



ANNUAL COMPREHENSIVE FINANCIAL REPORT

for the fiscal years ending
September 30, 2021 and 2020



Pinellas Suncoast
Transit Authority

ST. PETERSBURG, FLORIDA

Pinellas Suncoast Transit Authority

St. Petersburg, Florida

Annual Comprehensive Financial Report

For Fiscal Years Ended September 30, 2021 and 2020

Vision

To be the people's first choice for transportation and a driving force for social, environmental, and economic vitality in the community through innovation and partnership.

Our Mission

To safely connect people to places.

Prepared by the Finance Department

PINELLAS SUNCOAST TRANSIT AUTHORITY

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SECTION I
INTRODUCTORY SECTION

Transmittal Letter



March 30, 2022

Pat Gerard, Board Chair and
Members of the Board of Directors of the Pinellas Suncoast Transit Authority and
Citizens of our Service Area

Dear Board Chair, Board Members and Citizens:

We are pleased to submit to you the Annual Comprehensive Financial Report of the Pinellas Suncoast Transit Authority (PSTA or Authority) for the fiscal year ended September 30, 2021 and 2020.

State law requires that all independent special districts publish each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants.

This report has been compiled and prepared by the Authority's management. 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 Authority has established a comprehensive internal control framework that is designed both to protect the Authority's assets from loss, theft, or misuse and to compile sufficient, reliable information for the preparation of the Authority's financial statements in conformity with GAAP. The Authority'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.

Cherry Bekaert LLP, a firm of licensed certified public accountants, has audited the Authority's basic financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Authority for the fiscal year ended September 30, 2021 and 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 any significant estimates made by management; and evaluating the overall financial statement presentation.

The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering an unmodified opinion that the Authority's financial statements for the fiscal year ended September 30, 2021 and 2020, are fairly presented in conformity with GAAP.

Pinellas Suncoast Transit Authority
3201 Scherer Drive • St. Petersburg, FL 33716 • Telephone 770-540-1800

psta.net

The Annual Comprehensive Financial Report is presented in three sections: Introductory, Financial and Statistical. The Introductory section consists of this letter of transmittal that provides an overview of the Authority, economic environment, financial performance, and other pertinent financial information.

The Financial Section includes the report of independent auditor, Management's Discussion and Analysis (MD&A), the basic financial statements and notes thereto, and required supplementary information.

Management's discussion and analysis (MD&A) immediately follows the report of independent auditor and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

The Statistical Section sets forth financial trends, revenue capacity, demographic, and economic and operating information.

The Authority is also required by federal and state regulations to undergo an audit of federally and state funded programs that it administers. The standards governing the Single Audit engagement require the independent auditor to report on the audited government's internal controls and compliance with laws, regulations, contracts and grants applicable to each major federal and state program. The reports related specifically to the Single Audit are within the regulatory section of this document.

Profile of the Authority

The Pinellas Suncoast Transit Authority (PSTA) was created in 1984 via a merger of the St. Petersburg Municipal Transit System and the Central Pinellas Transit Authority to provide Pinellas County with a cohesive public transit system. Today, a fleet of 190 buses and 20 trolleys serve 40 fixed routes including two express routes to Hillsborough County.

Pinellas County is 280 square miles with approximately 964,490 residents. Pinellas County is located along the west coast of Florida and includes a corridor of smaller beach communities along the Gulf of Mexico. Pinellas County is the second smallest county in the state of Florida; however, it is the most densely populated county in the state and is nearly three times more densely populated than the next closest county. The Authority serves most of the unincorporated area and 19 of the County's 24 municipalities. This accounts for approximately 98% of the county's population and 97% of its land area. The cities of St. Pete Beach, Treasure Island, Kenneth City, Belleair Beach, and Belleair Shore are not members of the Authority; however, St. Pete Beach and Treasure Island do contract for trolley service.

During fiscal year 2021, the Authority directly operated vehicles traveled a total of 8.9 million revenue miles, providing approximately 676,958 hours of revenue service, and 9.9 million passenger trips.

PSTA also has contracted partners that provide public transit services on the Authority's behalf. Together with our partners the Authority provided 11.9 million revenue miles, providing approximately 851,674 hours of revenue service, and 10.1 million passenger trips.

Operating expenses are covered primarily through ad valorem taxes, state and federal funds and passenger fares.

Officials

The Authority is governed by a board of directors comprised of thirteen elected officials, and two non-elected officials, one of which is appointed by the Pinellas County Board of Commissioners and the other by the St. Petersburg City Council.

Services and Service Delivery

The Authority provides virtually all public transportation services in Pinellas County. These services include fixed route, demand response, and specialized services. The Authority maintains over 4,379 bus stops, 662 shelters, 14 transfer hubs, 4 customer service centers, and a fleet of 210 fixed route vehicles.

Persons with disabilities who are unable to use regular bus service may be eligible for an ADA paratransit specialized service. Paratransit services provide people with disabilities, including veterans, with rides to doctors' appointments, work, school, and other critical destinations. This curb-to-curb service is tailored for those who because of their disability are unable to independently use PSTA's regular accessible buses.

PSTA has continued to build on a pilot service for same day curb to curb service for paratransit customers within 20 minutes of the request for service. This gives passengers the opportunity to take a same day trip they could not plan for in advance, such as for urgent medical, getting a sick child home from school, or when doctor, grocery or social outings take longer than anticipated. In FY 2021, in addition to using discretionary grant award funds from the Federal Transit Administration, PSTA was awarded funding from the Florida Developmental Disabilities Inc. (FDDC). The initiative through FDDC was sponsored by the US department of Health and Human Services, Administration on Intellectual and Developmental Disabilities as well as the FDDC.

PSTA continues to operate the Direct Connect Program that allows riders to use providers such as Uber, Lyft, United Taxi or Wheelchair Transport to travel within Pinellas County to or from a series of 26 locations. From there, riders connect with the regular PSTA public transit system. PSTA was the first in the country to partner mass transit with ride hailing, providing higher quality mobility in areas where it doesn't make sense to run public transit.

All ridership data is being tracked for our bus operations using Automatic Passenger Counters (APC). The FY 2021 ridership for each mode compared to FY 2020 data is presented below using the APCs and indicates the continued impact of the COVID-19 pandemic on ridership:

Mode	30-Sep-21	30-Sep-20	Percent of Change
Bus Operations	9,853,228	9,869,409	-0.16%
Paratransit	262,217	275,539	-4.83%
Mobility Programs	126,576	92,036	37.53%
Total	10,242,021	10,236,984	0.05%

PSTA's strategic plan is to focus on customer oriented transit service; develop a strong governance model for effective Pinellas transportation leadership; provide effective, financially viable public transportation that supports our community; develop and implement a sustainable capital program; provide a customer oriented service design; seek incremental expansion and our visionary service design of increased public transit PSTA has the financial stability in the short term, with a sustainable operating and capital plan that builds on our successes and on continuous improvement as we move forward.

To support the mission, vision, and strategic plan PSTA has a Performance Management Program. The Program identifies PSTA's performance measurement metrics, the CEO quantitative evaluation system,

department level measurements, and an employee quantitative evaluation system. Specifically, PSTA at the organizational level is measured on five key components including community support, financial stability, customer satisfaction, employee engagement and commitment to performance.

This commitment to transparency and visibility of PSTA’s performance metrics is generating increased engagement, inter-departmental coordination, and sense of ownership among staff.

The overall performance ratio for FY 2021 was 98 out of 100.

The graphic features the PSTA logo at the top center, with the text "PERFORMANCE COUNTS" in large, bold, blue letters below it. Below this are five vertical panels, each representing a performance metric: 1. Community Support (red background, photo of people at a construction site), 2. Financial Stability (green background, photo of people celebrating), 3. Customer Satisfaction (yellow background, photo of people with a checklist that includes "AWESOME!", "Excellent", "Very Good", and "Satisfactory"), 4. Employee Engagement (purple background, photo of people in a meeting), and 5. Commitment to Performance (blue background, photo of a server room). At the bottom of the graphic is the slogan "One Team. One Mission." in bold blue text.

PSTA

PERFORMANCE COUNTS

Community Support
Perception in the community and support from municipal, state, and federal partners

Financial Stability
Being a responsible steward of financial resources

Customer Satisfaction
Customer perceptions about our services

- AWESOME!
- Excellent
- Very Good
- Satisfactory

Employee Engagement
Fostering an engaging workplace that supports and inspires employees to succeed.

Commitment to Performance
Using data to improve performance

One Team. One Mission.

Local Routes Operated in Fiscal Year 2021



Budget

Each year the Board is required to adopt an annual budget before the beginning of the fiscal year. The budget serves as a financial plan in support of the Authority's mission and strategic plan. It includes the fiscal year operating budget and capital plan necessary to accomplish the operational initiatives, along with a multi-year capital plan covering five years. The process for developing the Authority's budget begins with budget review and planning in February through May, and through a series of meetings and analysis from June through September, results in an operating budget and a prioritized capital budget.

The PSTA Board adopted the FY 2022 fiscal year operating and capital budget totaling \$182.0 million. The FY 2022 budget is \$60.1 million or 49.2% over the FY 2021 budget with the majority of the increase related to capital projects including replacement buses under an adopted strategy to replace with zero emission buses, completion of the SunRunner Bus Rapid Transit Project, anticipated construction of the Clearwater Transit Center and a solar panel project for the PSTA campus. This financial plan allows the Authority to focus resources where transit works best based on a data-driven, customer sensitive and innovative approach.

Capital assets are funded by grants and local funds on a pay-as-you-go basis. The Authority does not anticipate issuing debt to fund capital assets in fiscal year 2022.

Factors Affecting Financial Planning

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective.

COVID-19: PSTA, in response to the effects of COVID-19, has implemented health and safety measures and policies for employees, contractors and customers as well as taken a diverse range of operational adjustments. These adjustments are numerous and include reduced hours of service, schedule adjustments to accommodate high performing routes, a transition to telework for almost all our administrative employees, with additional safety measures for our front-line employees and riders. In addition to our bus drivers being behind safety shields, they are required to wear masks, and are supplied with face shields and hand sanitizers. The number of passengers on the board the bus is limited, riders are required to wear face coverings and board from the rear of the bus with the front area reserved for people with disabilities. To achieve rear door boarding, PSTA went fare free in March of 2020 and resumed collecting fares in July of 2021, with no limitation on passengers.

Continuing going fare free had a significant impact on revenues with a loss of \$4 million over FY 2020. However, PSTA has sufficient liquidity and the Coronavirus Aid, Relief, and Economic Security (CARES) Act grant award providing up to \$40,368,371 in funding. In addition, during FY 2021 PSTA was awarded \$15,009,557 in Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) funds and \$43,004,431 in American Rescue Plan (ARP) funding. The majority of the CARES Act funding was used for salaries and all of the CRRSAA and the ARP funds will be used for transportation related salaries and grant support staff. PSTA anticipates all the funds will be fully utilized in FY 2023. With the CARES Act grant funds, PSTA had a positive variance to budget for FY 2021. In addition, the decreased ridership to due COVID-19 has had a positive impact on expenditures in such areas as reduced overtime, fuel, utilities, and paratransit costs. The outlook indicates a balanced budget for FY 2022 through FY 2025.

Local Economy: The regional economy normally enjoys a slightly favorable economic environment compared with other cities in Florida and local indicators point to continued stability. The regional economy has a diverse economic base that includes tourism, agriculture, construction, finance, healthcare, technology, and the Port of Tampa. Major industries with headquarters or divisions located within the

regional area's boundaries or in close proximity include telephone and electric service companies, computer hardware and electrical controls manufacturers, tourist attractions, fertilizer manufacturers, MacDill Air Force Base, an Amazon Fulfillment Center, and the Port of Tampa. Institutions of higher learning located in the regional area include the University of South Florida, the University of Tampa, St. Petersburg College, Eckerd College, and the Stetson University College of Law.

The area's Metropolitan Statistical Area unemployment rate of 3.6% as of September 30th is lower than the national rate of 4.7% and lower than the statewide rate of 4.8%. The region's growth and economic diversity are expected to be the basis for continued health of the local economy in coming years.

The Authority's ability to fund its operations is heavily dependent on a millage levy generated from property taxes. The millage rate for FY 2021 was 0.7500. For FY 2022, the PSTA Board approved maintaining the maximum millage rate of 0.7500 mills.

Financial Policies: During fiscal year 2021, Liability Debt Management, Cash Reserve and Investment Policies were reviewed, and there were no revisions.

Long-Range Financial Planning: Due to the significant investment in buses and bus facilities used for service delivery and the necessary funding required to refurbish and to replace those assets when needed, the Authority has been building up resources in the capital reserve. As of September 30, 2021, the Authority's unrestricted net position totaled \$20.1 million.

Awards

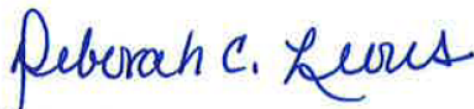
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to PSTA for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2020. This was the eighth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current Annual Comprehensive 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.

Acknowledgements

The preparation of this report would not have been without the efficient and dedicated service of the entire staff of the Finance Division. We wish to express our appreciation to all members of the Division who assisted and contributed to the preparation of this report. Credit also must be given to the governing Board of Directors for their unfailing support for maintaining the highest standards of professionalism in the management of the Pinellas Suncoast Transit Authority's finances.

Respectfully Submitted,



Deborah C. Leous
Chief Financial Officer



Brad Miller
Chief Executive Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Pinellas Suncoast Transit Authority
Florida**

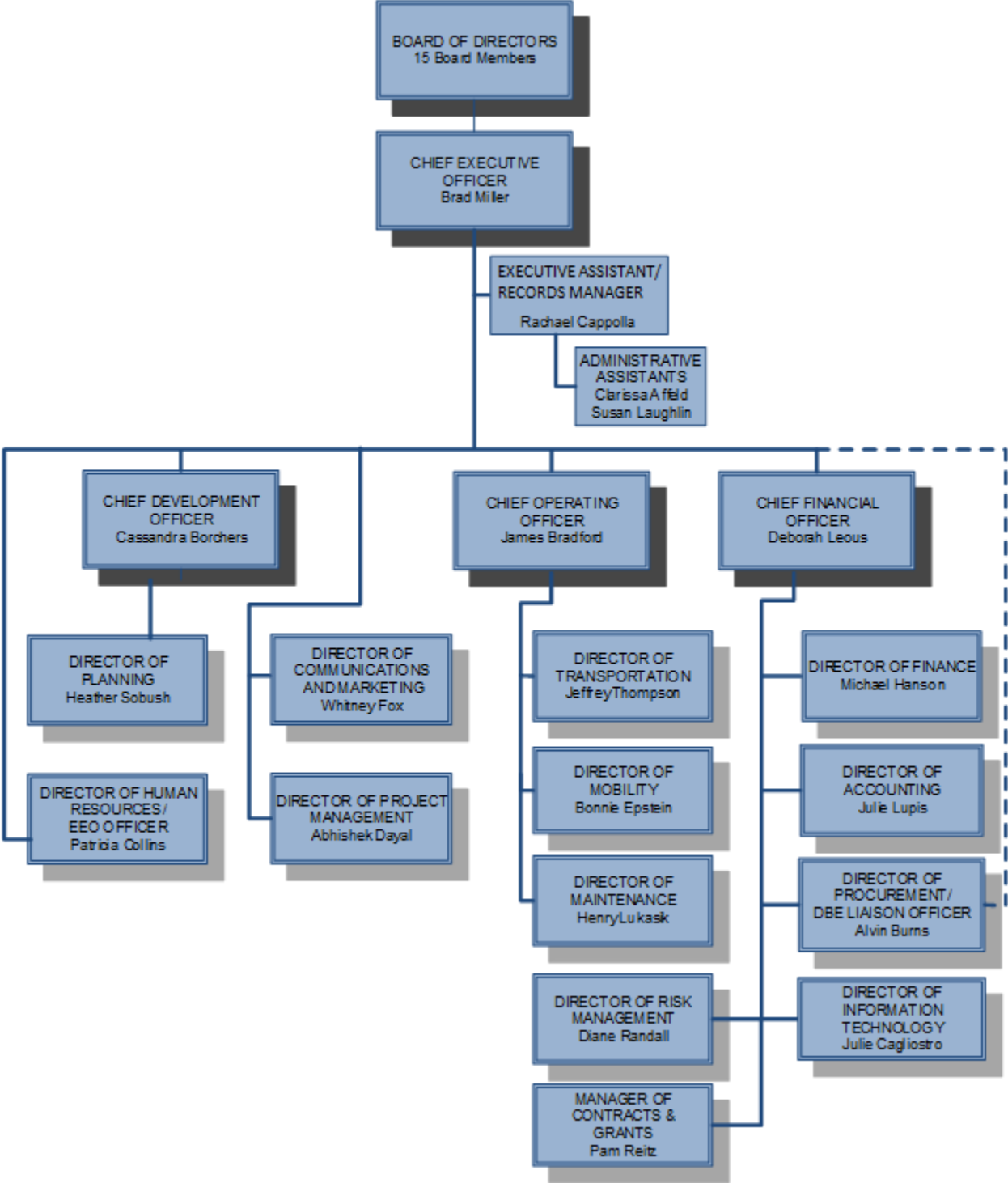
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morrill

Executive Director/CEO

Organization Chart
As of September 30, 2021



PINELLAS SUNCOAST TRANSIT AUTHORITY

**Elected and Appointed Officials
As of September 30, 2021**

**Board of Directors
Officers**

Pat Gerard, Chairperson
Gina Driscoll, Vice-Chairperson
Dan Saracki, Secretary/Treasurer

City of Clearwater

David Allbritton

City of Dunedin

Jeff Gow

City of Gulfport

Michael Fridovich

City of Largo

Jamie Robinson

North Redington Beach

Richard Bennett

Oldsmar

Dan Saracki

Pinellas County

Vince Cocks
Rene Flowers
Pat Gerard
Janet Long
Kathleen Peters

City of Pinellas Park

Keith Sabiel

City of St. Petersburg

Gina Driscoll
Deborah Figgs-Sanders
Joshua Shulman

Chief Executive Officer

Brad Miller

General Counsel

Bryant Miller Olive

**PINELLAS SUNCOAST TRANSIT AUTHORITY
BOARD OF DIRECTORS**

As of September 30, 2021

Chairperson



Pat Gerard
Commissioner
Pinellas County

Vice-Chairperson



Gina Driscoll
Councilmember
St. Petersburg

Secretary/Treasurer



Dan Saracki
Council Member
Oldsmar



David Allbritton
Clearwater
Councilmember



Richard Bennett
Commissioner
North Redington Beach



Vince Cocks
Citizen
Pinellas County



Deborah Figgs-Sanders
Councilmember
St. Petersburg



Rene Flowers
Commissioner
Pinellas County



Michael Fridovich
Councilmember
Gulfport



Jeff Gow
Vice-Mayor
Dunedin



Janet Long
Commissioner
Pinellas County



Kathleen Peters
Commissioner
Pinellas County



Jamie Robinson
Commissioner
Largo



Keith Sabiel
Vice-Mayor
City of Pinellas Park



Joshua Shulman
Citizen
City of St. Petersburg

**Directory of Officials
As of September 30, 2021**



Brad Miller, Chief Executive Officer

Cassandra Borchers, Chief Development Officer

James Bradford, Chief Operating Officer

Deborah C. Leous, Chief Financial Officer

Alvin Burns, Director of Procurement/DBE Liaison Officer

Julie Cagliostro, Director of Information Technology

Patricia Collins, Director of Human Resources/Acting EEO Officer

Abhishek Dayal, Director of Project Management

Bonnie Epstein, Director of Mobility on Demand

Whitney Fox, Director of Communications & Marketing

Michael Hanson, Director of Finance

Henry Lukasik, Director of Maintenance

Julie Lupis, Director of Accounting

Diane Randall, Director of Risk Management

Heather Sobush, Director of Planning

Jeffrey Thompson, Director of Transportation

SECTION II
FINANCIAL SECTION

Report of Independent Auditor

To the Board of Directors
Pinellas Suncoast Transit Authority
St. Petersburg, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the Pinellas Suncoast Transit Authority, aka: PSTA (the “Authority”), as of and for the years ended September 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Authority’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 audits. We conducted our audits in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 in the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Pinellas Suncoast Transit Authority, as of September 30, 2021 and 2020, and the respective changes in financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

OTHER MATTERS

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in liability and related ratios-other postemployment benefits, and schedules of the Authority's proportionate share of the net pension liability and of its contributions-pension plans, 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 audits 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 audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for the 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* (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General-Local Governmental Entity Audits, respectively, and is also not a required part of the basic financial statements.

The schedule of expenditures of federal awards and state financial assistance is 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, such information is 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 30, 2022, on our consideration of the Authority'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 Authority'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 Authority's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Tampa, Florida
March 30, 2022

PINELLAS SUNCOAST TRANSIT AUTHORITY

Management's Discussion and Analysis

For the Year Ended September 30, 2021 and 2020
(Unaudited)

INTRODUCTION

The following Management's Discussion and Analysis (MD&A) of the Pinellas Suncoast Transit Authority's ("The Authority") financial performance provides an overview of the financial activities for the fiscal years (FY) ended September 30, 2021 and 2020. Information contained in this MD&A has been prepared by the Authority's management and should be considered in conjunction with the financial statements and the notes of the financial statements.

The notes are essential to a full understanding of the data contained in the financial statements. This report also presents certain required supplementary information regarding pension and other post-employment benefits.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of this annual report consists of three parts: MD&A, the basic financial statements, and the notes to the financial statements. The basic financial statements include the Statements of Net Position, the Statements of Revenues, Expenses and Changes in Net Position, and the Statements of Cash Flows.

Analysis of the Statements of Net Position and the Statements of Revenues, Expenses and Changes in Net Position illustrate whether the Authority's financial position has improved as a result of the year's activities. The Statements of Net Position presents information on all of the Authority's assets, deferred outflows, liabilities, and deferred inflows, with the difference between the two reported as net position. Over time, the increases and decreases in net position may serve as an indicator of whether the financial position of the Authority is improving or deteriorating. The Statements of Revenues, Expenses and Changes in Net Position reflect how the operating and non-operating activities of the Authority affected changes in the net position of the Authority. These activities are recorded under the accrual basis of accounting reflecting the timing of the underlying event regardless of the timing of related cash flows. The Statements of Cash Flows presents information on the Authority's cash and cash equivalent activities for the fiscal year resulting from operating activities, noncapital financing activities, capital and related financing activities and investing activities. The net result of these activities added to the beginning of the year cash balance reconciles to the cash and cash equivalent balance at the end of the current fiscal year.

The financial statements also include notes that further explain certain information in the financial statements and provide more detailed data.

Although the financial statements provide useful information in assessing the financial health of the Authority, consideration of other factors not shown on the financial reports should be evaluated to assess the Authority's true financial condition. Factors such as changes in the Authority's tax base and the condition of the Authority's asset base are also important when assessing the overall financial condition of the Authority.

