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FORWARD PINELLAS

P: (727) 464.8250
F: (727) 464.8212
forwardpinellas.org
310 Court Street
Clearwater, FL 33756



MEMORANDUM

TO: Norm Loy, Board Records

FROM:  Joann Jacobs, Pinellas Planning Council

SUBJECT: Receipt and File of the Annual Audit for Pinellas Planning Council,
Year Ended September 30, 2016.

DATE: May 11, 2017

Attached please find the Annual Financial Report, Year Ended September 30, 2016 as received and accepted by the Pinellas Planning Council at their May 10, 2017 meeting.

If you have any question, please call me direct at extension 4-8222.



CliftonLarsonAllen

CliftonLarsonAllen LLP
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Members
Pinellas County Planning Council
Clearwater, Florida

We have audited the financial statements of the governmental activities and general fund of the Pinellas County Planning Council (the Council) as of and for the year ended September 30, 2016, and have issued our report thereon dated April 5, 2017. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Council are described in Note 2 to the financial statements.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the net pension liability is based on computations performed by outside specialists, including actuarial computations and assumptions that were relied upon. We evaluated the key factors and assumptions used to develop the net pension liability in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the current portion of compensated absences is based on an estimate of expected vacation payouts in the following fiscal year. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

Qualitative aspects of accounting practices (continued)

- Management's estimate of the useful lives of depreciable assets is based on guidance recommended by GAAP. The useful life of a depreciable asset determines the amount of depreciation that will be recorded in any given reporting period as well as the amount of the accumulated depreciation that is reported at the end of a reporting period. We evaluated the key factors and assumptions used to develop the useful lives of the depreciable assets in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statement disclosures was:

- The disclosure of pension plans in Note 10 to the financial statements is significant because it discloses the Council's net pension liability and related activity based on its participation in the Florida Retirement System (FRS). This note is significant to the Council and the employees who participate in the plans. The disclosure also provides the funding information of the plans along with other relevant information.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

Disagreements with management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the management representation letter dated April 5, 2017.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Council's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the Council's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Other audit findings or issues

We have provided a separate letter to you dated April 5, 2017, communicating internal control related matters identified during the audit.

Other information in documents containing audited financial statements

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

Our auditors' opinion, the audited financial statements, and the notes to the financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document you prepare, such as an annual report, should be done only with our prior approval and review of the document.

* * * * *

This communication is intended solely for the information and use of the Members and management of Pinellas County Planning Council and is not intended to be, and should not be, used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Tampa, Florida
April 5, 2017

PINELLAS COUNTY PLANNING COUNCIL

**A COMPONENT UNIT OF
PINELLAS COUNTY, FLORIDA**

**BASIC FINANCIAL STATEMENTS AND
REGULATORY REPORTS**

YEAR ENDED SEPTEMBER 30, 2016



PINELLAS COUNTY PLANNING COUNCIL
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**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
COUNCIL MEMBERS AND ADMINISTRATION
SEPTEMBER 30, 2016**

COUNCIL MEMBERS: OCTOBER 1, 2015 – SEPTEMBER 30, 2016

Chair	John Morrone Commissioner, Pinellas County
Vice-Chair	Doreen Caudell Councilmember, City of Clearwater
Treasurer	Joanne Kennedy Commissioner, City of Indian Rocks Beach
Secretary	Dave Eggers Commissioner, Pinellas County
	Jim Kennedy Councilmember, City of St. Petersburg
	Bill Johnson Vice-Mayor, City of Clearwater, representing PSTA
	John Tornga Commissioner, City of Dunedin
	Sandra Bradbury Mayor, City of Pinellas Park
	Ed Montanari Councilmember, City of St. Petersburg
	Darden Rice Councilmember, City of St. Petersburg
	Kenneth Welch Commissioner, Pinellas County
	Doug Bevis Mayor, City of Oldsmar
	Lari Johnson Commissioner, City of South Pasadena
	Michael Smith Commissioner, City of Largo

ADMINISTRATION

Whit Blanton, FAICP
Executive Director



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INDEPENDENT AUDITORS' REPORT

Members

Pinellas County Planning Council
A Component Unit of Pinellas County, Florida
Clearwater, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and general fund of the Pinellas County Planning Council (the Council), a component unit of Pinellas County, Florida (the County) as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Members
Pinellas County Planning Council
A Component Unit of Pinellas County, Florida

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the Council as of September 30, 2016, and the respective changes in financial position, thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of proportionate share of net pension liability, and schedule of employer pension contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 5, 2017, on our consideration of the Council'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 to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Tampa, Florida
April 5, 2017

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016**

This section of the Pinellas County Planning Council's (the Council's) annual financial report presents a narrative overview and an analysis of the financial activities of the Council for the fiscal year ended September 30, 2016.

Financial Highlights

- The assets and deferred outflows of resources of the Council exceeded its liabilities and deferred inflows of resources at September 30, 2016 by \$360,365 (net position). This amount may be used to meet the Council's ongoing obligations to citizens and creditors. Net position increased by \$103,432 from the previous fiscal year.
- As of September 30, 2016, the Council's general fund reported an ending fund balance of \$951,917, an increase of \$206,841 from the previous fiscal year.
- Fund balance has been assigned in an amount equal to approximately 48% of total fund balance. The amount of assigned fund balance represents the current year fund balance projected to be used to balance the subsequent year's operating budget.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Council's basic financial statements. The financial section of this report consists of three parts: Independent Auditors' Report, required supplementary information which includes the management's discussion and analysis (this section), and the basic financial statements. The basic financial statements include two kinds of statements that present different views of the Council:

Government-Wide Financial Statements

The government-wide financial statements provide both long-term and short-term information about the Council's overall financial status. These statements use a format similar to a private sector business. They include a statement of net position and a statement of activities.

The statement of net position presents information on the Council's assets, deferred inflows of resources, liabilities, and deferred outflows of resources. Net position, the difference between these assets, deferred inflows of resources, liabilities, and deferred outflows of resources, are a useful way to measure the Council's financial health.

