


COUNCIL MEMBERS

Councilmember Jim Kennedy, *Chair*
Commissioner John Morrone, *Vice-Chair*
Commissioner Joanne "Cookie" Kennedy, *Secretary*
Councilmember Doreen Caudell, *Treasurer*
Mayor Sandra Bradbury
Mayor Julie Ward Bujalski
Commissioner Dave Eggers
Commissioner Cliff Merz
Councilmember Darden Rice
Commissioner Karen Williams Seel
Commissioner Tom Shelly
Commissioner Michael Smith
Commissioner John Tornga

MEMORANDUM

Whit Blanton, FAICP
Executive Director

TO: Norman D. Loy, Board Records

FROM:  Joann Jacobs, Pinellas Planning Council

SUBJECT: Receipt and File of the Annual Audit for Pinellas County Planning Council

DATE: May 13, 2016

Attached please find the Annual Financial Report as received and accepted by the Planning Council at their May 11, 2016 council meeting.

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

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COMMISSIONERS
PINELLAS COUNTY FLORIDA



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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, 2015, and have issued our report thereon dated May 4, 2016. 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.

As described in Note 14, the Council changed accounting policies related to the reporting the net pension liability for its defined benefit pension plans by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, and the related GASBS No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*, by recognizing its net pension liability relating to its pension plans. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in the Governmental Activities financial statements for the implementation of these GASB 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.

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 May 4, 2016.

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 May 4, 2016, 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, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated May 4, 2016.

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
May 4, 2016

PINELLAS COUNTY PLANNING COUNCIL

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

**BASIC FINANCIAL STATEMENTS AND
REGULATORY REPORTS**

YEAR ENDED SEPTEMBER 30, 2015



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**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, 2015**

COUNCIL MEMBERS: OCTOBER 1, 2014 – SEPTEMBER 30, 2015

<i>Chair</i>	<i>Jim Kennedy Councilmember, City of St. Petersburg</i>
<i>Vice-Chair</i>	<i>John Morroni Commissioner, Pinellas County</i>
<i>Treasurer</i>	<i>Doreen Hock-DiPolito Councilmember, City of Clearwater</i>
<i>Secretary</i>	<i>Joanne Kennedy Commissioner, City of Indian Rocks Beach</i> <i>Kevin Piccarreto Deputy Mayor, Town of Belleair</i> <i>John Tornga Commissioner, City of Dunedin</i> <i>Sandra Bradbury Mayor, City of Pinellas Park</i> <i>Cliff Merz Commissioner, City of Safety Harbor</i> <i>Darden Rice Councilmember, City of St. Petersburg</i> <i>Karen Williams Seel Commissioner, Pinellas County</i> <i>Dave Eggers Commissioner, Pinellas County</i> <i>Julie Ward Bujalski Mayor, City of Dunedin, representing PSTA</i> <i>Michael Smith Commissioner, City of Largo</i>

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, 2015, 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, 2015, 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.

Emphasis of a Matter

As described in Note 14 to the financial statements, the Council adopted the provisions of Governmental Accounting Standards Board Statement (GASBS) No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*, which was subsequently amended by GASBS No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. As a result of implementation of GASBS No. 68, the Council reported a restatement for the change in accounting principle. The auditors' opinion was not modified with respect to this restatement.

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.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 4, 2016, 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
May 4, 2016

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2015**

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, 2015.

Financial Highlights

- The assets and deferred outflows of resources of the Council exceeded its liabilities and deferred inflows of resources at September 30, 2015 by \$256,933 (net position). This amount may be used to meet the Council's ongoing obligations to citizens and creditors. Net position increased by \$57,773 from the previous fiscal year.
- As of September 30, 2015, the Council's general fund reported an ending fund balance of \$745,076, an increase of \$156,065 from the previous fiscal year.
- Fund balance has been assigned in an amount equal to approximately 27% 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, 2015**

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, 2015**

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, 2015, the assets of the Council exceeded the liabilities by \$256,933.

