

FORWARD PINELLAS

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Clearwater, FL 33756



MEMORANDUM

TO: Norman Loy, Board Records

FROM: Joann Jacobs, Pinellas Planning Council

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

DATE: May 9, 2019

RECEIVED
BOARD OF
2019 MAY -9 PM 2:49
BOARD OF COUNTY
COMMISSIONERS
PINELLAS COUNTY FLORIDA

Attached please find the Annual Financial Report as received and accepted by the Planning Council at their March 8, 2019 meeting.

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



February 25, 2019

Cherry Bekaert LLP
401 East Jackson Street, Suite 1200
Tampa, Florida 33602

This representation letter is provided in connection with your audit of the financial statements of Pinellas Planning Council (the "Council"), which comprise the respective financial position of the governmental activities and the general fund as of September 30, 2018, and the respective changes in financial position for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of February 25, 2019, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated April 18, 2018, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the accounts. A list of the adjustments is attached to this representation letter.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the Council is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 11) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.

- c) Unrestricted access to persons within the Council from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the Council or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
 - 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
 - 14) We have no knowledge of any fraud or suspected fraud that affects the Council and involves:
 - Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements.
 - 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the Council's financial statements communicated by employees, former employees, regulators, or others.
 - 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
 - 17) We have disclosed to you the identity of the Council's related parties and all the related party relationships and transactions of which we are aware.

Government-specific

- 18) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 19) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 20) The Council has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
- 21) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 22) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 23) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 24) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 25) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 26) As part of your audit, you assisted with preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of

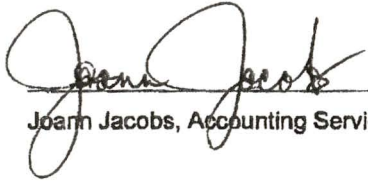
the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.

- 27) We are in compliance with the local government investment policy requirements of Section 218.415, *Florida Statutes*.
- 28) As it relates to your examination of our compliance with the local government investment policy requirements under Section 218.415, *Florida Statutes*:
 - a.) We acknowledge our responsibility for establishing and maintaining effective internal controls over such compliance with our local government investment policies.
 - b.) We state that management has performed an evaluation of the entity's compliance with the specified requirements of Section 218.415, and
 - c.) We state that management does not have any varying interpretations of the specified requirements of Section 218.415.
- 29) In regards to the net pension liability, pension expense, deferred inflows and outflows related to pensions, we confirm the following:
 - a.) The participant information we have provided to the Florida Retirement System ("FRS") was complete and accurate.
 - b.) We have reviewed the audit report provided by the FRS and the information pertaining to the Authority appears reasonable.
- 30) We have properly implemented Government Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions (OPEB)*.
- 31) In regards to the implementation of GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions (OPEB)*, we confirm the following:
 - a) We are responsible for the accurate and complete implementation of these standards.
 - b) The data provided to the actuary for the September 30, 2017 valuation was complete and accurate.
 - c) The discount rate used by the actuary in the September 30, 2017 valuation is reasonable.
- 32) The Council has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 33) The Council has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 34) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 35) The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34 .
- 36) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 37) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 38) Provisions for uncollectible receivables have been properly identified and recorded.
- 39) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 40) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 41) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.

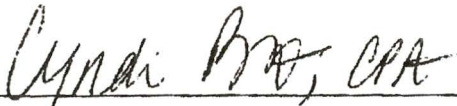
- 42) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- 43) We have appropriately disclosed the Council's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 44) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 45) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.



Whit Blanton, Executive Director



Joann Jacobs, Accounting Services Coordinator



Cyndi Bro, CPA, Laughlin & Associates

Board Members
Pinellas Planning Council
Clearwater, Florida

We have audited the financial statements of the governmental activities and the general fund of Pinellas Planning Council (the "Council") for the year ended September 30, 2018 and the related notes to the financial statements. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 18, 2018. Professional standards also require that we communicate to you the following information related to our audit.

SIGNIFICANT AUDIT FINDINGS

Qualitative Aspects of Accounting Practices

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. The Council adopted new accounting policies in response to the pronouncements issued by the Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The application of existing policies was not changed during fiscal year ended September 30, 2018. We noted no transactions entered into by Council 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 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 Council's financial statements were management's estimate of the net pension liability and total other postemployment benefits liability which are based on the calculation of actuaries and specialists who use management's inputs to calculate these liabilities. We evaluated the key factors and assumptions used to develop this estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

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.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Attachment 1 summarizes the adjustments that were proposed and posted by management during the audit.

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 auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 25, 2019.

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 auditor's 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.

Other Audit Findings or Issues

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

OTHER MATTERS

We applied certain limited procedures to the management discussion and analysis, the schedule of revenues, expenditures, and changes in fund balance, the schedule of proportionate share of the net pension liability, the schedule of contributions, and the postemployment benefits other than pensions – schedule of changes in total liability and related ratios, which is required supplementary information ("RSI") that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

RESTRICTION ON USE

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

A handwritten signature in black ink that reads "Cherry Bekaert LLP". The signature is written in a cursive, flowing style.

