

West Florida Regional Planning Council

FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

September 30, 2015



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West Florida Regional Planning Council
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September 30, 2015

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Independent Auditors' Report

To the Board of Directors
West Florida Regional Planning Council

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of West Florida Regional Planning Council ("Council") for the years ended September 30, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of West Florida Regional Planning Council as of September 30, 2015 and 2014, and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principles

As discussed in Note 11 to the financial statements, effective July 1, 2014, the Council adopted the provisions of Governmental Accounting Standards Board (“GASB”) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

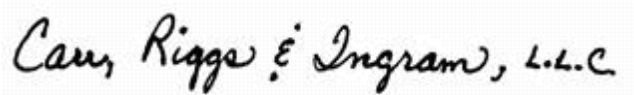
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise West Florida Regional Planning Council’s basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Chapter 10.550, Rules of the Auditor General, and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards and state financial assistance is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance 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 June 28, 2016 on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." The signature is written in a cursive, flowing style.

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida
June 28, 2016



Management's Discussion and Analysis



Thomas Abbott, Chair
Nathan Boyles, Vice-Chair

Terry A. Joseph, Executive Director

Management Discussion and Analysis

Our Discussion and Analysis of the West Florida Regional Planning Council's financial performance provides an overview of the Council's financial activities for the fiscal year ended September 30, 2015. This discussion is intended to be read in conjunction with the Council's Basic Financial Statements that begin following this discussion.

Financial Highlights

- Net position of the Council at the close of its most recent fiscal year was \$1,478,164. Of this amount, \$1,444,504 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- During the current year, the Council implemented a new accounting standard that required it to report a net pension liability relating to its participation in the Florida Retirement System (FRS). That FRS liability was estimated to total \$686,174 and \$523,430 at September 30, 2015 and 2014, respectively.
- At fiscal year end, the Regional Planning Council reported the ending net position balance increased by approximately 9% in comparison with the restated prior year.
- The Council strives to comply with unfunded mandates for Grants in Aids – Regional Planning Councils. The Governor has vetoed these funds in the previous four fiscal years as well as the current fiscal year. Funds for Grants in Aids are used to update and implement the WFRPC Strategic Regional Policy Plan (SRPP), maintain the Dispute Resolution process, address problems of greater-than-local concern, and provide technical services to local governments, economic development organizations, and other stakeholders. This funding also provides match funding for implementation of the West Florida Five-Year Strategic Plan for Economic Development and other critical related programs.
- Revenues increased by approximately \$181,000 over the prior year. The increase is primarily attributable to the increase in State Financial Assistance Projects particularly for the Long Range Transportation Plans of the Transportation Planning Organizations for the Florida-Alabama and for Bay County.

Key elements of the net position change are as follows. Prior year amounts have been restated for the effects of the change in accounting principle.

Program Revenue is the primary source of revenue for the West Florida Regional Planning Council.

**Statement of Net Position
Governmental Activities**

| | 2015 | 2014 | 2013 |
|----------------------------------|---------------------|---------------------|---------------------|
| Current and Other Assets | \$ 2,538,925 | \$ 2,503,984 | \$ 3,457,781 |
| Capital Assets | <u>31,660</u> | <u>55,724</u> | <u>80,444</u> |
| Total Assets | <u>2,570,585</u> | <u>2,559,708</u> | <u>3,538,225</u> |
| Deferred outflows of resources | <u>151,528</u> | <u>96,067</u> | <u>71,241</u> |
| Current and Other Liabilities | 345,870 | 424,350 | 1,382,759 |
| Long-Term Liabilities | <u>757,346</u> | <u>581,929</u> | <u>823,874</u> |
| Total Liabilities | <u>1,103,216</u> | <u>1,006,279</u> | <u>2,206,633</u> |
| Deferred inflows of resources | <u>140,733</u> | <u>294,575</u> | <u>-</u> |
| Net Position | | | |
| Net Investment in Capital Assets | 31,660 | 55,724 | 80,444 |
| Unrestricted | <u>1,446,504</u> | <u>1,299,197</u> | <u>1,322,389</u> |
| Total Net Position | <u>\$ 1,478,164</u> | <u>\$ 1,354,921</u> | <u>\$ 1,402,833</u> |

Statement of Activities

| | 2015 | 2014 | 2013 |
|---------------------------------|---------------------|---------------------|---------------------|
| Revenues | | | |
| Program Revenues | | | |
| Grant and Project Revenues | \$ 3,201,187 | \$ 3,013,702 | \$ 6,692,538 |
| General Revenue | | | |
| Other | <u>87,768</u> | <u>93,973</u> | <u>85,048</u> |
| Total Revenues | <u>3,288,955</u> | <u>3,107,675</u> | <u>6,777,586</u> |
| Expenses | | | |
| Project Management Expenses | 1,630,488 | 1,553,830 | 1,543,051 |
| Other General Expenses | <u>1,535,224</u> | <u>1,601,757</u> | <u>5,057,065</u> |
| Total Expenses | <u>3,165,712</u> | <u>3,155,587</u> | <u>6,600,116</u> |
| Change in Net Position | 123,243 | (47,912) | 177,470 |
| Net Position, Beginning of Year | <u>1,354,921</u> | <u>1,402,833</u> | <u>1,225,363</u> |
| Net Position, End of Year | <u>\$ 1,478,164</u> | <u>\$ 1,354,921</u> | <u>\$ 1,402,833</u> |

GENERAL FUND BUDGETARY HIGHLIGHTS

The original adopted budget for the Regional Planning Council remained unchanged for the fiscal year ended September 30, 2015.

CAPITAL ASSETS

The Regional Planning Council's investment in capital assets as of September 30, 2015 amounts to \$31,660 (net of accumulated depreciation). The majority of capital assets are attributable to equipment/furniture costs.

ECONOMIC FACTORS AND BUDGETS

The Council relies on grants and project revenue in addition to membership dues as the basis for budgets each year. The annual budget is based on multiple year contracts and ongoing commitments from projects which have a history and assurance of receiving funding.



Financial Statements

West Florida Regional Planning Council
Statements of Net Position

| <i>September 30,</i> | 2015 | 2014 |
|---|------------------------------------|----------------------------|
| | Governmental Activities | Governmental Activities |
| Assets | | |
| Cash and cash equivalents | \$ 1,173,916 | \$ 1,143,215 |
| Due from other governmental agencies: | | |
| Billed receivables | 371,577 | 1,201,186 |
| Unbilled receivables | 926,343 | 121,682 |
| Prepaid expenses | 67,089 | 37,901 |
| Property and equipment, net | 31,660 | 55,724 |
| Total assets | 2,570,585 | 2,559,708 |
| Deferred outflows of resources | | |
| Pension | 151,528 | 96,067 |
| Total deferred outflows of resources | 151,528 | 96,067 |
| Liabilities | | |
| Accounts payable | 137,614 | 210,345 |
| Accrued liabilities | 82,547 | 7,574 |
| Unearned revenues | 125,709 | 206,431 |
| Compensated absences | 65,735 | 54,255 |
| Obligation for post employment benefits | 5,437 | 4,244 |
| Net pension liability | 686,174 | 523,430 |
| Total liabilities | 1,103,216 | 1,006,279 |
| Deferred inflows of resources | | |
| Pension | 140,733 | 294,575 |
| Total deferred inflows of resources | 140,733 | 294,575 |
| Net position | | |
| Net investment in capital assets | 31,660 | 55,724 |
| Unrestricted | 1,446,504 | 1,299,197 |
| Total net position | \$ 1,478,164 | \$ 1,354,921 |