PINELLAS SUNCOAST TRANSIT AUTHORITY

Management's Discussion and Analysis

For the Year Ended September 30, 2021 and 2020
(Unaudited)

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Government entities typically account for activities by utilizing "fund" accounting. A fund is a grouping of related accounts that is used to maintain control or restrict the use of resources that have been segregated for specific activities or objectives. The Authority uses only one fund, an enterprise fund, which reports all business type activities of the Authority.

FISCAL YEAR 2021 FINANCIAL ANALYSIS OF THE AUTHORITY

- For FY 2021 the net position of the Authority is \$130.2 million. Of this amount, \$110.0 million is the net investment in capital assets, \$165.9 thousand is restricted grantor resources, and \$20.0 million is unrestricted. Through the adoption of a reserve policy, the Board of Directors has committed \$16.3 million for a two-months operating reserve and \$3.7 million for a self-insurance reserve for the following fiscal year. A 5-year capital plan has been approved by the Board of Directors that includes the use of \$11.7 million in reserves for capital asset replacement.
- Total assets increased by \$34.6 million or 23.8% in FY 2021. Current assets increased by \$9.2 million or 15.3%, and capital assets increased by \$25.5 million or 29.7%.
- The change in liabilities at the close of the fiscal year reflects a decrease of \$19.2 million or 33.0% primarily due to a decrease in the net pension liability and post-employment benefits liability.
- Based on the most recent actuarial valuation as of September 30, 2021, prepared by the Authority's independent actuary, PSTA risk management liabilities for general liability and workers' compensation increased by approximately \$715.4 thousand or 18.3% to \$4.6 million.
- The Authority's total net position increased by \$31.9 million or 32.5% from FY 2020. The increase is attributable to an increase in total assets and a decrease in total liabilities. Deferred outflows decreased by \$1.9 million or 15.0% and deferred inflows increased by \$20.0 million or 1,039.8% due to pension related amounts.

FISCAL YEAR 2020 FINANCIAL ANALYSIS OF THE AUTHORITY

- For FY 2020 the net position of the Authority is \$98.3 million. Of this amount, \$85.5 million is the net investment in capital assets, \$159.4 thousand is restricted grantor resources, and \$12.6 million is unrestricted. Through the adoption of a reserve policy, the Board of Directors has committed \$14.7 million for a two-months operating reserve and \$3.9 million for a self-insurance reserve for the following fiscal year. A 5-year capital plan has been approved by the Board of Directors that includes the use of \$15.5 million in reserves for capital asset replacement.
- Total assets increased by \$3.7 million or 2.6% in FY 2020. Current assets increased by \$6.3 million or 11.8%, and capital assets decreased by \$2.6 million or 2.9%.
- The change in liabilities at the close of the fiscal year reflects an increase of \$7.2 million or 14.1% primarily due to an increase in the net pension liability.

PINELLAS SUNCOAST TRANSIT AUTHORITY

Management's Discussion and Analysis

**For the Year Ended September 30, 2021 and 2020
(Unaudited)**

- Based on the most recent actuarial valuation as of September 30, 2020, prepared by the Authority's independent actuary, PSTA risk management liabilities for general liability and workers' compensation increased by approximately \$152.4 thousand or 4.1% to \$3.9 million.
- The Authority's total net position decreased by \$1.2 million or 1.2% from FY 2019. The decrease is attributable to an increase in total liabilities offset by an increase in total assets. Deferred outflows increased by \$803.2 thousand or 6.7% and deferred inflows decreased by \$1.4 million or 42.2% due to pension related amounts.

THE AUTHORITY'S CONDENSED STATEMENTS OF NET POSITION

	<u>2021</u>	<u>2020</u>	<u>Dollar Increase (Decrease)</u>	<u>Percentage Change</u>	<u>2019</u>
Assets:					
Current and other assets	\$ 69,070,489	\$ 59,923,188	\$ 9,147,301	15.3%	\$ 53,600,762
Capital assets	<u>111,247,730</u>	<u>85,762,071</u>	<u>25,485,659</u>	<u>29.7%</u>	<u>88,344,893</u>
Total assets	<u>180,318,219</u>	<u>145,685,259</u>	<u>34,632,960</u>	<u>23.8%</u>	<u>141,945,655</u>
Deferred outflow of resources	<u>10,824,927</u>	<u>12,732,588</u>	<u>(1,907,661)</u>	<u>(15.0%)</u>	<u>11,929,362</u>
Liabilities:					
Current liabilities	13,104,350	8,583,661	4,520,689	52.7%	8,820,560
Noncurrent liabilities	<u>25,889,988</u>	<u>49,641,697</u>	<u>(23,751,709)</u>	<u>(47.8%)</u>	<u>42,224,689</u>
Total liabilities	<u>38,994,338</u>	<u>58,225,358</u>	<u>(19,231,020)</u>	<u>(33.0%)</u>	<u>51,045,249</u>
Deferred inflow of resources	<u>21,957,769</u>	<u>1,926,407</u>	<u>20,031,362</u>	<u>1039.8%</u>	<u>3,335,524</u>
Net position:					
Net investment in capital assets	109,960,576	85,482,712	24,477,864	28.6%	86,661,740
Restricted	165,935	159,449	6,486	4.1%	30,925
Unrestricted	<u>20,064,529</u>	<u>12,623,921</u>	<u>7,440,608</u>	<u>58.9%</u>	<u>12,801,579</u>
Total net position	\$ <u>130,191,040</u>	\$ <u>98,266,082</u>	\$ <u>31,924,958</u>	<u>32.5%</u>	\$ <u>99,494,244</u>

PINELLAS SUNCOAST TRANSIT AUTHORITY

Management's Discussion and Analysis

For the Year Ended September 30, 2021 and 2020
(Unaudited)

THE AUTHORITY'S OPERATING FINANCIAL ACTIVITY

As noted earlier, PSTA uses only one fund, an enterprise fund, to comply with Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Board (GASB) mandated reporting requirements. The Authority's operations consist of providing virtually all public transportation services in Pinellas County, Florida. These services include fixed route, demand response, and specialized services.

The Statements of Revenues, Expenses and Changes in Fund Net Position show how the Authority's net position changed during the current and previous fiscal year as a result of operations. These changes are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, some revenues and expenses reported in this statement will only affect future cash flows.

The Following Summary Represents the FY 2021 Operating Results Compared to FY 2020:

Revenues

- Total operating and non-operating revenues for FY 2021 totaled \$96,224,000 a \$8,367,000 increase or 9.5% over FY 2020.
- Passenger fares, including demand response fares, decreased \$4,035,000 or 71.8% as a result of going fare free in March 2020 and not charging fares until July 2021 due to the COVID-19 pandemic.
- Advertising income decreased \$38,000 or 4.9%.
- Federal maintenance assistance decreased \$4,571,000 or 100.0% as CARES Act funding was utilized in its place.
- State operating assistance decreased \$4,696,000 or 99.7% as CARES Act funding was utilized in its place.
- Other Federal grants increased by \$19,609,000 or 156.7% primarily due to FTA CARES and CRRSA Act funding which was provided through the Federal Transit Administration Formula Grant.
- Special project assistance - state grants decreased \$1,677,000 or 37.7% primarily due the Transit Disadvantaged program funding program was eliminated by the State on July 1st and funding for the Route 100X, 300X and North County Flex routes was suspended while CARES and CRRSA funding was being utilized.
- Special project assistance – local grants increased \$84,000 or 6.0% due to increased funding for the Looper Downtown St. Petersburg service.
- Property tax revenues increased \$4,081,000 or 7.7% due to an increase in property values.
- Investment income decreased \$693,000 or 79.2% due to decreased interest rates.
- Fuel tax refunds increased \$46,000 or 7.8% due to increased fuel purchases.

PINELLAS SUNCOAST TRANSIT AUTHORITY

Management's Discussion and Analysis

For the Year Ended September 30, 2021 and 2020 (Unaudited)

- The net change in other revenues (expenses) of \$259,000 or 285.8% was primarily due to a decrease on losses of disposal of capital assets, no liquidated damages, and reduced staff resources time charged to the Tampa Bay Regional Transit Authority (TBARTA).

Expenses

- Total operating expenses decreased \$767,000 or .9% over FY 2020. The decrease was due to reduced diesel fuel expense, a reduction in supplies, decreased actuarially determined pension and post-employment benefits offset by increases in salaries and related fringe benefits.
- Operations expenses decreased \$2,980,000 or 7.0% The decrease was due to reduced diesel fuel expense, decreased actuarially determined pension and post-employment benefits offset by increases in salaries, overtime and related fringe benefits.
- Purchased transportation increased \$3,090,000 or 29.3% due to a new contract for paratransit and an amended contract for the previous provider that increased costs.
- Maintenance expenses decreased \$952,000 or 7.5% primarily due to reduced cost of tires.
- Administration and finance expenses increased \$63,000 or .4% primarily due to increased legal expenses offset by an actuarially determined increase in pension and post-employment benefits.
- Marketing expenses increased \$12,000 or 1.0% primarily due to an increase in professional services offset by reduced advertising promotion media and a decrease in actuarially determined pension and post-employment benefits.

Capital Grants and Other Related Revenues

Capital grants and other related revenues increased by \$22,549,000 or 667.2% due to the receipt of 20 new trolley buses, SunRunner Bus Rapid Transit buses and the start of construction on the SunRunner stations that is due to open in September of 2022.

The Following Summary Represents the FY 2020 Operating Results Compared to FY 2019:

Revenues

- Total operating and non-operating revenues for FY 2020 totaled \$87,857,000 a \$6,454,000 increase or 7.9% over FY 2019.
- Passenger fares, including demand response fares, decreased \$5,821,000 or 54.6% as a result of going fare free in March 2020 due to the COVID-19 pandemic.
- Advertising income increased \$119,000 or 18.0%.
- Federal maintenance assistance decreased \$404,000 or 8.1%.

PINELLAS SUNCOAST TRANSIT AUTHORITY

Management's Discussion and Analysis

For the Year Ended September 30, 2021 and 2020 (Unaudited)

- State operating assistance increased \$387,000 or 8.9%.
- Other Federal grants increased by \$9,897,000 or 377.9% primarily due to FTA CARES Act funding which was provided through the Federal Transit Formula Grant.
- Special project assistance - state grants decreased \$1,335,000 or 23.1% primarily due to decreased funding for the Transit Disadvantaged program and funding for the Route 100X Extension due to service being suspended during the pandemic.
- Special project assistance – local grants decreased \$303,000 or 17.7% due to funding for trolley services that were impacted by the pandemic.
- Property tax revenues increased \$3,918,000 or 8.0% due to an increase in property values.
- Investment income decreased \$240,000 or 21.5% due to decreased interest rates.
- Fuel tax refunds decreased \$64,000 or 9.9% due to decreased fuel purchases.
- The net change in other revenues (expenses) of \$301,000 or 143.0% was primarily due to a decrease on losses of disposal of capital assets, no liquidated damages, and reduced staff resources time charged to the Tampa Bay Regional Transit Authority (TBARTA).

Expenses

- Total operating expenses decreased \$296,000 or .3% over FY 2019. The majority of the decrease was due to decreased purchased transportation costs offset by an actuarially determined increase in pension and post-employment benefits.
- Operations expenses decreased \$242,000 or .6% primarily due to decreased salaries and overtime offset by actuarial increases in pension and the post- employment benefits.
- Purchased transportation decreased increased \$1,585,000 or 13.1% due to decreased paratransit and trolley services during the pandemic.
- Maintenance expenses increased \$556,000 or 4.6% due to costs related to the pandemic.
- Administration and finance expenses increased \$707,000 or 4.2% primarily due to an actuarially determined increase in pension and post-employment benefits.
- Marketing expenses increased \$268,000 or 31.5% due primarily to increased marketing costs for the SunRunner bus rapid transit project and an actuarially determined increase in pension and post-employment benefits.

PINELLAS SUNCOAST TRANSIT AUTHORITY

Management's Discussion and Analysis

**For the Year Ended September 30, 2021 and 2020
(Unaudited)**

Capital Grants and Other Related Revenues

Capital grants and other related revenues decreased by \$13,884,000 or 80.4% due to no bus procurements received in FY 2020 compared to FY 2019. Due to the pandemic the bus order was not received until FY 2021.

PINELLAS SUNCOAST TRANSIT AUTHORITY

Management's Discussion and Analysis

**For the Year Ended September 30, 2021 and 2020
(Unaudited)**

THE AUTHORITY'S STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	<u>2021</u>	<u>2020</u>	<u>Dollar Increase (Decrease)</u>	<u>Percentage Change</u>	<u>2019</u>
Operating revenues:					
Passenger fares	\$ 626,777	\$ 4,165,445	\$ (3,538,668)	(85.0%)	\$ 9,129,892
Demand response	180,781	677,032	(496,250)	(73.3%)	1,533,743
Advertising revenue	740,877	779,180	(38,303)	(4.9%)	660,371
Total operating revenues	<u>1,548,435</u>	<u>5,621,657</u>	<u>(4,073,221)</u>	<u>(72.5%)</u>	<u>11,324,006</u>
Nonoperating revenues:					
Federal maintenance assistance	-	4,571,923	(4,571,923)	(100.0%)	4,975,583
State operating assistance	12,712	4,709,570	(4,696,858)	(99.7%)	4,322,748
Other federal grants	32,124,814	12,515,684	19,609,130	156.7%	2,618,763
Special project assistance - state grants	2,772,187	4,448,877	(1,676,690)	(37.7%)	5,784,028
Special project assistance - local grants	1,496,558	1,412,272	84,286	6.0%	1,715,148
Property tax revenues	57,112,617	53,031,249	4,081,368	7.7%	49,113,559
Investment income	181,694	874,486	(692,792)	(79.2%)	1,114,257
Fuel tax refunds	626,176	580,645	45,531	7.8%	644,668
Other, net	348,980	90,453	258,527	285.8%	(210,359)
Total nonoperating revenues	<u>94,675,738</u>	<u>82,235,159</u>	<u>12,440,579</u>	<u>15.1%</u>	<u>70,078,395</u>
Total operating and nonoperating revenues	<u>96,224,173</u>	<u>87,856,816</u>	<u>8,367,357</u>	<u>9.5%</u>	<u>81,402,401</u>
Operating expenses:					
Operations	39,651,013	42,631,143	(2,980,130)	(7.0%)	42,873,233
Purchased transportation	13,628,375	10,538,164	3,090,211	29.3%	12,123,292
Maintenance	11,807,092	12,759,510	(952,418)	(7.5%)	12,203,763
Administration and finance	17,453,136	17,389,460	63,676	0.4%	16,682,258
Marketing	1,132,349	1,120,624	11,725	1.0%	852,508
Total operating expenses	<u>83,671,964</u>	<u>84,438,902</u>	<u>(766,936)</u>	<u>(0.9%)</u>	<u>84,735,054</u>
Depreciation	8,431,424	8,725,291	(293,867)	(3.4%)	8,984,115
Total operating expenses and depreciation	<u>92,103,389</u>	<u>93,164,193</u>	<u>(1,060,803)</u>	<u>(1.1%)</u>	<u>93,719,169</u>
Gain (Loss) before capital grants	4,120,784	(5,307,376)	9,428,160	(177.6%)	(12,316,768)
Capital grants and other related revenues	25,929,002	3,379,540	22,549,462	667.2%	17,263,244
Contributed capital - local government	1,875,172	690,790	1,184,382	171.5%	532,825
Contributed capital - private sources	-	8,884	(8,884)	(100.0%)	91,919
Increase (decrease) in net position	31,924,958	(1,228,162)	33,153,117	(2699.4%)	5,571,220
Net position, beginning of year	98,266,082	99,494,244	(1,228,162)	(1.2%)	93,923,024
Net position, end of year	\$ <u>130,191,040</u>	\$ <u>98,266,082</u>	\$ <u>31,924,955</u>	<u>32.5%</u>	\$ <u>99,494,244</u>

PINELLAS SUNCOAST TRANSIT AUTHORITY

Management's Discussion and Analysis

For the Year Ended September 30, 2021 and 2020
(Unaudited)

CAPITAL ASSETS

The Authority has invested \$111.2 million in capital assets (net of accumulated depreciation). Approximately 28% of the investment represents revenue-generating equipment and 25% represents the building and improvements at the close of fiscal year September 30, 2021.

Capital Assets, Net of Accumulated Depreciation

Significant projects in fiscal year 2021 include the construction on the SunRunner Bus Rapid Transit (BRT) project, receipt of twenty replacement trolleys and system acceptance of the Flamingo Regional Fare Collection System.

Additional information regarding capital assets can be found in Note 4 to the financial statements.

	2021	2020	Percent of Total		2019
			2021	2020	
Land	\$ 6,961,677	\$ 6,961,677	6%	8%	\$ 6,961,677
Buildings and improvements	27,275,353	28,612,666	25%	33%	30,254,217
Revenue equipment	31,680,384	36,725,194	28%	42%	40,404,057
Furniture and other	1,258,298	1,748,761	1%	2%	1,376,140
Capital assets in progress	44,072,018	11,714,773	40%	14%	9,348,802
Total	\$ 111,247,730	\$ 85,763,071	100%	99%	\$ 88,344,893

Long-Term Debt Administration

The Authority has no long-term debt.

Economic Factors and Next Year's Budget and Rates

The FY 2022 budget assumes PSTA returning to full service. The budget assumes the impact of fare capping with the Regional Flamingo Fare Program which gives all riders access to the best fares based on public transit usage. As Flamingo Fare Riders use the transit app or fare media card to reach, for example, a cost of a monthly pass they are no longer charged for additional trips during the duration of the pass period.

In addition, PSTA is budgeting \$61.1 in CRRSSA and ARP funding that will be used for Transportation, Maintenance and Grant personnel salaries. The budget looks to increase non-traditional sources of revenue such as partnerships with municipalities for capital projects. PSTA's SunRunner Bus Rapid Transit project will be completed in FY 22 and on-going operational costs are included in the budget.

The economic environment within which PSTA operates shows signs of improvement as the COVID -19 pandemic enters its third year. Visitor travel to Florida and the Tampa Bay Region is picking back up. Regional real estate markets are attracting new residents to the area, with medium home sold prices in Pinellas County up approximately 19% over one year ago. That will provide for strong and increased property tax revenues for PSTA. The budget assumes a 7.3% increase in Property Tax Revenue over the FY 2021 forecast.

PINELLAS SUNCOAST TRANSIT AUTHORITY

Management's Discussion and Analysis

**For the Year Ended September 30, 2021 and 2020
(Unaudited)**

FY 2022 BUDGET SUMMARY

The PSTA Board approved the FY 2022 budget on September 29, 2021. The FY 2022 Operating and Capital budget totaled \$182,044,098 compared to the FY 2021 budget of \$162,488,210 or \$19,555,888 representing 12% more than the FY 2021 budget. In FY 2022, total operating budget expenses of \$97,534,036 and operating and non-operating revenues of \$138,617,983 will result in an operating surplus of \$41,083,960 that will be transferred to reserves for future operating and capital needs as emergency relief funding was a one-time event.

The Authority also developed a multi-year operating plan covering FY 2022 through FY 2026.

In addition, the Authority developed a five-year Capital Improvement Program Budget covering FY 2022 through FY 2026 with available funding for capital acquisition of vehicles and equipment, construction of the Clearwater Transit Center and energy related projects including solar panels.

Requests for Information

This financial report is designed to provide a general overview of the Pinellas Suncoast Transit Authority's finances for all those with an interest in the Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the office of the Chief Financial Officer, Pinellas Suncoast Transit Authority, and 3201 Scherer Drive, St. Petersburg, Florida 33716.

PINELLAS SUNCOAST TRANSIT AUTHORITY

**Statements of Net Position
September 30, 2021 and 2020**

Assets	<u>2021</u>	<u>2020</u>
Current assets:		
Cash and cash equivalents	\$ 49,977,242	\$ 44,325,509
Accounts receivable, net of allowance of \$0 and \$0	3,461,535	1,342,199
Grants receivable	12,403,143	11,024,011
Inventories	2,716,943	2,898,621
Prepaid expenses	511,626	332,848
Total current assets	<u>69,070,489</u>	<u>59,923,188</u>
Capital assets:		
Land	6,961,677	6,961,677
Buildings and improvements	55,264,432	54,825,937
Revenue equipment	108,488,375	109,076,360
Furniture and other	9,632,977	9,494,558
Capital assets in progress	44,072,018	11,714,773
	224,419,479	192,073,305
Less accumulated depreciation	<u>113,171,749</u>	<u>106,311,234</u>
Total capital assets	<u>111,247,730</u>	<u>85,762,071</u>
Total assets	<u>180,318,219</u>	<u>145,685,259</u>
Deferred Outflows of Resources		
Deferred outflow of resources - other post-employment benefit related amounts	87,018	580,996
Deferred outflow of resources - pension related amounts	10,737,909	12,151,592
Total deferred outflow of resources	<u>10,824,927</u>	<u>12,732,588</u>
Liabilities		
Current liabilities:		
Accounts payable	5,975,304	2,336,995
Accrued expenses	2,788,847	2,331,338
Total other post-employment benefit liability	612,382	216,286
Compensated absences	53,957	51,137
Claims and judgments	1,445,215	1,231,449
Unearned revenue	2,178,113	2,283,193
Net pension liability due within one year	50,532	133,263
Total current liabilities	<u>13,104,350</u>	<u>8,583,661</u>
Noncurrent liabilities:		
Total other post-employment benefit liability	1,443,805	2,452,283
Compensated absences	3,007,009	2,849,812
Claims and judgments	3,181,057	2,679,399
Net pension liability	18,258,117	41,660,203
Total noncurrent liabilities	<u>25,889,988</u>	<u>49,641,697</u>
Total liabilities	<u>38,994,338</u>	<u>58,225,358</u>
Deferred Inflows of Resources		
Deferred inflow of resources - other post-employment benefit related amounts	623,086	581,030
Deferred inflow of resources - pension related amounts	21,334,683	1,345,377
Total deferred inflow of resources	<u>21,957,769</u>	<u>1,926,407</u>
Net Position		
Net investment in capital assets	109,960,576	85,482,712
Restricted grantor resources and contractually restricted cash	165,935	159,449
Unrestricted	20,064,529	12,623,921
Total net position	<u>\$ 130,191,040</u>	<u>\$ 98,266,082</u>

See accompanying notes to financial statements.

