

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

FINANCIAL STATEMENTS, REQUIRED  
SUPPLEMENTARY INFORMATION, AND  
COMPLIANCE REPORTS

*As of and for the Year Ended September 30, 2022*

*And Reports of Independent Auditor*

**PINELLAS PLANNING COUNCIL**  
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**PINELLAS PLANNING COUNCIL  
COUNCIL MEMBERS AND ADMINISTRATION**

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**COUNCIL MEMBERS: OCTOBER 1, 2021 - SEPTEMBER 30, 2022**

- Chair                      Joanne “Cookie” Kennedy  
Mayor, City of Indian Rocks Beach
  
- Vice Chair                Janet Long  
Commissioner, Pinellas County
  
- Treasurer                David Allbritton  
Councilmember, City of Clearwater
  
- Secretary                Karen Seel  
Commissioner, Pinellas County
  
- Dave Eggers  
Commissioner, Pinellas County
  
- Pat Gerard  
Councilmember, City of Clearwater
  
- Gina Driscoll  
Councilmember, City of St. Petersburg (representing PSTA)
  
- Brandi Gabbard  
Councilmember, City of St. Petersburg
  
- Patti Reed  
Councilmember, City of Pinellas Park
  
- Bonnie Noble  
Councilmember, Kenneth City
  
- Julie Ward Bujalski  
Mayor, City of Dunedin
  
- Cliff Merz  
Commissioner, City of Safety Harbor
  
- Michael Smith  
Commissioner, City of Largo

**ADMINISTRATION**

- Executive Director      Whit Blanton, FAICP

## Report of Independent Auditor

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

### Report on the Audit of the Financial Statements

#### **Opinions**

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, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

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, 2022, 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.

#### **Basis for Opinions**

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. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Council and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements, relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Council's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***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 is the responsibility of management and, 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 Information**

Management is responsible for the other information included in the annual report. The other information comprises the Council members and administration information but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2023, 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.

*Cherry Bekaert LLP*

Tampa, Florida  
March 8, 2023

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# **PINELLAS PLANNING COUNCIL**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

*SEPTEMBER 30, 2022*

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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, 2022, with selected comparisons to the prior year ended September 30, 2021. 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, 2022, by \$2,805,489 (net deficit). Net deficit decreased by \$118,148 from the previous fiscal year primarily as a result of an increase of \$91,005 in property tax revenue combined with a decrease of \$11,329 in planning expenses for the fiscal year ended September 30, 2022.
- As of September 30, 2022, the Council's general fund reported an ending fund balance of \$1,097,104, a decrease of \$85,962 from the previous fiscal year.
- Fund balance has been assigned in an amount equal to approximately 58% 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. The basic 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.

### **Government-Wide Financial Statements**

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

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

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



**PINELLAS PLANNING COUNCIL  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

*SEPTEMBER 30, 2022*

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**Fund Financial Statements**

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

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 schedule is provided in the required supplementary information for the general fund in order to present budgetary compliance.

**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, 2022, the assets and deferred outflows of the Council were less than the liabilities and deferred inflows by \$2,805,489.

**PINELLAS PLANNING COUNCIL  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

SEPTEMBER 30, 2022

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

	<b>2022</b>	<b>2021*</b>
Cash and investments	\$ 895,437	\$ 673,878
Taxes and other receivables	9,108	8,598
Due from Pinellas County Metropolitan Planning Organization	269,267	521,721
Prepaid items	-	10,217
Capital assets, net	678,528	2,636
<b>Total Assets</b>	<b>1,852,340</b>	<b>1,217,050</b>
<b>Deferred Outflows of Resources</b>	<b>730,775</b>	<b>622,933</b>
Accounts payable and accrued expenses	76,708	31,348
Accrued rent payable	-	9,639
Compensated absences	220,355	230,427
Lease liability	701,077	-
Net pension liability	1,895,146	788,183
OPEB liability	714,093	1,789,965
<b>Total Liabilities</b>	<b>3,607,379</b>	<b>2,849,562</b>
<b>Deferred Inflows of Resources</b>	<b>1,781,225</b>	<b>1,914,058</b>
<b>Net Position:</b>		
Net investment in capital assets	(22,549)	2,636
Unrestricted	(2,782,940)	(2,926,273)
<b>Net Position (Deficit)</b>	<b>\$ (2,805,489)</b>	<b>\$ (2,923,637)</b>

Governmental activities decreased the Council's net deficit by \$118,148 primarily as a result of an increase of \$91,005 in property tax revenue combined with a decrease of \$11,329 in planning expenses for the fiscal year ended September 30, 2022.

\* Balances reported for the fiscal year ended September 30, 2021, were not restated to reflect the effect of the implementation of GASB Statement No. 87, *Leases*.

**PINELLAS PLANNING COUNCIL  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

SEPTEMBER 30, 2022

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

	<u>2022</u>	<u>2021</u>
Revenues:		
Program Revenues:		
Charges for services	\$ 1,043,829	\$ 1,125,118
General Revenue:		
Property taxes	1,427,033	1,336,028
Investment earnings	37,725	2,551
Total Revenues	<u>2,508,587</u>	<u>2,463,697</u>
Expenses:		
Planning expenses	<u>2,390,439</u>	<u>2,401,768</u>
Increase in net position	118,148	61,929
Net position (deficit), beginning of year	<u>(2,923,637)</u>	<u>(2,985,566)</u>
Net position (deficit), end of year	<u>\$ (2,805,489)</u>	<u>\$ (2,923,637)</u>

**Financial Analysis of the Council's General Fund**

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

As of September 30, 2022, the Council's general fund reported an ending fund balance of \$1,097,104, a decrease of \$85,962 in comparison with the previous fiscal year. Of this amount, \$464,694 or 42% is considered unassigned. The remainder fund balance has been assigned to balance the budget in the upcoming fiscal year.