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

**West Florida Regional Planning Council
Statements of Activities**

| <i>Year ended September 30,</i> | 2015 | 2014 |
|--|------------------------------------|----------------------------|
| | Governmental Activities | Governmental Activities |
| Expenses | | |
| Project management expenses | \$ 1,630,488 | \$ 1,553,830 |
| Contracted services | 796,738 | 742,190 |
| Other direct costs | 711,551 | 834,401 |
| Unallocated depreciation | 25,742 | 24,720 |
| Other post-employment benefits | 1,193 | 446 |
| Total expenses | 3,165,712 | 3,155,587 |
| Program revenues | | |
| Grants and project revenue | 3,201,187 | 3,013,702 |
| Total program revenues | 3,201,187 | 3,013,702 |
| General revenues | | |
| Other operating revenue | 87,767 | 93,870 |
| Interest income | 1 | 103 |
| Total general revenues | 87,768 | 93,973 |
| Change in net position | 123,243 | (47,912) |
| Net position, beginning of year, as restated | 1,354,921 | 1,402,833 |
| Net position, end of year | \$ 1,478,164 | \$ 1,354,921 |

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

**West Florida Regional Planning Council
Balance Sheets – Governmental Fund**

| <i>September 30,</i> | 2015 | 2014 |
|---|---------------------|---------------------|
| | General Fund | General Fund |
| Assets | | |
| Cash and cash equivalents | \$ 1,173,916 | \$ 1,143,215 |
| Due from other governmental agencies: | | |
| Billed receivables | 371,577 | 1,201,186 |
| Unbilled receivables | 926,343 | 121,682 |
| Prepaid expenditures | 67,089 | 37,901 |
| Total assets | \$ 2,538,925 | \$ 2,503,984 |
| Liabilities and fund balance | | |
| Liabilities | | |
| Accounts payable | \$ 137,614 | \$ 210,345 |
| Accrued liabilities | 82,547 | 7,574 |
| Unearned revenue | 125,709 | 206,431 |
| Total liabilities | 345,870 | 424,350 |
| Fund balance | | |
| Nonspendable | 67,089 | 37,901 |
| Unassigned | 2,125,966 | 2,041,733 |
| Total fund balance | 2,193,055 | 2,079,634 |
| Total liabilities and fund balance | \$ 2,538,925 | \$ 2,503,984 |

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

West Florida Regional Planning Council
Reconciliation of the Balance Sheets to the Statements of Net Position

| <i>September 30,</i> | 2015 | 2014 |
|--|---------------------|---------------------|
| Total fund balance, governmental fund | \$ 2,193,055 | \$ 2,079,634 |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund level statements. | 31,660 | 55,724 |
| Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the fund level statements. | | |
| Deferred outflows of resources - pensions | 151,528 | 96,067 |
| Deferred inflows of resources - pensions | (140,733) | (294,575) |
| Liabilities not due and payable from current resources, including compensated absences, net pension liability, and obligation for post employment benefits, are not reported in the fund level statements. | (757,346) | (581,929) |
| Total net position - governmental activities | \$ 1,478,164 | \$ 1,354,921 |

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

West Florida Regional Planning Council
Statements of Revenues, Expenditures and Changes in Fund Balance –
Governmental Fund

| <i>Year ended September 30,</i> | 2015 | 2014 |
|-------------------------------------|---------------------|---------------------|
| | General Fund | General Fund |
| Revenues | | |
| Grants and project revenue | \$ 3,201,187 | \$ 3,013,702 |
| Other operating revenue | 87,767 | 93,870 |
| Interest income | 1 | 103 |
| Total revenues | 3,288,955 | 3,107,675 |
| Expenditures | | |
| Current: | | |
| Project management expenditures | 1,677,047 | 1,525,746 |
| Contracted services | 796,738 | 742,190 |
| Other direct costs | 700,071 | 835,127 |
| Capital outlay | 1,678 | - |
| Total expenditures | 3,175,534 | 3,103,063 |
| Net change in fund balance | 113,421 | 4,612 |
| Fund balance, beginning of year | 2,079,634 | 2,075,022 |
| Fund balance, end of year | \$ 2,193,055 | \$ 2,079,634 |

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

West Florida Regional Planning Council
Reconciliation of the Statements of Revenues, Expenditures and Changes in
Fund Balance of Governmental Funds to the Statements of Activities

| <i>Year ended September 30,</i> | 2015 | 2014 |
|--|-------------------|--------------------|
| Net change in fund balance - governmental fund | \$ 113,421 | \$ 4,612 |
| Depreciation on capital assets is not recognized in the fund financial statements but is reported as an expense in the Statement of Activities. | (25,742) | (24,720) |
| Capital outlay, reported as expenditures in the governmental funds, is shown as capital assets on the Statement of Net Position. | 1,678 | - |
| Government funds report pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions are reported as pension expense. | 46,559 | (28,084) |
| Current change in long-term OPEB obligation does not consume current resources and therefore is not reported in the governmental fund. | (1,193) | (446) |
| Current year change in long-term compensated absences liability does not consume current resources so therefore it is not reflected in the governmental fund | (11,480) | 726 |
| Change in net position of governmental activities | \$ 123,243 | \$ (47,912) |

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

West Florida Regional Planning Council Notes to Financial Statements

NOTE 1: ORGANIZATION

The West Florida Regional Planning Council (“Council”) is an agency created by the legislature of the State of Florida in Section 120.53(1), 163, 186, and 380, Florida Statutes, for the purpose of coordinating planning activities for counties and municipalities in West Florida. The Council has no taxing authority but relies on funding from federal and state agencies as well as counties and municipalities in the area served by the Council. The Council is classified by the State of Florida as a Joint Venture entity. The financial statements include all operations over which the Council is financially accountable. The Council has not identified any component units.

The Governing Board of the Council is composed of members appointed by the Governor of the State of Florida and representatives of member counties and municipalities. The Council, through its Executive Director and administrative staff, undertakes projects for member counties and municipalities. The costs for these projects are reimbursed to the Council from federal and state agencies and member counties and municipalities.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Council conform to GAAP as applicable to governments in accordance with those promulgated by Government Accounting Standards Board (GASB). The following is a summary of the more significant policies:

Measurement Focus, Basis of Accounting and Basis of Presentation

The basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and grants, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. At September 30, 2015, the Council did not have any significant business-type activities. Therefore, no business-type activities are reported.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

West Florida Regional Planning Council Notes to Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the Council's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operations or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues, with certain exceptions.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first and then unrestricted resources, as they are needed. When committed, assigned, or unassigned resources are available for use in governmental fund financial statements, it is the government's policy to use committed resources first, followed by assigned resources, and then unassigned resources as needed.

Governmental Funds are used to account for the general government activities. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Council considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The Council reports the following major governmental fund:

General Fund - The General Fund is the primary operating fund of the Council. It is used to account for all financial resources except those required to be accounted for in other funds.

For the year ended September 30, 2015, the Council does not report any proprietary funds.

West Florida Regional Planning Council Notes to Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

The Council maintains deposits with "Qualified Public Depositories" as defined in Chapter 280, Florida Statutes. All Qualified Public Depositories must place with the Treasurer of the State of Florida securities in accordance with collateral requirements determined by the State's Chief Financial Officer. In the event of default by a Qualified Public Depository, the State Treasurer will pay public depositors all losses. Losses in excess of insurance and collateral will be paid through assessments between all Qualified Public Depositories.

Under this method, all the Council's deposits are fully insured or collateralized at the highest level of security as defined by GASB, Statement Number 40, *Deposits and Investment Disclosures (An Amendment of Governmental Accounting Standards Board, Statement Number 3)*.

Due from Other Governmental Agencies

All amounts receivable are from governmental agencies according to various contracts and agreements and are considered to be fully collectible. Accordingly, no provision has been made for uncollectible amounts. Any amounts that become uncollectible are written off at the time they become identified. Historically, differences between receivables and amounts collected have been insignificant. Unbilled receivables represent revenues earned under cost reimbursement grants which are not billed prior to year-end.

