

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORTS

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

September 30, 2020

PINELLAS PLANNING COUNCIL

COUNCIL MEMBERS SEPTEMBER 30, 2020

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

ADMINISTRATION

Executive Director	Whit Blanton, FAICP
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INDEPENDENT AUDITORS' REPORT



RIVERO, GORDIMER & COMPANY, P.A.

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Sam A. Lazzara Christopher F. Terrigino
Kevin R. Bass James K. O'Connor
Jonathan E. Stein David M. Bohnsack
Richard B. Gordimer, of Counsel
Cesar J. Rivero, in Memoriam (1942-2017)

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and general fund of the Pinellas Planning Council (the "Council"), a component unit of Pinellas County, Florida, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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



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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the Council as of September 30, 2020, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 2021, on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.



Tampa, Florida
February 23, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

PINELLAS PLANNING COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") of the financial performance and activity of the Pinellas Planning Council (the "Council") is to provide an introduction and understanding of the financial statements of the Council for the year ended September 30, 2020, with selected comparisons to the prior year ended September 30, 2019. The information presented should be read in conjunction with the financial statements, notes, and supplemental schedules found in this report.

Financial Highlights

- The assets and deferred outflows of resources of the Council were less than its liabilities and deferred inflows of resources at September 30, 2020, by \$2,985,566 (net position). Net position decreased by \$327,330 from the previous fiscal year primarily due to pension and Other Postemployment Benefit ("OPEB") related expenses totaling \$243,862 for the fiscal year ended September 30, 2020.
- As of September 30, 2020, the Council's general fund reported an ending fund balance of \$1,281,147, a decrease of \$29,720 from the previous fiscal year.
- Fund balance has been assigned in an amount equal to approximately 30% of total fund balance. The amount of assigned fund balance represents the current year fund balance projected to be used to balance the subsequent year's operating budget.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

PINELLAS PLANNING COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED

Fund Financial Statements

The Council, like other governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. 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 uses one governmental fund to account for its operations.

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

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

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

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

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

Financial Analysis of the Government as a Whole

As noted earlier, changes in net position over time can be a useful indicator of a government's financial position. At the end of the fiscal year ended September 30, 2020, the assets and deferred outflows of the Council were less than the liabilities and deferred inflows by \$2,985,566.

PINELLAS PLANNING COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED

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

	2020	2019
Cash and investments	\$ 728,784	\$ 1,117,442
Taxes and other receivables	7,638	36,661
Due from Pinellas County Metropolitan Planning Organization	618,959	237,794
Prepaid items	3,142	2,563
Capital assets, net	4,855	8,398
Total assets	1,363,378	1,402,858
 Deferred outflows of resources	 857,085	 944,315
Accounts payable and accrued expenses	77,376	83,593
Accrued rent payable	892	4,630
Compensated absences	182,823	128,880
Net pension liability	2,269,464	1,921,434
OPEB liability	1,695,367	2,393,822
Total liabilities	4,225,922	4,532,359
 Deferred inflows of resources	 980,107	 473,050
Net Position:		
Net investment in capital assets	4,855	8,398
Unrestricted	(2,990,421)	(2,666,634)
Net position (deficit)	\$ (2,985,566)	\$ (2,658,236)

Governmental activities decreased the Council's net position by \$327,330 primarily as a result of pension and OPEB related expenses totaling \$243,862.

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

	2020	2019
Revenues:		
Program revenues:		
Charges for services	\$ 1,254,848	\$ 1,512,041
General revenue:		
Property taxes	1,245,617	1,150,295
Investment earnings	1,786	3,893
Total revenues	2,502,251	2,666,229
 Expenses:	 2,829,581	 2,953,598
Planning expenses		
Decrease in net position	(327,330)	(287,369)
Net position (deficit), beginning of year	(2,658,236)	(2,370,867)
Net position (deficit), end of year	\$ (2,985,566)	\$ (2,658,236)

Financial Analysis of the Council's General Fund

PINELLAS PLANNING COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED

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

As of September 30, 2020, the Council's general fund reported an ending fund balance of \$1,281,147, a decrease of \$29,720 in comparison with the previous fiscal year. Of this amount, \$893,738 or 70% is considered unassigned. The remainder fund balance is either non-spendable or has been assigned to balance the budget in the upcoming fiscal year.

Economic Factors/Currently Known Facts, Decisions, or Conditions

The Council is primarily funded by property tax revenues. While the millage rate remains at 0.0150, the maximum millage rate that can be levied is 0.1666 mills. Looking forward to fiscal years 2021 and 2022, the Council expects property values to hold steady at 6% for 2021, but the Pinellas County Office of Management & Budget is projecting total tax revenue to only grow by 1% in FY 22 as a result of the pandemic. Total revenues for fiscal year 2021 are estimated to be \$2,905,432 which includes interest, local government assistance, and the Pinellas County Metropolitan Planning Organization ("MPO") charges for services from recurring state and federal grants.

During fiscal year 2020, the Council continued to draw down its Unassigned Fund Balance ("UFB") to an acceptable level, as established by Council policy, while addressing critical planning needs facing the community. With the Council in a strong position of community-wide support and the UFB at a healthy position, the Council is preparing to propose a modest millage increase to provide sustainable funding support to account for significant increases in intergovernmental charges by Pinellas County over the last several years and to provide funding for two broadly supported key initiatives: a new position for a grants and partnerships program manager, and a new position for corridor planning. The two new positions would reinforce the policy foundation established in the Countywide Plan and through the MPO's Long Range Transportation Plan and would help meet an increasing demand for technical assistance and planning services throughout the community.

The Council will consider several budget scenarios with different millage rate assumptions for FY22 and make a decision by early summer, subject to approval by the Pinellas County Board of County Commissioners.