**Capital Assets**

The Council's capital assets for governmental activities are approximately \$678,528, net of accumulated depreciation and amortization. This represents a \$675,892 increase, net of depreciation and amortization, from September 30, 2021. The Chart below includes land, buildings, right-to-use assets, and equipment with the accumulated depreciation and amortization deducted. See Note 7.

	<u>2022</u>	<u>2021</u>
Furniture and office equipment	\$ 1,312	\$ 2,636
Right-to-use leased asset - building	677,216	-
	<u>\$ 678,528</u>	<u>\$ 2,636</u>

**PINELLAS PLANNING COUNCIL  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

SEPTEMBER 30, 2022

**Long Term Liabilities**

As of September 30, 2022, the Council had approximately \$3,530,671 in long-term liabilities. Of that amount, \$1,895,146 is net pension liability and \$714,093 is net OPEB liability. The remainder is the long-term portion of both compensated absences and lease liabilities. The chart below shows the balances of the long-term liabilities:

	<b>Balance October 1, 2021</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance September 30, 2022</b>	<b>Amount Due in One Year</b>
Compensated absences	\$ 230,427	\$ 138,895	\$ (148,967)	\$ 220,355	\$ 185,099
Lease liability	-	759,300	(58,223)	701,077	63,270
Net pension liability	788,183	1,106,963	-	1,895,146	-
Net OPEB liability	1,789,965	-	(1,075,872)	714,093	-
	<u>\$ 2,808,575</u>	<u>\$ 2,005,158</u>	<u>\$ (1,283,062)</u>	<u>\$ 3,530,671</u>	<u>\$ 248,369</u>

**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 2023 and 2024, the Council anticipates total tax revenue to grow by an estimated 50% due to increases in property values. Total revenues for fiscal year 2023 are estimated to be \$3,674,330, 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 2022, the Council continued to draw down its unassigned fund balance 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 fund balance at a healthy position, the Council is preparing to propose a modest millage increase to provide sustainable funding support 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 millage increase will be determined by the Council during the summer and will be 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 Council’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed as follows:

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

## **FINANCIAL STATEMENTS**

**PINELLAS PLANNING COUNCIL**  
**STATEMENT OF NET POSITION**

SEPTEMBER 30, 2022

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Current Assets:	
Cash and investments	\$ 895,437
Taxes and other receivables	9,108
Due from Pinellas County Metropolitan Planning Organization	269,267
Total Current Assets	<u>1,173,812</u>
Noncurrent Assets:	
Capital assets, net of accumulated depreciation and amortization	<u>678,528</u>
Total Assets	<u>1,852,340</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension related amounts	487,282
OPEB related amounts	243,493
Total Deferred Outflows of Resources	<u>730,775</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts payable and accrued expenses	76,708
Lease liability, current portion	63,270
Compensated absences, current portion	185,099
Total Current Liabilities	<u>325,077</u>
Noncurrent Liabilities:	
Lease liability	637,807
Compensated absences	35,256
Net pension liability	1,895,146
OPEB liability	714,093
Total Noncurrent Liabilities	<u>3,282,302</u>
Total Liabilities	<u>3,607,379</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension related amounts	219,709
OPEB related amounts	1,561,516
Total Deferred Inflows of Resources	<u>1,781,225</u>
<b>NET POSITION</b>	
Net investment in capital assets	(22,549)
Unrestricted	(2,782,940)
Total Net Position (Deficit)	<u>\$ (2,805,489)</u>

See notes to the financial statements.

**PINELLAS PLANNING COUNCIL**  
**STATEMENT OF ACTIVITIES**

*YEAR ENDED SEPTEMBER 30, 2022*

	<b>Governmental Activities</b>
Program Expenses:	
Planning:	
Personal services	\$ 1,687,353
Materials and services	561,807
Property appraiser and tax collector commissions	38,479
Depreciation and amortization	83,408
Interest on long-term debt	19,392
Total Program Expenses	<u>2,390,439</u>
Program Revenues:	
Charges for services, planning	<u>1,043,829</u>
Total Program Revenues	<u>1,043,829</u>
Net Program Deficit	<u>(1,346,610)</u>
General Revenues:	
Property taxes	1,427,033
Investment and other income	37,725
Total General Revenues	<u>1,464,758</u>
Change in net position	118,148
Net position (deficit), beginning of year	<u>(2,923,637)</u>
Net position (deficit), end of year	<u><u>\$ (2,805,489)</u></u>

See notes to the financial statements.

**PINELLAS PLANNING COUNCIL**  
**BALANCE SHEET – GENERAL FUND**

SEPTEMBER 30, 2022

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**ASSETS**

Cash and investments	\$	895,437
Taxes and other receivables		9,108
Due from Pinellas County Metropolitan Planning Organization		<u>269,267</u>
Total Assets	\$	<u><u>1,173,812</u></u>

**LIABILITIES AND FUND BALANCE**

Liabilities:

Accounts payable and accrued expenses	\$	<u>76,708</u>
Total Liabilities		<u>76,708</u>

Fund Balance:

Assigned to:

Subsequent year's budget		632,410
Unassigned		<u>464,694</u>

Total Fund Balance		<u>1,097,104</u>
Total Liabilities and Fund Balance	\$	<u><u>1,173,812</u></u>

See notes to the financial statements.



**PINELLAS PLANNING COUNCIL**  
**RECONCILIATION OF THE BALANCE SHEET –**  
**GENERAL FUND TO THE STATEMENT OF NET POSITION**

SEPTEMBER 30, 2022

Total Fund Balance for the General Fund		\$ 1,097,104
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets are not financial resources and, therefore, not reported in governmental funds.		
Capital assets	\$ 796,965	
Less accumulated depreciation and amortization	<u>(118,437)</u>	678,528
Deferred outflows and inflows of resources related to the net pension and OPEB liabilities do not have a current financial impact and, therefore, are not recognized in the governmental fund statements.		
Deferred outflows	730,775	
Deferred inflows	<u>(1,781,225)</u>	(1,050,450)
Certain liabilities are not due and payable in the current period and, therefore, are not reported in the governmental fund statements.		
Compensated absences		(220,355)
Net pension liability		(1,895,146)
OPEB liability		(714,093)
Lease liability		<u>(701,077)</u>
Net Position (Deficit) of Governmental Activities		<u>\$ (2,805,489)</u>

See notes to the financial statements.

