



# Pinellas County, Florida

## 2006 Audit Results & Financial Analysis

# Reports Issued

## Separate Financial Statements Issued for:

- ❖ Clerk of the Circuit Court
- ❖ Property Appraiser
- ❖ Sheriff
- ❖ Supervisor of Elections
- ❖ Tax Collector
- ❖ Water System
- ❖ Solid Waste System
- ❖ Sewer System
- ❖ St. Petersburg-Clearwater International Airport

## Additional reports issued:

- ❖ Federal and State grants – Single Audit
- ❖ Passenger Facilities Charges (Airport)
- ❖ Debt compliance – Utilities
- ❖ Court costs compliance
- ❖ Landfill
- ❖ Agreed Upon Procedures – Sheriff, BOCC

# Reports Issued (continued)

- ❖ **Unqualified opinion on the financial statements**
- ❖ **Report on compliance with laws and regulations pursuant to *Government Auditing Standards***
  - ❖ No material weaknesses or reportable conditions in internal control
  - ❖ No instances of non-compliance or other matters
- ❖ **“In relation to” opinion on Schedule of Expenditures of Federal Awards and State Financial Assistance**

## Reports Issued (continued)

- ❖ “In relation to” opinion on Schedule of PFC Activity
- ❖ Unqualified opinion on Compliance with major Federal and State grant programs and the PFC program

# Discretely Presented Component Units

- ❖ **Pinellas County Planning Council**
  - ❖ Audited by ValienteHernandez, PA
- ❖ **Pinellas County Metropolitan Planning Organization**
  - ❖ Audited by Bollenback & Forret, PA
- ❖ **Pinellas County Housing Finance Authority**
  - ❖ Audited by Dufresne & Associates, CPA, PA
- ❖ **Pinellas County Health Facilities Authority**
- ❖ **Pinellas County Educational Facilities Authority (no financial activity for the year)**

# Federal and State Single Audit

## ❖ Federal Programs Tested

- ❖ Airport Improvement
- ❖ Child Support
- ❖ Community and Development Block Grant (CDBG)
- ❖ HOME
- ❖ Voter Assistance

## ❖ State Programs Tested

- ❖ Boot Camp
- ❖ County Incentive Program
- ❖ Environmental Grants
- ❖ State Housing Initiatives Partnership Program (SHIP)

# Federal and State Single Audit

- ❖ **2006 Federal and State Findings**
  - ❖ None
- ❖ **Status of Prior Year Findings**
  - ❖ Implemented or in the process of being resolved

# Required Communications

- ❖ **Auditor's Responsibility Under GAAS**
  - ❖ Provide reasonable assurance
  - ❖ Understanding of internal controls
  - ❖ Unqualified opinion on the financial statements



## Required Communications (continued)

### ❖ **Critical Accounting Policies**

- ❖ Disclosed in note 1 to the financial statements
- ❖ No changes in accounting policies

### ❖ **Quality of Accounting Principles**

- ❖ Consistent with those prescribed by accounting and industry standards
- ❖ Consistently applied
- ❖ Disclosures complete

## Required Communications (continued)

- ❖ **Adoption of, or Change in Accounting Principles**
  - ❖ None
- ❖ **Significant Unusual Transactions**
  - ❖ None

# Required Communications (continued)

## ❖ Audit adjustments

### ❖ Unrecorded audit adjustments

#### • Governmental Activity

- ❖ \$237,390 *Adjust for depreciation overstated in prior years due to an acquisition being posted to buildings and depreciated instead of to land*

#### • Business-Type Activity

- ❖ \$26,789 Airport – *Allowance for balances not considered collectible*
- ❖ \$20,575 Water – *Record unrecorded liabilities found during search*
- ❖ \$49,286 Water – *Record unrecorded liabilities found during search*
- ❖ \$20,052 Water – *Adjust general ledger for detail of deposits sub-ledger*
- ❖ \$73,708 Sewer – *Accrue full amount of balance of outstanding invoice*
- ❖ \$32,322 Sewer – *Record unrecorded liability to true up year end balance*
- ❖ \$54,810 Solid Waste – *Post Closure care error relating to prior year*