PINELLAS SUNCOAST TRANSIT AUTHORITY
Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating revenues:		
Passenger fares	\$ 626,777	\$ 4,165,445
Demand response	180,781	677,032
Advertising revenue	740,877	779,180
	<u>1,548,435</u>	<u>5,621,657</u>
Total operating revenues		
Operating expenses:		
Operations	39,651,013	42,631,143
Purchased transportation	13,628,375	10,538,164
Maintenance	11,807,092	12,759,510
Administration and finance	17,453,136	17,389,460
Marketing	1,132,349	1,120,624
	<u>83,671,965</u>	<u>84,438,901</u>
Total operating expenses, before depreciation		
Operating loss before depreciation	(82,123,530)	(78,817,244)
Depreciation	<u>8,431,424</u>	<u>8,725,291</u>
Operating loss	<u>(90,554,954)</u>	<u>(87,542,535)</u>
Nonoperating revenues (expenses):		
Federal maintenance assistance grants	-	4,571,923
State operating assistance grants	12,712	4,709,570
Other federal grants	32,124,814	12,515,684
Special project assistance – state grants	2,772,187	4,448,877
Special project assistance – local grants	1,496,558	1,412,272
Property tax revenues	57,112,617	53,031,249
Investment income	181,694	874,486
Fuel tax refunds	626,176	580,645
Other, net	348,980	90,453
	<u>94,675,738</u>	<u>82,235,159</u>
Total nonoperating revenues		
Gain (loss) before capital grants	4,120,784	(5,307,376)
Capital grants and other related revenues	<u>25,929,002</u>	<u>3,379,540</u>
Contributed capital - local government	1,875,172	690,790
Contributed capital - private sources	-	8,884
	<u>31,924,958</u>	<u>(1,228,162)</u>
Increase (decrease) in net position		
Net position, beginning of year	<u>98,266,082</u>	<u>99,494,244</u>
Net position, end of year	<u>\$ 130,191,040</u>	<u>\$ 98,266,082</u>

See accompanying notes to financial statements.

PINELLAS SUNCOAST TRANSIT AUTHORITY
Statements of Cash Flows
For the Years Ended September 30, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Receipts from customers	\$ 550,910	\$ 5,819,091
Payments to suppliers	(27,182,726)	(37,089,678)
Payments to and on behalf of employees	(54,515,710)	(44,198,683)
	<u>(81,147,527)</u>	<u>(75,469,270)</u>
Cash flows from noncapital financing activities:		
Property tax revenues	57,112,617	53,031,249
Operating and special project assistance grants	32,027,138	19,665,225
Fuel tax refunds	626,176	580,645
Non-transportation revenue	243,900	1,249,004
	<u>93,009,831</u>	<u>74,526,123</u>
Cash flows from capital and related financing activities:		
Purchases of capital assets	(32,323,519)	(5,406,272)
Capital grants	25,929,002	3,379,540
Proceeds from sale of capital assets	2,251	3,732
	<u>(6,392,266)</u>	<u>(2,023,000)</u>
Cash flows from investing activities:		
Investment income	181,694	874,486
	<u>181,694</u>	<u>874,486</u>
	5,651,732	(2,091,661)
Cash and cash equivalents, beginning of year	<u>44,325,509</u>	<u>46,417,170</u>
Cash and cash equivalents, end of year	<u>\$ 49,977,242</u>	<u>\$ 44,325,509</u>
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (90,554,954)	\$ (87,542,535)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	8,431,424	8,725,291
(Increase) Decrease in Assets and Deferred Outflows:		
Accounts receivable	(881,097)	197,435
Inventory	181,678	(716,521)
Prepaid Expenses	(178,778)	98,099
OPEB and Pension Related Deferred Outflows	1,907,661	(803,226)
Increase (Decrease) in Liabilities and Deferred Inflows:		
Accounts Payable	2,679,427	(1,577,189)
Accrued Expenses	457,508	371,820
Compensated Absences	160,017	274,702
Claims and Judgements Payable	715,424	152,400
OPEB and Pension Related Liabilities and Deferred Inflows	(4,065,837)	5,350,454
	<u>(81,147,527)</u>	<u>(75,469,270)</u>
Schedule of noncash transactions:		
Purchase of capital assets included in accounts payable	1,287,154	279,359
Contributed capital assets	1,875,173	699,674
	<u>3,162,327</u>	<u>979,033</u>

See accompanying notes to financial statements.

PINELLAS SUNCOAST TRANSIT AUTHORITY

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

The accounting policies and practices of the Authority have been designed to conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to a government enterprise fund. The following is a summary of the more significant accounting policies:

(a) Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accompanying financial statements are reported using the flow of economic resources measurement focus and the accrual basis of accounting. Revenues are recognized in the period in which they are earned, and expenses are recognized in the period incurred, regardless of when the related cash flows take place. Property taxes are recognized as revenue in the year for which they are levied, and grants are recognized as revenue as soon as all eligibility requirements have been met, including that the eligible expenses have been incurred.

(b) Cash Equivalents and Investments

Cash equivalents are defined as short-term highly liquid debt investments that are both readily convertible to known amounts of cash and have original maturities of three months or less at the date of purchase. Cash temporarily idle during the year was invested at BankUnited, Citibank, Regions, and Synovus. On September 30, 2021, the Authority's deposits were entirely covered by federal depository insurance or by collateral pledged with the State Treasurer pursuant to Chapter 280, *Florida Statutes*. Under this Chapter, in the event of default by a participating financial institution (a qualified public depository), all participating institutions are obligated to reimburse the governmental entity for the loss. This mix of asset allocation provides a strong diversity for a balanced portfolio and has allowed for increased interest income through a competitive bidding process. The Authority has no investments measured at fair value.

(c) Accounts Receivable

All trade and other receivables are shown net of an allowance for uncollectible accounts. The receivables are analyzed by management at the end of the year to estimate the amount of the allowance, as applicable.

(d) Grants Receivable

Grants receivables represent expenditures for grant eligible items for which reimbursement has not yet been received.

(e) Inventories and Prepaid Expenses

Inventories, principally fuel and maintenance parts, are stated at cost (using the moving weighted average cost method).

Certain payments to vendors or other parties reflect cost for contracts or services applicable to future accounting periods and are recorded as prepaid expenses. The cost of prepaid items is recorded as expenses when consumed rather than when purchased.

PINELLAS SUNCOAST TRANSIT AUTHORITY

Notes to Financial Statements

(1) **Summary of Significant Accounting Policies - Continued**

(f) **Capital Assets**

Capital assets are recorded at cost. Capital assets, which include property and equipment, are defined as assets with an initial, individual cost of \$5,000 or more with an estimated useful life greater than one year. Major renewals and betterments are treated as capital additions. Expenses for maintenance, repairs, and minor renewals are expensed as incurred. Contributed assets are stated at acquisition value at the date of receipt.

Depreciation is calculated using the straight-line method over the estimated useful life of the asset as follows:

<u>Property Classification</u>	<u>Estimated Useful Life Range</u>
Buildings	5 - 40 years
Improvements	5 - 20 years
Revenue equipment	3 - 12 years
Furniture and other	3 - 10 years

(g) **Compensated Absences**

The Authority’s policy permits substantially all employees to accumulate a limited amount of earned but unused vacation, certain sick-pay benefits and certain other qualifying absences, which will be paid to the employee upon separation from service. Vacation, eligible sick pay, and other qualifying absences, which have been earned but not paid, have been accrued in the accompanying financial statements.

(h) **Pensions**

In the statements of net position, liabilities are recognized for the Authority’s proportionate share of each pension plan’s net pension liability. For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) and additions to/deductions from FRS’s and HIS’s fiduciary net position have been determined on the same basis as they are reported by the FRS and HIS plans. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds of employee contributions are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

(i) **Other Post-Employment Benefits (OPEB)**

In the statement of net position, a liability is recognized for the Authority’s OPEB liability as determined by an actuarial review of the healthcare coverage purchased by retirees to continue participation in the Authority’s health plan. The Authority is responsible for covering the excess of retiree claims over premium payments made by retirees to the Authority, which creates another 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.

PINELLAS SUNCOAST TRANSIT AUTHORITY

Notes to Financial Statements

(1) Summary of Significant Accounting Policies - Continued

(j) Unearned Revenue

Unearned Revenue is considered a liability until it becomes relevant to the business at hand, such as payment received for work not performed or revenues received which have not been earned.

(k) Claims and Judgments

In the statements of net position, liabilities are recognized based upon an actuarial study which is performed annually by an outside professional.

(l) Deferred Outflows/Inflows of Resources

In addition to assets, the statements of net position 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(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The deferred outflows of resources reported in the Authority's statement of net position are related to other post-employment benefit related amounts and the Authority's participation in the Florida Retirement System Pension Plan and the Retiree Health Insurance Subsidy Program. These amounts will be recognized as increases in post-employment benefit expense and pension expense in future years.

In addition to liabilities, the statements of net position 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(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The deferred inflows of resources reported in the Authority's statement of net position are related to other post-employment benefit related amounts and the Authority's participation in the Florida Retirement System Pension Plan and the Retiree Health Insurance Subsidy Program. These amounts will be recognized as reductions in post-employment benefit expense and pension expense in future years.

m) Net Position

Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and related liabilities against those capital assets.

Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position - All other components of net position that do not meet the definition of "restricted" or "net investment in capital assets".

(n) Grants

The federal government, State of Florida, Forward Pinellas (the Pinellas Metropolitan Planning Organization), have made available grants to the Authority related to the development of public

PINELLAS SUNCOAST TRANSIT AUTHORITY

Notes to Financial Statements

(1) Summary of Significant Accounting Policies - Continued

transit facilities, which are restricted to acquiring qualifying capital assets and funding certain operating expenses.

Capital grants are reported in a separate line item in the statements of revenues, expenses, and changes in net position. Proceeds equal or greater than \$5,000 from the sale of capital assets originally purchased with funds from federal grants must be reinvested in capital asset purchases approved by the Federal Transit Administration (FTA).

(o) Use of Estimates

The preparation of the financial statements, in accordance with GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant items subject to estimates and assumptions include depreciation, the reserve for workers' compensation, general liability claims, pension related amounts, and post-employment benefits other than pensions. Actual amounts could differ from those estimates, particularly given the significant social and economic disruptions and uncertainties associated with the ongoing COVID-19 pandemic and the COVID-19 control responses.

(p) Operating Revenues and Expenses

Operating revenues and expenses generally result from providing services in connection with the Authority's principal ongoing operations. The principal operating revenues are fare box revenues, which are fees for public transportation. Operating expenses include the cost of providing the services and depreciation expense on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenue and expense.

(q) Fare Revenues

Cash fares are recorded as revenue at the time services are performed. Pass fares are recorded as revenue at the time passes are sold. Fares were suspended in March 2020 and resumed in July 2021 due to the COVID-19 pandemic.

(r) Property Tax Revenue

The Authority is a special taxing district that is authorized to levy an ad valorem tax on the taxable real property in the transit area not to exceed 0.7500 mills. The approved ad valorem tax rates for fiscal years 2021 and 2020 were 0.7500.

Property tax collections are governed by Chapter 197, *Florida Statutes*. The Pinellas County Tax Collector bills and collects all property taxes levied within the county. Discounts are allowed for early payment of 4.0% in November, 3.0% in December, 2.0% in January, and 1.0% in February. If property taxes are not paid by April 1, the county adds a 3.0% penalty on real estate taxes and 1.5% penalty on personal property taxes.

The Pinellas County Tax Collector advertises and sells tax certificates on all real property for delinquent taxes. The Pinellas County Tax Collector must receive payment before the certificates are issued. Any person owning land on which a tax certificate has been sold may redeem the tax certificate by paying the Pinellas County Tax Collector the face amount of the

PINELLAS SUNCOAST TRANSIT AUTHORITY

Notes to Financial Statements

(1) Summary of Significant Accounting Policies - Continued

tax certificate plus interest and other costs. The owner of the tax certificate may, at any time after taxes have been delinquent (April 1) for two years, file an application for tax deed sale.

The county, as a certificate owner, may exercise similar procedures two years after taxes have been delinquent. Tax deeds are issued to the highest bidder for the property that is sold at public auction.

The Pinellas County Tax Collector remits current taxes collected through at least four distributions to the Authority in the first two months of the tax year and at least one distribution each month thereafter.

- **Property Tax Calendar**

June 1, 2020 - Taxes are based on assessed property value at this date as determined by the Pinellas County Property Appraiser.

July 1, 2020 - Property assessment roll and certificates of value provided to the Authority by the Pinellas County Property Appraiser.

July 29, 2020 - Proposed millage rate is approved by the Board of Directors and provided to the Pinellas County Property Appraiser who mails notices to the taxpayers.

September 30, 2020 - Property tax millage rate resolution approved by the Board of Directors.

October 1, 2020 - Beginning of the year for which property taxes have been levied.

November 1, 2020 - Property taxes are due and payable.

April 1, 2021 - Unpaid property taxes become delinquent.

June 1, 2021 - Tax certificates are sold by the Pinellas County Tax Collector.

(2) Description of Business

The Pinellas Suncoast Transit Authority was formed by an act of the Florida Legislature in 1984 and became effective by majority vote of the electorate in a referendum election of the transit area in Pinellas County, Florida. The Authority is an independent taxing authority whose purpose is to provide effective, modern mass transit service to Pinellas County, Florida. The Authority is governed by a 15-member board of directors made up of elected officials and citizens. The board members are appointed by the county and member cities in accordance with a formula provided by the enabling legislation and serve a three-year term.

PINELLAS SUNCOAST TRANSIT AUTHORITY

Notes to Financial Statements

(3) Cash and Cash Equivalents

On September 30, 2021 and 2020, the carrying value of the Authority’s cash and cash equivalents was as follows:

Type	2021	2020
Cash on hand	\$ 25,000	\$ 25,000
Petty cash	950	950
Demand deposits	49,951,292	44,299,559
Total cash and cash equivalents	\$ 49,977,242	\$ 44,325,509

The investment returns through fiscal year end September 30, 2021, totaled an average of 32 basis points compared to an average of 132 basis points through fiscal year end September 30, 2020.

(a) Custodial Credit Risk

On September 30, 2021 and 2020, all of the Authority’s deposits were entirely covered by federal depository insurance or by collateral pledged with the State Treasurer pursuant to Chapter 280, *Florida Statutes*. Under this Chapter, in the event of default by a participating financial institution (a qualified public depository), all participating institutions are obligated to reimburse the governmental entity for the loss.

(b) Credit Risk

The Authority’s Investment Guidelines were reviewed and approved by the Board in August 2017 and reviewed and approved by the Finance and Performance Management Committee in September 2021 with no changes. Pursuant to Florida Statute 218.415 and the Authority’s Investment Guidelines, investments of surplus funds may be made in the following:

- State of Florida Board of Administration Local Government Surplus Funds Trust Fund (Florida PRIME)
- State of Florida Board of Administration Comingled Asset management (CAMPMM)
- Direct Obligations of the US Treasury
- Non-negotiable Interest-Bearing Savings Accounts, Demand Deposit Accounts or Time Certificates of Deposit
- Repurchase Agreements
- Commercial Paper
- Asset Backed Corporate Notes
- Securities and Exchange Commission (SEC) registered Money Market Funds
- Investment Pools/Mutual Funds

PINELLAS SUNCOAST TRANSIT AUTHORITY

Notes to Financial Statements

As of September 30, 2021, and 2020, the Authority's cash equivalents consisted of interest-bearing money market accounts and non-negotiable certificates of deposit held by a financial institution.

(3) Cash and Cash Equivalents - Continued

The investments are not classified as to credit risk because they are not evidenced by securities that exist in book or entry form. The components of investment return include \$181,694 and \$874,486 of interest income on cash and cash equivalents for the years ended September 30, 2021 and 2020, respectively.

(c) Interest Rate Risk

Interest rate risk is the risk that the fair value of the Authority's investments will decrease as a result of an increase in interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, the investment policy states that the Authority is to consider safety of principal, liquidity, and finally yield. Also, as a means of limiting its exposure, the Authority's investment policy prohibits investments in U.S. Treasuries with maturities greater than five years. As of September 30, 2021, the Authority's fixed income holdings consisted of four 12-month term non-negotiable certificates of deposits for \$5,000,000 each, with a maximum maturity date of April 30, 2022, and an interest rate of .25%. As of September 30, 2020, the Authority's fixed income holdings consisted of four 12-month term non-negotiable certificates of deposits for \$5,000,000 each, with a maximum maturity date of April 30, 2021, and interest rates ranging from .73% to 1.77%.

PINELLAS SUNCOAST TRANSIT AUTHORITY

Notes to Financial Statements

(3) Cash and Cash Equivalents - Continued

(d) Concentration of Credit Risk

During FY 2021 and 2020, the Authority Investment Guidelines has recommended limits on the amount the Authority may place with each type of investment and with issuers as follows:

Diversification Guidelines

	Investment	Portfolio Maximum	Issuer Limitation	Maximum Maturity
A.	State of Florida Board of Administration Local Government Surplus Funds Trust Fund (Florida Prime)	30%	N/A	N/A
B.	State of Florida Board of Administration Commingled Asset Management Program Money Market Funds (CAMP MM)	20%	N/A	N/A
C.	Direct Obligations of the U.S. Treasury and instruments backed by the full faith and credit of the U.S. Federal Government	75%	N/A	5 years
D.	Interest Bearing Savings Accounts, Demand Deposit Accounts, Negotiable Order of Withdrawal Accounts, or Certificates of Deposit	100%	N/A	2 yrs. for CDs
E.	Repurchase Agreements	20% (1)	10%	60 days
F.	Commercial Paper	10%	5%	5 years
G.	Asset-Backed Corporate Notes	10%	3%	5 years (2)
H.	SEC-Registered Money Market Mutual Funds	10%	10%	90 days (3)
I.	Investment Pools/Mutual Funds	10%	10%	N/A

(1) With the exception of one (1) business day agreements and overnight sweep agreements.

(2) Total Asset-Backed Corporate Notes shall have a weighted average duration up to 2 years.

(3) The maximum length to maturity (average weighted) shall be 90 days.

PINELLAS SUNCOAST TRANSIT AUTHORITY

Notes to Financial Statements

(4) Capital Assets

Capital asset activity for the years ended September 30, 2021 and 2020, were as follows:

	<u>October 1 2020</u>	<u>Additions</u>	<u>Transfers, Disposals and Impairments</u>	<u>September 30 2021</u>
Nondepreciable assets:				
Land	\$ 6,961,677	\$ -	\$ -	\$ 6,961,677
Capital assets in progress	<u>11,714,773</u>	<u>33,124,998</u>	<u>767,753</u>	<u>44,072,018</u>
Total nondepreciable assets	<u>18,676,450</u>	<u>33,124,998</u>	<u>767,753</u>	<u>51,033,695</u>
Depreciable assets:				
Buildings and improvements	54,825,937	478,475	39,980	55,264,432
Revenue equipment	109,076,360	948,907	1,536,892	108,488,375
Furniture and other equipment	<u>9,494,558</u>	<u>138,419</u>	<u>-</u>	<u>9,632,977</u>
Total depreciable assets	<u>173,396,855</u>	<u>1,565,801</u>	<u>1,576,872</u>	<u>173,385,784</u>
Total at historical cost	<u>192,073,305</u>	<u>34,690,799</u>	<u>2,344,625</u>	<u>224,419,479</u>
Less accumulated depreciation for:				
Buildings and improvements	26,213,271	1,809,825	34,017	27,989,079
Revenue equipment	72,351,166	5,993,717	1,536,892	76,807,991
Furniture and other equipment	<u>7,746,797</u>	<u>627,882</u>	<u>-</u>	<u>8,374,679</u>
Total accumulated depreciation	<u>106,311,234</u>	<u>8,431,424</u>	<u>1,570,909</u>	<u>113,171,749</u>
Capital assets, net	<u>\$ 85,762,071</u>	<u>\$ 26,259,375</u>	<u>\$ 773,716</u>	<u>\$ 111,247,730</u>

PINELLAS SUNCOAST TRANSIT AUTHORITY

Notes to Financial Statements

(4) Capital Assets - Continued

Capital asset activity for the years ended September 30, 2020 and 2019, were as follows:

	<u>October 1, 2019</u>	<u>Additions</u>	<u>Transfers and Disposals</u>	<u>September 30, 2020</u>
Nondepreciable assets:				
Land	\$ 6,961,677	\$ -	\$ -	\$ 6,961,677
Capital assets in progress	<u>9,348,802</u>	<u>5,637,528</u>	<u>3,271,557</u>	<u>11,714,773</u>
Total nondepreciable assets	<u>16,310,479</u>	<u>5,637,528</u>	<u>3,271,557</u>	<u>18,676,450</u>
Depreciable assets:				
Buildings and improvements	54,675,550	247,325	96,938	54,825,937
Revenue equipment	107,535,530	2,469,276	928,446	109,076,360
Furniture and other	<u>8,604,667</u>	<u>1,068,460</u>	<u>178,569</u>	<u>9,494,558</u>
Total depreciable assets	<u>170,815,747</u>	<u>3,785,061</u>	<u>1,203,953</u>	<u>173,396,855</u>
Total at historical cost	<u>187,126,226</u>	<u>9,422,589</u>	<u>4,475,510</u>	<u>192,073,305</u>
Less accumulated depreciation for:				
Buildings and improvements	24,421,333	1,884,872	92,934	26,213,271
Revenue equipment	67,131,473	6,143,579	923,886	72,351,166
Furniture and other	<u>7,228,527</u>	<u>696,840</u>	<u>178,569</u>	<u>7,746,797</u>
	<u>98,781,333</u>	<u>8,725,291</u>	<u>1,195,390</u>	<u>106,311,234</u>
Capital assets, net	\$ <u><u>88,344,893</u></u>	\$ <u><u>697,298</u></u>	\$ <u><u>3,280,120</u></u>	\$ <u><u>85,762,071</u></u>

PINELLAS SUNCOAST TRANSIT AUTHORITY

Notes to Financial Statements

(5) Net Position

Unrestricted net position at September 30, 2021 and 2020, consists of the following:

	<u>2021</u>	<u>2020</u>
Operating reserves	\$ 20,064,529	\$ 12,623,921
Unrestricted net position	<u>\$ 20,064,529</u>	<u>\$ 12,623,921</u>

Restricted net position represents the Federal Transit Administration's interest in a disposed grant asset that the Authority received permission for a like-kind exchange in the future, and a contractual requirement under the Authority's health plan to maintain a minimum balance within an imprest account to pay future claims. The balances at September 30, 2021 and 2020, are as follows:

	<u>2021</u>	<u>2020</u>
Grantor resources and contractually restricted cash	<u>\$ 165,935</u>	<u>\$ 159,449</u>

PINELLAS SUNCOAST TRANSIT AUTHORITY

Notes to Financial Statements

(6) Long-Term Liabilities

Activity relating to the Authority’s long-term liabilities during the years ending September 30, 2021 and 2020 consists of the following for Total other post-employment benefit liability (OPEB), Compensated absences, Claims and judgements, and Net pension liability:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>	<u>More Than One Year</u>
<u>Balance at September 30, 2021</u>						
OPEB	\$ 2,668,569	\$ -	\$ 612,382	\$ 2,056,187	\$ 612,382	\$ 1,443,805
Compensated absences	2,900,949	3,779,847	3,619,830	3,060,966	53,957	3,007,009
Claims and judgements	3,910,848	1,906,625	1,191,201	4,626,272	1,445,215	3,181,057
Net pension liability	<u>41,793,466</u>	<u>394,403</u>	<u>23,879,220</u>	<u>18,308,649</u>	<u>50,532</u>	<u>18,258,117</u>
Total long term liabilities	\$ <u>51,273,832</u>	\$ <u>6,080,875</u>	\$ <u>29,302,633</u>	\$ <u>28,052,074</u>	\$ <u>2,162,086</u>	\$ <u>25,889,988</u>

<u>Balance at September 30, 2020</u>						
OPEB	\$ 2,452,283	\$ 216,286	\$ -	\$ 2,668,569	\$ 216,286	\$ 2,452,283
Compensated absences	2,626,247	3,722,714	3,448,012	2,900,949	51,137	2,849,812
Claims and judgements	3,758,448	513,001	360,602	3,910,848	1,231,449	2,679,399
Net pension liability	<u>35,250,181</u>	<u>6,543,285</u>	<u>-</u>	<u>41,793,466</u>	<u>133,263</u>	<u>41,660,203</u>
Total long term liabilities	\$ <u>44,087,159</u>	\$ <u>10,995,286</u>	\$ <u>3,808,614</u>	\$ <u>51,273,832</u>	\$ <u>1,632,135</u>	\$ <u>49,641,697</u>

(7) Risk Management

The Authority maintains self-insured programs for damage to vehicles and general liability claims for amounts up to \$100,000 and workers’ compensation claims for amounts up to \$250,000. The Authority carries insurance coverage for excess liability limited to \$2,000,000 per occurrence for vehicle and general liability claims. The Authority’s excess workers’ compensation program provides protection consistent with Florida Statutes. For the past three years, insurance settlements have not exceeded insurance coverage and there were no significant reductions in insurance coverage from the previous year.

