

10. REPORTS TO BE RECEIVED FOR FILING:

- a. Pinellas Planning Council Basic Financial Statements and Regulatory Reports (audit) for the year ended September 30, 2013.
- b. Juvenile Welfare Board of Pinellas County Financial and Compliance Reports for the year ended September 30, 2013.



310 Court Street • Clearwater, Florida 33756-5137
Telephone 727.464.8250 • Fax 727.464.8212
www.pinellasplanningcouncil.org


COUNCIL MEMBERS

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

MEMORANDUM

Michael C. Crawford, AICP
Interim Executive Director

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: February 25, 2014

Attached please find the Annual Financial Report as received and accepted by the Planning Council at their February 12, 2014 meeting.

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

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BOARD OF
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PLANNING COUNCIL
COMMISSIONERS
PINELLAS COUNTY FLORIDA



CliftonLarsonAllen LLP
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Board of Directors
Pinellas County Planning Council
Clearwater, Florida

We have audited the financial statements of the governmental activities and major fund of the Pinellas County Planning Council (the Council) as of and for the year ended September 30, 2013, and have issued our report thereon dated December 17, 2013. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings

Qualitative aspects of accounting practices

Accounting policies

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

As described in Note 2, the Council changed accounting policies related to Financial Reporting by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 63, *Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, in 2013.

As described in Note 2, the Council changed accounting policies related to Codification by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 62, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, in 2013. Accordingly, there is no cumulative effect of the accounting changes as of the beginning of the year.

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

Accounting estimates

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

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

Qualitative aspects of accounting practices (continued)

Accounting estimates (continued)

- Management's estimate of accrued compensated absences and severances is based on the assumptions involving the probability of employees becoming eligible to receive the benefits (vesting). We evaluated the key factors and assumptions used to develop the accruals in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of rent accrual is based on a straight line basis calculation. We evaluated the key factors and assumptions used to develop the accruals in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial statement disclosures

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

- The disclosure of Fund Balance Reporting in Note 13 to the financial statements addresses the major types of fund balances and the constraints imposed on the uses of those resources required by Statement of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*

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

Difficulties encountered in performing the audit

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

Uncorrected misstatements

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

Corrected misstatements

Management did not identify and we did not notify them of any financial statement misstatements detected as a result of audit procedures.

Disagreements with management

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

Management representations

We have requested certain representations from management that are included in the management representation letter dated December 17, 2013.

Management consultations with other independent accountants

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

Significant issues discussed with management prior to engagement

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

Other audit findings or issues

We have provided a separate letter to you dated December 17, 2013, communicating internal control related matters identified during the audit.

Other information in documents containing audited financial statements

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

* * * * *

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



CliftonLarsonAllen LLP

Tampa, Florida
December 17, 2013

PINELLAS COUNTY PLANNING COUNCIL

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

**BASIC FINANCIAL STATEMENTS AND
REGULATORY REPORTS**

YEAR ENDED SEPTEMBER 30, 2013



**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, 2013**

COUNCIL MEMBERS

Chair	Jim Kennedy Councilmember, City of St. Petersburg
Vice-Chair	David O. Archie Mayor, City of Tarpon Springs
Treasurer	John Morroni Commissioner, Pinellas County
Secretary	Samuel Henderson Mayor, City of Gulfport Representing Group C Communities
	Joseph Ayoub Mayor, City of Safety Harbor
	Doug Bevis Mayor, City of Oldsmar
	Harriet K. Crozier Commissioner, City of Largo
	Dave Eggers Mayor, City of Dunedin
	Doreen Hock-DiPolito Councilmember, City of Clearwater
	Joanne Kennedy Commissioner, City of Indian Rocks Beach Representing Group B Communities
	Jerry Mullins Vice-Mayor, City of Pinellas Park
	Peggy O'Shea School Board Member, Pinellas County School District
	Marvin Shavlan Commissioner, City of St. Pete Beach Representing Group A Communities

ADMINISTRATION

Michael C. Crawford, AICP
Interim Executive Director



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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and 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, 2013, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Council as of September 30, 2013, and the respective changes in financial position, thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-8 and 28 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 December 17, 2013, on our consideration of the Pinellas County Planning Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Pinellas County Planning Council's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Tampa, Florida
December 17, 2013

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2013**

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, 2013.