Tampa, Florida
February 25, 2019

Attachment 1: Proposed and Posted Adjustments

Account	Description	Debit	Credit	Net Income Effect
1				
Entry to rollforward prior year equity with offset to misc expense account group.				
2.18	FLEET O&M	9,658.00	0.00	
32000	Unrestricted Net Assets	0.00	9,658.00	
Total		9,658.00	9,658.00	(9,658.00)
2				
To true up deferred rent liability and expense based on supporting amortization schedule with offset to misc expense account group.				
2001	Deferred Rent (SL)	3,948.00	0.00	
2.030	Rent Expense - SL	0.00	3,948.00	
2.030	Rent Expense - SL	4,140.00	0.00	
2.18	FLEET O&M	0.00	4,140.00	
Total		8,088.00	8,088.00	3,948.00
3				
To correct reported capital asset balances.				
1200	Accumulated depreciation	2,665.00	0.00	
4.004	Depreciation Expense	0.00	2,665.00	
32000	Unrestricted Net Assets	2,665.00	0.00	
3000	Invested in capital assets	0.00	2,665.00	
Total		5,330.00	5,330.00	2,665.00
4				
Entry to record FRS and HIS amounts for 2018.				
CLA003	Net Pension Liability	163,184.00	0.00	
CLA002	Deferred Outflows - Pension	0.00	221,600.00	
CLA001	Deferred Inflows - Pension	0.00	172,458.00	
1.0204	Retirement	230,874.00	0.00	
Total		394,058.00	394,058.00	(230,874.00)
5				
PBC Entry to accrue liability related to expense of domestic partnership salary adjustment.				
11001	Accounts Receivable MPO	0.00	6,287.00	
1.0100	Salaries	6,287.00	0.00	
Total		6,287.00	6,287.00	(6,287.00)
6				
To record OPEB liability				
CB 04	OPEB Liability	0.00	2,455,743.00	
CB 05	Deferred Inflows - OPEB	0.00	125,562.00	
CB 06	Deferred Outflows - OPEB	90,591.00	0.00	
1.0204	Retirement	28,756.00	0.00	
32000	Unrestricted Net Assets	2,461,958.00	0.00	
Total		2,581,305.00	2,581,305.00	(28,756.00)

**PINELLAS PLANNING COUNCIL
(A Component Unit of Pinellas
County, Florida)**

FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION,
AND COMPLIANCE REPORTS

As of and for the Year Ended September 30, 2018

And Reports of Independent Auditor

PINELLAS PLANNING COUNCIL
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PINELLAS PLANNING COUNCIL
COUNCIL MEMBERS AND ADMINISTRATION

COUNCIL MEMBERS: OCTOBER 1, 2017 - SEPTEMBER 30, 2018

Chair	Dave Eggers Commissioner, Pinellas County
Vice Chair	Darden Rice Councilmember, City of St. Petersburg
Treasurer	Joanne Kennedy Vice Mayor, City of Indian Rocks Beach
Secretary	Janet Long PSTA
	Kenneth Welch Commissioner, Pinellas County
	David Allbritton Councilmember, City of Clearwater
	Jacob Karr Councilmember, Safety Harbor, Oldsmar, Tarpon Springs
	Sandra Bradbury Mayor, City of Pinellas Park
	Michael Smith Vice-Mayor, City of Largo
	Suzy Sofer Commissioner, Island Communities
	Julie Bujalski Mayor, City of Dunedin
	Brandi Gaddard Councilmember, City of St. Petersburg
	Karen Seal Commissioner, Pinellas County

ADMINISTRATION

Whit Blanton, FAICP
Executive Director

Report of Independent Auditor

To the Members of
Pinellas 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 Planning Council (the "Council"), a component unit of Pinellas County, Florida, as of and for the year ended September 30, 2018, 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.

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

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, 2018, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2, the Council adopted new accounting guidance, Government Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* effective October 1, 2017. Adoption of the new accounting guidance resulted in a restatement of beginning net position. Our opinions are not modified with respect to this matter.

Other Matters**Required Supplementary Information**

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2019, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.



Tampa, Florida
February 25, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

PINELLAS PLANNING COUNCIL

MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2018

This section of the Pinellas Planning Council's (the "Council") annual financial report presents a narrative overview and an analysis of the financial activities of the Council for the fiscal year ended September 30, 2018.

Financial Highlights

- The assets and deferred outflows of resources of the Council were less than its liabilities and deferred inflows of resources at September 30, 2018, by \$2,370,867 (net position). Net position decreased by \$2,699,569 from the previous fiscal year primarily due to the implementation of GASB 75.
- As of September 30, 2018, the Council's general fund reported an ending fund balance of \$1,227,159, an increase of \$19,716 from the previous fiscal year.
- Fund balance has been assigned in an amount equal to approximately 33% 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 four parts: Report of Independent Auditor, required supplementary information which includes the management's discussion and analysis (this section), the basic financial statements, and the compliance section. 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 assets, deferred inflows of resources, liabilities, and deferred outflows of resources, is 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 PLANNING COUNCIL

MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2018

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 Standards 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 government 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.

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, 2018, the assets and deferred outflows of the Council were less than the liabilities and deferred inflows by \$2,370,867.

PINELLAS PLANNING COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2018

Following is a comparison of the Council's net position as of September 30:

	2018	2017 ⁽¹⁾
Cash and investments	\$ 1,001,603	\$ 827,001
Taxes and other receivables	13,966	19,145
Due from Pinellas County Metropolitan Planning Organization	303,357	454,489
Prepaid items	2,452	2,345
Capital assets, net	10,245	14,532
Total Assets	<u>1,331,623</u>	<u>1,317,512</u>
Deferred Outflows of Resources	<u>1,189,127</u>	<u>1,320,136</u>
Accounts payable and accrued expenses	88,471	59,644
Due to other governments	5,748	35,893
Accrued rent payable	9,053	14,346
Compensated absences	129,819	131,116
Net pension liability	1,808,424	1,971,608
OPEB liability	2,455,743	-
Total Liabilities	<u>4,497,258</u>	<u>2,212,607</u>
Deferred Inflows of Resources	<u>394,359</u>	<u>96,339</u>
Net Position:		
Net investment in capital assets	10,245	14,532
Unrestricted	<u>(2,381,112)</u>	<u>314,170</u>
Net Position (Deficit)	<u>\$ (2,370,867)</u>	<u>\$ 328,702</u>

(1) Amounts for fiscal year 2017 have not been restated for the adoption of GASB 75.

Governmental activities decreased the Council's net position by \$237,611 primarily as a result of increased planning expenses.