**PINELLAS PLANNING COUNCIL****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
GENERAL FUND**

YEAR ENDED SEPTEMBER 30, 2022

## Revenues:

Property taxes	\$	1,427,033
Charges for services		1,034,609
Contract services		9,220
Investment and other income		37,725
Total Revenues		<u>2,508,587</u>

## Expenditures:

## Current:

Payroll, taxes, and benefits	1,907,009
Property appraiser and tax collector commissions	38,479
Intergovernmental services	369,350
Contractual support services	90,026
Accounting and audit	16,000
Advertising notice	18,077
Communications, advocacy, and education	16,397
Office supplies and materials	13,955
Telephone	3,588
Council activities	8,457
Travel	6,214
Printing and reproduction	3,174
Mail	1,505
Miscellaneous	15,064
Capital outlay	759,300

## Debt Service:

Principal	58,223
Interest	29,031

Total Expenditures	<u>3,353,849</u>
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## Other financing sources (uses):

Leases	<u>759,300</u>
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Net change in fund balance	(85,962)
Fund balance, beginning of year	<u>1,183,066</u>
Fund balance, end of year	<u>\$ 1,097,104</u>

See notes to the financial statements.

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

YEAR ENDED SEPTEMBER 30, 2022

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Net Change in Fund Balance - General Fund	\$	(85,962)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated or amortized over their estimated useful lives.

Expenditures for capital assets	\$	759,300	
Less current year depreciation and amortization		<u>(83,408)</u>	
			675,892

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.

10,072

Net effect of pension and OPEB related expenses which increased net position.

209,584

Proceeds from the issuance of long-term debt are reported as other financing sources in the governmental funds, increasing fund balance. In the government-wide statements, new debt increases noncurrent liabilities in the Statement of Net Position and does not affect the Statement of Activities. This amount represents principal amounts of new leases.

(759,300)

Payment of lease obligations is an expenditure in the governmental fund statements, but payment reduces the long term liability in the Statement of Net Position

58,223

Interest on leases is reported as expenditures in the governmental funds when it is due. However, in the Statement of Activities, interest is expenses as it accrues. This amount represents the net change in accrued interest on long-term debt.

9,639

Change in Net Position of Governmental Activities	\$	<u>118,148</u>
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See notes to the financial statements.

## **NOTES TO THE FINANCIAL STATEMENTS**

# PINELLAS PLANNING COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

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### **Note 1—Organization and reporting entity**

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

The Board of County Commissioners of Pinellas County also has the right to review the Council’s budget and increase or reduce it as it deems necessary. Based on the control the County Commissioners of Pinellas County have over the Council, as described above, the Council is considered a component unit of the County.

*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. Those officials represent municipal governments, the Board of County Commissioners, and the Pinellas Suncoast Transit Authority. The composition of the Forward Pinellas board is determined by Chapter 339.175, Florida Statutes. Several of the board positions rotate on a two-year basis. Each individual agency is responsible for selecting its membership on the board.

### **Note 2—Summary of significant accounting policies**

*Basis of Presentation* – The financial statements of the Council have been prepared in accordance with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles in the United States of America. The Council’s significant accounting policies are described below.

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

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

Separate financial statements are provided for the general fund.

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

**PINELLAS PLANNING COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

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**Note 2—Summary of significant accounting policies (continued)**

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

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

The Council reports the general fund as a major governmental fund, which represents the Council's sole operating fund and accounts for all financial resources of the Council.

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

*Capital Assets* – Capital assets, which include furniture, equipment, right-to-use intangible assets, 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, except for right-to-use assets, which are recorded at the amount of the initial measurement of the lease liability. 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 and right-to-use assets are amortized using the straight-line method over the remaining lease term.

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

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

*Lease Liability* – The initial lease liability is measured at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made.

**PINELLAS PLANNING COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

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**Note 2—Summary of significant accounting policies (continued)**

*Deferred Outflows/Inflows of Resources* – In addition to assets, a statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets 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, relating to the Florida Retirement System ("FRS") Pension Plan, the Retiree Health Insurance Subsidy ("HIS") Program and the Other Postemployment Benefit ("OPEB") Plan. These amounts will be recognized as increases in pension expense in future years.

In addition to liabilities, 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 assets 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.

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

*Other Postemployment Benefits* – 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).

*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, and reduced by outstanding liabilities that are attributed to the acquisition of those assets. 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 restrictions.

*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.

**PINELLAS PLANNING COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

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**Note 2—Summary of significant accounting policies (continued)**

*New Accounting Pronouncements* – As of October 1, 2021, the Authority adopted the provisions of GASB 87, *Leases*, which amended the existing accounting standards for lease reporting. The new guidance requires lessees in a leasing arrangement to recognize a lease liability and a right-to-use lease asset for most leases (other than leases that meet the definition of a short-term lease) at lease commencement. The right-to-use lease asset (lessees) will be equal to the present value of lease payments.

**Note 3—Cash and investments**

Cash and investments consisted of the following at September 30, 2022:

Petty cash on hand	\$ 100
Bank deposits	788,610
Deposits held on behalf of Pinellas Planning Council at Pinellas County Clerk of the Circuit Court and Comptroller	509
Florida State Board of Administration - Florida PRIME (Local Government Investment Pool)	<u>106,218</u>
Total Cash and Investments	<u>\$ 895,437</u>

*Deposits* – At September 30, 2022, the bank balance of the Council’s operating deposits was \$600,254.

