Comprehensive Annual Financial Report

For Fiscal Years Ended September 30, 2015 and 2014

Pinellas Suncoast Transit Authority, Florida

Pinellas Suncoast Transit Authority
St. Petersburg, Florida

Comprehensive Annual Financial Report

For Fiscal Years Ended September 30, 2015 and 2014

Vision Statement

"Quick, affordable transportation from where you are to where you want to go."

Mission Statement

PSTA provides safe, affordable public transit to our community. We help guide land use decisions and support economic vitality to enhance our quality of life.

Guiding Principles

- Increase ridership.
- Expand public transit through educating, partnering and collaborating with our entire community.
- Provide good stewardship of public funding.
- Demonstrate environmental leadership.
- Conduct business and activities with transparency, integrity and high ethical standards.
- Lead the public transit industry with innovative projects and operating practices.
- Integrate public transit with land use and economic development goals to enhance the community's livability.
- Focus on continuous customer service improvement.
- Provide a safe and secure public transit environment.
- Value the ideas and contributions of all PSTA employees.
- Foster a spirit of teamwork throughout the entire organization.
- Increase PSTA diversity by attracting, training and retaining employees who reflect our community.

Prepared by the Finance Department

PINELLAS SUNCOAST TRANSIT AUTHORITY

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SECTION I

INTRODUCTORY SECTION

Transmittal Letter

May 18, 2016

Ms. Darden Rice, Board Chair and
Members of the Board of Directors of the Pinellas Suncoast Transit Authority and
Citizens of our Service Area:

Dear Board Chair, Board Members and Citizens:

State law requires that all independent special districts publish each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the Pinellas Suncoast Transit Authority (PSTA or the Authority), for the fiscal year ended September 30, 2015.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to PSTA for its CAFR for the fiscal year ended September 30, 2014. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

This report consists of management's representations concerning the finances of the Authority. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Authority has established a comprehensive internal control framework that is designed both to protect the Authority's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Authority's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Authority's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

CliftonLarsonAllen LLP, a firm of licensed certified public accountants, has audited the Authority's basic financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Authority for the fiscal year ended September 30, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering an unmodified, "clean" opinion that the Authority's financial statements for the fiscal year ended September 30, 2015, are fairly presented in conformity with GAAP. The independent auditor's report is located at the front of the financial section of this report.

The independent audit of the financial statements of the Authority was part of a broader, mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditors to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls over financial reporting and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state awards. These reports are included in the regulatory section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. This year's MD&A can be found immediately following the report of the independent auditors.

Profile of the Authority

The Pinellas Suncoast Transit Authority was created in 1984 via a merger of the St. Petersburg Municipal Transit System and the Central Pinellas Transit Authority to provide Pinellas County with a cohesive public transit system. A fleet of 194 buses and 16 trolleys serve 40 fixed routes.

Pinellas County is 280 square miles with approximately 944,971 residents. Pinellas County is located along the west coast of Florida and includes a corridor of smaller beach communities along the Gulf of Mexico. Pinellas County is the second smallest county in the state of Florida; however, it is the most densely populated county in the state and is nearly three times more densely populated than the next closest county.

The Authority serves most of the unincorporated area and 19 of the County's 24 municipalities. This accounts for 98% of the county's population and 97% of its land area. The cities of St. Pete Beach, Treasure Island, Kenneth City, Belleair Beach, and Belleair Shore are not members of the Authority; however, St. Pete Beach and Treasure Island do contract for trolley service.

During fiscal year 2015, Authority vehicles traveled a total of 8.8 million revenue miles, providing approximately 617,000 hours of service, and 14.9 million passenger trips.

Officials

The Authority is governed by a board of directors comprised of thirteen elected officials, and two non-elected officials, one of which is appointed by the Pinellas County Board of Commissioners and the other by the St. Petersburg City Council. Operating expenses are covered through state and federal funds, passenger fares, and ad valorem taxes.

Services and Service Delivery

The Authority provides virtually all public transportation services in this area. These services include fixed route, demand response, and specialized services. The Authority maintains over 4,929 bus stops, 682 shelters, 14 transfer hubs, 4 customer service centers, and a fleet of 210 fixed route vehicles. This represents the highest transit ridership in the history of Pinellas County dating back to 1903, and a five year trend of increased ridership.

Persons with disabilities who are unable to use regular bus service may be eligible for an ADA paratransit specialized service or Demand Response Transportation (DART). Since DART offers vehicles that are equipped with wheelchair lifts they are accessible to passengers in both wheelchairs and electric carts. DART service is a complement to the Authority's fixed routes with service available to certified customers during the same days and hours as the fixed route bus service at a fare of not more than twice the regular bus fare.

The FY 2015 ridership for each mode compared to FY 2014 National Transit Database (NTD) data is presented below:

Mode	September 30, 2015	September 30, 2014	Percent of Change
Bus Operations	14,578,572	14,183,941	2.8%
DART	320,253	319,408	.3%
Total	14,898,825	14,503,349	2.7%

Tables in the Statistical Section contain service delivery statistics for the current and prior 9 years.

Related to service delivery, a major initiative of PSTA was Greenlight Pinellas. The Greenlight Pinellas Plan included transformational bus improvements and future passenger rail that would have significantly enhanced public transportation in Pinellas County. The proposed 1% sales tax referendum did not pass in November 2014, and now PSTA has developed a new strategic plan called the Path Forward. The Path Forward provides financial stability in the short term, with a sustainable operating and capital plan, and an emphasis on PSTA's role in the community and its impact on economic development. The key elements of the Path Forward are:

- Focus on Customer-Oriented Transit Services
- Develop a Strong Governance Model for Effective Pinellas Transportation Leadership
- Provide Effective, Financially Viable Public Transportation that Supports our Community
- Sustainable Capital Program
- Customer Oriented Service Redesign
- Incremental Expansion
- Visionary Service Design: Increased Public Transit Access

2015 Local Routes

Budget

The Board is required to adopt an annual budget before the beginning of the fiscal year. The budget serves as a policy document, an operations guide, a financial plan and a communication device. The process for developing the Authority's budget begins with budget review and planning in February through May; and through a series of meetings and analysis from June through September, results in a balanced operating budget and a prioritized capital budget.

The PSTA Board adopted the FY 2016 fiscal year operating and capital budget totaling $77.9 million. The FY 2016 budget is $8.9 million or 10.3% under the FY 2015 budget with $7.5 million of the decrease related to fewer bus purchases. This financial plan allows the Authority to focus resources where transit works best, with both route changes and service improvements based on a data-driven and customer sensitive approach.

Capital assets are funded by grants and local funds on a pay-as-you-go basis. The Authority does not anticipate issuing debt to fund capital assets.

Factors Affecting Financial Planning

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Authority operates.

Local Economy. The regional economy currently enjoys a slightly favorable economic environment compared with other cities in Florida and local indicators point to continued stability. The regional economy has a diverse economic base that includes tourism, agriculture, construction, finance, healthcare, technology, and the Port of Tampa. Major industries with headquarters or divisions located within the regional area's boundaries or in close proximity include telephone and electric service companies, computer hardware and electrical controls manufacturers, tourist attractions, fertilizer manufacturers, MacDill Air Force Base, and the Port of Tampa. Institutions of higher learning located in the regional area include the University of South Florida, the University of Tampa, St. Petersburg College, Eckerd College and the Stetson University College of Law.

The area's Metropolitan Statistical Area unemployment rate of 4.7% is currently lower than the national rate of 5.0% and lower than the statewide rate of 5.1%. The region's growth and economic diversity are expected to be the basis for continued health of the local economy in coming years.

The Authority's ability to fund its operations is heavily dependent on a millage levy generated from property taxes. The property tax revenues have declined by $2.4 million or 6.3% since 2007. The millage rate for 2007 was 0.6074 compared to the 2015 millage rate of 0.7305. For FY 2015 and 2016, the PSTA Board approved a millage rate of 0.7305 with a statutory limit of 0.7500 mills.

Financial Policies. During fiscal year 2015, a Liability Debt Management Policy was reviewed with revisions to the Cash Reserve and Investment policies. These policy amendments, while enhancing controls and procedures, did not have a significant impact on the current period's financial statements.

Long-Range Financial Planning. Due to the significant investment in buses and bus facilities used for service delivery and the necessary funding required to refurbish and to replace those assets when needed, the Authority has been building up resources in the capital reserve. As of September 30, 2015, the Authority's unrestricted net assets totaled $19.9 million to cover current liabilities and anticipated operating needs in the five-year plan. The capital reserve for buses was $15.6 million and an additional $4 million capital reserve was designated for matching grant funds for the Central Avenue Bus Rapid Transit Project. Long- term financial projections are maintained and updated when significant events occur that warrant changes to the underlying assumptions.

Acknowledgements

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the Finance Division. We wish to express our appreciation to all members of the division who assisted and contributed to the preparation of this report. Credit also must be given to the governing Board of Directors for their unfailing support for maintaining the highest standards of professionalism in the management of the Pinellas Suncoast Transit Authority's finances.

Respectfully Submitted,

Deborah C. Leous
Chief Financial Officer

Brad Miller
Chief Executive Officer

GFOA Certificate of Achievement

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Pinellas Suncoast Transit Authority

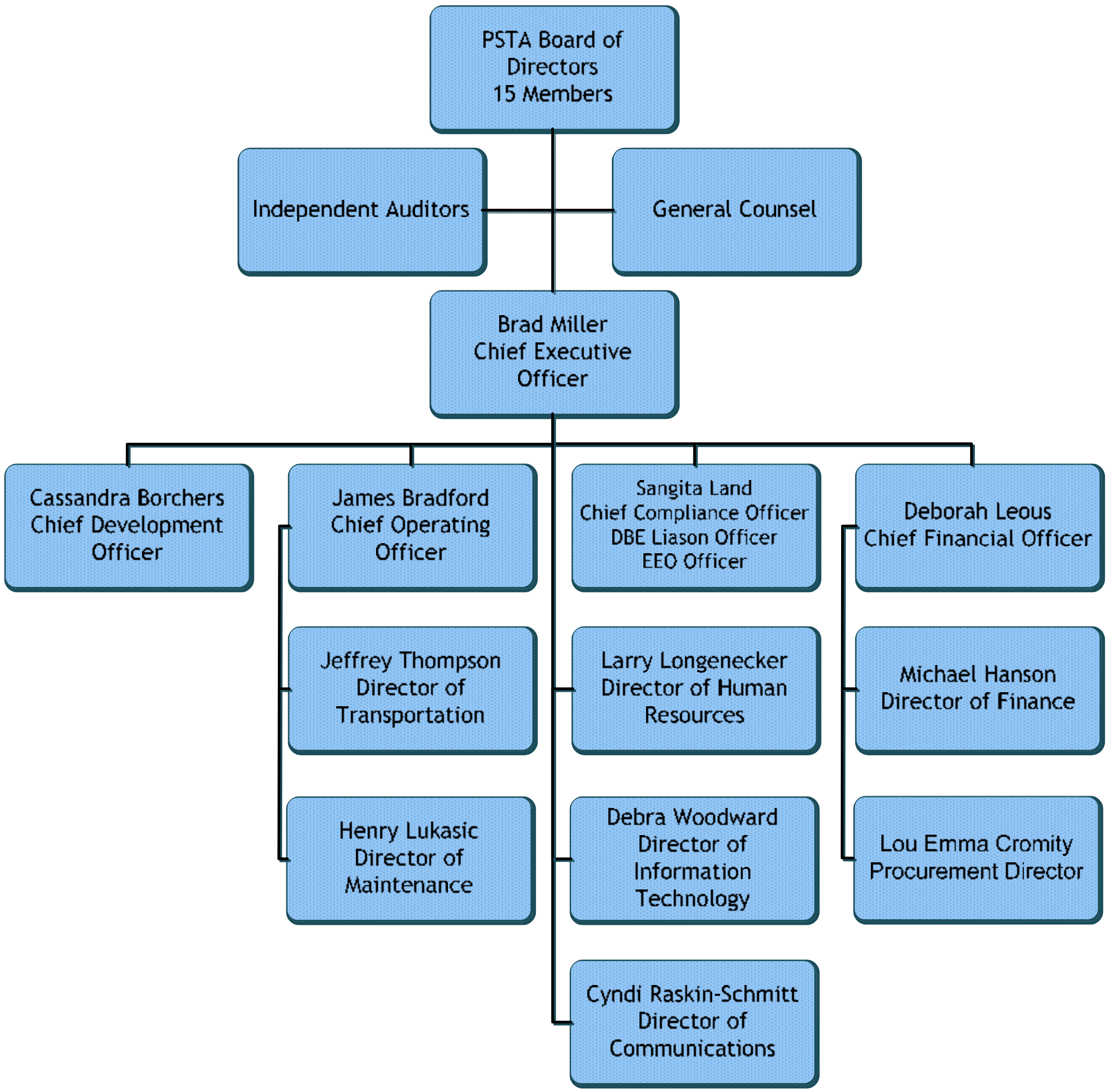
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2014

Executive Director/CEO

Organization Chart
(As of 9/30/2015)



PINELLAS SUNCOAST TRANSIT AUTHORITY

Elected and Appointed Officials
(As of 9/30/2015)

Board of Directors

Officers

Bill Jonson, Chairperson
Julie Ward-Bujalski, Vice-Chairperson
Janet Long, Secretary/Treasurer

Pinellas County

Dave Eggers
Pat Gerard
Janet Long
Brian Scott
Kenneth T. Welch

City of St. Petersburg

Ben Diamond
Wengay "Newt" Newton
Darden Rice

City of Belleair Bluffs

Joseph Barkley

City of Clearwater

Bill Jonson

City of Dunedin

Julie Ward Bujalski

City of Largo

Curtis Holmes

City of Oldsmar

Doug Bevis

City of Pinellas Park

Patricia F. Johnson

Town of Redington Beach

Mark Deighton

Chief Executive Officer

Brad Miller

General Counsel

Bryant Miller Olive, P.A.

Auditors

CliftonLarsonAllen LLP

PINELLAS SUNCOAST TRANSIT AUTHORITY

Board of Directors

Chairperson

Bill Jonson
Councilmember
City of Clearwater

Vice-Chairperson

Julie Ward Bujalski
Commissioner
City of Dunedin

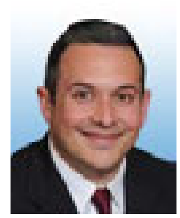
Secretary/Treasurer

Janet Long
Commissioner
Pinellas County

Joseph Barkley
Vice-Mayor
City of Belleair Bluffs

Doug Bevis
Mayor
City of Oldsmar

Mark Deighton
Commissioner
Town of Redington Beach



Ben Diamond
Citizen
City of St. Petersburg

Dave Eggers
Commissioner
Pinellas County

Pat Gerard
Commissioner
Pinellas County

Curtis Holmes
Commissioner
City of Largo

Patricia F. Johnson
Vice-Mayor
City of Pinellas Park

Wengay "Newt" Newton
Councilmember
City of St. Petersburg

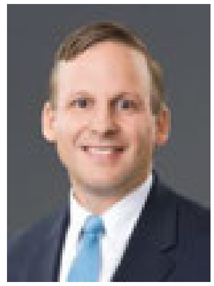
Darden Rice
Councilmember
City of St. Petersburg

Brian Scott
Citizen
Pinellas County

Kenneth T. Welch
Commissioner
Pinellas County

Directory of Officials
(As of September 30, 2015)

Brad Miller, Chief Executive Officer



Cassandra Borchers, Chief Development Officer

James Bradford, Chief Operating Officer

Sangita Land, Chief Compliance Officer, DBE Liaison Officer, EEO Officer

Deborah C. Leous, Chief Financial Officer

Lou Emma Cromity, Procurement Director

Michael Hanson, Director of Finance

Larry Longenecker, Director of Human Resources

Henry Lukasik, Director of Maintenance

Cyndi Raskin Schmitt, Director of Communications/Marketing

Jeffrey Thompson, Director of Transportation

Debra Woodward, Director of Information Technology

SECTION II

FINANCIAL SECTION

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
Pinellas Suncoast Transit Authority
Clearwater, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Pinellas Suncoast Transit Authority, a/k/a PSTA (the "Authority"), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audits 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 Statements. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority as of September 30, 2015, and the respective changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

2014 Financial Statements

The 2014 financial statements of the Authority were audited by other auditors whose report dated March 20, 2015, expressed an unmodified opinion on those financial statements.

Emphasis of a Matter

As described in Note 3 of the financial statements, the Authority adopted the provisions of Governmental Accounting Standards Board Statement (GASBS) No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*, which was subsequently amended by GASBS No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. As a result of implementation of GASBS No. 68 and No. 71, the Authority reported a restatement for the change in accounting principle. The auditors' opinion was not modified with respect to this restatement.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming and opinion on the financial statements that collectively comprise the Authority's basic financial statements. The schedule of expenditures of federal awards and state financial assistance, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 10.550 Rules of the Auditor General, and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Board of Directors
Pinellas Suncoast Transit Authority

The schedule of expenditures of federal awards and state financial assistance is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 26, 2016, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Authority's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Tampa, Florida
May 26, 2016

Management's Discussion and Analysis

For the Year Ended September 30, 2015
(Unaudited)

INTRODUCTION

The following Management's Discussion and Analysis (MD&A) of the Pinellas Suncoast Transit Authority's ("The Authority") financial performance provides an overview of the financial activities for the fiscal year (FY) ended September 30, 2015. Information contained in this MD&A has been prepared by the Authority's management and should be considered in conjunction with the financial statements and the notes of the financial statements.

The notes are essential to a full understanding of the data contained in the financial statements. This report also presents certain required supplementary information regarding capital assets activity during the year, including commitments made for capital expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of this annual report consists of three parts: MD&A, the basic financial statements, and the notes to the financial statements. The basic financial statements include the Statements of Net Position, the Statements of Revenues, Expenses and Changes in Net Position, and the Statements of Cash Flows.

