



# ANNUAL COMPREHENSIVE FINANCIAL REPORT

for the fiscal years ending  
September 30, 2022 and 2021



Pinellas Suncoast  
Transit Authority



ST. PETERSBURG, FLORIDA

# Pinellas Suncoast Transit Authority

## St. Petersburg, Florida

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### **Annual Comprehensive Financial Report**

For Fiscal Years Ended September 30, 2022 and 2021

#### **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



April 26, 2023

Gina Driscoll, 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, 2022, and 2021.

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, 2022, and 2021, 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 years ended September 30, 2022 and 2021 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 contains 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 191 buses and 20 trolleys serve 41 fixed routes including two express routes to Hillsborough County.

Pinellas County is 280 square miles with approximately 956,615 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 2022, the Authority directly operated vehicles traveled a total of 8.8 million revenue miles, providing approximately 631,271 hours of revenue service, and 8.5 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 an estimated 10.8 million revenue miles, providing approximately 772,653 hours of revenue service, and 8.9 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 4,396 bus stops, 658 shelters, 14 transfer hubs, 4 customer service centers, and a fleet of 211 fixed route vehicles.

Persons with disabilities who are unable to use regular bus service may be eligible for a PSTA Access 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 Mobility on Demand 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 2022, PSTA was awarded a Florida Commission for the Transportation Disadvantaged Innovative Service Development grant for regional ADA services. PSTA also used discretionary grant award funds from the Florida Developmental Disabilities Inc. (FDDC), which is 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 2022 ridership for each mode compared to FY 2021 data is presented below using the APCs and indicates the impact on ridership of resuming fare payments in July 2021 having been fare free during the COVID-19 Pandemic.

Mode	30-Sep-22	30-Sep-21	Percent of Change
Bus Operations	8,465,048	9,853,228	-14.09%
Paratransit	183,090	262,217	-30.18%
Mobility Programs	213,116	126,576	68.37%
Total	8,861,254	10,242,021	-13.48%

PSTA's Sustainable Strategic Plan (SSP) is to focus on a healthy community and workforce, environmental sustainability and a financially sustainable public transportation that supports our community.

The SSP identifies existing sustainability practices in each of these areas and new policies, practices, and projects that can be implemented to ensure a more sustainable future for PSTA and our community. PSTA's provision of providing a transportation alternative to the single occupancy vehicle is and always will be our primary sustainability initiative. The implementation of the SSP will demonstrate PSTA's commitment to



sustainability in every aspect of our agency both internally and for our larger Pinellas County community in lasting and meaningful ways.

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 2022 was 105 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 ribbon cutting), 2. Financial Stability (green background, photo of people with a laptop), 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

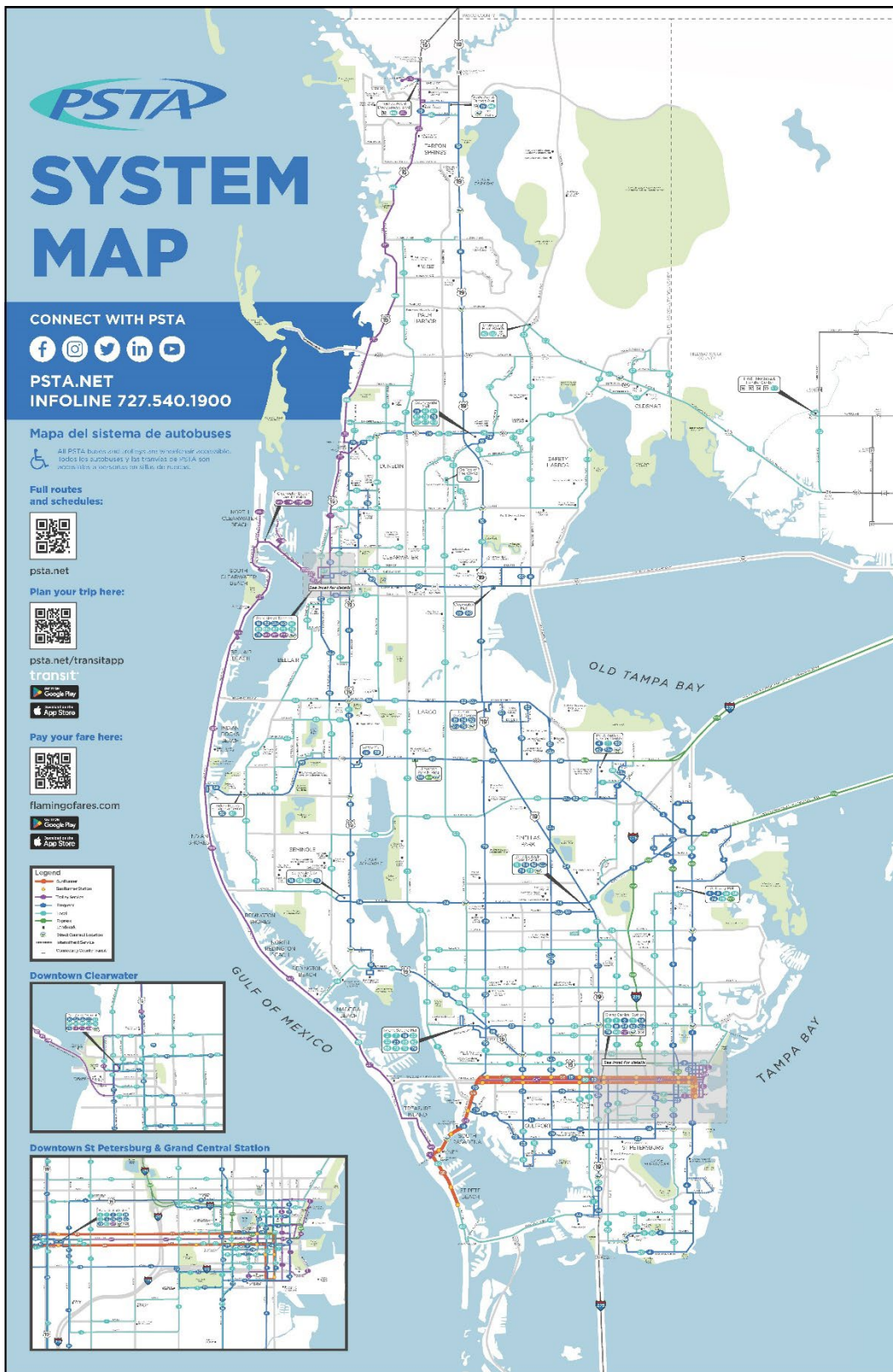
- AWESOME!
- Excellent
- Very Good
- Satisfactory

**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 2022



## **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 2023 fiscal year operating and capital budget totaling \$158.0 million. The FY 2023 budget is \$37.9 million or 31.5% over the FY 2022 budget projections with the majority of the increase related to capital projects including receipt of 13 sustainable electric replacement buses out the 60 ordered under an adopted strategy to replace with zero emission buses, electric infrastructure to support the electric buses, completion of the SunRunner Bus Rapid Transit Project, and design of the Clearwater Transit Center. 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 2023.

## **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:**

In FY 2022 PSTA utilized all the \$15,009,034 in Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) funds and \$7,090,748 of the \$43,004,431 in American Rescue Plan (ARP) funding. All of this funding is utilized for transportation related salaries. PSTA anticipates all the funds will be fully utilized by FYE 2024.

**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 2.4% as of September 30th is lower than the national rate of 3.5% and lower than the statewide rate of 2.7%. 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 2022 was 0.7500. For FY 2023, the PSTA Board approved maintaining the maximum millage rate of 0.7500 mills.

**Financial Policies:** During fiscal year 2022, 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, 2022, the Authority’s unrestricted net position totaled \$20.0 million.

**Awards**

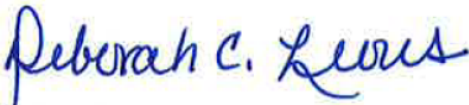
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to PSTA for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2021. This was the ninth consecutive year that the 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

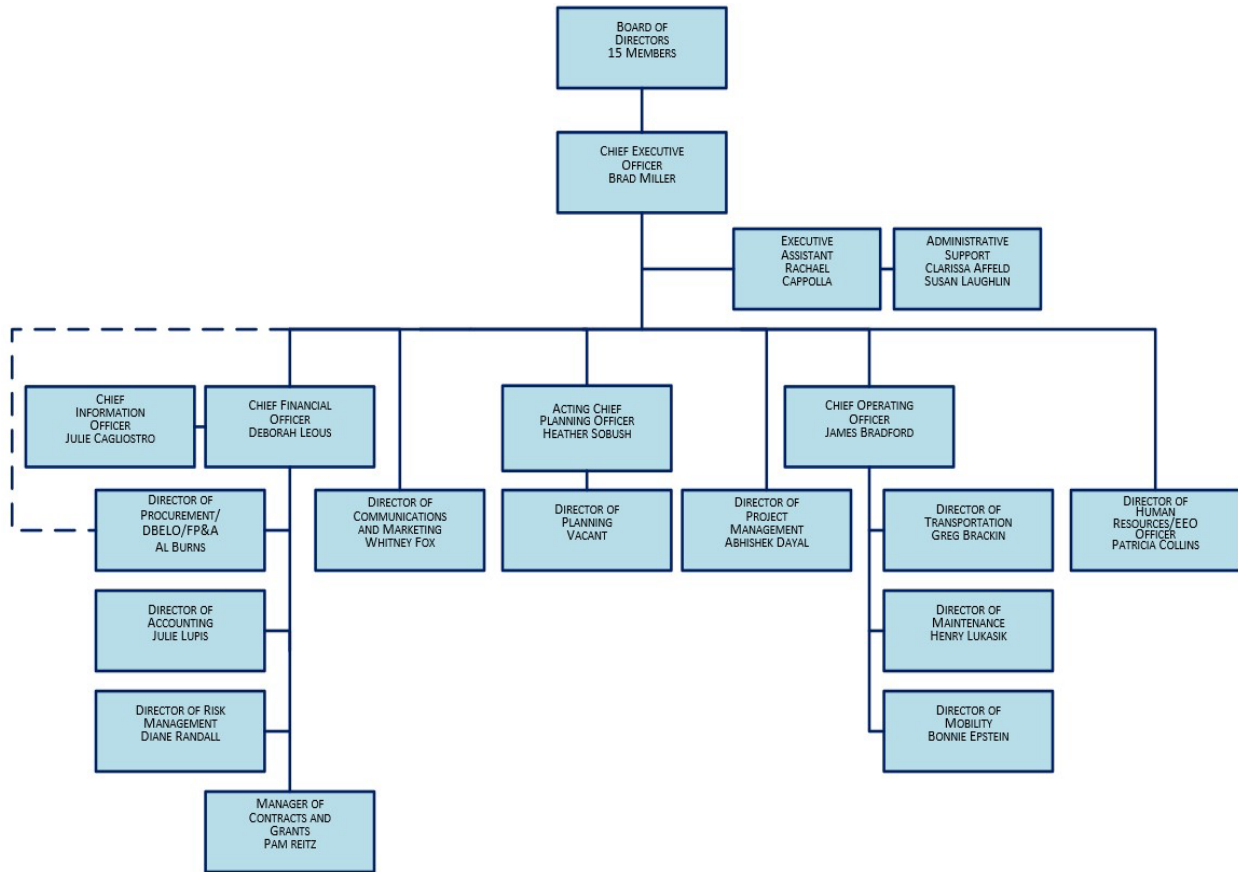
September 30, 2021

*Christopher P. Morill*

Executive Director/CEO

Organization Chart  
As of September 30, 2022

PSTA ORGANIZATION






# BOARD OF DIRECTORS

**Pinellas Suncoast Transit Authority**  
*As of September 30, 2022 Board of Directors, CEO, and General Counsel*



	<b>BOARD MEMBER/ ELECTED OFFICES</b>	<b>APPOINTING BODIES</b>	<b>CONTACT INFORMATION</b>
	<b>Chairperson</b> Pat Gerard Pinellas County Commissioner	Pinellas County Commission	315 Court Street Clearwater, FL 33756 Telephone: (727) 464-3360 E-mail: <a href="mailto:pgerard@pinellascounty.org">pgerard@pinellascounty.org</a>
	<b>Vice-Chairperson</b> Gina Driscoll St. Petersburg Councilmember	St. Petersburg	P.O. Box 2842 St. Petersburg, FL 33731 Telephone: (727) 551-3306 E-mail: <a href="mailto:gina.driscoll@stpete.org">gina.driscoll@stpete.org</a>
	<b>Secretary/Treasurer</b> Dan Saracki Oldsmar Mayor	Oldsmar Safety Harbor Tarpon Springs	100 State Street West Oldsmar, FL 34677 Telephone: (813) 749-1100 E-mail: <a href="mailto:dsaracki@myoldsmar.com">dsaracki@myoldsmar.com</a>
	David Allbritton Clearwater Councilmember	Clearwater	600 Cleveland Street Clearwater, FL 33756 Telephone: (727) 224-4000 E-mail: <a href="mailto:david.allbritton@myclearwater.com">david.allbritton@myclearwater.com</a>
	Richard Bennett North Redington Beach Commissioner	Belleair Beach# Belleair Shore# Indian Rocks Beach Indian Shores Madeira Beach North Redington Beach Redington Beach Redington Shores St. Pete Beach# Treasure Island#	190 – 173rd Avenue East North Redington Beach, FL 33708 Telephone: (727) 391-4848 Email: <a href="mailto:rbenn0469@aol.com">rbenn0469@aol.com</a>

	<b>BOARD MEMBER/ ELECTED OFFICES</b>	<b>APPOINTING BODIES</b>	<b>CONTACT INFORMATION</b>
	Vince Cocks Pinellas County Citizen	Pinellas County Commission	2950 63rd Ave. S St. Petersburg, FL 33712 Telephone: (727) 455-0944 E-mail: <a href="mailto:vincecocks@gmail.com">vincecocks@gmail.com</a>
	Deborah Figgs- Sanders St. Petersburg Councilmember	St. Petersburg	P.O. Box 2842 St. Petersburg, FL 33731 Telephone: (727) 551-3305 E-mail: <a href="mailto:Deborah.Figgs-Sanders@stpete.org">Deborah.Figgs- Sanders@stpete.org</a>
	Rene Flowers Pinellas County Commissioner	Pinellas County Commission	315 Court Street Clearwater, FL 33756 Telephone: (727) 464-3614 E-mail: <a href="mailto:rflowers@pinellascounty.org">rflowers@pinellascounty.org</a>
	Jeff Gow Dunedin Vice-Mayor	Dunedin	P.O. Box 1348 Dunedin, FL 34697-1348 Telephone: (727) 298-3006 E-mail: <a href="mailto:jgow@dunedinfl.net">jgow@dunedinfl.net</a>
	Jim Olliver Seminole Vice-Mayor	Belleair Belleair Bluffs Gulfport Kenneth City# Seminole South Pasadena	9199 – 113 <sup>th</sup> Street Seminole, FL 33772 Telephone: (727) 391-0203 x102 E-mail: <a href="mailto:jolliver@myseminole.com">jolliver@myseminole.com</a>
	Kathleen Peters Pinellas County Commissioner	Pinellas County Commission	315 Court Street Clearwater, FL 33756 Telephone: (727) 464-3568 E-mail: <a href="mailto:kpeters@pinellascounty.org">kpeters@pinellascounty.org</a>
	Patti Reed Pinellas Park Councilwoman	Pinellas Park	5141 78 <sup>th</sup> Avenue North Pinellas Park, FL 33781 Telephone: (727) 369-0618 E-mail: <a href="mailto:preed@pinellas-park.com">preed@pinellas-park.com</a>



	<b>BOARD MEMBER/ ELECTED OFFICES</b>	<b>APPOINTING BODIES</b>	<b>CONTACT INFORMATION</b>
	James (Jamie) Robinson City of Largo Commissioner	Largo	P.O. Box 296 Largo FL 33779 Telephone: (727) 587-6702 E-mail: <a href="mailto:jarobins@largo.com">jarobins@largo.com</a>
	Karen Seel Pinellas County Commissioner	Pinellas County Commission	315 Court Street Clearwater, FL 33756 Telephone: (727) 464-3278 E-mail: <a href="mailto:kseel@pinellascounty.org">kseel@pinellascounty.org</a>
	Joshua Shulman St. Petersburg Citizen	St. Petersburg	2450 Sunset Point Rd, Suite C Clearwater, FL 33765 Telephone: (727) 474-9922 E-mail: <a href="mailto:josh@sherpawealthpartners.com">josh@sherpawealthpartners.com</a>

# - These cities are not members of the Transit Authority (St. Pete Beach and Treasure Island receive service via contract)

	<b>CHIEF EXECUTIVE OFFICER</b>	<b>CONTACT INFORMATION</b>
	Brad Miller Pinellas Suncoast Transit Authority 3201 Scherer Drive St. Petersburg, FL 33716	Telephone: (727) 540-1800 Fax: (727) 540-1913 E-mail: <a href="mailto:bmiller@psta.net">bmiller@psta.net</a>
	<b>GENERAL COUNSEL</b>	<b>CONTACT INFORMATION</b>
	Alan Zimmet Bryant Miller Olive One Tampa City Center, Suite 2700 Tampa, FL 33602	Telephone: (813) 273-6677 Fax: (813) 223-2705 E-mail: <a href="mailto:azimmet@bmolaw.com">azimmet@bmolaw.com</a>

**Directory of Officials  
As of September 30, 2022**



**Brad Miller, Chief Executive Officer**

**James Bradford, Chief Operating Officer**

**Deborah C. Leous, Chief Financial Officer**

**Julie Cagliostro, Chief Information Officer**

**Heather Sobush, Acting Chief Planning & Sustainability Officer**

**Alvin Burns, Director of Procurement and Financial Planning & Analysis/DBE Liaison Officer**

**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**

**Henry Lukasik, Director of Maintenance**

**Julie Lupis, Director of Accounting**

**Diane Randall, Director of Risk Management**

**Greg Brackin, 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 Audit of the Financial Statements

#### **Opinion**

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, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority as of September 30, 2022 and 2021 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.