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

*Investments* – The Council does not have its own investment policy and, therefore, follows Section 218.415, Florida Statutes, regarding the investment of public funds. The Council’s excess deposits are invested entirely in the State of Florida State Board Administration (“SBA”) Local Government Investment Pool (“LGIP”). Florida PRIME is not registered with the Securities and Exchange Commission as an investment company, but nevertheless has a policy that it will, and does, operate as a qualifying external investment pool. Thus, this pool operates essentially as a money market fund and the Council’s position in Florida PRIME is measured at amortized cost. Florida PRIME is rated by Standard & Poor’s with a current rating of AAAM. The investment policy of Florida PRIME is to manage the weighted average maturity to 60 days or less. As of September 30, 2022, the Council had \$106,218 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 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.



**PINELLAS PLANNING COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**

*SEPTEMBER 30, 2022*

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**Note 3—Cash and investments (continued)**

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, 2022, 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 4—Property taxes**

The Council is funded through the assessment of ad valorem property tax as approved by the Board of County Commissioners, not to exceed one-sixth mil. The Council's ad valorem tax was levied at 0.0150 mil per \$1,000 at October 1, 2021, on property with a gross taxable value of \$91,679,472,678.

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.

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

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

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

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

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

**Note 5—Risk management**

As of September 30, 2022, 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.

**PINELLAS PLANNING COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

**Note 6—Transactions with Pinellas County, Florida**

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

**Note 7—Capital assets**

Capital asset activity for the year ended September 30, 2022 was as follows:

	<b>Balance October 1, 2021</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance September 30, 2022</b>
Capital assets being depreciated:				
Furniture and office equipment	\$ 33,307	\$ -	\$ -	\$ 33,307
Right-to-use leased asset - building	-	759,300	-	759,300
Leasehold improvements	4,358	-	-	4,358
Less accumulated depreciation and amortization	<u>(35,029)</u>	<u>(83,408)</u>	-	<u>(118,437)</u>
Total capital assets being depreciated, net	<u>\$ 2,636</u>	<u>\$ 675,892</u>	<u>\$ -</u>	<u>\$ 678,528</u>

**Note 8—Lease payable**

Forward Pinellas entered into a lease agreement beginning July 2012 and extending to December 2030. In January 2016, Forward Pinellas 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. In January 2021, Forward Pinellas executed a Second Amendment to Lease Agreement, which extended the lease through December 31, 2030. The Council shares the leased space with the MPO.

The Council, along with the MPO, is required to make monthly principal and interest payments of \$7,111 and \$7,324 for calendar years 2021 and 2022, respectively. Approximately 31% of the monthly cost of the rent is allocated to the Council. As the lease agreement does not provide an implicit rate, management uses the Council's risk-free discount rate based on the information available at lease commencement to determine the present value of lease payments. The building has a 10-year estimated useful life.

The change in lease liability is summarized as follows:

	<b>Balance October 1, 2021</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance September 30, 2022</b>	<b>Amount Due in One Year</b>
Leases	\$ -	\$ 759,300	\$ (58,223)	\$ 701,077	\$ 63,270

**PINELLAS PLANNING COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

**Note 8—Lease payable (continued)**

The future principal and interest lease payments as of September 30, 2022 were as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2023	\$ 63,270	\$ 26,602	\$ 89,872
2024	68,602	23,965	92,567
2025	74,235	21,110	95,345
2026	80,182	18,023	98,205
2027	86,459	14,962	101,421
Thereafter	328,329	21,534	349,863
Totals	<u>\$ 701,077</u>	<u>\$ 126,196</u>	<u>\$ 827,273</u>

**Note 9—Compensated absences**

Hours of annual leave are earned by employees for each year of service to the Council. There is no maximum limitation on the number of annual leave hours which may be accrued. Upon separation from service, employees shall receive 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. 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, 2021	Additions	Used	Balance September 30, 2022	Amount Due in One Year
Compensated absences	<u>\$ 230,427</u>	<u>\$ 138,895</u>	<u>\$ (148,967)</u>	<u>\$ 220,355</u>	<u>\$ 185,099</u>

**Note 10—Pension plans**

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

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

**PINELLAS PLANNING COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

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**Note 10—Pension plans (continued)**

A annual comprehensive 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](https://www.dms.myflorida.com/workforce_operations/retirement/publications/annual_reports)).

The Council's pension expense totaled \$248,350 for both the FRS Pension Plan and HIS Program for the year ended September 30, 2022.

**Florida Retirement System Pension Plan**

*Plan Description* – 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.

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

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

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

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

**PINELLAS PLANNING COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

**Note 10—Pension plans (continued)**

<u>Class, Initial Enrollment, and Retirement Age/Years of Service:</u>	<u>% Value</u>
<b>Regular Class members initially enrolled before July 1, 2011</b>	
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
<b>Regular Class members initially enrolled on or after July 1, 2011</b>	
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
<b>Elected County Officers</b>	
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
<b>Senior Management Service Class</b>	2.00
<b>Special Risk Class</b>	
Service from December 1, 1970 through September 30, 1974	2.00
Service on and after October 1, 1974	3.00

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

*Contributions* – The Florida Legislature establishes contribution rates for participating employers and employees. Effective July 1, 2011, all FRS Plan members (except those in DROP) are required to make 3% employee contributions on a pretax basis. The employer contribution rates by job class for the periods from October 1, 2021 through June 30, 2022, and from July 1, 2022 through September 30, 2022, respectively, were applied to employee salaries as follows: Regular – 10.82% and 11.91%; Senior Management Service – 29.01% and 31.57%; and DROP participants – 18.34% and 18.60%. The Council's contributions to the FRS Plan were \$175,539 for the year ended September 30, 2022.

