

2. REPORTS TO BE RECEIVED FOR FILING

- a. Division of Inspector General, Audit Services, Clerk of the Circuit Court and Comptroller, 2013 Annual Audit Plan dated January 7, 2013.
- b. Division of Inspector General, Audit Services, Clerk of the Circuit Court and Comptroller, Report No. 2013-01 dated January 10, 2013 – Audit of Convention & Visitors Bureau – Operations/Controls.
- c. Pinellas Planning Council Basic Financial Statements and Regulatory Reports dated September 30, 2012.
- d. Dock Fee Report for the month of December 2012.
- e. Quarterly Report of Routine Dock Permits issued from October 1, 2012 to December 31, 2012.



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COUNCIL MEMBERS

Councilmember Jim Kennedy, Chairman
Mayor David O. Archie, Vice Chairman
Vice Mayor Samuel Henderson, Secretary
Commissioner John Morroni, Treasurer
Mayor Joe Ayoub
Commissioner Harriet K. Crozier
Mayor Dave Eggers
Councilmember Doreen Hock-DiPolito
Commissioner Joanne "Cookie" Kennedy
Councilmember Jerry A. Mullins
School Board Member Peggy O'Shea
Mayor Jim Ronecker
Vice Mayor Marvin Shavlan

Michael C. Crawford, AICP
Interim Executive Director

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: January 10, 2013

Attached please find the Annual Financial Report as received and accepted by the Planning Council at their January 9, 2013 meeting.

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

RECEIVED
BOARD OF
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BOARD OF COUNTY
COMMISSIONERS
PINELLAS COUNTY FLORIDA

PINELLAS COUNTY PLANNING COUNCIL

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

**BASIC FINANCIAL STATEMENTS AND
REGULATORY REPORTS**

YEAR ENDED SEPTEMBER 30, 2012



**PINELLAS COUNTY PLANNING COUNCIL
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**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
COUNCIL MEMBERS AND ADMINISTRATION
SEPTEMBER 30, 2012**

COUNCIL MEMBERS

Chair	<i>Jim Ronecker</i> <i>Mayor, City of Oldsmar</i>
Vice-Chair	<i>Jim Kennedy</i> <i>Councilmember, City of St. Petersburg</i>
Treasurer	<i>John Morroni</i> <i>Commissioner, Pinellas County</i>
Secretary	<i>Linda Lerner</i> <i>School Board Member</i> <i>Pinellas County School District</i>
	<i>David O. Archie</i> <i>Mayor, City of Tarpon Springs</i>
	<i>Nina Bandoni</i> <i>Commissioner, City of Safety Harbor</i>
	<i>David Carson</i> <i>Commissioner, City of Dunedin</i>
	<i>Patricia Gerard</i> <i>Mayor, City of Largo</i>
	<i>Samuel Henderson</i> <i>Vice-Mayor, City of Gulfport</i> <i>Representing Group C Communities</i>
	<i>Doreen Hock-DiPolito</i> <i>Councilmember, City of Clearwater</i>
	<i>Joanne Kennedy</i> <i>Commissioner, City of Indian Rocks Beach</i> <i>Representing Group B Communities</i>
	<i>Jerry Mullins</i> <i>Councilmember, City of Pinellas Park</i>
	<i>Marvin Shavlan</i> <i>Commissioner, City of St Pete Beach</i> <i>Representing Group A Communities</i>

ADMINISTRATION

Michael C. Crawford, AICP
Interim Executive Director



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CliftonLarsonAllen LLP
www.cliftonlarsonallen.com

INDEPENDENT AUDITORS' REPORT

Members

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

We have audited the accompanying financial statements of the governmental activities and major fund of the Pinellas County Planning Council (the Council), a component unit of Pinellas County, Florida (the County), as of and for the year ended September 30, 2012, which collectively comprise the Council's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Council's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 major fund of the Council as of September 30, 2012, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

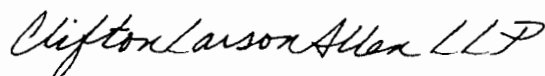
In accordance with *Government Auditing Standards*, we have also issued our report dated January 9, 2013, on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Members

Pinellas County Planning Council

A Component Unit of Pinellas County, Florida

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 8 and 27 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.



