

**WEST FLORIDA REGIONAL PLANNING COUNCIL**

**PENSACOLA, FLORIDA**

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2016 AND 2015**

**WEST FLORIDA REGIONAL PLANNING COUNCIL**

**PENSACOLA, FLORIDA**

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2016 AND 2015**

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**WEST FLORIDA REGIONAL PLANNING COUNCIL**  
**PENSACOLA, FLORIDA**  
**FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016 AND 2015**

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
West Florida Regional Planning Council  
Pensacola, Florida

### 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 (the "Council"), as of and for the year ended September 30, 2016, and the related notes to the financial statements, which comprise the Council's basic financial statements, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Council as of September 30, 2016 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Prior Period Financial Statements**

The financial statements of the Council as of September 30, 2015, were audited by another auditor whose report dated June 28, 2016, expressed an unmodified opinion on those statements.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budget to Actual Comparison Schedule - General Fund, Schedule of Funding Progress - Other Post-Employment Benefits, the Schedule of Proportionate Share of Net Pension Liability - Florida Retirement System Pension Plan, the Schedule of Contributions - Florida Retirement System Pension Plan, the Schedule of Proportionate Share of Net Pension Liability - Health Insurance Subsidy Program, and the Schedule of Contributions - Health Insurance Subsidy Program be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Chapter 10.550, Rules of the Auditor General, and is not a required part of the basic financial statements.

Board of Directors  
West Florida Regional Planning Council

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 audits 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 May 10, 2017, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.



Pensacola, Florida  
May 10, 2017

**WEST FLORIDA REGIONAL PLANNING COUNCIL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2016 AND 2015**

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, 2016. 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 \$1,577,013. Of this amount, \$1,541,444 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- At fiscal year end, the Regional Planning Council reported the ending net position balance increased by approximately 7% in comparison with the prior year.
- The Council strives to comply with unfunded mandates for Grants in Aids - Regional Planning Councils. Funding has either not been included by the state legislature or has been vetoed by the Governor since 2011. 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 \$542,000 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, Okaloosa-Walton, and Bay County Organizations.
- This fiscal year ending on September 30, 2016, reflects the first full year under the leadership of a new Executive Director. Mr. Mount has made it his intent and mission during his first year as Executive Director to revitalize relationships with member local governments particularly the small rural communities which have received attention and the Council has taken the opportunity to provide valuable technical assistance to the small communities.

**WEST FLORIDA REGIONAL PLANNING COUNCIL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2016 AND 2015**

**Overview of the Financial Statements**

The financial statements consist of two parts: management's discussion and analysis and the basic financial statements. The basic financial statements also include notes that explain in more detail some of the information in the financial statements.

The Council's basic financial statements have been prepared using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when incurred.

The basic financial statements of the Council report information about the Council using accounting methods similar to those used by private sector companies. One of the most important questions users of an entity's financial statements ask "Is an entity as a whole better off or worse off as a result of the current year's activities?" These statements offer short-term and long-term financial information about its activities in a way that will help users of the financial statements answer this question.

The Statements of Net Position include all of the Council's assets, deferred outflows of resources, liabilities, and deferred inflows of resources and provides information about the nature and amounts of investments in resources (assets and deferred outflows of resources) and the obligations to Council creditors (liabilities and deferred inflows of resources).

All of the current year's revenues and expenses are accounted for in the Statement of Activities. This statement measures the success of the Council's operations over the past year and can be used to determine the Council's profitability and creditworthiness and whether the Council has successfully recovered all of its expenses through fees and other income.

Together the Statements of Net Position (the balance sheet) and the Statements of Activities (the income statement) report information about the Council's revenues and expenses and the resulting change in net position. Over time, increases or decreases in the Council's net position is an indicator of whether the Council's financial health is improving or deteriorating. When evaluating changes in the Council's financial health, other non-financial factors should also be considered. These include factors such as changes in interest rates, economic conditions, new or changed government legislation and regulations, and the fulfillment of the Council's public purpose.

**WEST FLORIDA REGIONAL PLANNING COUNCIL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2016 AND 2015**

**Net Position**

A summary of the Council's Statements of Net Position is presented in Table A.

**TABLE A  
Condensed Statements of Net Position**

	2016	2015	2014
<b>Assets and Deferred Outflows</b>			
Current assets	\$ 2,816,436	\$ 2,538,925	\$ 2,503,984
Noncurrent assets	35,569	31,660	55,724
Total assets	2,852,005	2,570,585	2,559,708
Deferred outflows of resources	563,562	151,528	96,067
Total assets and deferred outflows of resources	<u>\$ 3,415,567</u>	<u>\$ 2,722,113</u>	<u>\$ 2,655,775</u>
<b>Liabilities and Deferred Inflows</b>			
Current liabilities	426,718	345,870	424,350
Noncurrent liabilities	1,357,487	757,346	581,929
Total liabilities	1,784,205	1,103,216	1,006,279
Deferred inflows of resources	54,349	140,733	294,575
Total liabilities and deferred inflows of resources	<u>1,838,554</u>	<u>1,243,949</u>	<u>1,300,854</u>
<b>Net Position</b>			
Net investment in capital assets	35,569	31,660	55,724
Unrestricted	1,541,444	1,446,504	1,299,197
Total net position	<u>1,577,013</u>	<u>1,478,164</u>	<u>1,354,921</u>
Total liabilities, deferred inflows, and net position	<u>\$ 3,415,567</u>	<u>\$ 2,722,113</u>	<u>\$ 2,655,775</u>

During the fiscal year ended September 30, 2016, current assets increased \$277,511. The net increase was primarily attributable to a \$332,801 increase in cash and cash equivalents, and a \$51,331 decrease in receivables.

**WEST FLORIDA REGIONAL PLANNING COUNCIL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2016 AND 2015**

**Revenues, Expenses, and Changes in Net Position**

A summary of the Council's Statements of Activities is presented in Table B.

