705
7,048,568	7,815,490	7,915,895	8,307,859	8,042,065	8,431,946
336,656	992,033	470,804	829,714	837,746	922,992
6,847,024	7,956,495	8,318,819	8,731,412	8,849,204	8,905,430
212,489	194,034	175,186	155,845	127,184	107,037
<u>48,499,173</u>	<u>57,158,845</u>	<u>58,663,596</u>	<u>60,808,122</u>	<u>60,185,678</u>	<u>63,588,571</u>
<u>25,693,454</u>	<u>26,033,633</u>	<u>25,374,471</u>	<u>27,869,815</u>	<u>30,072,124</u>	<u>31,048,604</u>
<u>\$ 74,192,627</u>	<u>\$ 83,192,478</u>	<u>\$ 84,038,067</u>	<u>\$ 88,677,937</u>	<u>\$ 90,257,802</u>	<u>\$ 94,637,175</u>
\$ 1,240,587	\$ 1,209,821	\$ 1,177,617	\$ 1,183,889	\$ 1,205,920	\$ 1,195,044
5,610,837	5,674,552	6,539,947	7,582,552	8,003,266	7,815,067
6,281,787	6,381,272	6,651,128	7,091,962	7,375,941	7,614,213
2,403,347	2,311,513	2,381,641	2,100,935	2,335,409	2,467,012
83,142	81,339	108,700	117,554	118,568	95,815
353,528	474,753	655,237	712,918	934,866	402,412
375,154	382,883	433,876	376,796	1,156,066	2,025,861
1,044,858	2,819,371	636,163	1,090,611	580,551	205,079
<u>17,393,240</u>	<u>19,335,504</u>	<u>18,584,309</u>	<u>20,257,217</u>	<u>21,710,587</u>	<u>21,820,503</u>
27,144,196	28,699,957	29,810,180	30,500,996	30,652,935	31,741,000
-	-	-	-	-	-
<u>27,144,196</u>	<u>28,699,957</u>	<u>29,810,180</u>	<u>30,500,996</u>	<u>30,652,935</u>	<u>31,741,000</u>
<u>\$ 44,537,436</u>	<u>\$ 48,035,461</u>	<u>\$ 48,394,489</u>	<u>\$ 50,758,213</u>	<u>\$ 52,363,522</u>	<u>\$ 53,561,503</u>
\$ (31,105,933)	\$ (37,823,341)	\$ (40,079,287)	\$ (40,550,905)	\$ (38,475,091)	\$ (41,768,068)
1,450,742	2,666,324	4,435,709	2,631,181	580,811	692,396
<u>\$ (29,655,191)</u>	<u>\$ (35,157,017)</u>	<u>\$ (35,643,578)</u>	<u>\$ (37,919,724)</u>	<u>\$ (37,894,280)</u>	<u>\$ (41,075,672)</u>
\$ 14,819,000	\$ 15,708,324	\$ 16,471,933	\$ 17,572,267	\$ 18,486,029	\$ 20,138,568
3,045,208	3,175,896	3,270,073	3,423,062	3,500,083	3,329,705
1,639,950	1,709,357	1,836,239	1,903,337	1,974,173	1,820,105
13,115,199	13,021,686	13,076,173	13,650,616	14,224,779	14,376,698
4,515,700	4,620,153	4,749,052	5,032,057	5,294,055	5,525,145
694,414	661,328	666,992	696,740	703,129	636,546
946,631	1,076,009	1,248,087	1,404,665	1,620,343	1,770,354
439,977	316,767	72,820	(114,538)	1,655,866	575,978
807,565	1,036,435	886,124	882,370	1,137,425	1,867,548
<u>40,023,644</u>	<u>41,325,955</u>	<u>42,277,493</u>	<u>44,450,576</u>	<u>48,595,882</u>	<u>50,040,647</u>
141,621	116,708	17,698	(92,322)	707,625	208,818
806,393	852,598	418,699	447,374	509,446	365,708
948,014	969,306	436,397	355,052	1,217,071	574,526
<u>\$ 40,971,658</u>	<u>\$ 42,295,261</u>	<u>\$ 42,713,890</u>	<u>\$ 44,805,628</u>	<u>\$ 49,812,953</u>	<u>\$ 50,615,173</u>
\$ 8,917,711	\$ 3,502,614	\$ 2,198,206	\$ 3,899,671	\$ 10,120,791	\$ 8,272,579
2,398,756	3,635,630	4,872,106	2,986,233	1,797,882	1,266,922
<u>\$ 11,316,467</u>	<u>\$ 7,138,244</u>	<u>\$ 7,070,312</u>	<u>\$ 6,885,904</u>	<u>\$ 11,918,673</u>	<u>\$ 9,539,501</u>

Table III
City of Pinellas Park, Florida
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2011	2012	2013	2014
General Fund				
Nonspendable	\$ 705,821	\$ 759,351	\$ 757,304	\$ 715,547
Restricted	-	958	1,954	3,887
Committed	95,887	83,114	70,938	62,504
Assigned	-	2,794,753	2,882,867	2,465,657
Unassigned	18,241,977	15,201,405	16,076,598	16,432,686
Total general fund	<u>\$ 19,043,685</u>	<u>\$ 18,839,581</u>	<u>\$ 19,789,661</u>	<u>\$ 19,680,281</u>
All other governmental funds				
Nonspendable	\$ -	\$ 9,102	\$ 8,729	\$ 9,051
Restricted	8,234,347	7,643,064	7,738,325	8,525,721
Committed	4,325,547	891,179	1,057,169	1,096,609
Assigned	3,149,059	7,329,528	6,530,867	6,425,434
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 15,708,953</u>	<u>\$ 15,872,873</u>	<u>\$ 15,335,090</u>	<u>\$ 16,056,815</u>