Analysis of the Statements of Net Position and the Statements of Revenues, Expenses and Changes in Net Position illustrate whether the Authority's financial position has improved as a result of the year's activities. The Statements of Net Position presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net position. Over time, the increases and decreases in net position may serve as an indicator of whether the financial position of the Authority is improving or deteriorating. The Statements of Revenues, Expenses and Changes in Net Position reflect how the operating and non-operating activities of the Authority affected changes in the net position of the Authority. These activities are recorded under the accrual basis of accounting reflecting the timing of the underlying event regardless of the timing of related cash flows. The Statements of Cash Flows presents information on the Authority's cash and cash equivalent activities for the fiscal year resulting from operating activities, non-capital financing activities, capital and related financing activities and investing activities. The net result of these activities added to the beginning of the year cash balance reconciles to the cash and cash equivalent balance at the end of the current fiscal year.

The financial statements also include notes that further explain certain information in the financial statements and provide more detailed data.

Although the financial statements provide useful information in assessing the financial health of the Authority, consideration of other factors not shown on the financial reports should be evaluated to assess the Authority's true financial condition. Factors such as changes in the Authority's tax base and the condition of the Authority's asset base are also important when assessing the overall financial condition of the Authority.

Government entities typically account for activities by utilizing "fund" accounting. A fund is a grouping of related accounts that is used to maintain control or restrict the use of resources that have been segregated for specific activities or objectives. The Authority uses only one fund, an enterprise fund, which reports all business type activities of the Authority.

Management's Discussion and Analysis - Continued

FISCAL YEAR 2015 FINANCIAL ANALYSIS OF THE AUTHORITY

- For FY 2015 the net position of the Authority is $103.7 million. Of this amount, $19.9 million may be used to cover current liabilities and anticipated operating needs in the 5 year plan. The PSTA Board of Directors committed $10.9 million for two months of operating reserves, and $9.0 million for capital asset replacement, other projects and for future operations.

- Total assets increased by $4.4 million or 3.4% in FY 2015. Current assets decreased by $225.4 thousand or .5%, Capital assets increased by $4.6 million or 5.8%. More details are reflected in the Statements of Cash Flows in this report.

- The Authority's total net position increased by $5.9 million or 6.1% from FY 2014. The increase is attributable to an increase in capital assets.

- The change in liabilities at the close of the fiscal year reflects an increase of $4.7 million or 19.1%. This change in liabilities is a result of a decrease in accounts payable and an increase in claims and liabilities.

- Based on the most recent actuarial valuation as of September 30, 2015, prepared by the Authority's independent actuary, PSTA risk management liabilities for general liability and workers' compensation decreased by approximately $538.0 thousand or 10.8% to $4.5 million.

FISCAL YEAR 2014 FINANCIAL ANALYSIS OF THE AUTHORITY

- For FY 2014 the net position of the Authority is $97.8 million. Of this amount, $18.5 million is unrestricted and may be used to meet the Authority's ongoing obligations. The PSTA Board of Directors committed $11.1 million for two months of operating reserves, and $7.4 million for capital asset replacement and other projects.

- Total assets decreased by $11.2 million or 8.0% in FY 2014. Current assets decreased by $4.1 million or 7.6%, Long-term assets decreased by $202.7 thousand or 100.0% and capital assets decreased by $7.0 million or 8.1%. More details are reflected in the Statements of Cash Flows in this report.

- The Authority's total net position decreased by $26.3 million or 21.2% from FY 2013. The decrease is attributable to a decrease of $7.0 million in capital assets and a $19.3 million decrease from implementing GASB Statement 68.

- The change in liabilities at the close of the fiscal year reflects a decrease of $9.3 million or 37.8%. This change in liabilities is a result of a decrease in accounts payable due to accruals for the purchase of buses in FY 2013, and an increase in net pension liabilities of $12.3 million from implementing GASB Statement 68.

- Based on the most recent actuarial valuation as of September 30, 2014, prepared by the Authority's independent actuary, PSTA risk management liabilities for general liability and workers' compensation increased by approximately $1.2 million or 33.2% to $5.0 million.

Management's Discussion and Analysis - Continued

THE AUTHORITY'S CONDENSED STATEMENTS OF NET POSITION

	2015	2014 Restated	Dollar Increase (Decrease)	Percentage Change	2013	
Assets:						
Current and other assets	$ 48,815,503	$ 49,040,860	$ (225,357)	(0.5%)	$ 53,099,568	
Long-term assets	-	-	-	0.0%	202,689	
Capital assets	83,810,021	79,199,247	4,610,774	5.8%	86,156,611	
Total assets	132,625,524	128,240,107	4,385,417	3.4%	139,458,868	
Deferred outflow of resources	3,117,087	1,149,045	1,968,042	171.3%	-	
Liabilities:						
Current liabilities	7,858,973	8,142,154	(283,181)	(3.5%)	12,296,928	**(1)**
Noncurrent liabilities	21,586,092	16,576,821	5,009,271	30.2%	3,080,555	**(1)**
Total liabilities	29,445,065	24,718,975	4,726,090	19.1%	15,377,483	
Deferred inflow of resources	2,608,683	6,906,079	(4,297,396)	(62.2%)	-	
Net position:						
Invested in capital assets	83,810,021	79,199,247	4,610,774	5.8%	86,156,611	
Unrestricted	19,865,822	18,489,859	1,375,963	7.4%	37,862,802	
Restricted	13,020	74,992	(61,972)	(82.6%)	61,972	
Total net position	$ 103,688,863	$ 97,764,098	$ 5,924,765	6.1%	$ 124,081,385	

(1) This has been reclassified to conform to current year's classifications.

THE AUTHORITY'S OPERATING FINANCIAL ACTIVITY

As noted earlier, PSTA uses only one fund, an enterprise fund, to comply with Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Board (GASB) mandated reporting requirements. The Authority's operations consist of providing virtually all public transportation services in Pinellas County, Florida. These services include fixed route, demand response, and specialized services.

The Statements of Revenues, Expenses and Changes in Fund Net Position show how the Authority's net assets changed during the current and previous fiscal year as a result of operations. These changes are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, some revenues and expenses reported in this statement will only affect future cash flows.

The Following Summary Represents The FY 2015 Operating Results Compared To FY 2014:

Revenues

- Total operating and non-operating revenues for FY 2015 totaled $64,769,000 or $1,144,000 or 1.8% over FY 2014.

Management's Discussion and Analysis - Continued

- Passenger fares, including demand response fares, decreased $1,326,000 or 10.0% under FY 2014 due primarily to increased Transit Disadvantaged rides.
- Advertising income increased $237,000 or 95.5% due to increased advertisement sales on buses.
- Federal maintenance assistance increased $476,000 or 23.4%.
- State operating assistance increased $71,000 or 1.8%.
- Other Federal grants decreased $847,000 or 17.9% primarily due to a decrease in consultant project costs.
- Special project assistance - state grants increased $175,000 or 5.8% over FY 2014.
- Special project assistance – local grants increased $40,000 or 4.8%.
- Property tax revenues increased $2,227,000 or 6.7% due to an increase in property values.
- Investment income increased $137,000 or 247.1% due to an increase in interest rates.
- Other revenues decreased $82,000 or 120.7% due to a loss on disposal of capital assets.

Expenses

- Total operating expenses increased $1,158,000 or 1.9% over FY 2014.
- Operations expenses increased $1,200,000 or 3.6% due to increases for wages and fringe benefits.
- Purchased transportation increased $598,000 or 8.7% due to an increase in DART program costs.
- Maintenance expenses increased $528,000 or 6.3% due an increase in wages, fringe benefits and parts expense.
- Administration and finance expenses increased $699,000 or 6.5% due to decreased excess insurance recoveries and increased software maintenance agreements.
- Marketing expenses decreased 1,882,000 or 72.6% due to decreased advertising expenses and the transfer of personnel to Operations.

The Following Summary Represents The FY 2014 Operating Results Compared To FY 2013:

Revenues

- Total operating and non-operating revenues for FY 2014 totaled $63,624,830 or $29,000 or 0.0% over FY 2013.
- Passenger fares, including demand response fares, decreased $533,000 or 3.6% under FY 2013 due to increased discounts.
- Advertising income decreased $170,000 or 40.6% due to a decrease in advertisement sales on buses.
- Federal maintenance assistance increased $33,000 or 1.7%.

Management's Discussion and Analysis - Continued

- State operating assistance increased $99,000 or 2.5%.
- Other Federal grants decreased $503,000 or 9.6% primarily due to a reallocation of grant funds from maintenance labor to capital projects.
- Special project assistance - state grants decreased $10,000 or 0.3% under FY 2013.
- Special project assistance – local grants increased $65,000 or 8.5%.
- Property tax revenues increased $1,083,000 or 3.4% due to an increase in property values.
- Investment income decreased $91,000 or 62.1% due to a decrease in interest rates.
- Other revenues increased $51,000 or 310.8% due to an increased gain on sale of capital assets and increased Transportation Disadvantaged Pass Co-pays.

Expenses

- Total operating expenses increased $1,642,000 or 2.6% over FY 2013.
- Operations expenses decreased $244,000 or 0.7% due to increases for wages and fringe benefits and decreases in pension from implementing GASB 68.
- Purchased transportation increased $290,000 or 4.4% due to an increase in DART program costs.
- Maintenance expenses increased $202,000 or 2.4% due an increase in wages, fringe benefits and parts expense.
- Administration and finance expenses increased $1,005,000 or 10.3% due to increased wages, fringe benefits, and a large increase in general liability claims expense.
- Marketing expenses increased $389,000 or 17.7% due to an increase in wages, fringe benefits and an increase in advertising and promotion media expenses relating to the Greenlight Pinellas initiative. Previously, PSTA applied for, and received, a grant from the Department of Homeland Security (DHS) to create a campaign that would invite passengers to participate in ensuring that public transit is a safe and secure mode of travel. Based on discussions with and a subsequent letter from DHS, they concluded the advertising campaign did not meet the scope of the grant. The funds were returned immediately.

Capital Grants

Capital grants increased $13,941,000 due to delivery of buses in FY 2015, as compared to the previous year. Capital grants decreased $14,503,000 or 93.2% due to no delivery of buses in FY 2014, as compared to the previous year.

Management's Discussion and Analysis - Continued

OVERALL

The Authority's net position increased $5,925,000 primarily due increased capital grants for buses, offset by decreased operating revenues, increased on non-operating revenues and increased operating expenses.

THE AUTHORITY'S STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	2015	2014 Restated	Dollar Increase (Decrease)	Percentage Change	2013
Operating revenues:					
Passenger fares	$ 12,194,799	$ 13,585,399	$ (1,390,600)	(10.2%)	$ 14,098,511 **(1)**
Demand response	1,143,997	1,079,160 **(1)**	64,837	6.0%	1,098,822 **(1)**
Advertising revenue	485,359	248,224	237,135	95.5%	417,851 **(1)**
Total operating revenues	13,824,155	14,912,783	(1,088,628)	(7.3%)	15,615,184
Nonoperating revenues:					
Federal maintenance assistance	2,507,540	2,031,632	475,908	23.4%	1,998,328
State operating assistance	4,086,490	4,015,888	70,602	1.8%	3,917,007
Other federal grants	3,887,276	4,734,082	(846,806)	(17.9%)	5,236,886
Special project assistance - state grants	3,169,227	2,994,467	174,760	5.8%	3,004,543
Special project assistance - local grants	873,441	833,222	40,219	4.8%	767,849
Property tax revenues	35,592,336	33,365,462	2,226,874	6.7%	32,282,955
Investment income	193,039	55,618	137,421	247.1%	146,824
Fuel tax refunds	649,202	613,721	35,481	5.8%	610,172
Other, net	(14,055)	67,955	(82,010)	(120.7%)	16,544
Total nonoperating revenues	50,944,496	48,712,047	2,232,449	4.6%	47,981,108
Total operating and nonoperating revenues	64,768,651	63,624,830	1,143,821	1.8%	63,596,292
Operating expenses:					
Operations	34,879,734	33,663,536 **(1)**	1,216,198	3.6%	33,907,097
Purchased transportation	7,444,573	6,846,800 **(1)**	597,773	8.7%	6,556,558 **(1)**
Maintenance	8,902,528	8,374,708 **(1)**	527,820	6.3%	8,172,956
Administration and finance	11,465,894	10,767,137 **(1)**	698,757	6.5%	9,762,130
Marketing	708,839	2,591,069 **(1)**	(1,882,230)	(72.6%)	2,202,059
Total operating expenses	63,401,568	62,243,250	1,158,318	1.9%	60,600,800
Depreciation	10,436,619	9,723,423	713,196	7.3%	8,487,063
Total operating expenses and depreciation	73,838,187	71,966,673	1,871,514	2.6%	69,087,863
(Loss) income before capital grants	(9,069,536)	(8,341,843)	(727,693)	8.7%	(5,491,571)
Capital grants	14,994,301	1,052,867	13,941,434	1324.1%	15,555,810
Contributed capital - local government	-	100,000	(100,000)	0.0%	-
Increase (decrease) in net position	5,924,765	(7,188,976)	13,113,741	(182.4%)	10,064,239
Net position, beginning of year	97,764,098	104,953,074	(7,188,976)	(6.8%)	114,017,146
Net position, end of year	$ 103,688,863	$ 97,764,098	$ 5,924,765	6.1%	$ 124,081,385

(1) This has been reclassified to conform to current year's classifications.

Management's Discussion and Analysis - Continued

CAPITAL ASSETS

The Authority has invested $83.8 million in capital assets (net of accumulated depreciation). Approximately 50% of the investment represents revenue-generating equipment and 40% represents the building and improvements at the close of fiscal year September 30, 2015.

Capital Assets, Net of Accumulated Depreciation

			Percent of Total		
	2015	2014	2015	2014	2013
Land	$ 6,961,677	$ 6,961,677	8%	9%	$ 6,961,677
Buildings and improvements	33,723,065	35,262,680	40%	45%	27,053,098
Revenue equipment	41,534,639	34,356,359	50%	43%	36,344,621
Furniture and other	1,364,350	1,770,438	2%	2%	1,704,238
Capital assets in progress	226,290	848,093	0%	1%	14,092,977
Total	$ 83,810,021	$ 79,199,247	100%	100%	$ 86,156,611

Significant projects in fiscal year 2015 include the completion of the Pinellas Park Transit Center and the Wi-Fi on the buses, and the purchase of hybrid buses to replace life expired diesel buses.

Additional information regarding capital assets can be found in Note 5 to the financial statements.

Long-Term Debt Administration

The Authority has no long-term debt.

Economic Factors and Next Year's Budget and Rates

The adopted fiscal year 2016 budget was based on a tax rate of 0.7305 mills which is unchanged from fiscal year 2015.

FY 2016 BUDGET

The PSTA Board approved the FY 2016 budget on September 23, 2015. The FY 2016 budget totaled $77,863,779 compared to the FY 2015 budget of $86,778,298 or $8,914,499 (10% less than the FY 2015 budget. The Operating budget totaled $65,246,845 and the Capital budget totaled $12,616,854 in FY 2016. In FY 2016, total operating budget expenses of $65,246,845 and operating revenues of $67,875,291 will result in an operating surplus of 2,628,446 that will be transferred to reserves for capital bus replacements. The FY 2016 millage remained at 0.7305 which will generate an estimated $37.8 million of property tax revenues in FY 2016.

The Authority also developed a multi-year operating plan covering FY 2016 through FY 2020. With moderate revenue assumptions and controlled expenses, FY 2016 through FY 2019 is balanced using an estimated $5.7 million in reserves.

In addition, the Authority developed a five-year Capital Improvement Program Budget covering FY 2016 through FY 2020 with available funding for capital acquisition of vehicles and equipment and the first time use of PSTA Capital Reserves for bus replacements.

Requests for Information

This financial report is designed to provide a general overview of the Pinellas Suncoast Transit Authority's finances for all those with an interest in the Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the office of the Chief Financial Officer, Pinellas Suncoast Transit Authority, 3201 Scherer Drive, St. Petersburg, Florida 33716.

PINELLAS SUNCOAST TRANSIT AUTHORITY

Statements of Net Position

September 30, 2015 and 2014

Assets		2015		2014 Restated
Current assets:				
Cash and cash equivalents	$	44,449,602	$	43,362,300
Accounts receivable, net of allowance of $26,520 and $46,239		1,779,281		1,217,216
Grants receivable		734,457		1,972,157
Inventories		1,250,000		1,140,996
Prepaid expenses		602,163		1,348,191
Total current assets		48,815,503		49,040,860
Capital assets:				
Land		6,961,677		6,961,677
Buildings and improvements		53,220,770		52,287,311
Revenue equipment		95,723,278		81,815,782
Furniture and other		8,425,952		8,282,230
Capital assets in progress		226,290		848,093
		164,557,967		150,195,093
Less accumulated depreciation		80,747,946		70,995,846
Total capital assets		83,810,021		79,199,247
Total assets		132,625,524		128,240,107
Deferred Outflows of Resources				
Deferred outflow of resources - pension related amounts		3,117,087		1,149,045
Liabilities				
Current liabilities:				
Accounts payable		2,199,927		3,141,669
Accrued expenses		3,081,749		2,954,571
Claims and judgments		2,014,089		1,736,919
Unearned revenue		211,150		16,050
Net pension liability due within one year		352,058		292,945
Total current liabilities		7,858,973		8,142,154
Noncurrent liabilities:				
Other post-employment benefits		1,621,001		1,312,772
Claims and judgments		2,444,384		3,259,182
Net pension liability		17,520,707		12,004,867
Total noncurrent liabilities		21,586,092		16,576,821
Total liabilities		29,445,065		24,718,975
Deferred Inflows of Resources				
Deferred inflow of resources - pension related amounts		2,608,683		6,906,079
Net Position				
Invested in capital assets		83,810,021		79,199,247
Restricted grantor resources		13,020		74,992
Unrestricted		19,865,822		18,489,859
Total net position	$	103,688,863	$	97,764,098

See accompanying notes to financial statements.