## Required Communications (continued)

- ❖ **Fraud and Illegal Acts**
  - ❖ No such matters identified
- ❖ **Material weaknesses in internal control**
  - ❖ None
- ❖ **Disagreements with management**
  - ❖ None
- ❖ **Serious Difficulties in Performing the Audit**
  - ❖ None

## Required Communications (continued)

### ❖ Consultations with other accountants

- ❖ None of which we are aware

### ❖ Independence

- ❖ Ernst & Young is independent of the County as defined by professional standards and *Government Auditing Standards*
- ❖ No non-audit services performed

# Management Letter Comments

## ❖ Current year comments

### ❖ See attached

- Solid Waste – formalize month end reconciliation procedures
- Water – reconciliation of subledger to general ledger
- Risk management – claims payable, IBNR calculation

# Major Funds

## ❖ Governmental

- ❖ General Fund
- ❖ Sheriff's Operations
- ❖ Non-voted Capital Projects
- ❖ Penny for Pinellas Sales Tax

## ❖ Business Type

- ❖ Water System
- ❖ Sewer System
- ❖ Solid Waste System
- ❖ St. Petersburg-Clearwater International Airport

# Statement of Net Assets

	<b>Governmental Activities</b>	<b>Business Activities</b>	<b>2006</b>	<b>2005</b>
	000's	000's	000's	000's
Assets				
Cash and investments	416,914	290,599	707,513	663,939
Receivables	74,938	87,790	162,728	157,667
Other	3,805	6,864	10,669	10,699
Capital Assets	1,511,815	1,197,837	2,709,652	2,622,396
<b>Total Assets</b>	<b>2,007,472</b>	<b>1,583,090</b>	<b>3,590,562</b>	<b>3,454,701</b>
Liabilities				
Accounts payable	81,961	24,917	106,878	92,931
Other	9,316	4,839	14,155	16,688
Non-current liabilities				
Due within one year	79,484	8,548	88,032	106,804
Due in more than one year	102,020	202,103	304,123	326,873
<b>Total liabilities</b>	<b>272,781</b>	<b>240,407</b>	<b>513,188</b>	<b>543,296</b>
Net Assets:				
Invested in capital assets, net of related debt	1,406,407	1,078,283	2,484,690	2,344,566
Restricted	156,643	7,814	164,457	212,222
Unrestricted	171,641	256,586	428,227	354,617
<b>Total net assets</b>	<b>1,734,691</b>	<b>1,342,683</b>	<b>3,077,374</b>	<b>2,911,405</b>



