



# MEMORANDUM

AGENDA ITEM #IV.E

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DATE: MAY 20, 2019  
TO: COUNCIL MEMBERS  
FROM: STAFF  
SUBJECT: FY 2017-18 ANNUAL AUDIT

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The Audited Financial Statements for the year ended September 30, 2018 will be available on the Council's Agenda website. Representatives of S. Davis & Associates, P.A. will be available at the May 20, 2019 Council Meeting.

## Recommendation

Approval of the Audited Financial Statements for the year ended September 30, 2018.



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**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

DRAFT

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

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**TABLE OF CONTENTS**

	<b>PAGE(S)</b>
Independent Auditor's Report .....	1-3
Management's Discussion and Analysis.....	4-9
 <b>BASIC FINANCIAL STATEMENTS</b>	
Balance Sheet/Statement of Net Position.....	10
Statement of Revenues, Expenditures and Changes in Fund Balances/Statement of Activities.....	11
Notes to Financial Statements .....	12-36
 <b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Budgetary Comparison Schedule - General Fund.....	37
Budgetary Comparison Schedule - Local Projects Fund.....	38
Budgetary Comparison Schedule - Planning Projects Fund.....	39
Budgetary Comparison Schedule – EDA Revolving Loan Fund .....	40
Budgetary Comparison Schedule – Other Revolving Loan Funds .....	41
Budgetary Comparison Schedule - SFRPI Fund .....	42
Schedule of Employer Contributions – Florida Retirement System Pension Plan .....	43
Schedule of Proportionate Share of the Net Pension Liability – Florida Retirement System Pension Plan.....	44
Schedule of Contributions – Florida Retirement System Health Insurance Subsidy.....	45
Schedule of Proportionate Share of the Net Pension Liability – Florida Retirement System Health Insurance Subsidy.....	46
Notes to Required Supplementary Information.....	47
 <b>COMPLIANCE SECTION</b>	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	48-49
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance .....	50-51
Schedule of Findings and Questioned Costs.....	52-54
Schedule of Expenditures of Federal Awards.....	55
Notes to the Schedule of Expenditures of Federal Awards .....	56-57
Management Letter in Accordance with Rules of the Auditor General of the State of Florida .....	58-59
Independent Auditor's Report on Compliance with the Requirements of Section 218.415 Florida Statutes .....	60

## INDEPENDENT AUDITOR'S REPORT

To the Council Members of the  
South Florida Regional Planning Council

We have audited the accompanying financial statements of the governmental activities and each major fund of the South Florida Regional Planning Council (the "Council") as of and for the year ended September 30, 2018, 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. 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, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 9, budgetary comparison schedules on pages 37 through 42, the schedules of proportionate share of the net pension liability, the schedules of contributions and other post-employment benefits on pages 43 through 47 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards, is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States

of America. In our opinion, schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2019 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.

Hollywood, Florida

May 15, 2019

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2018**

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This section of the Council's financial statement presents management's analysis of the Council's financial performance during the year ended September 30, 2018. 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 and deferred outflows of the Council as reported in the government-wide financial statements exceeded the liabilities and deferred inflows as of September 30, 2018, by \$4,875,382 (net position). This amount represents an increase of \$302,469 as compared to a decrease of \$485,554 the prior year. This increase was mainly due to excess revenues over expenditures in the General Fund of \$248,569, and a non-recurring increase in the allowance for loan losses during the prior fiscal year of \$448,276.
- The General Fund unassigned fund balance as of September 30, 2018 amounts to \$747,320 as compared to \$498,751 at the end of the previous year. This represents an increase of \$248,569 that was mainly due to the reduction in occupancy cost as a result of a lease at a new office location.
- The Council has decided to exclude the Small Business Emergency Bridge Loan fund because, as of September 30, 2018, the current receivable balances for Broward, Dade and Monroe are in default. The Council has contacted the state office responsible for closing out this grant and transferring the defaulted loans. Therefore, the Council has excluded the accounts related to the Small Business Emergency Bridge Loan fund from the statement of net position. They are displayed in a separate column.

**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.

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.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2018**

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

You can think of the Council's net position - the difference between assets and deferred outflows minus liabilities and deferred inflows - 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 the Council's assets and deferred outflows minus liabilities and deferred inflows and provides information about the nature and amounts of investments in resources (assets) and the obligations to Council creditors (liabilities).

All 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 the 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 governmental activities.

*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 four funds to account for its activities: the general fund, local projects fund, special revenue planning projects fund, and revolving loan funds. The general fund is used to account for all financial resources except those determined to be accounted for in another fund.



**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2018**

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

The 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, 2018, the Planning Projects Funds and the Revolving Loan Funds including the EDA Consolidated Fund, EPA Brownfield revolving loan fund, and the Small Business Emergency Bridge Loan (OTTED) are 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 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 the net position of the Council which measures the Council's financial health, or position. Our analysis and 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, 2018**

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**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>2018</b>	<b>2017</b>
Current assets, net of loans receivable	\$ 4,099	\$ 3,483
Loans receivable, net	1,762	2,079
Capital assets, net of depreciation	41	21
Non-current assets	16	23
<b>Total assets</b>	<b>\$ 5,918</b>	<b>\$ 5,606</b>
Deferred outflows	\$ 324	\$ 449
Current liabilities	\$ 88	\$ 103
Non-current liabilities	969	1,234
<b>Total liabilities</b>	<b>\$ 1,057</b>	<b>\$ 1,337</b>
Deferred inflows	\$ 311	\$ 144
Net position:		
Net investment in capital assets	\$ 41	\$ 21
Restricted	4,986	4,931
Deficiency in net assets/unrestricted	(152)	(378)
<b>Total net position</b>	<b>\$ 4,875</b>	<b>\$ 4,574</b>

As noted earlier, net position may serve over time as a useful indicator of the Council's financial position. As of September 30, 2018, and 2017, the Council's total assets and deferred outflows exceeded its total liabilities and deferred inflows by \$4,875,382 and \$4,573,823, respectively, an increase of \$301,559 from 2017. This increase was mainly due to excess revenues over expenditures in the General Fund of \$248,569, and a non-recurring increase in the allowance for loan losses during the prior fiscal year of \$448,276.

Unrestricted net position at September 30, 2018 and 2017 was (\$152,171) and (\$378,432), respectively. The deficit net position is principally attributable to the Net Pension and HIS Liability totaling \$919,335 and \$1,187,977 as of September 30, 2018 and 2017, respectively. There was an improvement in the unrestricted net position of \$226,261 during the current fiscal year.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2018**

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**Financial Analysis (cont'd)**

*Government-Wide Analysis (cont'd)*

Restricted net position increased by \$55,061 or 1.1% to \$4,986,110. This increase was mainly due to excess revolving loan fund revenues over expenditures during the fiscal year.