The statement of activities presents information showing how the Council's net position changed during this fiscal year. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. This statement separates program revenue (charges for services, grants, and contributions) from general revenue (including taxes), which shows the extent to which each program must rely on taxes for funding.

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016**

Overview of the Financial Statements (Continued)

Fund Financial Statements

Traditional users of governmental financial statements will find the fund financial statements' presentation more familiar. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Council, like other governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Council uses one governmental fund to account for its operations.

The Council follows Governmental Accounting Standard Board (GASB) Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, this set of financial statements focuses on events that produce near-term inflows and outflows of spendable resources as well as on the balances of spendable resources available at the end of the fiscal year and is a narrower focus than the government-wide financial statements.

By comparing functions between the two sets of statements for governmental funds and governmental activities, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison.

The Council adopts an annual appropriated budget for the general fund. A budgetary comparison statement is provided for the general fund in order to present budgetary compliance.

The financial statements also include notes. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016**

Financial Analysis of the Government as a Whole

As noted earlier, changes in net position over time can be a useful indicator of a government's financial position. At the end of the fiscal year ended September 30, 2016, the assets of the Council exceeded the liabilities by \$360,365.

Unrestricted net position may be used to meet the Council's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the Council reported positive balances in all categories of net position.

Following is a comparison of the Council's net position as of September 30, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Cash and Investments	\$ 398,938	\$ 618,541
Taxes and Other Receivables	20,984	16,189
Due from Pinellas County Metropolitan Organization	640,395	175,773
Prepaid Items	6,183	-
Capital Assets	<u>15,164</u>	<u>15,573</u>
 Total Assets	 1,081,664	 826,076
 Deferred Outflows of Resources	 1,134,742	 395,536
Accounts Payable	38,328	12,756
Accrued Wages and Benefits	76,255	52,671
Accrued Rent Payable	22,845	30,829
Compensated Absences	113,421	182,258
Net Pension Liability	<u>1,594,070</u>	<u>600,209</u>
 Total Liabilities	 <u>1,844,919</u>	 <u>878,723</u>
 Deferred Outflows of Resources	 11,122	 85,956
Net Position:		
Invested in Capital Assets	15,164	15,573
Unrestricted	<u>345,201</u>	<u>241,360</u>
 Net Position	 <u>\$ 360,365</u>	 <u>\$ 256,933</u>

Governmental activities increased the Council's net position by \$103,432 primarily as a result of increased property tax revenue.

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016**

Following is a comparison of the Council's statement of activities for the years ending September 30, 2016 and 2015:

	2016	2015
REVENUES		
Program Revenues:		
Charges for Services	\$ 1,394,491	\$ 972,455
General Revenues:		
Property Taxes	991,925	930,070
Investment Earnings	697	1,270
Total Revenues	2,387,113	1,903,795
EXPENSES		
Planning Expenses	2,283,681	1,846,022
INCREASE IN NET POSITION	103,432	57,773
Net Position, Beginning of Year	256,933	199,160
NET POSITION, END OF YEAR	\$ 360,365	\$ 256,933

Financial Analysis of the Council's General Fund

As noted earlier, the Council uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. Governmental funds provide information on near-term inflows, outflows, and balances of spendable resources. This information is useful in assessing the Council's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Council's net resources available for spending at the end of the fiscal year.

As of September 30, 2016, the Council's general fund reported an ending fund balance of \$951,917, an increase of \$206,841 in comparison with the previous fiscal year. Of this amount, \$489,154 or 51% is considered unassigned. The remainder fund balance is either non-spendable or has been assigned to balance the budget in the upcoming fiscal year.

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016**

Economic Factors/ Currently Known Facts, Decisions or Conditions

The Council continues to make great strides and does not expect any major economic conditions to adversely affect the Council's future financial position. The Council's primary source of funding is tax revenue, and countywide taxable values for FY17 are expected to increase by 5% over the prior year. The FY17 budget indicates that expenditures will exceed revenues. For FY17, the millage rate was lowered from 0.0160 to 0.0150 which is below the rollback rate. This will generate about \$951,700 in tax revenues. Combined with other revenue sources (interest, local government assistance, MPO charges for services), FY17 total revenues are estimated to be \$2,673,030. FY17 expenditures total \$2,845,100 resulting in a FY17 budget shortfall of \$172,070. Therefore, \$172,070 from the Unassigned Fund Balance will be used to offset this variance.

The unification with the Pinellas County Metropolitan Planning Organization (MPO) occurred during fiscal year 2014 and the budgets of the two entities continue to be refined per the Council and MPO Staff Services Agreement.

Requests for Information

This financial report is designed to provide a general overview of Pinellas County Planning Council's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed as follows:

Whit Blanton, FAICP
Executive Director
Pinellas County Planning Council
310 Court Street
Clearwater, Florida 33756

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2016**

	Governmental Activities
ASSETS	
Current Assets:	
Cash and Investments	\$ 398,938
Taxes and Other Receivables	20,984
Due From Pinellas County Metropolitan Planning Organization	640,395
Prepaid items	6,183
Total Current Assets	1,066,500
Noncurrent Assets:	
Capital Assets, Net of Accumulated Depreciation	15,164
Total Assets	1,081,664
DEFERRED OUTFLOWS OF RESOURCES	
Pension Related Amounts	1,134,742
LIABILITIES	
Current Liabilities:	
Accounts Payable	38,328
Accrued Wages and Benefits	76,255
Accrued Rent Payable - Current Portion	19,548
Compensated Absences - Current Portion	13,344
Net Pension Liability - Current Portion	16,299
Total Current Liabilities	163,774
Non Current Liabilities:	
Accrued Rent Payable - Noncurrent Portion	3,297
Compensated Absences - Noncurrent Portion	100,077
Net Pension Liability - Noncurrent Portion	1,577,771
Total Noncurrent Liabilities	1,681,145
Total Liabilities	1,844,919
DEFERRED INFLOWS OF RESOURCES	
Pension Related Amounts	11,122
NET POSITION	
Invested in Capital Assets	15,164
Unrestricted	345,201
Total Net Position	\$ 360,365

See accompanying Notes to Basic Financial Statements.

