

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

---

**TABLE OF CONTENTS**

	<b>PAGE(S)</b>
Independent Auditors' Report .....	1-2
Management's Discussion and Analysis.....	3-8
<b>BASIC FINANCIAL STATEMENTS</b>	
Balance Sheet/Statement of Net Position.....	9
Statement of Revenues, Expenditures and Changes in Fund Balances/Statement of Activities.....	10
Notes to Financial Statements .....	11-26
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Budgetary Comparison Schedule - General Fund.....	27
Budgetary Comparison Schedule - Planning Projects Fund.....	28
Budgetary Comparison Schedule - Revolving Loan Fund.....	29
Budgetary Comparison Schedule - SFRPI Fund .....	30
Notes to Budgetary Comparison Schedules .....	31
<b>COMPLIANCE SECTION</b>	
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 .....	32-33
Independent Auditors' Report on Compliance for the Major Federal Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards .....	34-35
Schedule of Findings and Questioned Costs.....	36-37
Schedule of Expenditures of Federal Awards.....	38
Notes to the Schedule of Expenditures of Federal Awards .....	39-40
Management Letter in Accordance with Rules of the Auditor General of the State of Florida .....	41-42
Independent Auditors' Report On Compliance With The Requirements Of Section 218.415 Florida Statutes .....	43



One S.E. Third Avenue  
Suite 2100  
Miami, FL 33131  
T: 305-374-1574  
F: 305-372-8161

110 East Broward Boulevard  
17<sup>th</sup> Floor  
Ft. Lauderdale, FL 33301  
T: 954-467-5490  
F: 954-467-6184

## **INDEPENDENT AUDITORS' REPORT**

To the Council Members of  
South Florida Regional Planning Council

We have audited the accompanying financial statements of the governmental activities and each major fund of South Florida Regional Planning Council (the "Council"), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Council as of September 30, 2014, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 8 and 27 through 31 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2015 on our consideration the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.

*The Shroyton Group, P. A.*

February 24, 2015

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2014**

---

This section of the Council's financial statement presents management's analysis of the Council's financial performance during the year ended September 30, 2014. It is presented to enhance the usefulness of the Council's basic financial statements. Please read this narrative in conjunction with the financial statements, which follow this section.

**Financial Highlights**

- The assets of the Council as reported in the government-wide financial statements exceeded the liabilities as of September 30, 2014 by \$6,905,285 (net position). This amount represents a decrease of (\$720,066) or (9%) lower than the prior year due to two reasons. 1) A reduction in the Revolving Loan Funds Assets during the year for allowances for bad debt and 2) the Council received no funding from the State of Florida through the Department of Economic Opportunity and the Council was not able to cover this non-funding from other sources. Of the total net position, \$224,394 (unrestricted) may be used to meet the ongoing obligations of the Council.
- The Institute for Community Collaboration, Inc. ("ICC") changed its name to the Southeast Florida Regional Prosperity Institute, Inc. ("SFRPI"). The reason for this change was to better position the agency in its areas of focus, which are regional convening and economic development activities.
- The Council has decided to exclude the Small Business Emergency Bridge Loan fund because, as of September 30, 2014, the current receivable balance for Broward, Dade and Monroe are in default. The Council has made contract with the state office responsible for closing out this grant and transferring the defaulted loans. Therefore, the Council has excluded the asset accounts of the Small Business Emergency Bridge Loan fund from the statement of net position, being displayed in a separate column.
- A provision for loan losses for the Consolidated Revolving Loan Fund was recorded in the amount of \$494,392 during fiscal year 2014.

**Overview of the Financial Statements**

The Council's basic financial statements consist of: 1) *government-wide statements*, 2) *fund financial statements*, and 3) *notes to the financial statements*. Other supplementary information is also included in the report.

*Required Basic Financial Statements*

The Council utilizes a governmental fund for its financial reporting purposes. As the Council presents financial information using the governmental fund, the Council has elected to present its government-wide statements and fund statements in one set of statements with an adjusting column reconciling the two sets of statements.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2014**

---

**Overview of the Financial Statements (cont'd)**

The *government-wide financial* statements include the Statement of Net Position and the Statement of Activities, which provide information about the activities of the Council as a whole and present a longer-term view of the Council's finances.

These two statements report the net position of the Council and changes in them. You can think of the Council's net position - the difference between assets and liabilities - as one way to measure financial health or financial position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Council is improving or deteriorating. However, to assess the overall financial position of the Council, you will need to consider other non-financial factors, such as the condition of the Council's capital assets, the addition or termination of grants and other revenue sources, and the expansion or contraction of programs and services.

The Council reports this information using the accounting methods similar to those used by private sector companies. These statements offer short-term and long-term financial information about its activities. The statement of net position includes all of the Council's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to Council creditors (liabilities).

All of the current year's revenues and expenses are accounted for in the statement of activities. This statement presents information showing how the Council's net position changed during each fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (for example, uncollected contract and grant revenues, and earned, but unused vacation leave).

Both the *statement of net position* and the *statement of activities* of the government-wide financial statements distinguish functions of the Council that are supported by membership assessments, planning projects (federal, state and local grants/contracts), and revolving loan portfolios. The Council's activities include administration function and long-range regional planning goals, and various revolving loan program service functions. The long-range regional planning goals function is comprised of a wide array of services including strategic plan development and comprehensive plan review, development of regional impact review and providing technical assistance and expertise in a number of fields including transportation, economic development, geographic information services, affordable housing, emergency preparedness, land use, and natural resources planning. All activities of the Council are considered to be governmental activities.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2014**

---

**Overview of the Financial Statements (cont'd)**

*Fund Financial Statements*

Fund financial statements tell how the Council's services were financed in the short term as well as what remains for future spending. The Council utilizes three funds to account for its activities: the general fund, special revenue planning project funds, and revolving loan funds. The general fund is used to account for all financial resources except those required to be accounted for in another fund. Special Revenue Fund is used to account for revenues derived from specific sources, which are usually required by law or regulation to be accounted for in separate funds. As of September 30, 2014, the Project Planning Funds and the Revolving Loan Funds including; the Consolidated Fund, EPA Brownfield revolving loan fund, and the Small Business Emergency Bridge Loan (OTTED) are included in this fund type. The SFRPI Fund reports the financial activity for the Southeast Florida Regional Prosperity Institute, Inc. ("SFRPI"), a component unit of the Council, and is reported as a fund for financial statement purposes. The fund statements provide a detailed short-term view of the Council's operations and the basic services it provides.

Governmental fund information helps you determine whether there are more or less financial resources that can be spent in the near future to finance the Council's operations. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and Statement of Activities) and governmental funds in a reconciliation as discussed above.

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

**Financial Analysis**

*Government-Wide Analysis*

The Government-wide statements report the Council's net position and how they have changed. Table A-1 presents net position to help identify differences between the Council's assets and liabilities, a way to measure the Council's financial health, or position. Our analysis of the Financial Statements of the Council begins below.

A summary of the Council's statements of net position is presented in Table A-1.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2014**

---

**Financial Analysis (cont'd)**

*Government-Wide Analysis (cont'd)*

**Table A-1**

**Condensed Statement of Net Position Excluding  
Small Business Emergency Bridge Loan (in thousands of dollars)**

	<b><u>2014</u></b>	<b><u>2013</u></b>
Current assets, net of loans receivable	\$ 1,816	\$ 2,726
Loans receivable, net	5,255	5,304
Capital assets, net of depreciation	208	212
Non-current assets	<u>37</u>	<u>48</u>
Total assets	<u>\$ 7,316</u>	<u>\$ 8,290</u>
Current liabilities	\$ 358	\$ 596
Non-current liabilities	<u>53</u>	<u>69</u>
Total liabilities	<u>411</u>	<u>665</u>
<b>Nets position:</b>		
Net investment in capital assets	208	212
Restricted	6,473	7,044
Unrestricted	<u>224</u>	<u>369</u>
Total net position	<u>\$ 6,905</u>	<u>\$ 7,625</u>

As noted earlier, net position may serve over time as a useful indicator of the Council's financial position. As of September 30, 2014 and 2013, the Council's total assets exceeded its total liabilities by \$6,905,285 and \$7,625,212, respectively, a decrease of \$719,925 from 2013.