CliftonLarsonAllen LLP

Tampa, Florida

January 9, 2013

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2012**

This section of the Pinellas County Planning Council's (the Council's) annual financial report presents a narrative overview and an analysis of the financial activities of the Council for the fiscal year ended September 30, 2012.

Financial Highlights

- The assets of the Council exceeded its liabilities at September 30, 2012 by \$599,347 (net assets). This amount may be used to meet the Council's ongoing obligations to citizens and creditors. Net assets decreased by \$124,636 from the previous fiscal year.
- As of September 30, 2012, the Council's governmental fund reported an ending fund balance of \$656,025, a decrease of \$104,926 from the previous fiscal year.
- Fund balance has been assigned in an amount equal to approximately 73% of total fund balance. Fund balance was used incrementally over the three years to assist in funding Council operations so as to mitigate the need for any increase in ad valorem tax revenues.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2012**

Overview of the Financial Statements (Continued)

Fund Financial Statements

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

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

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

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

The Council adopts an annual appropriated budget for the governmental 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. The notes to basic financial statements can be found on pages 15 through 26 of this report.

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2012**

Financial Analysis of the Government as a Whole

As noted earlier, changes in net assets over time can be a useful indicator of a government's financial position. At the end of the fiscal year ended September 30, 2012, the assets of the Council exceeded the liabilities by \$599,347.

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

Following is a comparison of the Council's net assets as of September 30, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Cash and Investments	\$ 682,043	\$ 762,303
Delinquent Property Taxes Receivable	11,366	13,901
Capital Assets	<u>-</u>	<u>2,120</u>
Total Assets	<u>693,409</u>	<u>778,324</u>
Accounts Payable and Accrued Expenses	35,027	15,253
Liabilities Due in More Than One Year	50,240	39,088
Unearned Revenue	<u>8,795</u>	<u>-</u>
Total Liabilities	<u>94,062</u>	<u>54,341</u>
Net Assets:		
Invested in Capital Assets	-	2,120
Unrestricted	<u>599,347</u>	<u>721,863</u>
Net Assets	<u>\$ 599,347</u>	<u>\$ 723,983</u>

Governmental activities decreased the Council's net assets by \$124,636 primarily as a result of a decrease in property tax revenue.

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2012**

Following is a comparison of the Council's statement of activities for the years ending September 30, 2012 and 2011:

	2012	2011
REVENUES		
Program Revenues:		
Charges for Services	\$ 11,696	\$ 4,895
General Revenues:		
Property Taxes	677,222	714,459
Other	8,795	-
Investment Earnings	2,493	1,797
Total Revenues	700,206	721,151
EXPENSES		
Planning Expenses	824,842	793,145
Decrease in Net Assets	(124,636)	(71,994)
Net Assets, Beginning of the Year	723,983	795,977
Net Assets, End of the Year	\$ 599,347	\$ 723,983

Financial Analysis of the Council's Fund

As noted earlier, the Council uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds

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, 2012, the Council's governmental fund (general fund) reported an ending fund balance of \$656,025, a decrease of \$104,926 in comparison with the previous fiscal year. Of this amount, \$174,655 or 27% is considered unassigned. The remainder fund balance has been assigned to finance next years' operations.

Economic Factors/ Currently Known facts, Decisions or Conditions

The Council does not foresee any major economic conditions that may adversely affect the Council's future financial position. The Council's board is keeping apprised of the property values when budgeting, as they are the Council's primary source of funding. As of May 15, 2012, Pinellas County Office of Management and Budget has estimated that tax revenues for FY14 will decrease by 2%, or approximately \$13,000.

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2012**

The unification with the Pinellas County Metropolitan Planning Organization (MPO) is expected to occur just prior the start of FY14 and should result in costs savings. We have experienced savings thus far with the "pre-unification" efforts and expect that additional savings will occur as we fully unify. As part of the unification we will coordinate the budgets of the MPO and the Council.