The Council's net investment in capital assets was \$41,443 and \$21,206 as of September 30, 2018, and 2017, respectively.

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

**Table A-2**

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

	<b>2018</b>	<b>2017</b>
<b>REVENUES</b>		
Membership assessments	\$ 834	\$ 818
Federal, state and local grants	901	918
D.R.I. fees	2	8
Interest	196	200
Other Income	286	84
Total Revenues	2,219	2,028
<b>EXPENDITURES</b>		
<b>Current:</b>		
Comprehensive planning:		
Personnel services	1,276	1,074
Operating expenses	569	530
Outside consultant expense	69	459
Bad debt expense	-	448
Depreciation and amortization	2	2
Total Expenditures	1,916	2,513
Change in net position	303	(485)
Net position, beginning of year	5,502	5,988
Net position, end of year	5,804	5,502
Less: Small Business Loan Fund Balance	(929)	(928)
Net position, end of year restated with the exclusion	\$ 4,875	\$ 4,574

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2018**

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**Financial Analysis (cont'd)**

*Government-Wide Analysis (cont'd)*

In 2018, total revenues of \$2,218,864 increased by \$191,263 as compared to fiscal year 2017. The increase was mainly related to an increase of \$232,060 in Federal, State, and local grants.

- Total expenditures of \$1,916,395 for the year ended September 30, 2018 represents a decrease of \$596,760 from the prior year. This decrease is mainly due to a non-recurring increase in the allowance for loan losses during the prior fiscal year of \$448,276, coupled with a reduction in occupancy cost as a result of a lease at a new office location.

**Capital Assets and Debt Administration**

For the years ended September 30, 2018 and 2017, the Council had \$41,443 and \$21,206 in fixed assets, respectively, net of accumulated depreciation. There was \$22,467 of additions to capital assets for the year ended September 30, 2018.

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 shown on the Statement of Revenues, Expenditures and Changes in Fund Balance.

**General Fund Budgetary Highlights**

The original budget was approved at the Council meeting in September 2017. There were no amendments during the year.

**Economic Factors and the 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 2018, various factors, such as delivering at least the same level of expertise 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, 1 Oakwood Boulevard, Suite 250, Hollywood, Florida 33020.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
BALANCE SHEET/ STATEMENT OF NET POSITION  
SEPTEMBER 30, 2018**

	Major Funds						Total Funds	OTTED Loan Exclusion	Adjustments	Statement of Net Position
	General Fund	Local Projects Fund	Planning Projects Fund	Revolving Loan Funds		SFRPI Fund				
			EDA	Other						
<b>ASSETS</b>										
Cash and cash equivalents	\$ 489,627	\$ -	\$ -	\$ -	\$ -	\$ 44,517	\$ 534,144	\$ -	\$ -	\$ 534,144
Investments	10,766	-	-	-	-	-	10,766	-	-	10,766
<b>Receivables</b>										
Contract and grant receivables	1,980	70,800	233,221	-	-	1,100	307,101	-	-	307,101
Deposits and other assets	15,654	-	-	-	-	-	15,654	-	-	15,654
Due from other funds	295,659	-	-	15,467	2,855	520	314,501	-	(314,501)	-
<b>Restricted assets:</b>										
Cash and cash equivalents	-	-	-	2,365,757	1,024,976	-	3,390,733	143,337	-	3,247,396
Loans receivable, net	-	-	-	1,762,359	977,729	-	2,740,088	977,729	-	1,762,359
Property and equipment, net	-	-	-	-	-	-	-	-	41,443	41,443
<b>Total Assets</b>	<b>\$ 813,686</b>	<b>\$ 70,800</b>	<b>\$ 233,221</b>	<b>\$ 4,143,583</b>	<b>\$ 2,005,560</b>	<b>\$ 46,137</b>	<b>\$ 7,312,987</b>	<b>\$ 1,121,066</b>	<b>\$ (273,058)</b>	<b>\$ 5,918,863</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>										
Deferred outflows related to pension									\$ 324,191	\$ 324,191
<b>LIABILITIES AND net position</b>										
<b>Liabilities:</b>										
Accounts payable and other accrued expenses	\$ 10,010	\$ -	\$ 19,521	\$ -	\$ 192,004	\$ 800	\$ 222,335	\$ 192,004	\$ -	\$ 30,331
Accrued payroll	6,342	1,092	9,758	1,856	-	-	19,048	-	-	19,048
Compensated absences	49,494	-	-	-	-	-	49,494	-	-	49,494
Unearned revenue	-	-	-	-	-	38,646	38,646	-	-	38,646
Due to other funds	520	69,708	203,942	37,257	2,855	219	314,501	-	(314,501)	-
Net pension liability	-	-	-	-	-	-	-	-	660,975	660,975
Net HIS liability	-	-	-	-	-	-	-	-	258,360	258,360
<b>Total Liabilities</b>	<b>66,366</b>	<b>70,800</b>	<b>233,221</b>	<b>39,113</b>	<b>194,859</b>	<b>39,665</b>	<b>644,024</b>	<b>192,004</b>	<b>604,834</b>	<b>1,056,854</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>										
Deferred inflows related to pension									\$ 310,818	\$ 310,818
<b>Fund Balances:</b>										
Restricted for revolving loan program	-	-	-	4,104,470	1,810,701	-	5,915,171	929,062	(4,986,109)	-
Unassigned	747,320	-	-	-	-	6,472	753,792	-	(753,792)	-
<b>Total fund balances</b>	<b>747,320</b>	<b>-</b>	<b>-</b>	<b>4,104,470</b>	<b>1,810,701</b>	<b>6,472</b>	<b>6,668,963</b>	<b>929,062</b>	<b>(5,739,901)</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 813,686</b>	<b>\$ 70,800</b>	<b>\$ 233,221</b>	<b>\$ 4,143,583</b>	<b>\$ 2,005,560</b>	<b>\$ 46,137</b>	<b>\$ 7,312,987</b>	<b>\$ 1,121,066</b>		
<b>Net position:</b>										
Net investment in capital assets									41,443	41,443
Restricted for loan program excluding OTTED Loan Fund									4,986,109	4,986,109
Unrestricted									(152,170)	(152,170)
<b>Total Net Position</b>									<b>\$ 4,875,382</b>	<b>\$ 4,875,382</b>