#### **Emphasis of Matter**

As discussed in Note 3 to the financial statements, the Authority adopted the provisions of Governmental Accounting Standards Board Statement No. 87, *Leases*. As a result, net position has been restated. Additionally, as discussed in Note 14 to the financial statements, the fiscal 2021 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to these matters.

#### **Basis for Opinion**

We conducted our audit 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. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authorities ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### **Auditor’s Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

[cbh.com](http://cbh.com)

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### ***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 is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's 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.

Such information is the responsibility of management and was 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.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 26, 2023, 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 Authority's internal control over financial reporting and compliance.

*Cherry Bekaert LLP*

Tampa, Florida  
April 26, 2023

# PINELLAS SUNCOAST TRANSIT AUTHORITY

## Management's Discussion and Analysis

For the Year Ended September 30, 2022 and 2021  
(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, 2022 and 2021. 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 statements within this annual report consists of four parts: MD&A, basic financial statements, notes to the financial statements, and required supplementary information. 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, as well as required supplementary information for other postemployment benefits and pension plans.

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, 2022 and 2021  
(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 2022 FINANCIAL ANALYSIS OF THE AUTHORITY

- For FY 2022 the net position of the Authority is \$136.8 million. Of this amount, \$116.6 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 \$18.3 million for a two-months operating reserve and \$5.5 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 \$11.0 million in reserves for capital asset replacement.
- Total assets increased by \$6.1 million or 3.3% in FY 2022. Current assets increased by \$311.7 thousand or 0.4%, and noncurrent assets increased by \$6.1 million or 5.5%.
- The change in liabilities at the close of the fiscal year reflects an increase of \$21.5 million or 55.5%, primarily due to an increase in the net pension liability of \$23.0 million, offset by decreases in current liabilities.
- Based on the most recent actuarial valuation as of September 30, 2022, prepared by the Authority's independent actuary, PSTA risk management liabilities for general liability and workers' compensation increased by approximately \$853.8 thousand or 18.5% to \$5.5 million.
- The Authority's total net position increased by \$6.6 million or 5.1% from FY 2021. The increases in assets and deferred outflows of resources exceeded the changes in liabilities and deferred inflows. Deferred outflows increased by \$2.3 million or 20.3% and deferred inflows decreased by \$19.7 million or 77.6% due to pension related amounts.

### 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 \$37.4 million or 25.7% 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 \$19.6 million or 33.6% primarily due to a decrease in the net pension liability and post-employment benefits liability.



**PINELLAS SUNCOAST TRANSIT AUTHORITY**

**Management's Discussion and Analysis**

**For the Year Ended September 30, 2022 and 2021  
(Unaudited)**

- 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 \$1.5 million or 12.1% and deferred inflows increased by \$23.5 million or 1,219% due to pension related amounts.

**THE AUTHORITY'S CONDENSED STATEMENTS OF NET POSITION**

	<u>2022</u>	<u>2021</u>	<u>Dollar Increase (Decrease)</u>	<u>Percentage Change</u>	<u>2020</u>
<b>Assets:</b>					
Current assets	\$ 69,739,979	\$ 69,428,330 (1)	\$ 311,649	0.4%	\$ 59,923,188
Lease receivable	1,967,694	2,380,150 (1)	(412,456)	(17.3%)	-
Capital assets	<u>117,400,728</u>	<u>111,247,730</u>	<u>6,152,998</u>	<u>5.5%</u>	<u>85,762,071</u>
Total assets	<u>189,108,401</u>	<u>183,056,210</u>	<u>6,052,191</u>	<u>3.3%</u>	<u>145,685,259</u>
Deferred outflow of resources	<u>13,466,002</u>	<u>11,194,104 (2)</u>	<u>2,271,898</u>	<u>20.3%</u>	<u>12,732,588</u>
<b>Liabilities:</b>					
Current liabilities	10,218,290	12,737,687 (1)	(2,519,397)	(19.8%)	8,583,661
Noncurrent liabilities	<u>49,859,505</u>	<u>25,889,988</u>	<u>23,969,517</u>	<u>92.6%</u>	<u>49,641,697</u>
Total liabilities	<u>60,077,795</u>	<u>38,627,675</u>	<u>21,450,121</u>	<u>55.5%</u>	<u>58,225,358</u>
Deferred inflow of resources	<u>5,703,781</u>	<u>25,417,113 (1,2)</u>	<u>(19,713,332)</u>	<u>(77.6%)</u>	<u>1,926,407</u>
<b>Net position:</b>					
Net investment in capital assets	116,646,494	109,960,579	6,685,915	6.1%	85,482,712
Restricted	165,935	165,935	-	0.0%	159,449
Unrestricted	<u>19,980,398</u>	<u>20,079,013 (1)</u>	<u>(98,615)</u>	<u>(0.5%)</u>	<u>12,623,921</u>
Total net position	<u>\$ 136,792,827</u>	<u>\$ 130,205,525</u>	<u>\$ 6,587,300</u>	<u>5.1%</u>	<u>\$ 98,266,082</u>

(1) FY21 has been restated to conform to GASB 87 - see note 3 for more information.

(2) FY21 has been restated to show the net effect of an error correction - see note 14 for more information.

# PINELLAS SUNCOAST TRANSIT AUTHORITY

## Management's Discussion and Analysis

For the Year Ended September 30, 2022 and 2021  
(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 these statements will only affect future cash flows.

#### **The Following Summary Represents the FY 2022 Operating Results Compared to FY 2021:**

##### **Revenues**

- Total operating and non-operating revenues for FY 2022 totaled \$104,858,077 a \$8,619,420 increase or 9.0% over FY 2021.
- Passenger fares, including demand response fares, increased \$6,403,913 or 793.0% as a result of charging fares for the entire fiscal year. PSTA was fare free during the COVID-19 pandemic until July 2021.
- Advertising income increased \$295,479 or 39.2%.
- State operating assistance increased \$5,219,615 or 41,061.5% due to utilizing State grant funds that were set aside during the pandemic while CARES Act funding was utilized in its place.
- Other Federal grants decreased by \$7,891,431 or 24.6% primarily due to the reduction in remaining Federal Transit Administration (FTA) CARES, CRRSA and ARP Act grant funding.
- Special project assistance - state grants increased \$322,367 or 11.6% primarily due to the Transit Disadvantaged program funding program and funding for the Route 100X, 300X and North County Flex routes that was suspended while CARES and CRRSA funding was being utilized.
- Special project assistance – local grants increased \$125,363 or 8.4% due to increased funding for the Jolley Trolley, Suncoast Beach Trolley and Downtown St. Petersburg Looper service.
- Property tax revenues increased \$4,163,801 or 7.3% due to an increase in property values.
- Investment income increased \$155,228 or 85.4% due to increased interest rates.
- Fuel tax refunds increased \$29,647 or 4.7% due to increased fuel purchases.
- The net change in other revenues (expenses) of \$204,562 or 58.5% was primarily due to the insurance proceeds for a lightning strike that were recorded in the prior year.

# PINELLAS SUNCOAST TRANSIT AUTHORITY

## Management's Discussion and Analysis

For the Year Ended September 30, 2022 and 2021  
(Unaudited)

### Expenses

- Total operating expenses increased \$18,395,766 or 22% over FY 2021. The increase was due primarily to cost increases in salaries and related fringe benefits, diesel fuel, Paratransit Access and Mobility on Demand as riders returned coming out from COVID-19 pandemic and increases in actuarially determined pension benefits.
- Operations expenses increased \$9,403,415 or 23.7%. The increase was primarily due to the increased cost of diesel fuel, salaries due to union contract amendments and settlements, and to the increased actuarially determined pension benefits.
- Purchased transportation increased \$4,270,563 or 31.3% due increased ridership in Paratransit Access and Mobility on Demand.
- Maintenance expenses increased \$724,538 or 6.1% primarily due to increased actuarially determined pension benefits and by increases in salaries along with related fringe benefits.
- Administration and finance expenses increased \$3,435,728 or 19.7% primarily due to filled personnel vacancies, an actuarially determined increase in pension benefits, Regional Fare Network operating costs previously paid by Hillsborough Area Regional Transit Authority, and the purchase of Flamingo tickets and passes.
- Marketing expenses increased \$561,522 or 49.6% primarily due to an increase in salary and fringes and expenses related to SunRunner.

### Capital Grants and Other Related Revenues

Capital grants and other related revenues decreased by \$14,513,294 or 56.0% with no trolleys or buses being received in fiscal year 2022 as compared to fiscal 2021.

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

#### Revenues

- Total operating and non-operating revenues for FY 2021 totaled \$96,238,658, a \$8,381,842 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 \$24,704 or 3.2%.
- Federal maintenance assistance decreased \$4,571,000 or 100.0% as CARES Act funding was utilized in its place.

## PINELLAS SUNCOAST TRANSIT AUTHORITY

### Management's Discussion and Analysis

#### For the Year Ended September 30, 2022 and 2021 (Unaudited)

- 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 1<sup>st</sup> 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.
- The net change in other revenues (expenses) of \$259,413 or 286.8% 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.

**PINELLAS SUNCOAST TRANSIT AUTHORITY**

**Management's Discussion and Analysis**

**For the Year Ended September 30, 2022 and 2021  
(Unaudited)**

**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 did open in October of 2022.

**PINELLAS SUNCOAST TRANSIT AUTHORITY**

**Management's Discussion and Analysis**

**For the Year Ended September 30, 2022 and 2021  
(Unaudited)**

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

	<u>2022</u>	<u>2021</u>	<u>Dollar Increase (Decrease)</u>	<u>Percentage Change</u>	<u>2020</u>
Operating revenues:					
Passenger fares	\$ 6,321,793	\$ 626,777	\$ 5,695,016	908.6%	\$ 4,165,445
Demand response	889,677	180,781	708,897	392.1%	677,032
Advertising revenue	1,049,955	754,476 (1)	295,479	39.2%	779,180
Total operating revenues	<u>8,261,425</u>	<u>1,562,034</u>	<u>6,699,392</u>	<u>428.9%</u>	<u>5,621,657</u>
Nonoperating revenues:					
Federal maintenance assistance	-	-	-	0.0%	4,571,923
State operating assistance	5,232,327	12,712	5,219,615	41060.5%	4,709,570
Other federal grants	24,233,383	32,124,814	(7,891,431)	(24.6%)	12,515,684
Special project assistance - state grants	3,094,554	2,772,187	322,367	11.6%	4,448,877
Special project assistance - local grants	1,621,921	1,496,558	125,363	8.4%	1,412,272
Property tax revenues	61,276,418	57,112,617	4,163,801	7.3%	53,031,249
Investment income	336,922	181,694	155,228	85.4%	874,486
Fuel tax refunds	655,823	626,176	29,647	4.7%	580,645
Other, net	145,304	349,866 (1)	(204,562)	(58.5%)	90,453
Total nonoperating revenues	<u>96,596,652</u>	<u>94,676,624</u>	<u>1,920,028</u>	<u>2.0%</u>	<u>82,235,159</u>
Total operating and nonoperating revenues	<u>104,858,077</u>	<u>96,238,658</u>	<u>8,619,420</u>	<u>9.0%</u>	<u>87,856,816</u>
Operating expenses:					
Operations	49,054,428	39,651,013	9,403,415	23.7%	42,631,143
Purchased transportation	17,898,938	13,628,375	4,270,563	31.3%	10,538,164
Maintenance	12,531,630	11,807,092	724,538	6.1%	12,759,510
Administration and finance	20,888,864	17,453,136	3,435,728	19.7%	17,389,460
Marketing	1,693,871	1,132,349	561,522	49.6%	1,120,624
Total operating expenses	<u>102,067,731</u>	<u>83,671,966</u>	<u>18,395,766</u>	<u>22.0%</u>	<u>84,438,902</u>
Depreciation and amortization	<u>9,354,510</u>	<u>8,431,424</u>	<u>923,086</u>	<u>10.9%</u>	<u>8,725,291</u>
Total operating expenses and depreciation	<u>111,422,241</u>	<u>92,103,390</u>	<u>19,318,852</u>	<u>21.0%</u>	<u>93,164,193</u>
Gain (Loss) before capital grants	(6,564,164)	4,135,269	(10,699,432)	(258.7%)	(5,307,376)
Capital grants and other related revenues	11,415,708	25,929,002	(14,513,294)	(56.0%)	3,379,540
Contributed capital - local government	1,735,758	1,875,172	(139,414)	(7.4%)	690,790
Contributed capital - private sources	-	-	-	0.0%	8,884
Increase (decrease) in net position	6,587,302	31,939,443	(25,352,144)	(79.4%)	(1,228,162)
Net position, beginning of year	<u>130,205,525</u>	<u>98,266,082</u>	<u>31,939,443</u>	<u>32.5%</u>	<u>99,494,244</u>
Net position, end of year	\$ <u>136,792,827</u>	\$ <u>130,205,525</u> (1)	\$ <u>6,587,299</u>	<u>5.1%</u>	\$ <u>98,266,082</u>

(1) FY21 has been restated to conform to GASB 87.

# PINELLAS SUNCOAST TRANSIT AUTHORITY

## Management's Discussion and Analysis

For the Year Ended September 30, 2022 and 2021  
(Unaudited)

### CAPITAL ASSETS

The Authority has invested \$117.4 million in capital assets (net of accumulated depreciation and amortization). Approximately 39% of the investment represents revenue-generating equipment and 22% represents the building and improvements at the close of fiscal year September 30, 2022.

### Capital Assets, Net of Accumulated Depreciation

Significant projects in fiscal year 2022 include the construction on the SunRunner Bus Rapid Transit (BRT) project and the start of design for the Clearwater Multimodal Transit Center.

Additional information regarding capital assets can be found in Note 5 to the financial statements.

	2022	2021	Percent of Total		2020
			2022	2021	
Land	\$ 6,961,677	\$ 6,961,677	6%	6%	\$ 6,961,677
Buildings and improvements	25,706,553	27,275,353	22%	25%	28,612,666
Revenue equipment	46,075,729	31,680,384	39%	28%	36,725,194
Furniture and other	2,750,569	1,258,298	2%	1%	1,748,761
Leased assets	11,757	-	0%	0%	-
Capital assets in progress	35,894,443	44,072,018	31%	40%	11,714,773
Total	\$ 117,400,728	\$ 111,247,730	100%	100%	\$ 85,763,071

### Long-Term Debt Administration

The Authority has no long-term traditional debt financing.

### Economic Factors and Next Year's Budget and Rates

The FY 2023 budget assumes a full year of returning to full service. The budget assumes the impact of fare capping with the Regional Flamingo Fare Program and the launch of open payments 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, the cost of a monthly pass, they are no longer charged for additional trips during the pass period. The same option will be implemented in FY 2023 for open payments, starting with daily fare capping, and then with technology enhancements adding monthly fare capping.

In addition, PSTA is budgeting \$22.4 Million in ARP funding that will be used for Transportation and Maintenance 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 operational in FY 23 and on-going operational costs are included in the budget as well as a fare free period to introduce the new service to the public.

The economic environment within which PSTA operates shows signs of improvement post the COVID - 19 pandemic. Visitor travel to Florida and the Tampa Bay Region has increased. Regional real estate

# PINELLAS SUNCOAST TRANSIT AUTHORITY

## Management's Discussion and Analysis

### For the Year Ended September 30, 2022 and 2021 (Unaudited)

markets are attracting new residents to the area. The budget assumes a 13.5% increase in Property Tax Revenue over the FY 2022 forecast.

#### **FY 2023 BUDGET SUMMARY**

The PSTA Board approved the FY 2023 budget on October 5, 2022. The meeting was postponed from September 28<sup>th</sup> due to hurricane Ian. The FY 2023 Operating and Capital budget totaled \$158,016,200 compared to the FY 2022 budget of \$182,044,099. This is a \$24,027,899 or 13.2% decrease than the FY 2022 budget. In FY 2023, total operating budget expenses of \$113,276,130 and operating and non-operating revenues of \$114,320,990 will result in an operating surplus of \$1,044,860 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 2023 through FY 2027.

