

Saltmarsh

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CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

EMERALD COAST REGIONAL PLANNING COUNCIL

PENSACOLA, FLORIDA

FINANCIAL STATEMENTS

SEPTEMBER 30, 2021 AND 2020

EMERALD COAST REGIONAL PLANNING COUNCIL
PENSACOLA, FLORIDA
FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

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PENSACOLA, FLORIDA
FINANCIAL STATEMENTS
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Emerald Coast 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 Emerald Coast Regional Planning Council (the "Council"), as of and for the years ended September 30, 2021 and 2020, 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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, 2021 and 2020, and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, 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, the Schedule of Contributions - Health Insurance Subsidy Program and the Schedule of Changes in Total OPEB Liability and Related Ratios 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.

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.

Board of Directors
Emerald Coast Regional Planning Council

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2022, 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 31, 2022

**EMERALD COAST REGIONAL PLANNING COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021 AND 2020**

Our Discussion and Analysis of the Emerald Coast Regional Planning Council's financial performance provides an overview of the Council's financial activities for the fiscal year ended September 30, 2021. 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 \$1,666,776. Of this amount, \$1,609,249 (unrestricted net position) may be used to meet the Council's ongoing obligations to citizens and creditors.
- At fiscal year end, the Council reported an ending net position balance increase of approximately 52% in comparison with the prior year.
- The Council sold the Destin office location on Highway 98 with a net gain of \$170,000. It is the intent of the Council to maintain a presence in the midst of our region as we revisit our strategy for the future.
- During this fiscal year, normal funding streams remained steady while some additional CARES Act Funding was expended as a result of Covid-19 related programs.
- Revenues increased by \$368,542 over the prior year. The increase is primarily attributable to an increase in transportation grant activity.

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.

**EMERALD COAST REGIONAL PLANNING COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021 AND 2020**

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.

**EMERALD COAST REGIONAL PLANNING COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021 AND 2020**

Net Position

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

**TABLE A
Condensed Statements of Net Position**

	2021	2020	2019
Assets and Deferred Outflows			
Current assets	\$ 3,819,574	\$ 3,001,077	\$ 3,109,867
Noncurrent assets	57,527	859,924	859,379
Total assets	3,877,101	3,861,001	3,969,246
Deferred outflows of resources	622,969	718,691	640,430
Total assets and deferred outflows of resources	<u>\$ 4,500,070</u>	<u>\$ 4,579,692</u>	<u>\$ 4,609,676</u>
Liabilities and Deferred Inflows			
Current liabilities	650,727	609,428	770,604
Noncurrent liabilities	1,143,158	2,806,579	2,446,275
Total liabilities	1,793,885	3,416,007	3,216,879
Deferred inflows of resources	1,039,409	68,341	129,405
Total liabilities and deferred inflows of resources	<u>2,833,294</u>	<u>3,484,348</u>	<u>3,346,284</u>
Net Position			
Net investment in capital assets	57,527	296,739	259,556
Unrestricted	1,609,249	798,605	1,003,836
Total net position	<u>1,666,776</u>	<u>1,095,344</u>	<u>1,263,392</u>
Total liabilities, deferred inflows, and net position	<u>\$ 4,500,070</u>	<u>\$ 4,579,692</u>	<u>\$ 4,609,676</u>

During the fiscal year ended September 30, 2021, current assets increased \$818,497. The net increase was primarily attributable to an increase in cash and cash equivalents partially offset by a decrease in receivables. Noncurrent assets decreased by \$802,397 as a result of the sale of the Destin office building. Noncurrent liabilities decreased \$1,663,421 as a result of paying off the mortgage related to the Destin office building as well as a decrease in the net pension liability.