PINELLAS SUNCOAST TRANSIT AUTHORITY

Statements of Revenues, Expenses and Changes in Net Position

For the Years Ended September 30, 2015 and 2014

	2015	2014 Restated
Operating revenues:		
Passenger fares	$ 12,194,799	$ 13,585,399
Demand response	1,143,997	1,079,160
Advertising revenue	485,359	248,224
Total operating revenues	13,824,155	14,912,783
Operating expenses:		
Operations	34,879,734	33,663,536
Purchased transportation	7,444,573	6,846,800
Maintenance	8,902,528	8,374,708
Administration and finance	11,465,894	10,767,137
Marketing	708,839	2,591,069
Total operating expenses, before depreciation	63,401,568	62,243,250
Operating loss before depreciation	(49,577,413)	(47,330,467)
Depreciation	10,436,619	9,723,423
Operating loss	(60,014,032)	(57,053,890)
Nonoperating revenues:		
Federal maintenance assistance grants	2,507,540	2,031,632
State operating assistance grants	4,086,490	4,015,888
Other federal grants	3,887,276	4,734,082
Special project assistance – state grants	3,169,227	2,994,467
Special project assistance – local grants	873,441	833,222
Property tax revenues	35,592,336	33,365,462
Investment income	193,039	55,618
Fuel tax refunds	649,202	613,721
Other, net	(14,055)	67,955
Total nonoperating revenues	50,944,496	48,712,047
(Loss) before capital grants	(9,069,536)	(8,341,843)
Capital grants	14,994,301	1,052,867
Contributed capital - local government	-	100,000
Increase (Decrease) in net position	5,924,765	(7,188,976)
Net position, beginning of year, as restated	97,764,098	104,953,074
Net position, end of year	$ 103,688,863	$ 97,764,098

See accompanying notes to financial statements.

PINELLAS SUNCOAST TRANSIT AUTHORITY

Statements of Cash Flows

For the Years Ended September 30, 2015 and 2014

	2015	2014 Restated
Cash flows from operating activities:		
Receipts from customers	$ 13,262,090	$ 14,632,930
Payments to suppliers	(26,430,340)	(24,281,418)
Payments to and on behalf of employees	(37,817,848)	(36,532,716)
Net cash used in operating activities	(50,986,098)	(46,181,204)
Cash flows from noncapital financing activities:		
Property tax revenues	35,592,336	33,365,462
Operating and special project assistance grants	15,448,617	14,040,060
Fuel tax refunds	649,202	613,721
Non-transportation revenue	250,691	69,375
Net cash provided by noncapital financing activities	51,940,846	48,088,618
Cash flows from capital and related financing activities:		
Purchases of capital assets	(15,387,872)	(8,593,072)
Capital grants	15,307,359	6,199,311
Proceeds from sale of capital assets	20,028	22,850
Net cash used in capital financing activities	(60,485)	(2,370,911)
Cash flows from investing activities:		
Purchase, sale and maturities of investments, net	-	202,689
Investment income	193,039	55,618
Net cash provided by investing activities	193,039	258,307
Net Increase (decrease) in cash and cash equivalents	1,087,302	(205,190)
Cash and cash equivalents, beginning of year	43,362,300	43,567,490
Cash and cash equivalents, end of year	$ 44,449,602	$ 43,362,300
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	$ (60,014,032)	$ (57,053,890)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	10,436,619	9,723,423
(Increase) in accounts receivable	(562,065)	(279,853)
(Increase) in inventories	(109,004)	(98,597)
Decrease (increase) in prepaid expenses	746,028	(245,245)
(Decrease) increase in accounts payable	(690,937)	1,088,718
(Decrease) increase in accrued expenses and other liabilities	(792,707)	684,240
Net cash used in operating activities	$ (50,986,098)	$ (46,181,204)

See accompanying notes to financial statements.

(1) Summary of Significant Accounting Policies

The accounting policies and practices of the Authority have been designed to conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to a government enterprise fund. The following is a summary of the more significant accounting policies:

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

The accompanying financial statements are reported using the flow of economic resources measurement focus and the accrual basis of accounting. Revenues are recognized in the period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flows take place. Property taxes are recognized as revenue in the year for which they are levied and grants are recognized as revenue as soon as all eligibility requirements have been met, including that the eligible expenses have been incurred.

(b) Cash Equivalents and Investments

Cash equivalents are defined as short-term highly liquid debt investments that are both readily convertible to known amounts of cash and have original maturities of three months or less at the date of purchase. Cash temporarily idle during the year was invested in the Florida State Board of Administration (SBA) Florida PRIME, SunTrust Bank and at BankUnited. At September 30, 2015, with the exception of the Florida PRIME, the Authority's deposits were entirely covered by federal depository insurance or by collateral pledged with the State Treasurer pursuant to Chapter 280, *Florida Statutes*. Under this Chapter, in the event of default by a participating financial institution (a qualified public depository), all participating institutions are obligated to reimburse the governmental entity for the loss. The Florida PRIME is not collateralized. This mix of asset allocation provides a strong diversity for a balanced portfolio and has allowed for increased interest income through a competitive bidding process.

(c) Accounts Receivable

All trade and other receivables are shown net of an allowance for uncollectible accounts. The receivables are analyzed by management at the end of the year to estimate the amount of the allowance, as applicable.

(d) Grants Receivable

Grants receivable represent expenditures for grant eligible items for which reimbursement has not yet been received.

(e) Inventories and Prepaid Expenses

Inventories, principally fuel and maintenance parts, are stated at the lower of cost (using the moving weighted average cost method) or market.

Certain payments to vendors or other parties reflect cost for contracts or services applicable to future accounting periods and are recorded as prepaid expenses.

(1) Summary of Significant Accounting Policies - Continued

(f) Capital Assets

Capital assets are recorded at cost. Capital assets, which include property and equipment, are defined as assets with an initial, individual cost of $1,000 or more with an estimated useful life greater than one year. Major renewals and betterments are treated as capital additions. Expenses for maintenance, repairs, and minor renewals are expensed as incurred. Contributed assets are stated at estimated fair value at the date of receipt.

Depreciation is calculated using the straight-line method over the estimated useful life of the asset as follows:

Property Classification	Estimated Useful Life Range
Buildings	5 - 40 years
Improvements	5 - 20 years
Revenue equipment	3 - 12 years
Furniture and other	3 - 10 years

(g) Compensated Absences

The Authority's policy permits substantially all employees to accumulate a limited amount of earned but unused vacation, certain sick-pay benefits and certain other qualifying absences, which will be paid to the employee upon separation from service. Vacation, eligible sick pay, and other qualifying absences, which have been earned but not paid, have been accrued in the accompanying financial statements.

(h) Pensions

In the statements of net position, liabilities are recognized for the Authority'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 the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (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.

(1) Summary of Significant Accounting Policies - Continued

(i) Deferred Outflows/Inflows of Resources

In addition to assets, the statements of net position report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The deferred outflows of resources reported in the Authority's statement of net position represent changes in actuarial assumptions, the net difference between projected and actual earnings on Health Insurance Subsidy Program investments, changes in the proportion and differences between the Authority's contributions and proportionate share of contributions, and the Authority's contributions subsequent to the measurement date, relating to the Florida Retirement System Pension Plan and the Retiree Health Insurance Subsidy Program. These amounts will be recognized as increases in pension expense in future years.

In addition to liabilities, the statements of net position report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The deferred inflows of resources reported in the Authority's statement of net position represent the difference between expected and actual economic experience and the net difference between projected and actual earnings on Florida Retirement System Pension investments, relating to the Florida Retirement System Pension Plan. These amounts will be recognized as reductions in pension expense in future years.

(j) Reclassifications

Certain amounts presented in the prior year have been reclassified in order to be consistent with the current year's presentation.

(k) Net Position

Invested in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation.

Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position - All other components of net position that do not meet the definition of "restricted" or "invested in capital assets."

(l) Grants

The federal government, State of Florida, and the Pinellas Metropolitan Planning Organization have made available grants to the Authority related to the development of public transit facilities, which are restricted to acquiring qualifying capital assets and funding certain operating expenses.

(1) Summary of Significant Accounting Policies - Continued

(l) Grants - Continued

Capital grants are reported in a separate line item in the statements of revenues, expenses, and changes in net position. Proceeds from the sale of capital assets originally purchased with funds from federal grants must be reinvested in capital asset purchases approved by the Florida Department of Transportation (FDOT) and the Federal Transit Administration (FTA).

(m) Use of Estimates

The preparation of the financial statements, in accordance with GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant items subject to estimates and assumptions include depreciation, the reserve for workers' compensation, general liability claims, and post-employment benefits other than pensions. Actual amounts could differ from those estimates.

(n) Operating Revenues and Expenses

Operating revenues and expenses generally result from providing services in connection with the Authority's principal ongoing operations. The principal operating revenues are fare box revenues, which are fees for public transportation. Operating expenses include the cost of providing the services and depreciation expense on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenue and expense.

(o) Fare Revenues

Cash fares are recorded as revenue at the time services are performed. Pass fares are recorded as revenue at the time passes are sold.

(p) Property Tax Revenue

The Authority is a special taxing district that is authorized to levy an ad valorem tax on the taxable real property in the transit area not to exceed 0.7500 mills. The approved ad valorem tax rates for fiscal years 2015 and 2014 were 0.7305 and 0.7305 mills, respectively.

Property tax collections are governed by Chapter 197, *Florida Statutes*. The Pinellas County Tax Collector bills and collects all property taxes levied within the county. Discounts are allowed for early payment of 4.0% in November, 3.0% in December, 2.0% in January, and 1.0% in February. If property taxes are not paid by April 1, the county adds a 3.0% penalty on real estate taxes and 1.5% penalty on personal property taxes.

The Pinellas County Tax Collector advertises and sells tax certificates on all real property for delinquent taxes. The Pinellas County Tax Collector must receive payment before the certificates are issued. Any person owning land on which a tax certificate has been sold may redeem the tax certificate by paying the Pinellas County Tax Collector the face amount of the tax certificate plus interest and other costs. The owner of the tax certificate may, at any time after taxes have been delinquent (April 1) for two years, file an application for tax deed sale. The county, as a certificate owner, may exercise similar procedures two years after taxes have been delinquent. Tax deeds are issued to the highest bidder for the property that is sold at public auction.

(1) Summary of Significant Accounting Policies - Continued

(p) Property Tax Revenue - Continued

The Pinellas County Tax Collector remits current taxes collected through at least four distributions to the Authority in the first two months of the tax year and at least one distribution each month thereafter.

- **Property Tax Calendar**

  January 1, 2014 - Property taxes are based on assessed property value at this date as determined by the Pinellas County Property Appraiser.

  July 1, 2014 - Property assessment roll and certificates of value provided to the Authority by the Pinellas County Property Appraiser.

  July 23, 2014 - Proposed millage rate is approved by the Board of Directors and provided to the Pinellas County Property Appraiser who mails notices to the taxpayers.

  September 10, 2014 - Property tax millage rate resolution approved by the Board of Directors.

  October 1, 2014 - Beginning of the year for which property taxes have been levied.

  November 1, 2014 - Property taxes are due and payable.

  April 1, 2015 - Unpaid property taxes become delinquent.

  June 1, 2015 - Tax certificates are sold by the Pinellas County Tax Collector.

(2) Description of Business

The Pinellas Suncoast Transit Authority was formed by an act of the Florida Legislature in 1984, and became effective by majority vote of the electorate in a referendum election of the transit area in Pinellas County, Florida. The Authority is an independent taxing authority whose purpose is to provide effective, modern mass transit service to Pinellas County, Florida. The Authority is governed by a 15-member board of directors made up of elected officials and citizens. The board members are appointed by the county and member cities in accordance with a formula provided by the enabling legislation and serve a three-year term.

(3) Change In Accounting Principle

During the year ended September 30, 2014, the Authority adopted GASB Statement No. 68 *Accounting and Financial Reporting for Pensions,* and the related GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68.* These pronouncements require the restatement of the September 30, 2013 net position as follows:

(3) Change in Accounting Principle – Continued

Net Position, September 30, 2013 as Previously Reported	$ 124,081,385
Cumulative Effect of Application of GASB 68, Net Pension Liability	(19,430,271)
Cumulative Effect of Application of GASB 71, Deferred Outflow of Resources for Authority Contributions Made to the Plan Subsequent to the Measurement Date During Fiscal Year Ending September 30, 2013	301,960
Net Position, September 30, 2013, as Restated	$ 104,953,074

(4) Cash and Cash Equivalents

At September 30, 2015 and 2014, the carrying value of the Authority's cash, cash equivalents, and investments was as follows:

Type	2015	2014
Cash on hand	$ 25,000	$ 25,000
Petty cash	1,700	1,800
Demand deposits	44,421,834	18,819,266
Florida PRIME	1,068	24,516,234
Total cash and cash equivalents	$ 44,449,602	$ 43,362,300

The investment returns through fiscal year end September 30, 2015, totaled an average of 23 basis points compared to an average of 22 basis points for FY 2014.

(a) Custodial Credit Risk

At September 30, 2015 and 2014, with the exception of the Florida PRIME, the Authority's deposits were entirely covered by federal depository insurance or by collateral pledged with the State Treasurer pursuant to Chapter 280, *Florida Statutes*. Under this Chapter, in the event of default by a participating financial institution (a qualified public depository), all participating institutions are obligated to reimburse the governmental entity for the loss. The Florida PRIME is not collateralized.

(b) Credit Risk

The Authority's Investment Guidelines were reviewed and approved by the Board in May 2015. Pursuant to Florida Statute 218.415 and the Authority's Investment Guidelines, investments of surplus funds may be made in the following:

- State of Florida Board of Administration Local Government Surplus Funds Trust Fund (Florida PRIME)
- State of Florida Board of Administration Comingled Asset management (CAMPMM)
- Direct Obligations of the US Treasury

(4) Cash, Cash Equivalents and Investments - Continued

(b) Credit Risk - Continued

- Non-negotiable Interest Bearing Savings Accounts, Demand Deposit Accounts or Time Certificates of Deposit
- Repurchase Agreements
- Commercial Paper
- Asset Backed Corporate Notes
- Securities and Exchange Commission (SEC) registered Money Market Funds
- Investment Pools/Mutual Funds

At September 30, 2015 the Authority's investments were with the SBA, SunTrust and in Money Market savings accounts and Certificates of Deposit at BankUnited, and in 2014 the investments were with the SBA, SunTrust and in Money Market savings accounts and Certificates of Deposit at BankUnited. SBA investments consist of the Florida PRIME.

The Authority invested funds throughout fiscal years 2015 and 2014 with Florida PRIME, which is administered by the SBA. Chapter 19-7 of the Florida Administrative Code provides guidance and establishes the general operating procedures for the administration of the funds, which are audited by the State of Florida Auditor General.

Florida PRIME is an external investment pool that is not a registrant with the Securities and Exchange Commission (SEC), but does operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. Rule 2a-7 allows funds to use amortized cost to maintain a constant NAV of $1.00 per share. Accordingly, the Authority's investment in Florida PRIME is reported at the account balance, which is considered fair value. The fund is rated "AAAm" by Standard and Poor's.

The investments are not classified as to credit risk because they are not evidenced by securities that exist in book or entry form. The components of investment return include $156,699 and $76,161 of interest income on cash and cash equivalents for the years ended September 30, 2015 and 2014, respectively. Other components of investment return include a realized gain of $1,470 in the net asset value of the CAMPMM and a realized gain of $34,870 relating to additional proceeds from the liquidation of Fund B for the year ended September 30, 2015. Other components of investment return include a realized gain of $1,232 in the net asset value of the CAMPMM and a realized (loss) of ($21,775) from the liquidation of Fund B for the year ended September 30, 2014.

(c) Interest Rate Risk

The dollar weighted average days to maturity (WAM) of the Florida PRIME at September 30, 2015 and 2014 was 39 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM.

(4) Cash, Cash Equivalents and Investments - Continued

(d) Concentration of Credit Risk

The Authority placed no limit on the amount the Authority may invest in any one issuer for FY 2014. The Authority had $1,068 and $24,516,234 with the SBA at September 30, 2015 and 2014, respectively. During FY 2015, the Authority Investment Guidelines has recommended limits on the amount the Authority may place with each type of investment and with issuers as follows:

Diversification Guidelines

	Investment	Portfolio Maximum	Issuer Limitation	Maximum Maturity
A.	State of Florida Board of Administration Local Government Surplus Funds Trust Fund (Florida Prime)	30%	N/A	N/A
B.	State of Florida Board of Administration Commingled Asset Management Program Money Market Funds (CAMP MM)	20%	N/A	N/A
C.	Direct Obligations of the U.S. Treasury and instruments backed by the full faith and credit of the U.S. Federal Government	75%	N/A	5 years
D.	Interest Bearing Savings Accounts, Demand Deposit Accounts, Negotiable Order of Withdrawal Accounts, or Certificates of Deposit	100%	25% for CDs	2 yrs. for CDs
E.	Repurchase Agreements	20% **(1)**	10%	60 days
F.	Commercial Paper	10%	5%	5 years
G.	Asset-Backed Corporate Notes	10%	3%	5 years **(2)**
H.	SEC-Registered Money Market Mutual Funds	10%	10%	90 days **(3)**
I.	Investment Pools/Mutual Funds	10%	10%	N/A

(1) With the exception of one (1) business day agreements and overnight sweep agreements.
(2) Total Asset-Backed Corporate Notes shall have a weighted average duration up to 2 years.
(3) The maximum length to maturity (average weighted) shall be 90 days.