# Statement of Activities

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-type Activities	Total	
<b>Primary government:</b>								
Governmental activities:								
General government	\$ 197,300,814	\$ 84,289,036	\$ 64,063,431	\$ –	\$ (48,948,347)	\$ –	\$ (48,948,347)	\$ –
Public safety	370,223,343	61,573,965	19,637,021	–	(289,012,357)	–	(289,012,357)	–
Physical environment	26,620,031	1,725,326	2,342,743	7,897,102	(14,654,860)	–	(14,654,860)	–
Transportation	49,627,112	12,443,032	11,592,923	5,109,133	(20,482,024)	–	(20,482,024)	–
Economic environment	43,233,213	11,957,111	10,581,784	456,671	(20,237,647)	–	(20,237,647)	–
Human services	65,872,067	3,315,622	2,740,641	–	(59,815,804)	–	(59,815,804)	–
Culture and recreation	34,979,489	2,636,603	475,618	483,930	(31,383,338)	–	(31,383,338)	–
Interest and fiscal charges	10,771,029	–	–	–	(10,771,029)	–	(10,771,029)	–
Total governmental activities	798,627,098	177,940,695	111,434,161	13,946,836	(495,305,406)	–	(495,305,406)	–
Business-type activities:								
Water System	90,558,948	82,811,572	–	2,084,002	–	(5,663,374)	(5,663,374)	–
Sewer System	52,905,965	60,387,953	–	1,785,415	–	9,267,403	9,267,403	–
Solid Waste System	60,368,424	83,896,347	2,393,076	–	–	25,920,999	25,920,999	–
St. Petersburg/Clearwater International Airport	11,236,644	8,708,789	1,722,822	10,449,057	–	9,644,024	9,644,024	–
Total business-type activities	215,069,981	235,804,661	4,115,898	14,318,474	–	39,169,052	39,169,052	–
Total primary government	\$ 1,013,697,079	\$ 413,745,356	\$ 115,550,059	\$ 28,265,310	\$ (495,305,406)	\$ 39,169,052	\$ (456,136,354)	\$ –
<b>Component units:</b>								
Planning Council	\$ 1,318,791	\$ 66,425	\$ –	\$ –	\$ –	\$ –	–	\$ (1,252,366)
Metropolitan Planning Organization	6,366,788	67,451	6,550,291	–	–	–	–	250,954
Housing Finance Authority	14,231,070	12,015,177	–	–	–	–	–	(2,215,893)
Health Facilities Authority	417	5,144	–	–	–	–	–	4,727
Total component units	\$ 21,917,066	\$ 12,154,197	\$ 6,550,291	\$ –	\$ –	\$ –	\$ –	\$ (3,212,578)
General revenues:								
Property taxes					474,178,649	–	474,178,649	1,328,243
Sales taxes					100,840,635	–	100,840,635	–
Franchise taxes					457,425	–	457,425	–
Fuel taxes					18,187,591	–	18,187,591	–
Communication service tax					12,724,801	–	12,724,801	–
Unrestricted investment earnings					15,715,820	–	15,715,820	–
Total general revenues					622,104,921	–	622,104,921	1,328,243
Change in net assets					126,799,515	39,169,052	165,968,567	(1,884,335)
Net assets – beginning, previously reported					1,607,891,729	1,303,513,413	2,911,405,142	14,517,836
Restatement, see Note 16					–	–	–	(172,137)
Net assets – beginning, restated					1,607,891,729	1,303,513,413	2,911,405,142	14,345,699
Net assets – ending					\$ 1,734,691,244	\$ 1,342,682,465	\$ 3,077,373,709	\$ 12,461,364