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 ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Major Funds						Total Funds	Adjustments	Statement Activities
	General Fund	Local Projects Fund	Planning Projects Fund	Revolving Loan Funds		SFRPI Fund			
				EDA	Other				
<b>REVENUES</b>									
Membership assessments	\$ 833,521	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 833,521	\$ -	\$ 833,521
Federal, state and local projects	-	-	898,623	-	-	2,690	901,313	-	901,313
D.R.I. fees	-	1,500	-	-	-	-	1,500	-	1,500
Interest	4,969	-	-	160,184	31,182	-	196,335	-	196,335
Other Income	694	248,696	1,500	30,765	2,339	2,200	286,194	-	286,194
Total Revenues	<u>839,184</u>	<u>250,196</u>	<u>900,123</u>	<u>190,949</u>	<u>33,521</u>	<u>4,890</u>	<u>2,218,863</u>	<u>-</u>	<u>2,218,863</u>
<b>EXPENDITURES</b>									
<b>Current:</b>									
Comprehensive planning:									
Personnel services	424,961	54,634	688,499	77,923	7,873	-	1,253,890	22,307	1,276,197
Operating expenses	185,204	30,609	293,918	50,450	4,514	4,671	569,366	-	569,366
Outside consultant expense	2,076	7,910	30,875	26,500	1,240	-	68,601	-	68,601
Bad debt expense	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	2,230	2,230
<b>Capital expenditures</b>	<u>22,467</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,467</u>	<u>(22,467)</u>	<u>-</u>
Total Expenditures	<u>634,708</u>	<u>93,153</u>	<u>1,013,292</u>	<u>154,873</u>	<u>13,627</u>	<u>4,671</u>	<u>1,914,324</u>	<u>2,070</u>	<u>1,916,394</u>
Excess (deficiency) of revenues over expenditures	204,476	157,043	(113,169)	36,076	19,894	219	304,539	(2,070)	302,469
<b>Other financing sources (uses):</b>									
Operating Transfers in	157,262	-	113,169	-	-	-	270,431	-	270,431
Operating Transfers (out)	(113,169)	(157,043)	-	-	-	(219)	(270,431)	-	(270,431)
Total other financing sources (uses)	<u>44,093</u>	<u>(157,043)</u>	<u>113,169</u>	<u>-</u>	<u>-</u>	<u>(219)</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	248,569	-	-	36,076	19,894	-	304,539	(2,070)	302,469
Fund balance/net position at beginning of year*	498,751	-	-	4,068,394	1,790,807	6,472	6,364,424	(862,449)	5,501,975
Fund balance/net position at end of year	<u>\$ 747,320</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,104,470</u>	<u>\$ 1,810,701</u>	<u>\$ 6,472</u>	<u>\$ 6,668,963</u>	<u>\$ (864,519)</u>	<u>\$ 5,804,444</u>
Less: OTTED Loan Fund balance restricted									(929,062)
Net position at end of year excluding OTTED Loan Fund									<u>\$ 4,875,382</u>

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

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

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**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 THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

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

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 the activities of the Council. Governments typically report activities as either governmental activities, which are normally 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 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 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 THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

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

- a) **General Fund** – used to account for all financial resources except those required to be accounted for in another fund.
- b) **Local Projects Fund** – used to account for revenues received from contract services provided by the Council.
- c) **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.
- d) **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”) and the Environmental Protection Agency (“EPA”). The EDA RLF is used to provide loans to small and medium size businesses located within Miami-Dade, Broward and Monroe Counties that have evidence demonstrating that credit is not otherwise available on terms and conditions that permit the completion or successful operation of the activity to be financed. 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.
- e) **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 provides 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.

**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.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

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

**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 planning projects fund 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, 2018, the unassigned fund balance in the Council's general fund could be used for the day to day operations of the Council.

**Cost allocation**

Expenses associated with specific grants or contracts are charged directly to the grants or contracts. All other expenses are allocated to active grants or contracts based on the sum of direct salary, allocated leave salary, and allocated fringe benefits. This policy is consistent with the principles of 2 C.F.R. § 200.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

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

**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 actual amounts are presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balance.

**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 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, deferred outflows, liabilities and deferred inflows 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.

**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.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

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

**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.

**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.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

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

**Pensions**

In the governmental activities, Statement of Net Position, pension liabilities are recognized for the Council's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows of resources related to pensions, deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System Pension Plan (Pension Plan) defined benefit plan and the Health Insurance Subsidy (HIS) defined benefit plan, and additions to and deductions from the Pension Plan's and the HIS's fiduciary net position, have been determined on the same basis as they are reported by the Pension Plan and HIS plans. Changes in the net pension liability during the period are recorded as pension expense, deferred outflows of resources, or deferred inflows of resources depending on the nature of the change. Those changes in the net pension liability that are recorded as deferred outflows of resources or deferred inflows of resources that arise from changes in actuarial assumptions or other inputs, changes in the proportionate share of the net pension liability, and differences between expected or actual experience, are amortized over the average expected remaining service lives of all employees that are provided with pensions through the pension plans, and recorded as a component of pension expense beginning with the period in which they arose. Differences between projected and actual investment earnings are reported as deferred outflows of resources or deferred inflows of resources and are amortized as a component of pension expense using a systematic and rational method over a five-year period.

**Income taxes**

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

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

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**Note 3- Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances – total government funds	\$304,540
Government funds report capital outlays as expenditures. In the statement of activities, the cost of capital assets purchased are allocated over their estimated useful lives and reported as depreciation expense.	22,467
Depreciation expense for the fiscal year ended September 30, 2018	(2,230)
Some expenses reported in the statement of activities do not require the use of financial resources and, therefore, are not reported as expenditures in governmental funds:	
Net pension obligations	(22,308)
Changes in net position of governmental activities	<u><u>\$302,469</u></u>

**Note 4 - Cash and Investments**

At September 30, 2018, the Council's cash and investments consisted of the following:

Cash and cash equivalents – Unrestricted	
Demand deposits and petty cash	\$ 534,144
Pooled investment fund – Florida State Board of Administration	10,766
Small Business Emergency Bridge Loan Fund	143,337
EPA Brownfield Revolving Loan Fund	881,639
EDA Consolidated Loan Fund	<u>2,365,757</u>
Total restricted cash and cash equivalents	<u><u>\$ 3,935,643</u></u>

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

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

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**Note 4 - Cash and Investments (cont'd)**

**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.

**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, 2018, South Florida Regional Council had a balance of \$10,766 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.



**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

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**Note 5 - 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.

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, 2018, EDA RLF Consolidated fund outstanding balance of loans receivable, net of allowance for doubtful accounts was \$1,762,359. There is \$2,365,757 in funds available to the program as of that date. The administrative costs (excluding bad debt expense) related to the management of RLF Consolidated loan program was \$154,873 for the year ended September 30, 2018.

As of September 30, 2018, \$1,284,375 was setup as an allowance for loan losses. It is the Council staff's plan to restructure these loans in hope to get them paid in full.

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 THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

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**Note 5 - 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 Miami-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, 2018, the cash balance was \$143,337, and the receivable balances were as follows: Broward County Businesses \$488,867, Miami-Dade County Businesses \$428,362 and Monroe County Businesses \$60,500. As of September 30, 2018, all the receivable balances are in default and 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 \$ 929,062 from the statement of net position as of September 30, 2018.