**TABLE B  
Condensed Statements of Activities**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Revenue</b>			
Program revenue	\$ 3,735,336	\$ 3,201,187	\$ 3,013,702
General revenue	95,625	87,768	93,373
Total revenue	<u>3,830,961</u>	<u>3,288,955</u>	<u>3,107,075</u>
<b>Expenses</b>			
Project management expenses	1,957,438	1,630,488	1,553,830
Other expenses	<u>1,774,674</u>	<u>1,535,224</u>	<u>1,601,757</u>
Total expenses	<u>3,732,112</u>	<u>3,165,712</u>	<u>3,155,587</u>
Change in net position	98,849	123,243	(48,512)
Beginning net position	<u>1,478,164</u>	<u>1,354,921</u>	<u>1,402,833</u>
Ending net position	<u>\$ 1,577,013</u>	<u>\$ 1,478,164</u>	<u>\$ 1,354,321</u>

The Statement of Activities provides information as to the nature and source of the changes in net position. During Fiscal 2016, net position increased by \$98,849, as compared with an increase of \$123,243 in Fiscal 2015.

**WEST FLORIDA REGIONAL PLANNING COUNCIL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2016 AND 2015**

**Capital Assets**

As of September 30, 2016, the Council's investment in capital assets totaled \$35,569 (i.e., net of accumulated depreciation). As compared with Fiscal 2015, the investment in capital assets increased in Fiscal 2016 by \$3,909 or 12.3%. The increase was attributable to the purchase of a vehicle and other equipment totaling \$28,131, netted against current year depreciation totaling \$24,222.

**General Fund Budgetary Highlights**

The original adopted budget for the Regional Planning Council remained unchanged for the fiscal year ended September 30, 2016.

**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.

**Requests for Information**

This financial report is designed to provide a general overview of the Council's finances and to demonstrate the Council's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be directed to the following mailing address.

West Florida Regional Planning Council  
4081 East Olive Road, Suite A  
Pensacola, Florida 32514

**WEST FLORIDA REGIONAL PLANNING COUNCIL  
STATEMENTS OF NET POSITION  
SEPTEMBER 30, 2016 AND 2015**

**ASSETS AND DEFERRED OUTFLOWS**

	<u>2016</u>	<u>2015</u>
	Governmental Activities	Governmental Activities
<b>Assets:</b>		
Cash and cash equivalents	\$ 1,506,717	\$ 1,173,916
Due from other governmental agencies		
Billed receivables	1,053,178	371,577
Unbilled receivables	193,411	926,343
Prepaid expenses	63,130	67,089
Property and equipment, net	35,569	31,660
Total assets	<u>2,852,005</u>	<u>2,570,585</u>
<b>Deferred Outflows of Resources:</b>		
Pensions	<u>563,562</u>	<u>151,528</u>
<b>Total Assets and Deferred Outflows</b>	<u>\$ 3,415,567</u>	<u>\$ 2,722,113</u>

**LIABILITIES, DEFERRED INFLOWS AND NET POSITION**

<b>Liabilities:</b>		
Accounts payable	\$ 183,859	\$ 137,614
Accrued expenses	91,630	82,547
Unearned revenue	151,229	125,709
Compensated absences	77,614	65,735
Net pension liability	1,273,409	686,174
Other post-employment benefits	6,464	5,437
Total liabilities	<u>1,784,205</u>	<u>1,103,216</u>
<b>Deferred Inflows of Resources:</b>		
Pensions	<u>54,349</u>	<u>140,733</u>
<b>Net Position:</b>		
Net investment in capital assets	35,569	31,660
Unrestricted	1,541,444	1,446,504
Total net position	<u>1,577,013</u>	<u>1,478,164</u>
<b>Total Liabilities, Deferred Inflows and Net Position</b>	<u>\$ 3,415,567</u>	<u>\$ 2,722,113</u>

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

**WEST FLORIDA REGIONAL PLANNING COUNCIL  
STATEMENTS OF ACTIVITIES  
YEARS ENDED SEPTEMBER 30, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
	<u>Governmental Activities</u>	<u>Governmental Activities</u>
<b>Expenses</b>		
Project management expenses	\$ 1,957,438	\$ 1,630,488
Contracted services	1,072,207	796,738
Other direct costs	677,218	711,551
Unallocated depreciation	24,222	25,742
Other post-employment benefits	1,027	1,193
Total expenses	<u>3,732,112</u>	<u>3,165,712</u>
<b>Program Revenue</b>		
Grants and project revenue	<u>3,735,336</u>	<u>3,201,187</u>
<b>Net Revenue</b>	<u>3,224</u>	<u>35,475</u>
<b>General Revenue</b>		
Other operating revenue	95,624	87,767
Interest income	1	1
Total general revenue	<u>95,625</u>	<u>87,768</u>
<b>Change in Net Position</b>	98,849	123,243
<b>Net Position - Beginning of Year</b>	<u>1,478,164</u>	<u>1,354,921</u>
<b>Net Position - End of Year</b>	<u><u>\$ 1,577,013</u></u>	<u><u>\$ 1,478,164</u></u>

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

**WEST FLORIDA REGIONAL PLANNING COUNCIL  
BALANCE SHEETS - GOVERNMENTAL FUND  
SEPTEMBER 30, 2016 AND 2015**

**ASSETS**

	2016	2015
	General	General
	Fund	Fund
<b>Assets:</b>		
Cash and cash equivalents	\$ 1,506,717	\$ 1,173,916
Due from other governmental agencies		
Billed receivables	1,053,178	371,577
Unbilled receivables	193,411	926,343
Prepaid expenditures	63,130	67,089
<b>Total Assets</b>	<b>\$ 2,816,436</b>	<b>\$ 2,538,925</b>

**LIABILITIES AND FUND BALANCE**

<b>Liabilities:</b>		
Accounts payable	\$ 183,859	\$ 137,614
Accrued expenses	91,630	82,547
Unearned revenue	151,229	125,709
Total liabilities	426,718	345,870
<b>Fund Balance:</b>		
Nonspendable	63,130	67,089
Unassigned	2,326,588	2,125,966
Total fund balance	2,389,718	2,193,055
<b>Total Liabilities and Fund Balance</b>	<b>\$ 2,816,436</b>	<b>\$ 2,538,925</b>

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

**WEST FLORIDA REGIONAL PLANNING COUNCIL  
RECONCILIATION OF BALANCE SHEETS  
TO STATEMENTS OF NET POSITION  
SEPTEMBER 30, 2016 AND 2015**

	2016	2015
<b>Fund Balance - General Fund</b>	<b>\$ 2,389,718</b>	<b>\$ 2,193,055</b>
 Amounts reported for <i>governmental activities</i> in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	35,569	31,660
Deferred outflows and inflows related to pensions are not financial resources and therefore are not reported in the governmental funds.		
Deferred outflows of resources - pensions	563,562	151,528
Deferred inflows of resources - pensions	(54,349)	(140,733)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds.		
Compensated absences	(77,614)	(65,735)
Net pension liability	(1,273,409)	(686,174)
Other post-employment benefits	(6,464)	(5,437)
<b>Total Net Position - Governmental Activities</b>	<b>\$ 1,577,013</b>	<b>\$ 1,478,164</b>