PINELLAS PLANNING COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2018

Following is a comparison of the Council's statement of activities for the years ended September 30:

	<u>2018</u>	<u>2017</u> ⁽¹⁾
Revenues:		
Program Revenues:		
Charges for services	\$ 1,232,331	\$ 1,315,641
General Revenue:		
Property taxes	1,060,479	998,459
Investment earnings	2,518	1,526
Total Revenues	<u>2,295,328</u>	<u>2,315,626</u>
Expenses:		
Planning expenses	<u>2,532,939</u>	<u>2,347,289</u>
Decrease in net position	(237,611)	(31,663)
Net position (deficit), beginning of year (restated)	<u>(2,133,256)</u>	<u>360,365</u>
Net position (deficit), end of year	<u>\$ (2,370,867)</u>	<u>\$ 328,702</u>

(1) Amounts for fiscal year 2017 have not been restated for the adoption of GASB 75.

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, 2018, the Council's general fund reported an ending fund balance of \$1,227,159, an increase of \$19,716 in comparison with the previous fiscal year. Of this amount, \$824,707 or 67% is considered unassigned. The remainder fund balance is either non-spendable or has been assigned to balance the budget in the upcoming fiscal year.

Economic Factors/Currently Known Facts, Decisions, or Conditions

The Council continues to make great strides and does not expect any major economic conditions to adversely affect the Council's future financial position. The Council is primarily funded by property tax revenues. The millage rate has remained relatively constant over the last 3 fiscal years, at 0.0150. The maximum millage rate that can be levied is 0.1666 mills. The Council anticipates a nearly 7% increase in tax revenue over the prior year generating roughly \$1,131,650. Total revenues for fiscal year 2019 are estimated to be \$2,574,400 which includes interest, local government assistance, and the Pinellas County Metropolitan Planning Organization ("MPO") charges for services. Fiscal year 2019 budgeted expenditures total \$3,045,600, resulting in a budget shortfall of \$471,200. This amount includes \$400,000 that was added to Contractual Support Services from the Unassigned Fund Balance. This action was consistent with the Council's directive to continue to spend down the Unassigned Fund Balance while maintaining an Unassigned Fund Balance equal to 10% of expenditures to cover unexpected expenditures and/or revenue shortfalls for the Council and MPO.

PINELLAS PLANNING COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2018

Requests for Information

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

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

FINANCIAL STATEMENTS

PINELLAS PLANNING COUNCIL
STATEMENT OF NET POSITION

SEPTEMBER 30, 2018

	Governmental Activities
ASSETS	
Current Assets:	
Cash and investments	\$ 1,001,603
Taxes and other receivables	13,966
Due from Pinellas County Metropolitan Planning Organization	303,357
Prepaid items	2,452
Total Current Assets	<u>1,321,378</u>
Noncurrent Assets:	
Capital assets, net of accumulated depreciation	<u>10,245</u>
Total Assets	<u>1,331,623</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related amounts	1,098,536
OPEB related amounts	90,591
Total Deferred Outflows of Resources	<u>1,189,127</u>
LIABILITIES	
Current Liabilities:	
Accounts payable and accrued expenses	88,471
Due to other governments	5,748
Accrued rent payable, current portion	4,423
Compensated absences, current portion	129,819
Total Current Liabilities	<u>228,461</u>
Noncurrent Liabilities:	
Accrued rent payable	4,630
Net pension liability	1,808,424
OPEB liability	2,455,743
Total Liabilities	<u>4,497,258</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related amounts	268,797
OPEB related amounts	125,562
Total Deferred Inflows of Resources	<u>394,359</u>
NET POSITION	
Net investment in capital assets	10,245
Unrestricted	(2,381,112)
Total Net Position (Deficit)	<u>\$ (2,370,867)</u>

See notes to the financial statements.

PINELLAS PLANNING COUNCIL
STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2018

	Governmental Activities
Program Expenses:	
Planning:	
Personal services	\$ 2,204,046
Materials and services	268,816
Rent	22,802
Property appraiser and tax collector commissions	30,399
Depreciation	6,876
Total Program Expenses	<u>2,532,939</u>
Program Revenues:	
Charges for services, planning	<u>1,232,331</u>
Total Program Revenues	<u>1,232,331</u>
Net Program Deficit	<u>(1,300,608)</u>
General Revenues:	
Property taxes	1,060,479
Investment income	2,518
Total General Revenues	<u>1,062,997</u>
Decrease in net position	(237,611)
Net position (deficit), beginning of year (restated)	<u>(2,133,256)</u>
Net position (deficit), end of year	<u><u>\$ (2,370,867)</u></u>

PINELLAS PLANNING COUNCIL
BALANCE SHEET – GENERAL FUND

SEPTEMBER 30, 2018

ASSETS

Cash and investments	\$ 1,001,603
Taxes and other receivables	13,966
Due from Pinellas County Metropolitan Planning Organization	303,357
Prepaid items	<u>2,452</u>
Total Assets	<u><u>\$ 1,321,378</u></u>

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable and accrued expenses	\$ 88,471
Due to other governments	<u>5,748</u>
Total Liabilities	<u>94,219</u>

Fund Balance:

Non-spendable	2,452
Assigned to:	
Subsequent year's budget	400,000
Unassigned	<u>824,707</u>
Total Fund Balance	<u>1,227,159</u>
Total Liabilities and Fund Balance	<u><u>\$ 1,321,378</u></u>

PINELLAS PLANNING COUNCIL

RECONCILIATION OF THE BALANCE SHEET – GENERAL FUND TO THE STATEMENT OF NET POSITION

SEPTEMBER 30, 2018

Total Fund Balance for the General Fund		\$	1,227,159
Total net position reported for governmental activities in the statement of net position is different because:			
Capital assets used in the general fund are not financial resources and, therefore, not reported in governmental funds.			
Capital assets	35,614		
Less accumulated depreciation	<u>(25,369)</u>		10,245
Deferred outflows and inflows of resources related to net pension liabilities and OPEB do not have a current financial and, therefore, are not recognized in the governmental resources focus fund statements.			
Deferred outflows	1,189,127		
Deferred inflows	<u>(394,359)</u>		794,768
Compensated absences that are not due and payable in the current period, therefore, are not reported in the governmental fund statements.			
			(129,819)
Net pension liabilities are not due and payable in the current period and, therefore, are not reported in the governmental fund statements.			
			(1,808,424)
OPEB liabilities are not due and payable in the current period and, therefore, are not reported in the governmental fund statements.			
			(2,455,743)
Operating lease transactions were not reported in the governmental 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.			
			<u>(9,053)</u>
Net Position (Deficit) of Governmental Activities		\$	<u><u>(2,370,867)</u></u>