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
SEPTEMBER 30, 2016**

	Governmental Activities
EXPENSES	
Planning:	
Personal Services	\$ 2,100,205
Materials and Service	131,667
Rent	23,066
Property Appraiser and Tax Collector Commissions	28,334
Depreciation	409
Total Program Expenses - Planning	2,283,681
 PROGRAM REVENUES	
Charges for Services - Planning	1,394,491
Net Program Expenses	(889,190)
 GENERAL REVENUE	
Property Taxes	991,925
Investment Income	697
Total General Revenue	992,622
 INCREASE IN NET POSITION	103,432
Net Position, Beginning of Year	256,933
 NET POSITION, END OF YEAR	\$ 360,365

See accompanying Notes to Basic Financial Statements.

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
BALANCE SHEET – GENERAL FUND
SEPTEMBER 30, 2016**

ASSETS

Cash and Investments	\$	398,938
Taxes and Other Receivables		20,984
Due From Pinellas County Metropolitan Planning Organization		640,395
Prepaid Items		<u>6,183</u>
 Total Assets	 \$	 <u><u>1,066,500</u></u>

LIABILITIES AND FUND BALANCE

Liabilities:		
Accounts Payable	\$	38,328
Accrued Wages and Benefits		<u>76,255</u>
 Total Liabilities		 114,583
Fund Balances:		
Nonspendable		6,183
Assigned to:		
Subsequent Year's Budget		456,580
Unassigned		<u>489,154</u>
 Total Fund Balances		 <u><u>951,917</u></u>
 Total Liabilities and Fund Balances	 \$	 <u><u>1,066,500</u></u>

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET – GENERAL FUND
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2016**

Total Fund Balance for the General Fund	\$	951,917
Total Net Position Reported for Governmental Activities in the Statement of Net Assets is Different Because:		
Capital assets used in the general fund are not financial resources and they are not reported in governmental funds.		
Capital Assets	\$ 28,667	
Less: Accumulated Depreciation	<u>(13,503)</u>	15,164
Deferred outflows of resources related to net pension liabilities do not have a current financial resources focus and, therefore, are not recognized in the governmental fund statements.		
		1,134,742
Compensated absences that are not due and payable in the current period, therefore, are not reported in the fund statements.		
		(113,421)
Net pension liabilities are not due and payable in the current period and, therefore, are not reported in the fund statements.		
		(1,594,070)
Operating lease transactions were not reported in the fund statements since there was no amount due for payment; however, in the statement of activities, they are reported as expenses as they increase the liabilities on the statement of net position.		
		(22,845)
Deferred inflows of resources related to net pension liabilities do not have a current financial resources focus and, therefore, are not recognized in the governmental fund statements.		
		<u>(11,122)</u>
Net Position of Governmental Activities	\$	<u><u>360,365</u></u>

See accompanying Notes to Basic Financial Statements.

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2016**

REVENUES

Property Taxes	\$ 991,925
Charges for Services - Shared Services	1,390,895
Contract Services	3,596
Net Investment Activity	<u>697</u>
 Total Revenues	 <u>2,387,113</u>

EXPENDITURES

Payroll, Taxes and Benefits	1,989,221
Office Rent	31,050
Contractual Support Services	64,063
Property Appraiser and Tax Collector Commissions	28,334
Advertising Notice	16,280
Accounting and Audit	18,250
Printing and Reproduction	3,949
Office Supplies and Materials	2,390
Telephone	2,929
Reference and Education	8,670
Risk Management	2,120
Travel	3,880
Fleet	1,193
Mail	819
Miscellaneous	<u>7,124</u>
 Total Expenditures	 <u>2,180,272</u>

NET CHANGE IN FUND BALANCE

206,841

Fund Balance - Beginning of Year

745,076

FUND BALANCE - END OF YEAR

\$ 951,917

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE – GENERAL FUND
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2016**

Net Change in Fund Balance - General Fund \$ 206,841

Amounts Reported for Governmental Activities in the
Statement of Activities are Different Because:

Governmental funds report capital outlays as expenditures. However, in the
statement of activities, the cost of those assets is depreciated over their
estimated useful lives.

Expenditures for Capital Assets	\$ -	
Less: Current Year Depreciation	<u>(409)</u>	(409)

Compensated absences that are not due and payable in the current period and, therefore, are not reported in the funds. This amount represents the change in compensated absences in the current year.		68,837
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Net effect of pension related expenses which decrease net position:		(179,821)
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Operating lease payments are recorded as expenditures when amounts become due for payment; however, in the statement of activities, they are reported as expenses under the straight line basis.		<u>7,984</u>
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Change in Net Position of Governmental Activities		<u><u>\$ 103,432</u></u>
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**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 1 ORGANIZATION AND REPORTING ENTITY

The Pinellas County Planning Council (the Council), a component unit of Pinellas County, Florida (the County) is authorized under Chapters 88-464, and 90-396, of the Laws of Florida. The Council's purpose is to formulate and execute objectives and policies necessary for the orderly growth, development and environmental protection of Pinellas County as a whole. The Council serves as an advisory board and provides preliminary recommendations on proposed changes to the adopted Countywide Future Land Use Plan. The Board of County Commissioners, sitting as the Countywide Planning Authority, can overrule the Council with a super majority vote (majority plus one).

The Board of County Commissioners of Pinellas County also has the right to review the Council's budget, and increase or reduce it as it deems necessary. Based on the control the County Commissioners of Pinellas County have over the Council, as described above, the Council is considered a component unit of Pinellas County, Florida, in accordance with Statement 39 of the *Governmental Accounting Standards Board of the Financial Accounting Foundation* (GASB), as amended. The Council has considered any entities for which it has oversight and there are none meeting the criteria for inclusion in their financial statements.