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

**WEST FLORIDA REGIONAL PLANNING COUNCIL  
STATEMENTS OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND  
YEARS ENDED SEPTEMBER 30, 2016 AND 2015**

	2016	2015
	General Fund	General Fund
<b>General Revenue</b>		
Grants and project revenue	\$ 3,735,336	\$ 3,201,187
Other operating revenue	95,624	87,767
Interest income	1	1
Total general revenue	3,830,961	3,288,955
 <b>Expenditures</b>		
Current:		
Project management expenses	1,868,621	1,677,047
Contracted services	1,072,207	796,738
Other direct costs	665,339	700,071
Capital Outlay	28,131	1,678
Total expenditures	3,634,298	3,175,534
 <b>Net Change in Fund Balance</b>	196,663	113,421
 <b>Fund Balance - Beginning of Year</b>	2,193,055	2,079,634
 <b>Fund Balance - End of Year</b>	\$ 2,389,718	\$ 2,193,055

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

**WEST FLORIDA REGIONAL PLANNING COUNCIL  
RECONCILIATION OF STATEMENTS OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCE TO STATEMENTS OF ACTIVITIES  
YEARS ENDED SEPTEMBER 30, 2016 AND 2015**

	2016	2015
<b>Net Change in Fund Balance - General Fund</b>	<b>\$ 196,663</b>	<b>\$ 113,421</b>
 Amounts reported for <i>governmental activities</i> in the statement of activities are different because:		
Depreciation on capital assets is not recognized in the fund financial statements but is reported as an expense in the Statement of Activities	(24,222)	(25,742)
Capital outlay, reported as expenditures in the governmental funds, is shown as capital assets on the Statement of Net Position	28,131	1,678
Governmental 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	(88,817)	46,559
Current change in long-term OPEB obligation does not consume current resources and therefore is not reported in the governmental fund	(1,027)	(1,193)
Current change in long-term compensated absences liability does not consume current resources and therefore is not reflected in the governmental fund	(11,879)	(11,480)
<b>Change in Net Position - Governmental Activities</b>	<b>\$ 98,849</b>	<b>\$ 123,243</b>

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

## **NOTES TO FINANCIAL STATEMENTS**

**WEST FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016 AND 2015**

**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 Generally Accepted Accounting Principles (“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, 2016, 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.

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.

**WEST FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016 AND 2015**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Measurement Focus, Basis of Accounting and Basis of Presentation (Continued):*

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.

The Council does not report any proprietary funds.

*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 No. 40, *Deposits and Investment Disclosures (An Amendment of Governmental Accounting Standards Board, Statement Number 3)*.

**WEST FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016 AND 2015**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*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.

*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.

**WEST FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016 AND 2015**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Deferred Outflows and Inflows of Resources:*

The Statements of Net Position report a separate section for *deferred outflows of resources*. This separate financial statement element represents a consumption of net position that will not be recognized as an outflow of resources (expense/expenditure) until future periods.

The deferred outflows are an aggregate of items related to pensions as calculated in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* ("GASB 68"). The deferred outflows will be recognized as either pension expense or a reduction in the net pension liability in future reporting years.

The Statements of Net Position also report a separate section for *deferred inflows of resources*. This separate financial statement element represents the acquisition of net position that will not be recognized as an inflow of resources (revenue) until future periods. The deferred inflows are an aggregate of items related to pensions as calculated in accordance with GASB 68. The deferred inflows will be recognized as a reduction to pension expense in future reporting years. The deferred outflows and inflows of resources related to pensions are further discussed in Note 5.

*Pensions and Net Pension Liability:*

Net pension liability represents the Council's proportionate share of the net pension liability of the cost-sharing pension plans in which it participates. The proportionate amount represents a share of the present value of projected benefit payments to be provided through the cost-sharing plan to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the cost-sharing pension plan's fiduciary net position. The Council's regular employees participate in both the Florida Retirement System ("FRS") defined benefit pension plan and the Health Insurance Subsidy Program ("HIS") defined benefit plan administered by the Florida Division of Retirement (collectively, "FRS/HIS"). The Council's board members serve on a voluntary, non-compensated basis, and do not participate in the FRS/HIS.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources, and pension expense, information about the fiduciary net position of the FRS/HIS and additions to/deductions from the FRS/HIS fiduciary net position have been determined on the same basis as they are reported by FRS/HIS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

**WEST FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016 AND 2015**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*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 6 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, 2016 and 2015, the Council had no restricted assets.

*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.

**WEST FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016 AND 2015**

**NOTE 3 - CAPITAL ASSETS**

The following table provides a summary of changes in capital assets for the years ended September 30, 2016 and 2015:

<u>2016</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Office equipment	\$ 350,822	\$ 28,131	\$ -	\$ 378,953
Less accumulated depreciation	(319,162)	(24,222)	-	(343,384)
September 30, 2016	<u>\$ 31,660</u>	<u>\$ 3,909</u>	<u>\$ -</u>	<u>\$ 35,569</u>
<u>2015</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Office equipment	\$ 349,144	\$ 1,678	\$ -	\$ 350,822
Less accumulated depreciation	(293,420)	(25,742)	-	(319,162)
September 30, 2015	<u>\$ 55,724</u>	<u>\$ (24,064)</u>	<u>\$ -</u>	<u>\$ 31,660</u>

**NOTE 4 - COMPENSATED ABSENCES**

Changes in compensated absences for the years ended September 30, 2016 and 2015 were as follows:

<u>2016</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Payments</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Compensated absences	<u>\$ 65,735</u>	<u>\$ 11,879</u>	<u>\$ 0</u>	<u>\$ 77,614</u>	<u>\$ -</u>
<u>2015</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Payments</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Compensated absences	<u>\$ 54,255</u>	<u>\$ 11,480</u>	<u>\$ 0</u>	<u>\$ 65,735</u>	<u>\$ -</u>

**WEST FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016 AND 2015**

**NOTE 5 - PENSION OBLIGATIONS**

*Florida Retirement System:*

As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost-sharing multiple-employer defined benefit plans administered by the Florida Department of Management Services Division of Retirement, including the FRS Pension Plan (“Pension Plan”) and the Retiree Health Insurance Subsidy (“HIS Plan”) for participating public employees.