Requests for Information

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

Michael Crawford, AICP
Interim Executive Director
Pinellas County Planning Council
310 Court Street
Clearwater, Florida 33756

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2012**

	<u>Governmental Activities</u>
ASSETS	
Current Assets:	
Cash and Investments	\$ 682,043
Accounts Receivable	<u>11,366</u>
Total Current Assets	693,409
 LIABILITIES	
Current Liabilities:	
Accounts Payable and Accrued Expenses	35,027
Unearned Revenue	8,795
 Non Current Liabilities:	
Compensated Absences	<u>50,240</u>
Total Liabilities	<u>94,062</u>
 NET ASSETS	
Unrestricted	<u><u>\$ 599,347</u></u>

See accompanying Notes to Basic Financial Statements.

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2012**

	<u>Governmental Activities</u>
EXPENSES	
Planning:	
Personal Services	\$ 558,449
Materials and Service	138,150
Rent	107,344
Property Appraiser and Tax Collector Commissions	18,779
Depreciation	<u>2,120</u>
Total Program Expenses - Planning	824,842
PROGRAM REVENUES	
Charges for Services - Planning	<u>11,696</u>
Net Program Expenses	(813,146)
GENERAL REVENUE	
Property Taxes	677,222
Net Investment Activity	2,493
Other- Homestead Lean and Rental Income	<u>8,795</u>
Total General Revenue	<u>688,510</u>
DECREASE IN NET ASSETS	(124,636)
Net Assets, Beginning of Year	<u>723,983</u>
NET ASSETS, END OF YEAR	<u><u>\$ 599,347</u></u>

See accompanying Notes to Basic Financial Statements.

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
BALANCE SHEET – GENERAL FUND
SEPTEMBER 30, 2012**

ASSETS

Cash and Investments	\$ 682,043
Delinquent Property Taxes Receivable	<u>11,366</u>
Total Assets	<u><u>\$ 693,409</u></u>

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts Payable and Accrued Expenses	28,589
Unearned Revenue	<u>8,795</u>
Total Liabilities	37,384

Fund Balances:

Assigned to:

Subsequent Year's Budget	481,370
Unassigned	<u>174,655</u>

Total Fund Balances	<u>656,025</u>
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Total Liabilities and Fund Balances	<u><u>\$ 693,409</u></u>
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See accompanying Notes to Basic Financial Statements.

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET – GENERAL FUND
TO THE STATEMENT OF NET ASSETS
SEPTEMBER 30, 2012**

Total Fund Balance for Governmental Funds	\$ 656,025
Total Net Assets Reported for Governmental Activities in the Statement of Net Assets is Different Because:	
Long-term liabilities, including compensated absences, are not due and payable in the current period; therefore, are not reported in the fund statements.	(50,240)
Operating lease transactions were not reported in the fund statements since there was no amount due for payment; however, in the statement of activities, they are reported as expenses as they increase the liabilities on the statement of net asset.	<u>(6,438)</u>
Net Assets of Governmental Activities	<u><u>\$ 599,347</u></u>

See accompanying Notes to Basic Financial Statements.

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2012**

REVENUES

Pinellas County Property Taxes	\$ 677,222
Contract Services	11,696
Net Investment Activity	2,493
Other	<u>8,795</u>

Total Revenues	<u>700,206</u>
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EXPENDITURES

Payroll, Taxes and Benefits	547,296
Contractual Support Services	79,872
Office Rent	100,906
Equipment Rental and Other	4,820
Telephone	2,860
Mail	1,723
Advertising Notice	20,505
Printing and Reproduction	8,090
Office Supplies and Materials	2,894
Property Appraiser and Tax Collector Commissions	18,779
Travel	425
Reference and Education	2,696
Accounting and Audit	12,200
Miscellaneous	<u>2,066</u>

Total Expenditures	<u>805,132</u>
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NET CHANGE IN FUND BALANCE	(104,926)
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Fund Balance, Beginning of Year	<u>760,951</u>
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FUND BALANCE, END OF YEAR	<u>\$ 656,025</u>
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See accompanying Notes to Basic Financial Statements.