**EMERALD COAST REGIONAL PLANNING COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021 AND 2020**

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**

	2021	2020	2019
Revenue			
Program revenue	\$ 4,775,598	\$ 4,579,889	\$ 4,325,880
General revenue	312,662	139,829	132,508
Total revenue	<u>5,088,260</u>	<u>4,719,718</u>	<u>4,458,388</u>
Expenses			
Project management expenses	2,584,154	2,749,898	2,603,101
Other expenses	1,932,674	2,137,868	1,773,589
Total expenses	<u>4,516,828</u>	<u>4,887,766</u>	<u>4,376,690</u>
Change in net position	571,432	(168,048)	81,698
Beginning net position	<u>1,095,344</u>	<u>1,263,392</u>	<u>1,181,694</u>
Ending net position	<u>\$ 1,666,776</u>	<u>\$ 1,095,344</u>	<u>\$ 1,263,392</u>

The Statement of Activities provides information as to the nature and source of the changes in net position. During Fiscal Year 2021, net position increased by \$571,432, as compared with a decrease of \$168,048 in Fiscal Year 2020.

Capital Assets

As of September 30, 2021, the Council's investment in capital assets totaled \$57,527 (i.e., net of accumulated depreciation). As compared with Fiscal Year 2020, the investment in capital assets decreased as a result of the sale of the Destin office building.

General Fund Budgetary Highlights

The original adopted budget for the Regional Planning Council remained unchanged for the fiscal year ended September 30, 2021.

**EMERALD COAST REGIONAL PLANNING COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021 AND 2020**

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.

Emerald Coast Regional Council
4081 East Olive Road, Suite A
Pensacola, Florida 32514

EMERALD COAST REGIONAL PLANNING COUNCIL
STATEMENTS OF NET POSITION
SEPTEMBER 30, 2021 AND 2020

ASSETS AND DEFERRED OUTFLOWS

	2021	2020
	Governmental Activities	Governmental Activities
Assets:		
Cash and cash equivalents	\$ 2,716,185	\$ 1,159,445
Due from other governmental agencies		
Billed receivables	231,058	583,836
Unbilled receivables	804,926	1,180,970
Prepaid expenses	67,405	76,826
Property and equipment, net	57,527	859,924
Total assets	3,877,101	3,861,001
Deferred Outflows of Resources:		
Pensions	610,382	704,635
Other postemployment benefits	12,587	14,056
Total deferred outflows of resources	622,969	718,691
Total Assets and Deferred Outflows	\$ 4,500,070	\$ 4,579,692

LIABILITIES, DEFERRED INFLOWS AND NET POSITION

Liabilities:		
Accounts payable	\$ 241,513	\$ 212,270
Accrued expenses	67,582	63,658
Unearned revenue	341,632	333,500
Compensated absences	132,155	113,731
Mortgage payable	-	563,185
Net pension liability	991,902	2,110,475
Total other postemployment benefits liability	19,101	19,188
Total liabilities	1,793,885	3,416,007
Deferred Inflows of Resources:		
Pensions	1,024,599	52,402
Other postemployment benefits	14,810	15,939
Total deferred inflows of resources	1,039,409	68,341
Net Position:		
Net investment in capital assets	57,527	296,739
Unrestricted	1,609,249	798,605
Total net position	1,666,776	1,095,344
Total Liabilities, Deferred Inflows and Net Position	\$ 4,500,070	\$ 4,579,692

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

**EMERALD COAST REGIONAL PLANNING COUNCIL
STATEMENTS OF ACTIVITIES
YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
	<u>Governmental Activities</u>	<u>Governmental Activities</u>
Expenses		
Project management expenses	\$ 2,584,154	\$ 2,749,898
Contracted services	1,129,599	1,436,529
Other direct costs	758,288	665,327
Unallocated depreciation	44,534	34,768
Other postemployment benefits	253	1,244
Total expenses	<u>4,516,828</u>	<u>4,887,766</u>
Program Revenue		
Grants and project revenue	<u>4,775,598</u>	<u>4,579,889</u>
Net Revenues (Expenses)	<u>258,770</u>	<u>(307,877)</u>
General Revenue		
Other operating revenue	142,296	139,829
Gain from sale of property and equipment	170,366	-
Total general revenue	<u>312,662</u>	<u>139,829</u>
Change in Net Position	571,432	(168,048)
Net Position - Beginning of Year	<u>1,095,344</u>	<u>1,263,392</u>
Net Position - End of Year	<u><u>\$ 1,666,776</u></u>	<u><u>\$ 1,095,344</u></u>