The liabilities for these self-insurance programs currently recorded as claims and judgments were determined by actuarial valuation not discounted and include estimates for incurred but not reported claims. Non-incremental claims adjustment expenses are also included as part of the liability for claims.

The Authority’s health plans are also self-insured up to an aggregate claim limit of \$9,622,293 and \$9,398,437 for the years ending September 30, 2021 and 2020, respectively. The Authority carries insurance coverage for all claims in excess of those maximum limits. Since the Authority met those limits as of September 30, 2021 and 2020, no liability for claims payable and incurred but not reported claims has been established.

PINELLAS SUNCOAST TRANSIT AUTHORITY

Notes to Financial Statements

(7) Risk Management (Continued)

The incurred claims in the following reconciliation of claims liabilities includes prior years' estimated claims settled without payment and year-end adjustment to estimated claims liability.

	<u>Workers'</u>		<u>General</u>		<u>Total</u>
	<u>Compensation</u>		<u>Liability</u>		
Claims reserve - September 30, 2018	\$ 1,135,225	\$	2,797,391	\$	3,932,616
Claims incurred	272,502		1,020,179		1,292,681
Claim payments	<u>(556,273)</u>		<u>(910,576)</u>		<u>(1,466,849)</u>
Claims reserve - September 30, 2019	851,454		2,906,994		3,758,448
Claims incurred	47,902		465,099		513,001
Claim payments	<u>(44,739)</u>		<u>(315,862)</u>		<u>(360,601)</u>
Claims reserve - September 30, 2020	854,617		3,056,231		3,910,848
Claims incurred	741,887		1,164,738		1,906,625
Claim payments	<u>(461,681)</u>		<u>(729,520)</u>		<u>(1,191,201)</u>
Claims reserve - September 30, 2021	<u>\$ 1,134,823</u>	\$	<u>3,491,449</u>	\$	<u>4,626,272</u>
	<u>2021</u>		<u>2020</u>		
Claims and judgments					
Due within one year	\$ 1,445,215	\$	1,231,449		
Due in more than one year	<u>3,181,057</u>		<u>2,679,399</u>		
	<u>\$ 4,626,272</u>	\$	<u>3,910,848</u>		

(8) Defined Benefit Pension Plans

The Florida Retirement System (FRS) was created by Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any State-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the Authority are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing,

PINELLAS SUNCOAST TRANSIT AUTHORITY

Notes to Financial Statements

(8) Defined Benefit Pension Plans - Continued

multiple-employer defined benefit plans and other nonintegrated programs. An annual comprehensive financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' website.

(www.dms.myflorida.com/workforce_operations/retirement/publications).

The Authority's pension expense totaled \$1,601,401 and \$7,436,665 for both the FRS Pension Plan and HIS Plan for the fiscal years ended September 30, 2021 and 2020, respectively. The Authority's pension liability totaled \$18,308,649 and \$41,793,466 for the FRS Pension Plan and HIS Plan for the fiscal years ended September 30, 2021 and 2020, respectively. The Authority's deferred inflows totaled \$21,334,683 and \$1,345,377 for both the FRS Pension Plan and the HIS Plan for the fiscal years ended September 30, 2021 and 2020, respectively. The Authority's deferred outflows totaled \$10,737,909 and \$12,151,592 for both the FRS Pension Plan and HIS Plan for the fiscal years ended September 30, 2021 and 2020, respectively.

Florida Retirement System Pension Plan

(a) Plan Description

The Florida Retirement System Pension Plan (FRS Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

Regular Class – Members of the FRS who do not qualify for membership in the other classes.

Elected County Officers Class – Members who hold specified elective offices in local government.

Senior Management Service Class (SMSC) – Members in senior management level positions.

Special Risk Class – Members who are special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the FRS Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the FRS Plan may include up to four years of credit for military service toward creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants. DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the FRS Plan to defer receipt of monthly benefit payments while

PINELLAS SUNCOAST TRANSIT AUTHORITY

Notes to Financial Statements

(8) Defined Benefit Pension Plans (Florida Retirement System Pension Plan) - Continued

continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

(b) Benefits Provided

Benefits under the FRS Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned.

<u>Class, Initial Enrollment, and Retirement Age/Years of Service:</u>	<u>% Value</u>
Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement up to age 63 or up to 31 years of service	1.63
Retirement up to age 64 or up to 32 years of service	1.65
Retirement up to age 65 or up to 33 years of service	1.68
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement up to age 66 or up to 34 years of service	1.63
Retirement up to age 67 or up to 35 years of service	1.65
Retirement up to age 68 or up to 36 years of service	1.68

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

(c) Contributions

The Florida Legislature establishes contribution rates for participating employers and employees. Effective July 1, 2011, all FRS Plan members (except those in DROP) are required to make 3% employee contributions on a pretax basis. The employer contribution rates by job class in the tables below were applied to employee salaries to determine monthly contributions.

PINELLAS SUNCOAST TRANSIT AUTHORITY

Notes to Financial Statements

(8) Defined Benefit Pension Plans (Florida Retirement System Pension Plan) - Continued

The Authority's contributions to the FRS Plan were \$3,073,293 and \$2,402,053 for the years ended September 30, 2021 and 2020, respectively.

Contribution Rates - Employer - 2021

<u>Job Class</u>	<u>October 1, 2010 - June 30, 2021</u>	<u>July 1, 2021 - September 30, 2021</u>
Regular	10.00%	10.82%
Special Risk	24.45%	25.89%
Special Risk Administrative Support	35.84%	37.76%
Elected County Officers	49.18%	51.42%
Senior Management	27.29%	29.01%
DROP Participants	16.98%	18.34%
Above rates include HIS Plan subsidy of:	1.66%	1.66%

Contribution Rates - Employer - 2020

<u>Job Class</u>	<u>October 1, 2019 - June 30, 2020</u>	<u>July 1, 2020 - September 30, 2020</u>
Regular	8.47%	10.00%
Special Risk	25.48%	24.45%
Special Risk Administrative Support	38.59%	35.84%
Elected County Officers	48.82%	49.18%
Senior Management	25.41%	27.29%
DROP Participants	14.60%	16.98%
Above rates include HIS Plan subsidy of:	1.66%	1.66%

(d) Pension Costs

On September 30, 2021 and 2020, the Authority reported a liability of \$5,838,148 and \$29,717,368, respectively, for its proportionate share of the FRS Plan's net pension liability. The net pension liability was measured as of June 30, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of July 1. The Authority's proportion of the net pension liability was based on the Authority's contributions received by FRS during the measurement period for employer payroll paid dates from July 1 through June 30, relative to the total employer contributions received from all of FRS's participating employers. At June 30, 2021, the Authority's proportion was 0.07729%, which was an increase of 0.00872% from its proportion measured as of June 30, 2020. At June 30, 2020, the Authority's proportion was 0.06857%, which was an increase of 0.00104% from its proportion measured as of June 30, 2019.

PINELLAS SUNCOAST TRANSIT AUTHORITY

Notes to Financial Statements

(8) Defined Benefit Pension Plans (Florida Retirement System Pension Plan) - Continued

For the year ended September 30, 2021, the Authority recognized pension expense of \$529,934 for its proportionate share of FRS's pension expense. In addition, the Authority reported its proportionate share of FRS's deferred outflows of resources and deferred inflows of resources from the following sources:

FRS Deferred Inflows/Outflows – 2021

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 1,000,668	\$ -
Changes in Actuarial Assumptions	3,994,751	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	20,367,832
Changes in Proportion and Differences Between Entity Contributions and Proportionate Share of Contributions	2,683,348	275,878
Entity Contributions Subsequent to the Measurement Date	<u>774,203</u>	<u>-</u>
Total	<u>\$ 8,452,970</u>	<u>\$ 20,643,710</u>

\$774,203 reported as deferred outflows of resources related to pensions resulting from Authority contributions to the FRS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

Year Ended September 30	Amount
2022	\$ (2,141,621)
2023	(2,626,228)
2024	(3,677,102)
2025	(4,887,951)
2026	367,959
Thereafter	-

PINELLAS SUNCOAST TRANSIT AUTHORITY

Notes to Financial Statements

(8) Defined Benefit Pension Plans (Florida Retirement System Pension Plan) - Continued

For the year ended September 30, 2020, the Authority recognized pension expense of \$6,297,422 for its proportionate share of FRS's pension expense. In addition, the Authority reported its proportionate share of FRS's deferred outflows of resources and deferred inflows of resources from the following sources:

FRS Deferred Inflows/Outflows - 2020

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 1,137,344	\$ -
Changes in Actuarial Assumptions	5,379,789	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,769,401	-
Changes in Proportion and Differences Between Entity Contributions and Proportionate Share of Contributions	639,088	425,709
Entity Contributions Subsequent to the Measurement Date	645,208	-
Total	\$ 9,570,830	\$ 425,709

PINELLAS SUNCOAST TRANSIT AUTHORITY

Notes to Financial Statements

(8) Defined Benefit Pension Plans (Florida Retirement System Pension Plan) - Continued

(e) Actuarial Assumptions

The total pension liability in the July 1, 2021 and the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	July 1, 2021	July 1, 2020
Measurement Date	June 30, 2021	June 30, 2020
Inflation per year	2.40%	2.40%
Salary Increases, including inflation	3.25%	3.25%
Investment Rate of Return Net of Pension Plan Investment Expense, Including Inflation	6.80%	6.80%
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

Mortality rates were based on PUB-2010 base table varies by member and sex, projected generationally with scale MP 2018. The actuarial assumptions used in the valuation were based on the results of the most recent experience study ,which was last completed in 2019 for the period July 1, 2013, through June 30, 2018.

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation, as outlined in the FRS Plan’s investment policy, and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following tables:

FRS Investment Rate of Return – 2021

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	2.1%	2.1%	1.1%
Fixed Income	20.0%	3.8%	3.7%	3.3%
Global Equity	54.2%	8.2%	6.7%	17.8%
Real Estate (Property)	10.3%	7.1%	6.2%	13.8%
Private Equity	10.8%	11.7%	8.5%	26.4%
Strategic Investments	3.7%	5.7%	5.4%	8.4%
Totals	<u>100%</u>			
Assumed Inflation – Mean			2.4%	1.2%

PINELLAS SUNCOAST TRANSIT AUTHORITY

Notes to Financial Statements

(8) Defined Benefit Pension Plans (Florida Retirement System Pension Plan) - Continued

FRS Investment Rate of Return – 2020

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	2.2%	2.2%	1.2%
Fixed Income	19.0%	3.0%	2.9%	3.5%
Global Equity	54.2%	8.0%	6.7%	17.1%
Real Estate (Property)	10.3%	6.4%	5.8%	11.7%
Private Equity	11.1%	10.8%	8.1%	25.7%
Strategic Investments	4.4%	5.5%	5.3%	6.9%
Totals	<u>100%</u>			
Assumed Inflation – Mean			2.4%	1.7%

(f) Discount Rate

The discount rate used to measure the total pension liability was 6.80% for the FRS Plan for the actuarial valuation date July 1, 2021 and July 1, 2020. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, each of the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

(g) Pension Liability Sensitivity

The following presents the Authority’s proportionate share of the net pension liability for the FRS Plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the Authority’s proportionate share of the net pension (asset) liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

FRS Pension Liability Sensitivity – 2021

<u>Description</u>	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase in Discount Rate</u>
FRS Plan Discount Rate	5.80%	6.80%	7.80%
Authority’s Proportionate Share of the FRS Plan Net Pension (Asset) Liability	\$ 26,108,591	\$ 5,838,148	\$ (11,105,669)

PINELLAS SUNCOAST TRANSIT AUTHORITY

Notes to Financial Statements

(8) **Defined Benefit Pension Plans (Florida Retirement System Pension Plan) – Continued**

(g) **Pension Liability Sensitivity - Continued**

FRS Pension Liability Sensitivity – 2020

<u>Description</u>	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase in Discount Rate</u>
FRS Plan Discount Rate	5.80%	6.80%	7.80%
Authority’s Proportionate Share of the FRS Plan Net Pension Liability	\$ 47,453,643	\$ 29,717,368	\$ 14,903,955

(h) **Pension Plan Fiduciary Net Position**

Detailed information about the FRS Plan’s fiduciary’s net position is available in a separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report. That report may be obtained through the Florida Department of Management Services website at:

www.dms.myflorida.com/workforce_operations/retirement/publications/annual_reports.

(i) **Payables to the FRS Plan**

At September 30, 2021 and 2020 the Authority reported no payables for outstanding amounts of contributions to the FRS plan.

PINELLAS SUNCOAST TRANSIT AUTHORITY

Notes to Financial Statements

(8) **Defined Benefit Pension Plans**

Retiree Health Insurance Subsidy Program

(a) **Plan Description**

The Retiree Health Insurance Subsidy Program (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

(b) **Benefits Provided**

For the fiscal years ended June 30, 2021 and 2020, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

(c) **Contributions**

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal years ended June 30, 2021 and 2020, the contribution rate was 1.66% of payroll pursuant to section 112.363, Florida Statutes. The Authority contributed 100% of its statutorily required contributions for the current and preceding 3 years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled. The Authority's contributions to the HIS Plan were \$609,936 and \$569,941 for the years ended September 30, 2021 and 2020, respectively.

(d) **Pension Costs**

At September 30, 2021 and 2020, the Authority reported a liability of \$12,470,501 and \$12,706,098, respectively, for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, and the total pension liability used to calculate the net pension liability was determined by annual actuarial valuations as of July 1. The Authority's proportion of the net pension liability was based on the Authority's contributions received during the measurement period for employer payroll paid dates from July 1 through June 30, relative to the total employer contributions received from all participating employers. At June 30, 2021, the Authority's proportion was 0.10166% which was an increase of 0.00276% from its proportion measured as of June 30, 2020. At June 30, 2020, the Authority's proportion was 0.09890% which was a decrease of 0.00189% from its proportion measured as of June 30, 2019.

PINELLAS SUNCOAST TRANSIT AUTHORITY

Notes to Financial Statements

(8) Defined Benefit Pension Plans (Retiree Health Insurance Subsidy Program) - Continued

(d) Pension Costs - Continued

For the year ended September 30, 2021, the Authority recognized pension expense of \$1,071,467 for its proportionate share of HIS's pension expense. In addition, the Authority reported its proportionate share of HIS's deferred outflows of resources and deferred inflows of resources from the following sources:

HIS Deferred Inflows/Outflows - 2021

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 417,294	\$ 5,223
Changes in Actuarial Assumptions	979,902	513,816
Net Difference Between Projected and Actual Earnings on HIS Program Investments	13,000	-
Changes in Proportion and Differences Between Authority Contributions and Proportionate Share of Contributions	731,937	171,934
Authority Contributions Subsequent to the Measurement Date	142,806	-
Total	\$ 2,284,939	\$ 690,973

\$142,806 reported as deferred outflows of resources related to pensions resulting from Authority contributions to the HIS Subsidy Program subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

Year Ended September 30	Amount
2022	\$413,876
2023	239,032
2024	257,743
2025	301,278
2026	193,830
Thereafter	45,401

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Notes to Financial Statements

(8) Defined Benefit Pension Plans (Retiree Health Insurance Subsidy Program) - Continued

(d) Pension Costs - Continued

For the year ended September 30, 2020, the Authority recognized pension expense of \$1,139,243 for its proportionate share of HIS's pension expense. In addition, the Authority reported its proportionate share of HIS's deferred outflows of resources and deferred inflows of resources from the following sources:

HIS Deferred Inflows/Outflows – 2020

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Economic Experience	\$ 493,986	\$ 9,316
Changes in Actuarial Assumptions	1,298,524	702,178
Net Difference Between Projected and Actual Earnings on HIS Program Investments	9,642	-
Changes in Proportion and Differences Between Authority Contributions and Proportionate Share of Contributions	648,165	208,174
Authority Contributions Subsequent to the Measurement Date	130,446	-
Total	<u>\$ 2,580,763</u>	<u>\$ 919,668</u>

PINELLAS SUNCOAST TRANSIT AUTHORITY

Notes to Financial Statements

(8) **Defined Benefit Pension Plans (Retiree Health Insurance Subsidy Program) - Continued**

(e) **Actuarial Assumptions**

The total pension liability in the July 1, 2021 and July 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	July 1, 2021	July 1, 2020
Measurement Date	June 30, 2021	June 30, 2020
Inflation per year	2.40%	2.40%
Salary Increases, including inflation	3.25%	3.25%
Municipal Bond Rate	2.16%	2.21%

Mortality rates were based on the PUB-2010 base table projected generationally with Scale MP-2018. Because the HIS Plan is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Plan were based on certain results of the most recent experience study for the FRS Pension Plan.

(f) **Discount Rate**

The discount rate used to measure the total pension liability was 2.16% and 2.21% for the HIS Plan for the actuarial valuation date July 1, 2021 and July 1, 2020, respectively. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

(g) **Pension Liability Sensitivity**

The following presents the Authority's proportionate share of the net pension liability for the HIS Plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

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Notes to Financial Statements

(8) Defined Benefit Pension Plans (Retiree Health Insurance Subsidy Program) - Continued

HIS Pension Liability Sensitivity - 2021

<u>Description</u>	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase in Discount Rate</u>
HIS Plan Discount Rate	1.16%	2.16%	3.16%
Authority's Proportionate Share of the HIS Plan Net Pension Liability	\$ 14,417,107	\$ 12,470,501	\$ 10,875,693

HIS Pension Liability Sensitivity - 2020

<u>Description</u>	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase in Discount Rate</u>
HIS Plan Discount Rate	1.21%	2.21%	3.21%
Authority's Proportionate Share of the HIS Plan Net Pension Liability	\$ 13,959,431	\$ 12,076,098	\$ 10,534,596

(h) Pension Plan Fiduciary Net Position

Detailed information about the HIS Plan’s fiduciary’s net position is available in a separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report. That report may be obtained through the Florida Department of Management Services website at:

www.dms.myflorida.com/workforce_operations/retirement/publications.

(i) Payables to the HIS Plan

At September 30, 2021 and 2020 the Authority reported no payables for outstanding amounts of contributions to the HIS plan.

Defined Contribution Plan

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA’s annual financial statements and in the State of Florida Annual Comprehensive Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Authority employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member’s accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are

PINELLAS SUNCOAST TRANSIT AUTHORITY

Notes to Financial Statements

(8) Defined Benefit Pension Plans – Continued

directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll through June 30, 2019 then 0.06% of payroll through contribution of 0.06% of payroll through June 30, 2020 then 0.06% of payroll through September 30, 2020 and by forfeited benefits of plan members. Allocations to the member accounts during the 2021, 2020, and 2019 fiscal years, as established by Section 121.72, Florida Statutes, were based on a percentage of gross compensation, by class, as follows: Regular class 6.60%, Special Risk Administrative Support class 8.43%, Special Risk class 16.54%, Senior Management Service class 7.98% and County Elected Officers class 11.95%. These allocations include a required employee contribution of 3% of gross compensation for each member class.

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the years ended September 30, 2021 and 2020, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Authority.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan or remain in the Investment Plan and rely upon that account balance for retirement income.

The Authority's Investment Plan pension expense totaled \$662,135 and \$571,735 for the years ended September 30, 2021 and 2020, respectively. Employee contributions to the Investment Plan totaled \$194,459 and \$194,310 for the years ended September 30, 2021 and 2020, respectively.

PINELLAS SUNCOAST TRANSIT AUTHORITY

Notes to Financial Statements

(9) Postemployment Benefits Other Than Pensions (OPEB)

The Authority had previously adopted the provisions of Government Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* (GASB 75). GASB 75 requires governments to recognize their total OPEB obligation, and deferred outflows of resources, deferred inflows of resources, and OPEB expense in the financial statements based on the actuarial present value of projected benefit payments, rather than the smaller net OPEB obligation based on the contribution requirements. The Authority provides postretirement healthcare benefits in accordance with *Florida Statutes* to all employees who retire from the employ of the Authority. The retiree pays 100% of the blended premium cost (rate) for the retiree to participate in the Authority's insurance program. These blended premium rates provide an implicit rate subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. The difference in the rate a retiree would pay if in a plan separate from active employees is considered the rate differential. Since the retiree pays 100% of the blended premium cost rate, there is no explicit rate subsidy provided by the Authority to retirees.

(a) Plan Description

The authority administers an employer defined benefit healthcare plan that provides medical insurance benefits to its employees and their eligible dependents. In accordance with Section 112.0801 of the *Florida Statutes*, because the Authority provides a medical plan to active employees of the Authority and their eligible dependents, the Authority is also required to provide retirees with the opportunity to participate in the plan. Retirees and their dependents are charged the full premium for coverage through the plan. To be eligible to receive retiree medical benefits, participants must be eligible for normal retirement benefits under the FRS and pay the required contributions. The requirements for eligibility for benefits are age 62 with six years of service, or 30 years of service with no age requirement for persons hired before July 1, 2011. The requirements for eligibility for benefits are age 65 with eight years of service, or 33 years of service with no age requirement for persons hired on or after July 1, 2011.

The benefits are provided through Cigna and provide hospital, medical and prescription coverage. Benefit duration is through age 65.

Contribution rates for the Plan are established on an annual basis by the Board of Directors. Eligible retirees and their covered dependents receiving benefits contribute 100% of their premium cost for the plan. The postretirement hospital, medical, and prescription coverage are currently funded on a cash basis (pay-as-you-go) as benefits are paid. No assets have been segregated, restricted, or held in trust to pay for postemployment benefits.

The plan is a single employer defined benefit plan.

PINELLAS SUNCOAST TRANSIT AUTHORITY

Notes to Financial Statements

(9) Postemployment Benefits Other Than Pensions (OPEB)

(a) Plan Description continued

The number of employees covered by benefit terms as of October 1, 2020, the most recent actuarial valuation date, are as follows:

Retirees and dependents receiving benefits	3
Retirees entitled to but not yet receiving benefits	-
Active Employees	577
	<hr/>
Total participants covered by OPEB plan	580
	<hr/>

(b) Total OPEB Liability

At September 30, 2021 and 2020, the Authority reported a liability of \$2,056,187 and \$2,668,569, respectively, for its total OPEB liability. The total OPEB liability was measured as of September 30, 2021 and was determined by an actuarial valuation as of October 1, 2020.