Membership of the Council

The Council and the Pinellas County Metropolitan Planning Organization are separate legal entities, but both are presented to the public as one organization known as Forward Pinellas under a single governance structure. Forward Pinellas is governed by a 13-member board of elected officials. These officials represent municipal governments, the Board of County Commissioners and the Pinellas Suncoast Transit Authority. The composition of the Forward Pinellas Board is determined by Chapter 339.175, Florida Statutes. Several of the board positions rotate on a two year basis. Each individual agency is responsible for selecting its membership on the Board.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the Council have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles in the United States of America. The more significant of the Council's accounting policies are described below.

**PINELLAS COUNTY PLANNING COUNCIL
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NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all activities of the government.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Separate financial statements are provided for the general fund.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Council considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes and interest associated with current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

The Council reports the general fund as a major governmental fund, which represents the Council's sole operating fund and accounts for all financial resources of the Council.

Cash and Investments

Cash includes amounts on hand and in demand deposit accounts. The Council's investment policy is to maintain funds in near-cash investments, which yield the highest possible return within the limitations established by Florida Statutes and Pinellas County, Florida, ordinances. The Council has no investments measured at fair value.

**PINELLAS COUNTY PLANNING COUNCIL
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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets, which include furniture and equipment, are reported in governmental activities in the government-wide financial statements. The Council defines capital assets as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased. Donated capital assets are recorded at estimated market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

The Council's furniture and equipment is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Office Equipment	5
Computer Equipment and Software	3

Receivables

No substantial losses are anticipated from present receivable balances, therefore, no allowance for uncollectible accounts is deemed necessary.

Compensated Absences

It is the Council's policy to permit employees to accumulate earned but unused annual leave. All annual leave is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Pensions

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

**PINELLAS COUNTY PLANNING COUNCIL
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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The deferred outflows of resources reported in the Council's statement of net position represent changes in actuarial assumptions, the net difference between projected and actual earnings on Health Insurance Subsidy Program investments, changes in the proportion and differences between the Council's contributions and proportionate share of contributions, and the Council's contributions subsequent to the measurement date, relating to the Florida Retirement System Pension Plan and the Retiree Health Insurance Subsidy Program. These amounts will be recognized as increases in pension expense in future years.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The deferred inflows of resources reported in the Council's statement of net position represent the difference between expected and actual economic experience, the net difference between projected and actual earnings on Florida Retirement System Pension investments, and changes in the proportion and differences between the Council's contributions and proportionate share of contributions relating to the Florida Retirement System Pension Plan and the Retiree Health Insurance Subsidy Program. These amounts will be recognized as reductions in pension expense in future years.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in the government-wide financial statements. Net position invested in capital assets consist of capital assets, net of accumulated depreciation. The Council does not have any related long-term debt used to acquire capital assets. Net position is reported as restricted in the government-wide financial statement when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments. The Council has no assets subject to restriction.

**PINELLAS COUNTY PLANNING COUNCIL
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NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncements

For the year ended September 30, 2016, the financial statements include the impact of adoption of Governmental Accounting Standards Board Statement (GASBS) No. 79, *Certain External Investment Pools and Pool Participants*.

GASBS 79 establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. This statement will enhance comparability of financial statements among governments by establishing specific criteria used to determine whether a qualifying external investment pool may elect to use an amortized cost exception to fair value measurement. As of September 30, 2016, the Council was invested in Florida PRIME, which is a qualifying external investment pool.

NOTE 3 CASH AND INVESTMENTS

Cash and investments consisted of the following at September 30, 2016:

Petty Cash on Hand	\$ 100
Bank Deposits	300,475
Florida State Board of Administration - Local Government Investment Pool	<u>98,363</u>
Total Cash and Investments	<u>\$ 398,938</u>

Deposits

At September 30, 2016, the bank balance of the Council's operating deposits was \$341,964.

Deposits are covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Security for Public Deposits Act (the Act). Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Chief Financial Officer acting as State Treasurer, eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of the securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default.

**PINELLAS COUNTY PLANNING COUNCIL
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NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments

The Council does not have its own investment policy and, therefore, follows Section 218.415, Florida Statutes, regarding the investment of public funds. The Council's excess deposits are invested entirely in the State of Florida State Board Administration (SBA) Local Government Investment Pool (LGIP). The SBA manages Florida PRIME, a 2a-7-like pool. A 2a-7-like pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but has a policy that it operates in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940, which regulates money market funds. Therefore, Florida PRIME operates essentially as a money market fund and the Council's position in Florida PRIME is measured at amortized cost. Florida PRIME is rated by Standard & Poor's with a current rating of AAAM. The investment policy of Florida PRIME is to manage the weighted average maturity to 60 days or less. As of September 30, 2016, the Council had \$98,363 deposited in Florida PRIME.

Qualifying local government investment pools in the state of Florida must comply with applicable Florida statutory requirements. Chapter 218.409(8)(a), Florida Statutes, states that the principal balance within a LGIP trust fund is subject to withdrawal at any time. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest in the monies entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council.

With regard to liquidity fees, Chapter 218.409(4) provides authority for an LGIP to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made by the SBA.

At September 30, 2016, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value within Florida PRIME.

NOTE 4 PROPERTY TAXES

The Council is funded through the assessment of ad valorem property tax as approved by the Board of County Commissioners, not to exceed one-sixth mil. The Council's ad valorem tax was levied at 0.0160 mil at October 1, 2015 on property with a gross taxable value of \$68,140,422,732.

Under Florida law, the valuation and assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector.

**PINELLAS COUNTY PLANNING COUNCIL
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NOTE 4 PROPERTY TAXES (CONTINUED)

All property is reassessed according to its fair market value at January 1 of each year. Each assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of state statutes.