**Note 6 - Capital Assets**

The following is the summary of changes in capital assets for the year ended September 30, 2018:

<b>Description</b>	<b>October 1, 2017</b>	<b>Additions</b>	<b>Retirement</b>	<b>September 30, 2018</b>
Office Furniture & Equipment	\$ 55,601	\$ -	\$ -	\$ 55,601
Leasehold Improvements	80,842	-	(80,842)	-
Construction in Progress	-	22,467	-	22,467
<b>Sub-total</b>	<b>136,443</b>	<b>22,467</b>	<b>(80,842)</b>	<b>78,068</b>
Less accumulated depreciation and amortization	(115,237)	(2,230)	80,842	(36,625)
<b>Net</b>	<b><u>\$ 21,206</u></b>	<b><u>\$ 20,237</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 41,443</u></b>

Depreciation expense was \$2,230 in the fiscal year ended September 30, 2018.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

**Note 7 - Due From/Due To Other Funds and Transfers In/Out**

The composition of inter-fund balances and transfers as of September 30, 2018 is the following:

<b>Payable Fund:</b>	<b>Receivable Fund:</b>				Total
	General Fund	EDA Revolving Loan Fund	Other Revolving Loan Fund	SFRPI Fund	
General Fund	\$ -	\$ -	\$ -	\$ 520	\$ 520
Local Projects Fund	69,708	-	-	-	69,708
Planning Projects Fund	203,942	-	-	-	203,942
EDA Revolving Loan Fund	21,790	15,467	-	-	37,257
Other Revolving Loan Fund	-	-	2,855	-	2,855
SFRPI Fund	219	-	-	-	219
<b>Total</b>	<b>\$ 295,659</b>	<b>\$ 15,467</b>	<b>\$ 2,855</b>	<b>\$ 520</b>	<b>\$ 314,501</b>

The outstanding balances between Governmental funds mainly resulted from time lag between the dates that (a) inter-fund services are provided or reimbursable expenditures occur, (b) transactions are recorded in the accounting system, and (c) payments between funds are made. Interfund balances to the General Fund are to provide interim resources to Planning Project Fund for expenses related to reimbursable funds and grants.

<b><u>Transfers Out</u></b>	<b><u>Transfers In</u></b>		
	<b><u>Planning Projects</u></b>	<b><u>General Fund</u></b>	<b><u>Total</u></b>
General Fund	\$ 113,169	\$ -	\$ 113,169
Local Projects Fund	-	157,043	157,043
SFRPI	-	219	219
<b>Total transfers</b>	<b>\$ 113,169</b>	<b>\$ 157,262</b>	<b>\$ 270,431</b>

**Note 8 - Employee Benefit Plans**

All Council's employees participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the Pension Plan and the Retiree Health Insurance Subsidy (HIS Plan). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan (Investment Plan) alternative to the Pension Plan,

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

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**Note 8 - Employee Benefit Plans (cont'd)**  
**Pension Plan (cont'd)**

which is administered by the State Board of Administration (SBA). Generally, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Florida Legislature establishes and may amend the contribution requirements and benefit terms of all FRS plans.

The plan administrator for FRS prepares and publishes its own stand-alone comprehensive annual financial report, including financial statements and required supplementary information. Copies of this report can be obtained from the Department of Management Services, Division of Retirement, Bureau of Research and Member Communications, P.O. Box 9000, Tallahassee, Florida 32315-9000; or at the Division's website ([www.frs.myflorida.com](http://www.frs.myflorida.com)).

**Pension Plan**

Plan Description - The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees.

The general classes of membership for the Council are as follows:

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

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

Employees enrolled in the Pension Plan prior to July 1, 2011, vest after six years of creditable service, and employees enrolled in the Pension Plan on or after July 1, 2011, vest after eight years of creditable service. Regular Class and SMSC members initially enrolled in the Pension Plan before July 1, 2011, once vested, are eligible for normal retirement benefits at age 62 or at any age after 30 years of creditable service. Members in these classes initially enrolled in the Pension Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service.

Early retirement may be taken any time after vesting within 20 years of normal retirement age; however, there is a 5.0% benefit reduction for each year prior to the normal retirement age.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

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**Note 8 - Employee Benefit Plans (cont'd)**  
**Pension Plan (cont'd)**

DROP is available under the Pension Plan when the member first reaches eligibility for normal retirement. The DROP allows a member to retire while continuing employment for up to 60 months. While in the DROP, the member's retirement benefits accumulate in the FRS Trust Fund increased by a cost-of-living adjustment each July and earn monthly interest equivalent to an annual rate of 1.30%. DROP participants with an effective DROP commencement date before July 1, 2011, earn monthly interest equivalent to an annual rate of 6.50%.

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

<u>Class, Initial Enrollment, and Retirement Age/Years of Services</u>	<u>% Value (Per Year of Service)</u>
<b>Regular Class members initially enrolled before July 1, 2011</b>	
Retirement up to age 62 or up to 30 years of service	1.60%
Retirement at age 63 or with 31 years if service	1.63%
Retirement at age 64 or with 32 years if service	1.65%
Retirement at age 65 or with 33 or more years if service	1.68%
<b>Regular Class members initially enrolled after July 1, 2011</b>	
Retirement up to age 65 or up to 33 years of service	1.60%
Retirement at age 66 or with 34 years if service	1.63%
Retirement at age 67 or with 35 years if service	1.65%
Retirement at age 68 or with 36 or more years if service	1.68%
<b>Senior Management Service Class</b>	<b>2.00%</b>

The benefits received by retirees and beneficiaries are increased by a cost-of-living adjustment (COLA) each July. If the member was initially enrolled in the Pension Plan before August 1, 2011, and all service credit was accrued before that time, the annual COLA is 3.0% per year. If the member effective retirement date or DROP begin date is on or after August 1, 2011, there is an individually calculated COLA. The annual COLA is a proportion of 3.0% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3.0%. Pension Plan members initially enrolled on or after July 1, 2011, will not have a COLA after retirement.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

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**Note 8 - Employee Benefit Plans (cont'd)**  
**Pension Plan (cont'd)**

Contributions - Effective July 1, 2011, all enrolled members of the Pension Plan, other than DROP participants, are required to contribute 3.0% of their salary to the Pension Plan. In addition to member contributions, governmental employers are required to make contributions to the Pension Plan based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1, of each year.

The employer contribution rates by job class for the periods from October 1, 2017 through June 30, 2018 and from July 1, 2018 through September 30, 2018, respectively, were as follows: Regular – 7.92% and 8.26%, Senior Management Service – 22.71% and 24.06% and DROP participants 13.26% and 14.03%. These employer contribution rates include the HIS Plan contribution rates of 1.66% and 1.66%, or the administrative cost assessment of .06% and .06%. The .06% administrative/educational fee does not apply to DROP participants.