The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Florida Division of Retirement, 2639 N. Monroe Street, Building C, Tallahassee, Florida 32399 or calling 1-850-488-6491.

*Pension Plan:*

Plan Description - The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan. The Pension Plan was amended in 1998 to add the Deferred Retirement Option Program (“DROP”) and amended in 2000 to provide a defined contribution plan alternative for FRS members.

Benefits Provided - Employees who retire with 30 years of credited service or at age 62 with 6 years of credited service are entitled to a benefit, payable monthly for life, equal to 1.6 percent of their average final compensation for each year of credited service. Average final compensation is the employee’s average salary for the five highest years of salary earned during covered employment. Benefits fully vest on reaching 6 years of credited service for employees hired through June 30, 2011 and on reaching 8 years of credited service for employees hired after that date. Vested employees may retire before age 62 or 30 years of credited service and receive reduced retirement benefits. The Pension Plan also provides death and disability benefits.

The DROP permits employees eligible for normal retirement under the Pension Plan to defer receipt of monthly benefit payment while continuing employment with an FRS participating employer. An employee may participate in the DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the Florida Retirement System Trust Fund and accrue interest.

Contributions - The Council is required by State statute to make contributions to the Pension Plan equal to a certain percent of covered employees’ salaries. All of the Council personnel are participants. The employer and employee contribution rates at September 30, 2016 were 7.52% and 3%, respectively.

The Council’s contributions to the Pension Plan totaled \$99,781, \$78,398, and \$80,522 for the years ended September 30, 2016, 2015, and 2014, respectively.

**WEST FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016 AND 2015**

**NOTE 5 - PENSION OBLIGATIONS (Continued)**

*Pension Plan (Continued):*

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2016 and 2015, the Council reported a net pension liability of \$756,811 and \$322,352, respectively, for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2016 and 2015, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016 and 2015, respectively. The Council's proportionate share of net pension liability was based on the Council's fiscal year contributions relative to the fiscal year contributions of all participating members. At June 30, 2016 and 2015, the Council's proportionate share was 0.002997262% and 0.002495692%, respectively.

For the years ended September 30, 2016 and 2015, the Council recognized pension expense (recovery) of \$129,862 and \$(26,471), respectively, related to the Pension Plan. In addition, the Council reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources for the years ended September 30, 2016 and 2015:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
September 30, 2016:		
Differences between expected and actual experience	\$ 57,947	\$ 7,046
Change of assumptions	45,785	-
Net difference between projected and actual earnings on Pension Plan investments	195,626	-
Changes in proportion and differences between Council Pension Plan contributions and proportionate share of contributions	83,276	16,109
Council Pension Plan contributions subsequent to the measurement date	23,971	-
Total	<u>\$ 406,605</u>	<u>\$ 23,155</u>

**WEST FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016 AND 2015**

**NOTE 5 - PENSION OBLIGATIONS (Continued)**

*Pension Plan (Continued):*

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

The deferred outflows of resources related to the Pension Plan totaling \$23,971 resulting from Council contributions to the Pension Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2017. 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		
2017	\$	54,729
2018		54,729
2019		130,996
2020		89,198
2021		21,646
Thereafter		8,181
	\$	359,479

**WEST FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016 AND 2015**

**NOTE 5 - PENSION OBLIGATIONS (Continued)**

*Pension Plan (Continued):*

Actuarial Assumptions - The total pension liability in the July 1, 2016 and 2015 actuarial valuations 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	7.60%, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the July 1, 2016 and 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 in a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption.

The target allocation and best estimates of arithmetic and geometric real rates of return for each major class are summarized in the following table:

	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	3.00%	3.00%	1.70%
Fixed income	18.00%	4.70%	4.60%	4.60%
Global equity	53.00%	8.10%	6.80%	17.20%
Real estate (property)	10.00%	6.40%	5.80%	12.00%
Private equity	6.00%	11.50%	7.80%	30.00%
Strategic investments	12.00%	6.10%	5.60%	11.10%
	<u>100.00%</u>			
Assumed inflation - Mean		2.60%		1.90%

Note: (1) As outlined in the Pension Plan's investment policy.

**WEST FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016 AND 2015**

**NOTE 5 - PENSION OBLIGATIONS (Continued)**

*Pension Plan (Continued):*

Discount Rate - The discount rate used to measure the total pension liability was 7.60%. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for 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 Pension Liability to Changes in the Discount Rate - The following table presents the Council's proportionate share of net pension liability calculated using the discount rate of 7.60% 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%-point lower (6.60%) or 1%-point higher (8.60%) than the current rate:

	1% Decrease (6.60%)	Current Discount Rate (7.60%)	1% Increase (8.60%)
Council's proportionate share of the net pension liability	\$ 1,393,340	\$ 756,811	\$ 226,984

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

Payables to the Pension Plan - At September 30, 2016 and 2015 the Council reported payables of \$9,953 and \$8,021, respectively, for the outstanding amount of contributions to the Pension Plan required for the years ended September 30, 2016 and 2015.

*HIS Plan:*

Plan Description - The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of the 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.

**WEST FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016 AND 2015**

**NOTE 5 - PENSION OBLIGATIONS (Continued)**

*HIS Plan (Continued):*

Benefits Provided - For the years ended September 30, 2016 and 2015 eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum payment of \$30 and a maximum 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 includes 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. At September 30, 2016 and 2015 the contribution rate was 1.66%. 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 cancelled.

The Council's contributions to the HIS Plan totaled \$23,163, \$16,167, and \$16,804 for the years ended September 30, 2016, 2015, and 2014, respectively.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2016 and 2015, the Council reported a net pension liability of \$516,598 and \$363,822, respectively, for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2016 and 2015, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016 and 2015, respectively. The Council's proportionate share of net pension liability was based on the Council's fiscal year contributions relative to the fiscal year contributions of all participating members. At June 30, 2016 and 2015, the Council's proportionate share was 0.004432571% and 0.003567431%, respectively.