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, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Cash and Investments	\$ 618,541	\$ 600,859
Taxes and Other Receivables	16,189	15,500
Due from Pinellas County Metropolitan Organization	175,773	
Prepaid Expenses	-	3,512
Capital Assets	<u>15,573</u>	<u>-</u>
 Total Assets	 826,076	 619,871
 Deferred Outflows of Resources	 - 395,536	 -
Accounts Payable	12,756	\$ 20,824
Accrued Wages and Benefits	52,671	10,036
Accrued Rent Payable	30,829	47,412
Compensated Absences	182,258	55,905
Net Pension Liability	<u>600,209</u>	<u>-</u>
 Total Liabilities	 <u>878,723</u>	 <u>134,177</u>
 Deferred Outflows of Resources	 85,956	 -
Net Position:		
Invested in Capital Assets	15,573	-
Unrestricted	<u>241,360</u>	<u>485,694</u>
 Net Position	 <u>\$ 256,933</u>	 <u>\$ 485,694</u>

Governmental activities increased the Council's net position by \$57,773 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, 2015**

Following is a comparison of the Council's statement of activities for the years ending September 30, 2015 and 2014:

	2015	2014
REVENUES		
Program Revenues:		
Charges for Services	\$ 972,455	\$ 5,730
General Revenues:		
Property Taxes	930,070	874,534
Investment Earnings	1,270	38
Total Revenues	1,903,795	880,302
 EXPENSES		
Planning Expenses	1,846,022	864,768
 INCREASE IN NET POSITION	57,773	15,534

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, 2015, the Council's general fund reported an ending fund balance of \$745,076, an increase of \$156,065 in comparison with the previous fiscal year. Of this amount, \$547,376 or 73% is considered unassigned. The remainder fund balance has been assigned to finance next years' operations.

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2015**

Economic Factors/ Currently Known Facts, Decisions or Conditions

The Council does not foresee any major economic conditions that may adversely affect the Council's future financial position. The Council's Board is keeping apprised of the property values when budgeting; these directly impact the Council's primary source of funding (i.e., ad valorem tax revenue). As of March 2016, the Pinellas County Office of Management and Budget has estimated that tax revenues for fiscal year 2017 will increase by approximately 5%, or \$47,600 using the Council's current millage rate of 0.0160. The Council is considering lowering its millage for FY17 to 0.0150, which would slightly lower the tax revenues by \$15,900. The Unassigned Fund Balance will be utilized during FY17 to balance the budget, as the attempt to reduce this balance during FY15 was not entirely successful due to a number of factors, including the late-year hiring of the unified Executive Director that was budgeted for the entire fiscal year.

The unification with the Pinellas County Metropolitan Planning Organization (MPO) occurred during fiscal year 2014 and the Council continues to see savings from this effort. Additionally, the budgets of the two entities are being unified as 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:

Michael Crawford, AICP
Interim 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
YEAR ENDED SEPTEMBER 30, 2015**

	<u>Governmental Activities</u>
ASSETS	
Current Assets:	
Cash and Investments	\$ 618,541
Taxes and Other Receivables	16,189
Due From Pinellas County Metropolitan Planning Organization	175,773
Total Current Assets	<u>810,503</u>
Noncurrent Assets:	
Capital Assets, Net of Accumulated Depreciation	<u>15,573</u>
Total Assets	<u><u>826,076</u></u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension Related Amounts	<u>395,536</u>
Total Assets and Deferred Outflows of Resources	<u><u>1,221,612</u></u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	12,756
Accrued Wages and Benefits	52,671
Accrued Rent Payable - Current Portion	17,358
Compensated Absences - Current Portion	<u>20,312</u>
Total Current Liabilities	103,097
Non Current Liabilities:	
Accrued Rent Payable - Noncurrent Portion	13,471
Compensated Absences - Noncurrent Portion	161,946
Net Pension Liability	<u>600,209</u>
Total Noncurrent Liabilities	<u>775,626</u>
Total Liabilities	<u>878,723</u>
DEFERRED INFLOWS OF RESOURCES	
Pension Related Amounts	<u>85,956</u>
Total Liabilities and Deferred Inflows of Resources	<u><u>964,679</u></u>
NET POSITION	
Invested in Capital Assets	15,573
Unrestricted	<u>241,360</u>
Total Net Position	<u><u>\$ 256,933</u></u>

See accompanying Notes to Basic Financial Statements.