(5) Capital Assets

Capital asset activity for the years ended September 30, 2015 and 2014 were as follows:

	October 1, 2014	Additions	Transfers and Disposals	September 30, 2015
Nondepreciable assets:				
Land	$ 6,961,677	$ -	$ -	$ 6,961,677
Capital assets in progress	848,093	384,810	1,006,613	226,290
Total nondepreciable assets	7,809,770	384,810	1,006,613	7,187,967
Depreciable assets:				
Buildings and improvements	52,287,311	933,459	-	53,220,770
Revenue equipment	81,815,782	14,550,353	642,857	95,723,278
Furniture and other	8,282,230	275,058	131,336	8,425,952
Total depreciable assets	142,385,323	15,758,870	774,193	157,370,000
Total at historical cost	150,195,093	16,143,680	1,780,806	164,557,967
Less accumulated depreciation for:				
Buildings and improvements	17,024,631	2,473,074	-	19,497,705
Revenue equipment	47,459,423	7,282,398	553,182	54,188,639
Furniture and other	6,511,792	681,147	131,337	7,061,602
	70,995,846	10,436,619	684,519	80,747,946
Capital assets, net	$ 79,199,247	$ 5,707,061	$ 1,096,287	$ 83,810,021

(5) Capital Assets - Continued

	October 1, 2013	Additions	Transfers and Disposals	September 30, 2014
Nondepreciable assets:				
Land	$ 6,961,677	$ -	$ -	$ 6,961,677
Capital assets in progress	14,092,977	2,060,589	15,305,473	848,093
Total nondepreciable assets	21,054,654	2,060,589	15,305,473	7,809,770
Depreciable assets:				
Buildings and improvements	42,170,189	10,117,122	-	52,287,311
Revenue equipment	76,902,260	5,156,061	242,539	81,815,782
Furniture and other	8,131,565	750,780	600,115	8,282,230
Total depreciable assets	127,204,014	16,023,963	842,654	142,385,323
Total at historical cost	148,258,668	18,084,552	16,148,127	150,195,093
Less accumulated depreciation for:				
Buildings and improvements	15,117,091	1,907,540	-	17,024,631
Revenue equipment	40,557,639	7,144,323	242,539	47,459,423
Furniture and other	6,427,327	671,560	587,095	6,511,792
	62,102,057	9,723,423	829,634	70,995,846
Capital assets, net	$ 86,156,611	$ 8,361,129	$ 15,318,493	$ 79,199,247

(6) Net Position

Unrestricted net position at September 30, 2015 and 2014 consists of the following:

	2015	2014
Operating reserves	$ 10,874,474	$ 11,110,512
Capital asset replacement and other projects	8,991,348	7,379,347
Unrestricted net position	$ 19,865,822	$ 18,489,859

Restricted net position represents the Federal Transit Administration's interest in a disposed grant asset that the Authority received permission for a like-kind exchange in the future. The balances at September 30, 2015 and 2014 are as follows:

	2015	2014
Grantor resources for specific use	$ 13,020	$ 74,992

(7) Risk Management

The Authority maintains self-insured programs for damage to vehicles and general liability claims for amounts up to $100,000 and workers' compensation claims for amounts up to $250,000. The Authority carries insurance coverage for excess liability limited to $2,000,000 per occurrence for vehicle and general liability claims. The Authority's excess workers' compensation program provides protection consistent with *Florida Statutes*. For the past three years, insurance settlements have not exceeded insurance coverage and there were no significant reductions in insurance coverage from the previous year.

The liabilities for the self-insurance programs currently recorded as claims and judgments were determined by actuarial valuation not discounted and include estimates for incurred but not reported claims. Non-incremental claims adjustment expenses are also included as part of the liability for claims.

The incurred claims in the following reconciliation of claims liabilities includes prior years' estimated claims settled without payment and year-end adjustment to estimated claims liability.

	Workers' Compensation	General Liability	Total
Claims reserve - September 30, 2012	$ 953,049	2,638,926	$ 3,591,975
Claims incurred	1,701,352	803,375	2,504,727
Claim payments	(1,564,914)	(782,100)	(2,347,014)
Claims reserve - September 30, 2013	1,089,487	2,660,201	3,749,688
Claims incurred	870,342	2,284,819	3,155,161
Claim payments	(673,675)	(1,235,073)	(1,908,748)
Claims reserve - September 30, 2014	1,286,154	3,709,947	4,996,101
Claims incurred	301,814	947,062	1,248,876
Claim payments	(564,701)	(1,221,803)	(1,786,504)
Claims reserve - September 30, 2015	$ 1,023,267	$ 3,435,206	$ 4,458,473

	2015	2014
Claims and judgments		
Due within one year	$ 2,014,089	$ 1,736,919
Due in more than one year	2,444,384	3,259,182
	$ 4,458,473	$ 4,996,101

(8) Defined Benefit Pension Plans

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

The Authority's pension expense totaled $1,293,611 and $883,915 for both the FRS Pension Plan and HIS Plan for the fiscal year ended September 30, 2015 and 2014, respectively.

Florida Retirement System Pension Plan

(a) Plan Description

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

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

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

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

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

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at 8 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

(8) Defined Benefit Pension Plans (*Florida Retirement System Pension Plan)* - Continued

(a) Plan Description - Continued

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 4 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.

(b) 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 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 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 for each year of service credit earned:

Class, Initial Enrollment, and Retirement Age/Years of Service:	% Value
Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement up to age 63 or up to 31 years of service	1.63
Retirement up to age 64 or up to 32 years of service	1.65
Retirement up to age 65 or up to 33 years of service	1.68
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement up to age 66 or up to 34 years of service	1.63
Retirement up to age 67 or up to 35 years of service	1.65
Retirement up to age 68 or up to 36 years of service	1.68

(8) Defined Benefit Pension Plans (*Florida Retirement System Pension Plan)* - Continued

(b) Benefits Provided – Continued

Retirement up to age 65 or up to 33 years of service	1.60
Retirement up to age 66 or up to 34 years of service	1.63
Retirement up to age 67 or up to 35 years of service	1.65
Retirement up to age 68 or up to 36 years of service	1.68
Elected County Officers	3
Senior Management Service Class	2
Special Risk Regular	
Service from December 1, 1970, through September 30, 1974	2
Service on and after October 1, 1974	3

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.

(c) 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, 2014 through June 30, 2015 and from July 1, 2015 through September 30, 2015, respectively, were applied to employee salaries as follows: Regular --7.37% and 7.26%; Special Risk Administrative Support --42.07% and 32.95%; Special Risk --19.82% and 22.04%; Senior Management Service --21.14% and 21.43%; Elected Officers' --43.24% and 42.27%; and DROP participants --12.28% and 18.75%. These employer contribution rates include 1.20% and 1.26% HIS Plan subsidy for the periods October 1, 2014 through June 30, 2015 and from July 1, 2015 through September 30, 2015, respectively. The Authority’s contributions to the FRS Plan were $1,607,344 and $1,966,859 for the years ended September 30, 2015 and 2014, respectively.

(8) Defined Benefit Pension Plans (*Florida Retirement System Pension Plan)* - Continued

(d) Pension Costs

At September 30, 2015 and 2014, the Authority reported a liability of $8,648,191 and $3,991,840, respectively, for its proportionate share of the FRS Plan's net pension liability. The net pension liability was measured as of June 30, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of July 1. The Authority's proportion of the net pension liability was based on the Authority's contributions received by FRS during the measurement period for employer payroll paid dates from July 1 through June 30, relative to the total employer contributions received from all of FRS's participating employers. At June 30, 2015, the Authority's proportion was 0.0670%, which was an increase of 0.0015% from its proportion measured as of June 30, 2014. At June 30, 2014, the Authority's proportion was 0.0654%, which was an increase of 0.0029% from its proportion measured as of June 30, 2013.

For the year ended September 30, 2015, the Authority recognized pension expense of $577,486 for its proportionate share of FRS's pension expense. In addition, the Authority reported its proportionate share of FRS's deferred outflows of resources and deferred inflows of resources from the following sources:

FRS Deferred Inflows/Outflows - 2015

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	$ 912,993	$ 205,109
Changes in Actuarial Assumptions	574,009	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	2,065,044
Changes in Proportion and Differences Between Authority Contributions and Proportionate Share of Contributions	200,959	338,530
Authority Contributions Subsequent to the Measurement Date	405,213	-
Total	$ 2,093,174	$ 2,608,683

(8) Defined Benefit Pension Plans (*Florida Retirement System Pension Plan)* - Continued

(d) Pension Costs - Continued

$405,213 reported as deferred outflows of resources related to pensions resulting from Authority contributions to the FRS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2016. 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:

Year Ended June 30	Amount
2016	$ (724,950)
2017	(724,950)
2018	(724,950)
2019	978,775
2020	223,673
Thereafter	51,678

For the year ended September 30, 2014, the Authority recognized pension expense of $298,517 for its proportionate share of FRS's pension expense. In addition, the Authority reported its proportionate share of FRS's deferred outflows of resources and deferred inflows of resources from the following sources:

FRS Deferred Inflows/Outflows - 2014

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	$ -	$ 320,636
Changes in Actuarial Assumptions	897,318	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	8,643,300
Changes in Proportion and Differences Between Authority Contributions and Proportionate Share of Contributions	455,131	-
Authority Contributions Subsequent to the Measurement Date	430,299	-
Total	$ 1,782,748	$ 8,963,936

(8) Defined Benefit Pension Plans (*Florida Retirement System Pension Plan)* - Continued

(e) Actuarial Assumptions

The total pension liability in the July 1, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60% per year
Salary Increases	3.25%, Average, Including Inflation
Investment Rate of Return	7.65%, Net of Pension Plan Investment Expense, Including Inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB. The actuarial assumptions used in the July 1, 2015, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. The target allocation, as outlined in the FRS Plan's investment policy, and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1%	3.2%	3.1%	1.7%
Fixed Income	18%	4.8%	4.7%	4.7%
Global Equity	53%	8.5%	7.2%	17.7%
Real Estate (Property)	10%	6.8%	6.2%	12.0%
Private Equity	6%	11.9%	8.2%	30.0%
Strategic Investments	12%	6.7%	6.1%	11.4%
Totals	100%			
Assumed Inflation - Mean		2.6%		1.9%

(8) Defined Benefit Pension Plans (*Florida Retirement System Pension Plan)* - Continued

(f) Discount Rate

The discount rate used to measure the total pension liability was 7.65% 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.

(g) Pension Liability Sensitivity

The following presents the Authority'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 Authority'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:

(g) Pension Liability Sensitivity - Continued

Description	1% Decrease	Current Discount Rate	1% Increase in Discount Rate
FRS Plan Discount Rate	6.65%	7.65%	8.65%
Authority's Proportionate Share of the FRS Plan Net Pension Liability	$ 22,409,419	$ 8,648,191	$ (2,803,411)

(h) Pension Plan Fiduciary Net Position

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

Retiree Health Insurance Subsidy Program

(a) Plan Description

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

(8) Defined Benefit Pension Plans (*Retiree Health Insurance Subsidy Program*) - Continued

(b) Benefits Provided

For the fiscal year ended June 30, 2015, 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.

(c) 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, 2015, the contribution rate was 1.26% of payroll pursuant to section 112.363, Florida Statues. The Authority contributed 100% of its statutorily required contributions for the current and preceding 3 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 Authority's contributions to the HIS Plan were $376,752 and $325,698, respectively, for the years ended September 30, 2015 and 2014, respectively.

(d) Pension Costs

At September 30, 2015 and 2014, the Authority reported a liability of $9,224,574 and $8,305,972, respectively, for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, and the total pension liability used to calculate the net pension liability was determined by annual actuarial valuations as of July 1. The Authority's proportion of the net pension liability was based on the Authority's contributions received during the measurement period for employer payroll paid dates from July 1 through June 30, relative to the total employer contributions received from all participating employers. At June 30, 2015, the Authority's proportion was 0.0905% which was an increase of 0.0016% from its proportion measured as of June 30, 2014. At June 30, 2014, the Authority's proportion was 0.0888%, which was an increase of 0.0007% from its proportion measured as of June 30, 2013.

(8) Defined Benefit Pension Plans (*Retiree Health Insurance Subsidy Program*) - Continued

(d) Pension Costs - Continued

For the year ended September 30, 2015, the Authority recognized pension expense of $716,126 for its proportionate share of HIS's pension expense. In addition, the Authority reported its proportionate share of HIS's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	$ -	$ -
Changes in Actuarial Assumptions	725,733	-
Net Difference Between Projected and Actual Earnings on HIS Program Investments	4,994	-
Changes in Proportion and Differences Between Authority Contributions and Proportionate Share of Contributions	170,529	-
Authority Contributions Subsequent to the Measurement Date	122,657	-
Total	$ 1,023,913	$ -

$122,657 reported as deferred outflows of resources related to pensions resulting from Authority contributions to the FRS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. 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:

Year Ended June 30	Amount
2016	$ 155,281
2017	155,281
2018	155,281
2019	154,266
2020	189,537
Thereafter	91,612

(8) Defined Benefit Pension Plans (*Retiree Health Insurance Subsidy Program*) - Continued

(d) Pension Costs - Continued

For the year ended September 30, 2014, the Authority recognized pension expense of $585,398 for its proportionate share of HIS's pension expense. In addition, the Authority reported its proportionate share of HIS's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	$ -	$ -
Changes in Actuarial Assumptions	372,195	-
Net Difference Between Projected and Actual Earnings on HIS Program Investments	5,021	-
Changes in Proportion and Differences Between Authority Contributions and Proportionate Share of Contributions	263,720	-
Authority Contributions Subsequent to the Measurement Date	91,665	-
Total	$ 732,601	$ -

(e) Actuarial Assumptions

The total pension liability in the July 1, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60% per year
Salary Increases	3.25%, Average, Including Inflation
Municipal Bond Rate	3.80%

Mortality rates were based on the Generational RP-2000 with Projection Scale BB. The actuarial assumptions used in the July 1, 2015, valuation were based on the results of an actuarial experience study of the FRS Pension Plan for the period July 1, 2008, through June 30, 2013.

(8) Defined Benefit Pension Plans (*Retiree Health Insurance Subsidy Program*) - Continued

(f) Discount Rate

The discount rate used to measure the total pension liability was 3.80% 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.

(g) Pension Liability Sensitivity

The following presents the Authority'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 Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Description	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
HIS Plan Discount Rate	3.29%	4.29%	5.29%
Authority's Proportionate Share of the HIS Plan Net Pension Liability	$ 10,510,972	$ 9,224,574	$ 8,151,910

(h) Pension Plan Fiduciary Net Position

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

(8) Defined Benefit Pension Plans - Continued

(i) Defined Contribution Plan

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Authority employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04% of payroll and by forfeited benefits of plan members. Allocations to the member accounts during the 2014-15 fiscal year, as established by Section 121.72, Florida Statutes, were based on a percentage of gross compensation, by class, as follows: Regular class 6.30%, Special Risk Administrative Support class 7.95%, Special Risk class 14.00%, Senior Management Service class 7.67% and County Elected Officers class 11.34%. 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 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the years ended September 30, 2015 and 2014, 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 Authority.

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.

(8) Defined Benefit Pension Plans - Continued

(i) Defined Contribution Plan - Continued

The Authority's Investment Plan pension expense totaled $218,532 and $218,217 for the years ended September 30, 2015 and 2014, respectively. Employee contributions to the Investment Plan totaled $90,919 and $92,701 for the years ended September 30, 2015 and 2014, respectively.

(9) Postemployment Benefits Other Than Pensions (OPEB)

The Authority has adopted the provisions of Government Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* (GASB 45). The Authority provides postretirement healthcare benefits in accordance with *Florida Statutes* to all employees who retire from the employ of the Authority. The retiree pays 100% of the premium cost (rate) for the retiree to participate in the Authority's insurance program. These rates provide an implicit rate subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. The difference in the rate a retiree would pay if in a plan separate from active employees is considered the rate differential. GASB 45 requires the Authority to accrue the cost of the rate differential and OPEB during the period the cost (annual OPEB cost) and future obligations related to those benefits are earned by the employee (net OPEB obligation). GASB 45 also requires the Authority to disclose the unfunded actuarial accrued liability in order to accurately account for the total future cost of OPEB and the financial impact to the Authority.

(a) Plan Description

The authority administers an employer defined benefit healthcare plan that provides medical insurance benefits to its employees and their eligible dependents. In accordance with Section 112.0801 of the *Florida Statutes*, because the Authority provides a medical plan to active employees of the Authority and their eligible dependents, the Authority is also required to provide retirees with the opportunity to participate in the plan. Retirees and their dependents are charged the full premium for coverage through the plan. Retiree's, retiree, and spouse's monthly premiums for the major medical plan in FY 2015 are $743 and $1,137 respectively, and $695 and $1,062 for FY 2014, respectively. The number of participating retirees in the plan for FY 2015 and FY 2014 is 29 and 27, respectively.

To be eligible to receive retiree medical benefits, participants must be eligible for normal retirement benefits under the FRS and pay the required contributions. The requirements for eligibility for benefits are age 62 with 6 years of service, or 30 years of service with no age requirement for persons hired before July 1, 2011. The requirements for eligibility for benefits are age 65 with 8 years of service, or 33 years of service with no age requirement for persons hired on or after July 1, 2011.

The benefits are provided through Cigna and provide hospital, medical and prescription coverage.

(9) Postemployment Benefits Other Than Pensions (OPEB) - Continued

(b) Funding Policy

Contribution rates for the Plan are established on an annual basis by the Board of Directors. Eligible retirees and their covered dependents receiving benefits contribute 100% of their premium cost for the plan. The postretirement hospital, medical, and prescription coverage are currently funded on a cash basis (pay-as-you-go) as benefits are paid. No assets have been segregated and restricted to provide postretirement benefits.

(c) Annual OPEB Cost and Net OPEB Obligation

The Authority's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial accrued liabilities (UAAL) over a period not to exceed 30 years.

The Authority's annual OPEB cost for fiscal years 2015 and 2014 and the related information for the plan are as follows:

	2015	2014
Annual required contribution	$ 532,335	$ 519,882
Interest on net OPEB obligation	52,511	40,132
Adjustment to annual required contribution	(79,692)	(60,610)
Annual OPEB cost	505,154	499,404
Contributions made	(196,925)	(189,921)
Increase in net OPEB obligation	308,229	309,483
Net OPEB obligation - beginning of year	1,312,772	1,003,289
Net OPEB obligation - end of year	$ 1,621,001	$ 1,312,772

The Net OPEB obligations for FY 2015 and FY 2014 are included in noncurrent liabilities on the Statements of Net Position.

(9) Postemployment Benefits Other Than Pensions (OPEB) - Continued

(c) Annual OPEB Cost and Net OPEB Obligation - Continued

The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years 2015, 2014 and 2013 are as follows:

Fiscal Year Ended		Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed		Net OPEB Obligation
September 30, 2015	$	505,154	39.0%	$	1,621,001
September 30, 2014		499,404	38.0%		1,312,772
September 30, 2013		443,505	66.2%		1,003,289

(d) Funded Status and Funding Progress

As of September 30, 2015 and 2014, actuarial accrued liability for benefits were $4,073,741 and $3,826,037, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of $4,073,741 and $3,826,037, respectively.