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 823,380	\$ 632,019	\$ 769,333	\$ 656,627	\$ 749,540	\$ 759,934
3,677	5,424	6,680	9,436	13,250	15,614
49,771	38,999	35,451	13,295	1,107	1,485
2,636,122	1,462,607	2,744,651	2,549,243	3,216,848	5,305,328
17,212,939	18,487,518	17,927,311	18,718,939	21,088,867	19,909,029
<u>\$ 20,725,889</u>	<u>\$ 20,626,567</u>	<u>\$ 21,483,426</u>	<u>\$ 21,947,540</u>	<u>\$ 25,069,612</u>	<u>\$ 25,991,390</u>
\$ 10,433	\$ 11,982	\$ 16,184	\$ 17,185	\$ 17,881	\$ 21,544
9,739,882	10,818,374	10,755,852	8,927,866	11,170,493	14,594,186
1,033,803	986,816	1,025,904	1,171,160	895,071	943,896
4,642,169	4,801,957	2,117,192	1,966,306	2,073,944	3,002,264
-	-	-	-	544,304	-
<u>\$ 15,426,287</u>	<u>\$ 16,619,129</u>	<u>\$ 13,915,132</u>	<u>\$ 12,082,517</u>	<u>\$ 14,701,693</u>	<u>\$ 18,561,890</u>

Table IV
City of Pinellas Park, Florida
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2011	2012	2013	2014
Revenues				
Taxes	\$ 27,414,695	\$ 26,667,197	\$ 26,673,820	\$ 27,857,361
Licenses and permits	565,781	599,637	819,169	626,681
Intergovernmental	11,898,987	12,816,014	12,706,616	12,608,280
Charges for services	12,358,603	12,689,925	13,347,327	12,085,313
Transportation impact fees	123,945	115,008	138,912	136,348
Fines and forfeitures	311,358	253,640	246,656	225,062
Investment earnings (loss)	229,932	207,439	(58,695)	268,547
Miscellaneous	700,066	1,487,188	778,975	867,251
Total revenues	<u>53,603,367</u>	<u>54,836,048</u>	<u>54,652,780</u>	<u>54,674,843</u>
Expenditures				
General government	5,484,564	5,333,789	5,650,151	5,948,658
Public safety	26,106,162	25,493,375	26,044,256	25,824,143
Sanitation	5,164,697	5,195,790	5,326,580	5,505,901
Transportation	5,016,959	4,941,800	4,776,002	4,885,203
Community development	1,053,662	949,461	978,289	1,115,554
Culture and recreation	5,934,205	5,863,554	6,007,891	6,485,412
Debt service:				
Principal	659,861	685,619	711,414	8,957,250
Interest	497,426	469,255	443,670	394,404
Other bond costs	539	610	539	-
Capital outlay	<u>3,519,776</u>	<u>5,212,608</u>	<u>4,869,493</u>	<u>3,451,221</u>
Total expenditures	<u>53,437,851</u>	<u>54,145,861</u>	<u>54,808,285</u>	<u>62,567,746</u>
Excess (deficiency) of revenues over (under) expenditures	<u>165,516</u>	<u>690,187</u>	<u>(155,505)</u>	<u>(7,892,903)</u>
Other financing sources (uses)				
Bond proceeds	-	-	-	8,277,000
Transfers in	3,451,720	3,191,097	4,099,599	3,993,474
Transfers out	<u>(4,524,472)</u>	<u>(3,921,468)</u>	<u>(3,531,797)</u>	<u>(3,765,226)</u>
Total other financing sources (uses)	<u>(1,072,752)</u>	<u>(730,371)</u>	<u>567,802</u>	<u>8,505,248</u>
Net change in fund balances	<u>\$ (907,236)</u>	<u>\$ (40,184)</u>	<u>\$ 412,297</u>	<u>\$ 612,345</u>
Debt service as a percentage of non-capital expenditures	2.32%	2.36%	2.31%	15.82%

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 28,673,689	\$ 29,462,842	\$ 30,295,352	\$ 31,968,829	\$ 33,453,307	\$ 35,266,627
746,335	719,605	822,866	1,141,251	1,349,532	926,506
13,968,323	16,203,690	15,010,237	15,794,116	17,077,097	17,770,717
12,293,179	12,380,508	13,068,487	14,075,383	14,560,836	14,568,761
105,970	104,690	122,814	92,247	321,736	444,260
226,086	187,557	190,923	214,068	255,023	185,616
439,976	316,767	72,820	(114,536)	1,655,866	575,976
963,326	1,285,800	1,278,304	1,536,435	1,633,072	2,122,686
<u>57,416,884</u>	<u>60,661,459</u>	<u>60,861,803</u>	<u>64,707,793</u>	<u>70,306,469</u>	<u>71,861,149</u>
5,795,742	5,893,329	5,541,307	6,513,268	6,388,342	7,492,983
26,650,869	27,422,021	28,123,867	29,127,736	30,298,404	31,091,520
5,617,870	5,786,186	6,110,209	6,348,319	6,583,830	6,876,705
5,157,399	5,469,896	5,499,226	5,745,451	5,681,136	6,037,321
404,894	426,201	431,281	846,811	828,630	951,746
6,461,664	7,010,875	6,941,163	7,368,217	7,930,712	7,877,788
848,129	866,053	888,023	907,043	923,116	948,242
184,212	165,757	146,909	127,567	107,751	87,604
-	-	-	-	-	-
<u>6,302,102</u>	<u>6,243,243</u>	<u>8,740,832</u>	<u>8,942,949</u>	<u>5,513,745</u>	<u>5,561,180</u>
<u>57,422,881</u>	<u>59,283,561</u>	<u>62,422,817</u>	<u>65,927,361</u>	<u>64,255,666</u>	<u>66,925,089</u>
<u>(5,997)</u>	<u>1,377,898</u>	<u>(1,561,014)</u>	<u>(1,219,568)</u>	<u>6,050,803</u>	<u>4,936,060</u>
-	-	-	-	-	-
6,131,632	4,308,965	5,642,579	4,828,747	5,354,207	6,438,960
<u>(5,710,555)</u>	<u>(4,593,343)</u>	<u>(5,928,703)</u>	<u>(4,977,680)</u>	<u>(5,663,762)</u>	<u>(6,593,045)</u>
<u>421,077</u>	<u>(284,378)</u>	<u>(286,124)</u>	<u>(148,933)</u>	<u>(309,555)</u>	<u>(154,085)</u>
<u>\$ 415,080</u>	<u>\$ 1,093,520</u>	<u>\$ (1,847,138)</u>	<u>\$ (1,368,501)</u>	<u>\$ 5,741,248</u>	<u>\$ 4,781,975</u>
2.02%	1.95%	1.93%	1.82%	1.75%	1.69%