**WEST FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016 AND 2015**

**NOTE 5 - PENSION OBLIGATIONS (Continued)**

*HIS Plan (Continued):*

For the years ended September 30, 2016 and 2015, the Council recognized pension expense of \$47,964 and \$20,862, respectively, related to the HIS Plan. In addition, the Council reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources for the years ended September 30, 2016 and 2015:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
September 30, 2016:		
Differences between expected and actual experience	\$ -	\$ 1,177
Change of assumptions	81,067	-
Net difference between projected and actual earnings on HIS Plan investments	261	-
Changes in proportion and differences between Council HIS Plan contributions and proportionate share of contributions	69,958	30,017
Council contributions subsequent to the measurement date	<u>5,671</u>	<u>-</u>
Total	<u>\$ 156,957</u>	<u>\$ 31,194</u>
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
September 30, 2015:		
Differences between expected and actual experience	\$ -	\$ -
Change of assumptions	28,623	-
Net difference between projected and actual earnings on Pension Plan investments	197	-
Changes in proportion and differences between Council Pension Plan contributions and proportionate share of contributions	-	36,259
Council Pension Plan contributions subsequent to the measurement date	<u>7,506</u>	<u>-</u>
Total	<u>\$ 36,326</u>	<u>\$ 36,259</u>

The deferred outflows of resources related to pensions totaling \$5,671 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 year ended September 30, 2017.

**WEST FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016 AND 2015**

**NOTE 5 - PENSION OBLIGATIONS (Continued)**

*HIS Plan (Continued):*

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

Fiscal Year Ending <u>September 30</u>	
2017	\$ 19,393
2018	19,393
2019	19,344
2020	19,320
2021	19,351
Thereafter	<u>23,291</u>
	<u>\$ 120,092</u>

Actuarial Assumptions - The total pension liability in the July 1, 2016 and 2015 actuarial valuations 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	2.85%

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

The actuarial assumptions used in the July 1, 2016 and 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

Discount Rate - The discount rate used to measure the total pension liability was 2.85%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

**WEST FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016 AND 2015**

**NOTE 5 - PENSION OBLIGATIONS (Continued)**

*HIS Plan (Continued):*

Sensitivity of the Council's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table presents the Council's proportionate share of net pension liability calculated using the discount rate of 2.85% 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%-point lower (1.85%) or 1%-point higher (3.85%) than the current rate:

	1% Decrease 1.85%	Current Discount Rate 2.85%	1% Increase 3.85%
Council's proportionate share of the net pension liability	\$ 592,655	\$ 516,598	\$ 453,474

Pension Plan Fiduciary Net Position - 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.

Payables to the Pension Plan - At September 30, 2016 and 2015, the Council reported payables of \$1,430 and \$1,122, respectively, for the outstanding amount of contributions to the HIS Plan required for the years ended September 30, 2016 and 2015.

**NOTE 6 - 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.

**WEST FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016 AND 2015**

**NOTE 6 - OTHER POST-EMPLOYMENT BENEFITS (Continued)**

*Funding Policy* - There is no separate trust through which benefits for retirees are funded. No assets are currently accumulated or earmarked for this purpose. All approved benefits are paid through insurance premiums from the Council's general assets when due.

*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:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Normal cost (service cost for one year)	\$ 3,662	\$ 3,521	\$ 4,340
Amortization of unfunded actuarial accrued liability	<u>2,699</u>	<u>2,595</u>	<u>2,107</u>
Annual required contribution (ARC)	<u>\$ 6,361</u>	<u>\$ 6,116</u>	<u>\$ 6,447</u>

*Net Post-employment Benefit Obligation (Asset)* - The table below shows the Council's Post-employment OPEB Obligation:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual required contribution (ARC)	6,361	6,116	6,447
Interest on net OPEB obligation	216	170	152
Adjustment to ARC	<u>(314)</u>	<u>(245)</u>	<u>(219)</u>
Annual OPEB cost (expense)	6,263	6,041	6,380
Employer contributions made	<u>(5,236)</u>	<u>(4,848)</u>	<u>(5,934)</u>
Increase in net OPEB obligation	<u>1,027</u>	<u>1,193</u>	<u>446</u>
Net OPEB obligation at end of year	<u>\$ 6,464</u>	<u>\$ 5,437</u>	<u>\$ 4,244</u>

**WEST FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016 AND 2015**

**NOTE 6 - OTHER POST-EMPLOYMENT BENEFITS (Continued)**

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual OPEB Cost	\$ 6,263	\$ 6,041	\$ 6,380
Amount Contributed	\$ 5,236	\$ 4,848	\$ 5,934
Percentage of OPEB Cost Contributed	83.6%	80.3%	93.0%
Net OPEB Obligation	\$ 6,464	\$ 5,437	\$ 4,244

*Funded Status and Funding Progress* - During the years ended September 30, 2016 and 2015, 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, 2016 was \$48,540 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.

**WEST FLORIDA REGIONAL PLANNING COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016 AND 2015**

**NOTE 6 - OTHER POST-EMPLOYMENT BENEFITS (Continued)**

*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.

*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 No. 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.

**WEST FLORIDA REGIONAL PLANNING COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016 AND 2015**

**NOTE 6 - OTHER POST-EMPLOYMENT BENEFITS (Continued)**

*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.

*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 7 - COMMITMENTS AND CONTINGENCIES**

*Operating Leases:*

The Council has entered into various lease agreements for office space and equipment. Rental expense for the fiscal years ended September 30, 2016 and 2015 totaled \$189,828 and \$182,673, respectively, for office space and for other leased equipment. The leases expire between December 2016 and December 2018.

*Contingency:*

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.

*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 8 - 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.

**WEST FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016 AND 2015**

**NOTE 9 - RELATED PARTY TRANSACTIONS**

The lessor of the Council's primary office building was until September 2016, a member of the Council's board of directors. During the years ended September 30, 2016 and 2015, the Council paid rent totaling \$189,828 and \$182,673, respectively.