Financial Highlights

- The assets of the Council exceeded its liabilities at September 30, 2013 by \$470,160 (net position). This amount may be used to meet the Council's ongoing obligations to citizens and creditors. Net position decreased by \$129,187 from the previous fiscal year.
- As of September 30, 2013, the Council's governmental fund reported an ending fund balance of \$547,205, a decrease of \$108,819 from the previous fiscal year.
- Fund balance has been assigned in an amount equal to approximately 28% of total fund balance. Fund balance was used incrementally over the last four 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 position and a statement of activities.

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

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2013**

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 27 of this report.

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2013**

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, 2013, the assets of the Council exceeded the liabilities by \$470,160.

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

Following is a comparison of the Council's net position as of September 30, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Cash and Investments	\$ 561,475	\$ 682,043
Delinquent Property Taxes Receivable	<u>16,122</u>	<u>11,366</u>
Total Assets	577,597	693,409
Accounts Payable and Accrued Expenses	62,582	35,027
Liabilities Due in More Than One Year	44,855	50,240
Unearned Revenue	<u>-</u>	<u>8,795</u>
Total Liabilities	<u>107,437</u>	<u>94,062</u>
Net Position:		
Unrestricted	<u>470,160</u>	<u>599,347</u>
Net Position	<u><u>\$ 470,160</u></u>	<u><u>\$ 599,347</u></u>

Governmental activities decreased the Council's net position by \$129,187 primarily as a result of a decrease in property tax revenue and an increase in rent expense.

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2013**

Following is a comparison of the Council's statement of activities for the years ending September 30, 2013 and 2012:

	2013	2012
REVENUES		
Program Revenues:		
Charges for Services	\$ 3,442	\$ 11,696
General Revenues:		
Property Taxes	663,751	677,222
Other	56,960	8,795
Investment Earnings	1,392	2,493
Total Revenues	725,545	700,206
EXPENSES		
Planning Expenses	854,732	824,842
DECREASE IN NET ASSETS	(129,187)	(124,636)
Net Position, Beginning of the Year	599,347	723,983
NET POSITION, END OF THE YEAR	<u>\$ 470,160</u>	<u>\$ 599,347</u>

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, 2013, the Council's governmental fund (general fund) reported an ending fund balance of \$547,205, a decrease of \$108,819 in comparison with the previous fiscal year. Of this amount, \$393,765 or 72% is considered unassigned. The remainder fund balance has been assigned to finance next years' operations.

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2013**

Economic Factors/ Currently Known facts, Decisions or Conditions

The Council does not foresee any major economic conditions that may adversely affect the Council's future financial position. The Council's board is keeping apprised of the property values when budgeting; these directly impact the Council's primary source of funding (i.e., ad valorem tax revenue). As of June 24, 2013, the Pinellas County Property Appraiser has estimated that tax revenues for fiscal year 2014 will increase by approximately 3%, or \$13,000.

The unification with the Pinellas County Metropolitan Planning Organization (MPO) is expected to occur during fiscal year 2014. The Council has experienced savings thus far with the "pre-unification" efforts and expects that additional savings will occur as they fully unify. As part of the unification, the budgets of the MPO and the Council will be coordinated.