Capital Assets

Capital assets, which consist of furniture and fixtures, computers, and other office equipment, are reported in the government-wide financial statements but are not recorded in the governmental fund financial statements. The Council defines capital assets as assets with an initial cost of more than \$1,500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost and estimated historical cost if purchased or constructed. Donated assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Property and equipment sold, destroyed or obsolete is removed from the accounts periodically. Interest cost is not capitalized on self-constructed fixed assets. The Council computes depreciation using the straight-line method over the estimated useful lives of the equipment, ranging from three to seven years.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

West Florida Regional Planning Council Notes to Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

It is the policy of the Council to permit employees to accumulate an amount of earned but unused annual leave benefits which will be paid to an employee upon separation from service. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits. Vested or accumulated vacation leave that is used and paid for with expendable available financial resources is reported as an expenditure.

The current and long-term portion of vested leave payable is recorded as an expense and a liability in the government-wide financial statements when the benefits are earned. Any change during the year in the long-term compensated absence liability is a reconciling item between the government-wide financial statements and the fund-level financial statements.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The deferred outflows related to pensions are discussed in a subsequent note.

In addition to liabilities, the Statement of Financial Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The deferred inflows related to pensions are discussed in a subsequent note.

Other Post-Employment Benefits

The Council has implemented the provisions of GASB Statement No. 45, which establishes uniform reporting standards for other post-employment benefit (OPEB) expense and related liabilities, note disclosures, and required supplementary information (RSI) in annual financial reports of governmental entities. The effects of this implementation have been included in the Council's financial statements. See Note 9 for a description of the OPEB expenditures and liabilities.

Net Position

Net position in the government-wide financial statements is categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets represents assets related to property, plant and equipment, net of any related debt. Restricted net position represents the assets restricted by external parties, constitutional provisions or enabling legislation. At September 30, 2015 and 2014, the Council had no restricted assets.

West Florida Regional Planning Council Notes to Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Equity

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned or unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the Council board through approval of resolutions. Assigned fund balance is a limitation imposed by a designee of the Council board. Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

Budgets

The Council establishes and approves an annual budget for administrative and project expenditures on a basis consistent with GAAP. Generally, General Fund expenditures exceed budget because the Council does not take contracted project services into account as a part of its budgeting process.

NOTE 3: CAPITAL ASSETS

Capital assets are classified as follows:

| <i>Year ended September 30, 2015</i> | Beginning Balance | Additions | Deletions | Ending Balance |
|--|----------------------|--------------------|-------------|-------------------|
| Governmental activities | | | | |
| Capital assets being depreciated: | | | | |
| Office equipment | \$ 349,144 | \$ 1,678 | \$ - | \$ 350,822 |
| <i>Less accumulated depreciation for:</i> | | | | |
| Office equipment | 293,420 | 25,742 | - | 319,162 |
| Governmental activities capital assets, net | \$ 55,724 | \$ (24,064) | \$ - | \$ 31,660 |
| <hr/> | | | | |
| <i>Year ended September 30, 2014</i> | Beginning Balance | Additions | Deletions | Ending Balance |
| Governmental activities | | | | |
| Capital assets being depreciated: | | | | |
| Office equipment | \$ 352,579 | \$ - | \$ (3,435) | \$ 349,144 |
| <i>Less accumulated depreciation for:</i> | | | | |
| Office equipment | 272,135 | 24,720 | (3,435) | 293,420 |
| Governmental activities capital assets, net | \$ 80,444 | \$ (24,720) | \$ - | \$ 55,724 |

**West Florida Regional Planning Council
Notes to Financial Statements**

NOTE 4: COMPENSATED ABSENCES

Changes in compensated absences for the year ended September 30, 2015 were as follows:

| <i>September 30,</i> | 2014 | Additions | Reductions | 2015 | Amount due within one year |
|----------------------|-----------|-----------|------------|-----------|-------------------------------|
| Compensated absences | \$ 54,255 | \$ 11,480 | \$ - | \$ 65,735 | \$ - |

Changes in compensated absences for the year ended September 30, 2014 were as follows:

| <i>September 30,</i> | 2013 | Additions | Reductions | 2014 | Amount due within one year |
|----------------------|-----------|-----------|------------|-----------|-------------------------------|
| Compensated absences | \$ 54,981 | \$ - | \$ (726) | \$ 54,255 | \$ - |

NOTE 5: CONCENTRATIONS

The Council receives a substantial amount of support from federal and state government agencies. A reduction in the level of future federal or state support could have a significant effect on the Council's projects and activities. As of the issuance of these financial statements, management is unaware of any such reduction.

NOTE 6: OPERATING LEASES

The Council has entered into various lease agreements for office space and equipment. Rental expense for the fiscal years ended September 30, 2015 and 2014 totaled \$199,552 and \$195,130, respectively, for office space and for other leased equipment. The leases expire between May 2015 and December 2016.

The future minimum lease payments for the remaining lease terms are as follows:

| <i>Year ending September 30,</i> | |
|----------------------------------|------------|
| 2016 | \$ 201,768 |
| 2017 | 47,808 |
| Total lease obligation | \$ 249,576 |

NOTE 7: RELATED PARTY TRANSACTION

The lessor of the Council's primary office building is a member of the Council's board of directors. During the years ended September 30, 2015 and 2014, the Council paid rent totaling \$182,673 and \$176,648, respectively.

NOTE 8: PENSION PLAN

Florida Retirement System (FRS) – Defined Benefit Pension Plans

General Information about the FRS

All of the Council's employees currently participate in the FRS. The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan. Chapter 112, Florida Statutes, established the Retiree HIS Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any State-administered retirement system in paying the costs of health insurance.

Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services Web site (<http://www.dms.myflorida.com>).

The Council's pension expense totaled \$48,006, and \$125,410, respectively, for the years ended September 30, 2015 and 2014.

FRS Pension Plan

Plan Description

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

- Regular Class – Members of the FRS who do not qualify for membership in the other classes.
- DROP – Members who have elected to defer receipt of monthly benefit payments while continuing employment with an FRS employer.

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employee enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members enrolled prior to July 1, 2011 are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the 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. Members of the Plan may include up to 4 years of credit for military service

**West Florida Regional Planning Council
Notes to Financial Statements**

NOTE 8: PENSION PLAN (Continued)

toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

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

Benefits Provided

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

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

**West Florida Regional Planning Council
Notes to Financial Statements**

NOTE 8: PENSION PLAN (Continued)

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

Contributions

The Florida Legislature establishes contribution rates for participating employers. In addition, regular employees are required to contribute an amount equal to 3% of their salary to the plan.

Contribution rates for 2014-15 and 2013-14 were as follows:

| | 2016 | Through June 30, | |
|-------------------|--------|------------------|--------|
| | | 2015 | 2014 |
| Regular employees | 7.26% | 7.37% | 6.95% |
| DROP | 12.88% | 12.28% | 12.84% |

The Council contributions to the Plan totaled \$78,398 and \$80,522 for the years ended September 30, 2015 and 2014.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2015 and 2014, the Council reported a liability of \$322,352 and \$161,505, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015 and 2014, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015 and 2014, respectively. The Council's proportion of the net pension liability was based on the Council's fiscal year 2015 and 2014 contributions relative to the FRS 2015 and 2014 fiscal year contributions of all participating members. At June 30, 2015 and 2014, the Council's proportionate share was 0.00250% and 0.00265%, respectively.