Unrestricted net position at September 30, 2014 and 2013 were approximately \$224,394 and \$ 368,976 respectively. The Council's decline in fund balance was due to not being able to offset the state's funding shortage with other funded projects.

Restricted net position decreased by \$(570,326) or (9%) to \$6,473,388. This decrease was due to write downs for doubtful accounts as of September 30, 2014.

The Council's net investment in capital assets was \$207,503 and \$212,521 as of September 30, 2014 and 2013 respectively.

Table A-2 illustrates the revenues and expenses that caused the change in the Council's total net position.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2014**

---

**Financial Analysis (cont'd)**

*Government-Wide Analysis (cont'd)*

**Table A-2**

**Condensed Statement of Activities (in thousands of dollars)**

	<b><u>2014</u></b>	<b><u>2013</u></b>
<b>REVENUES:</b>		
Membership assessments	\$ 756	\$ 757
Federal, State and local grants	1,697	3,269
D.R.I. fees	18	11
Interest	308	269
Other income	49	58
Total Revenues	2,828	4,364
<b>EXPENSES:</b>		
<b>Current:</b>		
Comprehensive planning:		
Personnel services	1,355	1,570
Operating expenses	2,188	3,367
Depreciation and amortization	5	5
Total Expenses	3,548	4,941
Other financing sources (uses):		
Revolving loan fund , net	-	(10)
Purchase of capital assets	-	4
Net other financing sources	-	(6)
Change in net position	(720)	(583)
Net position, beginning of year	8,555	9,138
Net position, end of year	7,835	8,555
Less: Small Business Loan Fund Balance	(930)	(930)
Net position, end of year restated with the exclusion	\$ 6,905	\$ 7,625

In 2014, the Council's total revenues of \$2,827,740 were a decrease of (\$1,536,104) when comparing to fiscal 2013. The decrease in revenue was due to completion of the U.S. Housing and Urban Development (HUD) Sustainable Communities Grant (Seven50 project) in June 2014, (\$1.3 million) and the completion of the US Department of Energy (DOE) Electric Vehicle (EV) Ready Grant in March 2013, or (\$0.3 Million). These declines were somewhat offset by growth in our Emergency Management Preparedness and Resiliency Programs, such as the Palm Beach Virtual Fusion Center.

Total expenditures for the year ended September 30, 2014 were \$3,547,807 versus \$4,940,814, a decrease of (\$1,393,007). This decrease is attributable to consultant payments for the U.S. HUD and U.S. DOE grants discussed above. In addition, staff salary reductions due to 4 day work week, staff operating expense reductions, resulted in \$(214,362) savings. These savings were offset by the bad debt expense increase of \$494,392.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2014**

---

**Capital Assets and Debt Administration**

For the years ended September 30, 2014 and 2013, the Council had approximately \$208,000 and \$213,000 in fixed assets, respectively, net of accumulated depreciation. There were no additions to capital assets for the year ended September 30, 2014.

The Council does not have any long-term debt related to its capital assets and does not utilize debt as a matter of policy.

*Individual Fund Analysis*

Since the Council only has governmental funds/activities, the explanations provided above for the Statement of Activities regarding changes in net position also substantially explain the change in fund balance as a result of the Statement of Revenues, Expenditures and Changes in Fund Balance which are applicable only to the Statement of Activities' presentation.

**General Fund Budgetary Highlights**

Over the course of the fiscal year, the original budget and two budget amendments were approved at the Council meetings in September 2013, July 2014, and in September 2014. The amendments effectively approve any expenditure that had already been incurred that exceeded its original budgeted amount.

**Economic Factors and Next Year's Budget**

The Council's grants and contracts are contingent upon its renewal and its ability to obtain new grants and, therefore, its revenues may vary from year to year. In setting its budget for fiscal year 2015, various factors, such as delivering at least the same level of expertise in fiscal year 2014 and adding new programs and grants were considered.

**Requests for Information**

This financial report is designed to provide a general overview of the Council's finances for all those with interest in its financial position. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Executive Director, 3440 Hollywood Boulevard, Suite 140, Hollywood, Florida 33021.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
BALANCE SHEET/ STATEMENT OF NET POSITION  
SEPTEMBER 30, 2014**

	Major Funds				Total Governmental Funds	OTTED Loan Exclusion	Adjustments	Statement of Net Position
	General Fund	Planning Projects Fund	Revolving Loan Fund	SFRPI Fund				
<b>ASSETS</b>								
Cash and cash equivalents	\$ 119,768	\$ -	\$ -	\$ 117,094	\$ 236,863	\$ -	\$ -	\$ 236,863
Investments	8,519	-	-	-	8,519	-	-	8,519
<b>Receivables:</b>								
Contract and grant receivables	6,869	307,699	-	2,000	316,568	-	-	316,568
Deposits and other assets	36,670	-	-	-	36,670	-	-	36,670
Due from other funds	316,793	-	13	-	316,806	-	(316,806)	-
<b>Restricted assets:</b>								
Cash and cash equivalents	-	-	1,347,572	-	1,347,572	93,306	-	1,254,267
Loans receivable, net	867	-	6,274,244	-	6,275,111	1,019,453	-	5,255,657
Property and equipment, net	-	-	-	-	-	-	207,503	207,503
Total Assets	<u>\$ 489,487</u>	<u>\$ 307,699</u>	<u>\$ 7,621,829</u>	<u>\$ 119,094</u>	<u>\$ 8,538,110</u>	<u>\$ 1,112,759</u>	<u>\$ (109,302)</u>	<u>\$ 7,316,048</u>
<b>LIABILITIES AND NET POSITION</b>								
<b>Liabilities:</b>								
Accounts payable and other accrued expenses	\$ 220,911	\$ -	\$ 183,482	\$ 8,000	\$ 412,393	\$ 183,048	\$ -	\$ 229,345
Compensated absences	53,027	-	-	-	53,027	-	-	53,027
Unearned revenue	-	26,155	-	100,000	126,155	-	-	126,155
Due to general fund	-	281,544	35,248	2,250	319,043	-	(316,806)	2,237
Total liabilities	<u>273,938</u>	<u>307,699</u>	<u>218,730</u>	<u>110,250</u>	<u>910,617</u>	<u>183,048</u>	<u>(316,806)</u>	<u>410,763</u>
<b>Fund Balances:</b>								
Restricted for revolving loan program	-	-	7,403,099	-	7,403,099	929,711	(6,473,388)	-
Unassigned	215,549	-	-	8,844	224,394	-	(224,394)	-
Total fund balances	<u>215,549</u>	<u>-</u>	<u>7,403,099</u>	<u>8,844</u>	<u>7,627,492</u>	<u>929,711</u>	<u>(6,697,781)</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 489,487</u>	<u>\$ 307,699</u>	<u>\$ 7,621,829</u>	<u>\$ 119,094</u>	<u>\$ 8,538,110</u>	<u>\$ 1,112,759</u>	<u>-</u>	<u>-</u>
<b>Net Position:</b>								
Net investment in capital assets	-	-	-	-	-	-	207,503	207,503
Restricted for loan program excluding OTTED Loan Fund	-	-	-	-	-	-	7,403,099	6,473,388
Unrestricted	-	-	-	-	-	-	224,394	224,394
Total Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,834,996</u>	<u>\$ 6,905,285</u>