In addition, the Authority developed a five-year Capital Improvement Program Budget covering FY 2023 through FY 2027 with available funding for capital acquisition of vehicles and equipment, construction of the Clearwater Multimodal 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, 2022 and 2021**

Assets	<u>2022</u>	<u>as restated 2021</u>
<b>Current assets:</b>		
Cash and cash equivalents	\$ 51,014,533	\$ 49,977,242
Accounts receivable, net of allowance of \$0 and \$0	3,115,283	3,461,535
Lease receivable	412,456	357,841
Grants receivable	11,569,567	12,403,143
Inventories	3,142,486	2,716,943
Prepaid expenses	485,654	511,626
Total current assets	<u>69,739,979</u>	<u>69,428,330</u>
<b>Noncurrent assets:</b>		
Lease receivable	1,967,694	2,380,150
<b>Capital assets:</b>		
Land	6,961,677	6,961,677
Buildings and improvements	55,392,473	55,264,432
Revenue equipment	121,145,920	108,488,375
Furniture and other	10,758,254	9,632,977
Capital assets in progress	35,894,443	44,072,018
Right to use asset	13,310	-
	<u>230,166,077</u>	<u>224,419,479</u>
Less accumulated depreciation	112,763,796	113,171,749
Less accumulated amortization	1,553	-
Net capital assets	<u>117,400,728</u>	<u>111,247,730</u>
Total non current assets	<u>119,368,422</u>	<u>113,627,880</u>
Total assets	<u>189,108,401</u>	<u>183,056,210</u>
<b>Deferred Outflows of Resources</b>		
Deferred outflow of resources - other post-employment benefit related amounts	331,393	456,195
Deferred outflow of resources - pension related amounts	13,134,609	10,737,909
Total deferred outflow of resources	<u>13,466,002</u>	<u>11,194,104</u>
<b>Liabilities</b>		
<b>Current liabilities:</b>		
Accounts payable	6,261,989	5,975,304
Accrued expenses	1,838,259	2,788,847
Total other post-employment benefit liability	190,922	612,382
Compensated absences	55,565	53,957
Claims and judgments	1,713,526	1,445,215
Unearned revenue	147,048	1,811,450
Net pension liability due within one year	8,568	50,532
Lease liability	2,413	-
Total current liabilities	<u>10,218,290</u>	<u>12,737,687</u>
<b>Noncurrent liabilities:</b>		
Total other post-employment benefit liability	1,674,343	1,443,805
Compensated absences	3,096,624	3,007,009
Claims and judgments	3,766,538	3,181,057
Net pension liability	41,312,451	18,258,117
Lease liability	9,549	-
Total noncurrent liabilities	<u>49,859,505</u>	<u>25,889,988</u>
Total liabilities	<u>60,077,795</u>	<u>38,627,675</u>
<b>Deferred Inflows of Resources</b>		
Deferred inflow of resources - leases	2,632,523	3,090,167
Deferred inflow of resources - other post-employment benefit related amounts	960,856	992,263
Deferred inflow of resources - pension related amounts	2,110,402	21,334,683
Total deferred inflow of resources	<u>5,703,781</u>	<u>25,417,113</u>
<b>Net Position</b>		
Net investment in capital assets	116,646,494	109,960,579
Restricted grantor resources and contractually restricted cash	165,935	165,935
Unrestricted	19,980,398	20,079,013
Total net position	<u>\$ 136,792,827</u>	<u>\$ 130,205,525</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, 2022 and 2021**

	<u>2022</u>	<u>as restated 2021</u>
Operating revenues:		
Passenger fares	\$ 6,321,793	\$ 626,777
Demand response	889,677	180,781
Advertising revenue	1,049,955	754,476
	<u>8,261,425</u>	<u>1,562,034</u>
Total operating revenues		
Operating expenses:		
Operations	49,054,428	39,651,013
Purchased transportation	17,898,938	13,628,375
Maintenance	12,531,630	11,807,092
Administration and finance	20,888,864	17,453,136
Marketing	1,693,871	1,132,349
	<u>102,067,731</u>	<u>83,671,965</u>
Total operating expenses, before depreciation		
Operating loss before depreciation	<u>(93,806,308)</u>	<u>(82,109,931)</u>
Depreciation	9,352,957	8,431,424
Amortization	1,553	-
	<u>9,354,510</u>	<u>8,431,424</u>
Total depreciation and amortization		
Operating loss	<u>(103,160,818)</u>	<u>(90,541,355)</u>
Nonoperating revenues (expenses):		
State operating assistance grants	5,232,327	12,712
Other federal grants	24,233,383	32,124,814
Special project assistance – state grants	3,094,554	2,772,187
Special project assistance – local grants	1,621,921	1,496,558
Property tax revenues	61,276,418	57,112,617
Investment income	336,922	181,694
Fuel tax refunds	655,823	626,176
Other, net	145,304	349,866
	<u>96,596,652</u>	<u>94,676,624</u>
Total nonoperating revenues		
Gain (loss) before capital grants	<u>(6,564,164)</u>	4,135,269
Capital grants and other related revenues	<u>11,415,708</u>	<u>25,929,002</u>
Contributed capital - local government	1,735,758	1,875,172
Increase in net position	<u>6,587,302</u>	<u>31,939,443</u>
Net position, beginning of year	<u>130,205,525</u>	<u>98,266,082</u>
Net position, end of year	<u>\$ 136,792,827</u>	<u>\$ 130,205,525</u>

See accompanying notes to financial statements.

**PINELLAS SUNCOAST TRANSIT AUTHORITY**  
**Statements of Cash Flows**  
**For the Years Ended September 30, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
Cash flows from operating activities:		
Receipts from customers	\$ 8,607,676	\$ 550,910
Payments to suppliers	(40,724,791)	(27,182,726)
Payments to and on behalf of employees	(59,622,657)	(54,515,710)
	<u>(91,739,772)</u>	<u>(81,147,527)</u>
Net cash used in operating activities		
Cash flows from noncapital financing activities:		
Property tax revenues	61,276,418	57,112,617
Operating and special project assistance grants	30,768,490	32,027,138
Fuel tax refunds	655,826	626,176
Non-transportation revenue	490	243,900
	<u>92,701,224</u>	<u>93,009,831</u>
Net cash provided by noncapital financing activities		
Cash flows from capital and related financing activities:		
Purchases of capital assets	(14,303,676)	(32,323,519)
Capital grants	13,998,577	25,929,002
Principal paid on debt from leasing activities	(1,348)	-
Interest paid on debt from leasing activities	(395)	-
Proceeds from sale of capital assets	15,557	2,251
	<u>(291,285)</u>	<u>(6,392,266)</u>
Net cash used in capital financing activities		
Cash flows from investing activities:		
Proceeds from leasing activities	28,710	-
Investment income	338,414	181,694
	<u>367,124</u>	<u>181,694</u>
Net cash provided by investing activities		
Net increase (decrease) in cash and cash equivalents	1,037,291	5,651,732
Cash and cash equivalents, beginning of year	49,977,242	44,325,509
Cash and cash equivalents, end of year	<u>\$ 51,014,533</u>	<u>\$ 49,977,242</u>
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (103,160,818)	\$ (90,554,954)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	9,354,510	8,431,424
(Increase) decrease in assets and deferred outflows:		
Accounts receivable	346,252	(881,097)
Inventory	(425,544)	181,678
Prepaid expenses	25,972	(178,778)
OPEB and pension related deferred outflows	(2,271,898)	1,907,661
Increase (decrease) in liabilities and deferred inflows:		
Accounts payable	831,567	2,679,427
Accrued expenses	(950,588)	457,508
Compensated absences	91,223	160,017
Claims and judgments payable	853,792	715,424
OPEB and pension related liabilities and deferred inflows	3,565,760	(4,065,837)
	<u>(91,739,772)</u>	<u>(81,147,527)</u>
Net cash used in operating activities		
Schedule of noncash transactions:		
Purchase of capital assets included in accounts payable	742,272	1,287,154
Contributed capital assets	1,735,758	1,875,173
	<u>2,478,030</u>	<u>3,162,327</u>
Total Noncash Investing, Capital and Financing Activities		

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, 2022, 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; only money market bank deposits and certificates of deposit, measured at cost.

#### (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) Leases

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financing of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

PINELLAS SUNCOAST TRANSIT AUTHORITY

Notes to Financial Statements

(1) Summary of Significant Accounting Policies - Continued

The Entity adopted the requirements of the guidance effective October 1, 2020, and has applied the provisions of this standard to the beginning of the earliest comparative period presented.

(f) 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 the 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.

(g) 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 and amortization 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
Leased assets	Term of the lease

(h) 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.

(i) 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

# PINELLAS SUNCOAST TRANSIT AUTHORITY

## Notes to Financial Statements

### (1) Summary of Significant Accounting Policies – Continued

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.

#### (j) 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.

#### (k) 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.

#### (l) Claims and Judgments

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

#### (m) 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 assets that applies to future periods 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 assets that applies to future periods 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, with the addition of leases this fiscal year. These amounts will be recognized as reductions in post-employment benefit expense, pension expense, and lease expense in future years.

#### (n) 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.

# PINELLAS SUNCOAST TRANSIT AUTHORITY

## Notes to Financial Statements

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

**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”.

#### (o) 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 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).

#### (p) 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.

#### (q) 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.

#### (r) 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, with the exception of passes sold on Flamingo in which revenue is recorded as earned when the service is performed.

#### (s) 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 2022 and 2021 were 0.7500.

# PINELLAS SUNCOAST TRANSIT AUTHORITY

## Notes to Financial Statements

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

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 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, 2021 - Taxes are based on assessed property value at this date as determined by the Pinellas County Property Appraiser.

July 1, 2021 - Property assessment roll and certificates of value provided to the Authority by the Pinellas County Property Appraiser.

July 28, 2021 - 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 29, 2021 - Property tax millage rate resolution approved by the Board of Directors.

October 1, 2021 - Beginning of the year for which property taxes have been levied.

November 1, 2021 - Property taxes are due and payable.

April 1, 2022 - Unpaid property taxes become delinquent.

June 1, 2022 - 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



**PINELLAS SUNCOAST TRANSIT AUTHORITY**

**Notes to Financial Statements**

**(2) Description of Business - Continued**

appointed by the county and member cities in accordance with a formula provided by the enabling legislation and serve a three-year term.

**(3) Change in Accounting Principle**

The Authority adopted GASB Statement No. 87, Leases. This pronouncement requires the restatement of the September 30, 2021 net position as follows:

Total Short-Term Lease Receivable, September 30, 2021, as Previously Reported	\$	-
Cumulative Effect of Application of GASB Statement No. 87		357,841
Total Short-Term Lease Receivable, September 30, 2021, as Restated		<u>357,841</u>
Total Long-Term Lease Receivable, September 30, 2021, as Previously Reported	\$	-
Cumulative Effect of Application of GASB Statement No. 87		2,380,150
Total Long-Term Lease Receivable, September 30, 2021, as Restated		<u>2,380,150</u>
Total Deferred Inflows of Resources - Leases, September 30, 2021, as Previously Reported	\$	-
Cumulative Effect of Application of GASB Statement No. 87		(3,090,168)
Total Deferred Inflows of Resources - Lease, September 30, 2021, as Restated		<u>(3,090,168)</u>
Total Unearned Revenue September 30, 2021, as Previously Reported	\$	2,178,113
Cumulative Effect of Application of GASB Statement No. 87		(366,663)
Total Unearned Revenue, September 30, 2021, as Restated		<u>1,811,450</u>
Net Position, September 30, 2021, as Previously Reported	\$	130,191,040
Cumulative Effect of Application of GASB Statement No. 87		14,485
Net Position, September 30, 2021, as Restated		<u>\$ 130,205,525</u>

**(4) Cash and Cash Equivalents**

On September 30, 2022 and 2021, the carrying value of the Authority's cash and cash equivalents was as follows:

<b>Type</b>	<b>2022</b>	<b>2021</b>
Cash on hand	\$ 25,000	\$ 25,000
Petty cash	550	950
Demand deposits	5,818,383	6,421,155
Money market bank deposits	24,806,590	23,271,410
Certificates of deposit	<u>20,364,010</u>	<u>20,281,227</u>
Total cash and cash equivalents	<u>\$ 51,014,533</u>	<u>\$ 49,977,242</u>

The investment returns through fiscal year end September 30, 2022, totaled an average of 51 basis points compared to an average of 32 basis points through fiscal year end September 30, 2021.

# PINELLAS SUNCOAST TRANSIT AUTHORITY

## Notes to Financial Statements

### (4) Cash and Cash Equivalents - Continued

#### (a) Custodial Credit Risk

On September 30, 2022 and 2021, 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 2022 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

As of September 30, 2022, and 2021, the Authority's cash equivalents consisted of interest-bearing money market accounts and non-negotiable certificates of deposit held by a financial institution.

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 \$336,922 and \$181,694 of interest income on cash and cash equivalents for the years ended September 30, 2022 and 2021, 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 the safety of principal, liquidity, and finally yield. Also, as a means of limiting its exposure,

**PINELLAS SUNCOAST TRANSIT AUTHORITY**

**Notes to Financial Statements**

**(4) Cash and Cash Equivalents – Continued**

the Authority’s investment policy prohibits investments in U.S. Treasuries with maturities greater than five years. As of September 30, 2022, the Authority’s fixed income holdings consisted of two 12-month non-negotiable certificates of deposits for \$5,000,000 each, with a maximum maturity date of December 22, 2022, and an interest rate of .20% and two 3-month non-negotiable certificates of deposits for \$5,000,000 each, with a maximum maturity date of November 2, 2022 and an interest rate of 2.25%. 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 interest rate of .25%.

**(d) Concentration of Credit Risk**

During FY 2022 and 2021, 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**

	<b>Investment</b>	<b>Portfolio Maximum</b>	<b>Issuer Limitation</b>	<b>Maximum Maturity</b>
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% <b>(1)</b>	10%	60 days
F.	Commercial Paper	10%	5%	5 years
G.	Asset-Backed Corporate Notes	10%	3%	5 years <b>(2)</b>
H.	SEC-Registered Money Market Mutual Funds	10%	10%	90 days <b>(3)</b>
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**

**(5) Capital Assets**

Capital asset activity for the years ended September 30, 2022, and 2021, was as follows:

	<u>October 1 2021</u>	<u>Additions</u>	<u>Transfers, Disposals and Impairments</u>	<u>September 30 2022</u>
Nondepreciable assets:				
Land	\$ 6,961,677	\$ -	\$ -	\$ 6,961,677
Capital assets in progress	<u>44,072,018</u>	<u>14,936,226</u>	<u>23,113,801</u>	<u>35,894,443</u>
Total nondepreciable assets	<u>51,033,695</u>	<u>14,936,226</u>	<u>23,113,801</u>	<u>42,856,120</u>
Depreciable assets:				
Buildings and improvements	55,264,432	241,034	112,993	55,392,473
Revenue equipment	108,488,375	21,272,684	8,615,139	121,145,920
Furniture and other equipment	9,632,977	2,158,409	1,033,132	10,758,254
Leased assets	<u>-</u>	<u>13,310</u>	<u>-</u>	<u>13,310</u>
Total depreciable assets	<u>173,385,784</u>	<u>23,685,437</u>	<u>9,761,264</u>	<u>187,309,957</u>
Total at historical cost	<u>224,419,479</u>	<u>38,621,663</u>	<u>32,875,065</u>	<u>230,166,077</u>
Less accumulated depreciation and amortization for:				
Buildings and improvements	27,989,079	1,809,834	112,993	29,685,920
Revenue equipment	76,807,991	6,877,339	8,615,139	75,070,191
Furniture and other equipment	8,374,679	665,784	1,032,778	8,007,685
Leased assets	<u>-</u>	<u>1,553</u>	<u>-</u>	<u>1,553</u>
Total accumulated depreciation and amortization	<u>113,171,749</u>	<u>9,354,510</u>	<u>9,760,910</u>	<u>112,765,349</u>
Capital assets, net	<u>\$ 111,247,730</u>	<u>\$29,267,153</u>	<u>\$ 23,114,155</u>	<u>\$ 117,400,728</u>

**PINELLAS SUNCOAST TRANSIT AUTHORITY**

**Notes to Financial Statements**

**(5) Capital Assets - Continued**

Capital asset activity for the years ended September 30, 2021 and 2020, was 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

(6) Net Position

Unrestricted net position at September 30, 2022 and 2021, consists of the following:

	<u>2022</u>	<u>2021</u>
Operating reserves	\$ 19,980,398	\$ 20,079,013
Unrestricted net position	<u>\$ 19,980,398</u>	<u>\$ 20,079,013</u>

Restricted net position represents the Federal Transit Administration's interest in a disposed grant asset for which the Authority received permission to use in 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, 2022 and 2021, are as follows:

	<u>2022</u>	<u>2021</u>
Grantor resources and contractually restricted cash	<u>\$ 165,935</u>	<u>\$ 165,935</u>

**PINELLAS SUNCOAST TRANSIT AUTHORITY**

**Notes to Financial Statements**

**(7) Long-Term Liabilities**

Activity relating to the Authority's long-term liabilities during the years ending September 30, 2022 and 2021 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>
<b><u>Balance at September 30, 2022</u></b>						
OPEB	\$ 2,056,187	\$ -	\$ 190,922	\$ 1,865,265	\$ 190,922	\$ 1,674,343
Compensated absences	3,060,966	4,111,735	4,020,512	3,152,189	55,565	3,096,624
Claims and judgements	4,626,272	2,853,725	1,999,933	5,480,064	1,713,526	3,766,538
Lease liability	-	11,962	-	11,962	2,413	9,549
Net pension liability	<u>18,308,649</u>	<u>24,148,704</u>	<u>1,136,334</u>	<u>41,321,019</u>	<u>8,568</u>	<u>41,312,451</u>
Total long term liabilities	<u>\$ 28,052,074</u>	<u>\$ 31,126,126</u>	<u>\$ 7,347,701</u>	<u>\$ 51,830,499</u>	<u>\$ 1,970,994</u>	<u>\$ 49,859,505</u>
<b><u>Balance at September 30, 2021</u></b>						
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>

**(8) 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 four 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 are 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 \$10,214,284 and \$9,622,293 for the years ending September 30, 2022 and 2021, 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, 2022 and 2021, no liability for claims payable and incurred but not reported claims has been established.