For the fiscal year ending September 30, 2018, pension contributions, including employee contributions of \$23,649, to the Pension Plan for the Council totaled \$110,788.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2018, the Council reported a liability of \$660,975 for its proportionate share of the Pension Plan's net pension liability.

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The Council's proportionate share of the net pension liability was based on the Council's 2017-2018 fiscal year contributions relative to the 2017-2018 fiscal year contributions of all participating members. At June 30, 2018, the Council's proportionate share was 0.002195% which was a decrease of 0.000734% from its proportionate share measured as of June 30, 2017.

For the fiscal year ended September 30, 2018, the Council reported employer contributions of \$73,203. In addition, the Council reported deferred outflows of resources and deferred inflows of resources related to the Pension Plan from the following sources:

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

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**Note 8 - Employee Benefit Plans (cont'd)**  
**Pension Plan (cont'd)**

**Deferred Inflows**

Change in Proportion	\$ (145,873)
Change in Proportion (reverse prior year)	44,737
Experience	(2,033)
Experience (reverse prior year)	4,801
Investments	(51,091)
Investments (reverse prior year)	21,475

<b>Total</b>	<b><u><u>\$ (127,985)</u></u></b>
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**Deferred Outflows**

Contributions Subsequent to Measurement Date of 6/30/18	\$ 18,060
Assumptions	216,072
Assumptions (reverse prior year)	(291,241)
Change in Proportion	20,612
Change in Proportion (reverse prior year)	(34,653)
Contributions Subsequent to Prior Measurement Date	(16,006)
Experience	56,020
Experience (reverse prior year)	(79,534)

<b>Total</b>	<b><u><u>\$ (110,670)</u></u></b>
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The deferred outflows of resources related to the Pension Plan for the Council resulting from contributions to the Pension Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

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**Note 8 - Employee Benefit Plans (cont'd)**  
**Pension Plan (cont'd)**

Fiscal Year Ending September 30th	
9/30/2019	(15,762)
9/30/2020	(24,805)
9/30/2021	(26,773)
9/30/2022	(26,630)
9/30/2023	(23,107)
Thereafter	(8,184)
Total	<u>\$ (125,261)</u>

Actuarial Assumptions - The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.60%
Salary increases	3.25% average, including inflation
Investment rate of return	7.00%

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in the July 1, 2017, valuation was based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013. Assumption changes adopted by the FRS Assumptions Conference were incorporated into July 1, 2018 Valuation.

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



**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

**Note 8 - Employee Benefit Plans (cont'd)**  
**Pension Plan (cont'd)**

<b>Asset Class</b>	<b>Target Allocation*</b>	<b>Annual Arithmetic Return</b>	<b>Compound Annual (Geometric) Return</b>	<b>Standard Deviation</b>
Cash	1%	2.9%	2.9%	1.8%
Fixed Income	18%	4.4%	4.3%	4.0%
Global Equity	54%	7.6%	6.3%	17.0%
Real Estate	11%	6.6%	6.0%	11.3%
Private Equity	10%	10.7%	7.8%	26.5%
Strategic Investment	6%	6.0%	5.7%	8.6%
Assumed Inflation		Mean	2.6%	1.9%

\*As outlined in the Pension Plan's investment policy.

Discount Rate - The discount rate used to measure the total pension liability was 7.10%. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following represents the Council's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.0%) than the current rate:

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
	6.00%	7.00%	8.00%
Council's proportionate share of the Net Pension Liability	\$ 1,206,852	\$ 660,975	\$ 208,138

Pension Plan Fiduciary Net Position - Detailed information regarding the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.



**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

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**Note 8 - Employee Benefit Plans (cont'd)**  
**Pension Plan (cont'd)**

Payables to the Pension Plan - At September 30, 2018, the Council reported payables in the amount of \$7,426 outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2018.

**HIS Plan**

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

Benefits Provided - For the fiscal year ended September 30, 2018, eligible retirees and beneficiaries received a monthly HIS Plan payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS Plan payment of \$30 and a maximum HIS Plan payment of \$150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions - The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2018, the HIS Plan contribution rate for the period October 1, 2017 through June 30, 2018 and from July 1, 2018 through September 30, 2018 was 1.66% and 1.66%, respectively. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event, legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2018, the Council reported a liability of \$321,372 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. The Council's proportionate share of the net pension liability was based on the Council's 2017-2018 fiscal year contributions relative to the 2017-2018 fiscal year contributions of all participating members. At June 30, 2018, the Council's proportionate share was 0.003006% which was a decrease of 0.00031% from its proportionate share measured as of June 30, 2017.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

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**Note 8 - Employee Benefit Plans (cont'd)**  
**HIS Plan (cont'd)**

For the fiscal year ended September 30, 2018, the Council reported employer contributions of \$13,936. In addition, the Council reported changes to deferred outflows of resources and deferred inflows of resources related to the HIS Plan from the following sources:

**Deferred Inflows**

Assumptions	\$ (27,316)
Assumptions (reverse prior year)	27,789.00
Change in Proportion	(84,063.00)
Change in Proportion (reverse prior year)	44,843.00
Experience	(438.94)
Experience (reverse prior year)	669.00

<b>Total</b>	<b><u><u>\$ (38,517)</u></u></b>
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**Deferred Outflows**

Outflow - Contributions Subsequent to Measurement Date of 6/30/18	\$ 3,407
Assumptions	28,733
Assumptions (reverse prior year)	(45,174)
Change in Proportion	3,669
Change in Proportion (reverse prior year)	(4,791)
Contributions Subsequent to Prior Measurement Date	(3,556)
Experience	3,955
Investments	156
Investments (reverse prior year)	(177)

<b>Total</b>	<b><u><u>\$ (13,778)</u></u></b>
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The deferred outflows of resources related to the HIS Plan, totaling \$4,604 for the Council, resulting from contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2018.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

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**Note 8 - Employee Benefit Plans (cont'd)**  
**HIS Plan (cont'd)**

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

<b>Fiscal Year Ending September 30th</b>	
9/30/2019	(16,852)
9/30/2020	(16,852)
9/30/2021	(12,227)
9/30/2022	(11,903)
9/30/2023	(12,192)
Thereafter	(10,366)
<b>Total</b>	<b>\$ (80,394)</b>

Actuarial Assumptions – Actuarial valuations for the HIS Plans are conducted biennially. The July 1, 2017 HIS Plan valuation is the most recent actuarial valuation and was used to develop the liabilities for June 30, 2018. Liabilities originally calculated as the actuarial valuation date have been recalculated as of June 30, 2018, using standard actuarial roll-forward technique. The total pension liability as of June 30, 2018, was determined using the following actuarial assumptions:

Inflation	2.60%	
Salary increases	3.25% average, including inflation	
Investment rate of return	3.87% net pension plan investment, including inflation	

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions that determined the total pension liability as of June 30, 2018, were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

Discount Rate - The discount rate used to measure the total pension liability at June 30, 2017 was 3.87%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS Plan benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate used in the 2018 valuation was updated from 3.58% to 3.87%, reflecting the changed in the Bond Buyer General Obligation 20-Bond Municipal Index as of June 30, 2018.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

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**Note 8 - Employee Benefit Plans (cont'd)**  
**HIS Plan (cont'd)**

Sensitivity of the Proportionate Share of the Net HIS Liability to Changes in the Discount Rate - The following represents the Council's proportionate share of the net pension liability calculated as of September 30, 2018, using the discount rate of 3.87%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower 2.87% or one percentage point higher 4.87% than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	2.87%	3.87%	4.87%
Council's proportionate share of the Net HIS Liability	\$ 294,257	\$ 258,360	\$ 228,438

HIS Plan Fiduciary Net Position - Detailed information regarding the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

Payables to the HIS Plan - At September 30, 2018, the Council reported payables in the amount of \$1,414 for outstanding contributions to the HIS Plan required for the fiscal year ended September 30, 2018.

**Investment Plan**

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

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

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

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funded through an employer contribution of 0.04% of payroll and by forfeited benefits of plan members.

**Note 8 - Employee Benefit Plans (cont'd)**  
**Investment Plan (cont'd)**

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

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

**Note 9 - Long-Term Liabilities**

A summary of changes in long-term liabilities for the fiscal year ended September 30, 2018, are as follows:

	<b>10/01/2017</b>	<b>Increase</b>	<b>Decrease</b>	<b>09/30/2018</b>
Compensated absences	\$ 46,114	\$ 3,380	\$ -	\$ 49,494
Net pension liability	866,605	-	205,630	660,975
Net HIS liability	321,372	-	63,012	258,360
Total	<u>\$ 1,234,091</u>	<u>\$ 3,380</u>	<u>\$ 268,642</u>	<u>\$ 968,829</u>

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

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**Note 10 - Commitments**

The Council conducts its operations from leased office space. During fiscal 2018, the Council relocated its office and entered a five lease until October 15, 2023. The new lease reduces the total leased space to 3,804 square feet and reduces the total annual lease commitment for the Council. Total rental expense for the year ended September 30, 2018 was \$119,428. 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>Year ending September 30th,</b>	
2019	\$ 87,644.16
2020	\$ 91,149.93
2021	\$ 94,795.92
2022	\$ 98,587.76
2023	\$ 102,531.27
<b>Total</b>	<b><u>\$ 474,709.04</u></b>

In addition to base rent, the lease requires fixed common assessed maintenance (CAM) of \$13,618 for the first year, increasing by 4% for each successive year.

**Note 11 - Contingencies**

The Council participates in several 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.

**Note 13 - 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 May 15, 2019, the date the financial statements were available, and does not believe that there are any other events or transactions that require disclosure.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

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**Note 14 - 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 as of September 30, 2018 for the SFRPI is as follows:

**Assets:**

Cash	\$ 44,517
Due from other funds	520
Receivables	1,100
Total Assets	<u>\$ 46,137</u>

**Liabilities:**

Accounts payable	\$ 800
Unearned revenue	38,646
Due to other funds	219
Total Liabilities	<u>39,665</u>

**Fund Balance:**

Unassigned	6,472
Total Fund Balance	<u>6,472</u>
Total Liabilities and Fund Balance	<u>\$ 46,137</u>

Total Revenue	\$ 4,890
Total Expenditures	<u>(4,671)</u>
Excess Revenue over Expenditures	219

Other financing uses:

Operating Transfers out	<u>(219)</u>
Total other financing uses	<u>(219)</u>

Excess of revenues over expenditures and other financing uses	-
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Fund Balance at the beginning of year	<u>6,472</u>
Fund Balance at the end of year	<u>\$ 6,472</u>

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SEPTEMBER 30, 2018**

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**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance to Final Budget Favorable (Unfavorable)</b>
<b>REVENUES</b>				
Total Revenues	\$ 834,821	\$ 834,821	\$ 839,184	\$ 4,363
<b>EXPENDITURES</b>				
Total Expenditures	826,583	826,583	634,708	191,875
Excess (deficiency) of revenues over expenditures	8,238	8,238	204,476	196,238
Other financing sources (uses)				
Operating Transfers in	-	-	157,262	157,262
Operating Transfers (out)	-	-	(113,169)	(113,169)
Total other financing sources (uses)	-	-	44,093	44,093
Net change in fund balance	8,238	8,238	248,569	240,331
Fund balance at beginning of year	<u>498,751</u>	<u>498,751</u>	<u>498,751</u>	-
Fund balance at end of year	<u>\$ 506,989</u>	<u>\$ 506,989</u>	<u>\$ 747,320</u>	<u>\$ 240,331</u>

See notes to required supplementary information.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
BUDGETARY COMPARISON SCHEDULE  
LOCAL PROJECTS FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance to Final Budget Favorable (Unfavorable)</b>
<b>REVENUES</b>				
Total Revenues	\$280,454	\$280,454	\$250,196	\$ (30,258)
<b>EXPENDITURES</b>				
Total Expenditures	280,454	280,454	93,153	187,301
Excess (deficiency) of revenues over expenditures	-	-	157,043	157,043
Other financing sources (uses)				
Operating Transfers in	-	-	-	-
Operating Transfers (out)	-	-	(157,043)	(157,043)
Total other financing sources (uses)	-	-	(157,043)	(157,043)
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to required supplementary information.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
 BUDGETARY COMPARISON SCHEDULE  
 PLANNING PROJECTS FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2018**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance to Final Budget Favorable (Unfavorable)</b>
<b>REVENUES</b>				
Total Revenues	\$ 1,039,513	\$ 1,039,513	\$ 900,123	\$ (139,390)
<b>EXPENDITURES</b>				
Total Expenditures	1,039,513	1,039,513	1,013,292	26,221
Excess (deficiency) of revenues over expenditures	-	-	(113,169)	(113,169)
Other financing sources (uses)				
Operating Transfers in	-	-	113,169	113,169
Operating Transfers (out)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>113,169</u>	<u>113,169</u>
Net change in fund balance	-	-	-	-
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 required supplementary information.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
BUDGETARY COMPARISON SCHEDULE  
EDA REVOLVING LOAN FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance to Final Budget Favorable (Unfavorable)</b>
<b>REVENUES</b>				
Total Revenues	\$ 97,753	\$ 97,753	\$ 190,949	\$ 93,196
<b>EXPENDITURES</b>				
Total Expenditures	97,753	97,753	154,873	(57,120)
Excess (deficiency) of revenues over expenditures	-	-	36,076	36,076
Other financing sources (uses)				
Operating Transfers in	-	-	-	-
Operating Transfers (out)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	36,076	36,076
Fund balance at beginning of year	<u>4,068,394</u>	<u>4,068,394</u>	<u>4,068,394</u>	-
Fund balance at end of year	<u>\$ 4,068,394</u>	<u>\$ 4,068,394</u>	<u>\$ 4,104,470</u>	<u>\$ 36,076</u>