The accompanying notes are an integral part of these financial statements.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES/ STATEMENT OF ACTIVITES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Major Funds				Total Funds	Adjustments	Statement of Activities
	General Fund	Planning Projects Fund	Revolving Loan Fund	SFPI Fund			
<b>REVENUES</b>							
Membership assessments	\$ 755,578	\$ -	\$ -	\$ -	\$ 755,578	\$ -	\$ 755,578
Federal, state and local grants	600	1,691,396	-	5,000	1,696,996	-	1,696,996
D.R.I. fees	18,201	-	-	-	18,201	-	18,201
Interest	1,734	-	306,615	-	308,349	-	308,349
Other income	1,181	12,529	31,156	3,750	48,616	-	48,616
Total Revenues	<u>777,294</u>	<u>1,703,925</u>	<u>337,771</u>	<u>8,750</u>	<u>2,827,740</u>	<u>-</u>	<u>2,827,740</u>
<b>EXPENDITURES</b>							
<b>Current:</b>							
Comprehensive planning:							
Personnel services	305,820	783,935	265,513	-	1,355,268	-	1,355,268
Operating expenses	128,178	346,217	112,601	10,130	597,126	-	597,126
Outside consultant expense	-	1,048,226	15,000	32,777	1,096,003	-	1,096,003
Bad debt expense	-	-	494,392	-	494,392	-	494,392
Depreciation and amortization	-	-	-	-	-	5,018	5,018
Total Expenditures	<u>433,998</u>	<u>2,178,378</u>	<u>887,506</u>	<u>42,908</u>	<u>3,542,789</u>	<u>5,018</u>	<u>3,547,806</u>
Excess (deficiency) of revenues over expenditures	343,296	(474,453)	(549,734)	(34,158)	(715,049)	(5,018)	(720,066)
<b>Other financing sources (uses):</b>							
Transfer of Assets from RLF Smart Watts	9,848	-	(9,848)	-	-	-	-
Net Operating Transfers from General fund in (out)	<u>(463,569)</u>	<u>474,453</u>	<u>(10,884)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(453,722)</u>	<u>474,453</u>	<u>(20,732)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses/change in net position	(110,426)	-	(570,466)	(34,158)	(715,049)	(5,018)	(720,066)
Fund balance/net position at beginning of year	325,975	-	7,973,564	43,002	8,342,541	212,521	8,555,062
Fund balance/net position at end of year	<u>\$ 215,549</u>	<u>\$ -</u>	<u>\$ 7,403,099</u>	<u>\$ 8,844</u>	<u>\$ 7,627,492</u>	<u>\$ 207,503</u>	<u>\$ 7,834,996</u>
Less: OTTED Loan Fund balance restricted							929,711
							<u>\$ 6,905,285</u>

The accompanying notes are an integral part of these financial statements.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

---

**Note 1 - Nature of Operations**

**Reporting entity**

South Florida Regional Planning Council (the "Council") is a regional governmental planning and coordinating agency formed in September 1969, in accordance with Chapter 186 of the Florida Statutes to provide policy analysis and comprehensive planning services in such areas as housing, emergency management, economic development, water management, transportation and other matters having direct regional impact. The membership of the Council presently consists of Broward, Miami-Dade and Monroe counties.

The Council maintains separate management control and accountability. The governing board of the Council is composed of elected officials from the member counties, elected officials from city governments in the geographic area covered by the Council, and gubernatorial appointees from the geographic area covered by the Council.

The financial reporting entity for which the accompanying financial statements are prepared includes the Council (primary government) and its component unit, which is an entity for which the Council is financially accountable. The Council is financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's body and either is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific burdens, on the Council. The Council may also be financially accountable for organizations that are fiscally dependent on it.

**Component Unit**

The Southeast Florida Regional Prosperity Institute, Inc. ("SFRPI") was formed as a nonprofit Section 501(c)(3) corporation. SFRPI is dedicated to providing educational and implementation opportunities to the economic development field and stakeholder groups concerning access to capital, environmental justice, conflict resolution, visioning as well as community development and redevelopment practices affecting land use, transportation, emergency management, safe and sanitary housing, health and the built environment, and natural resource protection and management.

SFRPI is a component unit of the Council since SFRPI's Board of Directors consists of the current members of the Council, thereby providing Council to impose its will upon SFRPI. It qualifies as a blended component unit; therefore, data from SFRPI is combined with data of the Council. SFRPI does not issue stand-alone audited financial statements.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

---

**Note 2 - Summary of Significant Accounting Policies**

**Government-wide and fund financial statements**

These financial statements have been prepared in conformity with reporting guidelines established by GASB and in conformity with accounting principles generally accepted in the United States of America. As a result of adopting GASB Statement No. 34 and GASB 63, the following types of financial statements are reported by the Council:

***Government-wide Statements*** – The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position (statement of activities)) report information on all of the activities of the Council. Governments typically report activities as either governmental activities, which normally are supported by taxes and intergovernmental revenues, or business-type activities, which rely to a significant extent on fees and charges for support. The Council reports only governmental activities as it has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues. Since the Council's primary function (mission) is policy analysis and comprehensive planning, all revenues and expenses are considered to be for this purpose and the accompanying financial statements do not segregate beyond this function.

The Council has only governmental activities and one function. As such, the government-wide financial statements are presented together with the governmental fund financial statements, with an adjustment column presented to reconcile the two sets of statements.

***Fund Financial Statements*** – Separate financial statements are provided for the Council's Governmental Funds, as described below:

***Governmental Fund Type*** – used to account for all operations of the Council. The measurement focus of this fund type is based upon determination of changes in financial position or the financial flow measurement focus, rather than upon net income determination. Only current assets and current liabilities are generally included on its balance sheet. The operating statement presents sources (revenues and other financial sources) and uses (expenditures and other financial uses) of available spendable resources during the period. The following comprise the Council's major governmental funds:

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

---

**Note 2 - Summary of Significant Accounting Policies (cont'd)**

**Government-wide and fund financial statements (cont'd)**

- a) **General Fund** – used to account for all financial resources except those required to be accounted for in another fund.
- b) **Planning Projects Fund** – used to account for resources derived from specific sources, which are usually required by law or regulation to be accounted for in separate funds.
- c) **The Revolving Loan Fund** – used to account for resources derived from the various Revolving Loan portfolios (“RLF”) are included in this fund type. The RLF fund is used to account for revolving loan funds from the Department of Commerce through the Economic Development Administration (“EDA”), the Environmental Protection Agency (“EPA”) the Florida Office of Tourism, Trade, and Economic Development (“OTTED”). The EDA RLF is used to provide loans to small and medium size businesses located within Miami-Dade, Broward and Monroe Counties which cannot obtain conventional financing. The EPA RLF is used to fund loans on qualified, suitable market-ready Brownfield sites to appropriate developers and buyers (for-profit and non-profit developers or local governments). The loan fund will assist in the remediation activities required for site cleanup that will allow redevelopment projects to go forward. The primary target areas for loans are the eastern portion of Miami-Dade, Broward and the Palm Beach Counties. The RLF OTTED is the Small Business Emergency Bridge Loan. The Small Business Emergency Bridge Loan was used to provide temporary working capital to established small businesses in Monroe, Miami-Dade, and Broward Counties that experienced adverse impacts as a result of Hurricane Wilma and were experiencing difficulty surviving or continuing business operation.
- d) **SFRPI Fund** – used to account for the financial activity of Southeast Florida Regional Prosperity Institute, Inc. (“SFRPI”), a component unit of the Council. SFRPI is a not-for-profit corporation created by the Council. SFRPI is dedicated to providing educational and implementation opportunities to the economic development field and stakeholder groups concerning access to capital, environmental justice, conflict resolution, visioning as well as community development and redevelopment practices affecting land use, transportation, emergency management, safe and sanitary housing, health and the built environment, and natural resource protection and management.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

---

**Note 2 - Summary of Significant Accounting Policies (cont'd)**

**Measurement focus, basis of accounting and financial statement presentation**

Basis of accounting refers to the point at which revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

**Governmental Fund Financial Statements** – The Council uses the accrual basis of accounting under which revenues and expenses of the Council are recorded in the accounting period in which they are earned or incurred.