West Florida Regional Planning Council
Notes to Financial Statements

NOTE 8: PENSION PLAN (Continued)

For the fiscal years ended September 30, 2015 and 2014, the Council recognized pension expense (recovery) of \$(7,649) and \$84,196, respectively, related to the Plan. In addition, the Council reported deferred outflows and inflows of resources related to pensions from the following sources:

| September 30, 2015 | | |
|---|---|--|
| Description | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual expense | \$ 34,031 | \$ 7,645 |
| Change of assumptions | 21,396 | - |
| Net difference between projected and actual earnings on FRS pension plan investments | - | 76,972 |
| Changes in proportion and differences between Council FRS contributions and proportionate share contributions | 30,835 | 19,856 |
| Council FRS contributions subsequent to the measurement date (July 1, 2015 - September 30, 2015 contributions) | 28,940 | - |
| Total | \$ 115,202 | \$ 104,473 |

| September 30, 2014 | | |
|---|---|--|
| Description | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual expense | \$ - | \$ 9,994 |
| Change of assumptions | 27,970 | - |
| Net difference between projected and actual earnings on FRS pension plan investments | - | 269,417 |
| Changes in proportion and differences between Council FRS contributions and proportionate share contributions | 38,006 | - |
| Council FRS contributions subsequent to the measurement date (July 1, 2014 - September 30, 2014 contributions) | 13,846 | - |
| Total | \$ 79,822 | \$ 279,411 |

The deferred outflows of resources related to pensions, totaling \$28,940, resulting from the Council contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2016. The deferred outflows of resources related to pensions, totaling \$13,846, for the year ended September 30, 2014, were recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2015.

**West Florida Regional Planning Council
Notes to Financial Statements**

NOTE 8: PENSION PLAN (Continued)

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

Fiscal Year Ending September 30,

| | | | |
|--|------------|----|----------|
| | 2016 | \$ | (22,076) |
| | 2017 | | (22,076) |
| | 2018 | | (22,076) |
| | 2019 | | 41,429 |
| | 2020 | | 5,785 |
| | Thereafter | | 802 |

Actuarial Assumptions

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

| | |
|---------------------------|--|
| Inflation | 2.60% |
| Salary increases | 3.25%, average, including inflation |
| Investment rate of return | 7.65%, net of pension plan investment expense, including inflation |

Mortality rates were based on the Generational RP-2000 with Projection Scale BB, with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions used in the July 1, 2015, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

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

**West Florida Regional Planning Council
Notes to Financial Statements**

NOTE 8: PENSION PLAN (Continued)

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:

| Asset Class | Target Allocation (1) | Annual Arithmetic Return | Compound Annual (Geometric) Return | Standard Deviation |
|-----------------------------|--------------------------|--------------------------------|---|-----------------------|
| Cash | 1.00% | 3.11% | 3.10% | 1.65% |
| Intermediate-Term Bonds | 18.00% | 4.18% | 4.05% | 5.15% |
| High Yield Bonds | 3.00% | 6.79% | 6.25% | 10.95% |
| Broad US Equities | 26.50% | 8.51% | 6.95% | 18.90% |
| Developed Foreign Equities | 21.20% | 8.66% | 6.85% | 20.40% |
| Emerging Market Equities | 5.30% | 11.58% | 7.60% | 31.15% |
| Private Equity | 6.00% | 11.80% | 8.11% | 30.00% |
| Hedge Funds/Absolute Return | 7.00% | 5.81% | 5.35% | 10.00% |
| Real Estate (Property) | 12.00% | 7.11% | 6.35% | 13.00% |
| Total | 100.00% | | | |

Discount Rate

The discount rate used to measure the total pension liability was 7.65%. The 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 calculating the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the Council's Proportionate Share of the Net Position Liability to Changes in the Discount Rate

The following presents the Council's proportionate share of the net pension liability calculated using the discount rate of 7.65%, as well as what the Council's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.65%) or 1% higher (8.65%) than the current rate.

| | 1% Decrease 6.65% | Current Discount Rate 7.65% | 1% Increase 8.65% |
|--|----------------------|-----------------------------------|----------------------|
| Council's proportionate share of net pension liability | \$ 835,287 | \$ 322,352 | \$ (104,494) |

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

West Florida Regional Planning Council Notes to Financial Statements

NOTE 8: PENSION PLAN (Continued)

HIS Pension Plan

Plan Description

The HIS Pension Plan (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 Division of Retirement within the Florida Department of Management Services.

Benefits Provided

For the fiscal years ended September 30, 2015 and 2014, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2015 and 2014, the contribution rate was 1.26% of payroll pursuant to section 112.363, Florida Statutes. The Council contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The Council's contributions to the Plan totaled \$16,167 and \$16,804 for the years ended September 30, 2015 and 2014.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2015 and 2014, the Council reported a net pension liability of \$363,822 and \$361,925, respectively, for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2015 and 2014, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015 and 2014, respectively. The Council's proportionate share of the net pension liability

**West Florida Regional Planning Council
Notes to Financial Statements**

NOTE 8: PENSION PLAN (Continued)

was based on the Council's fiscal year 2015 and 2014 contributions relative to the HIS 2015 and 2014 fiscal year contributions of all participating members. At June 30, 2015 and 2014, the Council's proportionate share was 0.00357% and 0.00387%, respectively.

For the fiscal years ended September 30, 2015 and 2014, the Council recognized pension expense of \$11,536 and \$35,274, respectively, related to the HIS Pension Plan. In addition, the Council reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

September 30, 2015

| Description | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected and actual expense | \$ - | \$ - |
| Change of assumptions | 28,623 | - |
| Net difference between projected and actual earnings on HIS pension plan investments | 197 | - |
| Changes in proportion and differences between Council HIS contributions and proportionate share contributions | - | 36,259 |
| Council HIS contributions subsequent to the measurement date (July 1, 2015 - September 30, 2015 contributions) | 7,506 | - |
| Total | \$ 36,326 | \$ 36,259 |

September 30, 2014

| Description | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected and actual expense | \$ - | \$ - |
| Change of assumptions | 12,879 | - |
| Net difference between projected and actual earnings on HIS pension plan investments | 174 | - |
| Changes in proportion and differences between Council HIS contributions and proportionate share contributions | - | 15,163 |
| Council HIS contributions subsequent to the measurement date (July 1, 2014 - September 30, 2014 contributions) | 3,192 | - |
| Total | \$ 16,245 | \$ 15,163 |

**West Florida Regional Planning Council
Notes to Financial Statements**

NOTE 8: PENSION PLAN (Continued)

The deferred outflows of resources related to pensions, totaling \$7,506, resulting from Council 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, 2016. The deferred outflows of resources related to pensions, totaling \$3,192, resulting from Council contributions to the HIS Plan, for the year ended September 30, 2014, were recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2015.

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

Fiscal Year Ending September 30,

| | | | |
|--|------------|----|---------|
| | 2016 | \$ | (1,258) |
| | 2017 | | (1,258) |
| | 2018 | | (1,258) |
| | 2019 | | (1,298) |
| | 2020 | | (1,318) |
| | Thereafter | | (1,049) |

Actuarial Assumptions

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

| | | |
|---------------------|-------------------------------------|--|
| Inflation | 2.60% | |
| Salary increases | 3.25%, average, including inflation | |
| Municipal bond rate | 3.80% | |

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

While an experience study had not been completed for the plan, the FRS Actuarial Assumptions Conference reviewed the actuarial assumptions for the plan.

Discount Rate

The discount rate used to measure the total pension liability was 3.80%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond

West Florida Regional Planning Council Notes to Financial Statements

NOTE 8: PENSION PLAN (Continued)

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.

Sensitivity of the Council's Proportionate Share of the Net Position Liability to Changes in the Discount Rate

The following presents the Council's proportionate share of the net pension liability calculated using the discount rate of 3.80%, as well as what the Council's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.80 percent) or 1-percentage-point higher (4.80 percent) than the current rate:

| | 1% Decrease | Current Discount Rate | 1% Increase |
|--|-------------|--------------------------|-------------|
| | 2.80% | 3.80% | 4.80% |
| Council's proportionate share of net pension liability | \$ 414,558 | \$ 363,822 | \$ 321,515 |

Detailed information about 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.

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS

Plan Description – The West Florida Regional Planning Council's medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement.