**PINELLAS SUNCOAST TRANSIT AUTHORITY**

**Notes to Financial Statements**

**(8) Risk Management - Continued**

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

	<u>Workers'</u> <u>Compensation</u>	<u>General</u> <u>Liability</u>	<u>Total</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	\$ 1,134,823	\$ 3,491,449	\$ 4,626,272
Claims incurred	653,258	2,200,467	2,853,725
Claim payments	<u>(686,042)</u>	<u>(1,313,891)</u>	<u>(1,999,933)</u>
Claims reserve - September 30, 2022	<u>\$ 1,102,039</u>	<u>\$ 4,378,025</u>	<u>\$ 5,480,064</u>
	<u>2022</u>	<u>2021</u>	
Claims and judgments			
Due within one year	\$ 1,713,526	\$ 1,445,215	
Due in more than one year	<u>3,766,538</u>	<u>3,181,057</u>	
	<u>\$ 5,480,064</u>	<u>\$ 4,626,272</u>	

**(9) 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

### (9) **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](http://www.dms.myflorida.com/workforce_operations/retirement/publications)).

The Authority's pension expense totaled \$5,791,663 and \$1,601,401 for both the FRS Pension Plan and HIS Plan for the fiscal years ended September 30, 2022 and 2021, respectively. The Authority's pension liability totaled \$41,321,019 and \$18,308,649 for the FRS Pension Plan and HIS Plan for the fiscal years ended September 30, 2022 and 2021, respectively. The Authority's deferred inflows totaled \$2,110,402 and \$21,334,683 for both the FRS Pension Plan and the HIS Plan for the fiscal years ended September 30, 2022 and 2021, respectively. The Authority's deferred outflows totaled \$13,134,609 and \$10,737,909 for both the FRS Pension Plan and HIS Plan for the fiscal years ended September 30, 2022 and 2021, 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,

**PINELLAS SUNCOAST TRANSIT AUTHORITY**

**Notes to Financial Statements**

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

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 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>
<b>Regular Class members initially enrolled before July 1, 2011</b>	
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
<b>Regular Class members initially enrolled on or after July 1, 2011</b>	
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.

**PINELLAS SUNCOAST TRANSIT AUTHORITY**

**Notes to Financial Statements**

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

**(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.

The Authority's contributions to the FRS Plan were \$3,705,628 and \$3,073,293 for the years ended September 30, 2022 and 2021, respectively.

**Contribution Rates - Employer - 2022**

<u>Job Class</u>	<u>October 1, 2021 - June 30, 2022</u>	<u>July 1, 2022 - September 30, 2022</u>
Regular	10.82%	11.91%
Special Risk	25.89%	27.83%
Special Risk Administrative Support	37.76%	38.65%
Elected County Officers	51.42%	57.00%
Senior Management	29.01%	31.57%
DROP Participants	18.34%	18.60%
Above rates include HIS Plan subsidy of:	1.66%	1.66%

**Contribution Rates - Employer - 2021**

<u>Job Class</u>	<u>October 1, 2020 - 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%

**(d) Pension Costs**

On September 30, 2022 and 2021, the Authority reported a liability of \$29,986,852 and \$5,838,148, 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

**PINELLAS SUNCOAST TRANSIT AUTHORITY**

**Notes to Financial Statements**

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

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, 2022, the Authority’s proportion was 0.08059%, which was an increase of 0.00331% from its proportion measured as of June 30, 2021. 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.

For the year ended September 30, 2022, the Authority recognized pension expense of \$4,941,707 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 – 2022**

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 1,424,202	\$ -
Changes in Actuarial Assumptions	3,693,006	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,980,028	-
Changes in Proportion and Differences Between Entity Contributions and Proportionate Share of Contributions	2,755,291	171,420
Entity Contributions Subsequent to the Measurement Date	<u>1,040,806</u>	<u>-</u>
Total	<u><u>\$ 10,893,333</u></u>	<u><u>\$ 171,420</u></u>

\$1,040,806 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, 2023. 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:

**PINELLAS SUNCOAST TRANSIT AUTHORITY**

**Notes to Financial Statements**

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

<u>Year Ended September 30</u>	<u>Amount</u>
2023	\$ 2,412,223
2024	1,317,517
2025	56,331
2026	5,542,860
2027	352,146
Thereafter	-

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**

<u></u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
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	774,203	-
Total	<u>\$ 8,452,970</u>	<u>\$ 20,643,710</u>

**PINELLAS SUNCOAST TRANSIT AUTHORITY**

**Notes to Financial Statements**

**(9) 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, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	July 1, 2022	July 1, 2021
Measurement Date	June 30, 2022	June 30, 2021
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	6.70%	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 – 2022**

<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%	2.6%	2.6%	1.1%
Fixed Income	19.8%	4.4%	4.4%	3.2%
Global Equity	54.0%	8.8%	7.3%	17.8%
Real Estate (Property)	10.3%	7.4%	6.3%	15.7%
Private Equity	11.1%	12.0%	8.9%	26.3%
Strategic Investments	3.8%	6.2%	5.9%	7.8%
Totals	<u>100%</u>			
Assumed Inflation – Mean			2.4%	1.3%

**PINELLAS SUNCOAST TRANSIT AUTHORITY**

**Notes to Financial Statements**

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

**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%

**(f) Discount Rate**

The discount rate used to measure the total pension liability was 6.70% for the FRS Plan for the actuarial valuation date July 1, 2022 and 6.80% for the actuarial valuation date July 1, 2021. 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 – 2022**

<u>Description</u>	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase in Discount Rate</u>
FRS Plan Discount Rate	5.70%	6.70%	7.70%
Authority’s Proportionate Share of the FRS Plan Net Pension Liability	\$ 51,860,199	\$ 29,986,852	\$ 11,698,132

**PINELLAS SUNCOAST TRANSIT AUTHORITY**

**Notes to Financial Statements**

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

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

**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 Liability (Asset)	\$ 26,108,591	\$ 5,838,148	\$ (11,105,669)

**(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](http://www.dms.myflorida.com/workforce_operations/retirement/publications/annual_reports).

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

At September 30, 2022 and 2021 the Authority reported no payables for outstanding amounts of contributions to the FRS plan.



# PINELLAS SUNCOAST TRANSIT AUTHORITY

## Notes to Financial Statements

### (9) 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, 2022 and 2021, 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, 2022 and 2021, 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 \$694,646 and \$609,936 for the years ended September 30, 2022 and 2021, respectively.

##### (d) Pension Costs

At September 30, 2022 and 2021, the Authority reported a liability of \$11,334,167 and \$12,470,501, 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, 2022, the Authority's proportion was 0.10701% which was an increase of 0.00535% from its proportion measured as of June 30, 2021. At June 30, 2021, the Authority's proportion was 0.10166% which was a decrease of 0.00276% from its proportion measured as of June 30, 2020.

**PINELLAS SUNCOAST TRANSIT AUTHORITY**

**Notes to Financial Statements**

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

**(d) Pension Costs - Continued**

For the year ended September 30, 2022, the Authority recognized pension expense of \$849,956 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 - 2022**

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 344,019	\$ 49,871
Changes in Actuarial Assumptions	649,682	1,753,388
Net Difference Between Projected and Actual Earnings on HIS Program Investments	16,409	-
Changes in Proportion and Differences Between Authority Contributions and Proportionate Share of Contributions	1,041,221	135,693
Authority Contributions Subsequent to the Measurement Date	189,945	-
Total	\$ 2,241,276	\$ 1,938,982

\$189,945 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, 2023. 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
2023	\$66,067
2024	89,151
2025	135,465
2026	25,176
2027	(135,893)
Thereafter	(67,617)

**PINELLAS SUNCOAST TRANSIT AUTHORITY**

**Notes to Financial Statements**

**(9) 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**

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
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	<u>\$ 2,284,939</u>	<u>\$ 690,973</u>

PINELLAS SUNCOAST TRANSIT AUTHORITY

Notes to Financial Statements

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

(e) **Actuarial Assumptions**

The total pension liability in the July 1, 2022 and July 1, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	July 1, 2022	July 1, 2021
Measurement Date	June 30, 2022	June 30, 2021
Inflation per year	2.40%	2.40%
Salary Increases, including inflation	3.25%	3.25%
Municipal Bond Rate	3.54%	2.16%

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 3.54% and 2.16% for the HIS Plan for the actuarial valuation date July 1, 2022 and July 1, 2021, 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:

**PINELLAS SUNCOAST TRANSIT AUTHORITY**

**Notes to Financial Statements**

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

**HIS Pension Liability Sensitivity - 2022**

<u>Description</u>	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase in Discount Rate</u>
HIS Plan Discount Rate	2.54%	3.54%	4.54%
Authority's Proportionate Share of the HIS Plan Net Pension Liability	\$ 12,967,218	\$ 11,334,167	\$ 9,982,851

**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

**(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](http://www.dms.myflorida.com/workforce_operations/retirement/publications).

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

At September 30, 2022 and 2021 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

### **(9) 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, 2020 then 0.06% of payroll through contribution of 0.06% of payroll through June 30, 2021 then 0.06% of payroll through September 30, 2022 and by forfeited benefits of plan members. Allocations to the member accounts as of September 30, 2022, as established by Section 121.72, Florida Statutes, were based on a percentage of gross compensation, by class, as follows: Regular class 9.30%, Special Risk Administrative Support class 10.95%, Special Risk class 17.00%, Senior Management Service class 10.67% and County Elected Officers class 14.34%. 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, 2022 and 2021, 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 \$917,864 and \$662,135 for the years ended September 30, 2022 and 2021, respectively. Employee contributions to the Investment Plan totaled \$246,949 and \$194,459 for the years ended September 30, 2022 and 2021, respectively.

# PINELLAS SUNCOAST TRANSIT AUTHORITY

## Notes to Financial Statements

### (10) 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**

**(10) Postemployment Benefits Other Than Pensions (OPEB) - Continued**

**(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	2
Retirees entitled to but not yet receiving benefits	-
Active Employees	577
	579
	579

**(b) Total OPEB Liability**

At September 30, 2022 and 2021, the Authority reported a liability of \$1,865,265 and \$2,056,187, respectively, for its total OPEB liability. The total OPEB liability was measured as of September 30, 2022 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	4.50%
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 4.77% 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, 2022. 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**

**(10) Postemployment Benefits Other Than Pensions (OPEB) - Continued**

**(d) Changes in Total OPEB Liability**

	<u>2022</u>	<u>2021</u>
Changes for the Year:		
Service Costs	170,462	219,738
Interest on OPEB obligation	53,199	67,522
Experience	(62,178)	(356,266)
Assumptions	(277,187)	(369,176)
Employer contributions	<u>(75,218)</u>	<u>(174,200)</u>
Change in total OPEB obligation	(190,922)	(612,382)
Total OPEB obligation - beginning of year	<u>2,056,187</u>	<u>2,668,569</u>
Total OPEB obligation - end of year	<u>\$ 1,865,265</u>	<u>\$ 2,056,187</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- 2022**

<u>Description</u>	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
OPEB Plan Discount Rate	3.77%	4.77%	5.77%
Total OPEB liability	\$ 1,754,780	\$ 1,865,265	\$ 1,980,962

**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

**PINELLAS SUNCOAST TRANSIT AUTHORITY**

**Notes to Financial Statements**

**(10) 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 – 2022**

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	\$ 2,111,908	\$ 1,865,265	\$ 1,655,479

**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

**(g) OPEB Costs**

For the year ended September 30, 2022, the Authority recognized OPEB expense (benefit) of \$22,308. In addition, the Authority reported OPEB deferred outflows of resources and deferred inflows of resources from the following sources:

**OPEB Deferred Inflows/Outflows – 2022**

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 5,525	\$ 478,557
Changes in Actuarial Assumptions	325,868	482,299
Total	\$ 331,393	\$ 960,856

**PINELLAS SUNCOAST TRANSIT AUTHORITY**

**Notes to Financial Statements**

**(10) 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:

Year Ended September 30	Amount
2023	(161,129)
2024	(117,153)
2025	(117,153)
2026	(117,468)
2027	(116,550)
Thereafter	0

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 – as restated see note 14**

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 21,704	\$ 664,206
Changes in Actuarial Assumptions	434,491	328,057
Total	\$ 456,195	\$ 992,263

**(11) Leases-Lessor**

The Authority, acting as lessor, leases certain premises for general office use and operations and advertising space under long-term, non-cancelable lease agreements. The leases expire at various dates through 2033 and provide for renewal options ranging from five to ten years. During the year ended September 30, 2022 and 2021, the Entity recognized \$457,645 and \$112,163 and \$55,373 and \$12,454 in lease revenue and interest revenue, respectively, pursuant to these contracts.

Some leases require variable payments based on future performance of the lessee or usage of the underlying asset and are not included in the measurement of the lease receivable. Those variable payments are recognized as inflows of resources in the periods in which the payments are received. During the year ended September 30, 2022 and 2021, the Entity received variable payments as required by lease agreements totaling \$485,285 and \$54,392, respectively.

**PINELLAS SUNCOAST TRANSIT AUTHORITY**

**Notes to Financial Statements**

**(11) Leases-Lessor - Continued**

Total future minimum lease payments to be received under lease agreements are as follows:

**Future Minimum Lease Payment to be Received – 2022**

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 412,456	\$ 97,548	\$ 510,004
2024	447,649	80,688	528,337
2025	452,282	62,718	515,000
2026	505,944	44,056	550,000
2027	561,819	23,181	585,000
Total minimum lease payments	<u>\$ 2,380,150</u>	<u>\$ 308,191</u>	<u>\$ 2,688,341</u>

**Future Minimum Lease Payment to be Received – 2021**

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 357,841	\$ 112,163	\$ 470,004
2023	412,456	97,548	510,004
2024	447,649	80,688	523,337
2025	452,282	62,718	515,000
2026	505,944	44,056	550,000
2027-2031	561,819	23,181	585,000
Total minimum lease payments	<u>\$ 2,737,991</u>	<u>\$ 420,354</u>	<u>\$ 3,158,345</u>

**(12) Leases-Lessee**

The Entity leases equipment under long-term, non-cancelable lease agreements. The lease expires March 2027 and provides for no renewal options.

Total future minimum lease payments under the lease agreement are as follows:

**Future Minimum Lease Payment– 2022**

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 2,413	\$ 575	\$ 2,988
2024	2,547	441	2,988
2025	2,688	300	2,988
2026	2,837	151	2,988
2027	1,477	17	1,494
lease payments	<u>\$ 11,962</u>	<u>\$ 1,484</u>	<u>\$ 13,446</u>

# PINELLAS SUNCOAST TRANSIT AUTHORITY

## Notes to Financial Statements

### (12) Leases-Lessee - Continued

The Authority also leases trolley services, tires, and uniforms for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through 2025 and provide for renewal options ranging from one to three years.

These leases require variable payments based on future performance of the lessee or usage of the underlying asset and are not included in the measurement of the lease liability. Those variable payments are recognized as outflows of resources in the periods in which the obligation for those payments is incurred. During the year ended September 30, 2022 and 2021, the Entity made variable payments as required by lease agreements totaling \$ 3,201,970 and \$2,741,337, respectively.

### (13) 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, 2022. The major projects and contracts include the SunRunner BRT, the purchase of trolleys and electric buses.