(c) Actuarial Assumptions and Other Inputs

The total OPEB liability in the October 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	October 1, 2020
Healthcare Cost Trend Rates:	
Current Year Trend	5.00%
Second Year Trend	7.50%
Decrement	0.50%
Ultimate Trend	4.50%
Year Ultimate Trend is Reached	2028
Actuarial Cost Method	Entry Age Normal

The discount rate of 2.43% was based on the yield for the 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale) as of September 30, 2021. Mortality rates were based on the SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2020.

PINELLAS SUNCOAST TRANSIT AUTHORITY

Notes to Financial Statements

(9) Postemployment Benefits Other Than Pensions (OPEB) - Continued

(d) Changes in Total OPEB Liability

	<u>2021</u>	<u>2020</u>
Changes for the Year:		
Service Costs	\$ 219,738	\$ 188,521
Interest on OPEB obligation	67,522	92,269
Experience	(356,266)	(91,621)
Assumptions	(369,176)	155,158
Employer contributions	<u>(174,200)</u>	<u>(128,041)</u>
Change in total OPEB obligation	(612,382)	216,286
Total OPEB obligation - beginning of year	<u>2,668,569</u>	<u>2,452,283</u>
Total OPEB obligation - end of year	<u>\$ 2,056,187</u>	<u>\$ 2,668,569</u>

(e) Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the Authority's total OPEB liability for the OPEB plan, calculated using the discount rate disclosed in the actuarial assumptions, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Total OPEB Liability Sensitivity Discount Rate- 2021

<u>Description</u>	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
OPEB Plan Discount Rate	1.43%	2.43%	3.43%
Total OPEB liability	\$ 2,179,289	\$ 2,056,187	\$ 1,935,807

Total OPEB Liability Sensitivity Discount Rate- 2020

<u>Description</u>	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
OPEB Plan Discount Rate	1.41%	2.41%	3.41%
Total OPEB liability	\$ 2,800,761	\$ 2,668,569	\$ 2,535,870

PINELLAS SUNCOAST TRANSIT AUTHORITY

Notes to Financial Statements

(9) Postemployment Benefits Other Than Pensions (OPEB) - Continued

(f) Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the Authority’s total OPEB liability for the OPEB plan, calculated using the healthcare cost trend rate disclosed in the actuarial assumptions, as well as what the Authority’s total OPEB liability would be if it were calculated using a healthcare cost trend rate one percentage point lower or one percentage point higher than the current discount rate:

Total OPEB Liability Sensitivity Healthcare Cost Trend Rate – 2021

Description	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
OPEB Plan Healthcare Cost Trend Rate	3.50%	4.50%	5.50%
Total OPEB Obligation	\$ 1,815,672	\$ 2,056,187	\$ 2,341,686

Total OPEB Liability Sensitivity Healthcare Cost Trend Rate – 2020

Description	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
OPEB Plan Healthcare Cost Trend Rate	3.50%	4.50%	5.50%
Total OPEB Obligation	\$ 2,367,642	\$ 2,668,569	\$ 3,021,184

(g) OPEB Costs

For the year ended September 30, 2021, the Authority recognized OPEB expense of \$97,852. In addition, the Authority reported OPEB deferred outflows of resources and deferred inflows of resources from the following sources:

OPEB Deferred Inflows/Outflows – 2021

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 21,704	\$ 314,210
Changes in Actuarial Assumptions	65,314	266,820
Total	<u>\$ 87,018</u>	<u>\$ 623,086</u>

PINELLAS SUNCOAST TRANSIT AUTHORITY

Notes to Financial Statements

(9) Postemployment Benefits Other Than Pensions (OPEB) – Continued

(g) OPEB Costs continued

Amounts reported as deferred outflows and inflows of resources will be recognized as an increase (decrease) in OPEB expense as follows:

<u>Year Ended September 30</u>	<u>Amount</u>
2022	(189,408)
2023	(104,568)
2024	(60,592)
2025	(60,592)
2026	(120,908)
Thereafter	0

For the year ended September 30, 2020, the Authority recognized OPEB expense of \$212,289. In addition, the Authority reported OPEB deferred outflows of resources and deferred inflows of resources from the following sources:

OPEB Deferred Inflows/Outflows – 2020

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Economic Experience	\$ 37,882	\$ 91,621
Changes in Actuarial Assumptions	543,114	489,409
 Total	 <u>\$ 580,996</u>	 <u>\$ 581,030</u>

(10) Commitments and Contingencies

(a) Grant Expenditures Subject to Audit

The Authority receives funding through capital grants and operating assistance grants from the FTA and from FDOT. Expenditures financed by capital and operating assistance grants are subject to audit and acceptance by the granting agency. Any disallowed expenditure may need to be repaid to the granting agency; however, it is management’s opinion that no material liabilities will result from any such audits.

(b) Construction and Service Contract Commitments

The Authority has active construction projects as of September 30, 2021. The major projects and contracts include the SunRunner BRT, the purchase of trolleys and electric buses.

PINELLAS SUNCOAST TRANSIT AUTHORITY

Notes to Financial Statements

(10) Commitments and Contingencies - Continued

**Projects/Contracts
As of September 30, 2021**

<u>Project / Contracts</u>	<u>Committed</u>	<u>Remaining</u>
ADA Landing Pads	\$ 411,659	\$ 189,917
Shelters	711,251	1,489
Clearwater Multimodal Terminal	1,014,696	683,343
SunRunner Bus Rapid Transit	37,589,962	15,636,803
County Fiber ATM Connection	37,095	37,095
I 275 Bus on Shoulder	42,558	813
Solar Project	35,433	12,728
Heavy Duty Vehicle Lifts	1,524,844	345,546
Purchase Electric LowNo Buses	3,667,284	176,280
Purchase Electric Replacement Buses	2,350,010	2,347,543
Trolley Purchase	9,263,970	206,290
Security & Safety Systems	795,828	301,663
Electrical Infrastructure Project	163,050	14,149
On-Route Charging Station	622,001	6,600
Server & Phone Hardware	234,149	11,311
Hastus Software	500,000	21,493
Upgrade Paratransit Software	595,000	422,000
Applicant Tracking	149,058	3,995
TDP Consultant	50,000	12,578
General Technical Support	49,657	49,657
Ferry Service Development	98,111	34,713
Transit Oriented Development Project	\$ 1,090,332	\$ 37,227
Total	\$ 60,995,948	\$ 20,553,233

(11) Subsequent Events

The Authority has evaluated subsequent events through March 30, 2022, in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued.

SECTION III
REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)

PINELLAS SUNCOAST TRANSIT AUTHORITY

**Required Supplementary Information
Schedule of Changes in Other Postemployment Benefits Liability and Related Ratios**

**Last Ten Measurement Periods
(Unaudited)**

Other Postemployment Benefits (OPEB) Plan Last Ten Fiscal Years*	2021	2020	2019	2018	2017	2016
OPEB Liability Beginning of Year	\$ 2,668,569	\$ 2,452,283	\$ 2,067,165	\$ 1,923,009	\$ 2,905,979	\$ 2,943,847
Changes for the Year:						
Service Cost	219,738	188,521	87,502	89,211	107,472	107,215
Interest on OPEB Liability	67,522	92,269	76,146	68,184	77,647	78,460
Changes of Benefit Terms	-	-	-	-	-	-
Difference Between Actual and Expected Experience	(356,266)	(91,621)	(231,264)	86,420	(844,549)	24,974
Changes of Assumptions	(369,176)	155,158	579,342	-	(96,494)	-
Benefit Payments	(174,200)	(128,041)	(126,608)	(99,659)	(227,046)	(248,517)
OPEB Liability End of Year	<u>\$ 2,056,187</u>	<u>\$ 2,668,569</u>	<u>\$ 2,452,283</u>	<u>\$ 2,067,165</u>	<u>\$ 1,923,009</u>	<u>\$ 2,905,979</u>
Covered Payroll	<u>\$ 32,724,363</u>	<u>\$ 33,175,766</u>	<u>\$ 31,479,917</u>	<u>\$ 30,388,585</u>	<u>\$ 29,753,116</u>	<u>\$ 27,439,156</u>
Contributions as a Percentage of Covered Payroll	6.28%	8.04%	7.79%	6.80%	6.46%	10.59%

* The Amounts Presented for Each Fiscal Year were Determined as of September 30.

Note 1: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for only those years for which information is available.

Note 2: The Authority has no assets segregated, restricted, or held in an irrevocable trust to pay for OPEB benefits.

Note 3: In the fiscal year ended September 30, 2017, the actuarial assumption for healthcare cost trend rates decreased and the discount rate increased.

Note 4: In the fiscal year ended September 30, 2019, the actuarial assumption for per capita costs was updated using a new costing method, the mortality table was updated, as

Note 5: In the fiscal year ended September 30, 2020, the actuarial assumption for the measurement date discount rate was updated.

PINELLAS SUNCOAST TRANSIT AUTHORITY

**Required Supplementary Information
Schedule of Proportionate Share of Net Pension Liability – Pension Plan**

**Last Ten Fiscal Years
(Unaudited)**

**Florida Retirement System Pension Plan
Last Ten Fiscal Years***

	2021	2020	2019	2018	2017	2016	2015	2014
Authority's Proportion of the Net Pension Liability	0.077286921%	0.068565662%	0.069609768%	0.066960334%	0.068003875%	0.063517223%	0.066955424%	0.065424235%
Authority's Proportionate Share of the Net Pension Liability	\$ 5,838,148	\$ 29,717,368	\$ 23,972,635	\$ 20,168,800	\$ 20,115,090	\$ 16,038,149	\$ 8,648,191	\$ 3,991,840
Authority's Covered Payroll **	\$ 36,000,309	\$ 34,329,612	\$ 33,715,964	\$ 31,365,733	\$ 30,821,174	\$ 28,037,676	\$ 27,438,151	\$ 26,402,185
Authority's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	616.64%	115.52%	140.64%	155.52%	79.51%	63.54%	31.77%	15.12%
Plan Fiduciary Net Position as a percentage of the total Pension Liability	96.40 %	78.85 %	82.61 %	84.26 %	83.89%	84.88%	92.00%	96.09%

* The Amounts Presented for Each Fiscal Year were Determined as of June 30.

** Authority's covered payroll represents pensionable wages of all FRS participants in the traditional FRS pension and in the investment plan as of the measurement date. Authority's Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for only those years for which

**Retiree Health Insurance Subsidy Program
Last Ten Fiscal Years***

	2021	2020	2019	2018	2017	2016	2015	2014
Authority's Proportion of the Net Pension Liability	0.101663046%	0.098904665%	0.100791376%	0.096011200%	0.096598126%	0.090789279%	0.090450945%	0.088831612%
Authority's Proportionate Share of the Net Pension Liability	\$ 12,470,501	\$ 12,076,098	\$ 11,277,546	\$ 10,161,933	\$ 10,328,717	\$ 10,581,114	\$ 9,224,574	\$ 8,305,972
Authority's Covered Payroll	\$ 36,000,309	\$ 34,329,612	\$ 33,715,964	\$ 31,365,733	\$ 30,821,174	\$ 28,037,676	\$ 27,438,151	\$ 26,402,185
Authority's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered Payroll	288.68%	284.28%	298.97%	308.66%	33.51%	37.74%	33.62%	31.46%
Plan Fiduciary Net Position as a Percentage of the total Pension Liability	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

* The Amounts Presented for Each Fiscal Year were Determined as of June 30.

Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for only those years for which information is available.

PINELLAS SUNCOAST TRANSIT AUTHORITY

**Required Supplementary Information
Schedule of Contributions – Pension Plan**

**Last Ten Fiscal Years
(Unaudited)**

**Florida Retirement System Pension Plan
Last Ten Fiscal Years***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 3,073,293	\$ 2,402,053	\$ 2,206,623	\$ 1,954,193	\$ 1,733,196	\$ 1,608,061	\$ 1,607,344	\$ 1,547,917
Contributions in Relation to the Contractually Required Contribution	<u>(3,073,293)</u>	<u>(2,402,053)</u>	<u>(2,206,623)</u>	<u>(1,954,193)</u>	<u>(1,733,196)</u>	<u>(1,608,061)</u>	<u>(1,607,344)</u>	<u>(1,547,917)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's Covered Payroll	\$36,748,296	\$34,394,741	\$34,143,901	\$31,729,648	\$ 30,248,671	\$28,199,337	\$27,229,593	\$26,777,717
Contributions as a Percentage of Covered Payroll	8.36%	6.98%	6.46%	6.16%	5.73%	5.70%	5.90%	5.78%

*The Amounts Presented for Each Fiscal Year were Determined as of September 30.

** Authority's covered payroll represents pensionable wages of all FRS participants in the traditional FRS pension and in the investment plan as of the measurement date. Authority's covered payroll is defined by GASB Statement 82 and applied to 2017 through 2014 for comparative purposes.

Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for only those years for which information is available.

**Retiree Health Insurance Subsidy Program
Last Ten Fiscal Years***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 609,936	\$ 569,941	\$ 566,789	\$ 526,712	\$ 501,622	\$ 468,518	\$ 376,752	\$ 325,698
Contributions in Relation to the Contractually Required Contribution	<u>(609,936)</u>	<u>(569,941)</u>	<u>(566,789)</u>	<u>(526,712)</u>	<u>(501,622)</u>	<u>(468,518)</u>	<u>(376,752)</u>	<u>(325,698)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's Covered Payroll	\$36,748,296	\$34,394,741	\$34,143,901	\$31,729,648	\$ 30,248,671	\$28,199,337	\$27,229,593	\$26,777,717
Contributions as a Percentage of Covered Payroll	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.38%	1.22%

*The Amounts Presented for Each Fiscal Year were Determined as of September 30.

Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for only those years for which information is available.

SECTION IV
STATISTICAL SECTION
(UNAUDITED)

**STATISTICAL SECTION
(UNAUDITED)**

This part of the Annual Comprehensive 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 Authority’s overall financial health.

CONTENTS

Financial Trends 70

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

Revenue Capacity..... 80

These schedules contain information to help the reader assess the Authority’s sources of revenue, especially the most significant local revenue source, the property tax.

Demographic and Economic Information 86

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

Operating Information 89

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

**STATISTICAL SECTION
(UNAUDITED)**

Financial Trends

- Net Position by Components (FY 2012 - FY 2021)
- Changes in Net Position (FY 2012 - FY 2021)
- Revenues by Function/Program (FY 2012 - FY 2021)
- Expenses by Function/Program (FY 2012 - FY 2021)
- Property Tax Revenue by Year (FY 2012 - FY 2021)

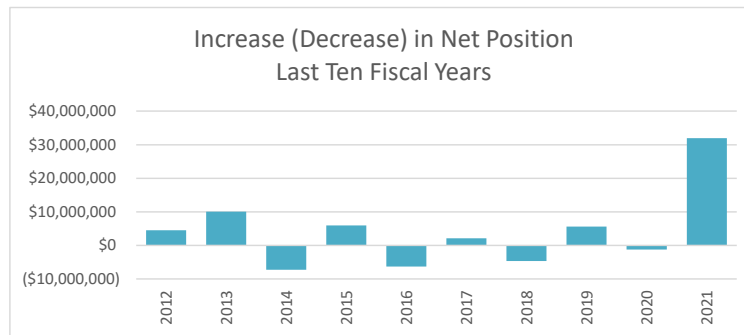
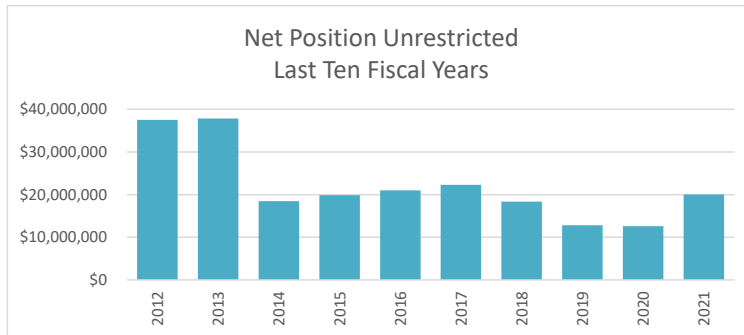
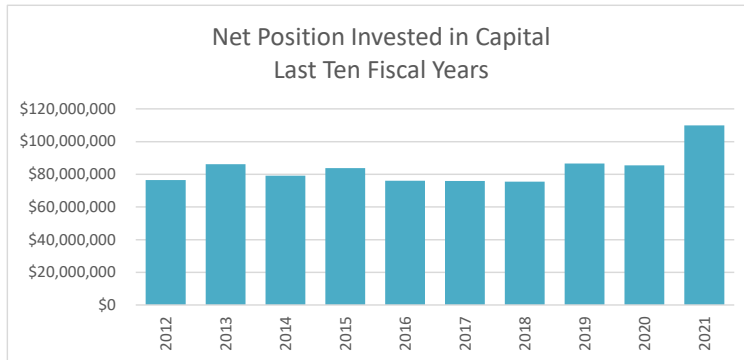
PINELLAS SUNCOAST TRANSIT AUTHORITY

Net Position by Components

Fiscal Years 2012 – 2021

	Fiscal Year				
	2012	2013	2014	2015	2016
Business Type Activities					
Net investment in capital assets	\$ 76,411,608	\$ 86,156,611	\$ 79,199,247	\$ 83,810,021	\$ 76,019,269
Restricted	51,229	61,972	74,992	13,020	350,630
Unrestricted	37,554,309	37,862,802	18,489,859 (1)	19,865,822	20,993,888
Total net position	<u>\$ 114,017,146</u>	<u>\$ 124,081,385</u>	<u>\$ 97,764,098</u>	<u>\$ 103,688,863</u>	<u>\$ 97,363,787</u>

	Fiscal Year				
	2017	2018	2019	2020	2021
Business Type Activities					
Net investment in capital assets	\$ 75,914,243	\$ 75,483,987	\$ 86,661,740	\$ 85,482,712	\$ 109,960,576
Restricted	381,789	55,289	30,925	159,449	165,935
Unrestricted	22,316,124 (2)	18,383,748	12,801,579	12,623,921	20,064,529
Total net position	<u>\$ 98,612,156</u>	<u>\$ 93,923,024</u>	<u>\$ 99,494,244</u>	<u>\$ 98,266,082</u>	<u>\$ 130,191,040</u>



(1) Restated to conform to GASB Statement 68.

(2) Restated to conform to GASB Statement 75.

Note: The statistical section contains "Unaudited" data.

PINELLAS SUNCOAST TRANSIT AUTHORITY

Changes in Net Position

Fiscal Years 2012 – 2021

	Fiscal Year				
	2012	2013	2014	2015	2016
Operating revenues:					
Passenger fares	\$ 14,279,728 (1)	\$ 14,098,511 (1)	\$ 13,585,399	\$ 12,194,799	\$ 10,791,925
Demand response	1,056,808 (1)	1,098,822 (1)	1,079,160 (1)	1,143,997	1,197,937
Advertising revenue	439,557 (1)	417,851 (1)	248,224	485,359	577,046
Total operating revenues	<u>15,776,093</u>	<u>15,615,184</u>	<u>14,912,783</u>	<u>13,824,155</u>	<u>12,566,908</u>
Operating expenses:					
Transportation	32,524,451	33,907,097	33,663,536	34,879,734	33,815,879
Purchased Transportation	5,854,472 (1)	6,556,558 (1)	6,846,800 (1)	7,444,573	7,738,429
Maintenance	7,256,709	8,172,956	8,374,708	8,902,528	10,178,517
Administration and finance	9,333,777	9,762,130	10,767,137	11,465,894	12,192,055
Marketing	1,702,420	2,202,059	2,591,069	708,839	657,700
Total operating expenses , before depreciation	<u>56,671,829</u>	<u>60,600,800</u>	<u>62,243,250</u>	<u>63,401,568</u>	<u>64,582,580</u>
Operating loss before depreciation	(40,895,736)	(44,985,616)	(47,330,467)	(49,577,413)	(52,015,672)
Depreciation	<u>7,694,806</u>	<u>8,487,063</u>	<u>9,723,423</u>	<u>10,436,619</u>	<u>10,249,547</u>
Operating loss	<u>(48,590,542)</u>	<u>(53,472,679)</u>	<u>(57,053,890)</u>	<u>(60,014,032)</u>	<u>(62,265,219)</u>
Nonoperating revenues:					
Federal maintenance assistance	7,213,949 (1)	6,045,338 (1)	4,819,162 (1)	5,016,216 (1)	4,979,539
State operating assistance	3,847,388	3,917,007	4,015,888	4,086,490	4,181,314
Other federal grants	1,916,693 (1)	1,189,876 (1)	1,946,552 (1)	1,378,600 (1)	935,330
Special project assistance - state grants	1,124,795	3,004,543	2,994,467	3,169,227	3,621,648
Special project assistance - local grants	672,877	767,849	833,222	873,441	922,275
Property tax revenues, net	33,009,275	32,282,955	33,365,462	35,592,336	38,166,312
Investment income	221,905	146,824	55,618	193,039	250,882
Fuel tax refunds	610,910	610,172	613,721	649,202	641,838
Other, net	130,357	16,544	67,955	(14,055)	313,578
Total nonoperating revenues	<u>48,748,149</u>	<u>47,981,108</u>	<u>48,712,047</u>	<u>50,944,496</u>	<u>54,012,716</u>
(Loss) income before capital grants and special item	157,607	(5,491,571)	(8,341,843)	(9,069,536)	(8,252,503)
Capital grants and other related revenues	<u>4,343,650</u>	<u>15,555,810</u>	<u>1,052,867</u>	<u>14,994,301</u>	<u>1,918,427</u>
Contributed capital - local government	-	-	100,000	-	9,000
Contributed capital - private sources	-	-	-	-	-
Increase (decrease) in net position	4,501,257	10,064,239	(7,288,976)	5,924,765	(6,325,076)
Net position, beginning of year	<u>109,515,889</u>	<u>114,017,146</u>	<u>104,953,074 (2)</u>	<u>97,764,098</u>	<u>103,688,863</u>
Net position, end of year	<u>\$ 114,017,146</u>	<u>\$ 124,081,385</u>	<u>\$ 97,664,098</u>	<u>\$ 103,688,863</u>	<u>\$ 97,363,787</u>

(1) This has been reclassified to conform to current year's classifications.

(2) This has been restated to conform to GASB Statements 68 and 71.

Note: The statistical section contains "Unaudited" data.