The employees are covered by a retirement system whose eligibility provisions are as follows: 6 years of consecutive service and attainment of age 62; or, 30 years of service at any age. For employees hired on and after July 1, 2011, the retirement eligibility provisions are as follows: 8 years of consecutive service and attainment of age 65; or, 33 years of service at any age.

Contribution Rates – Employees do not contribute to their post employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

Funding Policy – Until 2014, the Council recognized the cost of providing post-employment medical benefits (the Council's portion of the retiree medical benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2015 and 2014, the Council's portion of health care funding cost for retired employees totaled \$4,848 and \$5,934, respectively.

West Florida Regional Planning Council
Notes to Financial Statements

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

Annual Required Contribution – The Council’s Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB Codification Section P50. The ARC is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB Codification Section P50) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

| <i>For the year ended September 30,</i> | 2015 | 2014 |
|--|----------|----------|
| <u>Determination of Annual Required Contribution (ARC)</u> | | |
| Normal cost at September 30 | \$ 3,521 | \$ 4,340 |
| Amortization of UAAL | 2,595 | 2,107 |
| Annual required contribution | \$ 6,116 | \$ 6,447 |

Net Post-employment Benefit Obligation (Asset) – The table below shows the Council’s Net Other Post-employment Benefit (OPEB) Obligation:

| <i>For the year ended September 30,</i> | 2015 | 2014 |
|---|----------|----------|
| <u>Annual OPEB Cost and net OPEB obligation</u> | | |
| Annual required contribution | \$ 6,116 | \$ 6,447 |
| Interest on Net OPEB Obligation | 170 | 152 |
| Adjustment to annual required contributions | (245) | (219) |
| Annual OPEB cost | 6,041 | 6,380 |
| Less: estimated net contributions | (4,848) | (5,934) |
| Increase (decrease) in net OPEB obligation | 1,193 | 446 |
| Net OPEB obligation - beginning of year | 4,244 | 3,798 |
| Net OPEB obligation - end of year | \$ 5,437 | \$ 4,244 |

West Florida Regional Planning Council Notes to Financial Statements

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

The following table shows the Council's annual post employment benefits (OPEB) cost, percentage of the cost contributed, and the net unfunded post employment benefits (OPEB) liability for last year and this year:

| Fiscal year Ending | Annual OPEB Cost | Amount Contributed | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation |
|-----------------------|---------------------|-----------------------|---|------------------------|
| 9/30/2015 | \$ 6,041 | \$ 4,848 | 80.25% | \$ 5,437 |
| 9/30/2014 | 6,380 | 5,935 | 93.03% | 4,244 |

Funded Status and Funding Progress – During the years ended September 30, 2015 and 2014, the Council made no contributions to its post employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the October 1, 2014 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year September 30, 2015 was \$46,673 which is defined as that portion, as determined by a particular actuarial cost method (the Council uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost.

Actuarial Methods and Assumptions – Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the Council and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the Council and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Council and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Actuarial Cost Method – The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality and turnover.

West Florida Regional Planning Council Notes to Financial Statements

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

Actuarial Value of Plan Assets – There are not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Codification Section P50.

Turnover Rate – An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 7%. Based on historical experience, we have also assumed that 50% of retirees decline to pay for retiree medical coverage because of the high contributions required.

Post employment Benefit Plan Eligibility Requirements – Based on past experience, it has been assumed that entitlement to benefits will commence upon retiree coverage eligibility, as described above under “Plan Description”. Medical benefits are provided to employees upon actual retirement.

Investment Return Assumption (Discount Rate) – GASB Codification Section P50 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

Health Care Cost Trend Rate – The expected rate of increase in medical cost is based on a graded schedule beginning with 8% annually, down to an ultimate annual rate of 5.0% for ten years out and later.

Mortality Rate – The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rate and 50% of the unloaded female mortality rates, was used. This is a published mortality table which was designed to be used in determining the value of accrued benefits in defined benefit pension plans.

Method of Determining Value of Benefits – The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The retiree pays 100% of the "cost" of the medical insurance for retirees, but not for dependents of retirees. Retiree coverage ceases at age 65. However, the rates paid by the retirees are "blended" rates and there is thus an implicit subsidy. Since use of "unblended" rates is required by GASB 45 for valuation purposes, we have estimated the unblended rates before Medicare eligibility to be 130% of the blended rates, and there is therefore a 30% implicit subsidy. Retiree medical coverage ceases at Medicare eligibility.

Inflation Rate - Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.50% annually.

West Florida Regional Planning Council Notes to Financial Statements

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

Projected Salary Increases – This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

Post-retirement Benefit Increases – The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

NOTE 10: RISK MANAGEMENT

The Council is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Council maintains commercial insurance coverage to mitigate the risk of loss. Coverage may not extend to all situations. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Council. Settled claims have not exceeded this commercial coverage during the last three years.

NOTE 11: CHANGE IN ACCOUNTING PRINCIPLES

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions – amendment of GASB Statement No. 27*. This statement improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This Statement is effective for fiscal years beginning after June 15, 2014.

The Council adopted this statement for fiscal year 2015. The implementation of Statement No. 68 resulted in a restatement of beginning net position, as well as related deferred outflows of resources and deferred inflows of resources due to recording of the Council's net pension liability on the statement of net position.

In November 2013, the GASB issued Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement 68*. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. This Statement is effective for fiscal years beginning June 15, 2014. The Council adopted this statement for fiscal year 2015. The implementation of Statement No. 71 resulted in the reporting of the Council's net pension liability, as well as related deferred outflows of resources and deferred inflows of resources for its pension contributions made subsequent to the measurement date of the beginning net pension liability.



West Florida Regional Planning Council Notes to Financial Statements

NOTE 11: CHANGE IN ACCOUNTING PRINCIPLES (Continued)

The Council participates in the Florida Retirement System (FRS) defined benefit pension plans administered by Florida Division of Retirement. As a participating employer, the Council implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions, which requires employers participating in cost-sharing multiple-employer defined benefit pension plans to report the employers' proportionate share of the net pension liabilities and related pension amounts of the defined benefit pension plans. The beginning net position of the Council for the year ended September 30, 2014 was decreased by \$693,854. The Council's proportionate share of the net pension liabilities at October 1, 2013 totaled that same amount (see Note 8). In addition, the adjustment decreased pension expense for the year ended September 30, 2014 by \$28,084. The net impact on fund balance at September 30, 2014 totaled \$721,938.

NOTE 12: CONTINGENCIES

The Council is a co-defendant in a claim with a former vendor for breach of contract. The Council has filed a motion to dismiss because the Council is not a party to the contract. In the opinion of management, any future costs associated with the claim will not have a significant adverse effect on the accompanying financial statements, and accordingly, no provision for loss has been recorded.