# 2005 & 2006 Statement of Activities Total

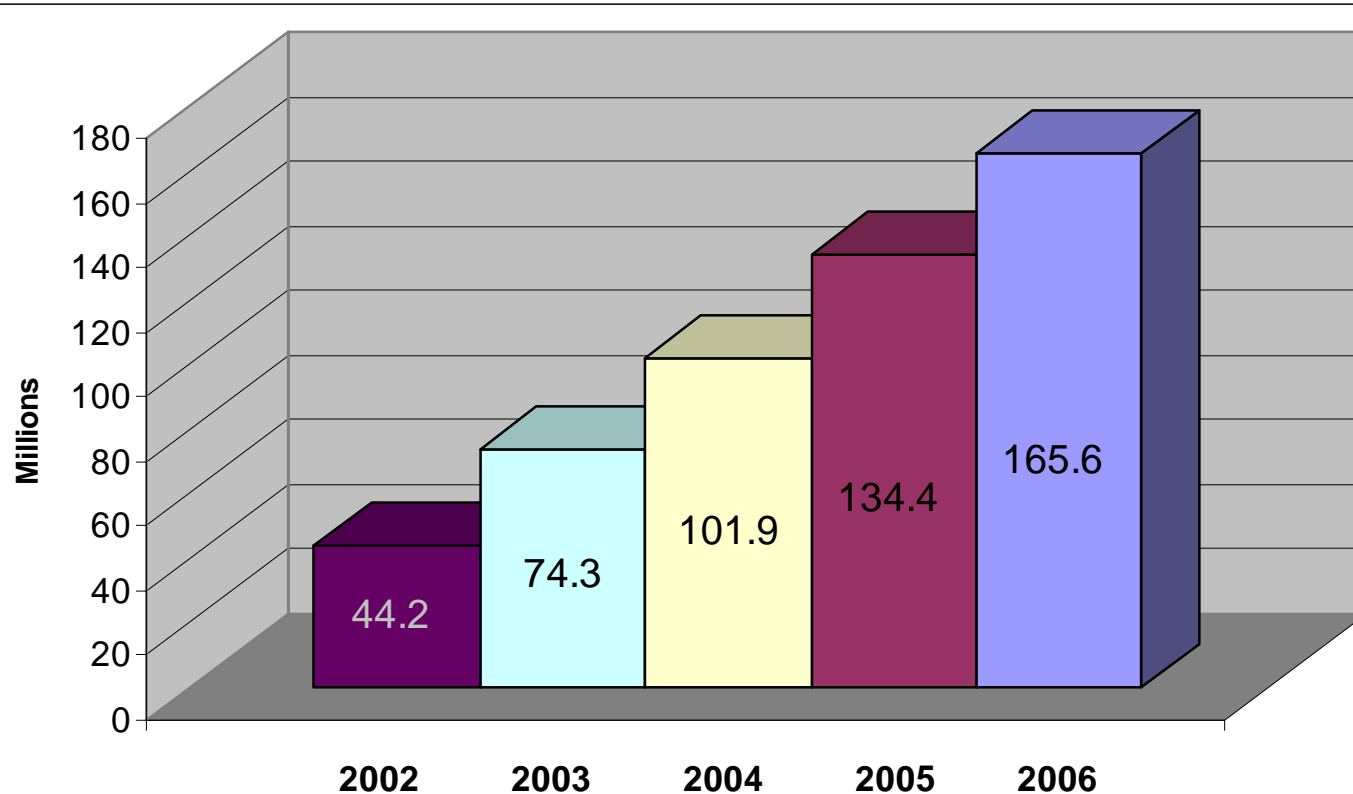


	<b>2005 Total</b>	<b>2006 Total</b>
<b>Functions/Programs</b>		
<b>Primary government:</b>		
Governmental activities:		
General government	\$ (38,058,587)	\$ (48,948,347)
Public safety	(256,611,458)	(289,012,357)
Physical environment	(19,615,247)	(14,654,860)
Transportation	(22,983,135)	(20,482,024)
Economic environment	(12,576,871)	(20,237,647)
Human services	(57,058,322)	(59,815,804)
Culture and recreation	(25,415,948)	(31,383,338)
Interest and fiscal charges	(11,844,309)	(10,771,029)
Total governmental activities	<u>(444,163,877)</u>	<u>(495,305,406)</u>
Business-type activities:		
Water System	(12,364,367)	(5,663,374)
Sewer System	10,886,034	9,267,403
Solid Waste System	22,496,850	25,920,999
St. Petersburg/Clearwater International Airport	3,604,804	9,644,024
Total business-type activities	<u>24,623,321</u>	<u>39,169,052</u>
Total primary government	<u>\$ (419,540,556)</u>	<u>\$ (456,136,354)</u>
 General revenues:		
Property taxes	416,812,163	474,178,649
Sales taxes	94,261,117	100,840,635
Franchise taxes	505,289	457,425
Fuel taxes	18,172,141	18,187,591
Communication service tax	13,026,000	12,724,801
Unrestricted investment earnings	7,023,090	15,715,820
Total general revenues	<u>549,799,800</u>	<u>622,104,921</u>
Change in net assets	130,259,244	165,968,567
Net assets – beginning, previously reported	<u>2,781,145,892</u>	<u>2,911,405,142</u>
Net assets – beginning, restated	<u>2,781,145,892</u>	<u>2,911,405,142</u>
Net assets – ending	<u>\$ 2,911,405,136</u>	<u>\$ 3,077,373,709</u>