PINELLAS SUNCOAST TRANSIT AUTHORITY

Changes in Net Position

Fiscal Years 2012 – 2021

	Fiscal Year				
	2017	2018	2019	2020	2021
Operating revenues:					
Passenger fares	\$ 9,535,246	\$ 9,473,561	\$ 9,129,892	\$ 4,165,445	\$ 626,777
Demand response	1,303,510	1,501,156	1,533,743	677,032	180,781
Advertising revenue	582,761	615,234	660,371	779,180	740,877
Total operating revenues	<u>11,421,517</u>	<u>11,589,951</u>	<u>11,324,006</u>	<u>5,621,657</u>	<u>1,548,435</u>
Operating expenses:					
Transportation	36,266,463 (1)	38,570,917	42,873,233	42,631,142	39,651,013
Purchased Transportation	9,637,695	11,627,971	12,123,292	10,538,164	13,628,375
Maintenance	11,536,994 (1)	11,510,788	12,203,763	12,759,510	11,807,092
Administration and finance	12,921,156 (1)	13,898,829	16,682,258	17,389,460	17,453,136
Marketing	819,842 (1)	943,235	852,508	1,120,625	1,132,349
Total operating expenses , before depreciation	<u>71,182,150</u>	<u>76,551,740</u>	<u>84,735,054</u>	<u>84,438,901</u>	<u>83,671,965</u>
Operating loss before depreciation	(59,760,633)	(64,961,789)	(73,411,048)	(78,817,244)	(82,123,530)
Depreciation	<u>9,976,763</u>	<u>8,372,047</u>	<u>8,984,115</u>	<u>8,725,291</u>	<u>8,431,424</u>
Operating loss	<u>(69,737,396)</u>	<u>(73,333,836)</u>	<u>(82,395,163)</u>	<u>(87,542,535)</u>	<u>(90,554,954)</u>
Nonoperating revenues (expenses):					
Federal maintenance assistance	5,009,268	5,026,849	4,975,583	4,571,923	-
State operating assistance	4,155,670	4,303,778	4,322,748	4,709,570	12,712
Other federal grants	967,084	1,504,617	2,618,763	12,515,684	32,124,814
Special project assistance - state grants	4,090,853	5,022,559	5,784,028	4,448,877	2,772,187
Special project assistance - local grants	1,174,823	1,282,808	1,715,148	1,412,272	1,496,558
Property tax revenues, net	41,607,265	45,389,030	49,113,559	53,031,249	57,112,617
Investment income	435,080	809,788	1,114,257	874,486	181,694
Fuel tax refunds	630,827	636,416	644,668	580,645	626,176
Other, net	(104,959)	228,008	(210,359)	90,453	348,980
Total nonoperating revenues	<u>57,965,911</u>	<u>64,203,853</u>	<u>70,078,395</u>	<u>82,235,159</u>	<u>94,675,738</u>
(Loss) income before capital grants and special item	(11,771,485)	(9,129,983)	(12,316,768)	(5,307,376)	4,120,784
Capital grants and other related revenues	<u>13,863,703</u>	<u>3,764,851</u>	<u>17,263,244</u>	<u>3,379,540</u>	<u>25,929,002</u>
Contributed capital - local government	9,000	637,254	532,825	690,790	1,875,172
Contributed capital - private sources	<u>23,320</u>	<u>38,746</u>	<u>91,919</u>	<u>8,884</u>	<u>-</u>
Increase (decrease) in net position	2,124,538	(4,689,132)	5,571,220	(1,228,161)	31,924,958
Net position, beginning of year	<u>96,487,618 (3)</u>	<u>98,612,156</u>	<u>93,923,024</u>	<u>99,494,244</u>	<u>98,266,082</u>
Net position, end of year	<u>\$ 98,612,156</u>	<u>\$ 93,923,024</u>	<u>\$ 99,494,244</u>	<u>\$ 98,266,082</u>	<u>\$ 130,191,040</u>

(1) This has been reclassified to conform to current year's presentation.

(2) This has been restated to conform to GASB Statements 68 and 71.

(3) This has been restated to conform to GASB Statement 75.

Note: The statistical section contains "Unaudited" data.

PINELLAS SUNCOAST TRANSIT AUTHORITY

**Revenues by Function/Program
Last Ten Fiscal Years**

Fiscal Years 2012 - 2021

	Fiscal Year				
	2012	2013	2014	2015	2016
Operating revenues:					
Passenger fares	\$ 14,279,728 (1)	\$ 14,098,511 (1)	\$ 13,585,399	\$ 12,194,799	\$ 10,791,925
Demand response	1,056,808 (1)	1,098,822 (1)	1,079,160 (1)	1,143,997	1,197,937
Advertising revenue	439,557 (1)	417,851 (1)	248,224	485,359	577,046
Total operating revenues	15,776,093	15,615,184	14,912,783	13,824,155	12,566,908
Nonoperating revenues:					
Federal maintenance assistance	7,213,949 (1)	6,045,338 (1)	4,819,162 (1)	5,016,216 (1)	4,979,539
State operating assistance	3,847,388	3,917,007	4,015,888	4,086,490	4,181,314
Other federal grants	1,916,693 (1)	1,189,876 (1)	1,946,552 (1)	1,378,600 (1)	935,330
Special project assistance - state grants	1,124,795	3,004,543	2,994,467	3,169,227	3,621,648
Special project assistance - local grants	672,877	767,849	833,222	873,441	922,275
Property tax revenues, net	33,009,275	32,282,955	33,365,462	35,592,336	38,166,312
Investment income	221,905	146,824	55,618	193,039	250,882
Fuel tax refunds	610,910	610,172	613,721	649,202	641,838
Other, net	130,357	16,544	67,955	(14,055)	313,578
Total nonoperating revenues	48,748,149	47,981,108	48,712,047	50,944,496	54,012,716
Capital grants and other related revenues	4,343,650	15,555,810	1,052,867	14,994,301	1,918,427
Contributed capital - local government	-	-	100,000	-	9,000
Contributed capital - private sources	-	-	-	-	-
Total all revenues	\$ 68,867,892	\$ 79,152,102	\$ 64,777,697	\$ 79,762,952	\$ 68,507,051

	Fiscal Year				
	2017	2018	2019	2020	2021
Operating revenues:					
Passenger fares	\$ 9,535,246	\$ 9,473,561	\$ 9,129,892	\$ 4,165,445	\$ 626,777
Demand response	1,303,510	1,501,156	1,533,743	677,032	180,781
Advertising revenue	582,761	615,234	660,371	779,180	740,877
Total operating revenues	11,421,517	11,589,951	11,324,006	5,621,657	1,548,435
Nonoperating revenues (expenses):					
Federal maintenance assistance	5,009,268	5,026,849	4,975,583	4,571,923	-
State operating assistance	4,155,670	4,303,778	4,322,748	4,709,570	12,712
Other federal grants	967,084	1,504,617	2,618,763	12,515,684	32,124,814
Special project assistance - state grants	4,090,853	5,022,559	5,784,028	4,448,877	2,772,187
Special project assistance - local grants	1,174,823	1,282,808	1,715,148	1,412,272	1,496,558
Property tax revenues, net	41,607,265	45,389,030	49,113,559	53,031,249	57,112,617
Investment income	435,080	809,788	1,114,257	874,486	181,694
Fuel tax refunds	630,827	636,416	644,668	580,645	626,176
Other, net	(104,959)	228,008	(210,359)	90,453	348,980
Total nonoperating revenues	57,965,911	64,203,853	70,078,395	82,235,159	94,675,738
Capital grants and other related revenues	13,863,703	3,764,851	17,263,244	3,379,540	25,929,002
Contributed capital - local government	9,000	637,254	532,825	690,790	1,875,172
Contributed capital - private sources	23,320	38,746	91,919	8,884	-
Total all revenues	\$ 83,283,451	\$ 80,234,655	\$ 99,290,389	\$ 91,936,030	\$ 124,028,347

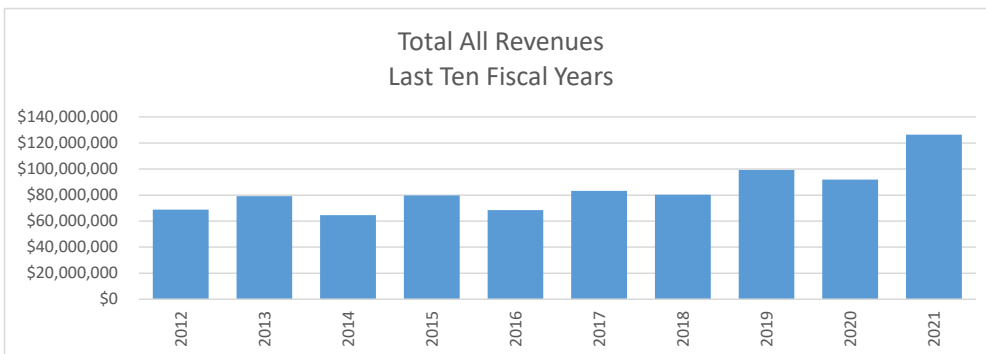
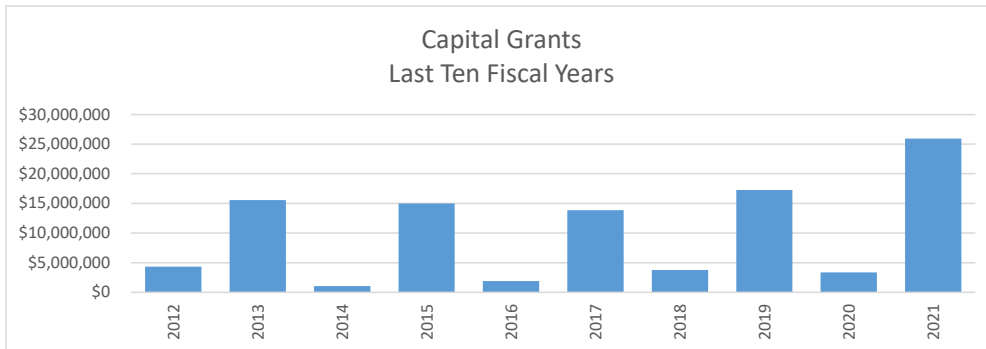
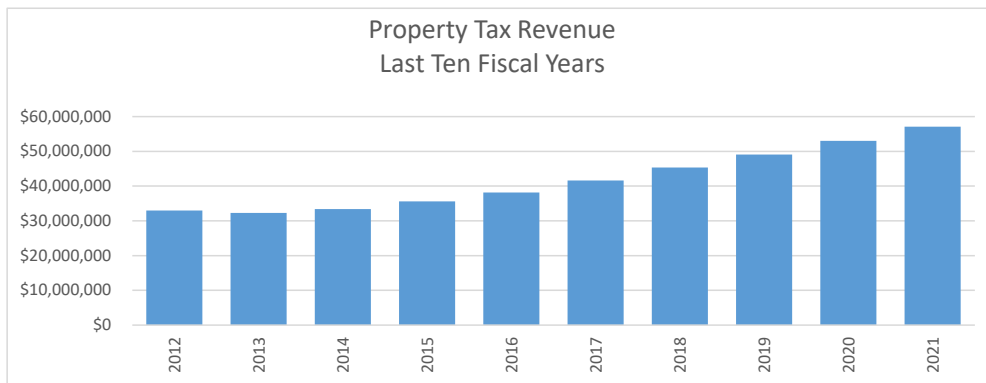
(1) This has been reclassified to conform to current year's classifications.

Note: The statistical section contains "Unaudited" data.

PINELLAS SUNCOAST TRANSIT AUTHORITY

**Revenues by Function/Program
Last Ten Fiscal Years**

Fiscal Years 2012 - 2021



(a) In FY 2020, due to the COVID-19 pandemic, PSTA stopped charging fares that were reinstated in July 2021.

Note: The statistical section contains "Unaudited" data.

PINELLAS SUNCOAST TRANSIT AUTHORITY

**Expenses by Function/Program
Last Ten Fiscal Years**

Fiscal Years 2012 – 2021

	Fiscal Year				
	2012	2013	2014	2015	2016
Operating expenses:					
Transportation	\$ 32,524,451	\$ 33,907,097	\$ 33,663,536	\$ 34,879,734	\$ 33,815,879
Purchased Transportation	5,854,472 (1)	6,556,558 (1)	6,846,800 (1)	7,444,573	7,738,429
Maintenance	7,256,709	8,172,956	8,374,708	8,902,528	10,178,517
Administration and finance	9,333,777	9,762,130	10,767,137	11,465,894	12,192,055
Marketing	1,702,420	2,202,059	2,591,069	708,839	657,700
Total operating expenses, before depreciation	<u>56,671,829</u>	<u>60,600,800</u>	<u>62,243,250</u>	<u>63,401,568</u>	<u>64,582,580</u>
Depreciation	<u>7,694,806</u>	<u>8,487,063</u>	<u>9,723,423</u>	<u>10,436,619</u>	<u>10,249,547</u>
Total all expenses	<u>\$ 64,366,635</u>	<u>\$ 69,087,863</u>	<u>\$ 71,966,673</u>	<u>\$ 73,838,187</u>	<u>\$ 74,832,127</u>

	Fiscal Year				
	2017	2018	2019	2020	2021
Operating expenses:					
Transportation	\$ 36,266,463 (1)	\$ 38,570,917	\$ 42,873,233	\$ 42,631,142	\$ 39,651,013
Purchased Transportation	9,637,695	11,627,971	12,123,292	10,538,164	13,628,375
Maintenance	11,536,994 (1)	11,510,788	12,203,763	12,759,510	11,807,092
Administration and finance	12,921,156 (1)	13,898,829	16,682,258	17,389,460	17,453,136
Marketing	819,842 (1)	943,235	852,508	1,120,625	1,132,349
Total operating expenses, before depreciation	<u>71,182,150</u>	<u>76,551,740</u>	<u>84,735,054</u>	<u>84,438,901</u>	<u>83,671,965</u>
Depreciation	<u>9,976,763</u>	<u>8,372,047</u>	<u>8,984,115</u>	<u>8,725,291</u>	<u>8,431,424</u>
Total all expenses	<u>\$ 81,158,913</u>	<u>\$ 84,923,787</u>	<u>\$ 93,719,169</u>	<u>\$ 93,164,192</u>	<u>\$ 92,103,389</u>

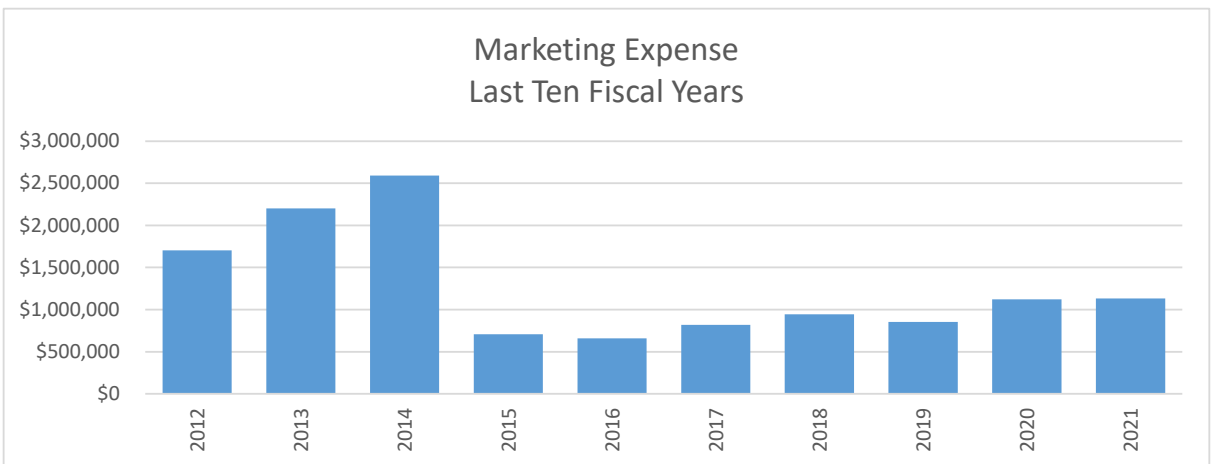
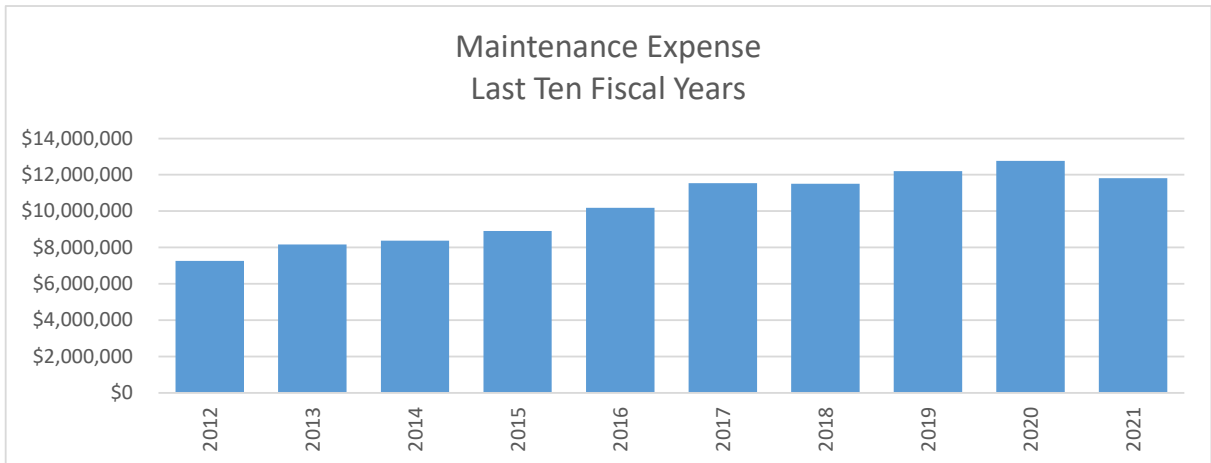
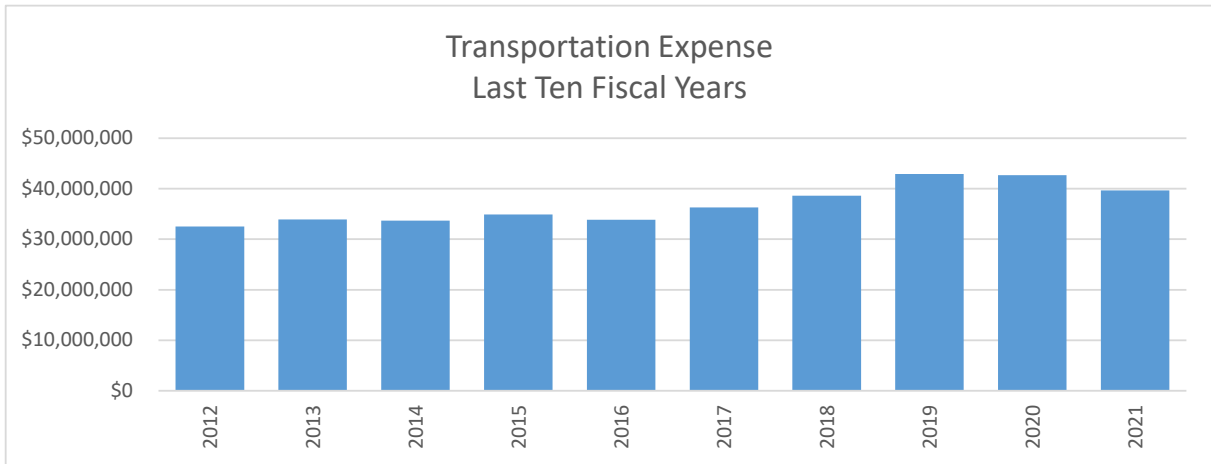
(1) This has been reclassified to conform to current year's classifications.

Note: The statistical section contains "Unaudited" data.

PINELLAS SUNCOAST TRANSIT AUTHORITY

Expenses by Function/Program Last Ten Fiscal Years

Fiscal Years 2012 – 2021

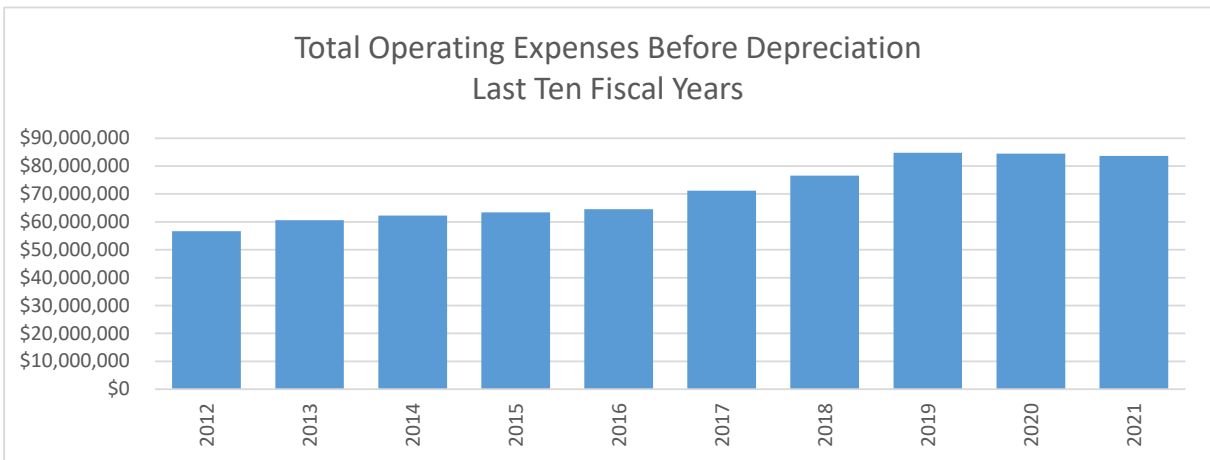
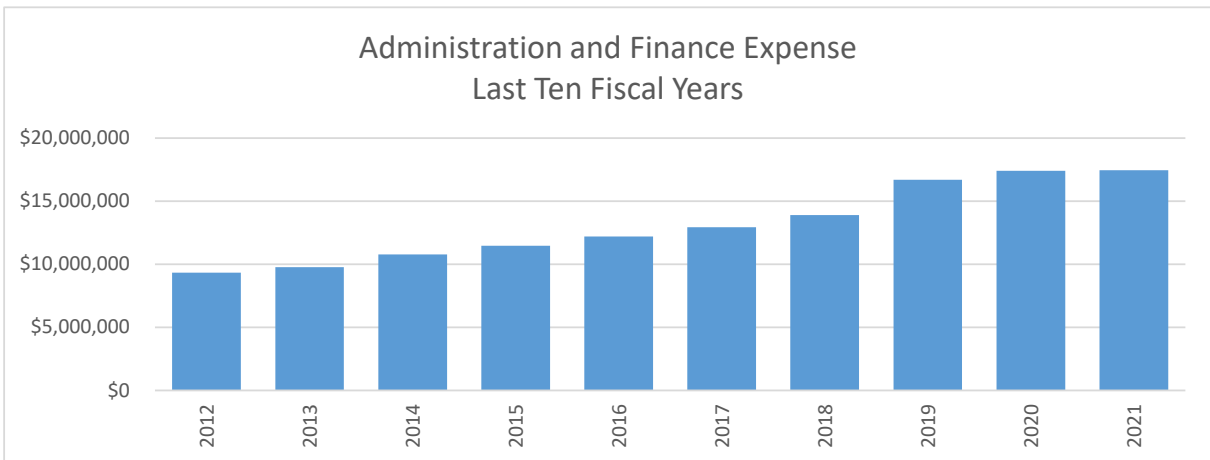
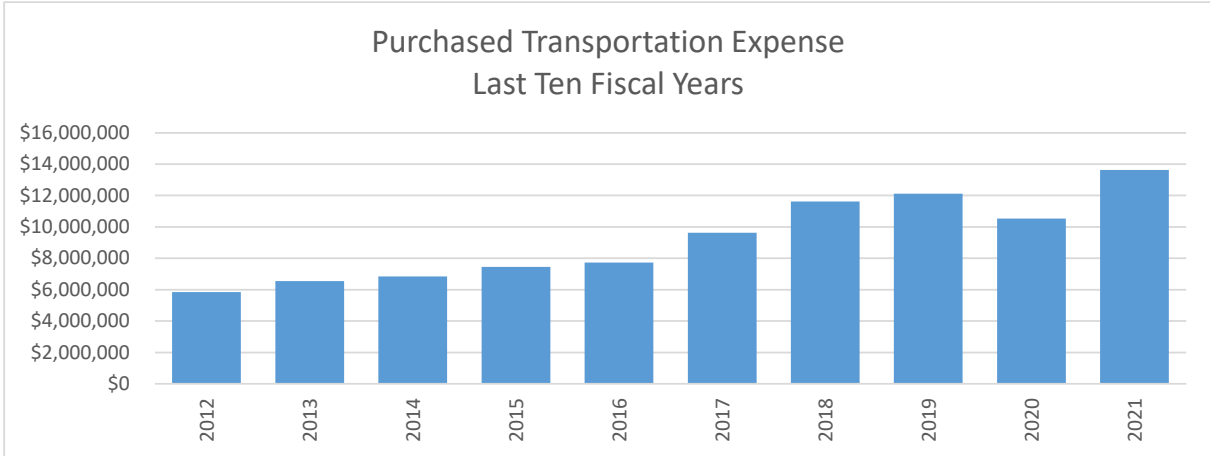


Note: The statistical section contains "Unaudited" data.