Requests for Information

This financial report is designed to provide a general overview of the Council's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed as follows: Whit Blanton, FAICP Executive Director, Pinellas County Planning Council, 310 Court Street, Clearwater, Florida 33756

BASIC FINANCIAL STATEMENTS

PINELLAS PLANNING COUNCIL

STATEMENT OF NET POSITION

September 30, 2020

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and investments	\$ 728,784
Taxes receivable	7,638
Due from Pinellas County Metropolitan Planning Organization	618,959
Prepaid items	<u>3,142</u>
Total current assets	<u>1,358,523</u>
Noncurrent assets:	
Capital assets, net of accumulated depreciation	<u>4,855</u>
Total assets	<u>1,363,378</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related amounts	797,370
OPEB related amounts	<u>59,715</u>
Total deferred outflows of resources	<u>857,085</u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued expenses	77,376
Accrued rent payable	892
Compensated absences, current portion	<u>153,570</u>
Total current liabilities	<u>231,838</u>
Noncurrent liabilities:	
Compensated absences	29,253
Net pension liability	2,269,464
OPEB liability	<u>1,695,367</u>
Total noncurrent liabilities	<u>3,994,084</u>
Total liabilities	<u>4,225,922</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related amounts	191,678
OPEB related amounts	<u>788,429</u>
Total deferred inflows of resources	<u>980,107</u>
NET POSITION	
Net investment in capital assets	4,855
Unrestricted	<u>(2,990,421)</u>
Total net position (deficit)	<u>\$ (2,985,566)</u>

The accompanying notes are an integral part of this statement.

PINELLAS PLANNING COUNCIL
STATEMENT OF ACTIVITIES
For the year ended September 30, 2020

	Governmental Activities
Program expenses:	
Planning:	
Personal services	\$ 2,227,832
Materials and services	485,037
Rent	78,564
Property appraiser and tax collector commissions	34,605
Depreciation	3,543
Total program expenses	2,829,581
Program revenues:	
Charges for services, planning	1,254,848
Total program revenues	1,254,848
Net program deficit	(1,574,733)
General revenues	
Property taxes	1,245,617
Investment and other income	1,786
Total general revenues	1,247,403
Decrease in net position	(327,330)
Net position (deficit), beginning of year	(2,658,236)
Net position (deficit), end of year	\$ (2,985,566)

The accompanying notes are an integral part of this statement.

PINELLAS PLANNING COUNCIL
BALANCE SHEET – GENERAL FUND

September 30, 2020

ASSETS	
Cash and investments	\$ 728,784
Taxes receivables	7,638
Due from Pinellas County Metropolitan Planning Organization	618,959
Prepaid items	3,142
Total assets	<u><u>\$ 1,358,523</u></u>
 LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable and accrued expenses	<u>\$ 77,376</u>
Total liabilities	<u>77,376</u>
 Fund balance:	
Non-spendable	3,142
Assigned to:	
Subsequent year's budget	384,267
Unassigned	<u>893,738</u>
Total fund balance	<u>1,281,147</u>
Total liabilities and fund balance	<u><u>\$ 1,358,523</u></u>

The accompanying notes are an integral part of this statement.

PINELLAS PLANNING COUNCIL

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

September 30, 2020

Total Fund Balance for the General Fund		\$ 1,281,147
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in the general fund are not financial resources and, therefore, not reported in governmental funds.		
Capital assets	37,665	
Less accumulated depreciation	<u>(32,810)</u>	4,855
Deferred outflows and inflows of resources related to net pension liabilities and OPEB do not have a current financial impact and, therefore, are not recognized in the governmental resources focus fund statements.		
Deferred outflows	857,085	
Deferred inflows	<u>(980,107)</u>	(123,022)
Compensated absences are not due and payable in the current period, therefore, are not reported in the governmental fund statements.		(182,823)
Net pension liabilities are not due and payable in the current period and, therefore, are not reported in the governmental fund statements.		(2,269,464)
OPEB liabilities are not due and payable in the current period and, therefore, are not reported in the governmental fund statements.		(1,695,367)
Accrued rent was not reported in the governmental fund statements since there was no amount due for payment.		<u>(892)</u>
Net Position (Deficit) of Governmental Activities		<u><u>\$ (2,985,566)</u></u>

The accompanying notes are an integral part of this statement.

PINELLAS PLANNING COUNCIL

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – GENERAL FUND

For the year ended September 30, 2020

Revenues:	
Property taxes	\$ 1,245,617
Charges for services	1,254,635
Contract services	213
Investment and other income	1,786
Total revenues	<u>2,502,251</u>
Expenditures:	
Payroll, taxes, and benefits	1,933,765
Property appraiser and tax collector commissions	34,605
Office rent	78,564
Intergovernmental services	264,840
Contractual support services	129,875
Accounting and audit	17,774
Advertising notice	16,950
Communications, advocacy, and education	10,688
Office supplies and materials	3,207
Telephone	3,456
Council activities	4,523
Travel	2,627
Printing and reproduction	4,993
Mail	2,380
Capital outlay	10,849
Miscellaneous	12,875
Total expenditures	<u>2,531,971</u>
Net change in fund balance	(29,720)
Fund balance, beginning of year	<u>1,310,867</u>
Fund balance, end of year	<u>\$ 1,281,147</u>

The accompanying notes are an integral part of this statement.

PINELLAS PLANNING COUNCIL

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

For the year ended September 30, 2020

Net change in fund balance - General Fund	\$	(29,720)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.		
Current year depreciation	<u>(3,543)</u>	(3,543)
Compensated absences are not due and payable in the current period and therefore, are not reported in the governmental funds statements. This amount represents the change in compensated absences in the current year.		
		(53,943)
Net effect of pension and OPEB related expenses which decreased net position.		
		(243,862)
Operating lease payments are recorded as expenditures when amounts become due for payment; however, in the statement of activities they are reported as expenses under the straight-line basis.		
		<u>3,738</u>
Change in net position of governmental activities	<u>\$</u>	<u>(327,330)</u>

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

PINELLAS PLANNING COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

September 30, 2020

NOTE A - ORGANIZATION AND REPORTING ENTITY

1. Reporting Entity

The Pinellas Planning Council (the "Council"), a component unit of Pinellas County, Florida (the "County"), is authorized under Chapters 88-464 and 90-396, of the Laws of Florida. The Council's purpose is to formulate and execute objectives and policies necessary for the orderly growth, development, and environmental protection of the County as a whole. The Council 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 the County in accordance with Governmental Accounting Standards Board ("GASB"). The Council has considered any entities for which it has oversight and there are none meeting the criteria for inclusion in its financial statements.