# Significant Estimates

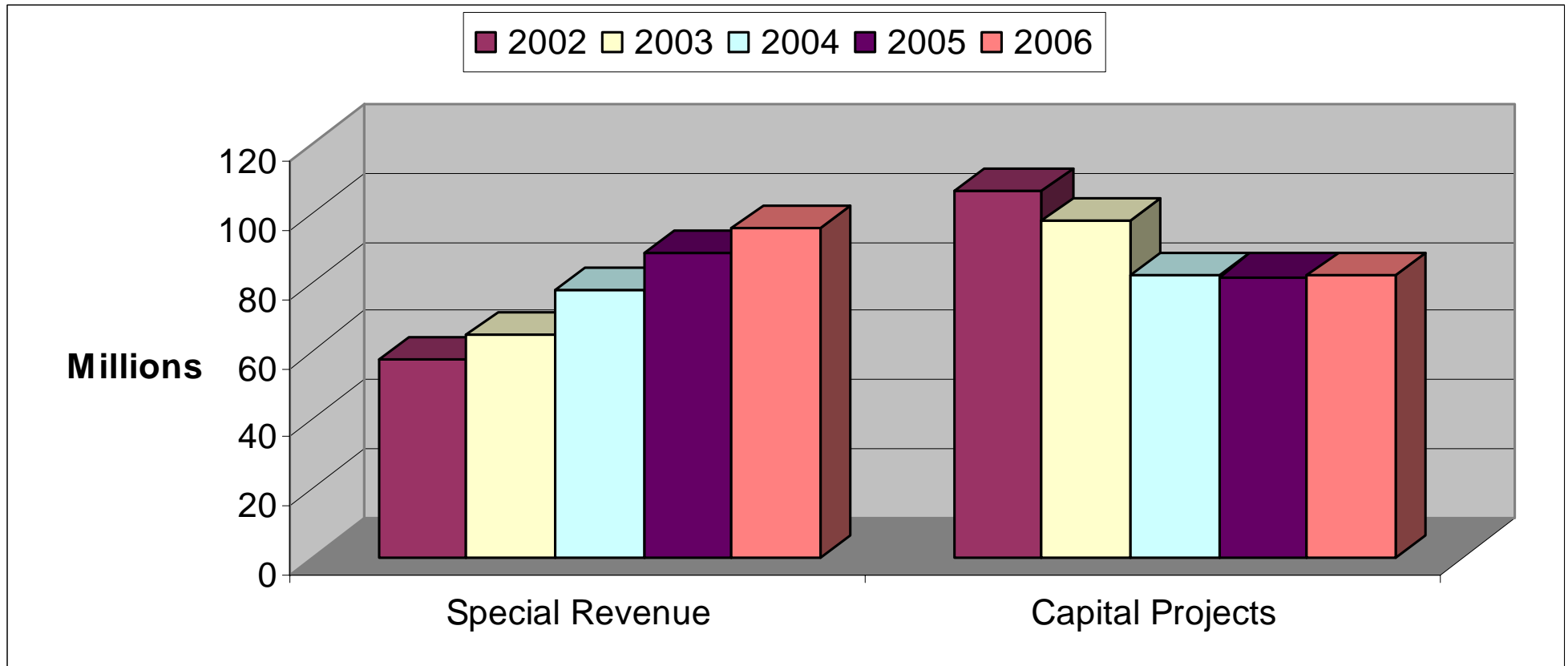
	<b>2006</b>	<b>2005</b>
Landfill Closure	\$ 32,953	26,843
Self Insurance Reserves		
Workers compensation	\$ 18,485	18,485
General	2,000	2,000
Employee life & health benefits	5,068	4,670
Sheriff	2,495	0
Total	\$ 28,048	25,155
Compensated Absences	\$ 51,705	48,571