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE – GENERAL FUND
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2012**

Net Change in Fund Balance - Governmental Funds	\$ (104,926)
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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 allocated over their estimated useful lives and reported as depreciation expense. This is the amount of depreciation expense on governmental capital assets included in the governmental activities in the Statement of Activities.	(2,120)
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Some liabilities, namely compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds. Compensated absences decreased by this amount in the current year.	(11,152)
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Operating lease transactions were not reported in the fund statements since there was no amount due for payment; however, in the statement of activities, they are reported as expenditures as they increase the liabilities on the statement of net assets	(6,438)
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Change in Net Assets of Governmental Activities	\$ <u>(124,636)</u>
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See accompanying Notes to Basic Financial Statements.

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE 1 ORGANIZATION AND REPORTING ENTITY

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

The Board of County Commissioners of Pinellas County also has the right to review the Council's budget, and increase or reduce it as it deems necessary. Based on the control the County Commissioners of Pinellas County have over the Council, as described above, the Council is considered a component unit of Pinellas County, Florida, in accordance with Statement 14 of the *Governmental Accounting Standards Board of the Financial Accounting Foundation* (GASB), as amended. The Council has considered any entities for which it has oversight and there are none meeting the criteria for inclusion in their financial statements.

Membership of the Planning Council

The Council is composed of thirteen members, one each to be selected and appointed from the members in the following governing bodies within Pinellas County, Florida: Pinellas County Board of County Commissioners, City of St. Petersburg, City of Clearwater, City of Dunedin, City of Pinellas Park, City of Largo, Pinellas County School Board, City of Tarpon Springs, City of Safety Harbor, City of Oldsmar; group of municipalities to include St. Petersburg Beach, Treasure Island, and Madeira Beach; group of municipalities to include Indian Rocks Beach, Redington Shores, Redington Beach, Belleair Beach, Indian Shores, North Redington Beach, and Belleair Shore; group of municipalities to include Gulfport, Kenneth City, Belleair, South Pasadena, Belleair Bluffs, and Seminole.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

The Council maintains its accounting records in accordance with GAAP, as applied to governmental units, which includes all applicable statements issued on or before November 30, 1989, as applicable, by the Financial Accounting Standards Board of the Financial Accounting Foundation (FASB), unless superseded by subsequent FASB or GASB pronouncements, plus all GASB pronouncements since December 1, 1989.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) 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 governmental funds.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

Budgets

The Council adopts a budget annually for the General Fund. Any revision that alters the total expenditures must be approved by a majority of the Council members. In instances where budget appropriations and estimated revenues have been revised during the year, the budget data presented in the financial statements represents final authorized amounts. Unexpended appropriations lapse at year end. All deliberations on the budget by the Council shall be done at meetings open to the public.

Cash and Investments

Cash includes amounts on hand and in demand deposit accounts.

The Council's investment policy is to maintain funds in near-cash investments, which yield the highest possible return within the limitations established by Florida Statutes and Pinellas County, Florida, ordinances. Investments are stated at fair value.

Capital Assets

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

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

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

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

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

Receivables

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

Compensated Absences

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

Fund Balance

The GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54), effective for reporting periods after June 15, 2010. The statement establishes fund balance classifications, provides for a hierarchy of spending constraints for spendable resources and requires disclosure of nonspendable and spendable resources. The Council follows this standard and has disclosed information about fund balance reporting in a subsequent note on fund balance reporting.

Net Assets

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

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE 3 LEGAL 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.

NOTE 4 CASH AND INVESTMENTS

Cash and investments consisted of the following at September 30, 2012:

Petty Cash on Hand	\$ 100
Bank Deposits	585,730
Florida State Board of Administration -	
Local Government Investment Pool	<u>96,213</u>
Total Cash and Investments	<u>\$ 682,043</u>

Deposits

At September 30, 2012, the Council's bank balance was \$686,227.

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

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE 4 CASH AND INVESTMENTS (CONTINUED)

Investments

The State of Florida State Board Administration (SBA) Local Government Investment Pool is rated by Standard & Poor's with a current rating of AAAM. The SBA Pool experienced a liquidity crisis in November 2007, which caused the Pool to be frozen, due to downgrades in a portion (approximately 3%) of the Pool's investments. The Pool was eventually divided into two pools, currently Florida PRIME and Fund B.