All taxes are due and payable on November 1 (levy date) of each year or as soon thereafter as the assessment roll is certified and delivered to the County Tax Collector. All unpaid taxes become delinquent on April 1 (lien date) following the year in which they are assessed. Discounts are allowed for early payments at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January and 1% in the month of February. The taxes paid in March (due date) are without discount.

Delinquent taxes on real property bear interest at 18% per year. On or prior to June 1 following the tax year, certificates are sold for all delinquent taxes on real property. After sale, tax certificates bear interest at 18% per year or at any lower- rate bid by the buyer.

The certificate holder may make application for a tax deed on any unredeemed tax certificates after a period of two years.

Because of the Pinellas County Tax Collector's efficient system for selling tax certificates and remitting the proceeds to the Council, any delinquent or uncollected real property taxes at year-end are immaterial. Tangible personal property taxes remaining delinquent at September 30 are recorded as receivable, less an allowance for uncollected amounts. Based on prior experience, the Council has always been able to fully collect on property taxes. The County's tax calendar is as follows:

Valuation Date:	January 1
Levy Date:	November 1
Due Date:	March 31, Succeeding Year
Lien Date:	April 1, Succeeding Year

NOTE 5 RISK MANAGEMENT

As of September 30, 2016, the Council had not separately established a Risk Management Fund or Pool. As a component unit of Pinellas County, Florida, insurance coverage is provided entirely through the County's risk management pool for property, general liability, employee liability and workers' compensation coverage.

NOTE 6 TRANSACTIONS WITH PINELLAS COUNTY, FLORIDA

Throughout the fiscal year, the Council incurs various operating expenditures relating to services provided by the County to the Council. Such services include the following: medical, life, and disability insurance coverage, legal services, risk management services, printing and reproduction services, and telecommunications. Also, the Council receives payments from municipalities located within Pinellas County for contractual support services (Interlocal Agreements).

**PINELLAS COUNTY PLANNING COUNCIL
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NOTE 7 CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2016 was as follows:

	Balance October 1, 2015	Additions	Deletions	Balance September 30, 2016
Capital Assets Being Depreciated:				
Furniture and Office Equipment	\$ 28,667	\$ -	\$ -	\$ 28,667
Less: Accumulated Depreciation	13,094	409	-	13,503
Capital Assets Being Depreciated, Net	<u>\$ 15,573</u>	<u>\$ (409)</u>	<u>\$ -</u>	<u>\$ 15,164</u>

NOTE 8 OPERATING LEASE

The Council entered into a five-year operating lease agreement beginning July 2012 and extending to June 2017. The Council paid no rent for the first two years of the lease. In January 2016, the Council executed a First Amendment to Lease Agreement, which increased the premises from 3,150 square feet to 9,503 square feet. The Council shares the leased space with the Pinellas County Metropolitan Planning Organization.

Monthly lease payments under this amended agreement are as follows:

Period	Monthly Amount	% Allocated to the Council
January 1, 2016 - September 30, 2016	\$ 6,183	32%
October 1, 2016 - December 31, 2016	6,183	28%
January 1, 2017 - September 30, 2017	6,358	28%
October 1, 2017 - December 31, 2017	6,358	Undetermined
January 1, 2018 - December 31, 2018	6,532	Undetermined
January 1, 2019 - December 31, 2019	6,722	Undetermined
January 1, 2020 - December 31, 2020	6,904	Undetermined

The Council's accrued rent payable on a straight-line basis in the government-wide statements is \$22,845 as of September 30, 2016. The lease may be cancelled by the Council with a 90-day written notice. If the lease is cancelled before the accrued rent payable balance is exhausted, the Council shall pay the remaining unamortized balance upon cancelling the lease.

**PINELLAS COUNTY PLANNING COUNCIL
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NOTE 9 COMPENSATED ABSENCES

Hours of annual leave are earned by employees for each year of service to the Council. There is no maximum limitation on the number of annual leave hours which may be accrued. Upon separation from service, employees shall receive lump sum payment for all unused annual leave up to a maximum of three times the employee's annual accrual rate for annual leave. Such payment shall be made at the employee's regular rate of pay at the time of separation. The change in compensated absences liability is summarized as follows:

	Balance October 1, 2015	Additions	Used	Balance September 30, 2016	Amount Due in One Year
Compensated Absences	\$ 182,258	\$ 125,730	\$ 194,567	\$ 113,421	\$ 13,344

NOTE 10 PENSION PLANS

Background

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 Council 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, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual 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' Web site (www.dms.myflorida.com).

The Council's pension expense totaled \$321,381 for both the FRS Pension Plan and HIS Plan for the year ended September 30, 2016.

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NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 10 PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan

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 6 years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at 8 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 4 years of credit for military service toward creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the FRS Plan to defer receipt of monthly benefit payments while 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.

**PINELLAS COUNTY PLANNING COUNCIL
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SEPTEMBER 30, 2016**

NOTE 10 PENSION PLANS (CONTINUED)

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 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

<u>Class, Initial Enrollment, and Retirement Age/Years of Service:</u>	<u>% Value</u>
Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement up to age 63 or up to 31 years of service	1.63
Retirement up to age 64 or up to 32 years of service	1.65
Retirement up to age 65 or up to 33 years of service	1.68
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement up to age 66 or up to 34 years of service	1.63
Retirement up to age 67 or up to 35 years of service	1.65
Retirement up to age 68 or up to 36 years of service	1.68
Elected County Officers	3.00
Senior Management Service Class	2.00
Special Risk Regular	
Service from December 1, 1970, through September 30, 1974	2.00
Service on and after October 1, 1974	3.00

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 percent 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 COUNTY PLANNING COUNCIL
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NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 10 PENSION PLANS (CONTINUED)

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 for the periods from October 1, 2015 through June 30, 2016 and from July 1, 2016 through September 30, 2016, respectively, were applied to employee salaries as follows: Regular—7.26% and 7.52%; Senior Management Service—21.43% and 21.77%; and DROP participants—12.88% and 12.99%. These employer contribution rates include 1.66% HIS Plan subsidy through September 30, 2016. The Council's contributions to the FRS Plan were \$117,780 for the year ended September 30, 2016.