2. Membership of the Council

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

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Presentation

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

2. Measurement Focus and Basis of Accounting

The operations of the Council are recorded in a governmental fund. Governmental funds are used to account for activities primarily supported by taxes, grants, and similar revenue sources.

PINELLAS PLANNING COUNCIL

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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.

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 and collected. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

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

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

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.

3. Cash and Investments

Cash includes amounts on hand and in demand deposit accounts. The Council's investment policy is to maintain funds in near-cash investments, which yield the highest possible return within the limitations established by Florida statutes and the County ordinances. The Council's investments are recorded at amortized cost.

PINELLAS PLANNING COUNCIL

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

4. Prepaid Items

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

5. Capital Assets

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized. The Council's furniture and equipment is depreciated using the straight-line method over the estimated useful life of three to five years. Leasehold improvements are depreciated using the straight-line method over the remaining lease term.

6. Receivables

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

7. 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.

8. Accrued Rent

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

PINELLAS PLANNING COUNCIL

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

9. Deferred Outflows/Inflows of Resources

In addition to assets, a statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The deferred outflows of resources reported in the Council's statement of net position represent pension deferrals due to differences between expected and actual economic experience, changes in actuarial assumptions, the net difference between projected and actual earnings, changes in the proportion and differences between the Council's contributions and proportionate share of contributions, and the Council's contributions subsequent to the measurement date.

The deferred outflows relate to the Florida Retirement System ("FRS") Pension Plan, the Retiree Health Insurance Subsidy ("HIS") Program and the Other Postemployment Benefit ("OPEB") Plan. These amounts will be recognized as increases in pension expense in future years.

In addition to liabilities, a statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The deferred inflows of resources reported in the Council's statement of net position represent pension deferrals due to the difference between expected and actual economic experience, changes in actuarial assumptions, the net difference between projected and actual earnings, and changes in the proportion and differences between the Council's contributions and proportionate share of contributions relating to FRS Pension Plan, HIS Program, and OPEB Plan. These amounts will be recognized as reductions in pension expense in future years.

10. Pensions

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

PINELLAS PLANNING COUNCIL

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

11. Other Postemployment Benefits

In the government-wide statement of net position, a liability is recognized for the Council's proportionate share of a single-employer defined-benefit healthcare plan administered by the County. The postretirement health benefits are funded on a pay-as-you-go basis (i.e. the County funds on a cash basis as benefits are paid).

12. Net Position

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

13. Use of Estimates

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

14. Deposits

At September 30, 2020, the bank balance of the Council's operating deposits was \$636,926. 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 PLANNING COUNCIL

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE C - INVESTMENTS

The Council does not have its own investment policy and, therefore, follows Section 218.415, Florida Statutes, regarding the investment of public funds. The Council's excess deposits are invested entirely in the State of Florida State Board Administration ("SBA") Local Government Investment Pool ("LGIP"). Florida PRIME is not registered with the Securities and Exchange Commission as an investment company, but has a policy that it will, and does, operate as a qualifying external investment pool. Thus, this pool operates essentially as a money market fund and the Council's position in Florida PRIME is measured at amortized cost. Florida PRIME is rated by Standard & Poor's with a current rating of AAAM. The investment policy of Florida PRIME is to manage the weighted average maturity to 60 days or less. Throughout the year and as of September 30, 2020, Florida PRIME contained certain floating and adjustable rate securities which were indexed based on the prime rate and/or one and three-month LIBOR rates. These investments represented 17.8% of Florida PRIME's portfolio at September 30, 2020. As of September 30, 2020, the Council had \$105,157 deposited in Florida PRIME.

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

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

At September 30, 2020, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value within Florida PRIME.

NOTE D - PROPERTY TAXES

The Council is funded through the assessment of ad valorem property tax as approved by the Board of County Commissioners, not to exceed one-sixth mil. The Council's ad valorem tax was levied at 0.0150 mil per \$1,000 at October 1, 2019, on property with a gross taxable value of \$85,468,863,997.

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

PINELLAS PLANNING COUNCIL

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE D - PROPERTY TAXES - Continued

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

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

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

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

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

NOTE E - RISK MANAGEMENT

As of September 30, 2020, the Council had not separately established a Risk Management Fund or Pool. As a component unit of the County, insurance coverage is provided entirely through the County's risk management pool for property, general liability, employee liability, and workers' compensation coverage.

NOTE F - TRANSACTIONS WITH PINELLAS COUNTY, FLORIDA

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

PINELLAS PLANNING COUNCIL
 NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE G - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2020 was as follows:

	Balance October 1, 2019	Additions	Deletions	Balance September 30, 2020
Capital assets being depreciated:				
Furniture and office equipment	\$ 33,307	\$ -	\$ -	\$ 33,307
Leasehold improvements	4,358	-	-	4,358
Less accumulated depreciation	(29,267)	(3,543)	-	(32,810)
Total capital assets being depreciated, net	\$ 8,398	\$ (3,543)	\$ -	\$ 4,855

NOTE H - OPERATING LEASE

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

Monthly lease payments under this amended agreement are \$6,722 and \$6,904 for the calendar years 2019 and 2020, respectively. Approximately 31% of the monthly cost of the rent is allocated to the Council.

The Council's accrued rent payable on a straight-line basis in the government-wide statements is \$892 as of September 30, 2020. The lease may be cancelled by the Council with a 90-day written notice. If the lease is cancelled before the accrued rent payable balance is exhausted, the Council shall pay the remaining unamortized balance upon canceling the lease.