Expenditures are recorded when obligations are incurred, except for expenditures related to claims and judgments, which are recorded only when payment is due.

**Government-wide Financial Statements** – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Intergovernmental and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

GASB Statement No. 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in government funds. Currently, the Council utilizes three of the four designations for fund balance under this statement: net investment in capital assets, restricted, and unassigned. These designations are defined as follows:

**Net investment in capital assets** fund balance category includes the purchase cost net of accumulated depreciation and or amortization of capital assets or leasehold improvements.

**Restricted** fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external source providers, or through enabling legislation. The project planning funds and revolving loan funds are considered restricted as defined by the statement.

**Unassigned** fund balance is classification for the government's general fund and includes all spendable amounts not contained in the other classifications. For fiscal year ended September 30, 2014, the unassigned fund balance in the Council's general fund will be used for the day to day operations of the Council.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

---

**Note 2 - Summary of Significant Accounting Policies (cont'd)**

**Recently Issued Accounting Standards**

- ***GASB Statement No. 66 – Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62***

The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. This Statement amends Statement No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, by removing the provision that limits fund-based reporting of a state and local government's risk financing activities to the general fund and the internal service fund type. This Statement also amends Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straight-line basis, (2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. Management has determined this statement will have no effect on the Council's financial statements.

- ***GASB Statement No. 68 - Accounting and Financial Reporting for Pensions— an amendment of GASB Statement No. 27***

In June 2012, GASB issued GASB Statement No. 68, Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27. GASB Statement No. 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. The provisions of Statement 68 are effective for fiscal years beginning after June 15, 2014. Management has not currently determined what effect implementation of this statement may have on the financial statements of the Council.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

---

**Note 2 - Summary of Significant Accounting Policies (cont'd)**

**Recently Issued Accounting Standards (cont'd)**

- ***GASB Statement No. 69 – Government Combinations and Disposals of Government Operations***

In January 2013, GASB issued GASB Statement No, 69, Government Combinations and Disposals of Government Operations. This Statement establishes accounting and financial reporting standards related to a variety of transactions referred to as mergers, acquisitions, and transfers of operations. This Statement requires the use of carrying values to measure the assets and liabilities in a government merger. The provisions of this Statement are effective for the financial reporting periods beginning after December 15, 2013. Management has determined this statement will have no effect on the Council's financial statements.

- ***GASB Statement No. 70 – Accounting and Financial Reporting for Non-Exchange Financial Guarantees***

In April 2013, GASB issued GASB Statement No. 70, Accounting and Financial Reporting for Non- Exchange Financial Guarantees. This Statement requires a government that extends a non-exchange financial guarantee to recognize a liability when qualitative factors historical data, if any indicate that it is more likely than not that the government will be required to make a payment. This Statement also requires a government that has issued an obligation guarantee in a non-exchange transaction to recognize revenue to the extent of the reduction in its guarantees liabilities. The provisions of this Statement are effective for the financial reporting periods beginning after June 15, 2013. Management has determined this statement will have no effect on the Council's financial statements.

- ***GASB Statement No. 71 – Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68***

In November 2013, GASB issued GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts. The provisions of this Statement are required to be applied simultaneously with the provisions of Statement 68. Management has not currently determined what effect implementation of this statement may have on the financial statements of the Council.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

---

**Note 2 - Summary of Significant Accounting Policies (cont'd)**

**Cost allocation**

Expenses incurred in relation to specific grants or contracts are charged directly to grants or contracts. All other expenses are allocated to active grants or contracts on the basis of direct salary, allocated leave salary, plus allocated fringe benefits. This policy is consistent with the principles of Office of Management and Budget (“OMB”) Circular A-87 and Circular A-122.

**Budget policy**

Prior to October 1 of each year, the budget is legally adopted by the Council’s Board. The budget is prepared based on the accrual basis of accounting which is the same basis of accounting used to reflect actual revenues and expenditures recognized in accordance with accounting principles generally accepted in the United States of America. The Council does not adopt individual budgets for each fund type. All budget amounts presented in the Combined Statements of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual have been adjusted for budget revisions approved by the Council’s Board as of September 2014.

**Risk management**

It is the policy of the Council to purchase insurance for the risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Council obtained workers’ compensation, property, general liability and automobile insurance coverage through the Florida Municipal Insurance Trust Fund of the Florida League of Cities, Inc. The Council obtained, from third party insurers, employee group life and disability insurance.

**Encumbrances**

The Council does not utilize encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

**Accounting estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

---

**Note 2 - Summary of Significant Accounting Policies (cont'd)**

**Cash and cash equivalents**

Cash and cash equivalents include amounts in demand deposit accounts and highly liquid investments (including restricted assets) with maturity of three months or less when purchased.

**Investments**

Investments are stated at fair value.

**Contract and grant receivables**

Contract and grant receivables are stated at gross value. In management's opinion, all receivables are collectible as of year-end.

**Loans receivable/allowance for loan losses**

Loans are stated at the amount of unpaid principal, reduced by an allowance for loan losses. The allowance for loan losses is established through a provision for loan losses charged as an expense.

**Restricted assets**

The use of certain assets is restricted to finance business development activities with local economic development strategies and for revolving loan fund activities. Assets so designated are identified as restricted assets on the balance sheet.

**Capital assets**

Capital assets, which include office furniture and equipment and leasehold improvements, are recorded as capital outlay expenditures in the General Fund at the time goods are received and a liability is incurred. These assets are then capitalized at cost in the statement of net position. Fixed assets are depreciated using the straight-line method over two to ten years for furniture and equipment, and the remaining lease period for leasehold improvements. The depreciation expense is recorded in the statement of activities.

**Compensated absences**

The Council's policy is to permit regular employees to accumulate earned and unused vacation pay benefits up to 160 hours of vacation time. The liability for accumulated vacation hours is reflected in the statement of net position.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

---

**Note 2 - Summary of Significant Accounting Policies (cont'd)**

**Due to and from other funds**

Interfund receivables and payables arise from Interfund transactions and are recorded by funds affected in the period in which transactions are executed.

**Unearned revenues**

Unearned revenues are payments received from grantor agencies before the related costs are incurred.

**Income taxes**

The Council is exempt from federal and state income taxes; accordingly, no provision for income taxes is included in the financial statements.

**Note 3 - Cash and Investments**

At September 30, 2014, the Council's cash and investments consisted of the following:

Cash and cash equivalents – Unrestricted	
Demand deposits and petty cash	\$ 119,768
Pooled investment fund – Florida State Board of Administration	8,519
Small Business Emergency Bridge Loan Fund	93,305
EPA Brownfield Revolving Loan Fund	993,328
EDA Consolidated Loan Fund	<u>260,939</u>
Total restricted cash and cash equivalents	<u><u>\$ 1,475,859</u></u>

The carrying value of the above cash and investments equals fair value.

**Deposits**

The Council's deposits are held in financial institutions with Federal depository insurance that are approved by the State Treasurer to hold public funds.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

---

**Note 3 - Cash and Investments (cont'd)**

**Investments**

The Council does not have an investment policy with specific provisions to limit exposure to credit risk, custodial credit risk, concentration of credit risk, interest rate risk, or foreign currency risk. Excess funds are invested with the Local Government Surplus Funds Investment Pool Trust Fund ("Florida Prime"), which is administered by the Florida State Board of Administration (SBA) and governed by Chapters 215 and 218 of the Florida Statutes, and Chapter 19-7 of the Florida Administrative Code (collectively, "applicable Florida Law").

At September 30, 2014, South Florida Regional Planning Council had a balance of \$8,519 invested in the State Board of Administration's Florida Prime Fund.