This actuarial valuation involves estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to constant revisions as actual experience is compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liabilities for benefits.

Calculations are based upon the types of benefits provided under the terms of the plan at the time of the valuation and on the pattern of sharing of costs between the employer and plan members to that point. Calculations reflect a long-term prospective, so methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

(e) Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Examples include assumptions made relative to rate of expected investment earnings by the fund, rates of mortality among active and retired employees, rates of termination from employment, and retirement rates. Amounts determined regarding the funded status of the Plan and the ARC by the Authority are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary

(9) Postemployment Benefits Other Than Pensions (OPEB) - Continued

(e) Actuarial Methods and Assumptions - Continued

information provides multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the AAL for benefits.

Projection of benefits is based on the substantive plan (the Plan as understood by the employer and plan members) and includes the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the Authority and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in AALs and the actuarial value of assets. The actuarial cost method used on the valuation to determine the AAL and ARC was the unit credit actuarial cost (unit credit) method. Amortization of the UAAL is based on the level dollar method (closed amortization over 30 years).

In the current valuation, the actuarial assumptions used for the calculation of costs and liabilities include a discount rate of 4% per annum compounded annually for 2015 and 2014, preretirement and postretirement mortality rates using the Sex-Distinct RP-2000 Generational Mortality Table and withdrawal rates, retirement rates, disability rates, marriage assumption, participation, retiree claim costs, and administrative costs included in claims. The health care trend used for determining the cost of future benefits for fiscal year 2015 and 2014 was 6.5% and 7.5%, respectively.

(10) Commitments and Contingencies

(a) Grant Expenditures Subject to Audit

The Authority receives funding through capital grants and operating assistance grants from the FTA and from FDOT. Expenditures financed by capital and operating assistance grants are subject to audit and acceptance by the granting agency. Any disallowed expenditure may need to be repaid to the granting agency; however, it is management’s opinion that no material liabilities will result from any such audits.

(b) Litigation

The Authority is a defendant in various lawsuits occurring in the normal course of business. The Authority continues to vigorously contest these claims. Management has recorded the estimated liability associated with these claims, and believes the actual settlement of these claims will not have a material adverse effect on the financial condition of the Authority.

(c) Fuel Contract Commitment

The Authority periodically enters into fuel purchase contracts to help mitigate against the possibility of fluctuating fuel prices throughout the year. At September 30, 2015, the Authority has committed to buy approximately $3.4 million in fuel over the next fiscal year.

(10) Commitments and Contingencies - Continued

(d) Construction and Service Contract Commitments

The Authority has active construction projects as of September 30, 2015. The major projects and contracts include; Scherer Drive concrete replacement and purchase of buses.

Project / Contracts	Committed to Date	Remaining Commitment
ADA Landing Pads	$ 1,131,424	$ 200,000
Bus Shelters	347,996	934,654
Service Lane Infrastructure	6,000	239,000
Regional Farebox	188,756	954,880
Clever Works	-	292,431
Purchase of Support Vehicles	757,814	15,053
Total	$ 2,431,990	$ 2,636,018

SECTION III

REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)

Required Supplementary Information

Schedule of Funding Progress - Other Postemployment Benefits

September 30, 2015 and 2014
(Unaudited)

The schedule of funding progress for the last three years is as follows:

Actuarial Valuation Date	Applicable for Fiscal Year Ending	Actuarial Value of Assets (a)	AAL (b)	UAAL (b-a)	Funded Ratio (a/b)	Estimated Covered (c)	UAAL as Percentage of Covered Payroll ([b-a]/c)
October 1, 2013	September 30, 2015	$ -	$ 4,073,741	$ 4,073,741	0%	N/A	N/A
October 1, 2013	September 30, 2014	-	3,826,037	3,826,037	0%	N/A	N/A
October 1, 2012	September 30, 2013	-	3,331,131	3,331,131	0%	N/A	N/A

Required Supplementary Information

Schedule of the Authority's Proportionate Share of the Net Pension Liability

September 30, 2015 and 2014
(Unaudited)

Florida Retirement System Pension Plan **Last Ten Fiscal Years***	**2015**	**2014**
Authority's Proportion of the Net Pension Liability	0.066955424%	0.065424235%
Authority's Proportionate Share of the Net Pension Liability	$ 8,648,191	$ 3,991,840
Authority's Covered-Employee Payroll	$ 27,219,378	$ 23,676,900
Authority's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll	31.77%	16.86%
Plan Fiduciary Net Position as a Percentage of the total Pension Liability	92.00%	96.09%

*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 Authority will present information for only those years for which information is available.

Retiree Health Insurance Subsidy Program **Last Ten Fiscal Years***	**2015**	**2014**
Authority's Proportion of the Net Pension Liability	0.090450945%	0.088831612%
Authority's Proportionate Share of the Net Pension Liability	$ 9,224,574	$ 8,305,972
Authority's Covered-Employee Payroll	$ 27,438,151	$ 26,777,717
Authority's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll	33.62%	31.02%
Plan Fiduciary Net Position as a Percentage of the total Pension Liability	0.50%	0.99%

*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 Authority will present information for only those years for which information is available.

Required Supplementary Information

Schedule of Contributions – Pension Plans

September 30, 2015 and 2014
(Unaudited)

Florida Retirement System Pension Plan Last Ten Fiscal Years*	2015	2014
Contractually Required Contribution	$ 1,607,344	$ 1,505,550
Contributions in Relation to the Contractually Required Contribution	(1,607,344)	(1,505,550)
Contribution Deficiency (Excess)	$ -	$ -
Authority's Covered-Employee Payroll	$ 24,193,760	$ 23,676,900
Contributions as a Percentage of Covered Employee Payroll	6.64%	6.36%

*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 Authority will present information for only those years for which information is available.

Retiree Health Insurance Subsidy Program Last Ten Fiscal Years*	2015	2014
Contractually Required Contribution	$ 376,752	$ 325,698
Contributions in Relation to the Contractually Required Contribution	(376,752)	(325,698)
Contribution Deficiency (Excess)	$ -	$ -
Authority's Covered-Employee Payroll	$ 27,229,593	$ 26,777,717
Contributions as a Percentage of Covered Employee Payroll	1.38%	1.22%

*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 Authority will present information for only those years for which information is available.

SECTION IV

STATISTICAL SECTION
(UNAUDITED)

STATISTICAL SECTION
(UNAUDITED)

This part of the Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Authority's overall financial health.

CONTENTS

STATISTICAL SECTION (UNAUDITED)

Financial Trends

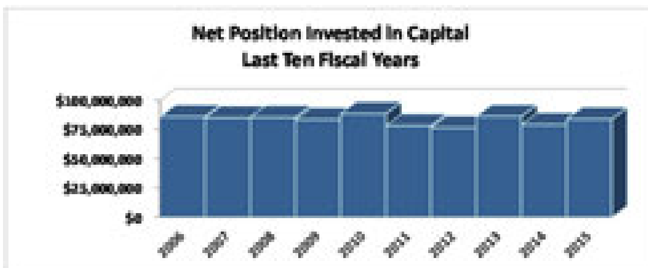
- Net Position by Components (FY 2006 - FY 2015)
- Changes in Net Position (FY 2006 - FY 2015)
- Revenues by Function/Program (FY 2006 - FY 2015)
- Expenses by Function/Program (FY 2006 - FY 2015)
- Property Tax Revenue by Year (FY 2006 - FY 2015)

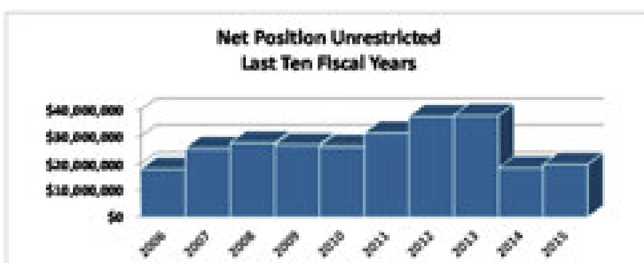
Net Position by Components
Last Ten Fiscal Years

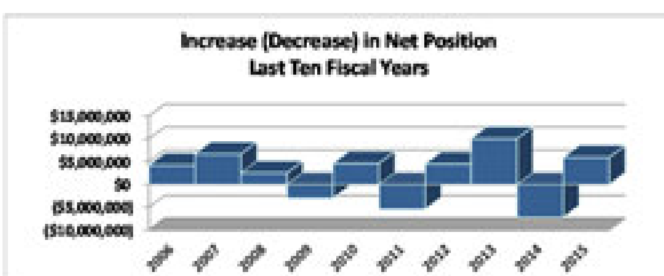
Fiscal Years 2006 - 2015

	Fiscal Year				
	2006	2007	2008	2009	2010
Business Type Activities					
Invested in capital assets	$ 85,860,203	$ 85,020,852	$ 85,356,072	$ 83,476,413	$ 88,538,927
Restricted	-	-	226,249	-	-
Unrestricted	18,046,493	25,587,264	27,549,762	26,833,931	26,396,501
Total net position	$ 103,906,696	$ 110,608,116	$ 113,132,083	$ 110,310,344	$ 114,935,428

	Fiscal Year				
	2011	2012	2013	2014	2015
Business Type Activities					
Invested in capital assets	$ 78,170,420	$ 76,411,608	$ 86,156,611	$ 79,199,247	$ 83,810,021
Restricted	26,619	51,229	61,972	74,992	13,020
Unrestricted	31,318,850	37,554,309	37,862,802	18,489,859	19,865,822
Total net position	$ 109,515,889	$ 114,017,146	$ 124,081,385	$ 97,764,098	$ 103,688,863







Note: The statistical section contains "Unaudited" data.

Changes in Net Position
Last Ten Fiscal Years

Fiscal Years 2006 – 2015

	Fiscal Year				
	2006	2007	2008	2009	2010
Operating revenues:					
Passenger fares	$ 9,045,137	$ 10,717,941	$ 11,298,758	$ 11,500,513	$ 10,850,676 (1)
Demand response	640,620 (1)	768,618 (1)	700,380 (1)	802,546 (1)	906,548 (1)
Advertising revenue	167,780 (1)	116,467 (1)	132,634 (1)	163,586 (1)	247,725 (1)
Total operating revenues	9,853,537	11,603,026	12,131,772	12,466,645	12,004,949
Operating expenses:					
Operations	26,221,417	27,549,595	30,562,932	32,628,559	30,500,001
Purchased Transportation	5,044,897 (1)	5,375,963 (1)	5,039,226 (1)	4,969,031 (1)	5,917,169 (1)
Maintenance	6,768,943	7,764,003	7,011,017	6,817,534	6,791,680
Administration and finance	11,243,446	10,992,624	11,283,296	10,248,034	10,980,462
Marketing	1,792,109	2,111,843	2,123,776	1,796,891	1,750,723
Total operating expenses , before depreciation	51,070,812	53,794,028	56,020,247	56,460,049	55,940,035
Operating loss before depreciation	(41,217,275)	(42,191,002)	(43,888,475)	(43,993,404)	(43,935,086)
Depreciation	6,817,959	9,381,743	9,630,848	8,666,368	7,366,225
Operating loss	(48,035,234)	(51,572,745)	(53,519,323)	(52,659,772)	(51,301,311)
Nonoperating revenues:					
Federal maintenance assistance	1,021,168	1,244,902	1,067,390	1,414,206	2,033,508
State operating assistance	3,293,872	3,358,203	3,320,386	3,340,209	3,521,850
Other federal grants	276,915	254,840	80,000	1,423,661	5,835,531
Special project assistance - state grants	794,617	1,076,945	994,792	912,185	469,226
Special project assistance - local grants	435,000	517,809	559,288	533,329	631,817
Property tax revenues, net	32,964,068	37,972,265	37,231,077	34,156,128	29,893,863
Investment income	1,412,255	1,874,079	1,059,625	419,287	271,233
Fuel tax refunds	504,961	562,156	600,775	595,739	580,860
Other, net	(112,258)	2,233,028	262,767	52,950	104,946
Total nonoperating revenues	40,590,598	49,094,227	45,176,100	42,847,694	43,342,834
(Loss) income before capital grants and special item	(7,444,636)	(2,478,518)	(8,343,223)	(9,812,078)	(7,958,477)
Capital grants	15,400,163	9,179,938	10,867,190	6,990,339	12,583,561
Contributed capital - local government	-	-	-	-	
Special items - loss on sale of facilities and abandonment of software package	(3,719,636)	-	-	-	-
Increase (decrease) in net position	4,235,891	6,701,420	2,523,967	(2,821,739)	4,625,084
Net position, beginning of year	99,670,805	103,906,696	110,608,116	113,132,083	110,310,344
Net position, end of year	$ 103,906,696	$ 110,608,116	$ 113,132,083	$ 110,310,344	$ 114,935,428

(1) This has been reclassified to conform to current year's classifications.

Note: The statistical section contains "Unaudited" data.

Changes in Net Position
Last Ten Fiscal Years

Fiscal Years 2006 – 2015

	Fiscal Year								
	2011		2012		2013		2014		2015
Operating revenues:									
Passenger fares	$ 12,788,411	(1)	$ 14,279,728	(1)	$ 14,098,511	(1)	$ 13,585,399		$ 12,194,799
Demand response	1,032,194	(1)	1,056,808	(1)	1,098,822	(1)	1,079,160	(1)	1,143,997
Advertising revenue	395,847	(1)	439,557	(1)	417,851	(1)	248,224		485,359
Total operating revenues	14,216,452		15,776,093		15,615,184		14,912,783		13,824,155
Operating expenses:									
Operations	30,351,762		32,524,451		33,907,097		33,663,536		34,879,734
Purchased Transportation	6,421,346	(1)	5,854,472	(1)	6,556,558	(1)	6,846,800	(1)	7,444,573
Maintenance	7,604,823		7,256,709		8,172,956		8,374,708		8,902,528
Administration and finance	10,243,021		9,333,777		9,762,130		10,767,137		11,465,894
Marketing	1,826,406		1,702,420		2,202,059		2,591,069		708,839
Total operating expenses , before depreciation	56,447,358		56,671,829		60,600,800		62,243,250		63,401,568
Operating loss before depreciation	(42,230,906)		(40,895,736)		(44,985,616)		(47,330,467)		(49,577,413)
Depreciation	8,156,263		7,694,806		8,487,063		9,723,423		10,436,619
Operating loss	(50,387,169)		(48,590,542)		(53,472,679)		(57,053,890)		(60,014,032)
Nonoperating revenues:									
Federal maintenance assistance	2,453,338		2,538,836		1,998,328		2,031,632		2,507,540
State operating assistance	3,567,209		3,847,388		3,917,007		4,015,888		4,086,490
Other federal grants	5,898,891		6,591,806		5,236,886		4,734,082		3,887,276
Special project assistance - state grants	777,813		1,124,795		3,004,543		2,994,467		3,169,227
Special project assistance - local grants	638,668		672,877		767,849		833,222		873,441
Property tax revenues, net	26,868,560		33,009,275		32,282,955		33,365,462		35,592,336
Investment income	127,470		221,905		146,824		55,618		193,039
Fuel tax refunds	560,059		610,910		610,172		613,721		649,202
Other, net	155,824		130,357		16,544		67,955		(14,055)
Total nonoperating revenues	41,047,832		48,748,149		47,981,108		48,712,047		50,944,496
(Loss) income before capital grants and special item	(9,339,337)		157,607		(5,491,571)		(8,341,843)		(9,069,536)
Capital grants	3,919,798		4,343,650		15,555,810		1,052,867		14,994,301
Contributed capital - local government	-		-		-		100,000		-
Special items - loss on sale of facilities and abandonment of software package	-		-		-		-		-
Increase (decrease) in net position	(5,419,539)		4,501,257		10,064,239		(7,188,976)		5,924,765
Net position, beginning of year	114,935,428		109,515,889		114,017,146		104,953,074	(2)	97,764,098
Net position, end of year	$ 109,515,889		$ 114,017,146		$ 124,081,385		$ 97,764,098		$ 103,688,863

(1) This has been reclassified to conform to current year's classifications.
(2) This has been restated to conform to GASB Statements 68 and 71

Note: The statistical section contains "Unaudited" data.