*Pension Costs* – At September 30, 2022, the Council reported a liability of \$1,510,690 for its proportionate share of the FRS Plan's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. 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, 2021 through June 30, 2022, relative to the total employer contributions received from all of FRS's participating employers. At June 30, 2022, the Council's proportion was 0.00432%, which was a decrease of 0.00012% from its proportion measured as of June 30, 2021.

**PINELLAS PLANNING COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

**Note 10—Pension plans (continued)**

For the year ended September 30, 2022, the Council recognized pension expense of \$214,340 for its proportionate share of FRS's pension expense. In addition, the Council reported its proportionate share of FRS's deferred outflows of resources and deferred inflows of resources from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual economic experience	\$ 71,749	\$ -
Changes in actuarial assumptions	186,048	-
Net difference between projected and actual earnings on Pension Plan investments	99,751	-
Changes in proportion and differences between Council contributions and proportionate share of contributions	33,527	111,801
Council contributions subsequent to the measurement date	46,405	-
	<u>\$ 437,480</u>	<u>\$ 111,801</u>

\$46,405 reported as deferred outflows of resources related to pensions resulting from Council contributions to the FRS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the plan year ended September 30, 2023. 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>
2023	\$ 61,575
2024	7,907
2025	(43,183)
2026	245,879
2027	7,096
	<u>\$ 279,274</u>

*Actuarial Assumptions* – The total pension liability in the July 1, 2022 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 MP-2018. The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study completed in 2020 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.

**PINELLAS PLANNING COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

**Note 10—Pension plans (continued)**

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash equivalents	1.0%	2.6%	2.6%	1.1%
Fixed income	19.8%	4.4%	4.4%	3.2%
Global equity	54.0%	8.8%	7.3%	17.8%
Real estate (property)	10.3%	7.4%	6.3%	15.7%
Private equity	11.1%	12.0%	8.9%	26.3%
Strategic investments	3.8%	6.2%	5.9%	7.8%
	<u>100.0%</u>			
Assumed Inflation - Mean			2.4%	1.3%

*Discount Rate* – The discount rate used to measure the total pension liability was 6.70% 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:

<u>Description</u>	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase in Discount Rate</u>
FRS Plan discount rate	5.70%	6.70%	7.70%
Council's proportionate share of the FRS Plan net pension liability	\$ 2,612,635	\$ 1,510,690	\$ 589,333

*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 Annual Comprehensive 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, 2022, the Council reported no payables for outstanding contributions to the FRS Plan.

**Retiree Health Insurance Subsidy Program**

*Plan Description* – 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.

**PINELLAS PLANNING COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

**Note 10—Pension plans (continued)**

*Benefits Provided* – For the fiscal year ended June 30, 2022, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

*Contributions* – The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2022, the contribution rate was 1.66% of payroll pursuant to Section 112.363, Florida Statutes. The Council contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled. The Council’s contribution to the HIS Plan was \$22,050 for the year ended September 30, 2022.

*Pension Costs* – At September 30, 2022, the Council reported a liability of \$384,456 for its proportionate share of the HIS Plan’s net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. 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, 2021 through June 30, 2022, relative to the total employer contributions received from all participating employers. At June 30, 2022, the Council’s proportion was 0.00376%, which was a decrease of 0.00007% from its proportion measured as of June 30, 2021.

For the year ended September 30, 2022, the Council recognized pension expense of \$34,010 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:

<b>Description</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual economic experience	\$ 11,669	\$ 1,692
Changes in actuarial assumptions	22,037	59,475
Net difference between projected and actual earnings on HIS Program investments	557	-
Changes in proportion and differences between Council contributions and proportionate share of contributions	10,226	46,741
Council contributions subsequent to the measurement date	5,313	-
	<u>\$ 49,802</u>	<u>\$ 107,908</u>

\$5,313 reported as deferred outflows of resources related to pensions resulting from Council contributions to the FRS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the plan year ending September 30, 2023. 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:



**PINELLAS PLANNING COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

**Note 10—Pension plans (continued)**

<u>Years Ending September 30,</u>	<u>Amount</u>
2023	\$ (14,811)
2024	(15,548)
2025	(9,624)
2026	(8,117)
2027	(10,638)
Thereafter	(4,681)
	<u>\$ (63,419)</u>

*Actuarial Assumptions* – The total pension liability as of July 1, 2022 was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40% per year
Salary increases	3.25%, average, including inflation
Municipal bond rate	2.16%

Mortality rates were based on the PUB-2010 base, projected generationally with Scale MP-2018. The actuarial assumptions used in the July 1 2021 valuation were based on the results of an actuarial experience study completed in 2022 for the period July 1, 2013 through June 30, 2018.

*Discount Rate* – The discount rate used to measure the total pension liability was 3.54% for the HIS Plan. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

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

<u>Description</u>	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase in Discount Rate</u>
HIS Plan discount rate	2.54%	3.54%	4.54%
Council's proportionate share of the HIS Plan net pension liability	\$ 439,849	\$ 384,456	\$ 338,619

*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 Annual Comprehensive 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, 2022, the Council reported no payables for outstanding contributions to the HIS Plan.

**PINELLAS PLANNING COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

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**Note 10—Pension plans (continued)**

**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 Annual Comprehensive 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 if funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members. Allocations to the investment member’s accounts during the 2018-19 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. Nonvested 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 fiscal year ended June 30, 2022, 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.

**Note 11—Fund balance reporting**

There are two major types of fund balances, which are non-spendable and spendable. Non-spendable fund balances are balances that cannot be spent because they are either (a) not in spendable form or (b) legally contractually required to be maintained intact. At September 30, 2022, the Council had no amounts in non-spendable fund balance. Spendable fund balances are reported based on a hierarchy of spending constraints.

*Restricted* – Amounts that can be spent only for the specific purposes stipulated by: (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other Councils or (b) imposed by law through constitutional provisions or enabling legislation. At September 30, 2022, the Council had no such amounts.

*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. At September 30, 2022, the Council had no such amounts.