The Office of the Auditor General performs an operational audit of the activities and investments of the SBA. Investments in the pooled fund are held in the name of the SBA and are not registered with the Securities and Exchange Commission.

Florida PRIME is not a registrant with the Securities and Exchange Commission (SEC); however, SBA has adopted operating procedures consistent with those required of an SEC Rule 2a-7-like fund. A 2a-7-like external investment pool is one that is not registered with the SEC as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with SEC Rule 2a-7, which governs the operation of SEC regulated money market funds.

**Restricted cash**

The EDA Consolidated Loan and EPA Brownfield Loan restricted cash represents funds available to be loaned to finance business development activities consistent with local economic development strategies. Small Business Emergency Bridge Loan restricted cash represents funds withheld for the State, to be refunded at program completion, and limited administrative costs for the Council's facilitation of this program.

**Note 4 - Loans Receivable/Allowance for Loan Losses**

In August 2000, the U.S. Department of Commerce, through the EDA, transferred the administration of Special Economic Development and Assistance Programs, Long-term Economic Deterioration (RLF I) to the Council from a local nonprofit organization. The outstanding balance of loans receivable and funds available to the program was \$2,745,569 and \$1,723,623, respectively, were likewise transferred to the Council.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

---

**Note 4 - Loans Receivable/Allowance for Loan Losses (cont'd)**

On February 23, 2004, the U.S. Department of Commerce, through the EDA, signed an Offer to Amend Grant Agreement to transfer the administration of Special EDA Assistance Program Long-term Economic Deterioration (RLF II) and (RLF Rescue) to the Council from a nonprofit corporation. The outstanding balance of loans receivable and funds available to the program were \$1,571,858 and \$2,001,905, respectively, were transferred to the Council on May 1, 2004.

In October 2008, the U.S. Department of Commerce, through the EDA, transferred the administration of Special Economic Development and Assistance Programs, Long-term Economic Deterioration (RLF III) to the Council from the City of Homestead. The outstanding balance of loans receivable and funds available to the program was \$179,523 and \$877,359, respectively, and were likewise transferred to the Council.

On September 22, 2010 an offer to consolidate the existing RLF awards was reached between the Council and the U.S department of Commerce, Economic Development Administration (EDA). The Consolidated financial award restated was \$10, 997,147 in federal award, \$1,290,088 contributed by the original recipients for an estimated total of \$12,287,235. In October 2010, the council consolidated RLF I, RLF II, RLF III and RLF Rescue into one fund (RLF Consolidated).

As of September 30, 2014 EDA RLF Consolidated fund had an outstanding loan balance principal of \$ 5,054,791 net of allowance for doubtful accounts. During fiscal 2014, \$810,000 of new loans were originated and funded with an additional \$240,000 of new loan commitments, including \$200,000 held in escrow with the Council's attorney pending loan closing. The administrative costs (excluding bad debt expense) related to the management of RLF Consolidated loan program was \$323,065 for the year ended September 30, 2014.

During fiscal year 2014 a provision for loan losses was recorded in the amount of \$494,392. On September 30, 2014, two loan accounts with an outstanding balance of \$436,213 were not paying as agreed with payments delayed in excess of 90 days. In addition, one account filed for Chapter 11 bankruptcy protection after September 30, 2014. This account's balance is also included in the loss reserve. Finally, during 2014 a loan was restructured and removed from the Allowance for Doubtful Accounts as the council, obligor and Broward County Court approved a settlement in April 2014.

On November 8, 2005, the Council entered into an agreement with the State of Florida Office of Tourism, Trade and Economic Development to administer a loan program for small businesses affected by Hurricane Wilma. Eleven Million (\$11,000,000) dollars were released to the Council for small business loans not to exceed twenty-five thousand (\$25,000) per business.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

---

**Note 4 - Loans Receivable/Allowance for Loan Losses (cont'd)**

The funds were allocated as follows: five million dollars (\$5,000,000) for Broward, five million dollars (\$5,000,000) for Dade County and one million dollars (\$1,000,000) for Monroe. Eight million, four hundred seventy-two thousand, two hundred and four dollars (\$8,472,204) were disbursed to small businesses affected by hurricane Wilma from the three counties and the unused portion of the funds went back to the State including interest earned less administrative cost. As of September 30, 2014 the receivable balances were as follows: Broward County Businesses \$ 530,592 Miami-Dade County Businesses \$428,362 and Monroe County Businesses \$60,500. As of September 30, 2014, all the receivable balances are in default, final judgments have been filed against all these obligors. The Council is in the process of transferring these loans/judgments to the State of Florida for final disposition and closure. Therefore, the Council excluded the entire fund balance of \$ 1,019,453 from the statement of net position as of September 30, 2014.

**Note 5 - Capital Assets**

The following is the summary of changes in capital assets for the year ended September 30, 2014:

<b>Description</b>	<b>Balance October 1, 2013</b>	<b>Additions</b>	<b>Retirement</b>	<b>Balance September 30, 2014</b>
Office furniture and equipment	\$ 261,147	\$ -	\$ -	\$ 261,147
Leasehold improvements	<u>80,842</u>	<u>-</u>	<u>-</u>	<u>80,842</u>
Sub-total	341,989	-	-	341,989
Less accumulated depreciation and amortization	<u>(129,468)</u>	<u>(5,018)</u>	<u>-</u>	<u>(134,486)</u>
Net	<u>\$ 212,521</u>	<u>\$ (5,018)</u>	<u>\$ -</u>	<u>\$ 207,503</u>

Depreciation expense was \$5,018 in fiscal year ended September 30, 2014.

**Note 6 - Interfund**

Interfund transfers made during fiscal year 2014 are as follows:

<b>Transfers Out</b>	<b>Transfers In</b>		
	<b>General Fund</b>	<b>Planning Projects Fund</b>	<b>Total</b>
General fund	\$ -	\$ 474,454	\$ 474,454
RLF Funds	<u>20,732</u>	<u>-</u>	<u>20,732</u>
Total transfers out	<u>\$ 20,732</u>	<u>\$ 474,454</u>	<u>\$ 453,722</u>

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

---

**Note 7 - Employee Benefit Plans**

The Council has a qualified defined contribution single employer pension plan (the "Plan") covering substantially all full-time employees which were employed by the Council prior to May 1986. The Plan provides for annual contributions by the Council of at least 10% of the total gross wage compensation with no exclusions for each qualified employee. The Plan expense for the year ended September 30, 2014 was \$19,341. At September 30, 2014, the Council's total payroll for eligible employees covered by the Plan was approximately \$193,410.

The Council also participates in the Florida Retirement System (the "System"), a cost-sharing, multiple-employer public employee retirement system ("PERS"). The System was created in 1970 by consolidating several employee retirement systems. Benefits under the plan vest after six years of service. Employees who retire at or after age 62 with six years of credited service are entitled to an annual retirement benefit, payable monthly for life. The System also provides for death and disability benefits. These benefit provisions and all other requirements are established by State Statutes. All eligible employees, as defined by the State, who were hired after May 1, 1986, are covered by the System.

Participating employers are required by Statute to pay monthly contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are adequate to accumulate sufficient assets to pay benefits when due. Under the System, the Council was required to contribute 7.83%, as of July 1, 2005, of the gross salaries with certain exclusion of payments of employees to the plan. The System was a noncontributory prior to July 1, 2011 and is administered by the State of Florida. At the completion of the Florida Legislature 2011 session the Senate passed Senate Bill 2100, making substantive changes to the Florida Retirement System (FRS). The bill, which has been signed into law by Governor Rick Scott, was effective on July 1, 2011. The bill requires all FRS Investment Plan and Pension Plan members (except those in DROP) to make 3% employee contributions on a pretax basis.