See notes to required supplementary information.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
BUDGETARY COMPARISON SCHEDULE  
OTHER REVOLVING LOAN FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance to Final Budget Favorable (Unfavorable)</b>
<b>REVENUES</b>				
Total Revenues	\$ 17,822	\$ 17,822	\$ 33,522	\$ 15,700
<b>EXPENDITURES</b>				
Total Expenditures	17,822	17,822	13,627	4,195
Excess (deficiency) of revenues over expenditures	-	-	19,895	19,895
Other financing sources (uses)				
Operating Transfers in	-	-	-	-
Operating Transfers (out)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	19,895	19,895
Fund balance at beginning of year	<u>1,790,807</u>	<u>1,790,807</u>	<u>1,790,807</u>	-
Fund balance at end of year	<u>\$ 1,790,807</u>	<u>\$ 1,790,807</u>	<u>\$ 1,810,702</u>	<u>\$ 19,895</u>

See notes to required supplementary information.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
BUDGETARY COMPARISON SCHEDULE  
SFRPI FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance to Final Budget Favorable (Unfavorable)</b>
<b>REVENUES</b>				
Total Revenues	\$ -	\$ -	\$ 4,890	\$ 4,890
<b>EXPENDITURES</b>				
Total Expenditures	-	-	4,671	(4,671)
Excess (deficiency) of revenues over expenditures	-	-	219	219
Other financing sources (uses)				
Operating Transfers in	-	-	-	-
Operating Transfers (out)	-	-	(219)	(219)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(219)</u>	<u>(219)</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	<u>6,472</u>	<u>6,472</u>	<u>6,472</u>	<u>-</u>
Fund balance at end of year	<u>\$6,472</u>	<u>\$6,472</u>	<u>\$ 6,472</u>	<u>\$ -</u>

See notes to required supplementary information.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
SCHEDULE OF CONTRIBUTIONS  
FLORIDA RETIREMENT SYSTEM PENSION PLAN  
LAST TEN FISCAL YEARS**

	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Contractually required contribution	\$ 73,203	\$ 77,034	\$ 82,188	\$ 80,347	\$ 57,810
Contributions in relation to the contractually required contribution	(73,203)	(77,034)	(82,188)	(80,347)	(57,810)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Council's covered-employee payroll	\$788,293	\$919,650	\$ 1,038,774	\$953,750	\$ 1,070,059
Contributions as a percentage of covered-employee payroll	9.29%	8.38%	7.91%	8.42%	5.40%

**Note: The amounts presented for each fiscal year were determined as of September 30th. Information is not available prior to fiscal year 2014.**

See notes to required supplementary information.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
FLORIDA RETIREMENT SYSTEM PENSION PLAN  
LAST TEN FISCAL YEARS**

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	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Council's proportion of the net pension liability	0.002195%	0.002930%	0.003203%	0.003152%	0.003262%
Council's proportionate share of the net pension liability	\$ 661,273	\$ 866,903	\$ 808,793	\$ 407,138	\$ 199,039
Council's covered-employee payroll	\$ 788,293	\$ 919,650	\$ 1,038,774	\$ 953,750	\$ 1,070,059
Council's proportionate share of the net pension liability as a percentage of its covered-employee payroll	83.89%	94.26%	77.86%	42.69%	18.60%
Plan fiduciary net position as a percentage of the total pension liability	84.26%	83.89%	84.88%	92.00%	96.09%

**Note: The amounts presented for each fiscal year were determined as of September 30th. Information is not available prior to fiscal year 2014.**

See notes to required supplementary information.



**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
SCHEDULE OF CONTRIBUTIONS  
FLORIDA RETIREMENT SYSTEM HEALTH INSURANCE SUBSIDY  
LAST TEN FISCAL YEARS**

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	2018	2017	2016	2015	2014
Contractually required contribution	\$ 13,936	\$ 15,661	\$ 17,275	\$ 12,598	\$ 9,064
Contributions in relation to the contractually required contribution	(13,936)	(15,661)	(17,275)	(12,598)	(9,064)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Council's covered-employee payroll	\$ 788,293	\$ 919,650	\$ 1,038,774	\$ 953,750	\$ 1,070,059
Contributions as a percentage of covered-employee payroll	1.77%	1.70%	1.66%	1.32%	0.85%

**Note: The amounts presented for each fiscal year were determined as of September 30th. Information is not available prior to fiscal year 2014.**

See notes to required supplementary information.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
FLORIDA RETIREMENT SYSTEM HEALTH INSURANCE SUBSIDY  
LAST TEN FISCAL YEARS**

	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Council's proportion of the net pension liability	0.002441%	0.003006%	0.003316%	0.003310%	0.038232%
Council's proportionate share of the net pension liability	\$ 258,360	\$ 321,372	\$ 386,499	\$ 337,576	\$ 3,574,813
Council's covered-employee payroll	\$ 788,293	\$ 919,650	\$ 1,038,774	\$ 953,750	\$ 1,070,059
Council's proportionate share of the net pension liability as a percentage of its covered-employee payroll	32.77%	34.95%	37.21%	35.39%	334.08%
Plan fiduciary net position as a percentage of the total pension liability	2.15%	1.64%	0.97%	0.50%	0.99%

**Note: The amounts presented for each fiscal year were determined as of September 30th. Information is not available prior to fiscal year 2014.**

See notes to required supplementary information.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
SEPTEMBER 30, 2018**

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**Note 1- Budgetary Requirements**

The South Florida Regional Planning Council (the "Council") prepares an annual operating budget for the general, local 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, 2018, the Council's General Fund revenues were \$839,184 or \$4,363 better than budget. The Local Projects Fund revenues were \$250,196 or \$30,258 less than budgeted. The Planning Project Fund revenues were \$900,123 or \$139,390 less than budgeted. Total Expenditures for all funds combined were \$1,914,324 or \$347,801 less than budget due to local match and timing for reimbursements.

**Note 2 – Pension Information**

The discount rate used to measure the pension liability of the HIS plan at June 30, 2017 was increased from 3.58% to 3.87%, reflecting the change in the Bond Buyer General Obligation 20-Bond Municipal Bond Index as of June 30, 2018.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL**

**COMPLIANCE SECTION**

**SEPTEMBER 30, 2018**

DRAFT

**INDEPENDENT AUDITOR’S 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 the  
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 the South Florida Regional Planning Council (the “Council”) as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Council’s basic financial statements, and have issued our report thereon dated May 15, 2019.