NOTE I - COMPENSATED ABSENCES

Hours of annual leave are earned by employees for each year of service to the Council. There is no maximum limitation on the number of annual leave hours which may be accrued. Upon separation from service, employees shall receive a lump-sum payment for all unused annual leave up to a maximum of three times the employee's annual accrual rate for annual leave.

PINELLAS PLANNING COUNCIL

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE I - COMPENSATED ABSENCES - CONTINUED

Such payment shall be made at the employee's regular rate of pay at the time of separation. The change in compensated absences liability is summarized as follows:

	Balance October 1, 2019	Additions	Used	Balance September 30, 2020	Amount Due in One Year
Compensated absences	\$ 128,880	\$ 113,429	\$ (59,486)	\$ 182,823	\$ 153,570

NOTE J - PENSION PLANS

Background

The FRS was created by Chapter 121, Florida Statutes, to provide a defined pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the HIS Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any state-administered retirement system in paying the costs of health insurance.

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

https://www.dms.myflorida.com/workforce_operations/retirement/publications/annual_reports

PINELLAS PLANNING COUNCIL

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE J - PENSION PLANS - Continued

Florida Retirement System Pension Plan

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

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes. *Elected County Officers Class* – Members who hold specified elective offices in local government. *Senior Management Service Class* – Members in senior management level positions.
- *Elected County Officers Class* – Members who hold specified elective offices in local government.
- *Senior Management Service Class* – Members in senior management level positions.
- *Special Risk Class* – Members who are special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

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

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

PINELLAS PLANNING COUNCIL

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE J - PENSION PLANS - Continued

Benefits Provided

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

<u>Class, Initial Enrollment, and Retirement Age/Years of Service:</u>	<u>% Value</u>
Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement up to age 63 or up to 31 years of service	1.63
Retirement up to age 64 or up to 32 years of service	1.65
Retirement up to age 65 or up to 33 years of service	1.68
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement up to age 66 or up to 34 years of service	1.63
Retirement up to age 67 or up to 35 years of service	1.65
Retirement up to age 68 or up to 36 years of service	1.68
Elected County Officers	
Service as Supreme Court Justice, district court of appeal judge, circuit court judge, or county court judge	3.33
Service as Governor, Lt. Governor, Cabinet Officer, Legislator, state attorney, public defender, elected county officer, or elected official of a city or special district that chose EOC membership for its elected officials	3.00
Senior Management Service Class	2.00
Special Risk Class	
Service from December 1, 1970 through September 30, 1974	2.00
Service on and after October 1, 1974	3.00

PINELLAS PLANNING COUNCIL

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE J - PENSION PLANS - Continued

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions

The Florida Legislature establishes contribution rates for participating employers and employees. Effective July 1, 2011, all FRS Plan members (except those in DROP) are required to make 3% employee contributions on a pretax basis. The employer contribution rates by job class for the periods from October 1, 2019 through June 30, 2020, and from July 1, 2020 through September 30, 2021, respectively, were applied to employee salaries as follows: Regular – 8.47% and 10.00%; Senior Management Service – 27.29% and 24.51%; and DROP participants – 16.98% and 14.60%. The Council's contributions to the FRS Plan were \$139,394 for the year ended September 30, 2020.

Pension Costs

At September 30, 2020, the Council reported a liability of \$1,818,341 for its proportionate share of the FRS Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The Council's proportion of the net pension liability was based on the Council's contributions received by FRS during the measurement period for employer payroll paid dates from July 1, 2019 through June 30, 2020, relative to the total employer contributions received from all of FRS's participating employers. At June 30, 2020, the Council's proportion was 0.00420%, which was a decrease of 0.00012% from its proportion measured as of June 30, 2019.

For the year ended September 30, 2020, the Council recognized pension expense of \$441,335 for its proportionate share of FRS's pension expense. In addition, the Council reported its proportionate share of FRS's deferred outflows of resources and deferred inflows of resources from the following sources:

PINELLAS PLANNING COUNCIL
 NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE J - PENSION PLANS - Continued

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual economic experience	\$ 69,592	\$ -
Changes in actuarial assumptions	329,178	-
Net difference between projected and actual earnings on Pension plan investments	108,266	-
Changes in proportion and differences between council contributions and proportionate share of contributions	108,482	107,262
Council contributions subsequent to the measurement date	<u>37,650</u>	<u>-</u>
	<u>\$ 653,168</u>	<u>\$ 107,262</u>

Deferred outflows of resources related to pensions resulting from Council contributions to the FRS Plan subsequent to the measurement date of \$37,650 will be recognized as a reduction of the net pension liability in the plan year ended June 30, 2021.

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

<u>Years Ending September 30,</u>	<u>Amount</u>
2021	\$ 142,573
2022	171,066
2023	119,563
2024	64,103
2025	10,951
Thereafter	<u>-</u>
	<u>\$ 508,256</u>

PINELLAS PLANNING COUNCIL

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE J - PENSION PLANS - Continued

Actuarial Assumptions

The total pension liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40% per year
Payroll Growth	3.25%, average, including inflation
Investment Rate of Return	6.80%, net of pension plan investment expense, including inflation

Mortality rates were based on the PUB-2010 base, projected generationally with Scale MP-2018. The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study completed in 2019 for the period July 1, 2013 through June 30, 2018.

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption.