The SBA Pool Florida PRIME manages billions of dollars for Florida local governments and purchases investments consistent with Chapter 215.47, Florida Statutes. Florida PRIME operates as a '2a-7 like' fund reporting an average weighted days to maturity at September 30, 2012 of 52 days. The investment policy of Florida PRIME is to manage the weighted average maturity to 60 days or less. Fund B is not rated by any nationally recognized statistical rating agency and consist of restructured or defaulted securities. As Fund B does not meet the requirement of a '2a-7 like' fund, the SBA has provided a Fair Value factor of .94896811 at September 30, 2012. Distributions will be made to participants to the extent that SBA deems the proceeds to be material. The weight average life, based on expected future cash flows, of Fund B at September 30, 2012 is 4.08 years. However, because Fund B consists of restructured or defaulted securities there is considerable uncertainty regarding the weighted average life.

As of September 30, 2012 the remaining balance in the Florida PRIME is \$89,079, and the market value of the remaining balance in Fund B, subject to the withdrawal restrictions described above, is \$7,133. Activity for the year for both Pools is summarized as follows:

Balance at September 30, 2011	\$ 94,105
Reinvested Earnings Deposits	2,492
Less: Unrealized Loss Adjustment	<u>(384)</u>
Balance at September 30, 2012	<u><u>\$ 96,213</u></u>

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE 5 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 0.0125 mil at November 1, 2011 on property with a gross taxable value of approximately \$54,418,954,189.

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

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

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE 6 RISK MANAGEMENT

As of September 30, 2012, the Council had not separately established a Risk Management Fund or Pool. As a component unit of Pinellas County, Florida, insurance coverage is provided entirely through the County's risk management pool for property, general liability, employee liability and workers' compensation coverage.

NOTE 7 TRANSACTIONS WITH PINELLAS COUNTY, FLORIDA

During the year ended September 30, 2012, the Council incurred the following expenditures for services provided by the County:

Minutes and Videos	\$ 7,150
Mapping	209
Property Appraiser and Tax Collector Commissions	18,779
Health Insurance Charges	75,205
Printing and Reproduction	1,185
Computers	4,888
Total Fees Paid to the County	<u>\$ 107,416</u>

The Council also receives payments from municipalities located within Pinellas County for contractual support services (Interlocal Agreements).

NOTE 8 CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2012, was as follows:

	Balance September 30, 2011	Additions	Deletions	Balance September 30, 2012
Capital Assets Being Depreciated:				
Furniture and Office Equipment	73,499	\$ -	\$ 25,264	\$ 48,235
Less: Accumulated Depreciation	<u>71,379</u>	<u>2,120</u>	<u>25,264</u>	<u>48,235</u>
Capital Assets Being Depreciated, Net	<u>\$ 2,120</u>	<u>\$ (2,120)</u>	<u>\$ -</u>	<u>\$ -</u>

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE 9 OPERATING LEASE

The Council entered into a five-year operating lease agreement with two five-year renewal options, exercisable by the Council beginning May 1999 and extending to May 2014. Lease payments after the first lease year will increase by an amount equal to the change in the Consumer Price Index from the previous year. However, the annual increase is subject to a minimum of three percent (3%) and a maximum of six percent (6%). Rent expense for the year ended September 30, 2012 was \$100,906.

The Council entered into a five-year operating lease agreement beginning July 2012 and extending to June 2017. The Council pays no rent for the first two years of the lease. The Council recorded accrued rent payable in the amount of \$6,438 on a straight-line basis in the government-wide statements, which is included in total rent expense for the year. The lease may be cancelled by the Council with a ninety (90) day written notice. If the lease is cancelled before the completion of the five year term, the Council shall pay all deferred rent from year one and year two of the lease.

Future minimum lease payments are as follows for the years ending September 30:

Year	Amount
2013	\$ 98,102
2014	63,684
Total	<u>\$ 161,786</u>

NOTE 10 COMPENSATED ABSENCES

The change in compensated absences is summarized as follows:

	Balance September 30, 2011	Additions	Used	Balance September 30, 2012
Compensated Absences	<u>\$ 39,088</u>	<u>\$ 36,271</u>	<u>\$ 25,119</u>	<u>\$ 50,240</u>

All compensated absences are liquidated from the General Fund.