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
STATEMENT OF NET POSITION
YEAR ENDED SEPTEMBER 30, 2015**

	<u>Governmental Activities</u>
EXPENSES	
Planning:	
Personal Services	\$ 1,662,976
Materials and Service	127,784
Rent	25,755
Property Appraiser and Tax Collector Commissions	26,965
Depreciation	<u>2,542</u>
Total Program Expenses - Planning	1,846,022
PROGRAM REVENUES	
Charges for Services - Planning	<u>972,455</u>
Net Program Expenses	(873,567)
GENERAL REVENUE	
Property Taxes	930,070
Investment Income	<u>1,270</u>
Total General Revenue	<u>931,340</u>
INCREASE IN NET POSITION	57,773
Net Position, Beginning of Year, As Restated (Note 14)	<u>199,160</u>
NET POSITION, END OF YEAR	<u><u>\$ 256,933</u></u>

See accompanying Notes to Basic Financial Statements.

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
BALANCE SHEET – GENERAL FUND
SEPTEMBER 30, 2015**

ASSETS

Cash and Investments	\$	618,541
Taxes and Other Receivables		16,189
Due From Pinellas County Metropolitan Planning Organization		<u>175,773</u>
Total Assets	\$	<u><u>810,503</u></u>

LIABILITIES AND FUND BALANCE

Liabilities:		
Accounts Payable	\$	12,756
Accrued Wages and Benefits		<u>52,671</u>
Total Liabilities		65,427
Fund Balances:		
Assigned to:		
Subsequent Year's Budget		197,700
Unassigned		<u>547,376</u>
Total Fund Balances		<u>745,076</u>
Total Liabilities and Fund Balances	\$	<u><u>810,503</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, 2015**

Total Fund Balance for the General Fund	\$	745,076
Total Net Assets 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 there are are not reported in governmental funds.		
Capital Assets	\$	28,667
Less: Accumulated Depreciation	<u>(13,094)</u>	15,573
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.		
		395,536
Compensated absences that are not due and payable in the current period, therefore, are not reported in the fund statements.		
		(182,258)
Net pension liabilities are not due and payable in the current period and, therefore, are not reported in the fund statements.		
		(600,209)
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.		
		(30,829)
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>(85,956)</u>
Net Position of Governmental Activities	\$	<u><u>256,933</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, 2015**

REVENUES

Pinellas County Property Taxes	\$	930,070
Charges for Services - Shared Services		965,827
Contract Services		6,628
Net Investment Activity		1,270

Total Revenues		1,903,795
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EXPENDITURES

Payroll, Taxes and Benefits		1,532,528
Office Rent		42,336
Contractual Support Services		68,554
Property Appraiser and Tax Collector Commissions		26,965
Advertising Notice		18,366
Accounting and Audit		15,190
Printing and Reproduction		3,233
Equipment Rental and Other		490
Office Supplies and Materials		3,130
Telephone		2,909
Reference and Education		2,946
Risk Management		2,480
Travel		2,923
Fleet		539
Mail		1,424
Miscellaneous		5,602
Capital Outlay		18,115

Total Expenditures		1,747,730
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NET CHANGE IN FUND BALANCE		156,065
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Fund Balance - Beginning of Year		589,011
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FUND BALANCE - END OF YEAR		\$ 745,076
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**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, 2015**

Net Change in Fund Balance - General Fund \$ 156,065

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	\$ 18,115	
Less: Current Year Depreciation	<u>(2,542)</u>	15,573

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.		(126,353)
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Net effect of pension related expenses which decrease net position:		(4,093)
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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>16,581</u>
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Change in Net Position of Governmental Activities		<u><u>\$ 57,773</u></u>
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**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

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 Planning Council

The Council is composed of the same membership as the Pinellas County Metropolitan Planning Organization, including three members appointed from the Pinellas County Board of County Commissioners, two members from the City of St. Petersburg, and one member from the Pinellas Suncoast Transit Authority, and one member representing the following municipalities: Clearwater, Dunedin, Largo, Oldsmar, Pinellas Park, Safety Harbor, Tarpon Springs. The Council also has one member representing the municipalities of Belleair, Belleair Bluffs, Gulfport Seminole, and South Pasadena (the "Inland" communities), and one member representing the "Beach" communities of Belleair Beach, Belleair Shore, Indian Shores, Indian Rocks Beach, Treasure Island, Madeira Beach, North Redington Beach, Redington Beach, Redington Shores, and St. Pete Beach.

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
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

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. Investments are stated at fair value.