Table V
City of Pinellas Park, Florida
Assessed and Estimated Actual Value of Taxable Property ⁽¹⁾
Last Ten Fiscal Years

Fiscal Year Ended September 30,	Real Property ⁽²⁾ Assessed Value	Personal Property Assessed Value	Total Property Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Net Assessed Value as a Percentage of Estimated Actual Value	
2020	\$ 3,645,845,013	\$ 466,733,037	\$ 4,112,578,050	5.4900	\$ 4,112,578,050	100.00	%
2019	3,330,954,385	473,127,013	3,804,081,398	5.4900	3,804,081,398	100.00	
2018	3,102,248,222	426,416,677	3,528,664,899	5.4900	3,528,664,899	100.00	
2017	2,883,832,752	418,601,340	3,302,434,092	5.4900	3,302,434,092	100.00	
2016	2,693,259,594	392,960,514	3,086,220,108	5.4900	3,086,220,108	100.00	
2015	2,512,324,204	394,143,794	2,906,467,998	5.5862	2,906,467,998	100.00	
2014	2,352,439,011	385,023,278	2,737,462,289	5.5862	2,737,462,289	100.00	
2013	2,229,821,781	364,491,234	2,594,313,015	5.5862	2,594,313,015	100.00	
2012	2,143,536,780	354,058,151	2,497,594,931	5.5862	2,497,594,931	100.00	
2011	2,194,990,841	352,637,960	2,547,628,801	5.4269	2,547,628,801	100.00	

Source: Office of Pinellas County Property Appraiser's Office

Note: (1) Total assessed value based on 100% of estimated actual value.
(2) Includes railroad and private car line property value.

Table VI
City of Pinellas Park, Florida
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

	<u>Direct Rate</u>	<u>Overlapping Rates</u>				
Fiscal Year	City of Pinellas Park Operating	School District	County	Pinellas Park Water Management District	Transit District	Total Direct and Overlapping Rates
TAX RATES PER THOUSAND DOLLARS OF ASSESSED VALUATION						
2020	5.4900	6.4270	7.4548	1.8670	0.7500	21.9888
2019	5.4900	6.5840	7.4680	1.8670	0.7500	22.1590
2018	5.4900	6.7270	7.4834	1.8670	0.7500	22.3174
2017	5.4900	7.0090	7.5010	1.8670	0.7500	22.6170
2016	5.4900	7.3180	7.4983	1.8670	0.7500	22.9233
2015	5.5862	7.7700	7.5164	1.8670	0.7305	23.4701
2014	5.5862	7.8410	7.5334	1.8670	0.7305	23.5581
2013	5.5862	8.0600	7.5494	1.8670	0.7305	23.7931
2012	5.5862	8.3020	7.2919	1.6511	0.7305	23.5617
2011	5.4269	8.3850	6.9626	1.5432	0.7305	23.0482

10 Mill Limitation by State of Florida Statute.

Tax rate limit of 10 mills is for current year operations.

November 1 - Current tax due date.

Discounts:	November	4%
	December	3%
	January	2%
	February	1%
	March	Net

April 1 - Taxes become delinquent

Delinquency Penalties: Commencing April 1, 3% penalty plus advertising charges on all unpaid real estate and 1 ½% penalty plus advertising and other costs to tangible personal property taxes.

Collection Agency - Pinellas County Tax Collectors' Office.

Note: The City's Direct Rate is for operating purposes.

Table VII
City of Pinellas Park, Florida
Principal Taxpayers
Current Year and Nine Years Ago

Taxpayer	Type of Business	Rank	2020			2011	
			Taxable Assessed Valuation	% of City Taxable Assessed Valuation		Taxable Assessed Valuation	% of City Taxable Assessed Valuation
Duke Energy	Electric Utility	1	\$ 69,082,060	1.68 %			
Top25 7200 US Highway 19 N	Shopping Mall	2	62,030,629	1.51			
Apartments at Gateway LLC	Apartment Complex	3	54,750,000	1.33			
Coram Deo Capital Co	Industrial	4	46,250,000	1.12			
Plantation Gardens	Apartment Complex	5	37,785,094	0.92			
CRP NRP Allure Gateway Owner LLC	Apartment Complex	6	36,000,000	0.88			
N H T S P LLC	Hotel	7	32,000,000	0.78			
Bayou Point LL LLC	Apartment Complex	8	26,500,000	0.64			
Catalent	Industrial	9	25,518,116	0.62			
49th Street Apartments LP	Apartment Complex	10	25,500,000	0.62			
K B Parkside LLC	Shopping Mall				1	\$ 47,274,487	1.86 %
Florida Power Corp.	Electric Utility				2	33,132,814	1.30
Catalent	Medical				3	21,754,215	0.85
P R Gateway Villas LLC	Land Owner				4	21,700,000	0.85
Plantation Gardens	Land Owner				5	19,400,000	0.76
Transitions Optical	Manufacturing				6	17,608,692	0.69
Scherer, R P Corp	Land Owner				7	17,500,000	0.69
Bright House Networks	Communications				8	17,339,103	0.68
Wal-Mart Stores East LP	Retail				9	14,800,000	0.58
FPRO-501 LLC	Land Owner				10	12,600,085	0.49
			<u>\$ 415,415,899</u>	<u>10.10 %</u>		<u>\$ 223,109,396</u>	<u>8.75 %</u>

Note: (1) City of Pinellas Park's 2019-20 assessed valuation was \$4,112,578,050
(2) City of Pinellas Park's 2010-11 assessed valuation was \$2,547,628,801

Table VIII
City of Pinellas Park, Florida
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended September 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Delinquent Tax Collections	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2020	\$ 20,879,723	\$ 19,587,975	93.81 %	\$ 550,492	\$ 20,138,568	96.45 %
2019	19,372,370	18,397,341	94.97	88,688	18,486,029	95.42
2018	18,124,970	17,493,652	96.52	78,615	17,572,267	96.95
2017	16,943,129	16,370,354	96.62	101,579	16,471,933	97.22
2016	16,236,112	15,633,367	96.29	74,956	15,708,323	96.75
2015	15,292,012	14,738,071	96.38	80,929	14,819,000	96.91
2014	14,492,351	13,966,107	96.37	78,978	14,045,085	96.91
2013	13,952,065	13,445,633	96.37	72,450	13,518,083	96.89
2012	13,825,727	13,331,441	96.42	70,658	13,402,099	96.94
2011	13,971,246	13,403,507	95.94	218,962	13,622,469	97.50

Source: Office of Pinellas County Tax Appraiser and Tax Collector
Only the taxes levied by the City of Pinellas Park are included in this table.
Collections for this unit are made by the County Tax Collector.