**PINELLAS SUNCOAST TRANSIT AUTHORITY**

**Notes to Financial Statements**

**(13) Commitments and Contingencies - Continued**

**Projects/Contracts  
As of September 30, 2022**

<b>Project / Contracts</b>	<b>Committed</b>	<b>Remaining</b>
Electric Buses Year 1	\$ 13,220,489	\$ 13,220,489
Electric Bus Year 2	25,685,664	25,685,664
Electric Chargers Year 1	1,833,356	1,833,356
Electric Chargers Year 2	3,661,712	3,661,712
ADA Landing Pads	189,917	118,513
Shelters	1,489	0
Clearwater Multimodal Terminal	683,343	369,673
SunRunner Bus Rapid Transit	15,636,803	4,068,450
County Fiber ATM Connection	37,095	0
I 275 Bus on Shoulder	813	0
Solar Project	12,728	343
Heavy Duty Vehicle Lifts	345,546	0
Purchase Electric LowNo Buses	176,280	116,059
Purchase Electric Replacement Buses (B&BF)	2,347,543	2,009,335
NTD Consultant	14,200	400
Trolley Purchase	206,290	0
Security & Safety Systems	301,663	82,554
Electrical Room Infrastructure Study	86,365	71,034
On-Route Charging Station	6,600	0
Server & Phone Hardware	11,311	7,111
Hastus Software	21,493	0
Upgrade Paratransit Software	422,000	422,000
Travel Trainer	125,000	92,790
Applicant Tracking	3,995	0
TDP Consultant	12,578	12,578
General Technical Support	49,657	34,120
Ferry Service Development	34,713	18,569
Transit Oriented Development Project	\$ 37,227	\$ 22,627
<b>Total</b>	<b>\$ 65,165,870</b>	<b>\$ 51,847,377</b>

PINELLAS SUNCOAST TRANSIT AUTHORITY

Notes to Financial Statements

(14) **Correction of an Error in Previously Issued Financial Statement**

During the year ended September 30 2022, The Authority determined that Deferred outflows of resources – other post-employment benefit related amounts and Deferred inflows of resources – other post-employment benefit related amounts were misstated in the prior year but did not result in any needed adjustment to net position. The effect of the correcting entry is shown in the tables below:

	<u>Balance per FY21 Financials</u>	<u>Balance per Final OPEB Report</u>	<u>Difference</u>
OPEB deferred outflow	\$ 87,018	\$ 456,195	\$ 369,177
OPEB deferred inflow	\$ 623,086	\$ 992,263	\$ (369,177)

(15) **Subsequent Events**

The Authority has evaluated subsequent events through April 26, 2023, in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued.

**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)**

<b>Other Postemployment Benefits (OPEB) Plan Last Ten Fiscal Years*</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
OPEB Liability Beginning of Year	\$ 2,056,187	\$ 2,668,569	\$ 2,452,283	\$ 2,067,165	\$ 1,923,009	\$ 2,905,979	\$ 2,943,847
Changes for the Year:							
Service Cost	170,462	219,738	188,521	87,502	89,211	107,472	107,215
Interest on OPEB Liability	53,199	67,522	92,269	76,146	68,184	77,647	78,460
Changes of Benefit Terms	-	-	-	-	-	-	-
Difference Between Actual and Expected Experience	(62,178)	(356,266)	(91,621)	(231,264)	86,420	(844,549)	24,974
Changes of Assumptions	(277,187)	(369,176)	155,158	579,342	-	(96,494)	-
Benefit Payments	(75,218)	(174,200)	(128,041)	(126,608)	(99,659)	(227,046)	(248,517)
OPEB Liability End of Year	<u>\$ 1,865,265</u>	<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-employee Payroll	<u>\$ 29,753,116</u>	<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-employee Payroll	6.27%	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 were the termination tables.

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\***

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Authority's Proportion of the Net Pension Liability	0.080592408%	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	\$ 29,986,852	\$ 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 **	\$ 39,142,294	\$ 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	76.61%	16.22%	86.56%	71.10%	64.30%	65.26%	57.20%	31.52%	15.12%
Plan Fiduciary Net Position as a percentage of the total Pension Liability	82.49 %	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 covered payroll is 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\***

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Authority's Proportion of the Net Pension Liability	0.107010935%	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	\$ 11,334,167	\$ 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	\$ 39,142,294	\$ 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	28.96%	34.64%	35.18%	33.45%	32.40%	33.51%	37.74%	33.62%	31.46%
Plan Fiduciary Net Position as a Percentage of the total Pension Liability	4.81 %	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>2022</u>	<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	\$ 3,705,628	\$ 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>(3,705,628)</u>	<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>	<u>\$ -</u>
Authority's Covered Payroll	\$42,034,739	\$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	8.82%	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>2022</u>	<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	\$ 694,646	\$ 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>(694,646)</u>	<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>	<u>\$ -</u>
Authority's Covered Payroll	\$42,034,739	\$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	1.65%	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 III**  
**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** ..... 74

*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**..... 84

*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** ..... 90

*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** ..... 93

*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

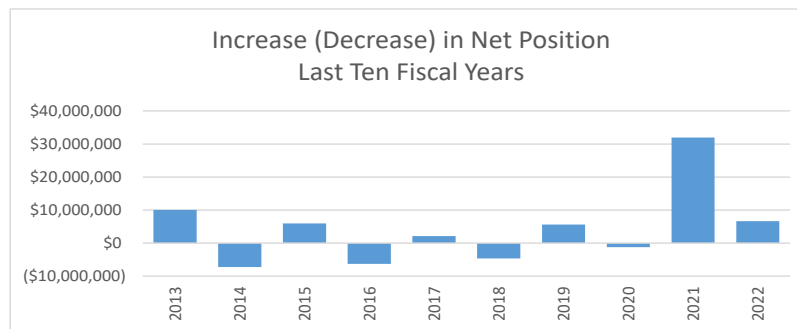
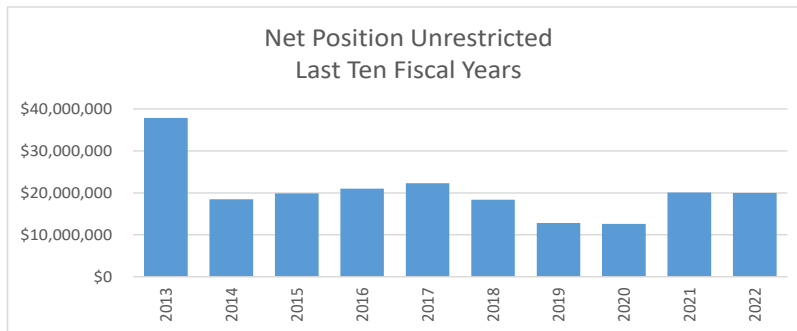
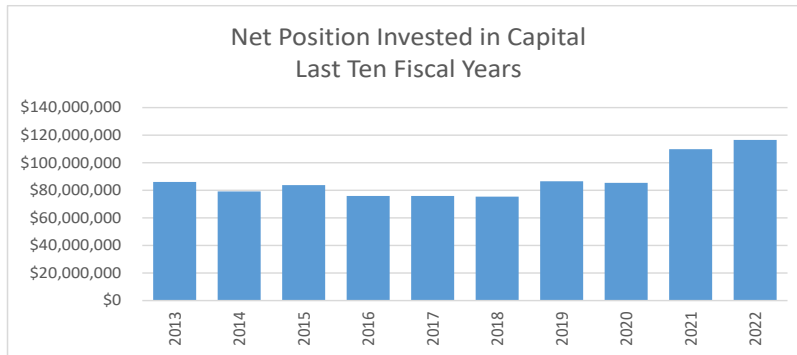
- Net Position by Components (FY 2013 - FY 2022)
- Changes in Net Position (FY 2013 - FY 2022)
- Revenues by Function/Program (FY 2013 - FY 2022)
- Expenses by Function/Program (FY 2013 - FY 2022)
- Property Tax Revenue by Year (FY 2013 - FY 2022)

**PINELLAS SUNCOAST TRANSIT AUTHORITY**

**Net Position by Components**

**Fiscal Years 2013 – 2022**

	Fiscal Year				
	2013	2014	2015	2016	2017
<b>Business Type Activities</b>					
Net investment in capital assets	\$ 86,156,611	\$ 79,199,247	\$ 83,810,021	\$ 76,019,269	\$ 75,914,243
Restricted	61,972	74,992	13,020	350,630	381,789
Unrestricted	37,862,802	18,489,859 (1)	19,865,822	20,993,888	22,316,124 (2)
 Total net position	<u>\$ 124,081,385</u>	<u>\$ 97,764,098</u>	<u>\$ 103,688,863</u>	<u>\$ 97,363,787</u>	<u>\$ 98,612,156</u>
	Fiscal Year				
	2018	2019	2020	2021	2022
<b>Business Type Activities</b>					
Net investment in capital assets	\$ 75,483,987	\$ 86,661,740	\$ 85,482,712	\$ 109,960,579	\$ 116,646,494
Restricted	55,289	30,925	159,449	165,935	165,935
Unrestricted	18,383,748	12,801,579	12,623,921	20,079,013 (3)	19,980,398
 Total net position	<u>\$ 93,923,024</u>	<u>\$ 99,494,244</u>	<u>\$ 98,266,082</u>	<u>\$ 130,205,525</u>	<u>\$ 136,792,827</u>



(1) Restated to conform to GASB Statement 68.

(2) Restated to conform to GASB Statement 75.

(3) Restated to conform to GASB Statement 87.

**Note: The statistical section contains "Unaudited" data.**

**PINELLAS SUNCOAST TRANSIT AUTHORITY**

**Changes in Net Position**

**Fiscal Years 2013 – 2022**

	Fiscal Year				
	2013	2014	2015	2016	2017
Operating revenues:					
Passenger fares	\$ 14,098,511 (1)	\$ 13,585,399	\$ 12,194,799	\$ 10,791,925	\$ 9,535,246
Demand response	1,098,822 (1)	1,079,160 (1)	1,143,997	1,197,937	1,303,510
Advertising revenue	417,851 (1)	248,224	485,359	577,046	582,761
Total operating revenues	<u>15,615,184</u>	<u>14,912,783</u>	<u>13,824,155</u>	<u>12,566,908</u>	<u>11,421,517</u>
Operating expenses:					
Transportation	33,907,097	33,663,536	34,879,734	33,815,879	36,266,463 (1)
Purchased Transportation	6,556,558 (1)	6,846,800 (1)	7,444,573	7,738,429	9,637,695
Maintenance	8,172,956	8,374,708	8,902,528	10,178,517	11,536,994 (1)
Administration and finance	9,762,130	10,767,137	11,465,894	12,192,055	12,921,156 (1)
Marketing	2,202,059	2,591,069	708,839	657,700	819,842 (1)
Total operating expenses , before depreciation	<u>60,600,800</u>	<u>62,243,250</u>	<u>63,401,568</u>	<u>64,582,580</u>	<u>71,182,150</u>
Operating loss before depreciation	(44,985,616)	(47,330,467)	(49,577,413)	(52,015,672)	(59,760,633)
Depreciation	8,487,063	9,723,423	10,436,619	10,249,547	9,976,763
Operating loss	<u>(53,472,679)</u>	<u>(57,053,890)</u>	<u>(60,014,032)</u>	<u>(62,265,219)</u>	<u>(69,737,396)</u>
Nonoperating revenues:					
Federal maintenance assistance	6,045,338 (1)	4,819,162 (1)	5,016,216 (1)	4,979,539 (1)	5,009,268
State operating assistance	3,917,007	4,015,888	4,086,490	4,181,314	4,155,670
Other federal grants	1,189,876 (1)	1,946,552 (1)	1,378,600 (1)	935,330 (1)	967,084
Special project assistance - state grants	3,004,543	2,994,467	3,169,227	3,621,648	4,090,853
Special project assistance - local grants	767,849	833,222	873,441	922,275	1,174,823
Property tax revenues, net	32,282,955	33,365,462	35,592,336	38,166,312	41,607,265
Investment income	146,824	55,618	193,039	250,882	435,080
Fuel tax refunds	610,172	613,721	649,202	641,838	630,827
Other, net	16,544	67,955	(14,055)	313,578	(104,959)
Total nonoperating revenues	<u>47,981,108</u>	<u>48,712,047</u>	<u>50,944,496</u>	<u>54,012,716</u>	<u>57,965,911</u>
(Loss) income before capital grants and special item	(5,491,571)	(8,341,843)	(9,069,536)	(8,252,503)	(11,771,485)
Capital grants and other related revenues	15,555,810	1,052,867	14,994,301	1,918,427	13,863,703
Contributed capital - local government	-	100,000	-	9,000	9,000
Contributed capital - private sources	-	-	-	-	23,320
Increase (decrease) in net position	<u>10,064,239</u>	<u>(7,288,976)</u>	<u>5,924,765</u>	<u>(6,325,076)</u>	<u>2,124,538</u>
Net position, beginning of year	<u>114,017,146</u>	<u>104,953,074 (2)</u>	<u>97,764,098</u>	<u>103,688,863</u>	<u>96,487,618 (3)</u>
Net position, end of year	<u>\$ 124,081,385</u>	<u>\$ 97,664,098</u>	<u>\$ 103,688,863</u>	<u>\$ 97,363,787</u>	<u>\$ 98,612,156</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.

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

**Note: The statistical section contains "Unaudited" data.**



**PINELLAS SUNCOAST TRANSIT AUTHORITY**

**Changes in Net Position**

**Fiscal Years 2013 – 2022**

	Fiscal Year				
	2018	2019	2020	2021	2022
Operating revenues:					
Passenger fares	\$ 9,473,561	\$ 9,129,892	\$ 4,165,445	\$ 626,777	\$ 6,321,793
Demand response	1,501,156	1,533,743	677,032	180,781	889,677
Advertising revenue	615,234	660,371	779,180	754,476 (4)	1,049,955
Total operating revenues	<u>11,589,951</u>	<u>11,324,006</u>	<u>5,621,657</u>	<u>1,562,034</u>	<u>8,261,425</u>
Operating expenses:					
Transportation	38,570,917	42,873,233	42,631,142	39,651,013	49,054,428
Purchased Transportation	11,627,971	12,123,292	10,538,164	13,628,375	17,898,938
Maintenance	11,510,788	12,203,763	12,759,510	11,807,092	12,531,630
Administration and finance	13,898,829	16,682,258	17,389,460	17,453,136	20,888,864
Marketing	943,235	852,508	1,120,625	1,132,349	1,693,871
Total operating expenses , before depreciation	<u>76,551,740</u>	<u>84,735,054</u>	<u>84,438,901</u>	<u>83,671,965</u>	<u>102,067,731</u>
Operating loss before depreciation	(64,961,789)	(73,411,048)	(78,817,244)	(82,109,931)	(93,806,305)
Depreciation	8,372,047	8,984,115	8,725,291	8,431,424	9,352,957
Amortization	-	-	-	-	1,553
Total depreciation and amortization	<u>8,372,047</u>	<u>8,984,115</u>	<u>8,725,291</u>	<u>8,431,424</u>	<u>9,354,510</u>
Operating loss	<u>(73,333,836)</u>	<u>(82,395,163)</u>	<u>(87,542,536)</u>	<u>(90,541,355)</u>	<u>(103,160,818)</u>
Nonoperating revenues (expenses):					
Federal maintenance assistance	5,026,849	4,975,583	4,571,923	-	-
State operating assistance	4,303,778	4,322,748	4,709,570	12,712	5,232,327
Other federal grants	1,504,617	2,618,763	12,515,684	32,124,814	24,233,383
Special project assistance - state grants	5,022,559	5,784,028	4,448,877	2,772,187	3,094,554
Special project assistance - local grants	1,282,808	1,715,148	1,412,272	1,496,558	1,621,921
Property tax revenues, net	45,389,030	49,113,559	53,031,249	57,112,617	61,276,418
Investment income	809,788	1,114,257	874,486	181,694	336,922
Fuel tax refunds	636,416	644,668	580,645	626,176	655,826
Other, net	228,008	(210,359)	90,453	349,866 (4)	145,304
Total nonoperating revenues	<u>64,203,853</u>	<u>70,078,395</u>	<u>82,235,159</u>	<u>94,676,624</u>	<u>96,596,652</u>
(Loss) income before capital grants and special item	(9,129,983)	(12,316,768)	(5,307,377)	4,135,269	(6,564,164)
Capital grants and other related revenues	<u>3,764,851</u>	<u>17,263,244</u>	<u>3,379,540</u>	<u>25,929,002</u>	<u>11,415,708</u>
Contributed capital - local government	637,254	532,825	690,790	1,875,172	1,735,758
Contributed capital - private sources	<u>38,746</u>	<u>91,919</u>	<u>8,884</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	(4,689,132)	5,571,220	(1,228,162)	31,939,443	6,587,302
Net position, beginning of year	<u>98,612,156</u>	<u>93,923,024</u>	<u>99,494,244</u>	<u>98,266,082</u>	<u>130,205,525</u>
Net position, end of year	<u>\$ 93,923,024</u>	<u>\$ 99,494,244</u>	<u>\$ 98,266,082</u>	<u>\$ 130,205,525</u>	<u>\$ 136,792,827</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.