Requests for Information

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

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

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2013**

	<u>Governmental Activities</u>
ASSETS	
Current Assets:	
Cash and Investments	\$ 561,475
Taxes and Other Receivables	<u>16,122</u>
Total Current Assets	577,597
 LIABILITIES	
Current Liabilities:	
Accounts Payable and Accrued Expenses	62,582
 Non Current Liabilities:	
Compensated Absences	<u>44,855</u>
Total Liabilities	<u>107,437</u>
 NET POSITION	
Unrestricted	<u><u>\$ 470,160</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, 2013**

	<u>Governmental Activities</u>
EXPENSES	
Planning:	
Personal Services	\$ 577,015
Materials and Service	134,141
Rent	124,400
Property Appraiser and Tax Collector Commissions	<u>19,176</u>
Total Program Expenses - Planning	854,732
PROGRAM REVENUES	
Charges for Services - Planning	<u>3,442</u>
Net Program Expenses	(851,290)
GENERAL REVENUE	
Property Taxes	663,751
Net Investment Activity	1,392
Other- Homestead Lien and Rental Income	<u>56,960</u>
Total General Revenue	<u>722,103</u>
DECREASE IN NET POSITION	(129,187)
Net Position, Beginning of Year	<u>599,347</u>
NET POSITION, END OF YEAR	<u><u>\$ 470,160</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, 2013**

ASSETS

Cash and Investments	\$ 561,475
Taxes and Other Receivables	<u>16,122</u>
Total Assets	<u><u>\$ 577,597</u></u>

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts Payable and Accrued Expenses	<u>\$ 30,392</u>
Total Liabilities	30,392
Fund Balances:	
Assigned to:	
Subsequent Year's Budget	153,440
Unassigned	<u>393,765</u>
Total Fund Balances	<u>547,205</u>
Total Liabilities and Fund Balances	<u><u>\$ 577,597</u></u>

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 POSITION
SEPTEMBER 30, 2013**

Total Fund Balance for Governmental Funds	\$ 547,205
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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.	(44,855)
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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 expenses as they increase the liabilities on the statement of net position.	<u>(32,190)</u>
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Net Position of Governmental Activities	<u><u>\$ 470,160</u></u>
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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, 2013**

REVENUES

Pinellas County Property Taxes	\$ 663,751
Contract Services	3,442
Net Investment Activity	1,392
Other	<u>56,960</u>

Total Revenues	725,545
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EXPENDITURES

Payroll, Taxes and Benefits	582,400
Office Rent	98,645
Contractual Support Services	74,615
Property Appraiser and Tax Collector Commissions	19,176
Advertising Notice	17,484
Accounting and Audit	12,063
Printing and Reproduction	7,895
Equipment Rental and Other	4,384
Office Supplies and Materials	3,207
Telephone	2,909
Reference and Education	2,758
Travel	2,691
Mail	2,077
Miscellaneous	<u>4,060</u>

Total Expenditures	<u>834,364</u>
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NET CHANGE IN FUND BALANCE	(108,819)
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Fund Balance, Beginning of Year	<u>656,024</u>
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FUND BALANCE, END OF YEAR	<u><u>\$ 547,205</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 STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE – GENERAL FUND
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2013**

Net Change in Fund Balance - Governmental Funds	\$ (108,819)
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Amounts Reported for Governmental Activities in the Statement of Activities
are Different Because:

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.	5,385
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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 position.	<div style="border-top: 1px solid black; display: inline-block;">(25,753)</div>
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Change in Net position of Governmental Activities	<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block;">\$ (129,187)</div>
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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, 2013**

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. Pete 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, 2013**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements

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

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

Separate financial statements are provided for 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, 2013**

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, 2013**

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 Position

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

New Accounting Pronouncements

For the year ended September 30, 2013, the financial statements include the impact of adoption of Governmental Accounting Standards Board *Statement* (GASBS) Nos. 62 and 63.

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GASBS 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, supersedes GASBS 20. GASBS 20 gave governments the choice to elect to follow only the authoritative literature of the Governmental Accounting Standards Board (GASB) or to follow Financial Accounting Standards Board (FASB) and American Institute of Certified Public Accountants (AICPA) pronouncements that did not conflict with GASB pronouncements. Upon adoption of GASBS 62, all governmental accounting guidance is codified into the GASB literature.