Table IX
City of Pinellas Park, Florida
Water, Sewer, and Reclaimed Water Rates - Within City Limits
Last Ten Fiscal Years

Water Rates Effective 10/1				
Service Description	2011	2012	2013	2014
Minimum Rate	\$19.62	\$20.04	\$20.46	\$20.91
Additional charges per 1,000 gallons based on additional use:				
3,000 - 8,000 gallons	6.54	6.68	6.82	6.97
8,000 - 10,000 gallons	6.97	7.11	7.25	7.40
10,000 - 15,000 gallons	7.38	7.52	7.66	7.81
15,000 - 17,000 gallons	7.80	7.94	8.08	8.23
17,000 - 19,000 gallons	8.23	8.37	8.51	8.66
over 19,100 gallons	8.64	8.78	8.92	9.07

Sewer Rates Effective 10/1				
Service Description	2011	2012	2013	2014
Minimum Rate	\$24.39	\$25.26	\$26.22	\$27.27
Additional charges per 1,000 gallons	8.13	8.42	8.74	9.09

Reclaimed Water Rates Effective 10/1				
Service Description	2011	2012	2013	2014
Single Family Residential & Commercial				
Minimum Rate	\$9.09	\$9.09	\$9.09	\$9.09
Per 1,000 gallons over 25,000 gallons	0.28	0.28	0.28	0.28
Multi-Family Residential				
Per unit with master meter	1.14	1.14	1.14	1.14
Per 1,000 gallons with master meter	0.28	0.28	0.28	0.28
Per 1,000 gallons over 25,000 gallons without master meter	0.28	0.28	0.28	0.28

Source: City of Pinellas Park Utility Billing Division.

Water Rates Effective 10/1					
<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$21.12	\$21.33	\$21.54	\$21.78	\$21.93	\$22.08
7.04	7.11	7.18	7.26	7.31	7.36
7.47	7.54	7.61	7.69	7.74	7.79
7.88	7.95	8.02	8.10	8.15	8.20
8.30	8.37	8.44	8.52	8.57	8.62
8.73	8.80	8.87	8.95	9.00	9.05
9.14	9.21	9.28	9.36	9.41	9.46

Sewer Rates Effective 10/1					
<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$27.27	\$27.39	\$27.54	\$27.69	\$28.92	\$30.27
9.09	9.13	9.18	9.23	9.64	10.09

Reclaimed Water Rates Effective 10/1					
<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$9.09	\$9.09	\$9.09	\$9.09	\$9.09	\$9.09
0.29	0.29	0.29	0.29	0.39	0.46
1.14	1.14	1.14	1.14	1.14	1.14
0.29	0.29	0.29	0.29	0.39	0.46
0.29	0.29	0.29	0.29	0.39	0.46

Table X
City of Pinellas Park, Florida
Water, Sewer, and Reclaimed Water Rates - Outside City Limits
Last Ten Fiscal Years

Water Rates Effective 10/1				
Service Description	2011	2012	2013	2014
Minimum Rate	\$24.54	\$25.05	\$25.58	\$26.13
Additional charges per 1,000 gallons based on additional use:				
3,000 - 8,000 gallons	8.18	8.35	8.53	8.71
8,000 - 10,000 gallons	8.71	8.89	9.07	9.25
10,000 - 15,000 gallons	9.23	9.40	9.58	9.76
15,000 - 17,000 gallons	9.75	9.93	10.10	10.29
17,000 - 19,000 gallons	10.29	10.46	10.64	10.83
over 19,100 gallons	10.80	10.98	11.15	11.34

Sewer Rates Effective 10/1				
Service Description	2011	2012	2013	2014
Minimum Rate	\$30.50	\$31.59	\$32.78	\$34.09
Additional charges per 1,000 gallons	10.16	10.53	10.93	11.36
Surcharge per 1,000 gallons ⁽¹⁾	2.0300	2.1100	2.0900	2.2700

(1) Based on metered potable water

Reclaimed Water Rates Effective 10/1				
Service Description	2011	2012	2013	2014
Single Family Residential & Commercial				
Minimum Rate	\$11.36	\$11.36	\$11.36	\$11.36
Per 1,000 gallons over 25,000 gallons	0.35	0.35	0.35	0.35
Multi-Family Residential				
Per unit with master meter	1.43	1.43	1.43	1.43
Per 1,000 gallons with master meter	0.35	0.35	0.35	0.35
Per 1,000 gallons over 25,000 gallons without master meter	0.35	0.35	0.35	0.35

Source: City of Pinellas Park Utility Billing Division.

Water Rates Effective 10/1					
<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$26.40	\$26.67	\$26.94	\$27.24	\$27.42	\$27.60
8.80	8.89	8.98	9.08	9.14	9.20
9.34	9.43	9.51	9.61	9.68	9.74
9.85	9.94	10.03	10.13	10.19	10.25
10.38	10.46	10.55	10.65	10.71	10.78
10.91	11.00	11.09	11.19	11.25	11.31
11.43	11.51	11.60	11.70	11.76	11.83

Sewer Rates Effective 10/1					
<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$34.09	\$34.24	\$34.44	\$34.62	\$36.15	\$37.83
11.36	11.41	11.48	11.54	12.05	12.61
2.2700	2.2800	2.3000	2.3100	2.4100	2.5300

Reclaimed Water Rates Effective 10/1					
<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$11.36	\$11.36	\$11.36	\$11.36	\$11.36	\$11.36
0.36	0.36	0.36	0.36	0.49	0.58
1.43	1.43	1.43	1.43	1.43	1.43
0.36	0.36	0.36	0.36	0.49	0.58
0.36	0.36	0.36	0.36	0.49	0.58