**Required Supplementary Information
(Other than MD&A)**

**West Florida Regional Planning Council
Budget to Actual Comparison Schedule – General Fund**

Year ended September 30,

2015

| | Original and Final Budget | Actual Amounts | Variance with Final Budget |
|---|--------------------------------------|-----------------------|---------------------------------------|
| Revenues | | | |
| Grants and project revenue | \$ 2,854,979 | \$ 3,201,187 | \$ 346,208 |
| Other operating revenue | 99,533 | 87,767 | (11,766) |
| Interest income | - | 1 | 1 |
| Total revenues | 2,954,512 | 3,288,955 | 334,443 |
| Expenditures | | | |
| Current: | | | |
| Project management expenditures | 1,648,653 | 1,677,047 | (28,394) |
| Contracted services | 63,000 | 796,738 | (733,738) |
| Other direct costs | 1,239,859 | 700,071 | 539,788 |
| Capital outlay | 3,000 | 1,678 | 1,322 |
| Total expenditures | 2,954,512 | 3,175,534 | (221,022) |
| Excess of revenues over expenditures | \$ - | \$ 113,421 | \$ 113,421 |

**West Florida Regional Planning Council
Budget to Actual Comparison Schedule – General Fund**

Year ended September 30,

2014

| | Original and Final Budget | Actual Amounts | Variance with Final Budget |
|---|--------------------------------------|-----------------------|---------------------------------------|
| Revenues | | | |
| Grants and project revenue | \$ 2,495,099 | \$ 3,013,702 | \$ 518,603 |
| Other operating revenue | 83,058 | 93,870 | 10,812 |
| Interest income | - | 103 | 103 |
| Total revenues | 2,578,157 | 3,107,675 | 529,518 |
| Expenditures | | | |
| Current: | | | |
| Project management expenses | 1,599,621 | 1,525,746 | 73,875 |
| Contracted services | 57,500 | 742,190 | (684,690) |
| Other direct costs | 918,036 | 835,127 | 82,909 |
| Capital outlay | 3,000 | - | 3,000 |
| Total expenditures | 2,578,157 | 3,103,063 | (527,906) |
| Excess of revenues over expenditures | \$ - | \$ 4,612 | \$ 1,612 |

**West Florida Regional Planning Council
Schedule of Funding Progress – Other Post-Employment Benefits**

| Actuarial Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability (AAL) | Unfunded AAL (UAAL) | Funded Ratio | Covered Payroll | UAAL as a Percentage of Covered Payroll |
|--------------------------------|---------------------------------|---|------------------------|-----------------|--------------------|--|
| 09/30/15 | \$ - | \$ 46,673 | \$ 46,673 | 0% | \$ 1,145,929 | 4% |
| 09/30/14 | - | 37,883 | 37,883 | 0% | 1,217,188 | 3% |
| 09/30/13 | - | 36,426 | 36,426 | 0% | 1,217,188 | 3% |

West Florida Regional Planning Council
Schedule of Proportionate Share of Net Pension Liability – Florida Retirement
System (Last 10 Fiscal Years)

| | 2015 | 2014 | 2013 |
|--|--------------|--------------|--------------|
| Council's proportion of the net pension liability (asset) | 0.0024957% | 0.0026470% | 0.0023845% |
| Council's proportionate share of the net pension liability (asset) | \$ 322,352 | \$ 161,505 | \$ 410,486 |
| Council's covered - employee payroll | \$ 1,143,510 | \$ 1,142,736 | \$ 1,156,163 |
| Council's proportionate share of the net pension liability (asset) as a percentage of its own covered-employee payroll | 28.2% | 14.1% | 35.5% |
| FRS Plan fiduciary net position as a percentage of the total pension liability | 92.00% | 96.09% | 88.54% |

Note: Data was unavailable prior to 2013.

West Florida Regional Planning Council
Schedule of Contributions – Florida Retirement System (Last 10 Fiscal Years)

| | 2015 | 2014 | 2013 |
|--|--------------|--------------|-------------|
| Contractually required contribution | \$ 78,398 | \$ 80,522 | |
| Contributions in relation to the contractually required contribution | 78,398 | 80,522 | |
| Contribution deficiency (excess) | \$ - | \$ - | |
| Council's covered - employee payroll | \$ 1,143,510 | \$ 1,142,736 | |
| Contributions as a percentage of covered-employee payroll | 6.9% | 7.0% | |

**West Florida Regional Planning Council
Schedule of Proportionate Share of Net Pension Liability – Health Insurance
Subsidy Program (Last 10 Fiscal Years)**

| | 2015 | 2014 | 2013 |
|--|--------------|--------------|--------------|
| Council's proportion of the net pension liability (asset) | 0.0035674% | 0.0038708% | 0.0040730% |
| Council's proportionate share of the net pension liability (asset) | \$ 363,822 | \$ 361,925 | \$ 354,609 |
| Council's covered - employee payroll | \$ 1,143,510 | \$ 1,142,736 | \$ 1,156,163 |
| Council's proportionate share of the net pension liability (asset) as a percentage of its own covered-employee payroll | 31.8% | 31.7% | 30.7% |
| HIS Plan fiduciary net position as a percentage of the total pension liability | 0.50% | 0.99% | 1.78% |

Note: Data was unavailable prior to 2013.

**West Florida Regional Planning Council
 Schedule of Contributions – Health Insurance Subsidy Program
 (Last 10 Fiscal Years)**

| | 2015 | 2014 | 2013 |
|--|--------------|--------------|-------------|
| Contractually required contribution | \$ 16,167 | \$ 16,804 | |
| Contributions in relation to the contractually required contribution | 16,167 | 16,804 | |
| Contribution deficiency (excess) | \$ - | \$ - | |
| Council's covered - employee payroll | \$ 1,143,510 | \$ 1,142,736 | |
| Contributions as a percentage of covered-employee payroll | 1.4% | 1.5% | |

West Florida Regional Planning Council
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended September 30, 2015

| Federal Agency Pass Through Entity Federal Program of State Program | CFDA /CSFA Number | Grantor's Contract Number | Expenditures |
|---|----------------------|---------------------------------|--------------|
| Federal Awards | | | |
| Department of Commerce | | | |
| Economic Development Support for Planning Organizations | | | |
| C-EDA-9-017 Planning Assistance 2012-2014 | 11.302 | 04-83-06641 | \$ 42,521 |
| C-EDA-9-020 Planning Assistance 2015-2017 | 11.302 | 04-83-07023 | 53,978 |
| National Oceanic and Atmospheric Administration | | | |
| C-PCP-ENV-9-006 Habitat Conservation | 11.463 | NA14NMF4630015 | 14,727 |
| Total Department of Commerce | | | 111,226 |
| Department of Transportation Federal Transit Administration | | | |
| <u>Passed Through Florida Department of Transportation</u> | | | |
| Highway Planning and Construction | | | |
| T-TPO-9-103 FL-AL TPO PL 14/15 | 20.205 | FM42793111401 | 392,684 |
| T-TPO-9-203 OK-WAL TPO PL 14/15 | 20.205 | FM42792911401 | 281,515 |
| T-TPO-9-303 BAY TPO PL 14/15 | 20.205 | FM42792811401 | 304,210 |
| T-TPO-9-104 FL-AL TPO PL 15/16 | 20.205 | FM42793111401 | 128,807 |
| T-TPO-9-204 OK-WAL TPO PL 15/16 | 20.205 | FM42792911401 | 84,104 |
| T-TPO-9-304 BAY TPO PL 15/16 | 20.205 | FM42792811401/APZ13 | 98,872 |
| T-SU-9-003 MAIN ST CORRIDOR MANAGEMENT PLAN | 20.205 | FM40979291801/ARN59 | 7,657 |
| T-SU-9-004 N PALAFOX ST CORRIDOR MANAGEMENT PLAN | 20.205 | FM40979291801/ARN59 | 145,922 |
| T-SU-9-005 W CERVANTES ST/MOBILE HWY CORRIDOR MGMT | 20.205 | FM40979291801/ARN57 | 8,590 |
| <u>Passed Through Alabama Department of Transportation</u> | | | |
| T-TPO-9-103 FL-AL TPO PL 14/15 | 20.205 | FM42793111401 | 6,519 |
| T-TPO-9-104 FL-AL TPO PL 15/16 | 20.205 | FM42793111401 | 6,603 |
| Subtotal | | | 1,465,483 |
| <u>Passed Through Florida Department of Transportation</u> | | | |
| Metropolitan Transportation Planning Grants | | | |
| T-FTA-9-022 FL-AL FTA SECTION 5305 FY14 | 20.505 | FM42171721422 / AQF33 | 234,752 |
| T-FTA-9-023 OW FTA SECTION 5305 FY 2013 | 20.505 | FM42171821423 / AQF31 | 43,955 |
| T-FTA-9-024 BAY FTA SECTION 5305 FY 13/14 | 20.505 | FM42171921422 / AQF29 | 67,946 |
| T-FTA-9-800 OW FTA SECTION 5305 FY 2015 | 20.505 | FM42171821425 / ARL09 | 37,395 |
| T-FTA-9-900 BAY FTA SECTION 5305 FY 14/15 | 20.505 | FM42171921425 / ARL05 | 57,815 |
| Subtotal | | | 441,863 |
| Transit Services Program Cluster | | | |
| Job Access Reverse Commute | | | |
| T-JARC-9-003 FL-AL TPO JARC SECT 5316 | 20.516 | FL-37-X046-00 | 15,485 |
| T-JARC-9-005 FL-AL TPO JARC | 20.516 | FL-37-X069-01 | 63,811 |
| New Freedom Program | | | |
| T-NF-9-003 NEW FREEDOM SECT 5316 | 20.521 | FL-57-X026 | 2,971 |
| T-NF-9-005 FTA SECT 5317 OCT12-JAN14 | 20.521 | FL-57-X038 | 28,531 |
| Subtotal | | | 110,798 |

See accompanying notes to schedule of expenditures of federal awards and state financial assistance.