# General Fund – Fund Balances



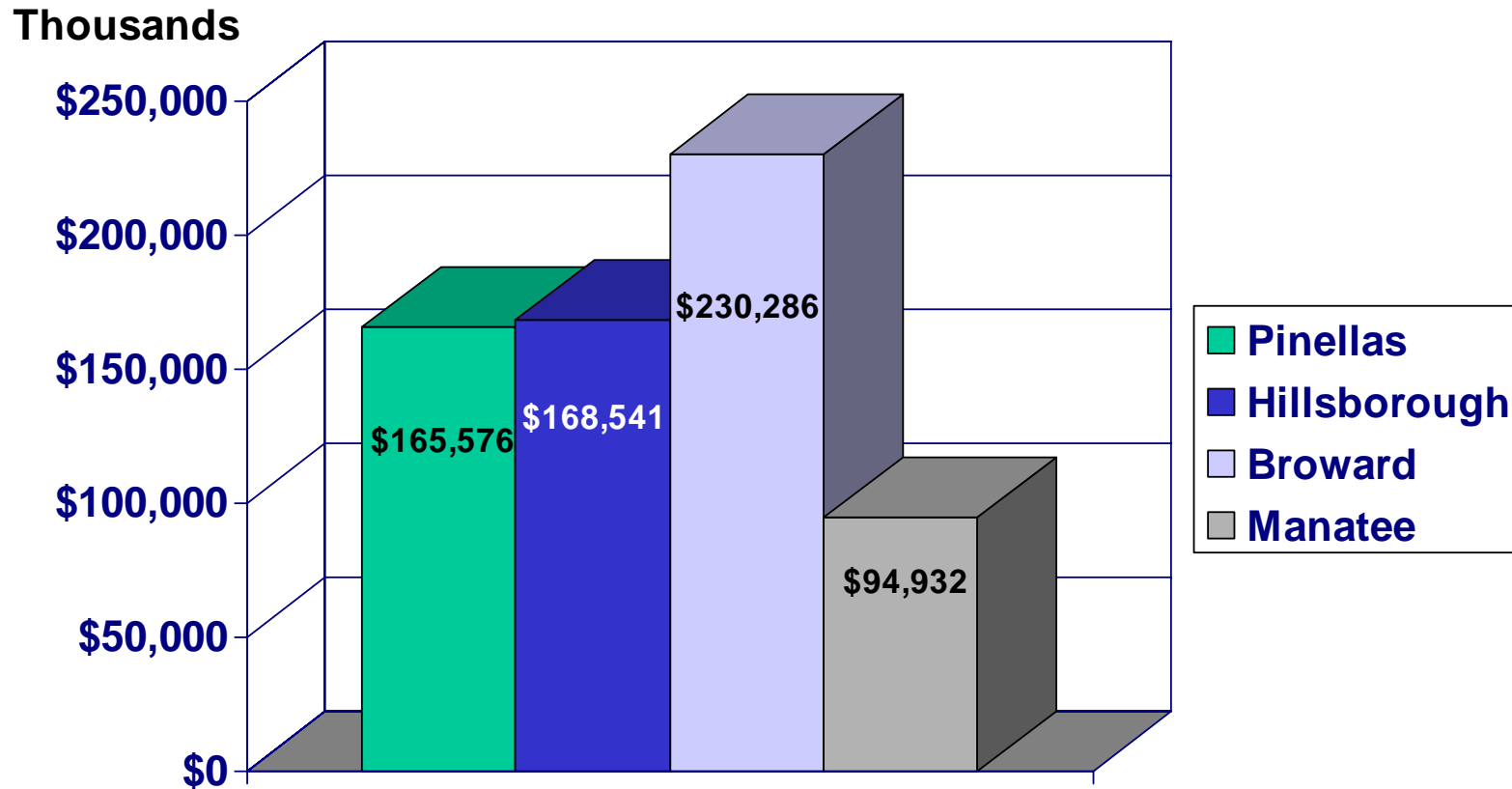
	2002	2003	2004	2005	2006
Fund balance as a percent of expenditures and transfers	11.1%	17.6%	22.1%	27.5%	30.50%