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE 11 PENSION PLAN

The Council participates in the Florida Retirement System (FRS), a cost sharing, multiple-employer, and public employee retirement system. The FRS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The FRS issues a publicly available financial report that incorporates the financial statements and required supplementary information for the FRS. That report may be obtained by writing to State of Florida, Division of Retirement, 2639 North Monroe Street, Building C, Tallahassee, Florida 32399-1560 or by calling 850.488.5541.

The contribution to the plan is funded entirely by the Council, which is required to contribute at an actuarially determined rate. Participating employer contributions are based upon state-wide rates established by the State of Florida. Effective July 1, 2011, the State of Florida required all employees to contribute 3% of their salaries to the FRS Pension Plan. From October 1, 2011 through June 30, 2012, the employer rates, which include the health insurance subsidy contributions of 1.11%, and the 0.03% administrative/education fee, are applied to employee salaries as follows: regular employees – 4.91%; senior management – 6.27%; and deferred retirement option plan – 4.42%. The employer contribution rates, effective July 1, 2012, which include the health insurance subsidy of contributions of 1.11%, and the 0.03% administrative/education fee, are applied to employee salaries as follows: regular employees – 4.04%; senior management – 5.16%; and deferred retirement option plan – 4.33%. Annual covered payroll was \$416,677, \$454,102, and \$609,335, respectively, for the three years ended September 30, 2012, 2011 and 2010. The Council's contributions to FRS for the three years ended September 30, 2012, 2011 and 2010 were \$21,676 \$49,936 and \$63,846, respectively, equal to the required contribution for each year.

Employees with the Council may also participate in an Internal Revenue Code (IRC) Section 457(b) deferred compensation plan, which is available for certain state and local governments and non-governmental entities tax exempt under IRC Section 501. The plan allows employees of the Council to make contributions to the plan on a pre-tax basis, thus deferring income taxation on retirement savings into future years. The Council does not contribute to this plan on behalf of its employees.

NOTE 12 POST-EMPLOYMENT BENEFITS

The Council does not provide any post-retirement health care benefits. Post-employment health care benefits are made available to the Council's terminated employees in accordance with the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). Under COBRA, the Council is required to offer an election to terminating participants to decrease or terminate participants, their spouses or dependents or to continue coverage in the health plan provided by the Council. The cost of coverage that the Council may charge the participant may not exceed 102% of the applicable premium.

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE 13 FUND BALANCE REPORTING

The Council follows policies under GASB 54. Implementation of GASB 54 is required for fiscal years beginning after June 15, 2010. The intention of the GASB is to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the Council's financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources.

GASB 54 provides for two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are either (a) not in spendable form or; (b) legally contractually required to be maintained intact.

In addition to the nonspendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

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

The Council has classified its fund balances with the following hierarchy:

Nonspendable: Non spendable fund balances will be maintained if they are either: (a) not in spendable form or; (b) legally contractually required to be maintained intact.

Spendable: The Council has classified the spendable fund balances as Committed, Assigned and Unassigned and considered each to have been spent when expenditures are incurred. The Council currently has no funds classified as Committed.

Assigned

At year-end, the assigned fund balance is \$481,370 of which \$100,560 is for expenditure in the subsequent year and \$380,810 is to eliminate a projected deficit in the subsequent year's budget in an amount no greater than the projected excess of expected expenditures over expected revenues.

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE 13 FUND BALANCE REPORTING (CONTINUED)

Unassigned

The unassigned fund balance for the General Fund is \$174,655. It is the goal of the Council to achieve and maintain an unassigned fund balance equal to or greater than 10% of expenditures to cover unexpected expenditures and revenue shortfalls from year to year.

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

NOTE 14 COMMITMENTS

In September 2011, the Council contracted with Tindale-Oliver and Associates to provide professional planning services associated with and in support of the Council's update of the Countywide Plan. As of September 30, 2012, 100% of phase 1 was completed and paid for, with 38% of phase 2 yet to be complete.