Revenues by Function/Program
Last Ten Fiscal Years

Fiscal Years 2006 - 2015

	Fiscal Year 2006		2007		2008		2009		2010	
Operating revenues:										
Passenger fares	$ 9,045,137		$ 10,717,941		$ 11,298,758		$ 11,500,513		$ 10,850,676	
Demand response	640,620	(1)	768,618	(1)	700,380	(1)	802,546	(1)	906,548	(1)
Advertising revenue	167,780		116,467		132,634		163,586		247,725	
Total operating revenues	9,853,537		11,603,026		12,131,772		12,466,645		12,004,949	
Nonoperating revenues:										
Federal maintenance assistance	1,021,168		1,244,902		1,067,390		1,414,206		2,033,508	
State operating assistance	3,293,872		3,358,203		3,320,386		3,340,209		3,521,850	
Other federal grants	276,915		254,840		80,000		1,423,661		5,835,531	
Special project assistance - state grants	794,617		1,076,945		994,792		912,185		469,226	
Special project assistance - local grants	435,000		517,809		559,288		533,329		631,817	
Property tax revenues, net	32,964,068		37,972,265		37,231,077		34,156,128		29,893,863	
Investment income	1,412,255		1,874,079		1,059,625		419,287		271,233	
Fuel tax refunds	504,961		562,156		600,775		595,739		580,860	
Other, net	(112,258)		2,233,028		262,767		52,950		104,946	
Total nonoperating revenues	40,590,598		49,094,227		45,176,100		42,847,694		43,342,834	
Capital grants	15,400,163		9,179,938		10,867,190		6,990,339		12,583,561	
Contributed capital - local government	-		-		-		-		-	
Special items - loss on sale of facilities and abandonment of software package	(3,719,636)		-		-		-		-	
Total all revenues	$ 62,124,662		$ 69,877,191		$ 68,175,062		$ 62,304,678		$ 67,931,344	

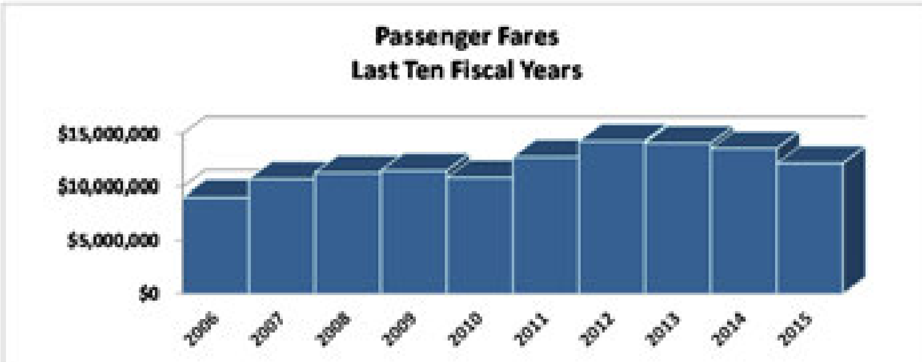
	Fiscal Year 2011		2012		2013		2014		2015
Operating revenues:									
Passenger fares	$ 12,788,411		$ 14,279,728		$ 14,098,511		$ 13,585,399		$ 12,194,799
Demand response	1,032,194	(1)	1,056,808	(1)	1,098,822	(1)	1,079,160	(1)	1,143,997
Advertising revenue	395,847		439,557		417,851		248,224		485,359
Total operating revenues	14,216,452		15,776,093		15,615,184		14,912,783		13,824,155
Nonoperating revenues:									
Federal maintenance assistance	2,453,338		2,538,836		1,998,328		2,031,632		2,507,540
State operating assistance	3,567,209		3,847,388		3,917,007		4,015,888		4,086,490
Other federal grants	5,898,891		6,591,806		5,236,886		4,734,082		3,887,276
Special project assistance - state grants	777,813		1,124,795		3,004,543		2,994,467		3,169,227
Special project assistance - local grants	638,668		672,877		767,849		833,222		873,441
Property tax revenues, net	26,868,560		33,009,275		32,282,955		33,365,462		35,592,336
Investment income	127,470		221,905		146,824		55,618		193,039
Fuel tax refunds	560,059		610,910		610,172		613,721		649,202
Other, net	155,824		130,357		16,544		67,955		(14,055)
Total nonoperating revenues	41,047,832		48,748,149		47,981,108		48,712,047		50,944,496
Capital grants	3,919,798		4,343,650		15,555,810		1,052,867		14,994,301
Contributed capital - local government	-		-		-		100,000		-
Special items - loss on sale of facilities and abandonment of software package	-		-		-		-		-
Total all revenues	$ 59,184,082		$ 68,867,892		$ 79,152,102		$ 64,777,697		$ 79,762,952

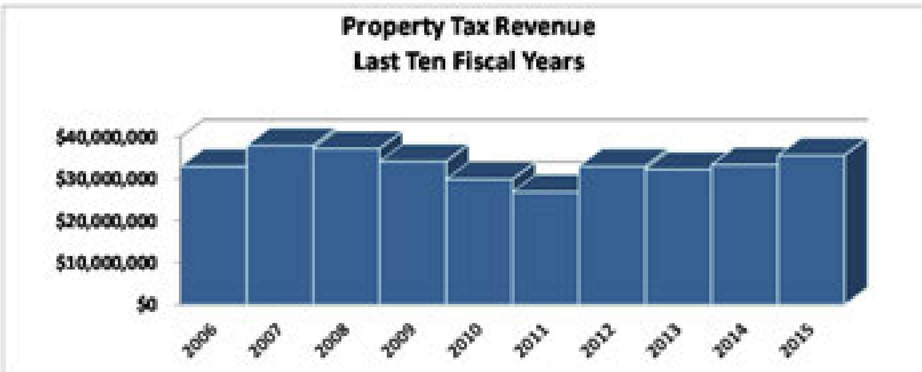
(1) This has been reclassified to conform to current year's classifications.

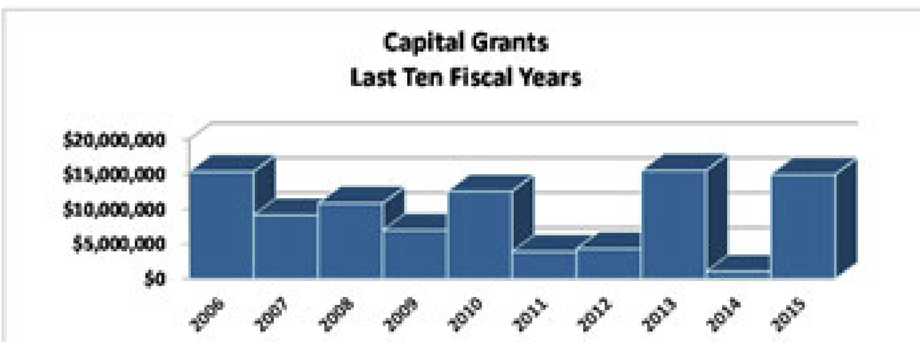
Note: The statistical section contains "Unaudited" data.

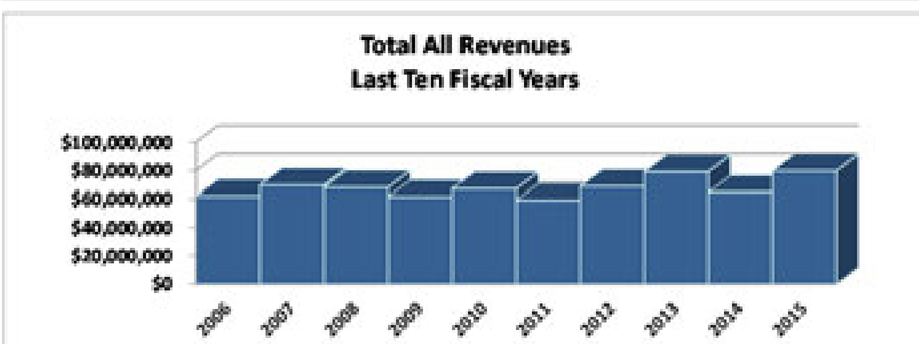
Revenues by Function/Program
Last Ten Fiscal Years

Fiscal Years 2006 - 2015









Note: The statistical section contains "Unaudited" data.

Expenses by Function/Program
Last Ten Fiscal Years

Fiscal Years 2006 - 2015

	Fiscal Year 2006		2007		2008		2009		2010	
Operating expenses:										
Operations	$ 26,221,417		$ 27,549,595		$ 30,562,932		$ 32,628,559		$ 30,500,001	
Purchased Transportation	5,044,897	(1)	5,375,963	(1)	5,039,226	(1)	4,969,031	(1)	5,917,169	(1)
Maintenance	6,768,943		7,764,003		7,011,017		6,817,534		6,791,680	
Administration and finance	11,243,446		10,992,624		11,283,296		10,248,034		10,980,462	
Marketing	1,792,109		2,111,843		2,123,776		1,796,891		1,750,723	
Total operating expenses , before depreciation	51,070,812		53,794,028		56,020,247		56,460,049		55,940,035	
Depreciation	6,817,959		9,381,743		9,630,848		8,666,368		7,366,225	
Special items - loss on sale of facilities and abandonment of software package	3,719,636		-		-		-		-	
Total all expenses	$ 61,608,407		$ 63,175,771		$ 65,651,095		$ 65,126,417		$ 63,306,260	

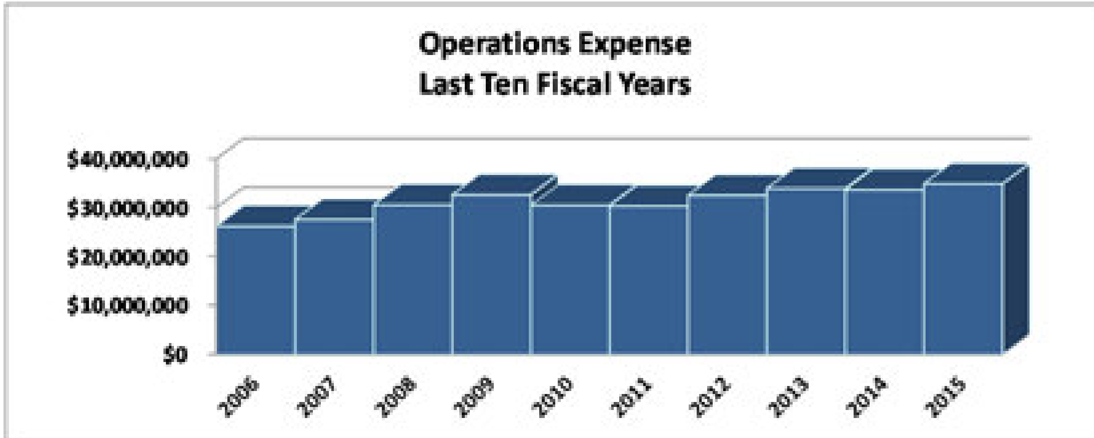
	Fiscal Year 2011		2012		2013		2014		2015
Operating expenses:									
Operations	$ 30,351,762		$ 32,524,451		$ 33,907,097		33,663,536		34,879,734
Purchased Transportation	6,421,346	(1)	5,854,472	(1)	6,556,558	(1)	6,846,800	(1)	7,444,573
Maintenance	7,604,823		7,256,709		8,172,956		8,374,708		8,902,528
Administration and finance	10,243,021		9,333,777		9,762,130		10,767,137		11,465,894
Marketing	1,826,406		1,702,420		2,202,059		2,591,069		708,839
Total operating expenses , before depreciation	56,447,358		56,671,829		60,600,800		62,243,250		63,401,568
Depreciation	8,156,263		7,694,806		8,487,063		9,723,423		10,436,619
Special items - loss on sale of facilities and abandonment of software package	-		-		-		-		-
Total all expenses	$ 64,603,621		$ 64,366,635		$ 69,087,863		$ 71,966,673		$ 73,838,187

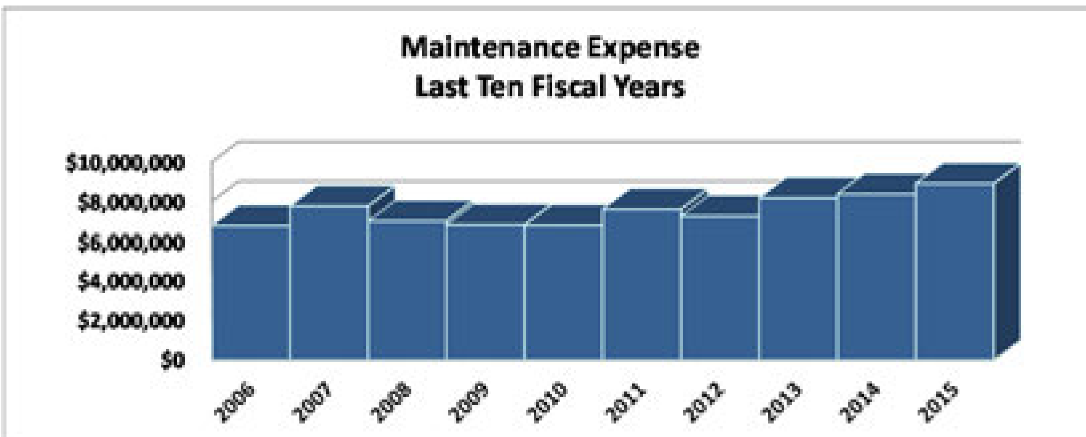
(1) This has been reclassified to conform to current year's classifications.

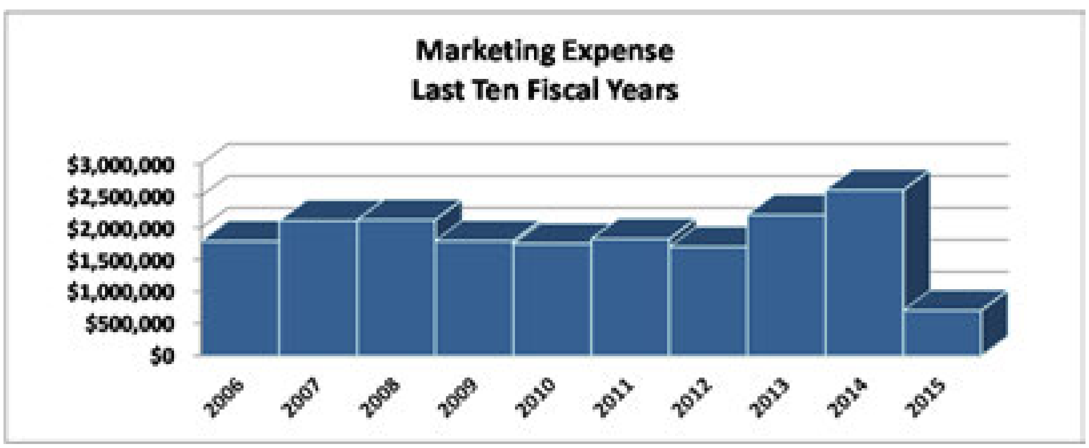
Note: The statistical section contains "Unaudited" data.

Expenses by Function/Program
Last Ten Fiscal Years

Fiscal Years 2006 - 2015



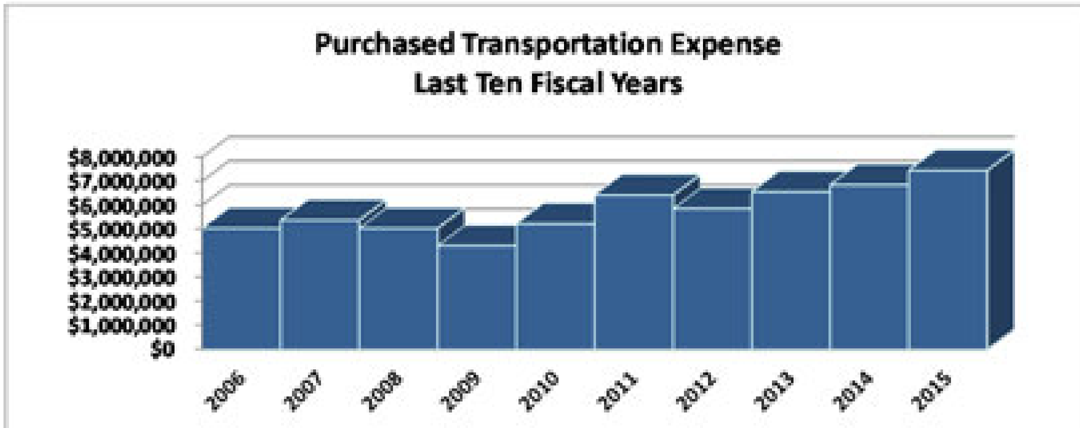


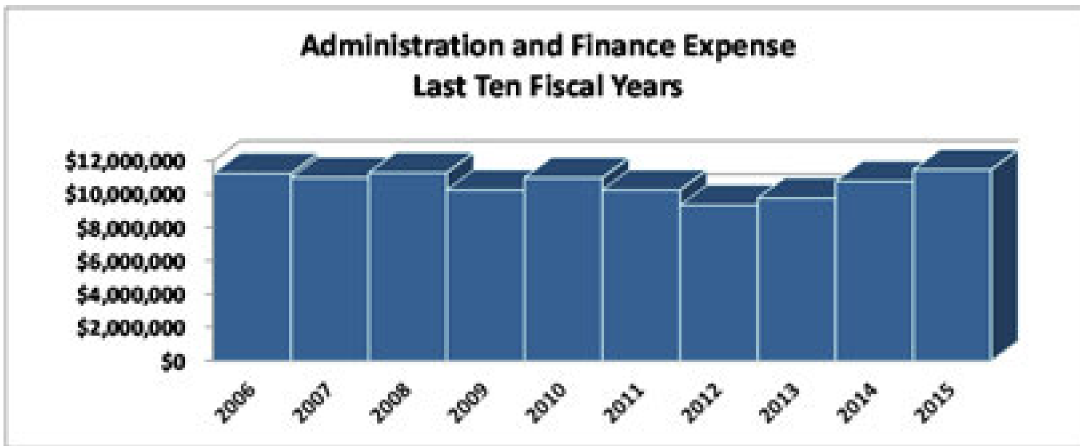


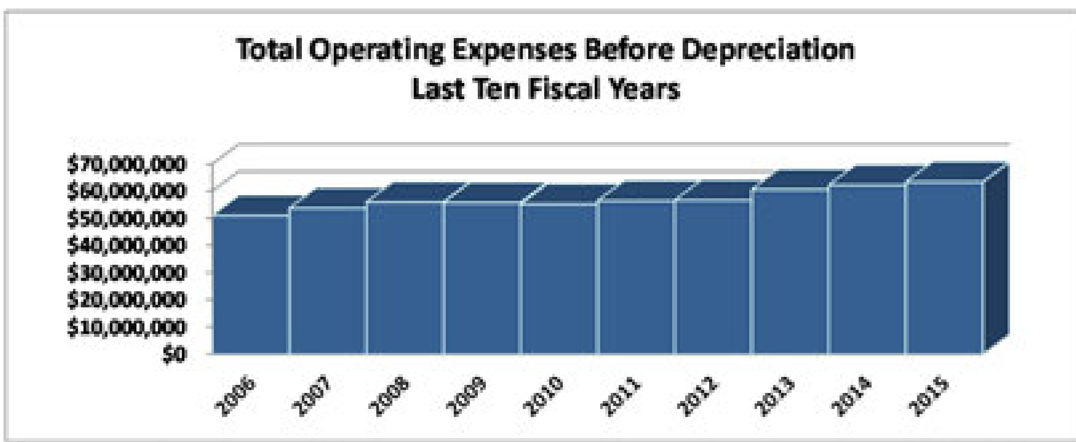
Note: The statistical section contains "Unaudited" data.