West Florida Regional Planning Council
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended September 30, 2015


| Federal Agency Pass Through Entity Federal Program of State Program | CFDA /CSFA Number | Grantor's Contract Number | Expenditures |
|---|----------------------|---------------------------------|---------------------|
| <u>Passed Through Florida Division of Emergency Management</u> | | | |
| Interagency Hazardous Materials Public Sector Training and Planning Grants | | | |
| C-HZMT-9-053 HMEP Planning FY 13/14 | 20.703 | 14-DT-75-13-00-21-168 | 2,910 |
| C-HZMT-9-054 HMEP Training FY 13/14 | 20.703 | 14-DT-75-13-00-21-168 | 3,202 |
| C-HZMT-9-059 HMEP Planning FY 14/15 | 20.703 | 15-DT-75-13-00-21-338 | 15,617 |
| C-HZMT-9-060 HMEP Training FY 14/15 | 20.703 | 15-DT-75-13-00-21-338 | 46,060 |
| Subtotal | | | 67,789 |
| Total Department of Transportation Federal Transit Administration | | | 2,085,933 |
| Environmental Protection Agency | | | |
| <u>Passed through Partnership for Community Programs</u> | | | |
| Brownfields Assessment and Cleanup Cooperative Agreements | | | |
| ARRA C-ENV-9-017 | 66.818 | BF95406508-0 | 24,802 |
| C-ENV-9-020 | 66.818 | BF-95482211-0 | 2,230 |
| Total Environmental Protection Agency | | | 27,032 |
| Department of Homeland Security | | | |
| <u>Passed through State of Florida Emergency Management</u> | | | |
| <u>Passed through Regional Planning Council</u> | | | |
| Emergency Management Grants | | | |
| C-EVAC- 9-004 SRES DIRECTIONAL ATLAS | 97.042 | | 24,741 |
| Total Department of Homeland Security | | | 24,741 |
| Total Federal awards | | | \$ 2,248,932 |
| State Assistance | | | |
| Executive Office of the Governor | | | |
| Emergency Management Projects | | | |
| C-HZMT-9-056 LEPC STAFFING 14/15 | 31.067 | 15-CP-11-13-00-21-160 | \$ 32,305 |
| C-HZMT-9-061 HAZARDS ANALYSIS 14/15 BAY & WASHINGTON | 31.067 | 15-CP-11-13-00-21-219 | 3,233 |
| C-HZMT-9-062 LEPC STAFFING 15/16 | 31.067 | 16-CP-11-13-00-21-153 | 11,792 |
| C-HZMT-9-063 HAZARDS ANALYSIS 14/15 BAY & WASHINGTON | 31.067 | 16-CP-11-13-00-21-153 | 1,857 |
| Total Executive Office of the Governor | | | 49,187 |
| Florida Housing Finance Corporation | | | |
| State Housing Initiatives Partnership Program | | | |
| C-SHIP-3-020 HOLMES CTY SHIP WU&I 13/14 | 52.901 | | 1,298 |
| C-SHIP-3-021 HOLMES CTY SHIP ADMIN 14/15 | 52.901 | | 19,102 |
| C-SHIP-3-022 HOLMES CTY SHIP WU&I 14/15 | 52.901 | | 1,238 |
| C-SHIP-3-023 HOLMES CTY SHIP ADMIN 15/16 | 52.901 | | 8,493 |
| C-SHIP-3-024 HOLMES CTY SHIP WU&I 15/16 | 52.901 | | 1,786 |
| C-SHIP-6-023 WALTON CTY SHIP WU&I 11/12 | 52.901 | | 44 |
| C-SHIP-6-025 WALTON CTY SHIP WU&I 13/14 | 52.901 | | 17,158 |
| C-SHIP-6-026 WALTON CTY SHIP ADMIN 14/15 | 52.901 | | 16,161 |
| C-SHIP-6-027 WALTON CTY SHIP WU&I 14/15 | 52.901 | | 2,457 |

See accompanying notes to schedule of expenditures of federal awards and state financial assistance.

West Florida Regional Planning Council
Notes to the Schedule of Expenditures of Federal Awards and
State Financial Assistance
For the Year Ended September 30, 2015

| Federal Agency Pass Through Entity Federal Program of State Program | CFDA /CSFA Number | Grantor's Contract Number | Expenditures |
|---|----------------------|---------------------------------|---------------------|
| Florida Housing Finance Corporation | | | |
| State Housing Initiatives Partnership Program | | | |
| C-SHIP-6-028 WALTON CTY SHIP ADMIN 15/16 | 52.901 | | 9,482 |
| C-SHIP-6-029 WALTON CTY SHIP WU&I 15/16 | 52.901 | | 2,686 |
| C-SHIP-7-016 WASHINGTON CTY SHIP ADMIN 14/15 | 52.901 | | 21,601 |
| C-SHIP-7-017 WASHINGTON CTY SHIP WU&I 14/15 | 52.901 | | 5,065 |
| C-SHIP-7-018 WASHINGTON CTY SHIP ADMIN 15/16 | 52.901 | | 1,215 |
| Total Florida Housing Finance Corporation | | | 107,786 |
| Florida Department of Transportation | | | |
| Florida Commission for the Transportation Disadvantaged Planning Grant Program | | | |
| T-TD-1-014 BAY CTY TD FY 14/15 | 55.002 | FM43202911401/ARI32 | 13,755 |
| T-TD-1-015 BAY CTY TD FY15/16 | 55.002 | FM43202911401/G0208 | 5,471 |
| T-TD-2-014 ESCAMBIA CTY TD FY14/15 | 55.002 | FM43202911401/ARI32 | 15,030 |
| T-TD-2-015 ESCAMBIA CTY TD FY15/16 | 55.002 | FM43202911401/G0221 | 5,664 |
| T-TD-3-014 HOLMES/WASHINGTON CTY TD FY14/15 | 55.002 | FM43202911401/ARI32 | 21,041 |
| T-TD-3-015 HOLMES/WASHINGTON CTY TD FY15/16 | 55.002 | FM43202911401/G0230 | 8,966 |
| T-TD-4-014 OKALOOSA CTY TD FY14/15 | 55.002 | FM43202911401/ARI32 | 15,611 |
| T-TD-4-015 OKALOOSA CTY TD FY15/16 | 55.002 | FM43202911401/G0247 | 5,068 |
| T-TD-5-014 SANTA ROSA CTY TD FY 14/15 | 55.002 | FM43202911401/ARI32 | 15,142 |
| T-TD-5-015 SANTA ROSA CTY TD FY 15/16 | 55.002 | FM43202911401/G0254 | 4,823 |
| T-TD-6-014 WALTON CTY TD FY14/15 | 55.002 | FM43202911401/ARI32 | 10,809 |
| T-TD-6-015 WALTON CTY TD FY15/16 | 55.002 | FM43202911401/G0269 | 3,817 |
| Subtotal | | | 125,197 |
| Commuter Assistance/Rideshare Grants Project | | | |
| T-RIDE-9-012 COMMUTER ASSISTANCE PROGRAM FY13 | 55.007 | FM41560628401 / AQL72 | 97,699 |
| T-RIDE-9-013 COMMUTER ASSISTANCE PROGRAM FY16 | 55.007 | FM41560628401 / ARM95 | 88,138 |
| Subtotal | | | 185,837 |
| Intermodal Development Program | | | |
| T-LRTP-9-004 FL-AL REGIONAL MOBILITY PLAN 2040 | 55.014 | FM41235221201/ FM41235221401 | 131,531 |
| T-LRTP-9-005 OKALOOSA-WALTON COUNTIES TPO LRTP 2040 | 55.014 | FM422543-2-14-01 / ARY56 | 3,034 |
| T-LRTP-9-006 BAY CTY TPO LRTP 2040 | 55.014 | FM41621121401 / ARB79 | 76,238 |
| Subtotal | | | 210,803 |
| Work Program Liaison | | | |
| T-WPL-9-006 RURAL WORK PROGRAM LIAISON FY14/15 | Unassigned | FM420746111401 / APX42 | 10,033 |
| Subtotal | | | 10,033 |
| Total Florida Department of Transportation | | | 531,870 |
| Total state assistance | | | \$ 688,843 |
| Total expenditures of federal awards and state financial assistance | | | \$ 2,937,775 |