NOTE 15 UNIFICATION LEGISLATION

With the Legislature's creation of the Tampa Bay Area Regional Transportation Authority ("TBARTA") in 2007, the provision of enhanced public transit within the county has become a high transportation planning priority. In April 2010 the Transportation Committee consisting of three representatives from Pinellas Planning Council (PPC), three representatives of the Board of County Commissioners (BCC), and three from Metropolitan Planning Organization (MPO) convened to study the potential of integrating transportation and future land use planning at the countywide level. The objective was that the PPC and MPO's functions be more closely aligned on transportation and land use issues, to create a more streamlined and integrated process. It was determined that the most effective way to accomplish these goals was to unify the membership of the boards of the MPO and the PPC into a single board that would empowered to carry out the functions of both organizations. The new unified board will require reappointment of the MPO membership, which must be done in conformance with section 339.175, Florida Statutes as well as an amendment to and reenactment of the PPC's charter. The new unified board will consist of elected officials and ensure adequate representation for all local governments within Pinellas County, recognizing that the Pinellas Suncoast Transportation Authority ("PSTA") will also have a seat on the new board. The unification efforts are pending Governor Scott's review of the new US Census data and its impact on the potential for regionalizing the statewide MPOs. This is expected to occur in March-April of 2013.

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE 16 SUBLEASE

The Council entered into a sublease agreement for a term of 4 months commencing on September 2012 and ending on December 31, 2012, with an option to extend month to month until April 30, 2014. The monthly rental for each month is \$8,797.50 plus tax due on or before the first day of each month. As of September 30, 2012 the Council had deferred revenue of \$8,797.50 for October's receipt.

REQUIRED SUPPLEMENTARY INFORMATION

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2012**

	General Fund Original Budget	Final Budget	Actual Amounts (Budgetary Basis) (See Note A)	Variance- Favorable (Unfavorable)
REVENUES				
Pinellas County Property Taxes	\$ 660,280	\$ 660,280	\$ 677,222	\$ 16,942
Cash Reserves	100,000	100,000	100,000	-
Carryforward/Encumbered	366,320	366,320	360,889	(5,431)
Net Investment Activity	2,500	2,500	2,493	(7)
Contract Services	-	-	11,696	11,696
Other	-	-	8,795	8,795
Total Revenues	1,129,100	1,129,100	1,161,095	31,995
EXPENDITURES				
Payroll, Taxes and Benefits	657,600	657,600	547,296	(110,304)
Contractual Support Services	110,000	110,000	79,872	(30,128)
Legal Services	5,000	5,000	-	(5,000)
Office Rent	92,000	92,000	100,906	8,906
Equipment Rental and Furnishings	15,000	15,000	4,820	(10,180)
Telephone	3,500	3,500	2,860	(640)
Mail	4,000	4,000	1,723	(2,277)
Advertising Notice	42,000	42,000	20,505	(21,495)
Printing and Reproduction	18,000	18,000	8,090	(9,910)
Office Supplies and Materials	10,000	10,000	2,894	(7,106)
Property Appraiser and Tax Collector Commissions	38,000	38,000	18,779	(19,221)
Travel	10,000	10,000	425	(9,575)
Reference and Education	5,000	5,000	2,696	(2,304)
Accounting and Audit	12,500	12,500	12,200	(300)
Administrative Hearing	4,000	4,000	-	(4,000)
Council Activities	500	500	206	(294)
Contingency	2,000	2,000	1,860	(140)
Total Expenditures	1,029,100	1,029,100	805,132	(223,968)
EXCESS OF REVENUES OVER EXPENDITURES	\$ 100,000	\$ 100,000	\$ 355,963	\$ 255,963

Note A - Budget-to-Actual Reconciliation

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

Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 1,161,095
Differences - Budget to GAAP:	
Fund Balance/Cash Reserves at the Beginning of the Year is a Budgetary Resource but is not a Current-Year Revenue for Financial Reporting Purposes	(100,000)
Encumbrances for Expenditures Planned but not Purchased in the Prior Year is a Budgetary Resources but is not a Current-Year Revenue for Financial Reporting Purposes	(360,889)
Total Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	\$ 700,206



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON THE AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Members

Pinellas County Planning Council

A Component Unit of Pinellas County, Florida
Clearwater, Florida

We have audited the financial statements of the governmental activities and the major fund of the Pinellas County Planning Council (the Council), a component unit of Pinellas County, Florida (the County), as of and for the year ended September 30, 2012, which collectively comprise the Council's basic financial statements as listed in the table of contents and have issued our report thereon dated January 9, 2013. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Council's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control over financial reporting.