**REQUIRED SUPPLEMENTARY INFORMATION**

**WEST FLORIDA REGIONAL PLANNING COUNCIL  
BUDGET TO ACTUAL COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>General Revenue</b>			
Grants and project revenue	\$ 3,004,674	\$ 3,735,336	\$ 730,662
Other operating revenue	103,329	95,624	(7,705)
Interest income	-	1	1
Total general revenue	<u>3,108,003</u>	<u>3,830,961</u>	<u>722,958</u>
<b>Expenditures</b>			
Current:			
Project management expenses	1,840,946	1,868,621	(27,675)
Contracted services	765,086	1,072,207	(307,121)
Other direct costs	501,971	665,339	(163,368)
Capital Outlay	-	28,131	(28,131)
Total expenditures	<u>3,108,003</u>	<u>3,634,298</u>	<u>(526,295)</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ 196,663</u>	<u>\$ 196,663</u>

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

**WEST FLORIDA REGIONAL PLANNING COUNCIL  
SCHEDULE OF FUNDING PROGRESS  
OTHER POST-EMPLOYMENT BENEFITS**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (LAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	Unfunded AAL (UAAL)
9/30/2016	\$ -	\$ 48,540	\$ 48,540	0%	\$ 1,396,315	3%
9/30/2015	\$ -	\$ 46,673	\$ 46,673	0%	\$ 1,145,929	4%
9/30/2014	\$ -	\$ 37,883	\$ 37,883	0%	\$ 1,217,188	3%

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
West Florida Regional Planning Council's proportion of net pension liability	0.0029973%	0.0024957%	0.0026470%
West Florida Regional Planning Council's proportionate share of net pension liability	\$ 756,811	\$ 322,352	\$ 161,505
West Florida Regional Planning Council's covered-employee payroll	\$ 1,395,390	\$ 1,143,510	\$ 1,142,736
West Florida Regional Planning Council's proportionate share of net pension liability as a percentage of its covered-employee payroll	54.2%	28.2%	14.1%
Plan fiduciary net position as a percentage of the total pension liability	84.88%	92.00%	96.09%

\* The amounts presented for each fiscal year were determined as of June 30. Covered-employee payroll includes defined benefit plan activities, investment plan members, and members in DROP because total employee contributions are determined on a uniform basis (blended rate) as required by Part III of Chapter 121, Florida Statutes. GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, information is provided for only those years available.

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 99,781	\$ 78,398	\$ 80,522
Contributions in relation to the contractually required contribution	<u>(99,781)</u>	<u>(78,398)</u>	<u>(80,522)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
West Florida Regional Planning Council's covered-employee payroll	1,395,390	1,143,510	1,142,736
Contribution as a percentage of covered-employee payroll	7.15%	6.86%	7.05%

\* The amounts presented for each fiscal year were determined as of June 30. Covered-employee payroll includes defined benefit plan activities, investment plan members, and members in DROP because total employee contributions are determined on a uniform basis (blended rate) as required by Part III of Chapter 121, Florida Statutes. GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, information is provided for only those years available.

**WEST FLORIDA REGIONAL PLANNING COUNCIL  
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY  
HEALTH INSURANCE SUBSIDY PROGRAM  
LAST TEN FISCAL YEARS\***

	<u>2016</u>	<u>2015</u>	<u>2014</u>
West Florida Regional Planning Council's proportion of net pension liability	0.004432571%	0.0035674%	0.0038708%
West Florida Regional Planning Council's proportionate share of net pension liability	\$ 516,598	\$ 363,822	\$ 361,925
West Florida Regional Planning Council's covered-employee payroll	\$ 1,395,390	\$ 1,143,510	\$ 1,142,736
West Florida Regional Planning Council's proportionate share of net pension liability as a percentage of its covered-employee payroll	37.0%	31.8%	31.67%
Plan fiduciary net position as a percentage of the total pension liability	0.97%	0.50%	0.99%

\* The amounts presented for each fiscal year were determined as of June 30. Covered-employee payroll includes defined benefit plan activities, investment plan members, and members in DROP. GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, information is provided for only those years available.

**WEST FLORIDA REGIONAL PLANNING COUNCIL  
SCHEDULE OF CONTRIBUTIONS  
HEALTH INSURANCE SUBSIDY PROGRAM  
LAST TEN FISCAL YEARS\***

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 23,163	\$ 16,167	\$ 16,804
Contributions in relation to the contractually required contribution	<u>(23,163)</u>	<u>(16,167)</u>	<u>(16,804)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
West Florida Regional Planning Council's covered-employee payroll	1,395,390	1,143,510	1,142,736
Contribution as a percentage of covered-employee payroll	1.66%	1.41%	1.47%

\* The amounts presented for each fiscal year were determined as of June 30. Covered-employee payroll includes defined benefit plan activities, investment plan members, and members in DROP. GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, information is provided for only those years available.

**WEST FLORIDA REGIONAL PLANNING COUNCIL  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
YEAR ENDED SEPTEMBER 30, 2016**

Federal Agency, Pass-through Entity, Federal Program	CFDA/ CSFA Number	Grantor's Contract Number	Expenditures
<b>FEDERAL AWARDS</b>			
<b>Department of Commerce</b>			
<b>Economic Development Support for Planning Organizations</b>			
C-EDA-9-020 Planning Assistance 2015-2017	11.302	04-83-07023	\$ 85,527
<b>Coastal Zone Management Administration Awards</b>			
C-ENV-9-021 Building Coastal Flood Resiliency	11.419	PO15-006	3,819
<b>National Oceanic and Atmospheric Administration</b>			
C-PCP-ENV-9-006 Habitat Conservation	11.463	NA14NMF4630015	8,716
Total Department of Commerce			<u>98,062</u>
<b>Department of Transportation/Federal Transit Administration</b>			
<u>Passed through Florida Department of Transportation</u>			
<b>Highway Planning and Construction</b>			
T-TPO-9-104 FL-AL TPO PL 15/16	20.205	FM42792911401/APZ16	451,297
T-TPO-9-204 OK-WAL TPO PL 15/16	20.205	FM42793111401/APZ204	319,369
T-TPO-9-304 BAY TPO PL 15/16	20.205	FM42792811401/ARJ22	323,981
T-TPO-9-105 FL-AL TPO PL 16/17	20.205	FM43932111401/GOC94	169,594
T-TPO-9-205 OK-WAL TPO PL 16/17	20.205	FM43932211401/GOD14	124,836
T-TPO-9-305 BAY TPO PL 16/17	20.205	FM43932011401/GOD12	118,625
T-SU-9-003 Main St Corridor Management Plan	20.205	FM40979291801/AQY51	5,350
T-SU-9-004 N Palafox St. Corridor Mgmt. Plan	20.205	FM40979291801/ARN59	4,327
T-SU-9-005 W Cervantes St/Mobile Hwy Corridor	20.205	FM40979291801/ARN57	125,252
T-SU-9-006 E Cervantes St/Scenic Hwy Corridor	20.205	FM43932111402/GOC94	68
<u>Passed through Alabama Department of Transportation</u>			
<b>Highway Planning and Construction</b>			
T-TPO-9-404 FL-AL TPO PL 15/16	20.205	FM42792911401	10,528
<u>Passed through Baldwin County Commission</u>			
<b>Department of Transportation</b>			
T-TA-9-001 Orange Bch Transit Feasibility Study	20.205	FL-90-X877-01/X848-01	116,347
Subtotal			<u>1,769,574</u>
<u>Passed through Florida Department of Transportation</u>			
<b>Metropolitan Transportation Planning Grants</b>			
T-FTA-9-022 FL-AL FTA Section 5305 FY14	20.505	FM42171721422 / AQF33	30,704
T-FTA-9-700 FL-AL FTA Section 5305 FY16	20.505	FM42171721425 / ARL06	214,169
T-FTA-9-800 OW FTA Section 5305 FY 2015	20.505	FM42171821425 / ARL09	37,962
T-FTA-9-900 BAY FTA Section 5305 FY 14/15	20.505	FM42171921425 / ARL05	44,578
Subtotal			<u>327,413</u>