(4) This has been restated to conform to GASB Statement 87.

**Note: The statistical section contains "Unaudited" data.**

**PINELLAS SUNCOAST TRANSIT AUTHORITY**

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

**Fiscal Years 2013 - 2022**

	Fiscal Year				
	2013	2014	2015	2016	2017
<b>Operating revenues:</b>					
Passenger fares	\$ 14,098,511 (1)	\$ 13,585,399	\$ 12,194,799	\$ 10,791,925	\$ 9,535,246
Demand response	1,098,822 (1)	1,079,160 (1)	1,143,997	1,197,937	1,303,510
Advertising revenue	417,851 (1)	248,224	485,359	577,046	582,761
<b>Total operating revenues</b>	<b>15,615,184</b>	<b>14,912,783</b>	<b>13,824,155</b>	<b>12,566,908</b>	<b>11,421,517</b>
<b>Nonoperating revenues:</b>					
Federal maintenance assistance	6,045,338 (1)	4,819,162 (1)	5,016,216 (1)	4,979,539 (1)	5,009,268
State operating assistance	3,917,007	4,015,888	4,086,490	4,181,314	4,155,670
Other federal grants	1,189,876 (1)	1,946,552 (1)	1,378,600 (1)	935,330 (1)	967,084
Special project assistance - state grants	3,004,543	2,994,467	3,169,227	3,621,648	4,090,853
Special project assistance - local grants	767,849	833,222	873,441	922,275	1,174,823
Property tax revenues, net	32,282,955	33,365,462	35,592,336	38,166,312	41,607,265
Investment income	146,824	55,618	193,039	250,882	435,080
Fuel tax refunds	610,172	613,721	649,202	641,838	630,827
Other, net	16,544	67,955	(14,055)	313,578	(104,959)
<b>Total nonoperating revenues</b>	<b>47,981,108</b>	<b>48,712,047</b>	<b>50,944,496</b>	<b>54,012,716</b>	<b>57,965,911</b>
<b>Capital grants and other related revenues</b>	<b>15,555,810</b>	<b>1,052,867</b>	<b>14,994,301</b>	<b>1,918,427</b>	<b>13,863,703</b>
Contributed capital - local government	-	100,000	-	9,000	9,000
Contributed capital - private sources	-	-	-	-	23,320
<b>Total all revenues</b>	<b>\$ 79,152,102</b>	<b>\$ 64,777,697</b>	<b>\$ 79,762,952</b>	<b>\$ 68,507,051</b>	<b>\$ 83,283,451</b>

	Fiscal Year				
	2018	2019	2020	2021	2022
<b>Operating revenues:</b>					
Passenger fares	\$ 9,473,561	\$ 9,129,892	\$ 4,165,445	\$ 626,777	\$ 6,321,793
Demand response	1,501,156	1,533,743	677,032	180,781	889,677
Advertising revenue	615,234	660,371	779,180	754,476 (2)	1,049,955
<b>Total operating revenues</b>	<b>11,589,951</b>	<b>11,324,006</b>	<b>5,621,657</b>	<b>1,562,034</b>	<b>8,261,425</b>
<b>Nonoperating revenues (expenses):</b>					
Federal maintenance assistance	5,026,849	4,975,583	4,571,923	-	-
State operating assistance	4,303,778	4,322,748	4,709,570	12,712	5,232,327
Other federal grants	1,504,617	2,618,763	12,515,684	32,124,814	24,233,383
Special project assistance - state grants	5,022,559	5,784,028	4,448,877	2,772,187	3,094,554
Special project assistance - local grants	1,282,808	1,715,148	1,412,272	1,496,558	1,621,921
Property tax revenues, net	45,389,030	49,113,559	53,031,249	57,112,617	61,276,418
Investment income	809,788	1,114,257	874,486	181,694	336,922
Fuel tax refunds	636,416	644,668	580,645	626,176	655,826
Other, net	228,008	(210,359)	90,453	349,866 (2)	145,304
<b>Total nonoperating revenues</b>	<b>64,203,853</b>	<b>70,078,395</b>	<b>82,235,159</b>	<b>94,676,624</b>	<b>96,596,652</b>
<b>Capital grants and other related revenues</b>	<b>3,764,851</b>	<b>17,263,244</b>	<b>3,379,540</b>	<b>25,929,002</b>	<b>11,415,708</b>
Contributed capital - local government	637,254	532,825	690,790	1,875,172	1,735,758
Contributed capital - private sources	38,746	91,919	8,884	-	-
<b>Total all revenues</b>	<b>\$ 80,234,655</b>	<b>\$ 99,290,389</b>	<b>\$ 91,936,030</b>	<b>\$ 124,042,832</b>	<b>\$ 118,009,544</b>

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

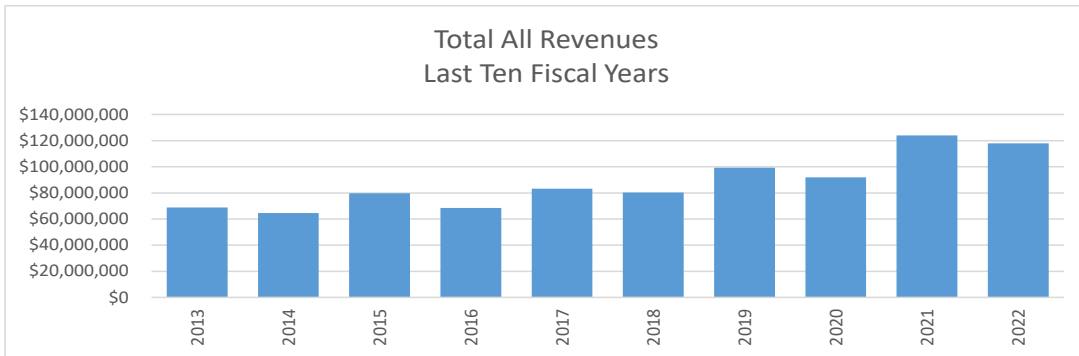
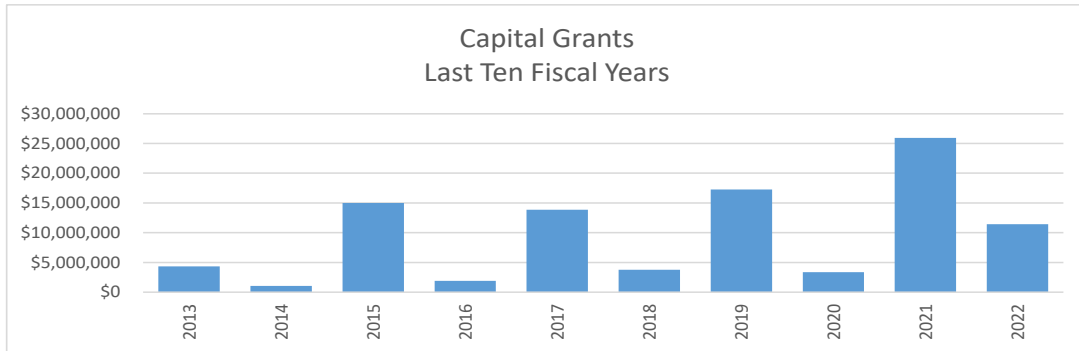
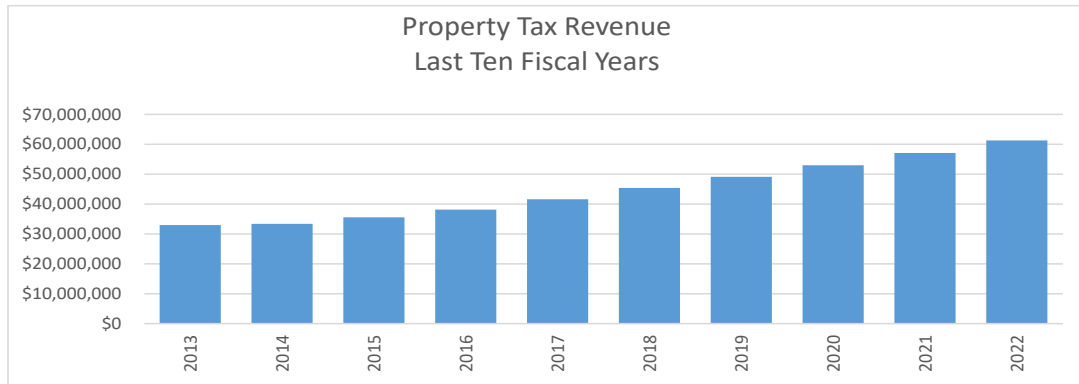
(2) This has been restated to conform to GASB Statement 87.

**Note: The statistical section contains "Unaudited" data.**

**PINELLAS SUNCOAST TRANSIT AUTHORITY**

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

**Fiscal Years 2013 - 2022**



(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 2013 – 2022**

	Fiscal Year				
	2013	2014	2015	2016	2017
Operating expenses:					
Transportation	\$ 33,907,097	\$ 33,663,536	\$ 34,879,734	\$ 33,815,879	\$ 36,266,463 (1)
Purchased Transportation	6,556,558 (1)	6,846,800 (1)	7,444,573	7,738,429	9,637,695
Maintenance	8,172,956	8,374,708	8,902,528	10,178,517	11,536,994 (1)
Administration and finance	9,762,130	10,767,137	11,465,894	12,192,055	12,921,156 (1)
Marketing	2,202,059	2,591,069	708,839	657,700	819,842 (1)
Total operating expenses, before depreciation	<u>60,600,800</u>	<u>62,243,250</u>	<u>63,401,568</u>	<u>64,582,580</u>	<u>71,182,150</u>
Depreciation	8,487,063	9,723,423	10,436,619	10,249,547	9,976,763
Amortization	-	-	-	-	-
Total depreciation and amortization	<u>8,487,063</u>	<u>9,723,423</u>	<u>10,436,619</u>	<u>10,249,547</u>	<u>9,976,763</u>
Total all expenses	<u>\$ 69,087,863</u>	<u>\$ 71,966,673</u>	<u>\$ 73,838,187</u>	<u>\$ 74,832,127</u>	<u>\$ 81,158,913</u>

	Fiscal Year				
	2018	2019	2020	2021	2022
Operating expenses:					
Transportation	\$ 38,570,917 (1)	\$ 42,873,233	42,631,142	39,651,013	49,054,428
Purchased Transportation	11,627,971	12,123,292	10,538,164	13,628,375	17,898,938
Maintenance	11,510,788 (1)	12,203,763	12,759,510	11,807,092	12,531,630
Administration and finance	13,898,829 (1)	16,682,258	17,389,460	17,453,136	20,888,864
Marketing	943,235 (1)	852,508	1,120,625	1,132,349	1,693,871
Total operating expenses, before depreciation	<u>76,551,740</u>	<u>84,735,054</u>	<u>84,438,901</u>	<u>83,671,965</u>	<u>102,067,731</u>
Depreciation	8,372,047	8,984,115	8,725,291	8,431,424	9,352,957
Amortization	-	-	-	-	1,553
Total depreciation and amortization	<u>8,372,047</u>	<u>8,984,115</u>	<u>8,725,291</u>	<u>8,431,424</u>	<u>9,354,510</u>
Total all expenses	<u>\$ 84,923,787</u>	<u>\$ 93,719,169</u>	<u>\$ 93,164,192</u>	<u>\$ 92,103,389</u>	<u>\$ 111,422,241</u>

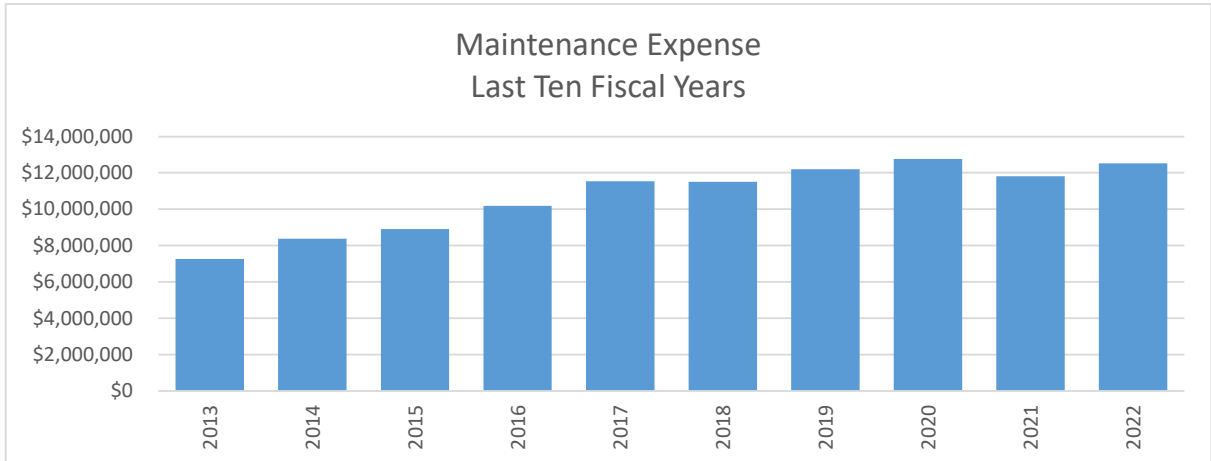
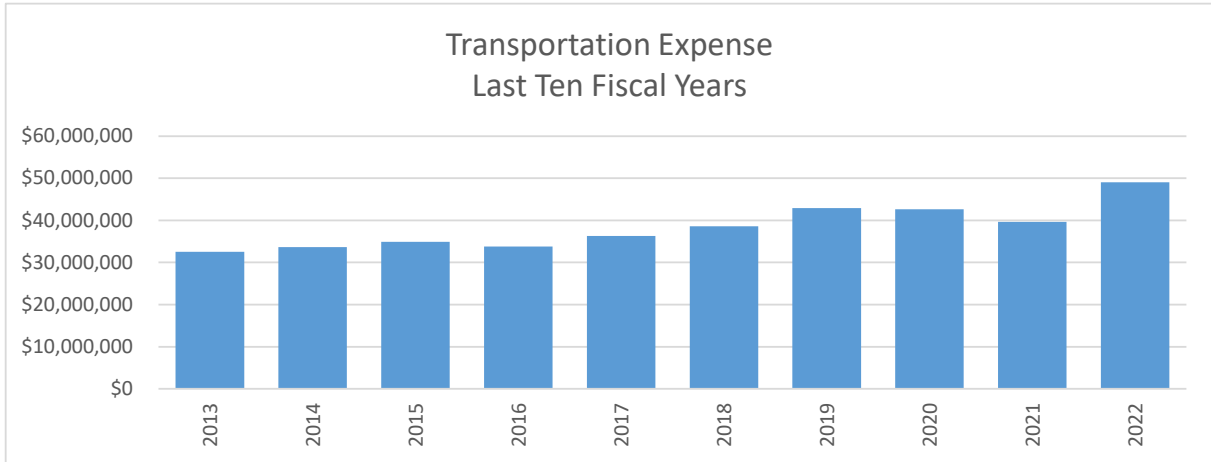
(1) This has been reclassified to conform to current year's classifications.

Note: The statistical section contains "Unaudited" data.