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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified Finding 2012-01 – Recording of Taxes Receivable, described in the accompanying Schedule of Findings and Responses, that we consider to be a significant deficiency in internal control over financial reporting. 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.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council's basic financial statements are free of material misstatements, 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*.

The Council's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the Council's response and accordingly, we express no opinion on it.

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


CliftonLarsonAllen LLP

Tampa, Florida
January 9, 2013

**PINELLAS COUNTY PLANNING COUNCIL
SCHEDULE OF FINDINGS AND RESPONSES
SEPTEMBER 30, 2012**

FINDING 2012-01 - RECORDING OF TAXES RECEIVABLE

Significant Deficiency

Criteria

Management is responsible for performing complete fiscal year-end accounting and financial reporting processes, including fiscal year end closing.

Condition

Property taxes received after year-end were included as part of the cash balance.

Cause

In November, 2012, the Tax Collector made a distribution of property taxes that had been collected prior to September 30, 2012. There was communication between the outside CPA and the Council's accounting staff that this was a fiscal year end September 30, 2012 transaction, however, it was recorded in the general ledger as a cash receipt instead of a receivable.

Effect

An adjusting journal entry was necessary to properly reflect this transaction.

Recommendation to Prevent Future Occurrence

Transactions posted to the general ledger should be reviewed to insure proper recording.

Views of Responsible Officials and Corrective Action

The Council acknowledges the oversight related to Findings 2012-01. Due to a miscommunication between the outside CPA and the Council's accounting staff, the transaction was recorded as a cash receipt as opposed to a receivable. The outside CPA and the Council's accounting staff will continue to review transactions posted to the general ledger to insure proper recording.



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**"MANAGEMENT LETTER"
BASED ON RULE 10.554(1)(i) OF THE
AUDITOR GENERAL OF THE STATE OF FLORIDA**

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

We have audited the basic financial statements of the Pinellas County Planning Council (the Council), Florida, as of and for the fiscal year ended September 30, 2012 and have issued our report thereon dated January 9, 2013.

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. We have issued our Report on Internal Control over Financial Reporting and on Compliance and Other Matters. Disclosures in that report, which is dated January 9, 2013, should be considered in conjunction with this Management Letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditors' reports:

- Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial report as indicated in Finding 2011-01, 2011-02, 2011-03, 2010-01 and 2009-01 at Exhibit A to this letter.
- Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Council's policy complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, our recommendations are listed at Exhibit A to this letter.

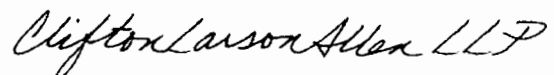
Members

Pinellas County Planning Council

A Component Unit of Pinellas County, Florida

- Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of provisions of contracts or grant agreements, fraud, illegal acts 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 more than inconsequential. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) deficiencies in internal control that are not significant deficiencies. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)6., 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.
- Section 10.554(1)(i)7.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Council did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Section 10.554(1)(i)7.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the Council for the fiscal year ended September 30, 2012, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2012. Since the Council does not file an annual report with the Florida Department of Financial Services because it is a component unit of Pinellas County, this requirement is not applicable.
- Pursuant to Sections 10.554(1)(i)7.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the Council's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Our management letter is intended solely for the information and use of the Council Board of Directors, management, Pinellas County Board of County Commissioners, Pinellas County Clerk of Courts, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than those specified parties.



CliftonLarsonAllen LLP

Tampa, Florida
January 9, 2013

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
YEAR ENDED SEPTEMBER 30, 2012**

**EXHIBIT A
TO THE MANAGEMENT LETTER**

PRIOR YEAR COMMENT:

Prior Year Findings		Current Year Status		
		Cleared	Partially Cleared	Not Cleared
2009-01 Review of bank reconciliation and journal entries	Material Weakness	X		
2010-01 Controls over Cash Receipts	Significant Deficiency	X		
2011-01 Review of Bank Statements and Bank Reconciliation	Material Weakness	X		
2011-02 Review of the Payroll System	Material Weakness	X		
2011-03 Year end closing process	Significant Deficiency		See finding 2012-01	