GASBS 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, provides guidance on reporting deferred outflows and inflows of resources. It also renames the residual of all other amounts presented in the statement of financial position from "net assets" to "net position." The financial statements include the statement of net position, which reports all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position, as applicable.

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, 2013:

Petty Cash on Hand	\$ 25
Bank Deposits	464,198
Florida State Board of Administration - Local Government Investment Pool	<u>97,252</u>
Total Cash and Investments	<u><u>\$ 561,475</u></u>

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE 4 CASH AND INVESTMENTS (CONTINUED)

Deposits

At September 30, 2013, the Council's bank balance was \$573,657.

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 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, 2013 of 44 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 1.13262284 at September 30, 2013. 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, 2013 is 4.04 years. However, because Fund B consists of restructured or defaulted securities there is considerable uncertainty regarding the weighted average life.

As of September 30, 2013, the remaining balance in the Florida PRIME is \$93,354, and the market value of the remaining balance in Fund B, subject to the withdrawal restrictions described above, is \$3,898. Activity for the year for both Pools is summarized as follows:

Balance at September 30, 2012	\$ 96,213
Reinvested Earnings Deposits	583
Plus: Unrealized Gain Adjustment	<u>456</u>
Balance at September 30, 2013	<u><u>\$ 97,252</u></u>

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

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 0.0160 mil at November 1, 2013 on property with a gross taxable value of approximately \$56,188 and \$114,539.

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, 2013**

NOTE 6 RISK MANAGEMENT

As of September 30, 2013, 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, 2013, the Council incurred the following expenditures for services provided by the County:

Health Insurance Charges	\$ 87,422
Property Appraiser and Tax Collector Commissions	19,176
Minutes and Videos	7,150
Computers	4,045
Telephone Charges	2,909
Printing and Reproduction	1,277
Mapping	797
Postage	81
	<hr/>
Total Fees Paid to the County	<u>\$ 122,857</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, 2013 was as follows:

	Balance September 30, 2012	Additions	Deletions	Balance September 30, 2013
Capital Assets Being Depreciated:				
Furniture and Office Equipment	\$ 48,235	\$ -	\$ 37,683	\$ 10,552
Less: Accumulated Depreciation	<u>48,235</u>	<u>-</u>	<u>37,683</u>	<u>10,552</u>
Capital Assets Being Depreciated, Net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

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, 2013 was \$98,645.

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 \$32,193 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 year ending September 30:

<u>Year</u>	<u>Amount</u>
2014	\$ 63,684

NOTE 10 COMPENSATED ABSENCES

The change in compensated absences is summarized as follows:

	Balance September 30, 2012	Additions	Used	Balance September 30, 2013
Compensated Absences	<u>\$ 50,240</u>	<u>\$ 20,407</u>	<u>\$ 25,792</u>	<u>\$ 44,855</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, 2013**

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.

From October 1, 2012 through June 30, 2013, 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 – 5.18%; senior management – 6.30%; and deferred retirement option plan – 5.4%. The employer contribution rates, effective July 1, 2013, which include the health insurance subsidy of contributions of 1.20%, and the 0.03% administrative/education fee, are applied to employee salaries as follows: regular employees – 6.95%; senior management – 18.31%; and deferred retirement option plan – 12.84%. Annual covered payroll was \$431,014, \$416,677, and \$454,102 for the three years ended September 30, 2013, 2012 and 2011, respectively. The Council's contributions to FRS for the three years ended September 30, 2013, 2012 and 2011 were \$28,117, \$21,676 and \$49,936, 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, 2013**

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. The Council currently has no fund balance that is considered nonspendable.

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE 13 FUND BALANCE REPORTING (CONTINUED)

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 \$153,440 which 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.

Unassigned: The unassigned fund balance for the General Fund is \$393,765. 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 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 countrywide 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 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.