PINELLAS SUNCOAST TRANSIT AUTHORITY

Expenses by Function/Program Last Ten Fiscal Years

Fiscal Years 2012 – 2021



Note: The statistical section contains "Unaudited" data.

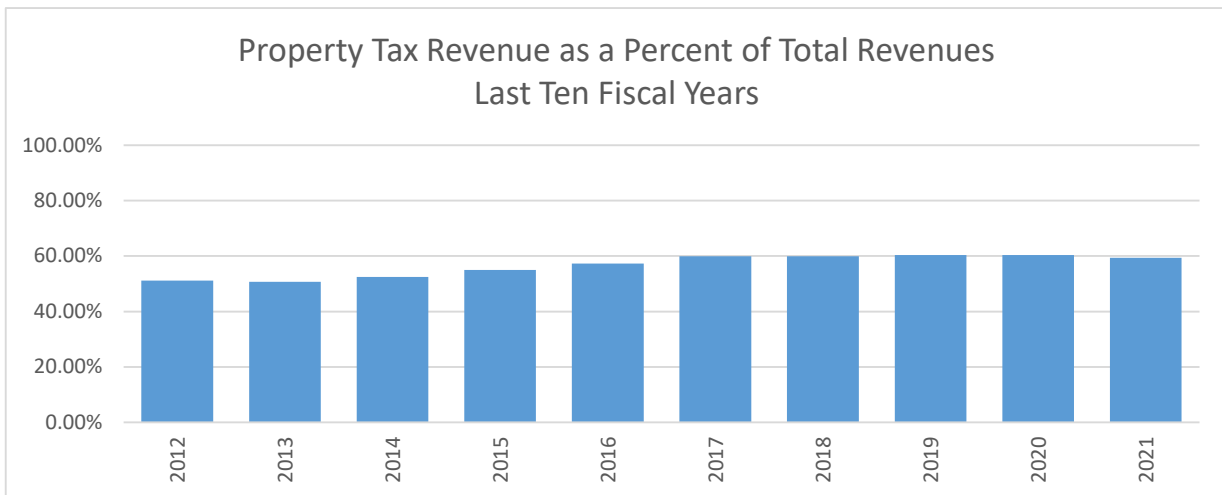
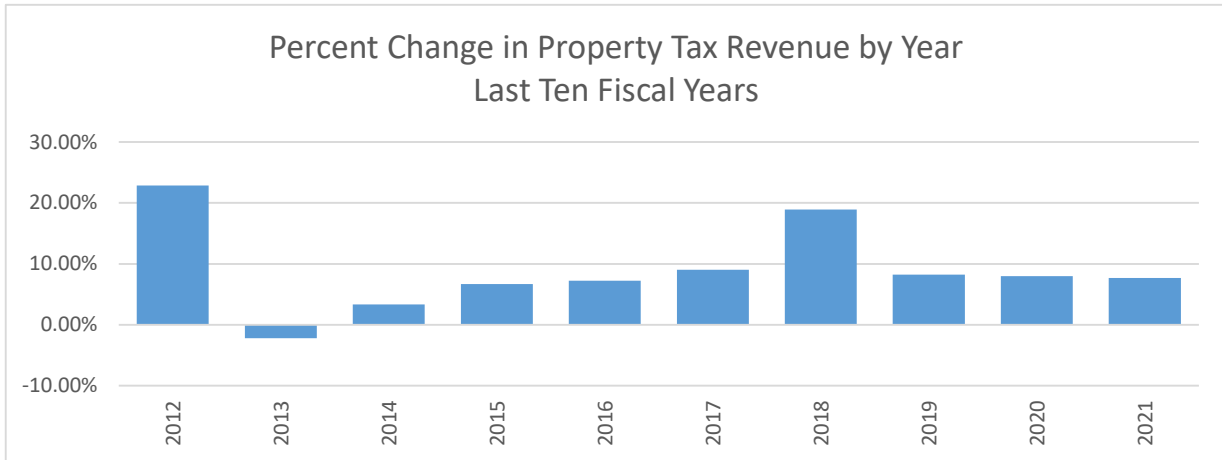
PINELLAS SUNCOAST TRANSIT AUTHORITY

**Property Tax Revenue by Year
Last Ten Fiscal Years**

Fiscal Years 2012 – 2021

Fiscal Year	Property Tax Dollars	Percent Change	Total Revenues *	Percent of Total	Millage Rate
2012	33,009,275	22.85%	64,524,242	51.16%	0.7305
2013	32,282,955	-2.20%	63,596,292	50.76%	0.7305
2014	33,365,462	3.35%	63,624,830	52.44%	0.7305
2015	35,592,336	6.67%	64,768,651	54.95%	0.7305
2016	38,166,312	7.23%	66,579,624	57.32%	0.7305
2017	41,607,265	9.02%	69,387,428	59.96%	0.7500
2018	45,389,030	18.92%	75,793,804	59.88%	0.7500
2019	49,113,559	8.21%	81,402,401	60.33%	0.7500
2020	53,031,249	7.98%	87,856,815	60.36%	0.7500
2021	57,112,617	7.70%	96,224,173	59.35%	0.7500

* excludes capital grants and contributed capital.



Note: The statistical section contains "Unaudited" data.

**STATISTICAL SECTION
(UNAUDITED)**

Revenue Capacity

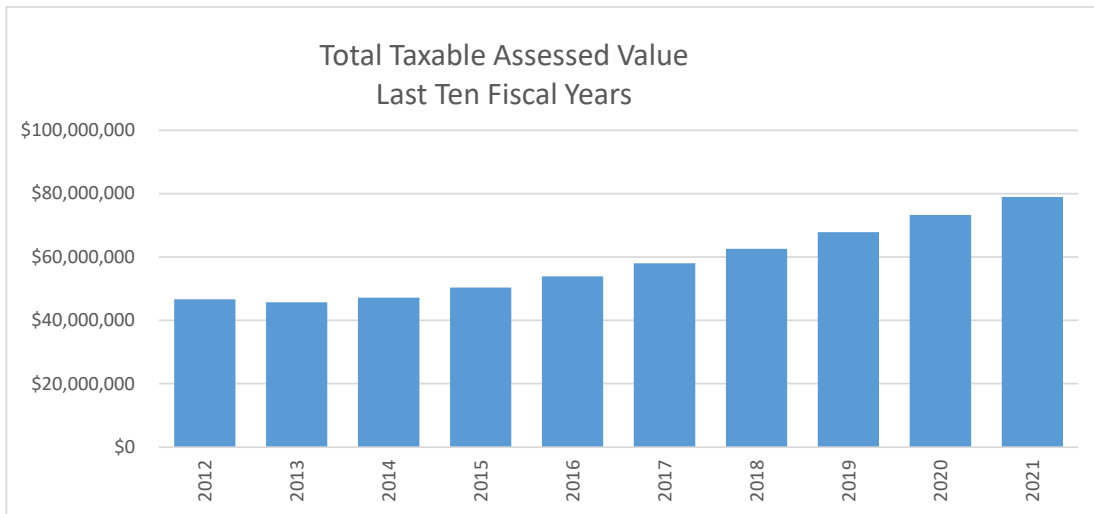
- Taxable Assessed Value and Estimated Actual Value of Taxable Property (FY 2012 – FY 2021)
- Direct and Overlapping Property Tax Rates (FY 2012 – FY 2021)
- Principal Property Taxpayers (FY 2012 – FY 2021)
- Property Tax Levies and Collections (FY 2012 – FY 2021)
- Farebox Recovery Percentage (FY 2012 – FY 2021)

PINELLAS SUNCOAST TRANSIT AUTHORITY

**Taxable Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Dollars in Thousands)**

Fiscal Years 2012 - 2021

Fiscal Year	Estimated Actual Value (a)			Total Taxable Assessed Value	Total Direct Tax Rate (d)
	Real Property	Centrally Assessed Property (b)	Exemptions (c)		
2012	67,013,602	6,100	20,353,324	46,666,378	0.7305
2013	64,892,654	6,150	19,197,776	45,701,028	0.7305
2014	67,950,230	6,263	20,785,617	47,170,876	0.7305
2015	75,375,232	6,506	25,059,878	50,321,860	0.7305
2016	82,866,812	6,957	29,015,580	53,858,189	0.7305
2017	97,953,105	7,171	17,975,184	57,977,920	0.7500
2018	97,076,057	6,603	18,426,193	62,614,865	0.7500
2019	105,263,104	6,365	19,023,798	67,812,395	0.7500
2020	113,238,615	6,977	19,885,584	73,238,574	0.7500
2021	121,569,525	7,791	20,981,592	78,921,348	0.7500



Source: Pinellas County Property Appraiser's Forms DR-403CC, DR-403V, DR-403AM and DR-403AC.

(a) Section 192.001(2), Florida Statutes, defines assessed value of property as "an annual determination of the just or fair market of item or property...." Therefore, grossed assessed value is "Estimated Actual Value." Assessed value is estimated and adjusted annually with a physical inspection every third year.

(b) Centrally assessed property is property that is assessed by the State of Florida rather than by the Property Appraiser since the property is located in more than one county. Real Property only included.

(c) Exemptions are provided for agricultural, government, institutional and historic preservation property. Exemptions available solely to residential property include, but are not limited to, widows/widowers, disabled/blind, \$50,000 homestead and homestead differential (capped).

(d) Total Direct Rate is the average of the direct rates levied (taxes levied to total taxable value). PSTA levies taxes only on real property within the PSTA's geographic area.

Note: The statistical section contains "Unaudited" data.

PINELLAS SUNCOAST TRANSIT AUTHORITY

**Direct and Overlapping Property Tax Rates (a)
Last Ten Fiscal Years
(In Mills, Per \$1,000 of Assessed Value)**

Fiscal Years 2012 - 2021

Fiscal Year	Direct Rates (a)			Overlapping Rates (b)				Municipalities	
	Basic Rate	Total Direct Rate	PSTA Maximum Allowed Rate	County Board Rate	School Board Rate	Emergency Medical Service	Others District Rate (c)	Lowest	Highest
2012	0.7305	0.7305	0.7500	4.8730	8.3850	0.8506	1.2390	0.7511	5.9125
2013	0.7305	0.7305	0.7500	5.0727	8.3020	0.9158	1.3034	0.7511	6.7742
2014	0.7305	0.7305	0.7500	5.2755	8.0600	0.9158	1.2959	0.7511	6.7700
2015	0.7305	0.7305	0.7500	5.2755	7.8410	0.9158	1.2799	0.7511	6.7700
2016	0.7305	0.7305	0.7500	5.2755	7.7700	0.9158	1.2629	0.7283	6.7700
2017	0.7500	0.7500	0.7500	5.3377	7.3180	0.9158	1.2448	0.7294	6.7550
2018	0.7500	0.7500	0.7500	5.2755	7.0090	0.9158	1.2262	0.6594	6.7550
2019	0.7500	0.7500	0.7500	5.2755	6.7270	0.9158	1.2015	0.6737	6.7550
2020	0.7500	0.7500	0.7500	5.2755	6.5840	0.9158	1.1932	0.6350	6.7550
2021	0.7500	0.7500	0.7500	5.2755	6.4270	0.9158	1.1800	0.5823	6.7550

Source: Pinellas County Tax Collector

- (a) Direct rates support the ad valorem revenue base recognized by PSTA.
- (b) Overlapping rates are those rates levied by other local governments who overlap PSTA's geographic area.
- (c) Other Districts includes Pinellas County Planning Council 0.0150; Juvenile Welfare Board 0.8981; SW Florida Water Management District 0.2669.

Note: The statistical section contains "Unaudited" data.

PINELLAS SUNCOAST TRANSIT AUTHORITY

**Principal Property Taxpayers
Fiscal Year 2021 and Nine Years Ago**

<u>Taxpayer</u>	<u>Business</u>	<u>2021</u>		<u>2012</u>	
		<u>Taxable Assessed Value</u>	<u>Percentage of Total PSTA Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Percentage of Total PSTA Taxable Assessed Value</u>
Publix Super Markets Inc.	Grocery	\$ 167,064,063	0.21%	\$ 95,652,890	0.20%
Bellwether Prop Fla	Real Estate	157,724,000	0.20%	134,375,938	0.29%
Wyndham Vacation Resorts Inc.	Real Estate	123,325,447	0.16%		
Wal-Mart Stores East LP	Retail Stores	119,534,780	0.15%	72,797,324	0.16%
Duke Energy Florida, Inc.	Electric Utility	119,512,715	0.15%		
Camden Usa Inc	Real Estate	110,000,000	0.14%		
B W C W Hospitality LLC	Hospitality	106,375,729	0.13%		
James, Raymond & Assoc Inc	Financial Services	101,598,383	0.13%	82,112,537	0.18%
John S Taylor Properties LLC	Real Estate	100,555,000	0.13%		
H H R St Pete Beach LLC	Hospitality	98,212,915	0.12%		
De Bartolo Capital PTNSHP	Retail Mall			115,500,000	0.25%
Crystal Beach Capital LLC	Real Estate			67,848,466	0.15%
Largo Medical Center Inc.	Hospital			56,137,192	0.12%
Florida Power Corp	Electric Utility			55,728,277	0.12%
Pinellas County	Government			50,207,861	0.11%
Franklin/Templeton Investor Svc Inc	Financial Services			50,000,000	0.11%
		<u>\$ 1,203,903,032</u>	<u>1.52%</u>	<u>\$ 780,360,485</u>	<u>1.69%</u>
Total Taxable Assessed Value		<u>\$ 78,921,348,000</u>		<u>\$ 46,666,378,000</u>	

Source: Pinellas County Property Appraiser

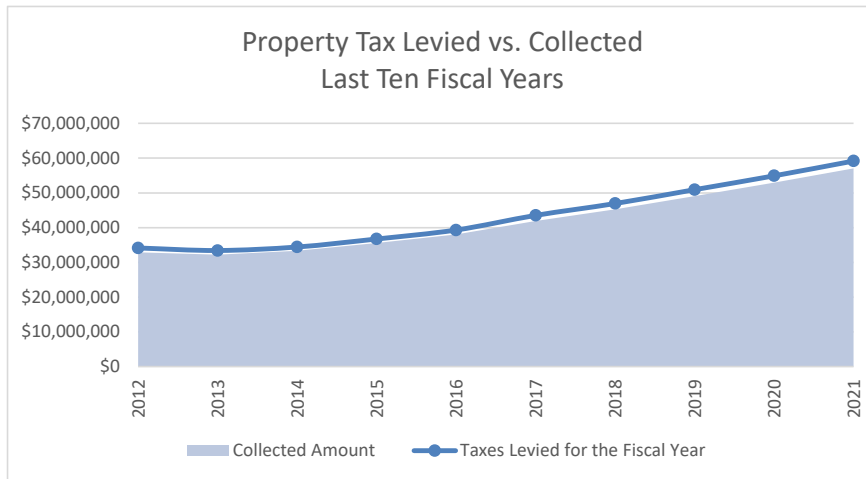
Methodology: Top ten taxpayers identified for Real Property only.

PINELLAS SUNCOAST TRANSIT AUTHORITY

**Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Years 2012 - 2021

Fiscal Year	Taxes Levied for the Fiscal Year (b)	Collected Within the Fiscal Year of Levy (a)		Collections in Subsequent Years (c)	Total Collections to Date	
		Collected Amount	Percentage of Levy		Amount	Percentage of Levy
2012	34,182,509	32,924,524	96.32%	64,634	32,989,158	96.51%
2013	33,455,349	32,218,321	96.30%	52,495	32,270,816	96.46%
2014	34,458,263	33,312,967	96.68%	33,011	33,345,978	96.77%
2015	36,760,049	35,559,325	96.73%	88,692	35,648,017	96.97%
2016	39,343,407	38,077,620	96.78%	148,565	38,226,184	97.16%
2017	43,549,763	41,954,890	96.34%	84,224	42,039,114	96.53%
2018	46,961,234	45,304,807	96.47%	41,325	45,346,132	96.56%
2019	50,950,610	49,072,233	96.31%	69,291	49,141,524	96.45%
2020	54,929,012	52,961,958	96.42%	31,147	52,993,105	96.48%
2021	59,191,099	57,081,470	96.44%	-	57,081,470	96.44%



Source: Pinellas County Tax Collector's Form DR-502.

(a) Section 197.162, Florida Statutes, provide a 1% per month discount up to 4% for payments between November and February. Taxes collected after July 1st are categorized as delinquent.

(b) This is the revenue to be generated based on PSTA's direct rates; See "Direct and Overlapping Property Tax Rates" chart.

(c) All delinquent tax collections received during the year are applied to Collections Amount the year prior to collection, regardless of the year in which the taxes were originally levied. Therefore this may result in the Percentage of Levy in Total Collections to be greater than 100%.

Delinquent taxes by levy year are not available.

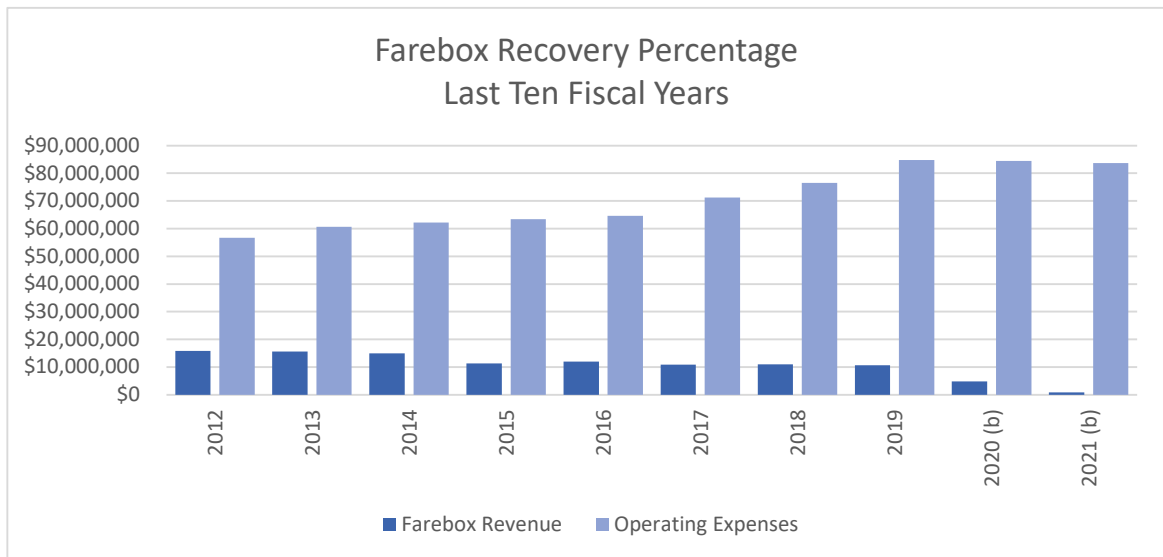
Note: The statistical section contains "Unaudited" data.

PINELLAS SUNCOAST TRANSIT AUTHORITY

**Farebox Recovery Percentage
Last Ten Fiscal Years**

Fiscal Years 2012 – 2021

Fiscal Year	Farebox Revenue	Percent Change	Operating Expenses (a)	Percent Change	Farebox Recovery
2012	15,776,093	10.97%	56,671,829	0.40%	27.84%
2013	15,615,184	-1.02%	60,600,800	6.93%	25.77%
2014	14,912,783	-4.50%	62,243,250	2.71%	23.96%
2015	11,338,796	-23.97%	63,401,568	1.86%	17.88%
2016	11,989,862	5.74%	64,582,580	1.86%	18.57%
2017	10,838,756	-9.60%	71,182,150	10.22%	15.23%
2018	10,974,717	1.25%	76,551,740	7.54%	14.34%
2019	10,663,635	-2.83%	84,735,054	10.69%	12.58%
2020 (b)	4,842,477	-54.59%	84,438,901	-0.35%	5.73%
2021 (b)	807,558	-83.32%	83,671,965	-0.91%	0.97%



(a) Excludes depreciation.

(b) Passenger fares were not collected for half of FY 2020 and almost all of FY 2021 due to the COVID-19 Pandemic.

Note: The statistical section contains "Unaudited" data.

**STATISTICAL SECTION
(UNAUDITED)**

Demographic and Economic Information

- Demographic and Economic Statistics (FY 2012 – FY 2021)
- Principal Employers (FY 2012 and FY 2021)

PINELLAS SUNCOAST TRANSIT AUTHORITY

**Demographics, Population and Economic Statistics
Last Ten Fiscal Years**

Fiscal Years 2012 - 2021

Fiscal Year	Population (a)	Personal Income (dollars in thousands) (b)	Per Capita Personal Income (b)	School Enrollment (c)	Unemployment Rate (d)
2021	964,490	N/A (e)	N/A (e)	96,068	3.6%
2020	984,925	57,805,332	59,178	99,798	6.6%
2019	978,045	54,216,585	55,607	101,427	2.7%
2018	970,532	52,133,419	53,455	100,948	3.0%
2017	962,003	49,143,218	50,630	102,181	3.1%
2016	954,569	47,254,865	49,186	103,242	4.4%
2015	944,971	45,336,665	47,731	103,779	4.7%
2014	933,258	43,082,259	45,925	104,104	6.2%
2013	926,610	42,340,365	45,574	102,672	6.7%
2012	915,680	43,784,138	47,523	122,012	8.5%

(a) Source: Bureau of Economic & Business Research, University of Florida (2012-2021). Data available at

(b) Source: Bureau of Economic Analysis, U.S. Department of Commerce (2012-2021).