**WEST FLORIDA REGIONAL PLANNING COUNCIL  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
YEAR ENDED SEPTEMBER 30, 2016**

Federal Agency, Pass-through Entity, Federal Program	CFDA/ CSFA Number	Grantor's Contract Number	Expenditures
<b><u>Transit Services Program Cluster</u></b>			
<b>Job Access Reverse Commute</b>			
T-JARC-9-003 FL-AL TPO JARC SECT 5316	20.516	FL-37-X046-00	948
T-JARC-9-005 FL-AL TPO JARC	20.516	FL-37-X069-01	30,498
Subtotal			<u>31,446</u>
<b>New Freedom Program</b>			
T-NF-9-005 FTA SECT 5317 OCT12-JAN14	20.521	FL-57-X038	<u>29,082</u>
 <u>Passed through Florida Division of Emergency Management</u>			
<b>Interagency Hazardous Materials Public Sector Training and Planning Grants</b>			
C-HZMT-9-060 HMEP Training FY 14/15	20.703	15-DT-75-13-00-21-338	5,613
C-HZMT-9-064 HMEP Training FY 15/16	20.703	16-DT-T4-13-00-21-225	24,004
C-HZMT-9-065 HMEP Training FY 15/16	20.703	16-DT-T4-13-00-21-225	45,975
Subtotal			<u>75,592</u>
Total Department of Transportation/Federal Transit Administration			<u>2,233,107</u>
 <b>Environmental Protection Agency</b>			
<u>Passed through Partnership for Community Programs</u>			
<b>Brownfields Assessment and Cleanup</b>			
<b>Cooperative Agreements</b>			
ARRA C-ENV-9-017 Brownfields Assessment and Cleanup	66.818	BF-95406508-0	<u>6,983</u>
 <b>Department of Homeland Security</b>			
<u>Passed through Florida Division of Emergency Management</u>			
<b>Emergency Management Grants</b>			
C-EVAC- 9-004 SRES Directional Atlas	97.042	N/A	<u>1,080</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><u>\$ 2,339,232</u></u>

**WEST FLORIDA REGIONAL PLANNING COUNCIL  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
YEAR ENDED SEPTEMBER 30, 2016**

Federal Agency, Pass-through Entity, Federal Program	CFDA/ CSFA Number	Grantor's Contract Number	Expenditures
<b>STATE FINANCIAL ASSISTANCE</b>			
<b>Executive Office of the Governor</b>			
<b>Residential Construction Mitigation Project</b>			
C-RCMP-9-001-017 Residential Construction Mitigation Prog	31.066	17RC-xx-01-27-04-xxx	\$ 1,371
<b>Emergency Management Projects</b>			
C-HZMT-9-062 LEPC Staffing 15/16	31.067	16-CP-11-13-00-21-153	36,210
C-HZMT-9-063 Hazards Analysis 14/15 Bay & Washington	31.067	16-CP-11-13-00-21-153	3,831
C-HZMT-9-067 LEPC Staffing 16/17	31.067	15-CP-11-13-00-21-xxx	7,720
Subtotal			<u>47,761</u>
Total Executive Office of the Governor			<u>49,132</u>
<b>Florida Department of Economic Opportunity</b>			
<b>Division of Community Development</b>			
T-TA-5-003 Pace Pea Ridge Bicycle/Pedestrian Plan	40.038	PO195	7
<b>Growth Management Implementation</b>			
C-TA-6-001 Freeport Recreation Master Plan	40.024	PO192	540
C-TA-7-019 Chipley Community Redevelopment Plan	40.024	PO197	4,869
Subtotal			<u>5,409</u>
Total Florida Department of Economic Opportunity			<u>5,416</u>
<b>Florida Housing Finance Corporation</b>			
<b>State Housing Initiatives Partnership Program</b>			
C-SHIP-3-023 Holmes County SHIP Admin 15/16	52.901		17,110
C-SHIP-3-024 Holmes County SHIP WU&I 15/16	52.901		5,773
C-SHIP-3-025 Holmes County SHIP Admin 16/17	52.901		6,471
C-SHIP-3-026 Holmes County SHIP WU&I 16/17	52.901		941
C-SHIP-6-028 Walton County SHIP Admin 15/16	52.901		16,582
C-SHIP-6-029 Walton County SHIP WU&I 15/16	52.901		13,706
C-SHIP-6-030 Walton County SHIP Admin 16/17	52.901		6,328
C-SHIP-6-031 Walton County SHIP WU&I 16/17	52.901		4,654
C-SHIP-7-018 Washington County SHIP Admin 15/16	52.901		15,304
C-SHIP-7-019 Washington County SHIP WU&I 15/16	52.901		4,540
C-SHIP-7-020 Washington County SHIP Admin 16/17	52.901		6,127
C-SHIP-7-021 Washington County SHIP WU&I 16/17	52.901		1,067
Total Florida Housing Finance Corporation			<u>98,603</u>

**WEST FLORIDA REGIONAL PLANNING COUNCIL  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
YEAR ENDED SEPTEMBER 30, 2016**