Table XI
City of Pinellas Park, Florida
Principal Water and Sewer Customers
Current Year and Nine Years Ago

Principal Water Customers						
Customer	2020			2011		
	Total Revenue	Rank	% of Total Revenue ⁽¹⁾	Total Revenue	Rank	% of Total Revenue ⁽²⁾
Bay Linen, Inc.	\$ 324,486	1	2.56 %			
Lakeworth Colony Inc	135,099	2	1.06			
Park Royale Mobile V	133,820	3	1.05			
Clearwater Cascade Association, Inc.	122,531	4	0.97			
Harbor Cay Apartments	120,635	5	0.95			
Pinellas County Housing Authority	106,632	6	0.84			
Coram DEO	103,812	7	0.82			
Cintas Corp.	101,332	8	0.80			
Roberts Mobile Home Park	100,636	9	0.79			
Pinellas Refuse to Energy Facility	94,867	10	0.75			
Bay Linen, Inc.				\$ 345,569	1	3.30 %
Klondike (Southeast) Corp.				189,591	2	1.81
Transition Optical				148,607	3	1.42
Bayou Club Community Association				139,099	4	1.33
Cintas Corp.				130,726	5	1.25
Pinellas County Housing Authority				116,793	6	1.12
Sunset Palms				108,642	7	1.04
Pursuit Marketing				107,632	8	1.03
Roberts Mobile Home Park				87,015	9	0.83
Shadow Run Apartments				81,907	10	0.78
	<u>\$ 1,343,850</u>		<u>10.59 %</u>	<u>\$ 1,455,581</u>		<u>13.91 %</u>

Note: (1) Percentage of Total Water Revenue is based on approximately \$ 12,700,000 for 2020.

(2) Percentage of Total Water Revenue is based on approximately \$10,458,461 for 2011.

(3) Percentage of Total Sewer Revenue is based on approximately \$ 18,00,000 for 2020.

(4) Percentage of Total Sewer Revenue is based on approximately \$ 11,511,880 for 2011.

Principal Sewer Customers

Customer	2020			2011		
	Total Revenue	Rank	% of Total Revenue ⁽³⁾	Total Revenue	Rank	% of Total Revenue ⁽⁴⁾
Pinellas Refuse to Energy Facility	\$ 1,937,497	1	10.74 %			
Bay Linen, Inc.	332,792	2	1.85			
Park Royale Mobile V	159,121	3	0.88			
Lakeworth Colony Inc	156,770	4	0.87			
Harbor Cay Apartments	145,237	5	0.81			
Clearwater Cascade Association, Inc.	141,519	6	0.78			
Roberts Mobile Home Park	128,976	7	0.72			
Coram DEO	126,659	8	0.70			
Mainlands Unit 1	118,999	9	0.66			
G P Pinellas Inc	113,685	10	0.63			
Bay Linen, Inc.				\$ 310,536	1	2.70 %
Pinellas Refuse to Energy Facility				201,788	2	1.75
Klondike (Southeast) Corp.				170,659	3	1.48
Bayou Club Community Association				157,983	4	1.37
Transition Optical				133,714	5	1.16
Sunset Palms				129,783	6	1.13
Cintas Corp.				117,662	7	1.02
Roberts Mobile Home Park				103,095	8	0.90
Pursuit Marketing				96,925	9	0.84
Pinellas County Housing Authority				84,539	10	0.73
	<u>\$ 3,361,255</u>		<u>18.64 %</u>	<u>\$ 1,506,684</u>		<u>13.08 %</u>

Table XII
City of Pinellas Park, Florida
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended September 30,	Governmental Activities				Business Type Activities			Percentage of Personal Income	Debt Per Capita
	Public			Water and		Total Primary Government			
	Improvement Refunding Revenue Bonds	Notes Payable	Capital Leases	Sewer Revenue Bonds	State Revolving Loans				
2020	\$ 2,885,000	\$ 235,018	\$ -	\$ 6,345,000	\$ 2,138,108	\$ 11,603,126	0.59 %	\$ 214.07	
2019	3,810,000	258,260	-	6,736,000	3,009,000	13,813,260	0.76	259.24	
2018	4,711,000	280,375	-	7,117,000	3,939,071	16,047,446	0.91	301.96	
2017	5,597,000	301,418	-	7,486,000	4,961,256	18,345,674	1.09	348.03	
2016	6,465,000	321,441	-	7,842,000	6,176,112	20,804,553	1.30	396.30	
2015	7,312,000	340,494	-	8,190,000	7,355,404	23,197,898	0.75	310.97	
2014	8,142,000	358,623	-	8,529,000	8,500,175	25,529,798	0.84	338.21	
2013	8,829,739	375,873	-	8,637,996	9,664,573	27,508,181	0.90	357.09	
2012	9,527,212	392,287	-	8,899,680	10,847,175	29,666,354	1.01	381.84	
2011	9,874,912	407,906	1,529,868	9,156,179	11,995,084	32,963,949	1.18	430.73	

Sources:

- (1) Bureau of Economic and Business Research, University of Florida
- (2) City of Pinellas Park Planning Division

Table XIII
City of Pinellas Park, Florida
Computation of Direct and Overlapping Debt
As of September 30, 2020

<u>Governmental Unit</u>	<u>Net Debt Outstanding</u>	<u>Estimated Percentage Applicable to the City of Pinellas Park</u>	<u>Estimated Amount Applicable to the City of Pinellas Park</u>
Pinellas County School Board Overlapping Debt	\$ 14,000	4.482 %	\$ 627
City of Pinellas Park Direct Debt			<u>3,120,018</u>
Total Direct and Overlapping Debt			<u><u>\$ 3,120,645</u></u>

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the City of Pinellas Park. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Table XIV
City of Pinellas Park, Florida
Computation of Legal Debt Margin
Last Ten Fiscal Years

	Fiscal Year			
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Debt Limit	\$636,907,200	\$624,398,733	\$648,578,254	\$684,365,572
Total net debt applicable to limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u><u>\$636,907,200</u></u>	<u><u>\$624,398,733</u></u>	<u><u>\$648,578,254</u></u>	<u><u>\$684,365,572</u></u>
Total net debt applicable to the limit as a percentage of debt limit	-	-	-	-

The City Charter sets the limit of bond indebtedness at 25% of assessed valuation.