Expenses by Function/Program
Last Ten Fiscal Years

Fiscal Years 2006 - 2015







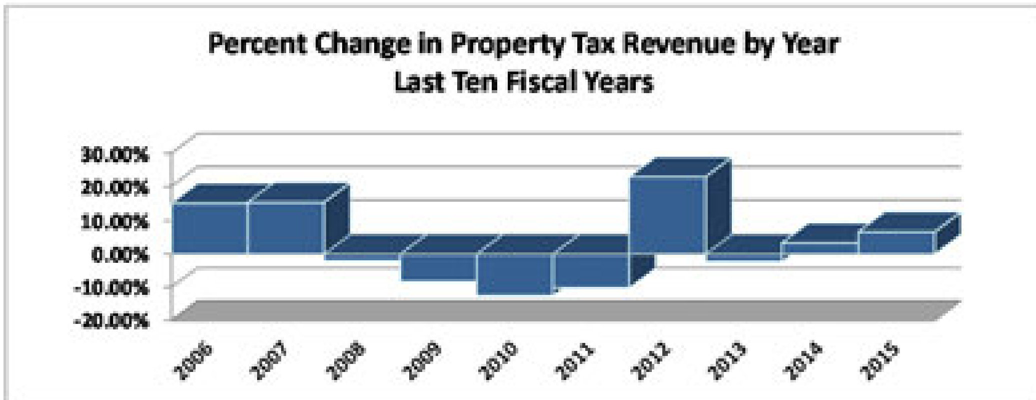
Note: The statistical section contains "Unaudited" data.

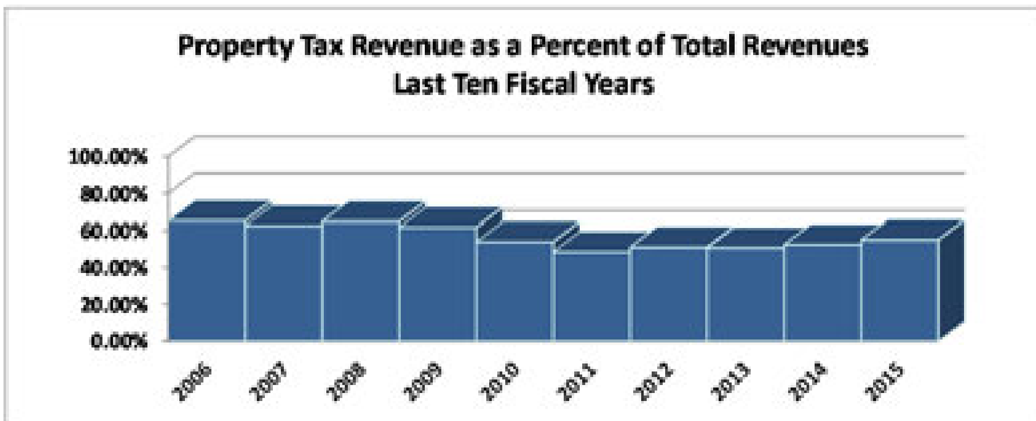
Property Tax Revenue by Year
Last Ten Fiscal Years

Fiscal Years 2006 - 2015

Fiscal Year	Property Tax Dollars	Percent Change	Total Revenues *	Percent of Total	Millage Rate
2006	32,964,068	14.90%	50,444,135	65.35%	0.6377
2007	37,972,265	15.19%	60,697,253	62.56%	0.6074
2008	37,231,077	-1.95%	57,307,872	64.97%	0.5601
2009	34,156,128	-8.26%	55,314,339	61.75%	0.5601
2010	29,893,863	-12.48%	55,347,783	54.01%	0.5601
2011	26,868,560	-10.12%	55,264,284	48.62%	0.5601
2012	33,009,275	22.85%	64,524,242	51.16%	0.7305
2013	32,282,955	-2.20%	63,596,292	50.76%	0.7305
2014	33,365,462	3.35%	63,624,830	52.44%	0.7305
2015	35,592,336	6.67%	64,768,651	54.95%	0.7305

* excludes capital grants and special items.





Note: The statistical section contains “Unaudited” data.

STATISTICAL SECTION (UNAUDITED)

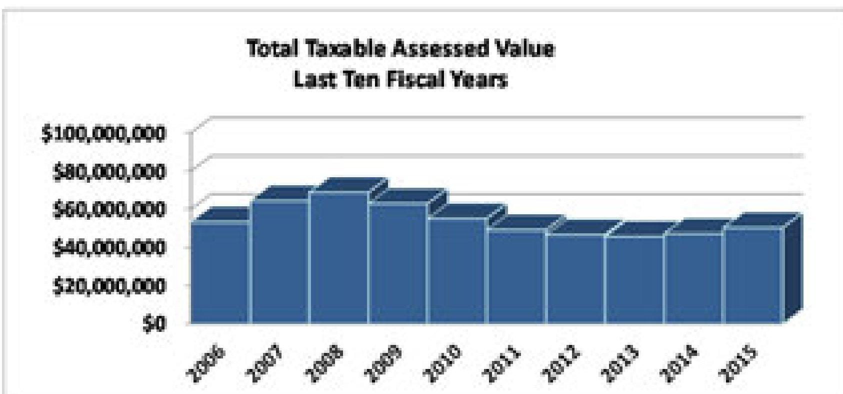
Revenue Capacity

- Taxable Assessed Value and Estimated Actual Value of Taxable Property (FY 2006 - FY 2015)
- Direct and Overlapping Property Tax Rates (FY 2006 - FY 2015)
- Principal Property Tax Payers (FY 2006 - FY 2015)
- Property Tax Levies and Collections (FY 2006 - FY 2015)
- Farebox Recovery Percentage (FY 2006 - FY 2015)

Taxable Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Dollars in Thousands)

Fiscal Years 2006 - 2015

	Estimated Actual Value (a)				
Fiscal Year	Real Property	Centrally Assessed Property (b)	Exemptions (c)	Total Taxable Assessed Value	Total Direct Tax Rate (d)
2006	$ 80,885,566	$ 5,373	$ 27,544,028	$ 53,346,911	0.6377
2007	101,664,370	5,344	37,134,829	64,534,885	0.6074
2008	105,695,883	10,858	36,836,404	68,870,337	0.5601
2009	95,175,252	5,564	32,217,853	62,962,963	0.5601
2010	82,584,246	5,928	27,504,794	55,085,380	0.5601
2011	71,085,388	5,421	21,948,052	49,142,757	0.5601
2012	67,013,602	6,100	20,353,324	46,666,378	0.7305
2013	64,892,654	6,150	19,197,776	45,701,028	0.7305
2014	67,950,230	6,263	20,785,617	47,170,876	0.7305
2015	75,375,232	6,506	25,059,878	50,321,860	0.7305



Source: Pinellas County Property Appraiser's Forms DR-403CC, DR-403V, DR-403AM and DR-403AC.

(a) Section 192.001(2), Florida Statutes, defines assessed value of property as "an annual determination of the just or fair market of item or property…." Therefore, grossed assessed value is "Estimated Actual Value." Assessed value is estimated and adjusted annually with a physical inspection every third year.

(b) Centrally assessed property is property that is assessed by the State of Florida rather than by the Property Appraiser since the property is located in more than one county. Real Property only included.

(c) Exemptions are provided for agricultural, government, institutional and historic preservation property. Exemptions available solely to residential property include, but are not limited to, widows/widowers, disabled/blind, $50,000 homestead and homestead differential (capped).

(d) Total Direct Rate is the average of the direct rates levied (taxes levied to total taxable value). PSTA levies taxes only on real property within the PSTA's geographic area.

Note: The statistical section contains "Unaudited" data.

.Direct and Overlapping Property Tax Rates (a)
Last Ten Fiscal Years
(In Mills, Per $1,000 of Assessed Value)

Fiscal Years 2006 - 2015

	Direct Rates			Overlapping Rates (b)					
								Municipalities	
Fiscal Year	Basic Rate	Total Direct Rate	PSTA Maximum Allowed Rate	County Board Rate	School Board Rate	Emergency Medical Service	Others District Rate (c)	Lowest	Highest
2006	0.6377	0.6377	0.7500	6.1410	8.3900	0.6600	1.6555	1.0000	6.9500
2007	0.6074	0.6074	0.7500	5.4700	8.2100	0.6300	1.6378	0.8252	6.6000
2008	0.5601	0.5601	0.7500	4.8730	7.7310	0.5832	1.5121	0.7511	5.9125
2009	0.5601	0.5601	0.7500	4.8730	8.0610	0.5832	1.5551	0.7511	5.9125
2010	0.5601	0.5601	0.7500	4.8730	8.3460	0.5832	1.5106	0.7511	5.9125
2011	0.5601	0.5601	0.7500	4.8730	8.3400	0.5832	1.4410	0.7511	5.9125
2012	0.7305	0.7305	0.7500	4.8730	8.3850	0.8506	1.2390	0.7511	5.9125
2013	0.7305	0.7305	0.7500	5.0727	8.3020	0.9158	1.3034	0.7511	6.7742
2014	0.7305	0.7305	0.7500	5.2755	8.0600	0.9158	1.2959	0.7511	6.7700
2015	0.7305	0.7305	0.7500	5.2755	7.8410	0.9158	1.2799	0.7511	6.7700

Source: Pinellas County Tax Collector

(a) Direct rates support the advalorem revenue base recognized by PSTA.

(b) Overlapping rates are those rates levied by other local governments who overlap PSTA's geographic area.

(c) Other Districts includes Pinellas County Planning Council 0.016; Juvenile Welfare Board 0.8981;
SW Florida Water Management District 0.3658.

Note: The statistical section contains "Unaudited" data.

Principal Property Tax Payers
Fiscal Year 2013 and Nine Years Ago

Fiscal Years 2006 - 2015

		2015		2006	
Taxpayer	Business	Taxable Assessed Value	Percentage of Total PSTA Taxable Assessed Value	Taxable Assessed Value	Percentage of Total PSTA Taxable Assessed Value
Bellwether Properties, Inc.	Real Estate	$ 142,630,438	0.28%	*	*
De Bartolo Capital PTNSHP	Retail Mall	121,950,000	0.24%	*	*
Wal-Mart Stores East, Inc.	Retail Stores	100,221,222	0.20%	*	*
Publix Super Markets, Inc.	Grocery	92,205,763	0.18%	*	*
Raymond James & Associates, Inc.	Financial Services	83,319,537	0.17%	*	*
Duke Energy Florida Inc.	Electric Utility	80,682,039	0.16%	*	*
Bayfront HMA Medical Center LLC	Medical Facilities	72,917,760	0.14%	*	*
USA Fed Natl Mtg Assn	Mortgage Lender	64,021,021	0.13%	*	*
301 South Gulfview LLC	Real Estate	62,540,609	0.12%		
Pinellas County (leased real estate)	Commercial Uses	55,205,583	0.11%	*	*
		$ 875,693,972	1.74%	*	*
Total Taxable Assessed Value		$ 50,321,860,384		*	

Source: Pinellas County Property Appraiser

Methodology: Top ten taxpayers identified for Real Property only.

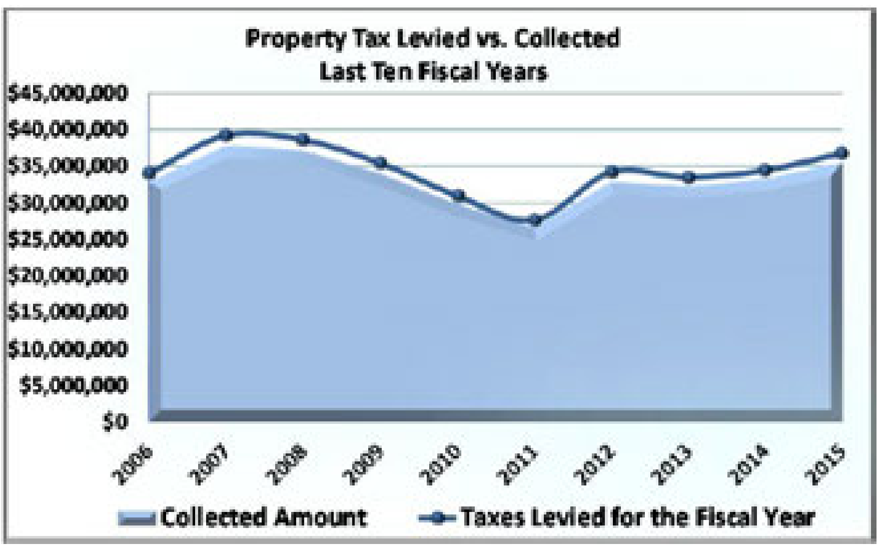
* 2006 data is not available.

Note: The statistical section contains "Unaudited" data.

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Years 2006 - 2015

Fiscal Year	Taxes Levied for the Fiscal Year (b)	Collected Within the Fiscal Year of Levy (a) Collected Amount	Collected Within the Fiscal Year of Levy (a) Percentage of Levy	Collections in Subsequent Years (c)	Total Collections to Date Amount	Total Collections to Date Percentage of Levy
2006	$ 34,028,705	$ 32,869,517	96.59%	$ 83,312	$ 32,952,829	96.84%
2007	39,214,037	37,888,953	96.62%	56,874	37,945,827	96.77%
2008	38,595,686	37,174,203	96.32%	100,533	37,274,736	96.58%
2009	35,427,486	34,055,595	96.13%	58,657	34,114,252	96.29%
2010	30,966,619	29,835,206	96.35%	285,698	30,120,904	97.27%
2011	27,609,711	26,582,862	96.28%	84,751	26,667,613	96.59%
2012	34,182,509	32,924,524	96.32%	64,634	32,989,158	96.51%
2013	33,455,349	32,218,321	96.30%	52,495	32,270,816	96.46%
2014	34,458,263	33,312,967	96.68%	33,011	33,345,979	96.77%
2015	36,760,049	35,559,325	96.73%	-	35,559,325	96.73%



Source: Pinellas County Tax Collector's Form DR-502.

(a) Section 197.162, Florida Statutes, provide a 1% per month discount up Yes
November and February. Taxes collected after July 1st are categorized as delinquent.

(b) This is the revenue to be generated based on PSTA's direct rates; see page 73.

(c) All delinquent tax collections received during the year are applied to Collections Amount the year prior to collection, regardless of the year in which the taxes were originally levied. Therefore this may result in the Percentage of Levy in Total Collections to be greater than 100%.

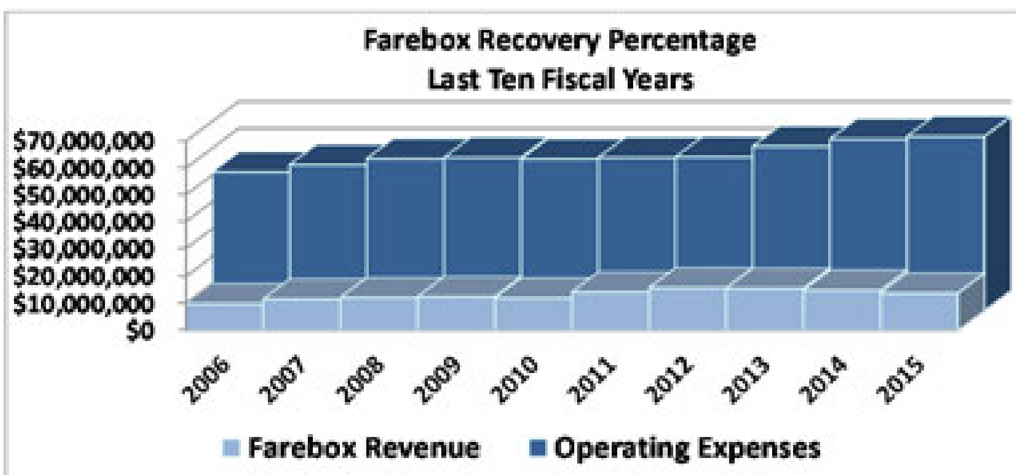
Delinquent taxes by levy year are not available.

Note: The statistical section contains "Unaudited" data.

Farebox Recovery Percentage
Last Ten Fiscal Years

Fiscal Years 2006 - 2015

Fiscal Year	Farebox Revenue	Percent Change	Operating Expenses (a)	Percent Change	Farebox Recovery
2006	$ 9,853,537	17.48%	$ 51,070,812	20.33%	19.29%
2007	11,603,026	17.75%	53,794,028	5.33%	21.57%
2008	12,131,772	4.56%	56,020,247	4.14%	21.66%
2009	12,466,645	2.76%	56,460,049	0.79%	22.08%
2010	12,004,949	-3.70%	55,940,035	-0.92%	21.46%
2011	14,216,452	18.42%	56,447,358	0.91%	25.19%
2012	15,776,093	10.97%	56,671,829	0.40%	27.84%
2013	15,615,184	-1.02%	60,600,800	6.93%	25.77%
2014	14,912,783	-4.50%	62,243,250	2.71%	23.96%
2015	13,824,155	-7.30%	63,401,568	1.86%	21.80%



(a) Excludes depreciation.

Note: The statistical section contains "Unaudited" data.

STATISTICAL SECTION (UNAUDITED)

Demographic and Economic Information

- Demographics, Population and Economic Statistics (FY 2006 - FY 2015)
- Principal Employers (FY 2006 - FY 2015)

Demographics, Population and Economic Statistics
Last Ten Fiscal Years

Fiscal Years 2006 - 2015

Fiscal Year	Population (a)	Personal Income (dollars in thousands) (b)	Per Capita Personal Income (b)	School Enrollment (c)	Unemployment Rate (d)
2015	944,971	N/A **(e)**	N/A **(e)**	103,779	4.7%
2014	933,258	43,082,259	45,925	104,104	6.2%
2013	926,610	42,340,365	45,574	102,672	6.7%
2012	915,680	43,784,138	47,523	122,012	8.5%
2011	918,496	41,677,239	45,428	136,396	10.3%
2010	927,994	39,598,328	43,211	130,396	11.5%
2009	931,113	37,447,664	40,912	138,167	10.6%
2008	938,461	39,951,966	43,594	129,091	6.4%
2007	944,199	40,251,093	43,817	135,242	4.0%
2006	948,102	39,415,978	42,650	136,185	3.3%

(a) Source: Bureau of Economic & Business Research, University of Florida 2006-2015. Data available at State of Florida Office of Economic and Demographic Research.

(b) Source: Bureau of Economic Analysis, U.S. Department of Commerce (2006-2014).

(c) Source: The School Board of Pinellas County.

(d) Source: U.S. Department of Labor, September annually (not seasonally adjusted).

(e) Information not available.