# Other Government Funds – Fund Balance

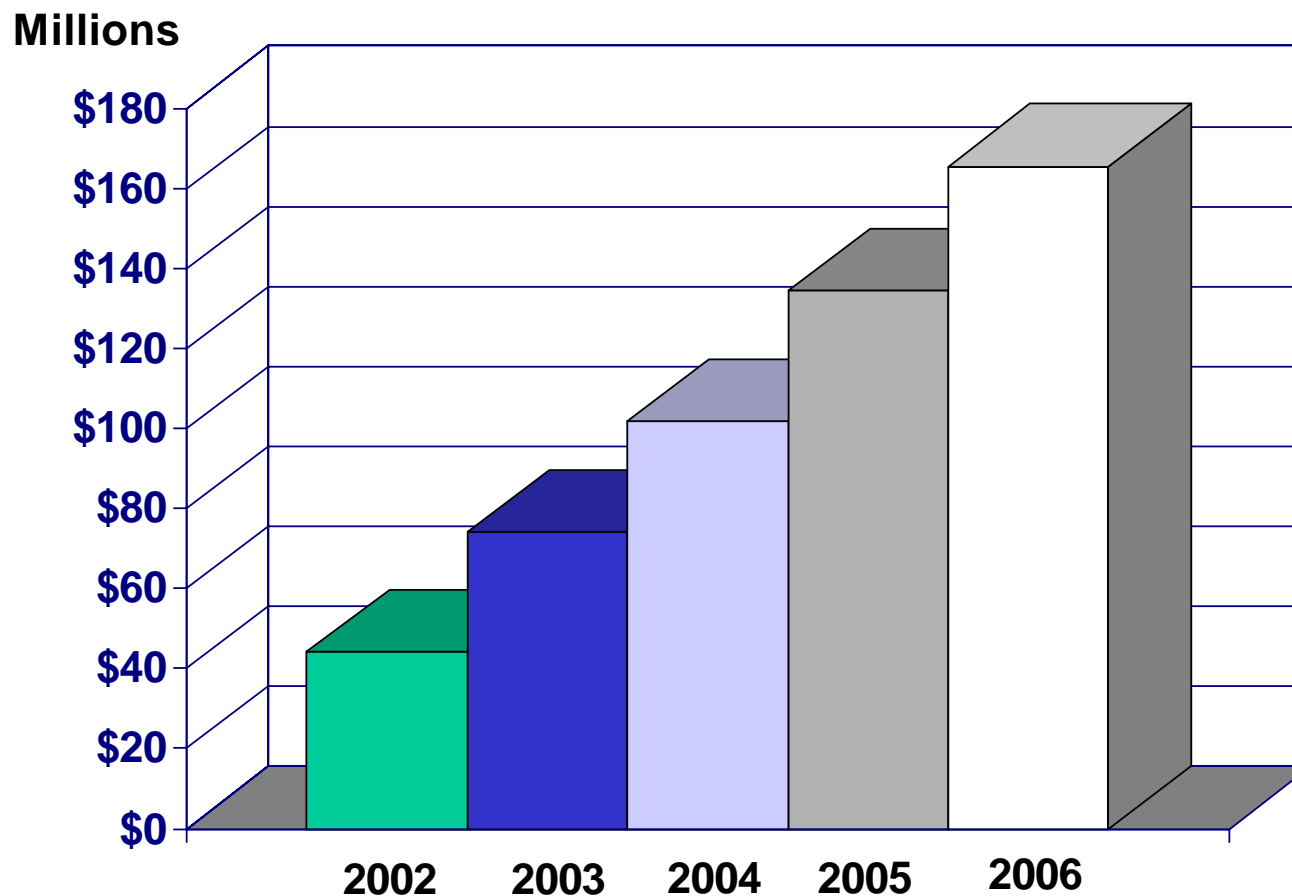


	2002	2003	2004	2005	2006
Special Revenue	57.7	64.7	77.6	88.2	95.6
Capital Projects	106.2	97.5	82	81.5	81.8

# 2006 General Fund Total Unreserved – County Comparison



# 5-Year History of Pinellas General Fund's Unreserved Balance



# 2006 Daily Expenditure, Reserved, and Unreserved General Fund Balance



2006 Daily Expenditure, Reserved and Unreserved General Fund Balance