This change will require both the employee and the employer to pay the retirement contributions needed to fund your retirement benefits. On July 1, 2012, the contribution rates changed to 5.18%, 6.30% and 5.44% for non-executive, executive and DROP employees respectively. On July 1, 2014, the contribution rates changed to 7.37%, 21.14% and 12.28% for non-executive, executive and DROP employees respectively.

The bill also changes the Deferred Retirement Option Program (DROP) annual interest rate from 6.5% to 1.3% per year for members in the DROP program effective on or after July 1, 2011. DROP participants whose DROP effective date is prior to July 1, 2011 will retain the 6.5% interest rate for their entire DROP period. The bill also changes the Pension Plan's vesting requirement (member's right to a benefit) from 6 years to 8 years. If the member uses their available 2<sup>nd</sup> Election and transfers from the Pension Plan to the Investment Plan, the present value of their Pension Plan benefit will vest after they completed 8 years of service.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

---

**Note 7 - Employee Benefit Plans (cont'd)**

Current members with previous FRS credit (regardless of whether they were actively employed when the law changed) will retain 6-year vesting. The Investment Plan's 1-year vesting requirement has not changed.

The Council's FRS pension cost for the year ended September 30, 2014, as required and defined by the System, was approximately \$92,945. The employee required contribution was \$23,773 for fiscal year ended of September 30, 2014. The Council's contribution represented approximately 9.43% of payroll for the year ended September 30, 2014.

The payroll for Council employees covered by the System for the year ended September 30, 2014 was approximately \$985,714.

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due and make comparisons among PERS and employers. The System does not make separate measurements of assets and pension benefit obligations for individual employers.

Contributions of all participating agencies throughout the State of Florida are pooled to fund accrued benefits under the System. The pension benefit obligation at June 30, 2013 for the System as a whole, estimated through an update of an actuarial valuation performed as of July 1, 2013, was approximately \$153.3 billion. The System's net position available for plan benefits on that date, \$131.7 billion, resulted in an underfunded pension obligation of \$21.6 billion.

The future investment earnings of the assets of the FRS are assumed to accrue at an annual rate of 7.75%, compounded annually, net of investment and administrative expenses.

Senate Bill 2100 (2011) eliminated post-retirement benefit increases on benefits earned on and after July 1, 2011. Benefits earned before July 1, 2011 will receive post-retirement benefit increases of 3% per year. Tier II members (those initially enrolled on and after July 1, 2011) will receive no post-retirement benefit increases. Tier I members (those initially enrolled before July 1, 2011) will receive postretirement benefit increases equal to 3% per year multiplied by a fraction, the numerator of which is service through June 30, 2011 and the denominator of which is total service at retirement.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

---

**Note 7 - Employee Benefit Plans (cont'd)**

Salaries are assumed to increase between 4% and 10% per year depending on the member's age and service. In addition to increases in salary due to promotions and longevity, this scale includes an assumed 4% per annum rate of increase in the average wage level of the membership.

Available ten year historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is published in the State of Florida's Division of Retirement Comprehensive Annual Financial Report, Cedars Executive Center, 2639-C North Monroe Street, Tallahassee, FL 32399-1560, or by calling (850) 488-5706.

**Note 8- Commitments**

The Council conducts its operations from leased office space. During fiscal 2014 the Council renegotiated the terms of the existing lease and has agreed to a three year lease extension until February 28, 2018. The amended lease reduces the total leased space and reduces the total lease commitment by \$400,000 over the new term. Total rental expense for the year ended September 30, 2014 was \$287,559. Future annual rental payments, including approximate common area maintenance cost and real estate taxes required under the amended lease and the extension period are included as follows:

<b><u>Year ending September 30,</u></b>	<b><u>Amount</u></b>
2015	\$ 188,835
2016	186,354
2017	193,579
2018	<u>82,372</u>
Total	<u>\$ 651,140</u>

**Note 9 - Contingencies**

The Council participates in a number of Federal programs and State projects. These programs and projects are subject to financial and compliance audits by the grantors or their respective representatives. The possible disallowance of any item charged to the program or project or request for the return of any unexpended funds cannot be determined at this time. No provision for any liability that may result has been made in the financial statements.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

---

**Note 10 - Subsequent Events**

Subsequent events are events or transactions that occur after the balance sheet date but before the financial statements are issued or are available to be issued. Subsequent events should be disclosed in the financial statements if exclusion of such disclosure would cause the financial statements to be misleading. Management has evaluated subsequent events through February 24, 2015, the date the financial statements were available to be issued, and does not believe that there are any such events or transactions that require disclosure.

**Note 11 - Southeast Florida Regional Prosperity Institute, Inc (“SFRPI”)**

As described in Note 1, the Southeast Florida Regional Prosperity Institute, Inc (“SFRPI”) is a component unit of the Council. Summary financial data for the Institute is as follows:

	<b><u>2014</u></b>
<b>ASSETS</b>	
Cash	\$ 117,094
Accounts receivable	<u>2,000</u>
Total Assets	<u>119,094</u>
<b>LIABILITIES</b>	
Accounts Payable & Deferred Revenue	8,000
Unearned Revenue	100,000
Due to General Fund	<u>2,250</u>
Total Liabilities	<u>110,250</u>
<b>NET POSITION</b>	
Unrestricted	<u>\$ 8,844</u>
Total Revenue	\$ 8,750
Total Expenses	<u>42,908</u>
Change in net position	(34,158)
Net position, beginning of year	<u>43,002</u>
Net position, end of year	<u>\$ 8,844</u>

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SEPTEMBER 30, 2014**

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Membership assessments	\$ 755,578	\$ 755,579	\$ 755,578	\$ (1)
Federal, state and local grants		-	600	600
D.R.I. fees	15,000	17,135	18,201	1,066
Interest and service fees	-	-	1,734	1,734
Other income	-	-	1,181	1,181
Total Revenues	<u>770,578</u>	<u>772,714</u>	<u>777,294</u>	<u>4,580</u>
<b>EXPENDITURES</b>				
Personnel services	390,000	294,657	305,820	(11,163)
Operating expenses	<u>134,000</u>	<u>118,101</u>	<u>128,178</u>	<u>(10,078)</u>
Total Expenditures	524,000	412,757	433,998	(21,241)
Excess (deficiency) of revenues over expenditures	246,579	359,957	343,296	(16,661)
Other financing sources (uses)				
Transfer of assets from RLF Smart Watts	-	-	9,848	9,848
Net Operating transfers from General Fund in (out)	<u>(246,579)</u>	<u>(474,081)</u>	<u>(463,569)</u>	<u>10,511</u>
Total other financing sources (uses)	<u>(246,579)</u>	<u>(474,081)</u>	<u>(453,722)</u>	<u>20,359</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing	-	(114,124)	(110,426)	3,698
Fund balance at beginning of year	<u>325,975</u>	<u>325,975</u>	<u>325,975</u>	<u>-</u>
Fund balance at end of year	<u>\$ 325,975</u>	<u>\$ 211,851</u>	<u>\$ 215,549</u>	<u>\$ 3,698</u>