The target allocation, as outlined in the FRS Plan's investment policy, and best estimates of arithmetic and geometric real rates of return for each asset class are summarized in the following table:

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash equivalents	1.0%	2.20%	2.2%	1.2%
Fixed income	19.0%	3.00%	2.9%	3.5%
Global equity	54.2%	8.00%	6.7%	17.1%
Real estate (property)	10.3%	6.40%	5.8%	11.7%
Private equity	11.1%	10.80%	8.1%	25.7%
Strategic investments	4.4%	5.50%	5.3%	6.9%
	100.0%			
Assumed inflation			2.4%	1.7%

PINELLAS PLANNING COUNCIL
 NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE J - PENSION PLANS - Continued

Discount Rate

The discount rate used to measure the total pension liability was 6.80% for the FRS Plan. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Liability Sensitivity

The following presents the Council's proportionate share of the net pension liability for the FRS Plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the Council's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

FRS Net Pension Liability		
1% Decrease	Current Discount Rate	1% Increase
5.80%	6.80%	7.80%
\$ 2,903,586	\$ 1,818,341	\$ 911,941

Pension Plan Fiduciary Net Position

Detailed information about the FRS Plan's fiduciary's net position is available in a separately-issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report. That report may be obtained through the Florida Department of Management Services website at <http://www.dms.myflorida.com>.

Payables to Pension Plan

At September 30, 2020, the Council reported no payables for outstanding contributions to the FRS Plan.

PINELLAS PLANNING COUNCIL

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE J - PENSION PLANS - Continued

Retiree Health Insurance Subsidy Program

The Retiree Health Insurance Subsidy Program (the "HIS Plan") is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of state-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided

For the plan year ended June 30, 2020, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the plan year ended June 30, 2020, the contribution rate was 1.66% of payroll pursuant to Section 112.363, Florida Statutes. The Council contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled. The Council's contribution to the HIS Plan was \$21,291 for the year ended September 30, 2020.

Pension Costs

At September 30, 2020, the Council reported a liability of \$451,123 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The Council's proportion of the net pension liability was based on the Council's contributions received during the measurement period for employer payroll paid dates from July 1, 2019 through June 30, 2020, relative to the total employer contributions received from all participating employers. At June 30, 2020, the Council's proportion was 0.00369%, which was a decrease of 0.00019% from its proportion measured as of June 30, 2019.

PINELLAS PLANNING COUNCIL
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE J - PENSION PLANS - Continued

For the year ended September 30, 2020, the Council recognized pension expense of \$65,073 for its proportionate share of HIS pension expense. In addition, the Council reported its proportionate share of HIS deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	\$ 18,454	\$ 348
Changes in actuarial assumptions	48,509	26,231
Net difference between projected and actual earnings on HIS Program investments	360	-
Changes in proportion and differences between council contributions and proportionate share of contributions	71,825	57,837
Council contributions subsequent to the measurement date	5,054	-
	<u>\$ 144,202</u>	<u>\$ 84,416</u>

Deferred outflows of resources related to pensions resulting from Council contributions to the FRS Plan subsequent to the measurement date of \$5,054 will be recognized as a reduction of the net pension liability in the plan year ending June 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

<u>Years Ending September 30,</u>	<u>Amount</u>
2021	\$ 38,848
2022	23,670
2023	(4,896)
2024	(5,580)
2025	379
Thereafter	2,311
	<u>\$ 54,732</u>

PINELLAS PLANNING COUNCIL

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE J - PENSION PLANS - Continued

Actuarial Assumptions

The total pension liability as of July 1, 2020 was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40% per year
Payroll Growth	3.25%, average, including inflation
Municipal Bond Rate	2.21%

Mortality rates were based on the PUB-2010 base, projected generationally with Scale MP-2018. The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study completed in 2019 for the period July 1, 2013 through June 30, 2018.

Discount Rate

The discount rate used to measure the total pension liability was 2.21% for the HIS Plan. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Pension Liability Sensitivity

The following presents the Council's proportionate share of the net pension liability for the HIS Plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the Council's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

HIS Net Pension Liability		
1% Decrease	Current Discount Rate	1% Increase
1.21%	2.21%	3.21%
\$ 521,478	\$ 451,123	\$ 393,537

PINELLAS PLANNING COUNCIL

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE J - PENSION PLANS - Continued

Pension Plan Fiduciary Net Position

Detailed information about the HIS Plan’s fiduciary’s net position is available in a separately-issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report. That report may be obtained through the Florida Department of Management Services website at <http://www.dms.myflorida.com>.

Payables to Pension Plan – At September 30, 2020, the Council reported no payables for outstanding contributions to the HIS Plan.

The aggregate amounts of net pension liability, deferred inflows of resources related to pensions, deferred outflows of resources related to pensions, and pension expense for the Council as of September 30, 2020 are as follows:

	FRS	HIS	Total
Deferred outflows of resources related to pensions	\$ 653,168	\$ 144,202	\$ 797,370
Net pension liability	1,818,341	451,123	2,269,464
Deferred inflows of resources related to pensions	107,262	84,416	191,678
Pension expense	441,335	65,073	506,408

Investment Plan

The SBA administers the defined contribution plan, officially titled the FRS Investment Plan (“Investment Plan”). The Investment Plan is reported in the SBA’s annual financial statements and in the state of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Council employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member’s accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members.

PINELLAS PLANNING COUNCIL

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE J - PENSION PLANS - Continued

Allocations to the investment member's accounts during the 2019-2020 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows: Regular class – 6.30% and Senior Management Service class – 7.67%. These allocations include a required employee contribution of 3% of gross compensation for each member class.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance.

For the plan year ended June 30, 2020, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Council.

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

The Council's Investment Plan pension expense totaled approximately \$22,937 for the year ended September 30, 2020.

NOTE K - FUND BALANCE REPORTING

There are two major types of fund balances, which are non-spendable and spendable. Non-spendable fund balances are balances that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. At September 30, 2020, the Council had \$3,142 in non-spendable fund balance. In addition to the non-spendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

PINELLAS PLANNING COUNCIL

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE K - FUND BALANCE REPORTING - Continued

- A. 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.
- B. 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.
- C. Assigned – Amounts intended to be used by the Council for specific purposes. Assigned fund balance represents the amount that is not restricted or committed. The intent shall be expressed by the Council. At September 30, 2020, the Council had \$384,267 of assigned fund balance, which represents the amount needed to eliminate the projected deficit in the subsequent year's budget in an amount no greater than the projected excess of expected expenditures and budgeted contingency reserve over expected revenues.
- D. Unassigned – This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes. At September 30, 2020, unassigned fund balance is \$893,738. 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 L - DUE FROM PINELLAS COUNTY METROPOLITAN PLANNING ORGANIZATION

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

For the year ended September 30, 2020, the amount of reimbursement received from the MPO for shared services totaled \$1,254,635. As of September 30, 2020, the amount due from the MPO relating to charges for shared services was \$618,959.