PINELLAS PLANNING COUNCIL**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
GENERAL FUND***YEAR ENDED SEPTEMBER 30, 2018*

Revenues:	
Property taxes	\$ 1,060,479
Charges for services	1,221,590
Contract services	10,741
Net investment activity	<u>2,518</u>
Total Revenues	<u>2,295,328</u>
Expenditures:	
Payroll, taxes, and benefits	1,945,714
Property appraiser and tax collector commissions	30,399
Office rent	28,095
Intergovernmental services	90,743
Contractual support services	87,501
Accounting and audit	14,900
Advertising notice	18,627
Communications, advocacy, and education	11,279
Office supplies and materials	3,004
Telephone	3,515
Council activities	798
Travel	6,608
Printing and reproduction	4,114
Mail	2,623
Capital outlay	11,840
Miscellaneous	<u>15,852</u>
Total Expenditures	<u>2,275,612</u>
Net change in fund balance	19,716
Fund balance, beginning of year	<u>1,207,443</u>
Fund balance, end of year	<u>\$ 1,227,159</u>

PINELLAS PLANNING COUNCIL

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – GENERAL FUND TO THE STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2018

Net Change in Fund Balance - General Fund	\$	19,716
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	2,589	
Less current year depreciation	<u>(6,876)</u>	
		(4,287)
Compensated absences that are not due and payable in the current period and therefore, are not reported in the governmental funds statements. This amount represents the change in compensated absences in the current year.		
		1,297
Net effect of pension and OPEB related expenses which decreased net position.		
		(259,630)
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>5,293</u>
Change in Net Position of Governmental Activities	\$	<u>(237,611)</u>

NOTES TO THE FINANCIAL STATEMENTS

PINELLAS PLANNING COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

Note 1—Organization and reporting entity

The Pinellas 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 the County as a whole. The Council services 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 the County in accordance with Governmental Accounting Standards Board (“GASB”) Statement 39, as amended. The Council has considered any entities for which it has oversight and there are none meeting the criteria for inclusion in its financial statements.

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

Note 2—Summary of significant accounting policies

Basis of Presentation – The financial statements of the Council have been prepared in accordance 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.

Government-Wide and Fund Financial Statements – The government-wide financial statements (i.e., the statement of net position and the statement of activities) 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.

PINELLAS PLANNING COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

Note 2—Summary of significant accounting policies (continued)

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 the County ordinances. The Council's investments are recorded at amortized cost.

Prepaid Items – Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

Capital Assets – Capital assets, which include furniture, equipment, and leasehold improvements, 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 acquisition 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 estimated useful life of 3-5 years. Leasehold improvements are depreciated using the straight-line method over the remaining lease term.

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.

Accrued Rent – Operating lease arrangements are recognized on a straight-line basis in the government-wide statements over the life of the lease. Accrued rent is the difference between the straight-line recognition and the actual amount paid.

PINELLAS PLANNING COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

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 pension deferrals due to differences between expected and actual economic experience, changes in actuarial assumptions, the net difference between projected and actual earnings, 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 ("FRS") Pension Plan, the Retiree Health Insurance Subsidy ("HIS") Program and the Other Postemployment Benefit ("OPEB") Plan. 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 pension deferrals due to the difference between expected and actual economic experience, changes in actuarial assumptions, the net difference between projected and actual earnings, and changes in the proportion and differences between the Council's contributions and proportionate share of contributions relating to FRS Pension Plan, HIS Program and OPEB Plan. These amounts will be recognized as reductions in pension expense in future years.

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 FRS defined benefit plan and 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.

Other Postemployment Benefits– The Council contributes to a single-employer defined-benefit healthcare plan administered by the County. The postretirement health benefits are funded on a pay-as-you-go basis (i.e. the County funds on a cash basis as benefits are paid). The Council follows GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Implementation of GASB 75 required restatement of beginning net position, resulting in a decrease of beginning net position of \$2,461,958.

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 investment 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.

Use of Estimates – The preparation of financial statements requires management to make use of estimates that affect reported amounts. Actual results could differ from these estimates.

Subsequent Events – In preparing these financial statements, the Council has evaluated events and transactions for potential recognition or disclosure through February 25, 2019, the date the financial statements were available to be issued.

PINELLAS PLANNING COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

Note 3—Cash and investments

Cash and investments consisted of the following at September 30, 2018:

Petty cash on hand	\$ 100
Bank deposits	900,165
Florida State Board of Administration - Local Government Investment Pool	<u>101,338</u>
Total Cash and Investments	<u>\$ 1,001,603</u>

Deposits – At September 30, 2018, the bank balance of the Council’s operating deposits was \$916,656.

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.

Investments – The Council does not have its own investment policy and, therefore, follows Section 218.415, Florida Statutes, regarding the investment of public funds. The Council’s excess deposits are invested entirely in the State of Florida State Board Administration (“SBA”) Local Government Investment Pool (“LGIP”). Florida PRIME is not registered with the SEC as an investment company, but nevertheless has a policy that it will, and does, operate as a qualifying external investment pool. Thus, this pool operates essentially as a money market fund and the Council’s position in Florida PRIME is measured at amortized cost. Florida PRIME is rated by Standard & Poor’s with a current rating of AAAM. The investment policy of Florida PRIME is to manage the weighted average maturity to 60 days or less. As of September 30, 2018, the Council had \$101,338 deposited in Florida PRIME.

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

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

At September 30, 2018, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100% of their account value within Florida PRIME.

PINELLAS PLANNING COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

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 0.0150 mil at October 1, 2017, on property with a gross taxable value of \$73,503,171.

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.

Because of the County Tax Collector's efficient system for selling tax certificates and remitting the proceeds to 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.