Pension Costs

At September 30, 2016, the Council reported a liability of \$1,065,158 for its proportionate share of the FRS Plan's net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The Council's proportion of the net pension liability was based on the Council's contributions received by FRS during the measurement period for employer payroll paid dates from July 1, 2015, through June 30, 2016, relative to the total employer contributions received from all of FRS's participating employers. At June 30, 2016, the Council's proportion was 0.004218%, which was an increase of 0.00168% from its proportion measured as of June 30, 2015.

For the year ended September 30, 2016, the Council recognized pension expense of \$237,447 for its proportionate share of FRS's pension expense. In addition, the Council reported its proportionate share of FRS's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 81,557	\$ 9,917
Changes in Actuarial Assumptions	64,439	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	275,330	-
Changes in Proportion and Differences Between Council Contributions and Proportionate Share of Contributions	350,481	-
Council Contributions Subsequent to the Measurement Date	41,350	-
Total	<u>\$ 813,157</u>	<u>\$ 9,917</u>

**PINELLAS COUNTY PLANNING COUNCIL
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NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 10 PENSION PLANS (CONTINUED)

Pension Costs (Continued)

\$41,350 reported as deferred outflows of resources related to pensions resulting from Council contributions to the FRS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the Plan year ended June 30, 2017. 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:

<u>Year Ended September 30</u>	<u>Amount</u>
2017	\$ 131,701
2018	131,701
2019	239,042
2020	178,244
2021	61,080
Thereafter	20,122

Actuarial Assumptions

The total pension liability in the July 1, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60% per year
Salary Increases	3.25%, Average, Including Inflation
Investment Rate of Return	7.60%, Net of Pension Plan Investment Expense, Including Inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB. The actuarial assumptions used in the July 1, 2016, valuation were based on the results of an actuarial experience study completed in 2014 for the period July 1, 2008, through June 30, 2013.

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 table:

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 10 PENSION PLANS (CONTINUED)

Actuarial Assumptions (Continued)

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1%	3.0%	3.0%	1.7%
Fixed Income	18%	4.7%	4.6%	4.6%
Global Equity	53%	8.1%	6.8%	17.2%
Real Estate (Property)	10%	6.4%	5.8%	12.0%
Private Equity	6%	11.5%	7.8%	30.0%
Strategic Investments	12%	6.1%	5.6%	11.1%
Totals	100%			
Assumed Inflation - Mean		2.6%		1.9%

Discount Rate

The discount rate used to measure the total pension liability was 7.60% for the FRS Plan. 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.

Pension Liability Sensitivity

The following presents the Council'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 Council'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:

Description	1% Decrease	Current Discount Rate	1% Increase in Discount Rate
FRS Plan Discount Rate	6.60%	7.60%	8.60%
Council's Proportionate Share of the FRS Plan Net Pension Liability	\$ 1,961,028	\$ 1,065,158	\$ 319,465

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 Comprehensive Annual Financial Report. That report may be obtained through the Florida Department of Management Services website at <http://www.dms.myflorida.com>.

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 10 PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program

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.

Benefits Provided

For the fiscal year ended June 30, 2016, 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.

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 year ended June 30, 2016, the contribution rate was 1.66 percent of payroll pursuant to section 112.363, Florida Statutes. The Council contributed 100 percent 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 Council's contributions to the HIS Plan were \$23,780 for the year ended September 30, 2016.

Pension Costs

At September 30, 2016, the Council reported a liability of \$528,912 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The Council's proportion of the net pension liability was based on the Council's contributions received during the measurement period for employer payroll paid dates from July 1, 2015, through June 30, 2016, relative to the total employer contributions received from all participating employers. At June 30, 2016, the Council's proportion was 0.00454%, which was an increase of 0.00186% from its proportion measured as of June 30, 2015.

For the year ended September 30, 2016, the Council recognized pension expense of \$83,934 for its proportionate share of HIS's pension expense. In addition, the Council reported its proportionate share of HIS's deferred outflows of resources and deferred inflows of resources from the following sources:

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 10 PENSION PLANS (CONTINUED)

Pension Costs (Continued)

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ -	\$ 1,205
Changes in Actuarial Assumptions	83,000	-
Net Difference Between Projected and Actual Earnings on HIS Program Investments	267	-
Changes in Proportion and Differences Between Council Contributions and Proportionate Share of Contributions	231,782	-
Council Contributions Subsequent to the Measurement Date	6,536	-
Total	<u>\$ 321,585</u>	<u>\$ 1,205</u>

\$6,536 reported as deferred outflows of resources related to pensions resulting from Council contributions to the FRS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the Plan year ended June 30, 2017. 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:

<u>Year Ended June 30</u>	<u>Amount</u>
2017	\$ 54,684
2018	54,684
2019	54,633
2020	54,693
2021	52,167
Thereafter	42,983

Actuarial Assumptions

The total pension liability in the July 1, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

HIS Actuarial Assumptions

Inflation	2.60% per year
Salary Increases	3.25%, Average, Including Inflation
Municipal Bond Rate	2.85%

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 10 PENSION PLANS (CONTINUED)

Actuarial Assumptions (Continued)

Mortality rates were based on the Generational RP-2000 with Projection Scale BB. The actuarial assumptions used in the July 1, 2016, valuation were based on the results of an actuarial experience study of the FRS Plan in 2014 for the period July 1, 2008, through June 30, 2013.

Discount Rate

The discount rate used to measure the total pension liability was 2.85% for the HIS Plan. 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.