Legal Debt Margin Calculation for Fiscal Year 2020

Assessed Valuation - 2020 Tax Roll	\$ 4,112,578,050
Bonded Debt Limit - 25% of Assessed Value	1,028,144,513
Less: Amount of Debt Applicable to Debt Limit	<u>-</u>
Legal Debt Margin	<u><u>\$ 1,028,144,513</u></u>

Fiscal Year					
<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$726,617,000	\$771,555,027	\$825,608,523	\$882,166,225	\$951,020,350	\$1,028,144,513
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u><u>\$726,617,000</u></u>	<u><u>\$771,555,027</u></u>	<u><u>\$825,608,523</u></u>	<u><u>\$882,166,225</u></u>	<u><u>\$951,020,350</u></u>	<u><u>\$1,028,144,513</u></u>
-	-	-	-	-	-

Table XV
City of Pinellas Park, Florida
Pledged Revenue Coverage
Last Ten Fiscal Years

Water and Sewer Revenue Bonds					
<u>Fiscal Year</u>	<u>Gross Revenues⁽¹⁾</u>	<u>Expenses⁽²⁾</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirement</u>	<u>Coverage</u>
2020	\$ 32,315,526	\$ 25,945,785	\$ 6,369,741	\$ 594,029	10.723
2019	31,870,006	24,898,956	6,971,050	595,595	11.704
2018	30,856,048	22,756,978	8,099,070	594,795	13.617
2017	30,246,577	20,654,711	9,591,866	595,643	16.103
2016	29,639,263	21,177,306	8,461,957	596,216	14.193
2015	28,092,210	20,784,900	7,307,310	397,721	18.373
2014	27,762,728	21,417,196	6,345,532	673,931	9.416
2013	27,116,292	19,547,805	7,568,487	678,797	11.150
2012	26,159,527	18,246,389	7,913,138	678,062	11.670
2011	24,214,809	18,226,206	5,988,603	676,353	8.854

Public Improvement Refunding Revenue Bonds					
<u>Fiscal Year</u>	<u>Gross Revenues</u>	<u>Paying Agent Fees</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirement</u>	<u>Coverage</u>
2020	\$ 14,376,698	\$ -	\$ 14,376,698	\$ 997,735	14.409
2019	14,224,779	-	14,224,779	997,583	14.259
2018	13,650,616	-	13,650,616	999,094	13.663
2017	13,076,173	-	13,076,173	998,217	13.100
2016	13,021,686	-	13,021,686	995,910	13.075
2015	13,115,119	-	13,115,119	665,426	19.709
2014	13,023,257	-	13,023,257	1,106,155	11.773
2013	13,060,763	-	13,060,763	1,106,755	11.801
2012	12,473,220	-	12,473,220	1,107,856	11.259
2011	12,996,237	-	12,996,237	1,107,800	11.732

Note:

- (1) Includes all system revenues except for: Amortization of federally contributed assets, contributions and transfers from other funds, and secondary sources of pledged revenues.
- (2) Total expenses, transfers, and contributions, exclusive of depreciation, bond interest and non-system related expenses.

Table XVI
City of Pinellas Park, Florida
Demographic and Economic Statistics
Last Ten Fiscal Years

<u>Year</u>	<u>Population ⁽¹⁾</u>	<u>Estimated Personal Income ⁽²⁾</u>	<u>Per Capita Personal Income ⁽³⁾</u>	<u>Median Age ⁽⁴⁾</u>	<u>Public School Enrollment ⁽⁵⁾</u>	<u>Unemployment Rate ⁽⁶⁾</u>
2020	54,202	\$ 1,976,692,738	\$ 36,469	48.1	7,233	5.7 %
2019	53,284	1,820,341,292	34,163	47.6	7,408	2.9
2018	53,144	1,756,621,776	33,054	47.9	7,322	2.9
2017	52,713	1,686,078,018	31,986	47.4	7,708	3.4
2016	52,497	1,599,373,602	30,466	47.1	7,671	4.3
2015	50,946	2,113,545,756	41,486	46.9	6,753	4.7
2014	50,352	2,039,407,056	40,503	47.4	6,949	5.8
2013	49,969	1,976,174,012	39,548	46.8	7,175	6.5
2012	49,653	1,917,847,125	38,625	46.6	7,022	8.4
2011	49,286	1,861,285,790	37,765	46.3	7,065	10.3

Sources:

- (1) City of Pinellas Park Planning Division
- (2) Estimated personal income is calculated by multiplying population by per capita personal income.
- (3) Bureau of Economic and Business Research, University of Florida
- (4) U.S. Bureau of the Census
- (5) Pinellas County School Board
- (6) Florida Research and Economic Database

Table XVII
City of Pinellas Park, Florida
Principal Employers
Current Year and Nine Years Ago

Employer	2020			2011		
	Rank	Employees	Percentage of Total City Employment ⁽¹⁾	Rank	Employees	Percentage of Total City Employment ⁽²⁾
Wal-Mart Stores	1	1,141	3.94 %			
Pinellas County Schools	2	1,100	3.80			
Catalent Pharma Solutions	3	636	2.19			
City of Pinellas Park ⁽³⁾	4	549	1.89			
Conserv Building Services Inc	5	400	1.38			
Publix Supermarket	6	305	1.05			
Target Store T-2064	7	300	1.04			
T S E Industries	8	300	1.04			
Consumer Sales Solutions, LLC	9	224	0.77			
AutoNation Toyota Pinellas Park	10	194	0.67			
Baxter Healthcare Corp				1	1,000	3.40 %
Wal-Mart Supercenter #1390				2	680	2.31
Catalent Pharma Solutions				3	636	2.16
City of Pinellas Park ⁽³⁾				4	543	1.85
Johnson Controls Inc				5	500	1.70
Transitions Optical Inc				6	466	1.58
Conserv Building Services Inc				7	400	1.36
Midway Services Inc				8	330	1.12
Target Store T-2064				9	300	1.02
Sams Club #6387				10	271	0.92
Total		<u>5,149</u>	<u>17.77 %</u>		<u>5,126</u>	<u>17.42 %</u>

Note: (1) Percentage of Total City Employment is based on approximately 28,977 employees for 2020.