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

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
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

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
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncements

For the year ended September 30, 2015, the financial statements include the impact of adoption of Governmental Accounting Standards Board Statement (GASBS) No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* (GASBS 68) and GASBS No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68* (GASBS 71).

GASBS 68 addresses accounting and financial reporting for pensions provided to governmental employees through pension plans that are administered by trusts. The Council participates in the Florida Retirement System that is administered by the State of Florida. Under this standard, the Council is required to report a net pension liability, pension expense, and pension-related deferred inflows and outflows of resources based on its proportionate share of the collective amounts for all the governments in the Florida Retirement System. GASBS 71 is required to be applied simultaneously with the provisions of GASBS 68. The objective of this Statement is to address an issue regarding application of the transition provisions of GASBS 68. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

NOTE 3 CASH AND INVESTMENTS

Cash and investments consisted of the following at September 30, 2015:

Petty Cash on Hand	\$	100
Bank Deposits		520,609
Florida State Board of Administration - Local Government Investment Pool		97,832
Total Cash and Investments	\$	618,541

Deposits

At September 30, 2015, the bank balance of the Council's operating deposits was \$645,480.

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
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

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. 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 considered to be equivalent to its fair value. 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, 2015, the Council had \$97,832 deposited in 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, 2014 on property with a gross taxable value of \$59,327,791,165.

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.

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.

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

NOTE 4 PROPERTY TAXES (CONTINUED)

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, 2015, 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).

NOTE 7 CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2015 was as follows:

	Balance September 30, 2014	Additions	Deletions	September 30,
Capital Assets Being Depreciated:				
Furniture and Office Equipment	\$ 10,552	\$ 18,115	\$ -	\$ 28,667
Less: Accumulated Depreciation	10,552	2,542	-	13,094
Capital Assets Being Depreciated, Net	<u>\$ -</u>	<u>\$ 15,573</u>	<u>\$ -</u>	<u>\$ 15,573</u>

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

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. The Council recorded accrued rent payable in the amount of \$30,829 on a straight-line basis in the government-wide statements, which is included in total rent expense for the year. The lease may be cancelled by the Council with a 90-day written notice. If the lease is cancelled before the completion of the five-year term, the Council shall pay all deferred rent from year one and year two of the lease.

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 September 30, 2014	Additions	Used	Balance September 30, 2015	Amount Due in One Year
Compensated Absences	\$ 55,905	\$ 240,920	\$ 114,567	\$ 182,258	\$ 20,312

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.

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

NOTE 10 PENSION PLANS (CONTINUED)

Background (Continued)

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 \$97,396 for both the FRS Pension Plan and HIS Plan for the year ended September 30, 2015.

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.

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

NOTE 10 PENSION PLANS (CONTINUED)

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
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

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
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

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, 2014 through June 30, 2015 and from July 1, 2015 through September 30, 2015, respectively, were applied to employee salaries as follows: Regular—7.37% and 7.26%; Special Risk Administrative Support—42.07% and 32.95%; Special Risk—19.82% and 22.04%; Senior Management Service—21.14% and 21.43%; Elected Officers'—43.24% and 42.27%; and DROP participants—12.28% and 18.75%. These employer contribution rates include 1.20% and 1.26% HIS Plan subsidy for the periods October 1, 2014 through June 30, 2015 and from July 1, 2015 through September 30, 2015, respectively. The Council's contributions to the FRS Plan were \$78,447 for the year ended September 30, 2015.

Pension Costs

At September 30, 2015, the Council reported a liability of \$327,453 for its proportionate share of the FRS Plan's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. 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, 2014, through June 30, 2015, relative to the total employer contributions received from all of FRS's participating employers. At June 30, 2015, the Council's proportion was 0.00254%, which was an increase of 0.00101% from its proportion measured as of June 30, 2014.