(c) Source: Florida Department of Education.

(d) Source: U.S. Department of Labor, September annually (not seasonally adjusted).

(e) Information not available.

Note: The statistical section contains "Unaudited" data.

PINELLAS SUNCOAST TRANSIT AUTHORITY

**Principal Employers
FY 2021 and Nine Years Ago**

Employer	2021 (a)			2012 (a)		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Pinellas County School Board	13,000	1	2.61%	15,895	1	3.67%
Publix	6,000	2	1.20%			
Bay Pines VA Healthcare System	4,500	3	0.90%	4,405	2	1.02%
Raymond James	3,800	4	0.76%	2,600	6	0.60%
Pinellas County BCC	3,600	5	0.72%			
City of St. Petersburg	3,500	6	0.70%	3,157	3	0.73%
John Hopkins All Children's Hospital	3,000	7	0.60%	2,900	4	0.67%
Walmart	3,000	8	0.60%			
BayCare Morton Plant Hospital	2,900	9	0.58%	2,550	8	0.59%
St. Petersburg College	2,900	10	0.58%	2,705	5	0.62%
Pinellas County Sheriff's Office			0.00%	2,580	7	0.60%
Mease Hospital				2,100	9	0.48%
Bayfront Medical Center				2,025	10	0.47%
Total County Employment	498,233			433,288		

(a) Source: Florida Research and Economic Database and Pinellas County Department of Economic Development

Note: The statistical section contains "Unaudited" data.

**STATISTICAL SECTION
(UNAUDITED)**

Operating Information

- Bus Service Effort and Accomplishments Per Mile (FY 2012 – FY 2021)
- Bus Service Effort and Accomplishments Per Hour (FY 2012 – FY 2021)
- Unlinked Passenger Changes (FY 2012 – FY 2021)
- Vehicles Operated at Maximum Service (FY 2012 – FY 2021)
- Number of Employees (FY 2012 – FY 2021)
- Miscellaneous Statistical Data (FY 2012 – FY 2021)

PINELLAS SUNCOAST TRANSIT AUTHORITY

**Bus Service Effort and Accomplishments
Per Mile
Last Ten Fiscal Years**

Fiscal Years 2012 - 2021

Fiscal Year	Revenue Vehicle Miles (a)	Percent of Change	Operating Expense (b) Per Revenue Mile	Operating Expense (b) Per Passenger Mile	Unlinked Passenger Trips Per Revenue Mile (c)
2012	8,877,809	0.92%	\$ 5.78	\$ 0.72	1.54
2013	9,073,836	2.21%	\$ 6.21	\$ 0.78	1.56
2014	9,176,346	1.13%	\$ 6.23	\$ 0.83	1.55
2015	9,339,357	1.78%	\$ 6.17	\$ 0.85	1.56
2016 (d)	9,064,475	-2.94%	\$ 6.25	\$ 0.96	1.39
2017	8,635,597	-4.73%	\$ 6.95	\$ 1.08	1.32
2018 (e)	9,140,825	5.85%	\$ 7.33	\$ 1.23	1.22
2019	9,253,744	1.24%	\$ 7.23	\$ 1.09	1.24
2020 (f)	8,519,643	-7.93%	\$ 9.05	\$ 1.29	1.25
2021	9,219,585	8.22%	\$ 7.93	\$ 1.20	1.07

Source: PSTA

All bus data includes directly operated and purchased bus service.

(a) Does not include demand response.

(b) Operating expense excludes depreciation.

(c) Unlinked passenger figures count passengers each time that person boards a transit vehicle from the initial point of origin until he or she reaches a final destination.

(d) National Transportation Database revised reporting policy on two purchased bus service routes.

(e) Data revised.

(f) Due to the COVID-19 pandemic service was reduced and PSTA continued to pay full time wages resulting in an increase expense per mile.

N/A - Information not available.

Note: The statistical section contains "Unaudited" data.

PINELLAS SUNCOAST TRANSIT AUTHORITY

**Bus Service Effort and Accomplishments
Per Hour
Last Ten Fiscal Years**

Fiscal Years 2012 - 2021

Fiscal Year	Revenue Vehicle Hours (a)	Percent of Change	Operating Expense (b) Per Revenue Hour	Operating Expense (b) Per Passenger Trip	Unlinked Passenger Trips Per Revenue Hour (c)
2012	620,760	1.05%	82.65	3.74	22.09
2013	636,039	2.46%	85.83	3.86	22.25
2014	641,039	0.79%	87.56	4.12	21.24
2015	651,191	1.58%	86.85	4.12	21.10
2016 (d)	627,579	-3.63%	89.39	4.51	14.00
2017	630,734	0.50%	96.74	5.26	18.38
2018 (e)	675,662	7.12%	96.08	5.80	16.56
2019	703,927	4.18%	91.96	5.77	15.94
2020 (f)	626,988	-10.93%	118.34	7.19	16.46
2021	676,958	7.97%	107.98	7.73	13.96

Source: PSTA

All bus data includes directly operated and purchased bus service.

(a) Does not include demand response.

(b) Operating expense excludes depreciation.

(c) Unlinked Passenger figures count passengers each time that person boards a transit vehicle from the initial point of origin until he or she reaches a final destination.

(d) National Transportation Database revised reporting policy on two purchased bus service routes.

(e) Data revised.

(f) Due to the COVID-19 pandemic service was reduced and PSTA continued to pay full time wages resulting in an increase expense per mile.

N/A - Information not available.

Note: The statistical section contains "Unaudited" data.

PINELLAS SUNCOAST TRANSIT AUTHORITY

**Unlinked Passenger Changes
Last Ten Fiscal Years**

Fiscal Years 2012 - 2021

<u>Fiscal Year</u>	<u>Bus (a)</u>	<u>Percent of Change</u>
2012	13,713,027	7.15%
2013	14,150,506	3.19%
2014	14,183,941	0.24%
2015	14,578,287	2.78%
2016	12,635,319 (b)	-13.33%
2017	11,591,012 (b)	-8.26%
2018	11,521,351 (b)	-0.60%
2019	11,663,314	1.23%
2020	10,635,563 (c)	-8.81%
2021	9,853,228 (c)	-7.36%

Source: PSTA

All bus data includes directly operated and purchased bus service.

(a) Unlinked passenger figures count passengers each time that person boards a transit vehicle from the initial point of origin until he or she reaches a final destination.

(b) Data revised.

(c) The decrease is due to the COVID-19 pandemic and reduced service.

(d) National Transportation Database revised reporting policy on two purchased bus service routes.

Note: The statistical section contains "Unaudited" data.

PINELLAS SUNCOAST TRANSIT AUTHORITY

**Vehicles Operated in Maximum Service
Last Ten Fiscal Years**

Fiscal Years 2012 – 2021

<u>Fiscal Year</u>	<u>Bus (a)</u>	<u>Percent of Change</u>
2012	170	0.00%
2013	162 (a)	-4.71%
2014	167 (a)	3.09%
2015	167 (a)	0.00%
2016	164 (a)	-1.80%
2017	164 (a)	0.00%
2018	193 (a)	17.68%
2019	190	-1.55%
2020	178 (b)	-6.32%
2021	178 (b)	0.00%

Source: PSTA

(a) Data revised.

(b) The decrease is due to reduced service resulting from the COVID-19 pandemic.

Note: The statistical section contains "Unaudited" data.

PINELLAS SUNCOAST TRANSIT AUTHORITY
Number of Employees
Last Ten Fiscal Years

Fiscal Years 2012 - 2021

<u>Fiscal Year</u>	<u>PSTA Full-Time</u>	<u>PSTA Part-Time</u>	<u>PSTA Total</u>	<u>Percent of Change</u>	<u>Contracted Partners</u>
2012	556	0	556	-0.54%	
2013	574	17	591	6.29%	
2014	589	6	595	0.68%	
2015	607	1	608	2.18%	
2016	603	2	605	-0.49%	
2017	606	2	608	0.50%	
2018	(a) 608	2	610	0.33%	
2019	618	3	621	1.80%	
2020	631	3	634	2.09%	
2021	(b) 634	4	638	0.63%	281

Source: PSTA

Note: Budgeted authorized positions.

(a) Data revised.

(b) Starting with FY 2021 PSTA will report the number of employees for our partners that provide operating service.

Note: The statistical section contains "Unaudited" data.

PINELLAS SUNCOAST TRANSIT AUTHORITY
Miscellaneous Statistical Data
Last Ten Fiscal Years

Fiscal Years 2012 - 2021

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Population served by Bus	915,680	926,610	933,258	944,971	954,569	962,003	970,532	978,045	984,925	964,490
Size of land area served by Bus (in square miles)	243	243	243	243	243	243	243	243	243	243
Number of Bus Routes	37	40	40	40	38	40	40	40	40	40
Annual PSTA Bus Passenger Miles (in millions) (Excludes Demand Response)	67,977	67,078	65,266	67,813	64,047	55,773	54,491	61,880	58,318	59,598
Miles of Bus Route - Directional Miles	907.2	907.2	885.18	929.1	1,016.3	893.0	862.0	862.6	866.0	907.0
Average Annual On Time Performance Percentage	90.4	82.3	83.4	80.5	78.6	64.8	65.2	69.2	71.3	71.2
Number of Bus Stop Locations	5,105	5,141	5,157	4,929	4,906	4,752	4,752	4,665	4,602	4,382
Number of Bus Park and Ride Facilities	2	2	2	2	2	2	2	2	2	2
Number of Transit Centers	3	3	3	4	4	4	4	4	4	4
Number of Transfer Hubs	14	14	14	14	14	14	14	14	14	14
Number of Passenger Shelters	707	707	707	682	531	530	530	537	537	659
No. of Buses in Active Fleet	186	194	199	210	210	210	210	210	210	210
Average Vehicle Age (in years)	6.40	7.40	6.00	7.39	8.25	8.80	8.80	8.80	10.80	10.80
Net Investment in Capital Assets (in thousands)	\$ 76,412	\$ 86,157	\$ 79,199	\$ 83,810	\$ 76,019	\$ 75,914	\$ 75,484	\$ 86,662	\$ 85,483	\$ 109,961

Source: PSTA

N/A : Information not available.

Note: The statistical section contains "Unaudited" data.

SECTION V
REGULATORY 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 Board of Directors
Pinellas Suncoast Transit Authority
St. Petersburg, 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 Pinellas Suncoast Transit Authority aka: PSTA (the “Authority”) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority’s financial statements, and have issued our report thereon dated March 30, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority’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 Authority’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority’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. However, material weaknesses may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority’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 Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cherry Bekart LLP

Tampa, Florida
March 30, 2022

Report of Independent Auditor on Compliance for Each Major Federal Program and State Financial Assistance Project and on Internal Control over Compliance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General

To the Board of Directors
Pinellas Suncoast Transit Authority
St. Petersburg, Florida

Report on Compliance for Each Major Federal Program and State Financial Assistance Project

We have audited the Pinellas Suncoast Transit Authority aka: PSTA (the “Authority”) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described in the Florida Department of Financial Services, *State Projects Compliance Supplement* that could have a direct and material effect on its major federal programs and state financial assistance projects for the year ended September 30, 2021. The Authority's major federal programs and state financial assistance projects are identified in the summary of the auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and terms and conditions of its federal and state awards applicable to its federal programs and state assistance projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs and state financial assistance projects 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”); and Chapter 10.550, Rules of the Auditor General (“Chapter 10,550”). Those standards, the Uniform Guidance, and Chapter 10.550, 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 or state financial assistance project occurred. An audit includes examining, on a test basis, evidence about the Authority'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 and state financial assistance project. However, our audit does not provide a legal determination on the Authority's compliance.

Opinion on Each Major Federal Program and State Financial Assistance Project

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs and state financial assistance projects for the year ended September 30, 2021.

Report on Internal Control over Compliance

Management of the Authority 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 Authority's internal control over compliance with requirements that could have a direct and material effect on each major federal program and state financial assistance project 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 state financial assistance project and to test and report on internal controls over compliance in accordance with the Uniform Guidance and Chapter 10.550, but not for the purpose of expressing our opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 and state financial assistance project 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 and state financial assistance project 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 and state financial assistance project 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 over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. 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 and Chapter 10.550. Accordingly, this report is not suitable for any other purpose.

Cherry Bekaert LLP

Tampa, Florida
March 30, 2022

PINELLAS SUNCOAST TRANSIT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2021

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 Programs and State Projects Section

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 2 CFR 200 516(a) and Chapter 10.550 yes x no

Identification of major federal programs and state projects:

Federal programs:

Assistance Listing Numbers	Name of Program or Cluster
20.500, 20.507, 20.525, 20.526	Federal Transit Cluster

State projects:

CSFA Numbers	Name of Project
55.012	Public Transit Service Development Program

PINELLAS SUNCOAST TRANSIT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED SEPTEMBER 30, 2021

Part I – Summary of Auditor’s Results (continued)

Dollar threshold used to determine Type A programs:

Federal programs	\$1,562,238
State projects	\$ 750,000

Auditee qualified as low-risk auditee for federal purposes?

 x yes no

Part II – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance 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 – Findings and Questioned Costs – Major Federal Award Programs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal programs, as required to be reported by the Uniform Guidance.

There were no findings required to be reported in accordance with the Uniform Guidance.

Part IV – Findings and Questioned Costs – Major State Financial Assistance Projects

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal programs, as required to be reported by the Chapter 10.550, Rules of the Auditor General.

There were no findings required to be reported in accordance with Chapter 10.550, Rules of the Auditor General.

Summary of Prior Audit Findings

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

**Schedule of Expenditures of Federal Awards
and State Financial Assistance**

Year Ended September 30, 2021

Federal or State Grantor/Pass-Through Grantor/Program title	Assistance Listing #/ CSFA#	Grant or Contract Number	State FPN Number	Expenditures	Transfers to Subrecipients
U.S. Department of Transportation:					
<i>Direct Program:</i>					
Federal Transit Capital Investments Grant	20.500	FL 04-0135	-	\$ 275,615	\$ -
Federal Transit Capital Investments Grant	20.500	FL 2019-039	-	399,250	-
Federal Transit Capital Investments Grant	20.500	FL 2020-071	-	6,994,382	-
Federal Transit Capital Investments Grant	20.500	FL 2021-053	-	213	-
Total Assistance Listing Number 20.500				<u>7,669,460</u>	<u>-</u>
Federal Transit Formula Grant	20.507	FL 90-0758	-	164,508	-
Federal Transit Formula Grant	20.507	FL 90-0841	-	45,338	-
Federal Transit Formula Grant	20.507	FL 90-0873	-	228,380	-
Federal Transit Formula Grant	20.507	FL 2017-024	-	596,369	-
Federal Transit Formula Grant	20.507	FL 2017-109	-	734,997	-
Federal Transit Formula Grant	20.507	FL 2018-080	-	2,885,760	-
Federal Transit Formula Grant	20.507	FL 2019-015	-	217,824	122,584
Federal Transit Formula Grant	20.507	FL 2019-085	-	1,478,536	-
Federal Transit Formula Grant-COVID-19	20.507	FL 2020-072	-	29,969,612	-
Federal Transit Formula Grant	20.507	FL 2021-001	-	323,085	-
Federal Transit Formula Grant-COVID-19	20.507	FL 2021-022	-	523	-
Federal Transit Formula Grant	20.507	FL 2021-075	-	30,442	-
Total Assistance Listing Number 20.507				<u>36,675,374</u>	<u>122,584</u>
Federal Transit Formula Grant	20.525	FL 2019-085	-	786	-
Federal Transit Formula Grant	20.525	FL 2021-001	-	6,719	-
Total Assistance Listing Number 20.525				<u>7,505</u>	<u>-</u>
Federal Transit Discretionary LowNo Grant	20.526	FL 2018-064	-	1,797,043	-
Federal Transit Formula Grant	20.526	FL 2019-085	-	5,623,479	-
Federal Transit Bus and Bus Facilities Grant	20.526	FL 2021-024	-	2,457	-
Total Assistance Listing Number 20.526				<u>7,422,979</u>	<u>-</u>
Total Federal Transit Cluster				<u>51,775,318</u>	<u>122,584</u>
Federal Transit Innovation in Transit Public Safety Grant	20.530	FL 2020-117	-	5,328	-
Federal Transit Research and Development Grant	20.530	FL 2021-013	-	-	-
Total Assistance Listing Number 20.530				<u>5,328</u>	<u>-</u>
<i>Passed through the Florida Department of Transportation:</i>					
<i>Mobility Manager Program:</i>					
Section 5310 Program	20.513	G1T69	437546-1-94-02	20,927	-
Section 5310 Program	20.513	G1I88	440952-1-94-04	49,912	-
Section 5310 Program	20.513	G1I30	437521-1-84-50	107,442	-
<i>Passed through the Federal Transit Administration:</i>					
Federal Transit Innovative Coordinated Access and Mobility	20.513	FL 2020-112	-	69,748	-
Total Assistance Listing Number 20.513				<u>248,029</u>	<u>-</u>
Total Transit Services Program Cluster				<u>248,029</u>	<u>-</u>
<i>Passed through Pinellas County Metropolitan Planning Organization:</i>					
Section 5305(d) Planning Grant	20.505	G1G93	-	45,940	-
Total U.S. Department of Transportation				<u>52,074,614</u>	<u>122,584</u>
Total Expenditures of Federal Awards				<u>\$ 52,074,614</u>	<u>\$ 122,584</u>

**Schedule of Expenditures of Federal Awards
and State Financial Assistance**

Year Ended September 30, 2021

Federal or State Grantor/Pass-Through Grantor/Program title	Assistance Listing #/ CSFA#	Contract Number	FPN Number	Expenditures	Transfers to Subrecipients
Florida Department of Transportation					
<i>Direct Program:</i>					
Commuter Assistance Program (Ride Share)	55.007	G1Y56	412533-1-84-21	\$ -	\$ -
Commuter Assistance Program (Ride Share)	55.007	G1W06	412533-1-84-21	7,360	-
Commuter Assistance Program (Ride Share)	55.007	G1C17	402513-1-84-20	12,712	-
Commuter Assistance Program (Autonomous Vehicle Demo)	55.007	G0Z48	412533-1-84-19	97,123	-
Total CSFA 55.007				<u>117,195</u>	<u>-</u>
Public Transit Service Development Program	55.012	G0Z47	441989-1-84-19	224,859	-
	55.012	G1B92	437245-2-94-01	5,931,451	-
Total CSFA 55.012				<u>6,156,310</u>	<u>-</u>
Total Florida Department of Transportation				<u>6,273,505</u>	<u>-</u>
State of Florida, Commission for the Transportation Disadvantaged					
<i>Direct Program:</i>					
Trips & Equipment FY 2021/2022	55.001	G1Y11	3202718401 / 43202818401	502,224	-
Trips & Equipment FY 2020/2021	55.001	G1O24	3202718401 / 43202818401	1,507,610	-
Total CSFA 55.001				<u>2,009,834</u>	<u>-</u>
Innovation and Service Development Grant FY 2020/2021	55.045	G1O42	445836-1-84-01	215,636	-
Innovation and Service Development Grant FY 2020/2021	55.045	G1O43	445836-1-84-01	5,509	-
Total CSFA 55.045				<u>221,145</u>	<u>-</u>
Total Commission for the Transportation Disadvantaged				<u>2,230,977</u>	<u>-</u>
Total Expenditures of Florida State Financial Assistance				<u>\$ 8,504,482</u>	<u>\$ -</u>
Total Expenditures of Federal Awards and State Financial Assistance				<u>\$ 60,579,096</u>	<u>\$ 122,584</u>

See Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

**Notes to Schedule of Expenditures of Federal Awards
and State Financial Assistance**

Year Ended September 30, 2021

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards and state financial assistance includes all federal and state grant activity of the Authority and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of 2 CFR 200 Uniform Guidance, and Chapter 10.550 of the *Rules of the Auditor General*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

(2) Capital Assets

Approximately \$610 thousand in capital assets was purchased using federal grant awards during the fiscal year ending September 30, 2021. These amounts have been capitalized for financial statement purposes and reflected as Capital Assets on the Statement of Net Position.

(3) Subrecipients

For the year ending September 30, 2021, there was \$122,584 transferred to a subrecipient relating to the FTA Urbanized Area Formula (UAFP) Program (5307).

(4) Indirect Cost Rate

The Authority has not elected to use the 10% de minimus cost rate.

(5) Grant Contingencies

Expenditures financed by capital and operating assistance grants are subject to audit and acceptance by the granting agency. Any disallowed expenditure may need to be repaid to the granting agency; however, it is management's opinion that no material liabilities will result from any such audits.

Independent Auditor's Management Letter

To the Board of Directors
Pinellas Suncoast Transit Authority
St. Petersburg, Florida

Report on the Financial Statements

We have audited the financial statements of the Pinellas Suncoast Transit Authority aka: PSTA (the "Authority"), as of and for the year ended September 30, 2021, and have issued our report thereon dated March 30, 2022.

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 and State Financial Assistance Project and on Internal Control over Compliance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General of the state of Florida; Schedule of Findings and Questioned Costs; and Report of Independent Accountant on Compliance with Local Government Investment Policies, regarding compliance in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 30, 2022, 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. Corrective action has been taken to address the finding and recommendations made in the preceding annual financial audit report.

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. The Authority was established pursuant to the constitution and laws of Florida, particularly Chapter 91-368, Laws of Florida, as amended, revising and consolidating Chapter 31263, Special Laws of Florida, 1955. There were no component units related to the Authority.

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 Authority has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined the Authority 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 Authority. It is management's responsibility to monitor the Authority'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 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.

Specific Information

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Authority reported (unaudited):

- a. The total number of district employees compensated in the last pay period of the district's fiscal year as 641.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as none.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$36,258,271.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as none.
- e. Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as follows: none.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as \$-0-.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the Authority.

- g. The mileage rate or rates imposed by the district as .75.
- h. The total amount of ad valorem taxes collected by or on behalf of the district as \$55,697,157.
- i. The total amount of outstanding bonds issued by the district and the terms of such bonds as none.

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 warrants the attention of those charged with governance. In connection with our audit, we did not have 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, the Authority's Board members, and applicable management and is not intended to be, and should not be, used by anyone other than these specified parties.

Cherry Bekkert LLP

Tampa, Florida
March 30, 2022

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

To the Board of Directors
Pinellas Suncoast Transit Authority
St. Petersburg, Florida

We have examined Pinellas Suncoast Transit Authority's aka: PSTA (the "Authority") compliance with the local government investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2021. Management of the Authority is responsible for the Authority's compliance with the specified requirements. Our responsibility is to express an opinion on the Authority'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 Authority complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Authority complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe 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 Authority's compliance with the specified requirements.

In our opinion, the Authority complied, in all material respects, with the local investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2021.

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

Cherry Bekaert LLP

Tampa, Florida
March 30, 2022