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE 14 UNIFICATION LEGISLATION (CONTINUED)

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 signature on the recently reapproved MPO Reapportionment Plan.

NOTE 15 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 sublease was not renewed beyond March 2013. The monthly rental for each month was \$8,797.50 plus tax due on or before the first day of each month.

**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, 2013**

	General Fund Original Budget	Final Budget	Actual Amounts (Budgetary Basis) (See Note A)	Variance- Favorable (Unfavorable)
REVENUES				
Pinellas County Property Taxes	\$ 646,230	\$ 646,230	\$ 663,751	\$ 17,521
Cash Reserves	100,560	100,560	100,560	-
Carryforward/Encumbered	380,810	380,810	301,124	(79,686)
Net Investment Activity	1,500	1,500	1,392	(108)
Contract Services	-	-	3,442	3,442
Other	-	-	56,960	56,960
Total Revenues	1,129,100	1,129,100	1,127,229	(1,871)
EXPENDITURES				
Payroll, Taxes and Benefits	694,540	694,540	582,400	112,140
Contractual Support Services	70,000	70,000	74,615	(4,615)
Legal Services	5,000	5,000	1,576	3,424
Office Rent	97,000	97,000	98,645	(1,645)
Equipment Rental and Furnishings	15,000	15,000	4,384	10,616
Telephone	3,500	3,500	2,909	591
Mail	4,000	4,000	2,077	1,923
Advertising Notice	42,000	42,000	17,484	24,516
Printing and Reproduction	17,000	17,000	7,895	9,105
Office Supplies and Materials	9,000	9,000	3,207	5,793
Property Appraiser and Tax Collector				
Commissions	38,000	38,000	19,176	18,824
Travel	9,000	9,000	2,691	6,309
Reference and Education	5,000	5,000	2,758	2,242
Accounting and Audit	13,000	13,000	12,063	937
Administrative Hearing	4,000	4,000	-	4,000
Council Activities	500	500	410	90
Contingency	2,000	2,000	2,074	(74)
Total Expenditures	1,028,540	1,028,540	834,364	194,176
EXCESS OF REVENUES OVER EXPENDITURES	\$ 100,560	\$ 100,560	\$ 292,865	\$ 192,305

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	\$ 1,127,229
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	(100,560)
Encumbrances for Expenditures Planned but not Purchased in the Prior Year is a Budgetary Resource but is not a Current-Year Revenue for Financial Reporting Purposes	(301,124)
Total Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	<u>\$ 725,545</u>

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Pinellas County Planning Council, as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise Pinellas County Planning Council's basic financial statements, and have issued our report thereon dated December 17, 2013.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Pinellas County Planning Council's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Pinellas County Planning Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

CliftonLarsonAllen LLP

Tampa, Florida
December 17, 2013



CliftonLarsonAllen LLP
CLAAconnect.com

MANAGEMENT LETTER

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

We have audited the financial statements of the Pinellas County Planning Council (the Council), Florida, as of and for the fiscal year ended September 30, 2013, and have issued our report thereon dated December 17, 2013.

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. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards. Disclosures in that report, which is dated December 17, 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 auditor's reports or schedule:

- 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 audit.
- 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 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, we did not have any such recommendations.

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 noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)5., 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)6.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 Pinellas County Planning Council did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Section 10.554(1)(i)6.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, 2013, 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, 2013. 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)6.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 Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Council Board of Directors, Pinellas County Board of County Commissioners, Pinellas County Clerk of Courts, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Tampa, Florida
December 17, 2013

**PINELLAS COUNTY PLANNING COUNCIL
A COMPONENT UNIT OF PINELLAS COUNTY, FLORIDA
YEAR ENDED SEPTEMBER 30, 2013**

**EXHIBIT A
TO THE MANAGEMENT LETTER**

PRIOR YEAR COMMENT:

Prior Year Findings		Current Year Status		
		Cleared	Partially Cleared	Not Cleared
2012-01 Recording of Taxes Receivable	Significant Deficiency	X		