Note 5—Risk management

As of September 30, 2018, the Council had not separately established a Risk Management Fund or Pool. As a component unit of the County, 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 the County for contractual support services ("Interlocal Agreements").

PINELLAS PLANNING COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

Note 7—Capital assets

Capital asset activity for the year ended September 30, 2018 was as follows:

	Balance October 1, 2017	Additions	Deletions	Balance September 30, 2018
Capital assets being depreciated:				
Furniture and office equipment	\$ 28,667	\$ 2,589	\$ -	\$ 31,256
Leasehold improvements	4,358	-	-	4,358
Less accumulated depreciation	<u>(18,493)</u>	<u>(6,876)</u>	<u>-</u>	<u>(25,369)</u>
Total capital assets being depreciated, net	<u>\$ 14,532</u>	<u>\$ (4,287)</u>	<u>\$ -</u>	<u>\$ 10,245</u>

Note 8—Operating lease

The Council entered into a five-year operating lease agreement beginning July 2012 and extending to December 2020. The Council paid no rent for the first two years of the lease. In January 2016, the Council executed a First Amendment to Lease Agreement, which increased the premises from 3,150 square feet to 9,503 square feet and extended the term to December 2020. The Council shares the leased space with the MPO.

Monthly lease payments under this amended agreement are as follows:

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

The Council's accrued rent payable on a straight-line basis in the government-wide statements is \$9,053 as of September 30, 2018. The lease may be cancelled by the Council with a 90-day written notice. If the lease is cancelled before the accrued rent payable balance is exhausted, the Council shall pay the remaining unamortized balance upon cancelling the lease.

PINELLAS PLANNING COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

Note 9—Compensated absences

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

	Balance October 1, 2017	Additions	Used	Balance September 30, 2018	Amount Due in One Year
Compensated absences	\$ 131,116	\$ 129,058	\$ (130,355)	\$ 129,819	\$ 129,819

Note 10—Pension plans

Background – The FRS was created by Chapter 121, Florida Statutes, to provide a defined 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 HIS Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any state-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the Council are eligible to enroll as members of the state-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' website (https://www.dms.myflorida.com/workforce_operations/retirement/publications/annual_reports).

The Council's pension expense totaled \$385,846 for both the FRS Pension Plan and HIS Plan for the year ended September 30, 2018.

PINELLAS PLANNING COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

Note 10—Pension plans (continued)

Florida Retirement System Pension Plan

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

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

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

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

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

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

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

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

PINELLAS PLANNING COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

Note 10—Pension plans (continued)

<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 Class	
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% 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.

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, 2017 through June 30, 2017, and from July 1, 2017 through September 30, 2018, respectively, were applied to employee salaries as follows: Regular – 7.92% and 8.26%; Senior Management Service – 22.71% and 24.06%; and DROP participants – 13.26% and 14.03%. The Council's contributions to the FRS Plan were \$130,981 for the year ended September 30, 2018.

Pension Costs – At September 30, 2018, the Council reported a liability of \$1,374,539 for its proportionate share of the FRS Plan's net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. 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, 2017 through June 30, 2018, relative to the total employer contributions received from all of FRS's participating employers. At June 30, 2018, the Council's proportion was 0.00456%, which was a decrease of 0.00050% from its proportion measured as of June 30, 2017.

PINELLAS PLANNING COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

Note 10—Pension plans (continued)

For the year ended September 30, 2018, the Council recognized pension expense of \$319,290 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:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual economic experience	\$ 116,444	\$ 4,226
Changes in actuarial assumptions	449,132	-
Net difference between projected and actual earnings on Pension Plan investments	-	106,200
Changes in proportion and differences between Council contributions and proportionate share of contributions	290,421	75,182
Council contributions subsequent to the measurement date	30,627	-
Total	<u>\$ 886,624</u>	<u>\$ 185,608</u>

\$30,627 reported as deferred outflows of resources related to pensions resulting from Council contributions to the FRS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the plan year ended June 30, 2019. 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 Ending September 30,</u>	<u>Amount</u>
2019	\$ 209,975
2020	153,979
2021	50,411
2022	113,767
2023	87,215
Thereafter	55,042
	<u>\$ 670,389</u>

Actuarial Assumptions – The total pension liability in the July 1, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60% per year
Payroll Growth	3.25%, average, including inflation
Investment Rate of Return	7.00%, 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, 2018, valuation were based on the results of an actuarial experience study completed in 2014 for the period July 1, 2008 through June 30, 2013.

PINELLAS PLANNING COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

Note 10—Pension plans (continued)

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 asset class are summarized in the following table:

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash equivalents	1.0%	2.9%	2.9%	1.8%
Fixed income	18.0%	4.4%	4.3%	4.0%
Global equity	54.0%	7.6%	6.3%	17.0%
Real estate (property)	11.0%	6.6%	6.0%	11.3%
Private equity	10.0%	10.7%	7.8%	26.5%
Strategic investments	6.0%	6.0%	5.7%	8.6%
Total	100.0%			
Assumed Inflation - Mean			2.6%	1.9%

Discount Rate – The discount rate used to measure the total pension liability was 7.00% 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	6.00%	7.00%	8.00%
Council's proportionate share of the FRS Plan net pension liability	\$ 2,508,590	\$ 1,374,539	\$ 432,641

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 PLANNING COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

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, 2018, 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, 2018, the contribution rate was 1.66% of payroll pursuant to Section 112.363, Florida Statutes. The Council contributed 100% of its statutorily required contributions for the current and preceding three 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 contribution to the HIS Plan was \$22,098 for the year ended September 30, 2018.

Pension Costs – At September 30, 2018, the Council reported a liability of \$433,885 for its proportionate share of the HIS Plan’s net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. 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, 2017 through June 30, 2018, relative to the total employer contributions received from all participating employers. At June 30, 2018, the Council’s proportion was 0.00410%, which was a decrease of 0.00033% from its proportion measured as of June 30, 2017.