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

**EMERALD COAST REGIONAL PLANNING COUNCIL
BALANCE SHEETS - GOVERNMENTAL FUND
SEPTEMBER 30, 2021 AND 2020**

ASSETS

	2021	2020
	General	General
	Fund	Fund
Assets:		
Cash and cash equivalents	\$ 2,716,185	\$ 1,159,445
Due from other governmental agencies		
Billed receivables	231,058	583,836
Unbilled receivables	804,926	1,180,970
Prepaid expenditures	67,405	76,826
	\$ 3,819,574	\$ 3,001,077

LIABILITIES AND FUND BALANCE

Liabilities:		
Accounts payable	\$ 241,513	\$ 212,270
Accrued expenses	67,582	63,658
Unearned revenue	341,632	333,500
Total liabilities	650,727	609,428
Fund Balance:		
Nonspendable	67,405	76,826
Unassigned	3,101,442	2,314,823
Total fund balance	3,168,847	2,391,649
Total Liabilities and Fund Balance	\$ 3,819,574	\$ 3,001,077

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

**EMERALD COAST REGIONAL PLANNING COUNCIL
RECONCILIATION OF BALANCE SHEETS
TO STATEMENTS OF NET POSITION
SEPTEMBER 30, 2021 AND 2020**

	2021	2020
Fund Balance - General Fund	\$ 3,168,847	\$ 2,391,649
 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.	57,527	859,924
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	610,382	704,635
Deferred inflows of resources - pensions	(1,024,599)	(52,402)
Deferred outflows and inflows related to other postemployment benefits (OPEB) are not financial resources and therefore are not reported in the governmental funds.		
Deferred outflows of resources - OPEB	12,587	14,056
Deferred inflows of resources - OPEB	(14,810)	(15,939)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds.		
Mortgage payable	-	(563,185)
Compensated absences	(132,155)	(113,731)
Net pension liability	(991,902)	(2,110,475)
Other postemployment benefits	(19,101)	(19,188)
Total Net Position - Governmental Activities	\$ 1,666,776	\$ 1,095,344

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

**EMERALD COAST REGIONAL PLANNING COUNCIL
STATEMENTS OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND
YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

	2021	2020
	General Fund	General Fund
General Revenue		
Grants and project revenue	\$ 4,775,598	\$ 4,579,889
Other operating revenue	142,099	139,829
Total general revenue	4,917,697	4,719,718
Expenditures		
Current:		
Project management expenses	2,617,853	2,493,525
Contracted services	1,129,599	1,436,529
Other direct costs	738,559	641,607
Capital outlay	40,574	35,313
Debt service:		
Principal	563,185	36,638
Interest	19,729	23,720
Total expenditures	5,109,499	4,667,332
Excess (Deficiency) of Revenues over (under) Expenditures	(191,802)	52,386
Other Financing Sources		
Proceeds from sale of property and equipment	969,000	-
Net Change in Fund Balance	777,198	52,386
Fund Balance - Beginning of Year	2,391,649	2,339,263
Fund Balance - End of Year	\$ 3,168,847	\$ 2,391,649

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

**EMERALD COAST REGIONAL PLANNING COUNCIL
RECONCILIATION OF STATEMENTS OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE TO STATEMENTS OF ACTIVITIES
YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

	2021	2020
Net Change in Fund Balance - General Fund	\$ 777,198	\$ 52,386
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	(44,534)	(34,768)
Capital outlay, reported as expenditures in the governmental funds, is shown as capital assets on the Statement of Net Position	40,574	35,313
Net book value of disposed capital assets is not reported in the fund financial statements but is considered in calculating the gain from sale of property and equipment in the Statement of Activities	(798,437)	-
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	52,123	(240,137)
Current change in long-term OPEB obligation does not consume current resources and therefore is not reported in the governmental fund	(253)	(1,244)
Current change in long-term compensated absences liability does not consume current resources and therefore is not reflected in the governmental fund	(18,424)	(16,236)
Repayments of debt are recognized in the fund financial statements but are shown as a reduction of debt in the Statement of Net Position	563,185	36,638
Change in Net Position - Governmental Activities	\$ 571,432	\$ (168,048)

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

NOTES TO FINANCIAL STATEMENTS

**EMERALD COAST REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

NOTE 1 - ORGANIZATION

The Emerald Coast Regional 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, 2021 and 2020, 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.