Pension Liability Sensitivity

The following presents the Council'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 Council'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:

Description	1% Decrease	Current Discount Rate	1% Increase in Discount Rate
HIS Plan Discount Rate	1.85%	2.85%	3.85%
Council's Proportionate Share of the HIS Plan Net Pension Liability	\$ 606,782	\$ 528,912	\$ 464,284

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 Comprehensive Annual Financial Report. That report may be obtained through the Florida Department of Management Services website at <http://www.dms.myflorida.com>.

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 10 PENSION PLANS (CONTINUED)

FRS Investment 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 Comprehensive Annual 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. Council 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 directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2015-16 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows: Regular class 6.30% and Senior Management Service class 7.67%. 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 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2016, 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 Council.

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 10 PENSION PLANS (CONTINUED)

FRS Investment Plan (Continued)

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 Council's Investment Plan pension expense totaled \$3,489 for the year ended September 30, 2016. Employee contributions to the Investment Plan totaled \$1,442 for the fiscal year ended September 30, 2016.

NOTE 11 POST-EMPLOYMENT BENEFITS

The Council does not provide any post-retirement health care benefits. Post-employment health care benefits are made available to the Council's terminated employees in accordance with the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). Under COBRA, the Council is required to offer an election to terminating participants to decrease or terminate participants, their spouses or dependents or to continue coverage in the health plan provided by the Council. The cost of coverage that the Council may charge the participant may not exceed 102% of the applicable premium. The Council's Other Post-Employment Benefit (OPEB) liability is considered immaterial since there are no employer contributions or premium or claim payments made on behalf of retirees.

NOTE 12 FUND BALANCE REPORTING

There are two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are either (a) not in spendable form or; (b) legally contractually required to be maintained intact. At September 30, 2016, the Council did not have any nonspendable fund balance. In addition to the nonspendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

- Restricted: Amounts that can be spent only for the specific purposes stipulated by: (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other Councils; or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed: Amounts that can be used only for the specific purposes determined by a formal action of the Council's highest level of decision-making authority.

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 12 FUND BALANCE REPORTING (CONTINUED)

- Assigned: Amounts intended to be used by the Council for specific purposes. Assigned fund balance represents the amount that is not restricted or committed. The intent shall be expressed by the Council. At September 30, 2016, the Council had \$456,580 of assigned fund balance, which represents the amount needed to eliminate the projected deficit in the subsequent year's budget in an amount no greater than the projected excess of expected expenditures and budgeted contingency reserve over expected revenues.
- Unassigned: This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes. At September 30, 2016, unassigned fund balance is \$489,154. It is the goal of the Council to achieve and maintain an unassigned fund balance equal to or greater than 10% of expenditures to cover unexpected expenditures and revenue shortfalls from year to year

The Council's policy is to apply expenditures against restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance, in that order, under circumstances where a particular expenditure can be made from more than one fund classification.

NOTE 13 DUE FROM PINELLAS COUNTY METROPOLITAN PLANNING ORGANIZATION

The Council and the Pinellas County Metropolitan Planning Organization (MPO) have historically operated as two distinct entities. On December 10, 2014, the Council and the MPO entered into the Interlocal Agreement for Staff and Support Services (Agreement). Prior to the Agreement, the MPO utilized the employees of the Pinellas County Board of County Commissioner's Planning Department. Upon execution of the Agreement, those employees and related payroll processing of the MPO were assumed by the Council. The Agreement identifies payroll and other expenses that are to be shared between the Council and the MPO.

For the year ended September 30, 2016, the amount of reimbursement received from the MPO for shared services totaled \$926,273. As of September 30, 2016, the amount owed from the MPO relating to charges for shared services was \$640,395.

REQUIRED SUPPLEMENTARY INFORMATION

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2016**

	General Fund Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance- Favorable (Unfavorable)
REVENUES				
Pinellas County Property Taxes	\$ 908,380	\$ 954,400	\$ 991,925	\$ 37,525
Projected Fund Balance Carryforward	335,960	335,960	452,040	116,080
Net Investment Activity	1,150	1,150	697	(453)
Contract Services	15,000	15,000	3,596	(11,404)
Charges for Services	-	841,000	1,390,895	549,895
Total Revenues	<u>1,260,490</u>	<u>2,147,510</u>	<u>2,839,153</u>	<u>691,643</u>
EXPENDITURES AND RESERVES				
Payroll, Taxes and Benefits	2,148,000	2,148,000	1,989,221	158,779
Contractual Support Services	55,000	55,000	64,063	(9,063)
Legal Services	5,000	5,000	-	5,000
Office Rent	44,000	44,000	31,050	12,950
Equipment Rental and Furnishings	10,000	10,000	-	10,000
Telephone	3,000	3,000	2,929	71
Mail	2,000	2,000	819	1,181
Advertising Notice	25,000	25,000	16,280	8,720
Printing and Reproduction	15,000	15,000	3,949	11,051
Office Supplies and Materials	7,000	7,000	2,390	4,610
Property Appraiser and Tax Collector Commissions	30,000	30,000	28,334	1,666
Intergovernmental Services	22,000	22,000	-	22,000
Risk Management	2,200	2,200	2,120	80
Travel	8,000	8,000	3,880	4,120
Fleet O&M	-	-	1,193	(1,193)
Reference and Education	5,000	5,000	8,670	(3,670)
Accounting and Audit	15,000	15,000	18,250	(3,250)
Administrative Hearing	4,500	4,500	-	4,500
Council Activities	1,000	1,000	-	1,000
Contingency	3,000	3,000	7,124	(4,124)
10% of Expenditures (Budgeted Contingency)	93,370	93,370	-	93,370
Total Expenditures	<u>2,498,070</u>	<u>2,498,070</u>	<u>2,180,272</u>	<u>317,798</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ (1,237,580)</u>	<u>\$ (350,560)</u>	<u>\$ 658,881</u>	<u>\$ 1,009,441</u>

Note A - Budget-to-Actual Reconciliation

An Explanation of the Differences Between Budgetary Inflows and Revenues
Determined in Accordance with Generally Accepted Accounting Principles Follows:

Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 2,839,153
Differences - Budget to GAAP:	
Projected Fund Balance Carryforward from the Prior Year is a Budgetary Resources but is Not a Current Year Revenue for Financial Reporting Purposes	<u>(452,040)</u>
Total Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	<u>\$ 2,387,113</u>

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
NOTE TO STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2016**

NOTE 1 BUDGET COMPLIANCE

Budgets

On or before July 1 of each year, the Council's Executive Director prepares a budget, which includes requested appropriations for the next fiscal year.