PINELLAS PLANNING COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

Note 10—Pension plans (continued)

For the year ended September 30, 2018, the Council recognized pension expense of \$66,556 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:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual economic experience	\$ 6,643	\$ 737
Changes in actuarial assumptions	48,253	45,874
Net difference between projected and actual earnings on HIS Program investments	262	-
Changes in proportion and differences between Council contributions and proportionate share of contributions	151,804	36,578
Council contributions subsequent to the measurement date	4,950	-
Total	<u>\$ 211,912</u>	<u>\$ 83,189</u>

\$4,950 reported as deferred outflows of resources related to pensions resulting from Council contributions to the FRS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the plan year ended June 30, 2019. 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 Ending September 30,</u>	<u>Amount</u>
2019	\$ 21,973
2020	21,951
2021	20,170
2022	16,939
2023	10,195
Thereafter	32,545
	<u>\$ 123,773</u>

Actuarial Assumptions – The total pension liability in the July 1, 2018 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	3.87%

Mortality rates were based on the Generational RP-2000 with Projection Scale BB. The actuarial assumptions used in the July 1, 2018, valuation were based on the results of an actuarial experience study of the FRS Plan in 2014 for the period July 1, 2008 through June 30, 2013.

PINELLAS PLANNING COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

Note 10—Pension plans (continued)

Discount Rate – The discount rate used to measure the total pension liability was 3.87% 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:

<u>Description</u>	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase in Discount Rate</u>
HIS Plan discount rate	2.87%	3.87%	4.87%
Council’s proportionate share of the HIS Plan net pension liability	\$ 494,169	\$ 433,885	\$ 383,634

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>.

FRS Investment Plan – The 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 0.06% of payroll and by forfeited benefits of plan members. Allocations to the investment member’s accounts during the 2017-18 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows: Regular class – 6.30% and Senior Management Service class – 7.67%. These allocations include a required employee contribution of 3% of gross compensation for each member class.

PINELLAS PLANNING COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

Note 10—Pension plans (continued)

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the 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, 2018, 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.

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

The Council's Investment Plan pension expense totaled approximately \$13,700 for the year ended September 30, 2018.

Note 11—Fund balance reporting

There are two major types of fund balances, which are non-spendable and spendable. Non-spendable 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, 2018, the Council had \$2,452 in non-spendable fund balance. In addition to the non-spendable 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.

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, 2018, the Council had \$400,000 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, 2018, unassigned fund balance is \$824,707. 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.

PINELLAS PLANNING COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

Note 12—Due from Pinellas County Metropolitan Planning Organization

The Council and the 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, 2018, the amount of reimbursement received from the MPO for shared services totaled \$1,221,590. As of September 30, 2018, the amount due from the MPO relating to charges for shared services was \$303,357.

Note 13—Other Post-employment Benefits

Plan Description – Pinellas County administers a single-employer defined-benefit health care plan (the “Plan”) that provides postretirement medical, hospital, pharmacy and dental coverage to retirees as well as their eligible spouses and dependents. Benefits are provided through the County’s group health insurance plan, which covers both active and retired members. Employees of the Council also participate in this plan.

Participation in the Plan consisted of the following at September 30, 2018:

Retirees and beneficiaries	1,820
Active member	3,047
	<u>4,867</u>

Eligibility and Benefits – To be eligible to receive retiree medical and dental benefits, participants must be eligible for retirement benefits under FRS and pay required contributions. For non-Medicare eligible retirees, employees enrolled in DROP and those within 5 years of normal FRS retirement prior to October 1, 2004, the County will continue funding at the same level as active employees. For employees not part of the previously mentioned groups who were hired prior to January 1, 2011, benefits range from 25% of the premium for 10 years of service, increasing by 3.33% per year of service up to 75% for 25 years or more, calculated on the single premium of the lowest cost plan.

Funding Policy, Status, and Progress – Medical and contributions vary based on the plan and tier. The postretirement medical is currently funded on a pay-as-you-go basis (i.e., the County funds on a cash basis as benefits are paid). The County’s contribution is the actual pay-as-you-go postemployment benefit payments less participant contributions for the period October 1, 2017 to September 30, 2018. No assets have been segregated and restricted to provide postretirement benefits.

PINELLAS PLANNING COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

Note 13—Other Postemployment Benefits (continued)

Contributions are required for both retiree and dependent coverage. Retirees contribute a portion of the full active premium equivalent rates for health coverage. The full monthly premiums, retiree contribution amounts, and the County subsidies effective January 1, 2018 through December 31, 2018 are provided in the tables below. The County subsidy is assumed to remain flat.

Years of County Service	County Subsidy Percentage	County Subsidy in Dollars	Net Premium for Single Retiree Coverage	Net Premium for Retiree plus Spouse/ Dependent Coverage	Net Premium for Retiree plus Child Coverage	Net Premium for Retiree plus Child plus Spouse/ Dependent Coverage
10	25.00%	\$ 225.79	\$ 677.36	\$ 1,662.03	\$ 1,482.23	\$ 2,471.09
11	28.33%	255.86	647.29	1,631.96	1,452.16	2,441.02
12	31.66%	285.94	617.21	1,601.88	1,422.08	2,410.94
13	34.99%	316.01	587.14	1,571.81	1,392.01	2,380.87
14	38.32%	346.09	557.06	1,541.73	1,361.93	2,350.79
15	41.65%	376.16	526.99	1,511.66	1,331.86	2,320.72
16	44.98%	406.24	496.91	1,481.58	1,301.78	2,290.64
17	48.31%	436.31	466.84	1,451.51	1,271.71	2,260.57
18	51.64%	466.39	436.76	1,421.43	1,241.63	2,230.49
19	54.97%	496.46	406.69	1,391.36	1,211.56	2,200.42
20	58.30%	526.54	376.61	1,361.28	1,181.48	2,170.34
21	61.63%	556.61	346.54	1,331.21	1,151.41	2,140.27
22	64.96%	586.69	316.46	1,301.13	1,121.33	2,110.19
23	68.29%	616.76	286.39	1,271.06	1,091.26	2,080.12
24	71.62%	646.84	256.31	1,240.98	1,061.18	2,050.04
25 or more	75.00%	677.36	225.79	1,210.46	1,030.66	2,019.52

Total OPEB Liability – The Council's total OPEB liability of \$2,455,743 was measured as of September 30, 2017, and was determined by an actuarial valuation as of that date.