(2) Percentage of Total City Employment is based on approximately 29,430 employees for 2011.

(3) Figures include both full time and part time employees.

Source: City of Pinellas Park Business Tax Report

Table XVIII
City of Pinellas Park, Florida
Full-Time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

<u>Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Transportation</u>	<u>Community Development</u>	<u>Culture & Recreation</u>	<u>Water & Sewer</u>	<u>Total</u>
2020	78	242	41	13	73	66	513
2019	79	245	43	13	68	64	512
2018	75	243	43	13	71	67	512
2017	70	240	44	13	71	65	503
2016	71	237	43	12	71	64	498
2015	70	233	42	12	68	64	489
2014	68	233	37	12	71	63	484
2013	67	240	38	10	69	64	488
2012	68	244	37	10	67	63	489
2011	68	247	38	11	66	66	496

Source: City of Pinellas Park Accounting Division

Table XIX
City of Pinellas Park, Florida
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year			
	2011	2012	2013	2014
General government				
Building permits issued	3,752	3,746	3,823	4,198
Cost of construction	\$36,444,838	\$36,607,310	\$56,062,669	\$47,415,818
Area in square miles				
Incorporated area	16.19	16.21	16.260	16.281
Utility service area	20.00	20.00	20.00	20.00
Fire service area	27.00	27.00	27.00	26.10
Police				
Calls for service	136,738	121,457	79,730	93,050
Fire				
Fire and miscellaneous runs	2,749	4,348	4,143	3,310
Emergency medical runs	14,127	11,648	12,224	10,553
Library				
Square footage	30,972	30,972	30,972	30,972
Approximate number of materials	129,729	113,531	164,870	132,492
Water and sewer utilities				
Residential water accounts	14,597	14,695	15,010	15,153
Commercial water accounts	2,027	2,070	2,179	2,084
Residential sewer accounts	14,155	14,266	14,490	14,714
Commercial sewer accounts	1,911	1,938	1,941	1,948
Average daily water consumption in millions of gallons	4.20	4.20	4.30	4.30
Average daily sewage flow in millions of gallons	4.58	4.63	4.96	5.10

Source: Various city departments

Note: * This number reflects actual calls for service taken from New World CAD records.

Although this number is less, it reflects an increase in calls for service. In years past this number reflected committed units per call for service.

** The large decrease is due to the information reported. In 2017, all incidents included officers pro-active and self-initiated activity. In 2018, incidents only included those generated by citizens without counting any officer generated activity.

Fiscal Years					
2015	2016	2017	2018	2019	2020
4,474	4,595	5,178	5,368	5,719	5,168
\$56,414,813	\$53,409,818	\$64,594,997	\$78,799,902	\$126,994,435	\$103,615,060
16.504	16.500	16.550	16.700	16.700	16.710
20.00	20.00	20.00	20.00	20.00	20.00
26.10	26.10	26.10	26.10	26.10	26.10
96,668	97,991	100,855	33,683 **	31,978	38,435
1,992	1,968	2,266	1,998	1,954	1,873
12,786	14,056	14,453	14,760	14,945	14,420
30,972	30,972	30,972	31,283	31,283	31,283
110,000	159,086	117,041	90,000	90,000	90,000
15,631	15,751	15,935	15,484	15,514	15,314
2,220	2,136	2,125	2,049	2,513	2,545
15,447	15,294	15,825	15,041	15,354	15,334
2,375	2,006	2,048	1,936	2,114	2,144
4.30	4.30	4.58	4.40	4.72	4.72
4.90	4.10	4.10	4.80	4.60	4.30

Table XX
City of Pinellas Park, Florida
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

	Fiscal Year			
	2011	2012	2013	2014
Function/Program				
Police				
Number of stations	1	1	1	1
Sub-stations	1	1	1	1
Employees (full-time)	119	119	117	119
Fire/Emergency medical protection				
Number of stations	6	6	6	4
Employees (full-time)	94	94	94	79
Miles of streets, sidewalk & storm sewers				
Streets - paved	151.28	151.41	151.41	151.45
Streets - unpaved	1.28	1.28	1.28	1.28
Sidewalks	157.16	158.30	161.29	163.04
Storm Sewers	106.38	108.30	108.83	108.90
Public education				
Elementary schools	5	5	5	5
Middle schools	2	2	2	2
Senior high schools	1	1	1	1
Exceptional student schools	2	2	2	2
Student enrollment	7,065	7,022	7,175	6,949
Teachers (full-time instructional)	565	573	560	539
Recreation facilities				
Parks (consisting of 215 acres)	16	16	17	17
Recreation buildings	6	7	7	7
Swimming pools	1	1	1	1
Disc Golf Course (18 Holes)	1	1	1	1
Outdoor hockey rink	-	-	-	-
Baseball fields	11	11	11	11
Softball fields	6	6	6	6
Playgrounds	15	15	16	16
Tennis courts	7	7	7	7
Shuffleboard courts	16	16	16	16
Nature trails	5	5	5	5
Restroom facilities	21	21	21	21
Soccer fields	8	8	8	8
Racquetball courts	15	15	15	15
Basketball courts	13	13	13	13
Batting cages	4	4	4	4
Water and sewer utilities				
Miles of water mains	253.90	253.90	254.60	262.45
Miles of reclaimed water mains	122.60	124.35	124.85	125.75
Booster stations	2	2	2	2
Fire hydrants (publicly maintained only)	1,793	1,804	1,811	1,972
Miles of sewer mains	274.10	274.10	274.74	280.20
Sewer lift stations	102	101	101	102

Source: Various city departments

Fiscal Year					
2015	2016	2017	2018	2019	2020
1	1	1	1	1	1
1	1	1	1	1	1
121	120	124	123	126	123
4	4	4	4	4	4
80	76	83	83	83	85
151.45	151.92	166.25	156.17	158.40	158.73
1.28	1.08	0.54	0.29	1.08	1.08
163.24	163.24	182.58	228.84	180.88	180.10
107.69	109.10	130.48	130.48	129.92	113.36
5	5	5	5	5	5
2	2	2	2	2	2
1	1	1	1	1	1
2	2	2	2	2	2
6,753	7,671	7,708	7,322	7,408	7,233
507	572	545	548	521	521
17	17	19	21	21	22
7	5	6	6	6	6
1	1	1	1	1	1
1	1	1	1	1	-
-	-	-	-	-	1
11	11	11	11	11	11
6	6	6	6	6	6
16	16	17	19	19	19
7	7	7	7	7	7
16	16	16	16	16	16
5	5	5	5	5	5
21	21	21	21	21	21
8	8	8	8	8	8
15	15	15	15	15	15
13	13	13	15	15	13
4	4	11	11	11	9
263.60	264.00	264.40	264.54	264.60	322.56
126.21	126.60	126.80	126.80	126.93	142.53
2	2	2	2	2	2
1,827	1,842	1,848	1,851	1,851	1,850
302.00	302.40	302.80	302.94	302.96	235.82
104	102	102	103	101	108

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COMPLIANCE SECTION

**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, 2020, 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 22, 2021.