PINELLAS PLANNING COUNCIL
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE M - OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The County administers a single-employer defined-benefit health care plan (the "Plan") that covers eligible retirees and their dependents. Among others, the Plan includes the Council. The annual budgeted amount for the Plan is approved through appropriations by the Board of County Commissioners. The Plan does not issue stand-alone financial reports and trust to the OPEB obligation has not been established. The cost of benefits provided by the Plan is currently on a pay-as-you-go basis.

Benefits Provided

The Plan provides postretirement health care benefits to all employees who retire on or after attaining at least 10 years of service. The County pays a percentage of the premium for medical and dental insurance for the former employees who retired prior to October 1, 2004. For non-Medicare eligible retirees, employees enrolled in DROP and those within 5 years of normal FRS retirement prior to October 1, 2004, the County will continue funding at the same level as active employees. For employees not part of the previously mentioned groups who were hired prior to January 1, 2011 and who retire on or after October 1, 2004, a health insurance subsidy based on length of service will be provided. The subsidy will range from 25 percent of the premium for 10 years of service, increasing by 3.33 percent per year of service to 75 percent for 25 years or more, calculated on the single premium of the lowest cost plan.

Contributions

The contribution requirements of the plan members and the employers are established and may be amended by the County for the Plan. Contributions to the Plan in excess of benefits paid on behalf of retirees are earmarked for future OPEB expense. However, they do not reduce the total OPEB liability.

Employees covered by benefit terms

Participation in the Plan consisted of the following at September 30, 2019, the measurement date:

Retirees and beneficiaries	1,976
Active member	2,853
	<u>4,829</u>

The total OPEB liability at September 30, 2020 for the Council was \$1,695,367.

PINELLAS PLANNING COUNCIL
 NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE M - OTHER POSTEMPLOYMENT BENEFITS - Continued

Actuarial Method and Assumptions

The total OPEB liability was actuarially determined based on an actuary valuation using the assumptions listed below. The total OPEB liability is based on an actuarial valuation performed as of September 30, 2019. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of the assets, consistent with the long-term perspective of calculation and assumptions about the future.

The significant actuarial assumptions used to determine total OPEB liability include the following:

Valuation date	September 30, 2019
Measurement date	September 30, 2019
Fiscal year ending (reporting date)	September 30, 2020
Actuarial cost method	Entry Age Normal
Amortization method	6.3 years
Discount rate	2.75%, based on a 20-Year Municipal GO AA Index
Inflation rate	2.25%
Salary increases rate	Salary increase rates used in the July 1, 2019 actuarial valuation of FRS; 3.60% - 8.4%, including inflation
Retirement age	Based on results of an actual experience study covering the period 2013 through 2018
Healthcare cost trend rates	Based on the Getzen Model, with trend starting at 6.50% on January 1, 2020 (0% for premiums) followed by 6.25% on January 1, 2021 and gradually decreasing to an ultimate trend rate of 3.99% plus 0.61% increase for excise tax
Aging factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death"

PINELLAS PLANNING COUNCIL
 NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE M - OTHER POSTEMPLOYMENT BENEFITS - Continued

Mortality tables	These rates were taken from adjusted Pub-2010 mortality tables published by the Society of Actuaries with generational mortality improvements using Scale MP-2018. Adjustments to referenced tables are based on the results of a statewide experience study covering the period 2013 through 2018
Expenses	Administrative expenses are included in the per capita health costs.

Changes in Total OPEB Liability

Changes in the Council's total OPEB liability for the year ended September 30, 2020 are as follows:

Balance at September 30, 2019	\$	2,393,822
Changes for the year:		
Service Cost		35,225
Interest		77,928
Difference between expected and actual experience of the Total OPEB Liability		(37,626)
Changes in assumptions and other inputs		(332,604)
Changes in Cost-sharing Allocation Percentage		(375,455)
Benefit Payments		<u>(65,923)</u>
Balance at September 30, 2020	\$	<u><u>1,695,367</u></u>

Benefit Payments

Benefit payments consist of claims paid to retirees participating in the Plan. The total benefit payments for the Council were 65,923 for the year ended September 30, 2020.

Discount Rate

For plans that do not have formal assets, as with the Plan, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For this valuation, the municipal bond rate used was 2.75% based on a 20-Year Municipal GO AA index, closest to but not later than the measurement date. The discount rate was 3.83% at the beginning of the measurement period. The change in discount rate is reflected in the schedule of total OPEB liability which decreased the total OPEB liability.

PINELLAS PLANNING COUNCIL
 NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE M - OTHER POSTEMPLOYMENT BENEFITS - Continued

Sensitivity of Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Council, as well as what the Council's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current discount rate:

Net OPEB Liability		
Current		
Discount		
1% Decrease	Rate	1% Increase
1.75%	2.75%	3.75%
\$ 1,941,709	\$ 1,695,367	\$ 1,489,392

Sensitivity of Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the total OPEB liability of the Council, as well as what the Council's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rate:

Net OPEB Liability		
Healthcare		
Cost		
1% Decrease	Trend Rate	1% Increase
5.5% decreasing to 2.99%	6.5% decreasing to 3.99%	7.5% decreasing to 4.99%
\$ 1,462,017	\$ 1,695,367	\$ 1,986,970

OPEB Expense

For the year ended September 30, 2020, the Council recognized OPEB expense of \$113,153, which was reduced by \$158,260 of deferred inflows of resources that were recognized in OPEB expense during the year resulting in a net OPEB benefit of \$45,107.