**PINELLAS PLANNING COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

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**Note 11—Fund balance reporting (continued)**

*Assigned* – Amounts intended to be used by the Council for specific purposes. Assigned fund balance represents the amount that is not restricted or committed. The intent shall be expressed by the Council. At September 30, 2022, the Council had \$632,410 of assigned fund balance, which represents the amount needed to eliminate the projected deficit in the subsequent year’s budget in an amount no greater than the projected excess of expected expenditures and budgeted contingency reserve over expected revenues.

*Unassigned* – This classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. At September 30, 2022, unassigned fund balance is \$464,694. 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 12—Due from Pinellas County Metropolitan Planning Organization**

The Council and the MPO have historically operated as two distinct entities. On December 10, 2014, the Council and the MPO entered into the Interlocal 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, 2022, the amount of reimbursement received from the MPO for shared services totaled \$1,483,246. As of September 30, 2022, the amount due from the MPO relating to charges for shared services was \$269,267.

**Note 13—Other postemployment benefits**

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

Participation in the Plan consisted of the following at September 30, 2022:

Retirees and beneficiaries	1,905
Active member	2,799
	<u>4,704</u>

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

**PINELLAS PLANNING COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

**Note 13—Other Postemployment Benefits (continued)**

*Funding Policy, Status, and Progress* – Medical and contributions vary based on the plan and tier. The postretirement medical is currently funded on a pay-as-you-go basis (i.e., the County funds on a cash basis as benefits are paid). The County’s contribution is the actual pay-as-you-go postemployment benefit payments less participant contributions for the period October 1, 2021 to September 30, 2022. No assets have been segregated and restricted to provide postretirement benefits.

Contributions are required for both retiree and dependent coverage. Retirees contribute a portion of the full active premium equivalent rates for health coverage. The full monthly premiums, retiree contribution amounts, and the County subsidies effective January 1, 2022 through December 31, 2022 are provided in the tables below. The County subsidy is assumed to remain flat.

<b>Years of County Service</b>	<b>County Subsidy Percentage</b>	<b>County Subsidy in Dollars</b>	<b>Net Premium for Single Retiree Coverage</b>	<b>Net Premium for Retiree plus Spouse/ Dependent Coverage</b>	<b>Net Premium for Retiree plus Child Coverage</b>	<b>Net Premium for Retiree plus Child plus Spouse/ Dependent Coverage</b>
10	25.00%	\$ 237.67	\$ 713.01	\$ 1,749.53	\$ 1,560.26	\$ 2,601.18
11	28.33%	269.33	681.35	1,717.87	1,528.60	2,569.52
12	31.66%	300.99	649.69	1,686.21	1,496.94	2,537.86
13	34.99%	332.64	618.04	1,654.56	1,465.29	2,506.21
14	38.32%	364.30	586.38	1,622.90	1,433.63	2,474.55
15	41.65%	395.96	554.72	1,591.24	1,401.97	2,442.89
16	44.98%	427.62	523.06	1,559.58	1,370.31	2,411.23
17	48.31%	459.27	491.41	1,527.93	1,338.66	2,379.58
18	51.64%	490.93	459.75	1,496.27	1,307.00	2,347.92
19	54.97%	522.59	428.09	1,464.61	1,275.34	2,316.26
20	58.30%	554.25	396.43	1,432.95	1,243.68	2,284.60
21	61.63%	585.90	364.78	1,401.30	1,212.03	2,252.95
22	64.96%	617.56	333.12	1,369.64	1,180.37	2,221.29
23	68.29%	649.22	301.46	1,337.98	1,148.71	2,189.63
24	71.62%	680.88	269.80	1,306.32	1,117.05	2,157.97
25 or more	75.00%	713.01	237.67	1,274.19	1,084.92	2,125.84

*Total OPEB Liability* – The Council’s total OPEB liability of \$714,093 was measured as of September 30, 2022, and was determined by an actuarial valuation as of that date.

**PINELLAS PLANNING COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

**Note 13—Other Postemployment Benefits (continued)**

*Actuarial Method and Assumptions* – The total OPEB liability in the September 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Valuation date	September 30, 2021
Discount rate	2.19%, based on a 20-Year Municipal GO AA Index
Salary increases rate	Salary increase rates used in the July 1, 2016 actuarial valuation of FRS; 3.40% - 8.20%, including inflation
Retirement age	Based on results of an actual experience study covering the period 2013 through 2018
Inflation rate	2.25%
Actuarial cost method	Entry Age Normal
Amortization method	6.6 years
Healthcare cost trend rates	Based on the Getzen Model, with trend starting at 6.00% on January 1, 2022 (0% for premiums) followed by 5.75% on January 1, 2023 and gradually decreasing to an ultimate trend rate of 3.75%.
Aging factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death"

*Changes in Total OPEB Liability* – Changes in the Council's total OPEB liability for the year ended September 30, 2022 are as follows:

Balance at September 30, 2021	\$ 1,789,965
Changes for the year:	
Service cost	44,516
Interest	47,143
Difference between expected and actual experience	(10,293)
Changes in assumptions or other inputs	(1,244,414)
Changes in cost-sharing allocation percentage	156,166
Benefit payments	(68,990)
Balance at September 30, 2022	<u>\$ 714,093</u>

The decrease in the total OPEB liability is due to the change in discount rate from 2.41% as of the beginning of the measurement period to 2.19% as of September 30, 2022.