See notes to budgetary comparison schedule.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
BUDGETARY COMPARISON SCHEDULE  
PLANNING PROJETS FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Federal, state and local grants	\$ 1,947,246	\$ 1,727,791	\$ 1,691,396	\$ (36,395)
Other income	<u>30,000</u>	<u>22,500</u>	<u>12,529</u>	<u>(9,972)</u>
Total Revenues	<u>1,977,246</u>	<u>1,750,291</u>	<u>1,703,925</u>	<u>(46,367)</u>
<b>EXPENDITURES</b>				
Personnel services	950,000	785,000	783,935	1,065
Operating expenses	345,000	320,000	346,217	(26,217)
Outside consultant expense	<u>795,824</u>	<u>1,025,779</u>	<u>1,048,226</u>	<u>(22,447)</u>
Total Expenditures	<u>2,090,824</u>	<u>2,130,779</u>	<u>2,178,378</u>	<u>(47,599)</u>
Excess (deficiency) of revenues over expenditures	(113,578)	(380,488)	(474,453)	(93,965)
Other financing sources (uses)	-	-	-	-
Transfer to General Fund	-	-	-	-
Net Operating transfers from General Fund in (out)	<u>113,578</u>	<u>380,488</u>	<u>474,453</u>	<u>(93,965)</u>
Total other financing sources (uses)	<u>113,578</u>	<u>380,488</u>	<u>474,453</u>	<u>(93,965)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	-	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to budgetary comparison schedule.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
BUDGETARY COMPARISON SCHEDULE  
REVOLVING LOAN FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Interest and service fees	\$ 272,000	\$ 311,407	\$ 306,615	\$ (4,792)
Other income	-	-	31,156	31,156
Total Revenues	<u>272,000</u>	<u>311,407</u>	<u>337,771</u>	<u>26,364</u>
<b>EXPENDITURES</b>				
Personnel services	270,000	270,000	265,513	4,487
Operating expenses	120,000	120,000	112,601	7,399
Outside consultant expense	15,000	15,000	15,000	-
Bad debt expense	-	-	494,392	(494,392)
Total Expenditures	<u>405,000</u>	<u>405,000</u>	<u>887,506</u>	<u>(482,506)</u>
Excess (deficiency) of revenues over expenditures	(133,000)	(93,593)	(549,734)	(456,141)
Other financing sources (uses)				
Transfer to General Fund			(9,848)	(9,848)
Net Operating Transfers to General fund in (out)	<u>133,000</u>	<u>93,593</u>	<u>(10,884)</u>	<u>104,477</u>
Total other financing sources (uses)	<u>133,000</u>	<u>93,593</u>	<u>(20,732)</u>	<u>94,630</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	-	-	(570,466)	(570,466)
Fund balance at beginning of year	<u>7,043,854</u>	<u>7,043,854</u>	<u>7,043,854</u>	-
Fund balance at end of year	<u>\$ 7,043,854</u>	<u>\$ 7,043,854</u>	<u>\$ 6,473,388</u>	<u>\$ (570,466)</u>

See notes to budgetary comparison schedule.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
BUDGETARY COMPARISON SCHEDULE  
SFRPI FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

---

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance to Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Federal, state and local grants	\$ 50,000	\$ 35,000	\$ 5,000	\$ (30,000)
Other income	<u>-</u>	<u>-</u>	<u>3,750</u>	<u>3,750</u>
Total Revenues	<u>50,000</u>	<u>35,000</u>	<u>8,750</u>	<u>(26,250)</u>
<b>EXPENDITURES</b>				
Operating expenses	10,000	10,000	10,130	(130)
Outside consultant expense	<u>40,000</u>	<u>25,000</u>	<u>32,778</u>	<u>(7,778)</u>
Total Expenditures	50,000	35,000	42,908	(7,908)
Excess (deficiency) of revenues over expenditures	-	-	(34,158)	(34,158)
Fund balance at beginning of year	<u>43,002</u>	<u>43,002</u>	<u>43,002</u>	<u>-</u>
Fund balance at end of year	<u>\$ 43,002</u>	<u>\$ 43,002</u>	<u>\$ 8,844</u>	<u>\$ (34,158)</u>

See notes to budgetary comparison schedule.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO BUDGETARY COMPARISON SCHEDULE  
SEPTEMBER 30, 2014**

---

**Note 1- Budgetary Requirements**

The South Florida Regional Planning Council (“the Council”) prepares an annual operating budget for the general and special revenue funds which are reflected in these financial statements. The Council’s budgeting process is based on estimates of revenues and expenditures and requires that all budgets be approved by the Board of the Council (the “Board”). Subsequent amendments to the budget, if any, are approved by the Board.

Budgets are prepared on the same basis of accounting as required for Governmental Fund Types. Any remaining fund balances remain with the Council at the end of the year.

For the year ended September 30, 2014 the Council’s General Fund revenues were \$777,294 or \$4,580 better than budget. General Fund Expenditures were \$433,998, or \$(21,241) more than budget. The increase in personnel services and operating expenses is because more time was spent on technical support issues than were budgeted.

The Project Planning fund revenues were \$1,703,924 or \$(146,367) less than budget. The revenue shortfall was due to 1) the timing of the completion of the Adaption Action Areas grant from the Florida Department of Economic Opportunity. This grant was completed in December 2014, 2) Billing changes in the Florida Department of Emergency Management’s (FDEM) planning, training and Local Emergency Planning Committee grants reduce revenue versus budget. FDEM reduced the allowable indirect costs that could be charged to the grant. Total Expenditures were \$2,178,378 or \$(46,367) more than budget due to planned increased payments to Palm Beach Sheriff’s Office Virtual Fusion Center employees and the Miami Dade County Climate Change Conference expenses which were not budgeted. These additional expenses are 100% reimbursed to the Council.

The Revolving Loan Fund budget variance can be explained by write-downs for doubtful accounts. Fund revenue and fund expenses (excluding the write-down) were \$38,251 favorable to budget closing at \$337,771 and \$393,123 respectively.

The SFRPI Fund closed behind budget by \$34,158 because of receiving less funding than expected for the technical assistance work the SFRPI completed in the first half of 2014. SFRPI had expected \$35,000 in contributions from area banks, but only \$5,000 was actually received from Bank United. SFRPI continues to search out funding sources to continue to support the Region’s economic development through technical assistance to regional businesses.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL**

**COMPLIANCE SECTION**

**SEPTEMBER 30, 2014**



One S.E. Third Avenue  
Suite 2100  
Miami, FL 33131  
T: 305-374-1574  
F: 305-372-8161

110 East Broward Boulevard  
17<sup>th</sup> Floor  
Ft. Lauderdale, FL 33301  
T: 954-467-5490  
F: 954-467-6184

**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**

To the Council Members of  
South Florida Regional Planning Council

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of South Florida Regional Planning Council (the "Council"), as of and for the year ended September 30, 2014, and the related notes to the financial statements, and have issued our report thereon dated February 24, 2015.

**Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

*The Shampton Group, P. A.*

February 24, 2015



One S.E. Third Avenue  
Suite 2100  
Miami, FL 33131  
T: 305-374-1574  
F: 305-372-8161

110 East Broward Boulevard  
17<sup>th</sup> Floor  
Ft. Lauderdale, FL 33301  
T: 954-467-5490  
F: 954-467-6184

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133**

To the Council Members of  
South Florida Regional Planning Council

**Report on Compliance for the Major Federal Program**

We have audited South Florida Regional Planning Council (the "Council") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended September 30, 2014. The Council's major federal program is identified in the summary of auditor's 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 major federal program.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for the Council's major federal program 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; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 occurred. An audit includes examining, on a test basis, evidence about the Council'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 the major federal program. However, our audit does not provide a legal determination of the Council's compliance with those requirements.

**Opinion on the Major Federal Program**

In our opinion, the Council complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended September 30, 2014.

## **Report on Internal Control Over Compliance**

Management of the Council 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 Council's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 Council'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 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 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 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 preceding paragraph 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, as defined above.

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 results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

## **Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the financial statements of the governmental activities and the governmental funds of the Council, as of and for the year ended September 30, 2014, and have issued our report thereon dated February 24, 2015, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Council's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

*The Shroyer Group, P. A.*

February 24, 2015

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

---

**Section I - Summary of Auditors' Results**

***Financial Statements***

Type of auditors' report issued:

**Unmodified**

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified that are not considered to be a material weaknesses?  Yes  None Reported
- Noncompliance material to financial statements noted?  Yes  No

***Federal Awards***

Internal Control over major programs:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified that are not considered to be a material weakness?  Yes  None Reported

Type of auditors' report issued on compliance for major programs:

**Unmodified**

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?  Yes  No

Identification of major programs:

**CFDA Number(s)    Name of Federal Program**

11.307            U.S. Department of Commerce - Economic Adjustment Assistance

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 300,000

Auditee qualified as a low-risk auditee?