**PINELLAS SUNCOAST TRANSIT AUTHORITY**

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

**Fiscal Years 2013 – 2022**

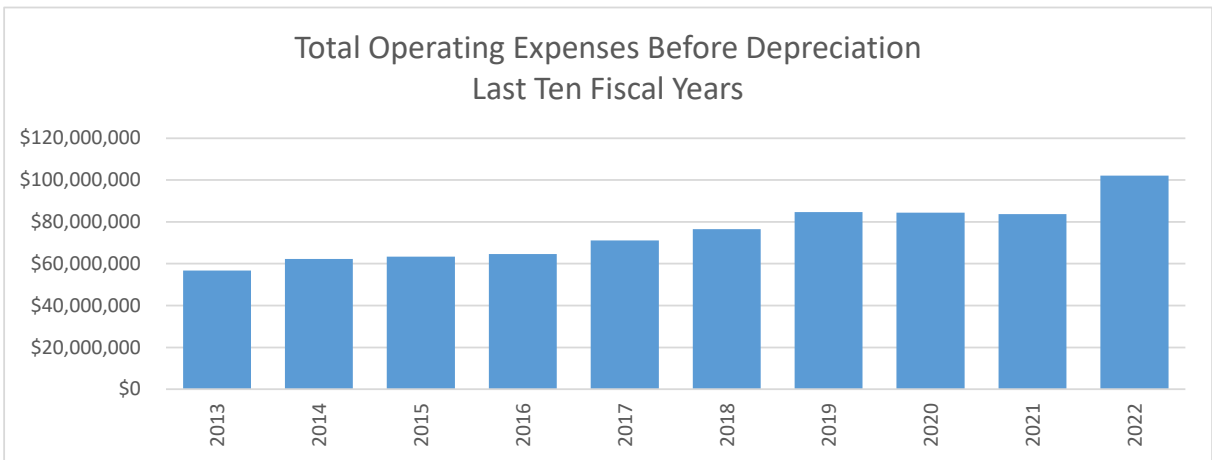
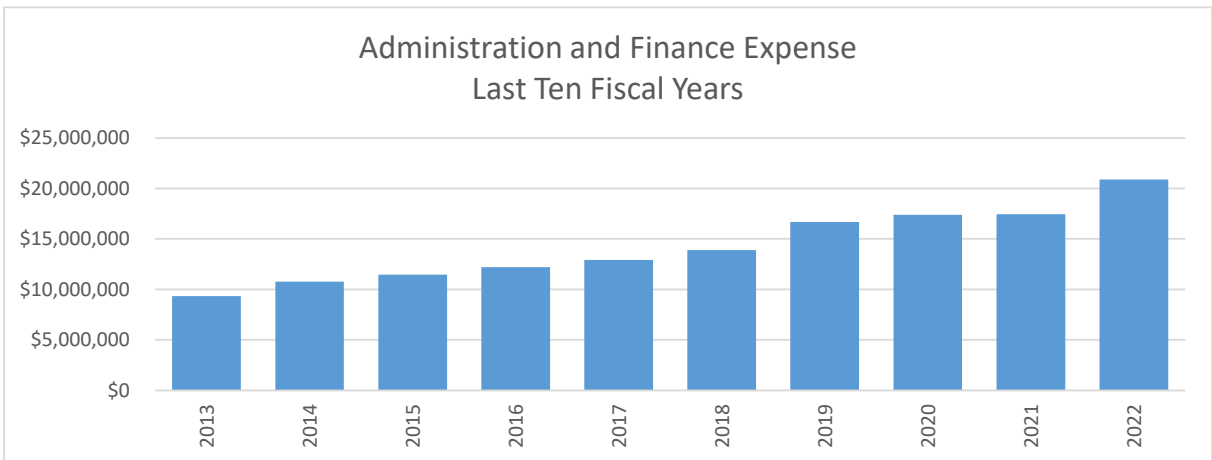
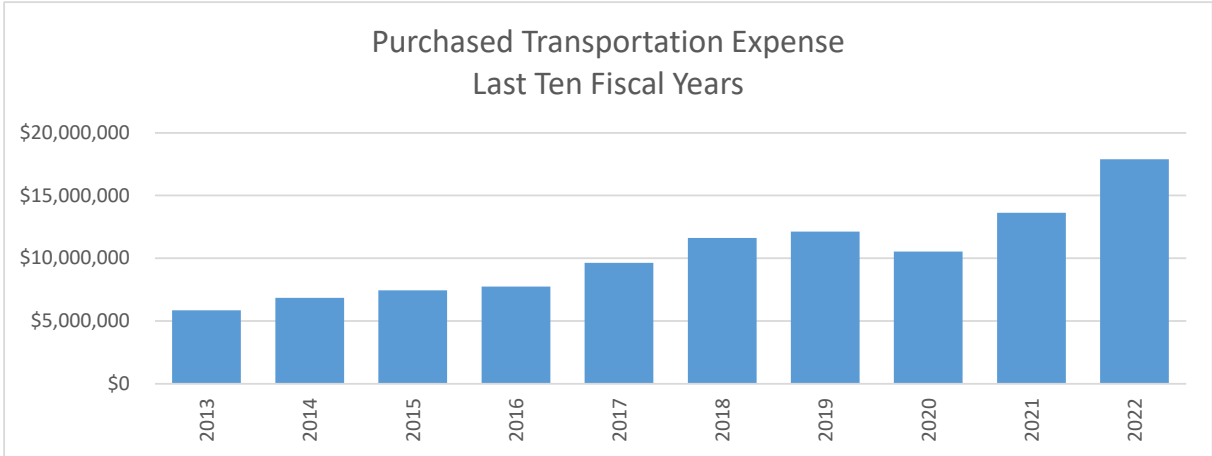


**Note: The statistical section contains "Unaudited" data.**

# PINELLAS SUNCOAST TRANSIT AUTHORITY

## Expenses by Function/Program Last Ten Fiscal Years

### Fiscal Years 2013 – 2022



**Note: The statistical section contains "Unaudited" data.**

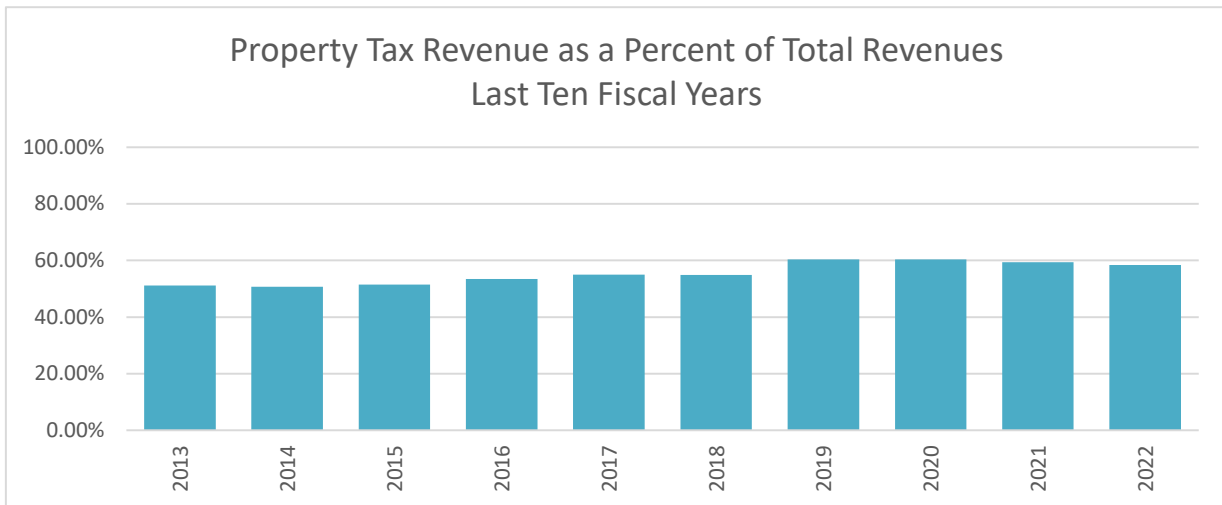
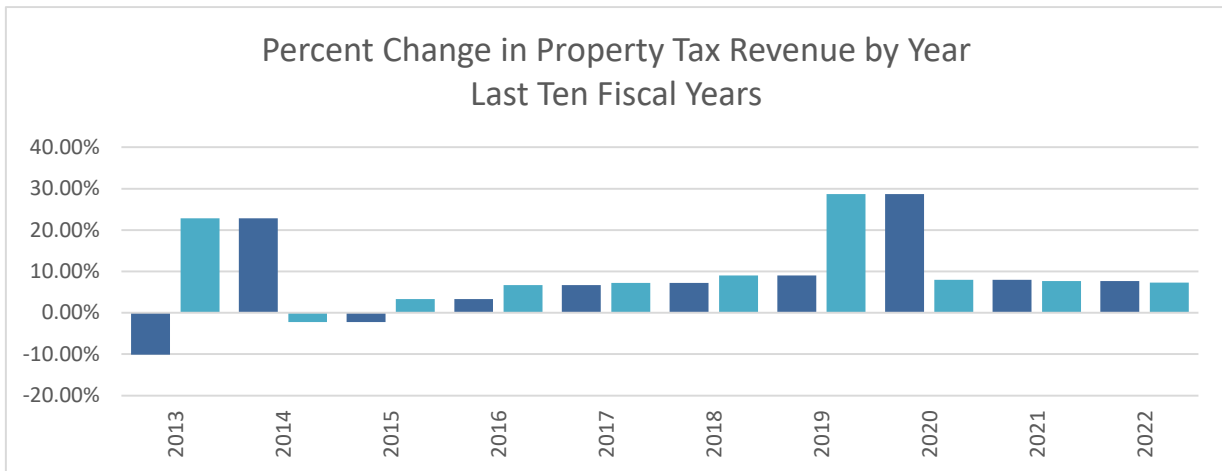
**PINELLAS SUNCOAST TRANSIT AUTHORITY**

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

**Fiscal Years 2013 – 2022**

<b>Fiscal Year</b>	<b>Property Tax Dollars</b>	<b>Percent Change</b>	<b>Total Revenues *</b>	<b>Percent of Total</b>	<b>Millage Rate</b>
2013	33,009,275	22.85%	64,524,242	51.16%	0.7305
2014	32,282,955	-2.20%	63,596,292	50.76%	0.7305
2015	33,365,462	3.35%	64,768,651	51.51%	0.7305
2016	35,592,336	6.67%	66,579,624	53.46%	0.7305
2017	38,166,312	7.23%	69,387,428	55.00%	0.7305
2018	41,607,265	9.02%	75,793,804	54.90%	0.7500
2019	49,113,559	28.68%	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%	96,238,658	59.34%	0.7500
2022	61,276,418	7.29%	104,858,077	58.44%	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 2013 – FY 2022)
- Direct and Overlapping Property Tax Rates (FY 2013 – FY 2022)
- Principal Property Taxpayers (FY 2013 – FY 2022)
- Property Tax Levies and Collections (FY 2013 – FY 2022)
- Farebox Recovery Percentage (FY 2013 – FY 2022)

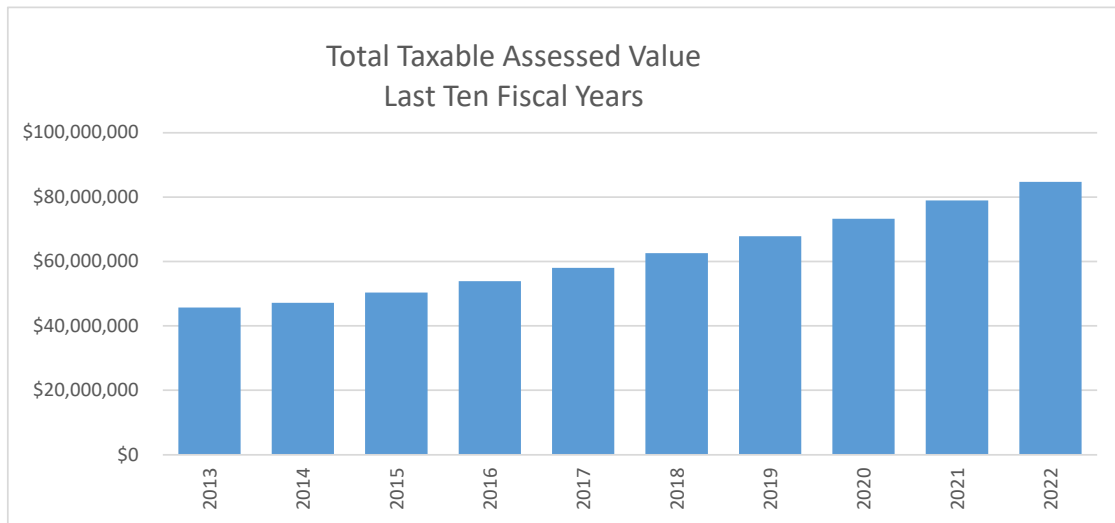


**PINELLAS SUNCOAST TRANSIT AUTHORITY**

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

**Fiscal Years 2013 - 2022**

<b>Fiscal Year</b>	<b>Estimated Actual Value (a)</b>			<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate (d)</b>
	<b>Real Property</b>	<b>Assessed Property (b)</b>	<b>Exemptions (c)</b>		
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	75,953,105	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
2022	133,476,264	7,982	22,162,107	84,742,423	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 2013 - 2022**

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
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
2022	0.7500	0.7500	0.7500	5.1302	6.3250	0.9158	1.1666	0.5450	6.6550

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 2022 and Nine Years Ago**

<u>Taxpayer</u>	<u>Business</u>	<u>2022</u>		<u>2013</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	\$ 159,512,063	0.19%	\$ 88,252,063	0.19%
Wal-Mart Stores East LP	Retail Stores	135,325,770	0.16%	72,797,324	0.16%
Bellwether Prop Fla	Real Estate	135,068,500	0.16%	134,375,938	0.29%
Wyndham Vacation Resorts Inc.	Real Estate	124,415,000	0.15%		
Camden Usa Inc	Real Estate	112,788,810	0.13%		
Duke Energy Florida, Inc.	Electric Utility	112,585,954	0.13%		
James, Raymond & Assoc Inc	Financial Services	110,555,182	0.13%	82,112,537	0.18%
B W C W Hospitality LLC	Hospitality	97,663,243	0.12%		
SW1 TRELIS OWNER LLC	Real Estate	96,750,000	0.11%		
4TH ST S RESIDENCES II LLC	Hospitality	94,430,352	0.11%		
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			54,180,316	0.12%
Pinellas County	Government			50,207,861	0.11%
Franklin/Templeton Investor Svc Inc	Financial Services			50,000,000	0.11%
		<u>\$ 1,179,094,874</u>	<u>1.39%</u>	<u>\$ 771,411,697</u>	<u>1.69%</u>
Total Taxable Assessed Value		<u>\$ 84,742,423,000</u>		<u>\$ 45,701,028,000</u>	

Source: Pinellas County Property Appraiser

Methodology: Top ten taxpayers identified for Real Property only.

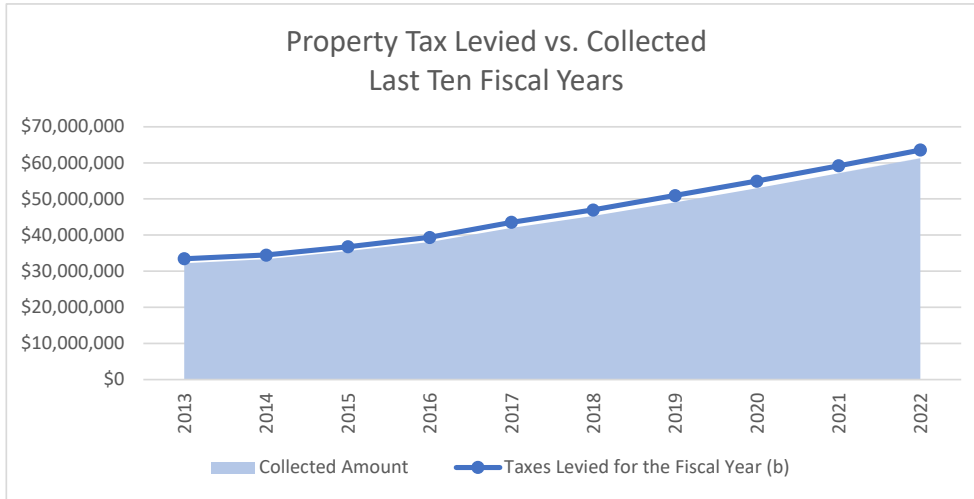
**Note: The statistical section contains "Unaudited" data.**

**PINELLAS SUNCOAST TRANSIT AUTHORITY**

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

**Fiscal Years 2013 - 2022**

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
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%
2022	63,556,817	61,276,418	96.41%	-	61,276,418	96.41%



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.