Actuarial Method and Assumptions – The total OPEB liability in the September 30, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Valuation date	September 30, 2017
Discount rate	3.50%, based on a 20-Year Municipal GO AA Index
Salary increases rate	Salary increase rates used in the July 1, 2016 actuarial valuation of FRS; 3.70% - 7.80%, including inflation
Retirement Age	Based on results of an actual experience study covering the period 2008 through 2013
Inflation rate	2.50%
Actuarial cost method	Entry Age Normal
Amortization method	6.6 years
Healthcare cost trend rates	Based on the Getzen Model, with trend starting at 7.00% on January 1, 2018 (0% for premiums) followed by 6.75% on January 1, 2019 and gradually decreasing to an ultimate trend rate of 4.24% plus 0.90% increase for excise tax
Aging factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death"
Mortality tables	Generation RP-2000 with Projection Scale BB

PINELLAS PLANNING COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

Note 13—Other Postemployment Benefits (continued)

Changes in Total OPEB Liability – Changes in the Council's total OPEB liability for the year ended September 30, 2018 are as follows:

Balance at September 30, 2017	\$	2,551,496
Changes for the year:		
Service cost		62,134
Interest		79,635
Changes in assumptions and other inputs		(147,984)
Benefit Payments		(89,538)
Balance at September 30, 2018	\$	<u>2,455,743</u>

The decrease in the total OPEB liability is due to the change in discount rate from 3.10% as of the beginning of the measurement period to 3.50% as of September 30, 2017.

Sensitivity of Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the Council, as well as what the Council's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.50%) or 1-percentage point higher (4.50%) than the current discount rate:

	<u>1% Decrease (2.50%)</u>	<u>Discount Rate (3.50%)</u>	<u>1% Increase (4.50%)</u>
Net OPEB Liability	\$ 2,848,675	\$ 2,455,743	\$ 2,132,593

Sensitivity of Total OPEB Liability to Changes in the Healthcare Cost Trend Rate – The following presents the total OPEB liability of the Council, as well as what the Council's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rate:

	<u>1% Decrease (6% Decreasing to 3.24%)</u>	<u>Healthcare Cost Trend Rate (7% Decreasing to 4.24%)</u>	<u>1% Increase (8% Decreasing to 5.24%)</u>
Net OPEB Liability	\$ 2,077,006	\$ 2,455,743	\$ 2,937,282

PINELLAS PLANNING COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

Note 13—Other Postemployment Benefits (continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources – For the year ended September 30, 2018, the Council recognized OPEB expense of \$119,347. At September 30, 2018, the Council's reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions and other inputs	\$ -	\$ 125,562
Benefits paid after the measurement date	90,591	-
Total Deferred OPEB Amounts	<u>\$ 90,591</u>	<u>\$ 125,562</u>

The deferred outflows of resources related to OPEB, totaling \$90,591, resulting from the Council's contributions to the Plan subsequent to the measurement date, will be recognized as a reduction in the total OPEB liability in the fiscal year ended September 30, 2019. Other amounts reported as deferred inflows of resources related to the OPEB will be recognized in OPEB expense as follows for the years ending September 30:

2019	\$ (22,422)
2020	(22,422)
2021	(22,422)
2022	(22,422)
2023	(22,422)
Thereafter	(13,452)
	<u>\$ (125,562)</u>

REQUIRED SUPPLEMENTARY INFORMATION

PINELLAS PLANNING COUNCIL

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – GENERAL FUND**

YEAR ENDED SEPTEMBER 30, 2018

	General Fund Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance - Favorable (Unfavorable)
Revenues:				
Pinellas County property taxes	\$ 1,048,870	\$ 1,048,870	\$ 1,060,479	\$ 11,609
Net investment activity	1,000	1,000	2,518	1,518
Contract services	10,000	10,000	10,741	741
Charges for services	1,630,310	1,630,310	1,221,590	(408,720)
Total Revenues	<u>2,690,180</u>	<u>2,690,180</u>	<u>2,295,328</u>	<u>(394,852)</u>
Expenditures:				
Payroll, taxes, and benefits	2,267,270	2,267,270	1,945,714	321,556
Contractual support services	100,000	500,000	87,501	412,499
Office rent	78,000	78,000	28,095	49,905
Equipment and furnishings	10,000	10,000	11,840	(1,840)
Telephone	3,100	3,100	3,515	(415)
Mail	2,000	2,000	2,623	(623)
Advertising notice	25,000	25,000	18,627	6,373
Printing and reproduction	22,750	22,750	4,114	18,636
Office supplies and materials	7,000	7,000	3,004	3,996
Property appraiser and tax collector commissions	30,000	30,000	30,399	(399)
Intergovernmental services	175,000	175,000	90,743	84,257
Risk management	5,000	5,000	7,923	(2,923)
Travel	10,000	10,000	6,608	3,392
Fleet O&M	4,000	4,000	7,929	(3,929)
Communications, advocacy, and education	10,000	10,000	11,279	(1,279)
Audit	20,000	20,000	14,900	5,100
Board activities	10,000	10,000	798	9,202
Contingency	10,000	10,000	-	10,000
Reserve	303,640	400,000	-	400,000
Total Expenditures	<u>3,092,760</u>	<u>3,589,120</u>	<u>2,275,612</u>	<u>1,313,508</u>
Excess (deficit) of Revenues over Expenditures	(402,580)	(898,940)	19,716	(918,656)
Fund balance, beginning of year	1,207,443	1,207,443	1,207,443	-
Fund balance, end of year	<u>\$ 804,863</u>	<u>\$ 308,503</u>	<u>\$ 1,227,159</u>	<u>\$ (918,656)</u>