For the year ended September 30, 2015, the Council recognized pension expense of \$61,395 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	\$ 34,569	\$ 7,766
Changes in Actuarial Assumptions	21,734	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	78,190
Changes in Proportion and Differences Between Council Contributions and Proportionate Share of Contributions	188,410	-
Council Contributions Subsequent to the Measurement Date	26,443	-
Total	<u>\$ 271,156</u>	<u>\$ 85,956</u>

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

NOTE 10 PENSION PLANS (CONTINUED)

Pension Costs (Continued)

\$26,443 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 year ended September 30, 2016. 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>
2016	\$ 21,973
2017	21,973
2018	21,973
2019	21,973
2020	21,973
Thereafter	48,892

Actuarial Assumptions

The total pension liability in the July 1, 2015, 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	7.65%, 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, 2015, valuation were based on the results of an actuarial experience study 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, 2015**

NOTE 10 PENSION PLANS (CONTINUED)

Actuarial Assumptions (continued)

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1%	3.2%	3.1%	1.7%
Fixed Income	18%	4.8%	4.7%	4.7%
Global Equity	53%	8.5%	7.2%	17.7%
Real Estate (Property)	10%	6.8%	6.2%	12.0%
Private Equity	6%	11.9%	8.2%	30.0%
Strategic Investments	12%	6.7%	6.1%	11.4%
Totals	100%			
Assumed Inflation - Mean		2.6%		1.9%

Discount Rate

The discount rate used to measure the total pension liability was 7.65% 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	6.65%	7.65%	8.65%
Council's Proportionate Share of the FRS Plan Net Pension Liability	\$ 848,504	\$ 327,453	\$ (106,148)

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, 2015**

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, 2015, 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, 2015, the contribution rate was 1.26 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 \$14,857 for the year ended September 30, 2015.

Pension Costs

At September 30, 2015, the Council reported a liability of \$272,756 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. 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, 2014, through June 30, 2015, relative to the total employer contributions received from all participating employers. At June 30, 2015, the Council's proportion was 0.00267%, which was a decrease of 0.00122% from its proportion measured as of June 30, 2014.

For the year ended September 30, 2015, the Council recognized pension expense of \$36,002 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, 2015**

NOTE 10 PENSION PLANS (CONTINUED)

Pension Costs (continued)

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ -	\$ -
Changes in Actuarial Assumptions	21,459	-
Net Difference Between Projected and Actual Earnings on HIS Program Investments	148	-
Changes in Proportion and Differences Between Council Contributions and Proportionate Share of Contributions	96,756	-
Council Contributions Subsequent to the Measurement Date	6,017	-
Total	<u>\$ 124,380</u>	<u>\$ -</u>

\$6,017 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 year ended June 30, 2016. 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>
2016	\$ 18,788
2017	18,788
2018	18,788
2019	18,788
2020	18,788
Thereafter	24,423

Actuarial Assumptions

The total pension liability in the July 1, 2015, 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
Municipal Bond Rate	3.80%

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

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, 2015, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

Discount Rate

The discount rate used to measure the total pension liability was 3.80% 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	2.800%	3.80%	4.800%
Council's Proportionate Share of the HIS Plan Net Pension Liability	\$ 310,792	\$ 272,756	\$ 241,039

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, 2015**

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 2014-15 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%, Special Risk Administrative Support class 7.95%, Special Risk class 14.00%, Senior Management Service class 7.67% and County Elected Officers class 11.34%. These allocations include a required employee contribution of 3% of gross compensation for each member class.

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to 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, 2015, 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, 2015**

NOTE 10 PENSION PLANS (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

FRS Investment Plan (continued)

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 \$14,989 for the year ended September 30, 2015. Employee contributions to the Investment Plan totaled \$6,127 for the fiscal year ended September 30, 2015.

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, 2015, 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, 2015**

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, 2015, the Council had \$197,700 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, 2015, unassigned fund balance is \$547,376. 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, 2015, the amount of reimbursement received from the MPO for shared services totaled \$796,682. As of September 30, 2015, the amount owed from the MPO relating to charges for shared services was \$175,773.

PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 14 CHANGE IN ACCOUNTING PRINCIPLE

During the year ended September 30, 2015, the Council adopted GASB Statement No. 68 *Accounting and Financial Reporting for Pensions*, and the related GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*. These pronouncements require the restatement of the September 30, 2014 net position of the governmental activities as follows:

	<u>Governmental Activities</u>
Net Position, September 30, 2014, as Previously Reported	\$ 485,694
Cumulative Effect of Application of GASB 68, Net Pension Liability	(229,343)
Cumulative Effect of Application of GASB 68, Deferred Inflows of Resources and Deferred Outflows of Resources on Pension Related Amounts	(68,381)
Cumulative Effect of Application of GASB 71, Deferred Outflow of Resources for Council Contributions Made to the Plan Subsequent to the Measurement Date During Fiscal Year Ending September 30, 2014	11,190
Net Position, September 30, 2014, as Restated	\$ 199,160