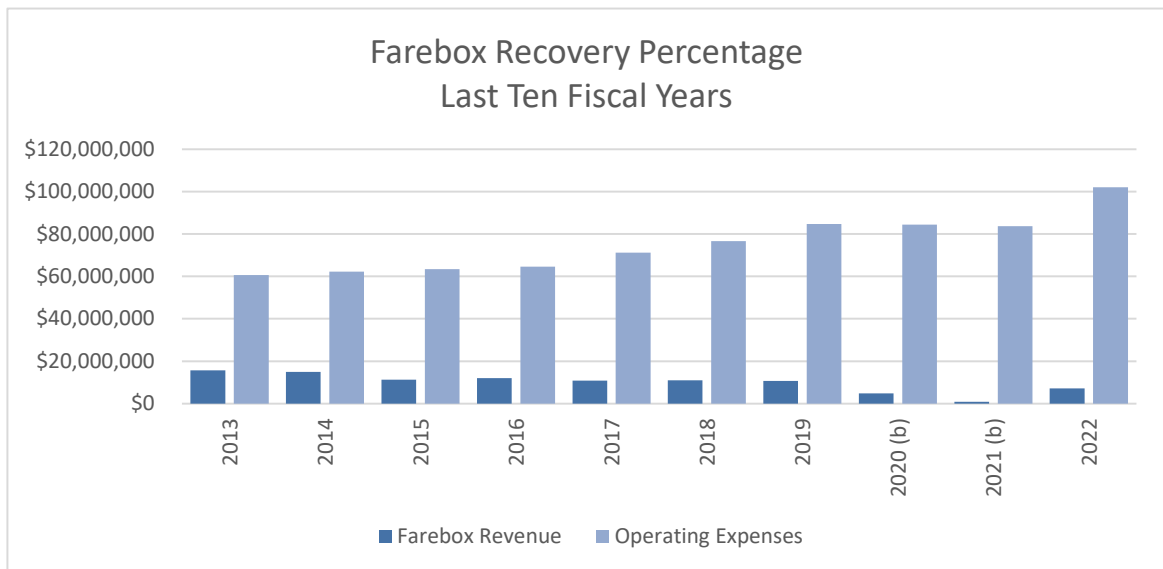
**Note: The statistical section contains "Unaudited" data.**

**PINELLAS SUNCOAST TRANSIT AUTHORITY**

**Farebox Recovery Percentage  
Last Ten Fiscal Years**

**Fiscal Years 2013 – 2022**

<u>Fiscal Year</u>	<u>Farebox Revenue</u>	<u>Percent Change</u>	<u>Operating Expenses (a)</u>	<u>Percent Change</u>	<u>Farebox Recovery</u>
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%
2022	7,211,470	793.00%	102,067,733	21.99%	7.07%



(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 2013 – FY 2022)
- Principal Employers (FY 2013 and FY 2022)

**PINELLAS SUNCOAST TRANSIT AUTHORITY**

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

**Fiscal Years 2013 - 2022**

<b>Fiscal Year</b>	<b>Population (a)</b>	<b>Personal Income (dollars in thousands) (b)</b>	<b>Per Capita Personal Income (b)</b>	<b>School Enrollment (c)</b>	<b>Unemployment Rate (d)</b>
2022	969,491	N/A (e)	N/A (e)	95,446	2.4%
2021	964,490	63,075,440	65,398	96,068	3.6%
2020	984,925	58,480,515	59,376	99,798	6.6%
2019	978,045	55,296,982	56,538	101,427	2.7%
2018	970,532	52,075,175	53,656	100,948	3.0%
2017	962,003	49,762,378	51,728	102,181	3.1%
2016	954,569	46,912,934	49,146	103,242	4.4%
2015	944,971	45,637,022	48,295	103,779	4.7%
2014	933,258	43,290,210	46,386	104,104	6.2%
2013	926,610	40,511,090	43,720	102,672	6.7%

(a) Source: Bureau of Economic & Business Research, University of Florida (2013-2022). Data available at

(b) Source: Bureau of Economic Analysis, U.S. Department of Commerce (2013-2022).

(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 2022 and Nine Years Ago**

<b>Employer</b>	<b>2022 (a)</b>			<b>2013 (a)</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>
BayCare	14,300	1	2.77%			
Pinellas County School Board	14,000	2	2.71%	15,967	1	3.36%
Publix	7,300	3	1.41%			
Raymond James	6,000	4	1.16%	2,600	8	0.55%
Walmart	4,000	5	0.77%			
Bay Pines VA Healthcare System	3,700	6	0.72%	4,364	2	0.92%
City of St. Petersburg	3,500	7	0.68%	3,120	4	0.66%
John Hopkins All Children's Hospital	3,300	8	0.64%	2,900	5	0.61%
Pinellas County Board of County Commission	3,100	9	0.60%	4,277	3	0.90%
Pinellas County Sheriff's Office	2,600	10	0.50%	2,724	6	0.57%
St. Petersburg College				2,697	7	0.57%
Morton Plant Hospital				2,550	9	0.54%
Mease Hospital				2,100	10	0.44%
Total County Employment	516,468			474,980		

(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 2013 – FY 2022)
- Bus Service Effort and Accomplishments Per Hour (FY 2013 – FY 2022)
- Unlinked Passenger Changes (FY 2013 – FY 2022)
- Vehicles Operated at Maximum Service (FY 2013 – FY 2022)
- Number of Employees (FY 2013 – FY 2022)
- Miscellaneous Statistical Data (FY 2013 – FY 2022)

**PINELLAS SUNCOAST TRANSIT AUTHORITY**

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

**Fiscal Years 2013 - 2022**

<b>Fiscal Year</b>	<b>Revenue Vehicle Miles (a)</b>	<b>Percent of Change</b>	<b>Operating Expense (b) Per Revenue Mile</b>	<b>Operating Expense (b) Per Passenger Mile</b>	<b>Unlinked Passenger Trips Per Revenue Mile (c)</b>
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
2022	9,510,587	3.16%	\$ 7.22	\$ 1.35	0.95

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 2013 - 2022**

<b>Fiscal Year</b>	<b>Revenue Vehicle Hours (a)</b>	<b>Percent of Change</b>	<b>Operating Expense (b) Per Revenue Hour</b>	<b>Operating Expense (b) Per Passenger Trip</b>	<b>Unlinked Passenger Trips Per Revenue Hour (c)</b>
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
2022	671,671	-0.78%	102.27	7.96	12.86

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 2013 - 2022**

<u>Fiscal Year</u>	<u>Bus (a)</u>		<u>Percent of Change</u>
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%
2022	8,465,048	(d)	-14.09%

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)** The decrease is due to charging fares starting in July 2021.

**Note: The statistical section contains "Unaudited" data.**

**PINELLAS SUNCOAST TRANSIT AUTHORITY**

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

**Fiscal Years 2013 – 2022**

<u>Fiscal Year</u>	<u>Bus (a)</u>		<u>Percent of Change</u>
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%
2022	174		-2.25%

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 2013 - 2022**

<b>Fiscal Year</b>	<b>PSTA Full-Time</b>	<b>PSTA Part-Time</b>	<b>PSTA Total</b>	<b>Percent of Change</b>
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	<b>(a)</b> 608	2	610	0.33%
2019	618	3	621	1.80%
2020	635	3	638	2.74%
2021	<b>(b)</b> 640	4	644	0.94%
2022	657	4	661	2.64%

Source: PSTA

Note: Budgeted authorized positions.

**(a)** Data revised

**Note: The statistical section contains "Unaudited" data.**

**PINELLAS SUNCOAST TRANSIT AUTHORITY**  
**Miscellaneous Statistical Data**  
**Last Ten Fiscal Years**

**Fiscal Years 2013 - 2022**

	<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>	<u>2022</u>
Population served by Bus	926,610	933,258	944,971	954,569	962,003	970,532	978,045	984,925	964,490	969,491
Size of land area served by Bus (in square miles)	243	243	243	243	243	243	243	243	243	243
Number of Bus Routes	40	40	40	38	40	40	40	40	40	41
Annual PSTA Bus Passenger Miles (in millions) (Excludes Demand Response)	67,078	65,266	67,813	64,047	55,773	54,491	61,880	58,318	59,598	48,865
Miles of Bus Route - Directional Miles	907.2	885.2	929.1	1,016.3	893.0	862.0	862.6	866.0	907.0	990.9
Average Annual On Time Performance Percentage	82.3	83.4	80.5	78.6	64.8	65.2	69.2	71.3	71.2	67.2
Number of Bus Stop Locations	5,141	5,157	4,929	4,906	4,752	4,752	4,665	4,602	4,382	4,395
Number of Bus Park and Ride Facilities	2	2	2	2	2	2	2	2	2	2
Number of Transit Centers	3	3	4	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	682	531	530	530	537	537	659	658
No. of Buses in Active Fleet	194	199	210	210	210	210	210	210	210	210
Average Vehicle Age (in years)	7.40	6.00	7.39	8.25	8.80	8.80	8.80	10.80	10.80	10.41
Net Investment in Capital Assets (in thousands)	\$ 86,157	\$ 79,199	\$ 83,810	\$ 76,019	\$ 75,914	\$ 75,484	\$ 86,662	\$ 85,483	\$ 109,961	\$ 116,646

Source: PSTA

N/A : Information not available.

**Note: The statistical section contains "Unaudited" data.**

**SECTION IV**  
**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, 2022, and the related notes to the financial statements, which collectively comprise the Authority's financial statements, and have issued our report thereon dated April 26, 2023.

**Report on 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on 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 Bekaert LLP*

Tampa, Florida  
April 26, 2023

**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**

***Opinion on 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, 2022. 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.

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 each of its major federal programs and major state financial assistance projects for the year ended September 30, 2022.

***Basis for Opinion on Each Major Federal Program and State Financial Assistance Project***

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”). Our responsibilities under those standards, the Uniform Guidance, and Chapter 10.550 are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and state financial assistance project. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's federal programs and state financial assistance project.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program and state financial assistance project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, and Chapter 10.550 we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program and state 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 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 *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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  
April 26, 2023

**PINELLAS SUNCOAST TRANSIT AUTHORITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

YEAR ENDED SEPTEMBER 30, 2022

**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 <u>  x  </u> no	
Significant deficiency(ies) identified not considered to be material weakness(es)?	_____ yes <u>  x  </u> none reported	
Noncompliance material to financial statements noted	_____ yes <u>  x  </u> no	

**Federal Awards Programs and State Projects Section:**

Internal control over major programs:		
Material weakness(es) identified?	_____ yes <u>  x  </u> no	
Significant deficiency(ies) identified not considered to be material weakness(es)?	_____ yes <u>  x  </u> 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 <u>  x  </u> no	

Identification of major federal programs and state projects:

Assistance Listing Numbers	Name of Program or Cluster
20.500, 20.507, 20.525, 20.526, 20.530	Federal Transit Cluster

CSFA Numbers	Name of Project
55.010	Public Transit Block Grant Program
55.001	Florida Commission for the Transportation Disadvantaged (CTD) Trip and Equipment Grant Program

Dollar threshold used to determine Type A programs:	
Federal programs	\$ 996,217
State projects	\$ 750,000

Auditee qualified as low-risk auditee for federal purposes?	<u>  x  </u> yes    _____ no
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**PINELLAS SUNCOAST TRANSIT AUTHORITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

*YEAR ENDED SEPTEMBER 30, 2022*

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**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, 2022**

Federal or State Grantor/Pass-Through Grantor/Program title	Assisted 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	-	\$ 219,456	\$ -
Federal Transit Capital Investments Grant	20.500	FL 2019-039	-	84,713	-
Federal Transit Capital Investments Grant	20.500	FL 2020-071	-	7,044,686	-
Federal Transit Capital Investments Grant	20.500	FL 2022-037	-	1,600,596	-
Total Assistance Listing Number 20.500				8,949,451	-
Federal Transit Formula Grant	20.507	FL 90-0841	-	109,354	-
Federal Transit Formula Grant	20.507	FL 90-0873	-	36,142	-
Federal Transit Formula Grant	20.507	FL 2017-024	-	156,859	-
Federal Transit Formula Grant	20.507	FL 2017-109	-	364,132	-
Federal Transit Formula Grant	20.507	FL 2018-080	-	115,176	-
Federal Transit Formula Grant	20.507	FL 2019-015	-	261,059	62,557
Federal Transit Formula Grant	20.507	FL 2019-085	-	477,770	-
Federal Transit Formula Grant-COVID-19	20.507	FL 2020-072	-	(12)	-
Federal Transit Formula Grant	20.507	FL 2021-001	-	4,949	-
Federal Transit Formula Grant-COVID-19	20.507	FL 2021-022	-	15,009,034	-
Federal Transit Formula Grant	20.507	FL 2021-075	-	30,441	-
Federal Transit Formula Grant-COVID-19	20.507	FL 2021-080	-	7,090,760	-
Federal Transit Formula Grant	20.507	FL 2022-049	-	3,679	-
Total Assistance Listing Number 20.507				23,659,343	62,557
Federal Transit Formula Grant	20.525	FL 2019-085	-	786	-
Total Assistance Listing Number 20.525				786	-
Federal Transit Discretionary Low/No Grant	20.526	FL 2018-064	-	28,300	-
Federal Transit Discretionary Low/No Grant	20.526	FL 2021-024	-	50,483	-
Total Assistance Listing Number 20.526				78,783	-
Federal Transit Innovation in Transit Public Safety Grant	20.530	FL 2020-117	-	3,863	-
Total Assistance Listing Number 20.530				3,863	-
Total Federal Transit Cluster				32,692,226	62,557
<i>Passed through the Florida Department of Transportation:</i>					
<i>Mobility Manager Program:</i>					
Section 5310 Program	20.513	G1T69	437546-1-94-02	62,773	-
Section 5310 Program	20.513	G1I28	437521-1-84-06	345,147	-
Section 5310 Program	20.513	G1I88	440952-1-94-04	151	-
Section 5310 Program	20.513	G2520	437546-1-94-03	17,134	-
<i>Passed through the Federal Transit Administration:</i>					
Federal Transit Innovative Coordinated Access and Mobility	20.513	FL 2020-112	-	30,250	-
Total Assistance Listing Number 20.513				455,455	-
<i>Passed through Pinellas County Metropolitan Planning Organization:</i>					
Section 5305(d) Planning Grant	20.505	G2647	-	59,552	-
Total Assistance Listing Number 20.505				59,552	-
Total U.S. Department of Transportation				33,207,233	62,557
Total Expenditures of Federal Awards				\$ 33,207,233	\$ 62,557



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

**Year Ended September 30, 2022**

Federal or State Grantor/Pass-Through Grantor/Program title	Assisted 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	G1C17	402513-1-84-20	\$ 2,019	\$ -
Commuter Assistance Program (Ride Share)	55.007	G1W06	412533-1-84-21	54,687	-
Total CSFA 55.007				<u>56,706</u>	<u>-</u>
Public Transit Block Grant Program	55.010	G1Q18	402513-1-84-21	4,851,432	-
	55.010	G1Z23	402513-1-84-22	378,875	-
Total CSFA 55.010				<u>5,230,307</u>	<u>-</u>
Public Transit Service Development Program	55.012	G0Z47	441989-1-84-19	(4,648)	-
	55.012	G1B92	437245-2-94-01	2,313,016	-
Total CSFA 55.012				<u>2,308,368</u>	<u>-</u>
Transit Corridor Program	55.013	G1C21	430319-1-84-20	85,079	-
	55.013	G1Q20	410695-1-84-21	90,466	-
	55.013	G1Q21	418265-1-84-21	144,853	-
	55.013	G1Q23	430320-1-84-21	156,705	-
Total CSFA 55.013				<u>477,103</u>	<u>-</u>
Total Florida Department of Transportation				<u>8,072,484</u>	<u>-</u>
State of Florida, Commission for the Transportation Disadvantaged					
<i>Direct Program:</i>					
CTD Trip & Equipment FY 2021/2022	55.001	G1Y11	43202718401 / 43202818401	1,984,918	-
CTD Trip & Equipment FY 2022/2023	55.001	G2A38	43202718401 / 43202818401	446,777	-
Total CSFA 55.001				<u>2,431,695</u>	<u>-</u>
Innovative Service Development Grant	55.045	G2B18	45082218401	30,949	-
Total CSFA 55.045				<u>30,949</u>	<u>-</u>
Total Commission for the Transportation Disadvantaged				<u>2,462,644</u>	<u>-</u>
Total Expenditures of Florida State Financial Assistance				<u>\$ 10,535,128</u>	<u>\$ -</u>
Total Expenditures of Federal Awards and State Financial Assistance				<u>\$ 43,742,361</u>	<u>\$ 62,557</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, 2022**

**(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 \$23.1 million in capital assets was purchased using federal grant awards during the fiscal year ending September 30, 2022. 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, 2022, there was \$62,557 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, 2022, and have issued our report thereon dated April 26, 2023.

### 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 Polices, regarding compliance in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated April 26, 2023, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no recommendations made in the preceding 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)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. Appendix A to this letter, Finding 2022-A, is provided, to improve financial management. We did not audit the PSTA's response to this matter provided in Appendix A to this letter.

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 657.
- 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 \$39,958,772
- 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: SunRunners Bus Rapid Transit
- 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 (unaudited):

- 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 \$60,053,475.
- 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 Bekaert LLP*

Tampa, Florida  
April 26, 2023

## Appendix A

### Current Year Recommendation

*Statement of Condition 2022-A:*

The Pinellas Transit Authority ("Authority's) Finance Department must produce financial statements in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Annually, a supporting schedule using information derived from the actuarial report is prepared and used to post the annual other postemployment benefit journal entry. The supporting schedule contained an error in the amount of approximately \$370,000 between deferred outflow of resources – other postemployment benefit related amounts and deferred inflow of resources – other postemployment benefit related amounts on the statement of net position for the year ended September 30, 2021. This had no impact to operating expenses recognized or net position as of September 30, 2021. However, a sound financial reporting and close process ensures proper oversight and review of annual adjustments, such as those related to the other postemployment benefits.

*Criteria:* The schedule supporting the annual other postemployment benefit journal entry should provide a clear record that supports the amounts recorded in the trial balance.

*Cause of Condition:* As the error did not impact the related liability or other postemployment benefit expenses recorded, it was overlooked during the review process.

*Effect of Condition:* The deferred outflows of other postemployment benefit related amounts and deferred inflow of resources – other postemployment benefit related amounts were not properly stated.

*Recommendation:* We recommend a detailed review of the amounts reported in the schedule supporting the annual postemployment benefit journal entry to ensure all amounts are supported by the actuarial report.

*Management Response:* We concur with the recommendation and have added a documented step of reviewing and signing off on the impact on the trial balance before final authorization by the Chief Financial Officer.

**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, 2022. 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.

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

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, 2022.

*Cherry Bekaert LLP*

Tampa, Florida  
April 26, 2023