The proposed budget is presented to the Council members on or before July 31 for review. The Council approves the budget at a public meeting and transmits it to the Board of County Commissioners for approval and certification of the millage rate at a public hearing, as provided by law.

Expenditures may not legally exceed budgeted appropriations at the fund level. Any revision that alters the total expenditures must be approved by a majority of the Council members. In instances where budget appropriations and estimated revenues have been revised during the year, the budget data presented in the financial statements represents final authorized amounts. Unexpended appropriations lapse at year-end. All deliberations on the budget by the Council shall be done at meetings open to the public.

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
SCHEDULE OF PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY
YEAR ENDED SEPTEMBER 30, 2016**

Florida Retirement System Pension Plan	<u>2016</u>	<u>2015</u>
Council's Proportion of the Net Pension Liability	0.004218434%	0.002535182%
Council's Proportionate Share of the Net Pension Liability	\$ 1,065,158	\$ 327,453
Council's Covered-Employee Payroll	\$ 1,336,283	\$ 625,764
Council's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll	79.71%	52.33%
Plan Fiduciary Net Position as a Percentage of the total Pension Liability	84.88%	92.00%

Note: 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 Council will present information for only those years for which information is available.

Retiree Health Insurance Subsidy Program	<u>2016</u>	<u>2015</u>
Council's Proportion of the Net Pension Liability	0.004538227%	0.002674486%
Council's Proportionate Share of the Net Pension Liability	\$ 528,912	\$ 272,756
Council's Covered-Employee Payroll	\$ 1,400,984	\$ 811,399
Council's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll	37.75%	33.62%
Plan Fiduciary Net Position as a Percentage of the total Pension Liability	0.97%	0.50%

Note: 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 Council will present information for only those years for which information is available.

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
SCHEDULE OF CONTRIBUTIONS
YEAR ENDED SEPTEMBER 30, 2016**

Florida Retirement System Pension Plan

	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 117,780	\$ 78,447
Contributions in Relation to the Contractually Required Contribution	<u>(117,780)</u>	<u>(78,447)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
Council's Covered-Employee Payroll	\$ 1,376,604	\$ 859,715
Contributions as a Percentage of Covered Employee Payroll	8.56%	9.12%

Note: 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 Council will present information for only those years for which information is available.

Retiree Health Insurance Subsidy Program

	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 23,780	\$ 14,857
Contributions in Relation to the Contractually Required Contribution	<u>(23,780)</u>	<u>(14,857)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
Council's Covered-Employee Payroll	\$ 1,424,659	\$ 1,063,959
Contributions as a Percentage of Covered Employee Payroll	1.67%	1.40%

Note: 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 Council will present information for only those years for which information is available.



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**INDEPENDENT AUDITORS' REPORT 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**

Members

Pinellas County Planning Council
A Component Unit of Pinellas County, Florida
Clearwater, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and general fund of Pinellas County Planning Council, as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise Pinellas County Planning Council's basic financial statements, and have issued our report thereon dated April 5, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Pinellas County Planning Council's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Pinellas County Planning Council's internal control. Accordingly, we do not express an opinion on the effectiveness of Pinellas County Planning Council's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Members
Pinellas County Planning Council
A Component Unit of Pinellas County, Florida

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Pinellas County Planning Council'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 determination of financial statement amounts. 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 result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Pinellas County Planning Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Tampa, Florida
April 5, 2017



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MANAGEMENT LETTER

Members

Pinellas County Planning Council
A Component Unit of Pinellas County, Florida
Clearwater, Florida

Report on the Financial Statements

We have audited the financial statements of the Pinellas County Planning Council, as of and for the fiscal year ended September 30, 2016 and have issued our report thereon dated April 5, 2017.

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; and Chapter 10.550 Rules of the Florida Auditor General.

Other Reports and Schedule

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements with Chapter 10.550, Rule of the Auditor General. Disclosures in those reports, which are dated April 5, 2017, 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 annual financial audit report.

Official Title and Legal Authority

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

Financial Condition

Section 10.554(1)(i)5.a., Rules of the Auditor General, requires that we report the results of our determination as to whether or not the Council has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Council did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Members
Pinellas County Planning Council
A Component Unit of Pinellas County, Florida

Financial Condition (Continued)

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the Council'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.

Annual Financial Report

Section 10.554(1)(i)5.b., Rules of the Auditor General, requires that we report the results of our determination as to whether the annual financial report for the Council for the fiscal year ended September 30, 2016, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2016. In connection with our audit, we determined that these two reports were in agreement.

Special District Component Units

Section 10.554(1)(i)5.d, Rules of the Auditor General, requires that we determine whether or not a special district that is a component unit of a county, municipality, or special district, provided the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. The Council does not have any component units.

Other Matters

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

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not 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 Board of Directors and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.


CliftonLarsonAllen LLP

Tampa, Florida
April 5, 2017



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INDEPENDENT ACCOUNTANTS' REPORT

Members

**Pinellas County Planning Council
Clearwater, Florida**

We have examined the Pinellas County Planning Council's (Council) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2016. Management is responsible for the Council's compliance with those requirements. Our responsibility is to express an opinion on the Council's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Council's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Council's compliance with specified requirements.

In our opinion, the Council complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2016.

This report is intended solely for the information and use of the Council and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Tampa, Florida
April 5, 2017