See accompanying notes to schedule of expenditures of federal awards and state financial assistance.



**West Florida Regional Planning Council
Notes to the Schedule of Expenditures of Federal Awards and
State Financial Assistance
For the Year Ended September 30, 2015**

Note A – This schedule of expenditures of federal awards and state financial assistance presents the activity of all federal and state grant activity of West Florida Regional Planning Council and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 10.550, Rules of the Auditor General. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the financial statements.



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Report on Internal Control over Financial Reporting and on Compliance Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

To the Board of Directors of
West Florida Regional Planning Council
Pensacola, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of West Florida Regional Planning Council (the Council), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements, and have issued our report thereon dated June 28, 2016.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a deficiency in internal control, described in the accompanying schedule of finding and questions costs as item 2015-001, that we consider to be a material weakness.

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*.

Council's Response to Finding

The Council's response and corrective action plan to the finding identified in our audit is listed on page 52. We did not audit the Council's response, and accordingly, we express no opinion on the response.

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 entity'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.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida

June 28, 2016



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**Independent Auditor's Report on Compliance for Each Major Program and on Internal Control
Over Compliance Required by OMB A-133 and Chapter 10.550, Rules of the Auditor General of the
State of Florida**

To the Board of Directors
West Florida Regional Planning Council
Pensacola, Florida

Report on Compliance for Each Major Federal Program

We have audited West Florida Regional Planning Council's (the Council) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *Department of Financial Services' State Project Compliance Supplement*, that could have a direct and material effect on each of the Council's major federal programs and state projects for the year ended September 30, 2015. The Council's major federal programs and state projects 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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs and state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Council's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Auditor General, *Local Governmental Entity Audits*. Those standards, OMB Circular A-133, and the rules of the Auditor General require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about 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 and state project. 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 and state projects for the year ended September 30, 2015.

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 or state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program or state project and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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 or state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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 OMB Circular A-133 and Chapter 10.550. Accordingly, this report is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida
June 28, 2016

**West Florida Regional Planning Council
Schedule of Findings and Questioned Costs
Federal Programs and State Financial Assistance Projects
For the Year Ended September 30, 2015**

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of West Florida Regional Planning Council (the Council).
2. One material weakness in internal control over financial reporting is reported in the Report on Internal Control over Financial Reporting and on Compliance Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the Council which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs and state financial assistance projects to be reported in the Report on Compliance with Requirements Applicable to Each Major Federal Program and State Project and Internal Control Over Compliance in Accordance with OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General of the State of Florida.
5. The auditor's report on compliance for the major federal awards programs and state financial assistance projects for the Council expresses an unmodified opinion.
6. No audit findings relative to the major federal awards programs and state financial assistance projects were required to be reported.
7. The following programs were tested as major programs:

| Federal Program | CFDA # | Expenditures |
|--------------------------------------|---------------|---------------------|
| Highway Planning | 20.205 | \$ 1,465,483 |
| Metropolitan Transportation Planning | 20.505 | \$ 441,863 |
| | | |
| State Project | CSFA # | Expenditures |
| Commuter Assistance | 55.007 | \$ 185,837 |
| Intermodal Development | 55.014 | \$ 210,803 |

8. The threshold for distinguishing Type A and B programs was \$300,000 for major federal programs and major state projects.
9. The Council qualified as a low-risk auditee pursuant to OMB Circular A-133.



**West Florida Regional Planning Council
Schedule of Findings and Questioned Costs
Federal Programs and State Financial Assistance Projects
For the Year Ended September 30, 2015**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS THAT ARE REQUIRED TO BE REPORTED UNDER GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS (GAGAS)

The results of our audit of the Council disclosed one finding required to be reported in accordance with GAGAS. Finding 2015-001 is detailed on page 52.

FINDINGS AND QUESTIONED COSTS FOR MAJOR FEDERAL AWARDS PROGRAMS AND FOR MAJOR STATE FINANCIAL ASSISTANCE PROJECTS

The results of our audit of the Council did not disclose findings required to be reported under the provision of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, or under Chapter 10.550, Rules of the Auditor General, *Local Governmental Entity Audits*.



**West Florida Regional Planning Council
Schedule of Findings and Questioned Costs
Federal Programs and State Financial Assistance Projects
For the Year Ended September 30, 2015**

Finding 2015-001: Financial statement closing procedures

Condition: As part of our audit procedures, we proposed two audit adjustments to correct balances typically recorded as part of the financial statement closing process. Specifically these adjustments affected accrued payroll and unbilled receivable amounts.

Criteria: The Council is responsible for preparing financial statements in accordance with generally accepted accounting principles and for establishing internal controls to ensure complete and accurate financial reporting.

Cause: Certain financial statement closing processes are highly manual and involve information from multiple sources over a period of time after year end.

Effect: The Council's financial statements could be misstated and it would not be timely prevented or detected and corrected by management.

Recommendation: The Council should review and establish internal control policies and procedures to ensure all manual or infrequent transactions or procedures are reviewed by at least one additional member of management.

Response and Corrective Action Plan: Council will add an additional management review of year-end journal entries to ensure complete and accurate reporting.



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To the Board of Directors and Chief Executive Officer
West Florida Regional Planning Council
Pensacola, Florida

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Report on the Financial Statements

We have audited the financial statements of the West Florida Regional Planning Council (“Council”) as of and for the fiscal year ended September 30, 2015, and have issued our report thereon dated June 28, 2016.

Auditors’ Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, Non-Profit Organizations*; and Chapter 10.550, Rules of the Florida Auditor General.

Other Reports and Schedule

We have issued our Independent Auditor’s Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor’s Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant’s Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 28, 2016, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. The recommendation identified as ML2014-001, made in the preceding annual audit report, was addressed by the Council in the current year.

Official Title and Legal Authority

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

Financial Condition

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

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

Annual Financial Report

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

Other Matters

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

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

Purpose of this Letter

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

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida
June 28, 2016



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INDEPENDENT ACCOUNTANT'S REPORT

To the Board of Directors and Chief Executive Officer
West Florida Regional Planning Council
Pensacola, Florida

We have examined West Florida Regional Planning Council's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2015. Management is responsible for the Council's compliance with those requirements. Our responsibility is to express an opinion on the Council's compliance based on our examination.

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

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

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

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida
June 28, 2016