PINELLAS PLANNING COUNCIL

**NOTE TO THE SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE – BUDGET AND ACTUAL – GENERAL FUND**

YEAR ENDED SEPTEMBER 30, 2018

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 the 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 PLANNING COUNCIL
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

YEAR ENDED SEPTEMBER 30, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Florida Retirement System Pension Plan				
Council's proportion of the net pension liability	0.004563462%	0.005063180%	0.004218434%	0.002535182%
Council's proportionate share of the net pension liability	\$ 1,374,539	\$ 1,497,655	\$ 1,065,158	\$ 327,453
Council's covered-employee payroll	\$ 1,349,863	\$ 1,339,496	\$ 1,336,283	\$ 625,764
Council's proportionate share of the net pension liability (asset)				
as a percentage of its covered-employee payroll	101.83%	111.81%	79.71%	52.33%
Plan fiduciary net position as a percentage of the				
total pension liability	84.26%	83.89%	84.88%	92.00%

Note: The amounts presented for each fiscal year were determined as of June 30.

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Retiree Health Insurance Subsidy Program				
Council's proportion of the net pension liability	0.004099397%	0.004432593%	0.004538227%	0.002674486%
Council's proportionate share of the net pension liability	\$ 433,885	\$ 473,953	\$ 528,912	\$ 272,756
Council's covered-employee payroll	\$ 1,349,863	\$ 1,339,496	\$ 1,400,984	\$ 811,399
Council's proportionate share of the net pension liability (asset)				
as a percentage of its covered-employee payroll	32.14%	35.38%	37.75%	33.62%
Plan fiduciary net position as a percentage of the				
total pension liability	2.15%	1.64%	0.97%	50.00%

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.

**PINELLAS PLANNING COUNCIL
SCHEDULE OF CONTRIBUTIONS**

YEAR ENDED SEPTEMBER 30, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Florida Retirement System Pension Plan				
Contractually required contribution	\$ 130,981	\$ 120,158	\$ 117,780	\$ 78,447
Contributions in relation to the contractually required contribution	(130,981)	(120,158)	(117,780)	(78,447)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Council's covered payroll	\$ 1,347,271	\$ 1,354,868	\$ 1,376,604	\$ 859,715
Contributions as a percentage of covered payroll	9.72%	8.87%	8.56%	9.12%

Note: The amounts presented for each fiscal year were determined as of September 30.

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2016</u>
Retiree Health Insurance Subsidy Program				
Contractually required contribution	\$ 22,098	\$ 22,006	\$ 23,780	\$ 14,857
Contributions in relation to the contractually required contribution	(22,098)	(22,006)	(23,780)	(14,857)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Council's covered payroll	\$ 1,347,271	\$ 1,354,868	\$ 1,424,659	\$ 1,063,959
Contributions as a percentage of covered payroll	1.64%	1.62%	1.67%	1.40%

Note: The amounts presented for each fiscal year were determined as of September 30.

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

PINELLAS PLANNING COUNCIL
POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – SCHEDULE OF CHANGES IN
TOTAL LIABILITY AND RELATED RATIOS

YEAR ENDED SEPTEMBER 30, 2018

Total OPEB Liability	
Service cost	\$ 62,134
Interest	79,635
Changes in assumptions and other inputs	(147,984)
Benefit Payments	<u>(89,538)</u>
Net Change in Total OPEB Liability	(95,753)
Net OPEB Liability, Beginning of Fiscal Year	<u>2,551,496</u>
Net OPEB Liability, End of Fiscal Year	<u><u>\$ 2,455,743</u></u>
Covered Payroll	\$ 1,313,395
Net OPEB Liability as a Percentage of Covered Payroll	186.98%

Note: The data for this table was not available prior to fiscal year 2018

Notes to Net OPEB Liability and Related Ratios

Funding Policy – The OPEB Plan’s funding policy is “pay-as-you-go” and does not accumulate assets within a trust to pay related benefits.

Changes in Assumptions and Other Inputs – Amounts presented reflect an increase in the discount rate from 3.10% as of the beginning of the measurement period to 3.50% as of September 30, 2017.

COMPLIANCE SECTION

**Report of Independent Auditor on Internal Control
over Financial Reporting and on Compliance and Other Matters Based
on an Audit of Financial Statements Performed in Accordance with
*Government Auditing Standards***

To the Members of
Pinellas 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 Planning Council (the "Council"), a component unit of Pinellas County, Florida, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements, and have issued our report thereon dated February 25, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 the Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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.

Compliance and Other Matters

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

A handwritten signature in black ink that reads "Cherry Bekaert LLP". The signature is written in a cursive, flowing style.

Tampa, Florida
February 25, 2019

Independent Auditor's Management Letter

To the Members of
Pinellas 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 Planning Council (the "Council"), a component unit of Pinellas County, Florida, as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated February 25, 2019.

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 Reporting Requirements

We have issued our Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Report of Independent Accountant on Compliance with Local Investment Policies, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated February 25, 2019, 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 Note 1 to the financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Council has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify 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.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Council. 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 review of financial information provided by same.

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

Special District Component Units

Section 10.554(1)(i)5.c, Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide 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. In connection with our audit we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

The purpose of this management letter is to communicate certain matters prescribed by Chapter 10.550, Rules of the Auditor General. Accordingly, this management letter is not suitable for any other purpose.

A handwritten signature in black ink that reads "Cherry Bekaert LLP". The signature is written in a cursive, flowing style.

Tampa, Florida
February 25, 2019

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

To the Members of
Pinellas Planning Council
A Component Unit of Pinellas County, Florida
Clearwater, Florida

We have examined the Pinellas Planning Council's (the "Council"), compliance with the local government investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2018. Management of the Council is responsible for the Council's compliance with those requirements. Our responsibility is to express an opinion on the Council's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Council complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Council complied with the specified requirements. The nature, timing, and extent of procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Council's compliance with the specified requirements.

In our opinion, the Council complied, in all material respects, with the local investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2018.

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

Cherry Bekaert LLP

Tampa, Florida
February 25, 2019