**Internal Control over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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.

Hollywood, Florida  
May 15, 2019

# INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR A MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Council Members of the  
South Florida Regional Planning Council

## **Report on Compliance for a Major Federal Program**

We have audited the South Florida Regional Planning Council's (the "Council") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Council's major federal programs for the year ended September 30, 2018. The Council's major federal programs are 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Council's major federal programs 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 each major federal program. However, our audit does not provide a legal determination of the Council's compliance.

### ***Opinion on Each 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 each of its major federal programs for the year ended September 30, 2018.

### **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 each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 a 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Hollywood, Florida  
May 15, 2019



**SOUTH FLORIDA REGIONAL COUNCIL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

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

***Financial Statements***

Type of auditor's 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 auditor's report issued on compliance for major programs:

**Unmodified**

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?  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:

\$ 750,000

Auditee qualified as a low-risk auditee?

Yes     No

**SOUTH FLORIDA REGIONAL COUNCIL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

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**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 COUNCIL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

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**Section IV - Other Matters - Prior Year Observations**

**2017-1 Revolving Loan Fund (RLF) Program-  
Loan Agreements with Past Due Maturity Dates**

**Observation**

During our review of the RLF loan agreements, we noted four of the loan agreements had past due maturity dates as of September 30, 2017 and through the date of our report.

**Current Year Status**

There was no similar observation noted during the current year audit.

**2017-2 Timely Reconciliation of Receivable and Payable Account Balances**

**Observation**

During our audit of accounts receivable and accounts payable balances, we proposed audit adjustments to correct the year end balances. We also noted certain receivable balances with invoices dated between October 2015 to September 2017 for which there was no evidence of follow up collection efforts at the time of our review. This condition could result in an overstatement of receivable and payable amounts recorded in the balance sheet (fund basis statements) and the statement of net positions (government-wide statements).

**Current Year Status**

There was no similar observation noted during the current year audit.

**SOUTH FLORIDA REGIONAL COUNCIL  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

FEDERAL AWARDS	CFDA#	Contract #	Expenditures	Loans Receivable	Cash & Investments	(1) Loans Written Off	Total Expenditures	(2) Federal Share
<u>US Dept. of Commerce - Economic Development Administration</u>								
Economic Adjustment Assistance "EDA CONSOLIDATED"	11.307	04-89-03952	\$154,873	\$3,046,723	\$2,379,083	\$0	\$5,580,679	\$4,994,708 89.50%
<u>US Dept. of Commerce - Economic Development Administration</u>								
Economic Development_Support for Planning Organizations	11.302	04-8-307026	75,112				75,112	75,112
		ED18ATL3020026	77,635				77,635	77,635
<u>US Dept. of Commerce - National Oceanic &amp; Atmospheric Administration</u>								
Coastal Zone Management Administration Awards								
Passed through the Florida Department of Economic Opportunity	11.419	CO905					-	-
Map futre expansion of the costal high hazard area	11.473	G-12172-00	41,856				41,856	41,856
<u>US Department of Energy</u>								
Conservation Research and Development	81.086							
Passed though Leonardo Technologies, Inc								
Clean Cities Coalition Programmatic Support	N/A	DE-EE0007386	41,133				41,133	41,133
Passed University of Central Florida								
Creating an Alternative Fuel Vehicle Training Network		DE-EE0007019	1,832				1,832	1,832
<u>U.S. Department of Homeland Security</u>								
Homeland Security Grant Program	97.067							
Passed through Miami Urban Area Security Initiative (UASI) Grant		Memorandum of Agreement	252,474				252,474	252,474
Passed through State Homeland Security Grant Program (SHSGP)		Memorandum of Agreement	138,891				138,891	138,891
<u>US Department of Transportation</u>								
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	18-DT-W 3-13-00-21 -272	33,211				33,211	33,211
Passed through the State of Florida Division of Emergency Management		18-DT-W 3-13-00-21 -325	93,339				93,339	93,339
<u>Federal Transit Administration (FTA)</u>								
Transit-Oriented Development (TOD)	20.500	D20 15-TODP-0008	115,640				115,640	115,640
Passed through South Florida Regional Transportation Authority ("SFRTA")								
Total Federal Awards			\$1,025,996	\$3,046,723	\$2,379,083	\$0	\$6,451,802	5,865,831

(1) There were no loans written off during the fiscal year ended September 30, 2018.

(2) Federal Share for the Economic Adjustment Program equals total expenditures incurred during the fiscal year multiplied by the federal share which is 89.5%.

The accompanying notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**SOUTH FLORIDA REGIONAL COUNCIL  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

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**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 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 - Loans Receivable**

The Schedule of Expenditures of Federal Awards (SEFA) for EDA RLF grant (CFDA 11.307) shows as a separate line item calculated as follows:

1. Balance of RLF loans outstanding at the end of the fiscal year, *plus*
2. Cash and investment balance in the RLF at the end of the fiscal year, *plus*
3. Administrative expenses paid out of RLF income during the fiscal year; *plus*
4. The unpaid principal of all loans written off during the fiscal year; *and then multiply this sum (1+ 2 +3+4) by*
5. The Federal share of the RLF. The Federal share is defined as the Federal participation rate (or the Federal grant rate) as specified in the grant award.

The balance of the loan receivables outstanding at September 30, 2018 are as follows:

<b><u>CFDA Number</u></b>	<b><u>Loan Description</u></b>	<b><u>Balance</u></b>
11.307	Economic Adjustment Assistance Program	\$ 3,046,723

**SOUTH FLORIDA REGIONAL COUNCIL  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

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**Note 4 - 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 May 15, 2019, 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.

## **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, 2018, and have issued our report thereon dated May 15, 2019.

### **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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*; and Chapter 10.550, Rules of the Auditor General.

### **Other Reports and Schedule**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated May 15, 2019, 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 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**

Sections 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the annual financial report for the Council for the fiscal year ended September 30, 2018, 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, 2018. 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 communicate any recommendations to improve financial management. In connection with our audit, we have disclosed such recommendations in the Schedule of Findings and Questioned Costs.

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but 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.

Hollywood, Florida  
May 15, 2019



## INDEPENDENT ACCOUNTANT'S REPORT

To the Council Members of the  
South Florida Regional Planning Council

We have examined South Florida Regional Planning Council's (the "Council") compliance with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2018. 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion about compliance with the specified requirements is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether management's assertion is fairly stated, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

In our opinion, the Council complied in all material respects with Section 218.415 Florida Statutes for fiscal year ended September 30, 2018.

Hollywood, Florida

May 15, 2019