PINELLAS PLANNING COUNCIL
 NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE M - OTHER POSTEMPLOYMENT BENEFITS - Continued

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At September 30, 2020 the Council reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual economic experience	\$ -	\$ 31,654
Changes in actuarial assumptions	-	440,916
Change in total OPEB Liability due to change in cost-sharing allocation percentage	-	315,859
Benefits paid after the measurement date	<u>59,715</u>	<u>-</u>
	<u>\$ 59,715</u>	<u>\$ 788,429</u>

The deferred outflows of resources related to OPEB, totaling \$59,715, resulting from the Council's contributions to the Plan subsequent to the measurement date, will be recognized as a reduction in the total OPEB liability in the fiscal year ended September 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB will be recognized in OPEB expense as follows:

<u>Years Ending September 30,</u>	<u>Amount</u>
2021	\$ (158,260)
2022	(158,260)
2023	(158,260)
2024	(149,290)
2025	(128,846)
Thereafter	<u>(35,513)</u>
	<u>\$ (788,429)</u>

PINELLAS PLANNING COUNCIL
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE N - RISK MANAGEMENT

During the ordinary course of its operations, the Council is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Council maintains commercial insurance coverage in amounts management feels is adequate to protect and safeguard the assets of the Council. There have been no significant reductions in coverage nor have settlement amounts exceeded the Council's coverage during the year ended September 30, 2020 or the previous two fiscal years.

SUPPLEMENTARY INFORMATION

PINELLAS PLANNING COUNCIL

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

Year ended September 30, 2020

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance - Favorable (Unfavorable)
Revenues:				
Pinellas County property taxes	\$ 1,215,890	\$ 1,215,890	\$ 1,245,617	\$ 29,727
Net investment activity	2,600	2,600	1,786	(814)
Contract services	15,000	15,000	213	(14,787)
Charges for services	1,549,490	1,549,490	1,254,635	(294,855)
Total revenues	2,782,980	2,782,980	2,502,251	(280,729)
Expenditures:				
Payroll, taxes, and benefits	2,190,920	2,190,920	1,933,765	257,155
Contractual support services	476,640	476,640	129,875	346,765
Office rent	78,000	78,000	78,564	(564)
Equipment and furnishings	18,000	18,000	10,849	7,151
Telephone	3,600	3,600	3,456	144
Mail	2,700	2,700	2,380	320
Advertising notice	30,000	30,000	16,950	13,050
Printing and reproduction	5,000	5,000	4,993	7
Office supplies and materials	15,000	15,000	3,207	11,793
Property appraiser & tax collector commissions	35,830	35,830	34,605	1,225
Intergovernmental services	267,770	267,770	264,840	2,930
Risk management	8,170	8,170	8,170	-
Travel	10,000	10,000	2,627	7,373
Communications, advocacy, and education	20,000	20,000	10,688	9,312
Audit	25,000	25,000	17,774	7,226
Council activities	10,000	10,000	4,523	5,477
Contingency	459,020	459,020	4,705	454,315
Total Expenditures	3,655,650	3,655,650	2,531,971	1,123,679
Excess (deficit) of revenues over expenditures	(872,670)	(872,670)	(29,720)	(842,950)
Fund balance, beginning of year	1,310,867	1,310,867	1,310,867	-
Fund balance, end of year	<u>\$ 438,197</u>	<u>\$ 438,197</u>	<u>\$ 1,281,147</u>	<u>\$ (842,950)</u>

See accompanying note to schedule of revenues, expenditures, and changes in fund balance – budget to actual – general fund.

PINELLAS PLANNING COUNCIL

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

Year ended September 30, 2020

NOTE 1 - BUDGET COMPLIANCE

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

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

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

PINELLAS PLANNING COUNCIL
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY

Last six years

Florida Retirement System (FRS) Defined Benefit Pension Plan

Council Year Ended September 30,	Plan Sponsor Measurement Date June 30,	Council's Proportion of the FRS Net Pension Liability	Council's Proportionate Share of the FRS Net Pension Liability	Council's Covered Employee Payroll	Council's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	FRS Plan Fiduciary Net Position as a Percentage of Total Pension Liability
2020	2020	0.004195384%	\$ 1,818,341	\$ 1,282,346	141.80%	78.85%
2019	2019	0.004317765%	\$ 1,486,979	\$ 1,259,754	118.04%	82.61%
2018	2018	0.004563462%	\$ 1,374,539	\$ 1,349,863	101.83%	84.26%
2017	2017	0.005063180%	\$ 1,497,655	\$ 1,339,496	111.81%	83.89%
2016	2016	0.004218434%	\$ 1,065,158	\$ 1,336,283	79.71%	84.88%
2015	2015	0.002535182%	\$ 327,453	\$ 625,764	52.33%	92.00%

Retiree Health Insurance Subsidy (HIS) Program Defined Benefit Pension Plan

Council Year Ended September 30,	Plan Sponsor Measurement Date June 30,	Council's Proportion of the HIS Net Pension Liability	Council's Proportionate Share of the HIS Net Pension Liability	Council's Covered Employee Payroll	Council's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	FRS Plan Fiduciary Net Position as a Percentage of Total Pension Liability
2020	2020	0.003694747%	\$ 451,123	\$ 1,282,346	35.18%	3.00%
2019	2019	0.003882881%	\$ 434,455	\$ 1,259,754	34.49%	2.63%
2018	2018	0.004099397%	\$ 433,885	\$ 1,349,863	32.14%	2.15%
2017	2017	0.004432593%	\$ 473,953	\$ 1,339,496	35.38%	1.64%
2016	2016	0.004538227%	\$ 528,912	\$ 1,400,984	37.75%	0.97%
2015	2015	0.002674486%	\$ 272,756	\$ 811,399	33.62%	0.50%

Notes:

- 1) The amounts presented for each fiscal year were determined as of the Plan fiscal year measurement date of June 30th
- 2) Information is required to be presented for 10 years. However, until a full 10-year trend is completed, the Council will present information for those years for which information is available.