**PINELLAS PLANNING COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

**Note 13—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 (2.83%) or 1-percentage point higher (4.83%) than the current discount rate:

	<b>1% Decrease</b> <b>(1.19%)</b>	<b>Discount Rate</b> <b>(2.19%)</b>	<b>1% Increase</b> <b>(3.19%)</b>
Net OPEB Liability	\$ 800,114	\$ 714,093	\$ 642,548

*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:

	<b>1% Decrease</b> <b>(5% Decreasing to 2.75%)</b>	<b>Healthcare Cost</b> <b>Trend Rate</b> <b>(6% Decreasing to 3.75%)</b>	<b>1% Increase</b> <b>(7% Decreasing to 4.75%)</b>
Net OPEB Liability	\$ 615,925	\$ 714,093	\$ 837,894

*OPEB Benefit and Deferred Outflows of Resources and Deferred Inflows of Resources* – For the year ended September 30, 2022, the Council recognized OPEB benefit of \$200,275. At September 30, 2022, the Council's reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<b>Description</b>	<b>Deferred</b> <b>Outflows of</b> <b>Resources</b>	<b>Deferred</b> <b>Inflows of</b> <b>Resources</b>
Differences between expected and actual experience	\$ -	\$ 28,649
Changes in assumptions and other inputs	57,611	1,336,200
Change in total OPEB liability due to change in cost-sharing allocation percentage	135,618	196,667
Benefits paid subsequent to measurement date	50,264	-
Total deferred OPEB amounts	<u>\$ 243,493</u>	<u>\$ 1,561,516</u>

**PINELLAS PLANNING COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**

*SEPTEMBER 30, 2022*

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**Note 13—Other Postemployment Benefits (continued)**

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

<u>Years Ending September 30,</u>	
2020	\$ (291,934)
2021	(282,964)
2022	(262,520)
2023	(169,187)
2024	(133,674)
Thereafter	<u>(228,008)</u>
	<u>\$ (1,368,287)</u>

**REQUIRED SUPPLEMENTARY INFORMATION**



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

YEAR ENDED SEPTEMBER 30, 2022

	<b>General Fund Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance - Favorable (Unfavorable)</b>
<b>Revenues:</b>				
Property taxes	\$ 1,393,140	\$ 1,393,140	\$ 1,427,033	\$ 33,893
Contract services	10,100	10,100	9,220	(880)
Charges for services	1,602,870	1,602,870	1,034,609	(568,261)
Investment and other income	2,020	2,020	37,725	35,705
Total Revenues	<u>3,008,130</u>	<u>3,008,130</u>	<u>2,508,587</u>	<u>(499,543)</u>
<b>Expenditures:</b>				
Payroll, taxes, and benefits	2,096,530	2,096,530	1,907,009	189,521
Contractual support services	1,000,000	1,000,000	90,026	909,974
Office rent	82,400	82,400	87,254	(4,854)
Equipment and furnishings	10,230	10,230	759,300	(749,070)
Telephone	3,040	3,040	3,588	(548)
Mail	3,070	3,070	1,505	1,565
Advertising notice	30,000	30,000	18,077	11,923
Printing and reproduction	5,320	5,320	3,174	2,146
Office supplies and materials	25,210	25,210	14,055	11,155
Property appraiser and tax collector commissions	29,340	29,340	38,479	(9,139)
Intergovernmental services	369,350	369,350	369,350	-
Risk management	9,110	9,110	9,110	-
Travel	30,230	30,230	6,214	24,016
Communications, advocacy, and education	4,100	4,100	16,397	(12,297)
Audit	26,140	26,140	16,000	10,140
Council activities	-	-	8,457	(8,457)
Contingency	428,810	428,810	5,854	422,956
Reserve	666,280	666,280	-	666,280
Total Expenditures	<u>4,819,160</u>	<u>4,819,160</u>	<u>3,353,849</u>	<u>1,465,311</u>
Deficiency of revenues over expenditures	(1,811,030)	(1,811,030)	(845,262)	(965,768)
<b>Other financing sources (uses):</b>				
Leases	-	-	759,300	(759,300)
Net change in fund balance	(1,811,030)	(1,811,030)	(85,962)	(1,725,068)
Fund balance, beginning of year	<u>1,183,066</u>	<u>1,183,066</u>	<u>1,183,066</u>	<u>-</u>
Fund balance, end of year	<u>\$ (627,964)</u>	<u>\$ (627,964)</u>	<u>\$ 1,097,104</u>	<u>\$ (965,768)</u>

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

**PINELLAS PLANNING COUNCIL**

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

*YEAR ENDED SEPTEMBER 30, 2022*

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**Note 1—Budget compliance**

*Budgets* – An annual budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general fund.

Preparation of a budget, including requested appropriations for the next fiscal year, is made on or before July 1 of each year by the Council's Executive Director. The proposed budget is presented to the Council members on or before July 31 for review. The Council approves the budget at a public meeting and transmits it to the Board of County Commissioners for approval and certification of the millage rate at a public hearing, as provided by law.

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

**PINELLAS PLANNING COUNCIL**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

*YEAR ENDED SEPTEMBER 30, 2022*

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Florida Retirement System Pension Plan</b>								
Council's proportion of the net pension liability	0.004060119%	0.004320304%	0.004195384%	0.004317765%	0.004563462%	0.005063180%	0.004218434%	0.002535182%
Council's proportionate share of the net pension liability	\$ 1,510,690	\$ 326,350	\$ 1,818,341	\$ 1,486,979	\$ 1,374,539	\$ 1,497,655	\$ 1,065,158	\$ 327,453
Council's covered-employee payroll	\$ 1,323,101	\$ 1,332,890	\$ 1,282,346	\$ 1,259,754	\$ 1,349,863	\$ 1,339,496	\$ 1,336,283	\$ 625,764
Council's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	114.18%	24.48%	141.80%	118.04%	101.83%	111.81%	79.71%	52.33%
Plan fiduciary net position as a percentage of the total pension liability	82.89%	96.40%	78.85%	86.87%	84.26%	83.89%	84.88%	92.00%
<b>Retiree Health Insurance Subsidy Program</b>								
Council's proportion of the net pension liability	0.003629821%	0.003764995%	0.003694747%	0.003882881%	0.004099397%	0.004432593%	0.004538227%	0.002674486%
Council's proportionate share of the net pension liability	\$ 384,456	\$ 461,833	\$ 451,123	\$ 434,455	\$ 433,885	\$ 473,953	\$ 528,912	\$ 272,756
Council's covered-employee payroll	\$ 1,323,101	\$ 1,332,890	\$ 1,282,346	\$ 1,259,754	\$ 1,349,863	\$ 1,339,496	\$ 1,400,984	\$ 625,764
Council's proportionate share of the net pension liability as a percentage of its covered-employee payroll	29.06%	34.65%	35.18%	34.49%	32.14%	35.38%	37.75%	43.59%
Plan fiduciary net position as a percentage of the total pension liability	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