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, 2015**

	General Fund Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance- Favorable (Unfavorable)
REVENUES				
Pinellas County Property Taxes	\$ 908,380	\$ 954,400	\$ 930,070	\$ (24,330)
Projected Fund Balance Carryforward	335,960	335,960	135,870	(200,090)
Net Investment Activity	1,150	1,150	1,270	120
Contract Services	15,000	15,000	6,628	(8,372)
Charges for Services	-	841,000	965,827	124,827
Total Revenues	<u>1,260,490</u>	<u>2,147,510</u>	<u>2,039,665</u>	<u>(107,845)</u>
EXPENDITURES AND RESERVES				
Payroll, Taxes and Benefits	674,000	1,494,000	1,532,528	(38,528)
Contractual Support Services	75,000	95,000	68,554	26,446
Legal Services	5,000	5,000	-	5,000
Office Rent	43,000	43,000	42,336	664
Equipment Rental and Furnishings	15,000	25,000	17,940	7,060
Telephone	4,000	4,000	2,909	1,091
Mail	4,000	4,000	1,424	2,576
Advertising Notice	40,000	30,000	18,366	11,634
Printing and Reproduction	17,000	17,000	3,233	13,767
Office Supplies and Materials	9,000	9,000	3,130	5,870
Property Appraiser and Tax Collector Commissions	38,000	38,000	26,965	11,035
Risk Management	2,000	2,000	2,480	(480)
Travel	9,000	9,000	2,923	6,077
Fleet O&M	-	1,000	539	461
Reference and Education	5,000	5,000	2,946	2,054
Accounting and Audit	15,000	15,000	15,190	(190)
Administrative Hearing	4,000	4,000	-	4,000
Council Activities	2,000	2,000	-	2,000
Contingency	3,000	3,000	5,602	(2,602)
10% of Expenditures (Budgeted Contingency)	96,400	180,500	-	180,500
Total Expenditures	<u>1,060,400</u>	<u>1,985,500</u>	<u>1,747,730</u>	<u>237,770</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ 200,090</u>	<u>\$ 162,010</u>	<u>\$ 291,935</u>	<u>\$ 129,925</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	\$ 2,039,665
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>(135,870)</u>
Total Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	<u>\$ 1,903,795</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, 2015**

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, 2015**

Florida Retirement System Pension Plan	<u>2015</u>
Council's Proportion of the Net Pension Liability	0.002535182%
Council's Proportionate Share of the Net Pension Liability	\$ 327,453
Council's Covered-Employee Payroll	\$ 625,764
Council's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll	52.33%
Plan Fiduciary Net Position as a Percentage of the total Pension Liability	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>2015</u>
Council's Proportion of the Net Pension Liability	0.002674486%
Council's Proportionate Share of the Net Pension Liability	\$ 272,756
Council's Covered-Employee Payroll	\$ 811,399
Council's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll	0.00%
Plan Fiduciary Net Position as a Percentage of the total Pension Liability	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, 2015**

Florida Retirement System Pension Plan	2015
Contractually Required Contribution	\$ 78,447
Contributions in Relation to the Contractually Required Contribution	(78,447)
Contribution Deficiency (Excess)	\$ -
 Council's Covered-Employee Payroll	 \$ 859,715
Contributions as a Percentage of Covered Employee Payroll	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	2015
Contractually Required Contribution	\$ 14,857
Contributions in Relation to the Contractually Required Contribution	(14,857)
Contribution Deficiency (Excess)	\$ -
 Council's Covered-Employee Payroll	 \$ 1,063,959
Contributions as a Percentage of Covered Employee Payroll	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, 2015, 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 May 4, 2016.

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.

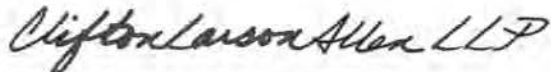
Members
Pinellas County Planning Council
A Component Unit of Pinellas County, Florida

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
May 4, 2016



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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, 2015 and have issued our report thereon dated May 4, 2016.

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 May 4, 2016, 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, 2015, 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, 2015. 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

CliftonLarsonAllen LLP

Tampa, Florida
May 4, 2016



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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, 2015. 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, 2015.

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
May 4, 2016