Note: The statistical section contains "Unaudited" data.

Principal Employers
Current Year and Nine Years Ago

Fiscal Years 2006 - 2015

	2015 (a)			2006 (a)		
Employer	**Employees**	**Rank**	**Percentage of Total County Employment**	**Employees**	**Rank**	**Percentage of Total County Employment**
The Pinellas County School Board	15,762	1	3.27%	17,658	1	3.67%
U.S. Dept. of Veteran Affairs	4,453	2	0.93%	2,759	7	0.57%
All Children's Hospital	3,200	3	0.66%	2,319	10	0.48%
City of St. Petersburg	3,101	4	0.64%	3,420	4	0.71%
St. Petersburg College	2,894	5	0.60%			
Pinellas County Sherriff Office	2,724	6	0.57%			
Raymond James Financial Inc.	2,600	7	0.54%	2,850	6	0.59%
Morton Plant Hospital	2,550	7	0.53%	2,439	8	0.51%
HSN Inc.	2,200	9	0.46%	2,439	9	
Pinellas County Board of Commissioners	2,020	10	0.42%	7,378	2	1.53%
Times Publishing Company				3,187	5	0.66%
Nielsen Media Research				3,510	3	0.73%
Total County Employment	481,385			480,647		

(a) Source: Florida Research and Economic Database and Pinellas County Department of Economic Development

Note: The statistical section contains "Unaudited" data.

STATISTICAL SECTION (UNAUDITED)

Operating Information

- ♦ Bus Service Effort and Accomplishments Per Mile (FY 2006 - FY 2015)
- ♦ Bus Service Effort and Accomplishments Per Hour (FY 2006 - FY 2015)
- ♦ Unlinked Passenger Changes (FY 2006 - FY 2015)
- ♦ Vehicles Operated in Maximum Service (FY 2006 - FY 2015)
- ♦ Number of Employees (FY 2006 - FY 2015)
- ♦ Miscellaneous Statistical Data (FY 2006 - FY 2015)

Bus Service Effort and Accomplishments Per Mile
Last Ten Fiscal Years

Fiscal Years 2006 - 2015

Fiscal Year	Revenue Vehicle Miles (a)	Percent of Change	Operating Expense (b) Per Revenue Mile	Operating Expense (b) Per Passenger Mile	Unlinked Passenger Trips Per Revenue Mile (c)
2006	8,639,667	3.44%	5.42	0.75	1.29
2007	9,027,634	4.49%	5.38	0.87	1.26
2008	9,336,502	3.42%	5.87	0.83	1.35
2009	8,762,280	-6.15%	5.87	0.83	1.36
2010	9,000,501	2.72%	5.59	0.76	1.42
2011	8,796,952	-2.26%	5.76	0.71	1.45
2012	8,877,809	0.92%	5.78	0.72	1.54
2013	9,073,836	2.21%	6.21	0.78	1.56
2014	9,176,346	1.13%	6.23	0.83	1.55
2015	9,339,357	1.78%	6.17	0.84	1.56

Source: PSTA

All bus data includes directly operated and purchased bus service.
(a) Does not include demand response.
(b) Operating expense excludes depreciation.
(c) Unlinked passenger figures count passengers each time that person boards a transit vehicle from the initial point of origin until he or she reaches a final destination.

Note: The statistical section contains "Unaudited" data.

Bus Service Effort and Accomplishments Per Hour
Last Ten Fiscal Years

Fiscal Years 2006 - 2015

Fiscal Year	Revenue Vehicle Hours (a)	Percent of Change	Operating Expense (b) Per Revenue Hour	Operating Expense (b) Per Passenger Trip	Unlinked Passenger Trips Per Revenue Hour (c)
2006	589,159	3.42%	69.32	3.67	18.91
2007	615,556	4.48%	78.92	4.26	18.53
2008	652,462	6.00%	77.42	4.00	19.33
2009	611,629	-6.26%	84.02	4.30	19.54
2010	628,430	2.75%	80.11	3.93	20.39
2011	614,318	-2.25%	82.45	3.96	20.83
2012	620,760	1.05%	82.65	3.74	22.09
2013	636,039	2.46%	85.83	3.86	22.25
2014	641,039	0.79%	89.20	4.03	22.13
2015	651,199	1.58%	88.50	3.95	22.39

Source: PSTA

All bus data includes directly operated and purchased bus service.
(a) Does not include demand response.
(b) Operating expense excludes depreciation.
(c) Unlinked Passenger figures count passengers each time that person boards a transit vehicle from the initial point of origin until he or she reaches a final destination.

Note: The statistical section contains "Unaudited" data.

Unlinked Passenger Changes
Last Ten Fiscal Years

Fiscal Years 2006 - 2015

Fiscal Year	Bus (a)	Percent of Change
2006	11,141,685	9.19%
2007	11,407,445	2.39%
2008	12,613,937	10.58%
2009	11,953,082	-5.24%
2010	12,811,835	7.18%
2011	12,798,221	-0.11%
2012	13,713,027	7.15%
2013	14,150,506	3.19%
2014	14,183,941	0.24%
2015	14,578,287	2.78%

Source: PSTA

All bus data includes directly operated and purchased bus service.
(a) Unlinked passenger figures count passengers each time that person boards a transit vehicle from the initial point of origin until he or she reaches a final destination.

Note: The statistical section contains "Unaudited" data.

Vehicles Operated in Maximum Service
Last Ten Fiscal Years

Fiscal Years 2006 - 2015

Fiscal Year	Bus (a)	Percent of Change
2006	165	8.55%
2007	175	6.06%
2008	173	-1.14%
2009	172	-0.58%
2010	167	-2.91%
2011	170	1.80%
2012	170	0.00%
2013	179	5.29%
2014	177	-1.12%
2015	185	4.52%

Source: PSTA

(a) Includes only buses in directly operated bus service.

Note: The statistical section contains "Unaudited" data.

Number of Employees
Last Ten Fiscal Years

Fiscal Years 2006 - 2015

Fiscal Year	Full-Time Equivalent	Part-Time Equivalent	Total	Percent of Change
2006	583.2	0	583.2	1.44%
2007	600.5	0	600.5	2.96%
2008	631.1	0	631.1	5.09%
2009	603.8	0	603.8	-4.32%
2010	596.5	0	596.5	-1.21%
2011	606.5	0	606.5	1.68%
2012	593.8	1	594.8	-1.93%
2013	591.0	8.5	599.5	0.79%
2014	632.4	0.5	632.9	5.57%
2015	637.5	0.5	638.0	0.81%

Source: PSTA

Note: A full-time employee is scheduled to work 260 days per year (365 minus two days off per week).
At eight hours per day, 2,080 hours are scheduled per year (including Paid Time Off).
Full time equivalent employment is calculated by dividing total labor hours by 2,080.

Note: The statistical section contains "Unaudited" data.

Miscellaneous Statistical Data
Last Ten Fiscal Years

Fiscal Years 2006 - 2015

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Population served by Bus	881,705	858,947	863,796	883,631	871,480	922,616	922,616	922,616	933,258	944,971
Size of land area served by Bus (in square miles)	226	229	230	240	238	243	243	243	243	243
Number of Bus Routes	42	45	45	38	38	37	37	40	40	40
Annual PSTA Bus Passenger Miles (in millions) (Excludes Demand Response)	54,078	55,361	60,392	61,549	66,145	71,534	67,977	67,078	65,266	67,813
Miles of Bus Route - Directional Miles	1,011.4	1,006.0	1,011.0	912.9	892.1	898.8	907.2	907.2	885.18	929.1
Average On Time Performance	94.8	93.0	86.9	89.4	91.2	90.5	90.4	82.3	83.4	80.5
Number of Bus Stop Locations	5,735	5,691	5,679	5,691	5,172	5,159	5,105	5,141	5157	4,929
Number of Bus Park and Ride Facilities	3	3	3	3	3	3	2	2	2	2
Number of Transit Centers	3	3	3	3	3	3	3	3	3	4
Number of Transfer Centers	N/A	N/A	N/A	N/A	N/A	14	14	14	14	14
Number of Passenger Shelters	565	639	671	639	712	742	707	707	707	682
No. of Buses in Active Fleet	197	208	205	195	191	191	186	194	199	210
Average Vehicle Age (in years)	4.57	4.79	4.40	4.49	4.40	5.40	6.40	7.40	6.00	7.39
Investment in Property and Equipment (in thousands)	$85,860	$85,021	$85,356	$83,476	$88,539	$78,170	$76,412	$86,157	$79,199	$83,810

Source: PSTA

N/A : Information not available.

Note: The statistical section contains "Unaudited" data.

SECTION V

REGULATORY SECTION

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

Board of Directors
Pinellas Suncoast Transit Authority
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 Pinellas Suncoast Transit Authority or PSTA (the "Authority"), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated May 26, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority'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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 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 preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Board of Directors
Pinellas Suncoast Transit Authority

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Tampa, Florida
May 26, 2016

.INDEPENDENT AUDITORS’ REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Board of Directors
Pinellas Suncoast Transit Authority
Clearwater, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited Pinellas Suncoast Transit Authority or PSTA (the “Authority”), compliance with the types of compliance requirements described in OMB Circular A-133 *Compliance Supplement* and the requirements described in the Florida Department of Financial Services *State Projects Compliance Supplement*, that could have a direct and material effect on each of the Authority’s major federal programs and state projects for the year ended September 30, 2015. The Authority’s major federal programs and state projects are identified in the summary of auditors’ results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs and state projects.

Auditors’ Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority’s major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 10.550, Rules of the Auditor General*.* Those standards, OMB Circular A-133 and Chapter 10.550 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about Authority’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state project. However, our audit does not provide a legal determination of the Authority’s compliance.

Board of Directors
Pinellas Suncoast Transit Authority

Opinion on Each Major Federal Program and State Project

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2015.

Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program or state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550 but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the result of that testing based on the requirements of OMB Circular A-133 and Chapter 10.550. Accordingly, this report is not suitable for any other purpose.

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Tampa, Florida
May 26, 2016

PINELLAS SUNCOAST TRANSIT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SEPTEMBER 30, 2015

Part I - Summary of Auditors' Results

Financial Statement Section

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified not considered to be a material weakness(es)	No
Noncompliance material to financial statements noted?	No

Federal Awards Section

Internal control over compliance:	
Material weakness identified?	No
Were significant deficiency(ies) identified not considered to be a material weakness(es)	No
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section 510 (a)	No

Identification of major federal programs:

CFDA Number	Name of Federal Program or Cluster
20.500/20.507/20.526	Federal Transit Cluster: Federal Transit – Capital Investment Grants); Federal Transit – Formula Grants (Urbanized Area Formula Program); State of Good Repair Grants; Bus and Bus Facilities Formula Program (Bus Program)

Dollar threshold used to determine Type A Federal programs	$641,673
Auditee qualified as low-risk auditee?	No

Part I - Summary of Auditors' Results (Continued)

State Financial Assistance Section

Internal control over compliance:

Material weakness(es) identified?	No
Were significant deficiency(ies) identified not considered to be a material weakness(es)	No
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with state requirements?	No

Identification of major state projects:

CFDA Number	Name of State Program or Cluster
55.010	Public Transit Block Grant Program
55.013	Transit Corridor Program
55.001	Commission for the Transportation Disadvantaged CTD (Trip) and Equipment Grant Program

Dollar threshold used to determine Type A State projects $300,000

Part II - Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements for which *Government Auditing Standards* requires reporting in a Circular A-133 audit.

None

Part III – Findings and Questioned Costs – Major Federal Projects

This section identifies the audit findings required to be reported by Section .501(a) of Circular A-133 as well as any abuse findings involving federal awards that is material to a major program.

None

Part IV - Findings and Questioned Costs – Major State Programs

This section identifies the audit findings required to be reported under rule 10.554(1)(I)4, Rules of the Auditor General.

None

Part V – Other Matters

None

Prior Year Findings and Questioned Costs

Federal Program Information

U.S. Department of Homeland Security (DHS)
CFDA 97.075 Transit Security Grant Program
Federal Award Number: EMW-2011-RA-T0-00090
Contract Year: FY 2014

Context and Condition
Pursuant to correspondence from FEMA dated August 14, 2014, it was determined during the current year, through a DHS review, that purchased advertisements with DHS funds were not used in the manner in which PSTA expressly described in the Fiscal Year 2011 Transit Security Grant Program Guidance and Application Kit. The advertisements actually developed by PSTA included generalized statements regarding the safety of riding PSTA.

Recommendation
PSTA has remitted the disallowed costs of $354,091 to the DHS on July 30, 2014. We recommend that policies and procedures be implemented to verify that advertisements are properly reviewed for allowability.

Current Status
Corrective action was taken.

Schedule of Expenditures of Federal Awards and State Financial Assistance

Year Ended September 30, 2015

Federal or State Grantor/Pass-Through Grantor/Program title	CFDA# / CSFA#	Grant or contract number		Expenditures
U.S. Department of Transportation:				
Direct Program:				
Federal Transit Capital Investments Grant	20.500	FL 04-0135	$	1,276
Federal Transit Capital Investments Grant	20.500	FL 04-0162		39,291
Federal Transit Formula Grant	20.507	FL 90-0873		5,162
Federal Transit Formula Grant	20.507	FL 90-0841		9,766,328
Federal Transit Formula Grant	20.526	FL 34-0003		2,783,306
Federal Transit Formula Grant	20.507	FL 90-0811		6,027,158
Federal Transit Formula Grant	20.507	FL 90-0783		1,575,381
Federal Transit Formula Grant	20.507	FL 90-0758		234,837
Federal Transit Formula Grant	20.507	FL 90-0648		66,836
Federal Transit Formula Grant	20.507	FL 90-0689		167,895
Federal Transit Formula Grant	20.507	FL 90-0723		261,593
Total				20,929,063
Passed through the Florida Department of Transportation:				
Enhanced Mobility of Seniors and Individuals with Disabilities Program:				
Section 5310 Program	20.513	435978-1-84-01		262,908
Passed through Pinellas County Metropolitan Planning Organization:				
Section 5305(d) Planning Grant	20.505	AR171		80,000
New Freedom - Mobility Management	20.521	FL 57-X045		1,005
New Freedom - Rte 813 (Dunedin/Palm Harbor}	20.521	FL 57-X045		100,884
JARC - Rte 355 (CAT Enhancement)	20.516	FL 37-X078		4,128
				106,018
Total U.S. Department of Transportation			$	448,926
Passed through Worknet Pinellas d.b.a. CareerSource Pinellas				
Workforce Innovation and Opportunity - Federal Formula Grant	17.258	FY 14/15		11,127
Total U.S. Department of Labor			$	11,127
Total expenditures of federal awards			$	21,389,115
Florida Department of Transportation				
Direct Program:				
Block Grant Program	55.010	402513-1-84-15	$	4,086,490
Public Transit Service Development Program (Safety Harbor Trolley - Jolley Trolley	55.012	435212-1-84-01		40,000
Transit Corridor Program (Eastlake-NCF)	55.013	430319-1-84-04		400,000
Transit Corridor Program (Curlew Road-NCF)	55.013	430320-1-84-03		211,000
Transit Corridor Program (Route 100X)	55.013	410695-1-84-15		155,100
Transit Corridor Program (Route 300X)	55.013	418695-1-84-10		165,100
Total Florida Department of Transportation			$	5,057,690
State of Florida, Commission for the Transportation Disadvantaged				
Direct Program:				
Florida Commission of Transportation Disadvantaged Trip & Equipment	55.001	ARH18	$	1,732,257
Florida Commission of Transportation Disadvantaged Trip & Equipment	55.001	G0183		465,770
Total Commission for the Transportation Disadvantaged				2,198,027
Total expenditures of state financial assistance			$	7,255,717
Total expenditures of federal awards and state financial assistance			$	28,644,832

Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance

Year Ended September 30, 2015

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards and state financial assistance includes all federal and state grant activity of the Authority and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Chapter 10.550 of the *Rules of the Auditor General*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

(2) Capital Assets

Approximately $15 million in capital assets was purchased using federal grant awards during the fiscal year ending September 30, 2015. These amounts have been capitalized for financial statement purposes and reflected as Capital Assets on the Statement of Net Position.

(3) Subrecipients

There were no transfers to subrecipients for the year ending September 30, 2015.

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MANAGEMENT LETTER

Board of Directors
Pinellas Suncoast Transit Authority
Clearwater, Florida

Report on the Financial Statements
We have audited the financial statements of Pinellas County Suncoast Transit Authority, a/k/a PSTA, (the "Authority"), as of and for the fiscal year ended September 30, 2015, and have issued our report thereon dated May 26, 2016.

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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Auditor General.

Other Reports and Schedule
We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards;* Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance in Accordance with OMB Circular A-133 and Chapter 10.550 Rules of the Florida Auditor General; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated May 26, 2016, 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. See Appendix A for the status of corrective actions taken to address findings and 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 has been included in the notes to the financial statements.

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

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

Annual Financial Report
Section 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether the annual financial report for the Authority for the fiscal year ended September 30, 2015, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2015. In connection with our audit, we determined that these two reports were in agreement.

Special District Component Units
Section 10.554(1)(i)5.d, Rules of the Auditor General, requires that we determine whether or not a special district that is a component unit of a county, municipality, or special district, provided 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. The Authority does not have any component units.

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

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

Board of Directors
Pinellas Suncoast Transit Authority

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Directors and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Tampa, Florida
May 26, 2016

APPENDIX A – STATUS OF PRIOR YEAR'S FINDING AND RECOMMENDATIONS

Prior Year Findings and Recommendations		Current Year Status		
		Cleared	Partially Cleared	Not Cleared
2014-001 – Activities allowed or unallowed and allowable costs/cost principles	Material non-compliance	X		

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INDEPENDENT ACCOUNTANTS' REPORT

Board of Directors
Pinellas Suncoast Transit Authority
Clearwater, Florida

We have examined Pinellas Suncoast Transit Authority, or PSTA compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2015. Management is responsible for the Authority's compliance with those requirements. Our responsibility is to express an opinion on the Authority's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Authority's compliance with specified requirements.

In our opinion, the Authority complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

This report is intended solely for the information and use of the Authority and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Tampa, Florida
May 26, 2016