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

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

**PINELLAS PLANNING COUNCIL  
SCHEDULE OF CONTRIBUTIONS**

*YEAR ENDED SEPTEMBER 30, 2022*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Florida Retirement System Pension Plan</b>								
Contractually required contribution	\$ 175,539	\$ 164,585	\$ 134,893	\$ 134,893	\$ 130,981	\$ 120,158	\$ 117,780	\$ 78,447
Contributions in relation to the contractually required contribution	<u>(175,539)</u>	<u>(164,585)</u>	<u>(134,893)</u>	<u>(134,893)</u>	<u>(130,981)</u>	<u>(120,158)</u>	<u>(117,780)</u>	<u>(78,447)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Council's covered payroll	\$ 1,328,306	\$ 1,338,089	\$ 1,298,659	\$ 1,304,512	\$ 1,347,127	\$ 1,354,686	\$ 1,376,604	\$ 859,715
Contributions as a percentage of covered payroll	13.22%	12.30%	10.39%	10.34%	9.72%	8.87%	8.56%	9.12%
<b>Retiree Health Insurance Subsidy Program</b>								
Contractually required contribution	\$ 22,050	\$ 22,131	\$ 21,291	\$ 21,394	\$ 22,098	\$ 22,006	\$ 23,780	\$ 14,857
Contributions in relation to the contractually required contribution	<u>(22,050)</u>	<u>(22,131)</u>	<u>(21,291)</u>	<u>(21,394)</u>	<u>(22,098)</u>	<u>(22,006)</u>	<u>(23,780)</u>	<u>(14,857)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Council's covered payroll	\$ 1,328,306	\$ 1,338,089	\$ 1,298,659	\$ 1,304,512	\$ 1,347,271	\$ 1,354,868	\$ 1,376,604	\$ 859,715
Contributions as a percentage of covered payroll	1.66%	1.65%	1.64%	1.64%	1.64%	1.62%	1.73%	1.73%

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

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

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

*YEAR ENDED SEPTEMBER 30, 2022*

<b>Total OPEB Liability</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Service cost	\$ 44,516	\$ 36,521	\$ 35,225	\$ 58,139	\$ 62,134
Interest	47,143	47,240	77,928	86,391	79,635
Differences between expected and actual experience	(10,293)	-	-	-	-
Changes in assumptions or other inputs	(1,244,414)	-	-	-	-
Changes in cost-sharing allocation percentage	156,166	-	-	-	-
Recognition of outflow/(inflow) of resources due to liabilities	-	79,351	(745,685)	(115,340)	(147,984)
Benefit payments	(68,990)	(68,514)	(65,923)	(91,111)	(89,538)
Net change in total OPEB liability	(1,075,872)	94,598	(698,455)	(61,921)	(95,753)
Net OPEB liability, beginning of fiscal year	1,789,965	1,695,367	2,393,822	2,455,743	2,551,496
Net OPEB liability, end of fiscal year	<u>\$ 714,093</u>	<u>\$ 1,789,965</u>	<u>\$ 1,695,367</u>	<u>\$ 2,393,822</u>	<u>\$ 2,455,743</u>

**Notes to Net OPEB Liability and Related Ratios**

*Data* – The data for this table was not available prior to fiscal year 2018.

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

*Changes in Assumptions and Other Inputs* – Amounts presented reflect a decrease in the discount rate from 2.41% as of the beginning of the measurement period to 2.19% for the year ended September 30, 2022.

## **COMPLIANCE SECTION**

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and general fund of Pinellas Planning Council (the "Council"), a component unit of Pinellas County, Florida, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements, and have issued our report thereon dated March 8, 2023.

**Report on 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 or significant deficiencies may exist that have not been identified.

**Report on 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 financial statements. 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.

*Cherry Bekasert LLP*

Tampa, Florida  
March 8, 2023



## Independent Auditor's Management Letter

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

### Report on the Financial Statements

We have audited the financial statements of the Pinellas Planning Council (the "Council"), a component unit of Pinellas County, Florida, as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated March 8, 2023.

### Auditor's Responsibility

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

### Other Reporting Requirements

We have issued our Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Report of Independent Accountant on Compliance with Local Investment Policies, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 8, 2023, should be considered in conjunction with this management letter.

### Prior Audit Findings

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

### Official Title and Legal Authority

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

### Financial Condition and Management

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

### **Specific Information**

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Council reported (unaudited):

- a. The total number of Council employees compensated in the last pay period of the Council's fiscal year as 17.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Council's fiscal year as 5.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$1,907,009.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$452,427.
- e. Each construction project with a total cost of at least \$65,000 approved by the Council that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as follows: none.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the Council amends a final adopted budget under Section 189.016(6), Florida Statutes, as \$1,465,311.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the Council reported:

- a. The mileage rate or rates imposed by the Council as 0.0150.
- b. The total amount of ad valorem taxes collected by or on behalf of the Council as \$1,427,033.
- c. The total amount of outstanding bonds issued by the Council and the terms of such bonds as none.

### **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.

*Cherry Bekaert LLP*

Tampa, Florida  
March 8, 2023

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

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

We have examined the Pinellas Planning Council's (the "Council") compliance with the local government investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2022. 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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

In our opinion, the Council complied, in all material respects, with the local investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2022.

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

*Cherry Bekaert LLP*

Tampa, Florida  
March 8, 2023