Yes     No

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

---

**Section II - Financial Statement Current Year Findings and Questioned Costs**

There were no findings and questioned costs noted during the current year.

**Section III - Financial Statement Prior Year Findings and Questioned Costs**

There were no findings and questioned costs noted during the prior year.

**Section IV - Federal Award Current Year Findings and Questioned Costs**

There were no findings and questioned costs noted during the current year.

**Section V - Federal Award Prior Year Findings and Questioned Costs**

There were no findings and questioned costs noted during the prior year.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR / PROGRAM TITLE</u>	<u>CFDA#</u>	<u>Contract #</u>	<u>Grant Amount</u>	<u>Expenditures</u>	<u>Loans Receivable (1)</u>	<u>Balance (including cash) held by trustee)</u>	<u>SFRPC Match</u>	<u>Total Expenditures</u>	<u>Federal Share</u>
<u>U.S. Dept. of Commerce - Economic Development Administration</u> Economic Adjustment Assistance "EDA CONSOLIDATED"	11.307	04-89-03952	\$ 12,287,235	\$ 330,000	\$ 5,054,791	\$ 260,939	\$ 43,432	\$ 5,645,730	\$ 5,645,730
<u>U.S. Dept. of Commerce - Economic Development Administration</u> Comprehensive Development Strategy (CEDS)	11.302	04-83-06117	189,000	63,000			65,656	128,656	63,000
<u>U.S. Depart. of Commerce - National Oceanic &amp; Atmospheric Administration</u> Passed through the Department of Economic Opportunity	11.419	CO905	194,000	89,755			72,963	162,718	89,755
<u>U.S. Department of Energy</u> Passed through Leonardo Technologies, Inc. Clean Cities Coalition Programmatic Support	81.000	DE-FE0004002	30,000	30,000			15,938	45,938	30,000
<u>U.S. Department of Energy</u> Passed through University of Central Florida Advancing Alternative Fuels in Florida	81.086	DE-EE0006080	80,000	20,422			41,065	61,487	20,422
<u>U.S. Department of Housing and Urban Development</u> Office of Sustainable Housing and Communities Sustainable Communities Initiative	14.703	FLRIP0009-10	4,250,000	618,622			138,523	757,145	618,622
<u>U.S. Department of Homeland Security</u> Passed through the State of Florida Division of Emergency Management Passed through Miami Urban Area Security Initiative (UASI) Grant									
Passed through Palm Beach County Sheriff's Office - VFS Analysts	97.067	Memorandum of Agreement		317,221				317,221	317,221
<u>U.S. Department of Homeland Security</u> Passed through the State of Florida Division of Emergency Management Passed through State Homeland Security Grant Program (SHSGP)									
Passed through Palm Beach County Sheriff's Office - VFS Analysts	97.067	Memorandum of Agreement		53,066			8,741	61,807	53,066
<u>U.S. Department of Homeland Security</u> Passed through the State of Florida Division of Emergency Management Passed through NEFRC subcontract to SFRPC Interoperable Emergency Communications Training	97.000	PO # 889	14,000	14,000			1,744	15,744	14,000
<u>U.S. Department of Homeland Security</u> Passed through Palm Beach County Sheriff's Office									
Region 7 2013 USAI Exercise (2011-198)	97.000	12-DS-22-11-23-02-236	40,000	40,000			10,754	50,754	40,000
<u>U.S. Department of Transportation</u> Passed through the State of Florida Division of Emergency Management									
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	14-DT-75-13-00-21-169	74,689	56,327			17,316	73,643	56,327
<u>U.S. Department of Transportation - Federal Highway Administration</u> Passed through Miami-Dade County-MPO									
Highway Planning and Construction	20.205	Interlocal Agreement	25,000	25,000			19,359	44,359	25,000
Total Federal Awards			<u>\$ 17,183,924</u>	<u>\$ 1,657,413</u>	<u>\$ 5,054,791</u>	<u>\$ 260,939</u>	<u>\$ 392,059</u>	<u>\$ 7,365,202</u>	<u>\$ 6,973,143</u>

(1) Note Receivable is Net of Allowance for Bad Debt

The accompanying notes are an integral part of this schedule.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

---

**Note 1 - General**

The accompanying Schedule of Expenditures of Federal Awards included herein represents the Federal and State grant activity of the South Florida Regional Planning Council (the "Council").

**Note 2 - Summary of Significant Accounting Policies**

**Basis of Presentation**

The information in this schedule is presented in accordance with accounting principles generally accepted in the United States and the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

**Basis of Accounting**

The expenditures in the accompanying Schedule of Expenditures of Federal Awards are presented using the accrual basis of accounting. The accrual basis recognizes expenses when they are incurred.

**Note 3 - Matching**

Matching funds were provided as follows:

	<b><u>Net Federal Expenditures</u></b>	<b><u>Matching and Other Expenditures</u></b>	<b><u>Gross Expenditures</u></b>
Federal Awards	\$ 6,973,143	\$ 392,059	\$ 7,365,202

**Note 4 - Loans Receivable**

Loans receivable reported for federal awards were expended in prior years. Therefore, amounts reported in the statement were not taken into consideration as expenditures for the current year, as they were considered in the year the actual expenditures occurred.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

---

**Note 5 - Contingencies**

Grant monies received and disbursed by the Council are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the Council does not believe that such disallowances, if any, would have a material effect on the financial position of the Council. As of February 24, 2015, management is not aware of any material questioned or disallowed costs as a result of grant audits in process or completed; however, the possible disallowance by a governmental agency of any item charged to a program or project cannot be determined at this time.



One S.E. Third Avenue  
Suite 2100  
Miami, FL 33131  
T: 305-374-1574  
F: 305-372-8161

110 East Broward Boulevard  
17<sup>th</sup> Floor  
Ft. Lauderdale, FL 33301  
T: 954-467-5490  
F: 954-467-6184

## **Management Letter in Accordance with Rules of the Auditor General of the State of Florida**

To the Council Members of  
South Florida Regional Planning Council

### **Report on the Financial Statements**

We have audited the financial statements of the South Florida Regional Planning Council (the "Council") as of and for the fiscal year ended September 30, 2014, and have issued our report thereon dated February 24, 2015.

### **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 Florida Auditor General.

### **Other Reports and Schedule**

We have issued our Independent Auditors' 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 The Major Federal Program and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' 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 February 24, 2015, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

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

### **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 the management letter, unless disclosed in the notes to the financial statements. The name or official title and legal authority of the primary government and component unit are disclosed in the notes to the financial statements.

### **Annual Financial Report**

Section 10.554(1)(i)5.b., Rules of the Auditor General, requires that we report the results of our determination as to whether the annual financial report for the Council for the fiscal year ended September 30, 2014, 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, 2014. In connection with our audit, we determined that these two reports were in agreement.

### **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.

### **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, Members of the Council and management and is not intended to be and should not be used by anyone other than these specified parties.

*The Shroyton Group, P. A.*

February 24, 2015



One S.E. Third Avenue  
Suite 2100  
Miami, FL 33131  
T: 305-374-1574  
F: 305-372-8161

110 East Broward Boulevard  
17<sup>th</sup> Floor  
Ft. Lauderdale, FL 33301  
T: 954-467-5490  
F: 954-467-6184

## **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH THE REQUIREMENTS OF SECTION 218.415 FLORIDA STATUTES**

To the Council Members of  
South Florida Regional Planning Council

We have examined the South Florida Regional Planning Council (the "Council"), compliance with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2014. Management is responsible for the Council's compliance with those requirements. Our responsibility is to express an opinion on the Council'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 Council'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 Council's compliance with specified requirements.

In our opinion, the Council complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2014.

*The Sharpton Group, P.A.*

February 24, 2015