PINELLAS PLANNING COUNCIL
SCHEDULE OF CONTRIBUTIONS

Last six years

Florida Retirement System (FRS) Defined Benefit Pension Plan

Council Year Ended September 30,	FRS Contributions in Relation to the		FRS Contribution Deficiency (Excess)	Council's Covered Employee Payroll	FRS Contributions as a Percentage of Covered Payroll
	Contractually Required Contribution	Contractually Required Contribution			
2020	\$ 139,394	\$ 139,394	\$ -	\$ 1,282,346	10.87%
2019	\$ 134,893	\$ 134,893	\$ -	\$ 1,304,512	10.34%
2018	\$ 130,981	\$ 130,981	\$ -	\$ 1,347,127	9.72%
2017	\$ 120,158	\$ 120,158	\$ -	\$ 1,354,686	8.87%
2016	\$ 117,780	\$ 117,780	\$ -	\$ 1,376,604	8.56%
2015	\$ 78,447	\$ 78,447	\$ -	\$ 859,715	9.12%

Retiree Health Insurance Subsidy (HIS) Program Defined Benefit Pension Plan

Council Year Ended September 30,	HIS Contributions in Relation to the		FRS Contribution Deficiency (Excess)	Council's Covered Employee Payroll	HIS Contributions as a Percentage of Covered Payroll
	Contractually Required Contribution	Contractually Required Contribution			
2020	\$ 21,291	\$ 21,291	\$ -	\$ 1,282,346	1.66%
2019	\$ 21,394	\$ 21,394	\$ -	\$ 1,304,512	1.64%
2018	\$ 22,098	\$ 22,098	\$ -	\$ 1,347,127	1.64%
2017	\$ 22,006	\$ 22,006	\$ -	\$ 1,354,686	1.62%
2016	\$ 23,780	\$ 23,780	\$ -	\$ 1,424,659	1.67%
2015	\$ 14,857	\$ 14,857	\$ -	\$ 1,063,959	1.40%

Notes:

- 1) The amounts presented for each fiscal year were determined as of the Plan fiscal year measurement date of June 30th.
- 2) Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the Council will present information for only those years for which information is available.

PINELLAS PLANNING COUNCIL

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

Last three years

Total OPEB Liability	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 35,225	\$ 58,139	\$ 62,134
Interest	77,928	86,391	79,635
Changes in assumptions and other inputs	(745,685)	(115,340)	(147,984)
Benefit payments	<u>(65,923)</u>	<u>(91,111)</u>	<u>(89,538)</u>
Net change in total OPEB liability	(698,455)	(61,921)	(95,753)
Net OPEB liability, beginning of fiscal year	<u>2,393,822</u>	<u>2,455,743</u>	<u>2,551,496</u>
Net OPEB liability, end of fiscal year	<u>\$ 1,695,367</u>	<u>\$ 2,393,822</u>	<u>\$ 2,455,743</u>
Covered payroll	\$ 1,164,405	\$ 1,278,056	\$ 1,313,395
Net OPEB liability as a percentage of covered payroll	145.60%	187.30%	186.98%

Notes:

- 1) The data for this table was not available prior to fiscal year 2018.
- 2) The OPEB Plan's funding policy is "pay-as-you-go" and does not accumulate assets within a trust to pay related benefits
- 3) Amounts presented reflect an decrease in the discount rate from 3.83% as of the beginning of the measurement period to 2.75% for the year ended September 30, 2020.

COMPLIANCE SECTION

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*

PINELLAS PLANNING COUNCIL

September 30, 2020



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and general fund of Pinellas Planning Council (the "Council"), a component unit of Pinellas County, Florida, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements, and have issued our report thereon dated February 23, 2021.

Internal Control over Financial Reporting

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

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

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



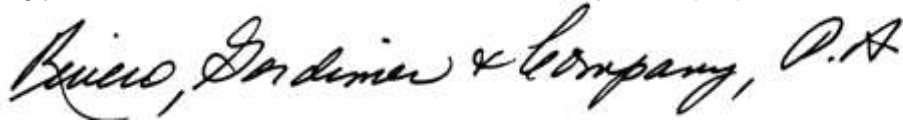
Compliance and Other Matters

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

Purpose of this Report

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

Tampa, Florida
February 23, 2021

A handwritten signature in black ink that reads "Benicio, Gordinier & Company, P.A." The signature is written in a cursive, flowing style.

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

PINELLAS PLANNING COUNCIL

September 30, 2020



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

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

Report on the Financial Statements

We have audited the financial statements of the Pinellas Planning Council (the "Council"), a component unit of Pinellas County, Florida, as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated February 23, 2021.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Florida Auditor General.

Other Reporting Requirements

We have issued our Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants Report on Compliance with the Requirements of Section 218.415, Florida Statutes on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated February 23, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

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



Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Council has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Council did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Council. It is management's responsibility to monitor the Council's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

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

Special District Component Units

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

Additional Matters

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

Purpose of this Letter

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

A handwritten signature in cursive script that reads "Bruce, Gardner & Company, P.A." The signature is written in black ink and is positioned to the right of the text "The purpose of this management letter is to communicate certain matters prescribed by Chapter 10.550, Rules of the Auditor General. Accordingly, this management letter is not suitable for any other purpose."

Tampa, Florida
February 23, 2021

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH
THE REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES

PINELLAS PLANNING COUNCIL

September 30, 2020



INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE
 WITH THE REQUIREMENTS OF SECTION 218.415,
 FLORIDA STATUTES

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

We have examined the Pinellas Planning Council's (the "Council") compliance with the local government investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2020. Management of the Council is responsible for the Council's compliance with those requirements. Our responsibility is to express an opinion on the Council's compliance with the specified requirements based on our examination.

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

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

In our opinion, the Council complied, in all material respects, with the local government investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2020.

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

Tampa, Florida
 February 23, 2021