Federal Agency, Pass-through Entity, Federal Program	CFDA/ CSFA Number	Grantor's Contract Number	Expenditures
<b>Florida Department of Transportation</b>			
<b>Florida Commission for the Transportation</b>			
<b>Disadvantaged Planning Grant Program</b>			
T-TD-1-015 Bay County TD FY15/16	55.002	FM43202911401/G0208	14,123
T-TD-1-016 Bay County TD FY16/17	55.002	FM43202911401/GOC28	6,987
T-TD-2-015 Escambia County TD FY15/16	55.002	FM43202911401/G0221	17,476
T-TD-2-016 Escambia County TD FY16/17	55.002	FM43202911401/GOC41	5,147
T-TD-3-015 Holmes/Washington County TD FY15/16	55.002	FM43202911401/G0230	24,478
T-TD-3-016 Holmes/Washington County TD FY16/17	55.002	FM43202911401/GOC72	8,188
T-TD-4-015 Okaloosa County TD FY15/16	55.002	FM43202911401/G0247	15,464
T-TD-4-016 Okaloosa County TD FY16/17	55.002	FM43202911401/GOC72	5,451
T-TD-5-015 Santa Rosa County TD FY 15/16	55.002	FM43202911401/G0254	16,121
T-TD-5-016 Santa Rosa County TD FY 16/17	55.002	FM43202911401/GOC81	4,760
T-TD-6-015 Walton County TD FY15/16	55.002	FM43202911401/G0269	9,486
T-TD-6-016 Walton County TD FY16/17	55.002	FM43202911401/GOC88	4,494
Subtotal			<u>132,175</u>
<b>Commute Assistance/Rideshare Grants Project</b>			
T-RIDE-9-013 Commuter Assistance Program FY16	55.007	FM41560628401 / ARM95	<u>209,187</u>
<b>Intermodal Development Program</b>			
T-LRTP-9-004 Florida-Alabama LRTP 2040	55.014	FM41235221201/AR111	169,180
T-LRTP-9-005 Okaloosa-Walton Counties TPO LRTP 2040	55.014	FM422543-2-14-01/ARY56	134,044
T-LRTP-9-006 Bay County TPO LRTP 2040	55.014	FPN416211-2-14-01/ARB79	238,125
Subtotal			<u>541,349</u>
<b>Emergency Management</b>			
C-EVAC-9-005 SRESP UPDATE EVAC	N/A	PO#1095	<u>2,619</u>
Total Florida Department of Transportation			<u>885,330</u>
<b>TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE</b>			<u><u>\$ 1,038,481</u></u>

## **COMPLIANCE SECTION**

**WEST FLORIDA REGIONAL PLANNING COUNCIL  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL  
AWARDS AND STATE FINANCIAL ASSISTANCE  
YEAR ENDED SEPTEMBER 30, 2016**

**NOTE 1 - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards and state financial assistance presents the activity of federal and state grant activity of West Florida Regional Planning Council. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

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

Board of Directors  
West Florida Regional Planning Council  
Pensacola, Florida

We have audited, 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, the financial statements of West Florida Regional Planning Council (the "Council"), as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements, and have issued our report thereon dated May 10, 2017.

**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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or 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 over financial reporting 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

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

### **Purpose of Report**

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



Pensacola, Florida  
May 10, 2017

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED  
BY THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

Members of the Board  
West Florida Regional Planning Council  
Pensacola, Florida

**Report on Compliance for Each Federal Program**

We have audited West Florida Regional Planning Council's (the "Council") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *Department of Financial Services' State Project Compliance Supplement* that could have a direct and material effect on the Council's major federal program and state project for the year ended September 30, 2016. The Council's major federal program and state project 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 the Council's major federal program and state project based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General. Those standards, the Uniform Guidance, and Chapter 10.550, 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 the 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 and State Project**

In our opinion, the Council complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program and state project for the year ended September 30, 2016.

### **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 the major federal program and state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, 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 or state project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.



Pensacola, Florida  
May 10, 2017

**WEST FLORIDA REGIONAL PLANNING COUNCIL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -  
FEDERAL PROGRAM AND STATE PROJECT  
YEAR ENDED SEPTEMBER 30, 2016**

**A. SUMMARY OF AUDITOR’S RESULTS**

1. The independent auditor’s report expresses an unmodified opinion on the financial statements of the West Florida Regional Planning Council (the “Council”).
2. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
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 relating to the audit of the major federal award program and state project are reported in the Independent Auditor’s Report on Compliance for the Major Federal Program and State Project and on Internal Control over Compliance Required by the Uniform Guidance 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 program and state project for the Council expresses an unmodified opinion.
6. There are no audit findings relative to the major federal program and state project for the Council which are required to be reported in accordance with 2 CFR 200.516(a) or Chapter 10.550, Rules of the Auditor General of the State of Florida.
7. The program/project/ tested as a major program/project was:

<b>Federal Program</b>	<b>CFDA No.</b>
Highway Planning and Construction	20.205
 <b>State Project</b>	 <b>CSFA No.</b>
Intermodal Development	55.014
8. The threshold for distinguishing Types A and B programs was \$750,000 for major federal programs and \$300,000 for major state projects.
9. The Council qualified as a low-risk auditee.

**B. FINANCIAL STATEMENT FINDINGS**

None.

**C. FINDINGS AND QUESTIONED COSTS – FEDERAL PROGRAM AND STATE PROJECT**

None.

**WEST FLORIDA REGIONAL PLANNING COUNCIL  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED SEPTEMBER 30, 2016**

**Finding 2015-001: Financial statement closing procedures**

In the prior year, certain audit adjustments were required to correct year-end balances for accrued payroll and unbilled receivables. The Council implemented an additional year-end management review of journal entries to correct this condition.

*Current Status:*

This condition no longer exists and is considered corrected by management.

**INDEPENDENT ACCOUNTANT'S REPORT  
ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES**

Board of Directors  
West Florida Regional Planning Council  
Pensacola, Florida

We have examined the West Florida Regional Planning Council's (the "Council's") compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2016. 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 procedures as we considered necessary in the circumstances. We believe that our examination provided 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, 2016.

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



Pensacola, Florida  
May 10, 2017

## MANAGEMENT LETTER

Board of Directors  
West Florida Regional Planning Council  
Pensacola, Florida

### Report on the Financial Statements

We have audited the financial statements of West Florida Regional Planning Council (the “Council”) as of and for the fiscal year ended September 30, 2016, and have issued our report thereon dated May 10, 2017.

### Auditor’s Responsibility

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

### Other Reports

We have issued our Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, and our 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, which are dated May 10, 2017, 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. Corrective actions have been taken to address the finding and recommendation made in the preceding annual financial report.

### **Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. This information is included in the notes to the financial statements. There are no component units.

### **Financial Condition**

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether or not the 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 Section 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, 2016, 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, 2016. 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.

Board of Directors  
West Florida Regional Planning Council

**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, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



Pensacola, Florida  
May 10, 2017