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") as a basis for designing 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 financial statements. 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Cherry Bekant LLP". The signature is written in a cursive, flowing style.

Tampa, Florida
March 22, 2021

Report of Independent Auditor on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

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

Report on Compliance for Each Major Federal Program

We have audited the City of Pinellas Park (the “City”) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City’s major federal program for the year ended September 30, 2020. The City’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with federal, regulations, and the terms and conditions of its federal awards applicable to its federal program.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the City’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City’s compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2020.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance 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 over compliance. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Cherry Bekant LLP". The signature is written in a cursive, flowing style.

Tampa, Florida
March 22, 2021

CITY OF PINELLAS PARK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2020

Grantor Agency/Program	CFDA #	Contract Number	Expenditures	Transferred to Subrecipients
Federal Awards:				
<u>U.S. Department of Housing and Urban Development</u>				
Community Development Block Grants - Entitlement Grants Cluster	14.218	B18MC120066	\$ 161,814	\$ -
<u>U.S. Department of Justice</u>				
Bulletproof Vest Partnership Program	16.607	n/a	7,472	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-DJ-BX-0767	17,313	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-DJ-BX-0659	16,997	-
<u>U.S. Department of Homeland Security</u>				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4337-DR-FL	1,446,844	-
Total Federal Financial Assistance			<u><u>\$ 1,650,440</u></u>	<u><u>\$ -</u></u>

See notes to the schedule of expenditures of federal awards.

CITY OF PINELLAS PARK

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2020

Note 1—Basis of presentation

The accompanying Schedule of Expenditures of Federal Awards ("Schedule") includes all federal grant activity of the City of Pinellas Park (the "City").

The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

Note 2—Summary of significant accounting policies

Expenditures reported on the accompanying Schedule are reported on the modified accrual basis of accounting as defined in Note 1 of the City's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited for reimbursement.

Note 3—Indirect cost rate

The City has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

The City did not utilize indirect cost rates for reimbursement of grant expenditures for the fiscal year ended September 30, 2020.

Note 4—Subrecipients

The City did not transfer any grant awards to subrecipients.

Note 5—Disaster Grants - Public Assistance (Presidentially Declared Disasters)

After a presidentially declared disaster, Federal Emergency Management Agency ("FEMA") provides Disaster Grants- Public Assistance (Presidentially Declared Disasters) (CFDA 97.036) to reimburse eligible costs associated with repair, replacement or restoration of disaster-damaged facilities. The federal government makes reimbursements in the form of cost-shared grants that require state matching funds. In 2020, FEMA obligated an additional \$1,446,844 in federal funding for Hurricane Irma, which occurred in September 2017. All expenditures took place before the fiscal year ended September 30, 2020.

Note 6—Contingencies

Grant monies received by the City are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the City does not believe that such disallowances, if any, would have a material effect on the financial position of the City. As of September 30, 2020, there was no material questioned or disallowed costs as a result of grant audits in process or completed of which management was aware. Any adjustments to grant funding are recorded in the year the adjustment occurs.

CITY OF PINELLAS PARK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2020

Part I—Summary of auditor's results

Financial Statement Section

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes x no

Significant deficiency(ies) identified not considered to be material weakness(es)? yes x none reported

Noncompliance material to financial statements noted yes x no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes x no

Significant deficiency(ies) identified not considered to be material weakness(es)? yes x none reported

Type of auditor's report on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 200.516(a) of Uniform Guidance yes x no

Identification of major federal programs:

CFDA Numbers	Name of Federal Program or Cluster
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)

Dollar threshold used to determine Type A and B programs: \$ 750,000

Auditee qualified as low-risk auditee for federal purposes? yes x no

CITY OF PINELLAS PARK

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED SEPTEMBER 30, 2020

Part II—Financial statement findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and agreements, and abuse related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

There were no findings required to be reported in accordance with *Government Auditing Standards*.

Part III—Federal award findings and questioned costs

This section identifies the significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs, as well as any material abuse findings, related to the audit of major programs, as required to be reported by 2 CFR 200.516(a).

There were no findings required to be reported in accordance with 2 CFR 200.516(a).

Section IV—Summary of Prior Audit Findings

A schedule of prior year audit findings is not necessary since there were no prior year audit findings.

Independent Auditor's Management Letter

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

Report on the Financial Statements

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, 2020, 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 22, 2021.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our 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*; Report of Independent Auditor on Compliance for Each Major Federal Program Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Report of Independent Accountant on Compliance with Local Government Investment Policies, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosure in those reports and schedule, which are dated March 22, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings in the prior year.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. Such disclosure is included in the notes to the financial statements.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by the same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, City members, and applicable management and is not intended to be, and should not be, used by anyone other than these specified parties.

Handwritten signature of Cherry Bekant in black ink, followed by the text "LLP".

Tampa, Florida
March 22, 2021

**Report of Independent Accountant on Compliance
with Local Government Investment Policies**

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

We have examined the City of Pinellas Park, Florida's (the "City") compliance with the local government investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2020. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the City's compliance with the specified requirements.

In our opinion, the City complied, in all material respects, with the local investment policy requirements of Section 218.415, Florida Statutes during the year ended September 30, 2020.

The purpose of this report is to comply with the audit requirements of Section 218.415, Florida Statutes, and Rules of the Auditor General.



Tampa, Florida
March 22, 2021

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