**EMERALD COAST REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

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 Council'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 Council'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)*.

**EMERALD COAST REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

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 \$5,000 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.

EMERALD COAST REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

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 and other postemployment benefits as calculated in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (“GASB 75”). The deferred inflows related to pensions 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 6. The deferred outflows and inflows of resources related to other postemployment benefits are further discussed in Note 7.

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.

**EMERALD COAST REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2021 and 2020, 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; however, it is not considered a “legal budget” for Florida compliance purposes.

Recent Accounting Pronouncements:

In June 2017, the GASB issued Statement No. 87, *Leases* (“GASB 87”). The statement will require entities to recognize lease assets and liabilities on the balance sheet and to disclose key information about leasing arrangements. A lessee will recognize a liability to make lease payments and a right-of-use asset representing its right to use the leased asset for the lease term. GASB87 is effective for fiscal years beginning after June 15, 2021. Management is currently assessing the impact of GASB 87 on the Council’s financial statements.

**EMERALD COAST REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

NOTE 3 - CAPITAL ASSETS

The following table provides a summary of changes in capital assets for the years ended September 30, 2021 and 2020:

<u>2021</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Land	\$ 340,000	\$ -	\$ (340,000)	\$ -
Building	510,000	-	(510,000)	-
Office equipment	266,020	-	(11,248)	254,772
Vehicles	93,375	40,574	-	133,949
Less accumulated depreciation	<u>(349,471)</u>	<u>(44,534)</u>	<u>62,811</u>	<u>(331,194)</u>
September 30, 2021	<u>\$ 859,924</u>	<u>\$ (3,960)</u>	<u>\$ (798,437)</u>	<u>\$ 57,527</u>
<u>2020</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Land	\$ 340,000	\$ -	\$ -	\$ 340,000
Building	510,000	-	-	510,000
Office equipment	294,724	-	(28,704)	266,020
Vehicles	58,062	35,313	-	93,375
Less accumulated depreciation	<u>(343,407)</u>	<u>(34,768)</u>	<u>28,704</u>	<u>(349,471)</u>
September 30, 2020	<u>\$ 859,379</u>	<u>\$ 545</u>	<u>\$ -</u>	<u>\$ 859,924</u>

The Council sold its office building during 2021 for \$969,000 resulting in a gain of \$170,366.

**EMERALD COAST REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

NOTE 4 - COMPENSATED ABSENCES

Changes in compensated absences for the years ended September 30, 2021 and 2020 were as follows:

	Beginning Balance	Additions	Payments	Ending Balance
2021	<u>\$ 113,731</u>	<u>\$ 111,551</u>	<u>\$ (93,127)</u>	<u>\$ 132,155</u>
2020	<u>\$ 97,495</u>	<u>\$ 94,634</u>	<u>\$ (78,398)</u>	<u>\$ 113,731</u>

NOTE 5 - MORTGAGE PAYABLE

Changes in mortgage payable for the year ended September 30, 2021 and 2020 were as follows:

	Beginning Balance	Additions	Payments	Ending Balance
<p>Note payable to bank, due in monthly installments, including interest at 4%, secured by property, building, assignment of rents and personal property, paid off in 2021</p>	<u>\$ 563,185</u>	<u>\$ -</u>	<u>\$ (563,185)</u>	<u>\$ -</u>
2021	<u>\$ 563,185</u>	<u>\$ -</u>	<u>\$ (563,185)</u>	<u>\$ -</u>
2020	<u>\$ 599,823</u>	<u>\$ -</u>	<u>\$ (36,638)</u>	<u>\$ 563,185</u>

NOTE 6 - 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.

**EMERALD COAST REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

NOTE 6 - PENSION OBLIGATIONS (Continued)

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 - For employees hired before July 1, 2011, 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. For employees hired on or after July 1, 2011, who retire with 33 years of credited service or at age 65 with 8 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 for those hired prior to July 1, 2011, and eight highest years for those hired on or after July 1, 2011, 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 early if the employee retires within 20 years of the normal retirement age as stated above, 62 or 30 credited years for employees hired through June 30, 2011, or 65 or 33 credited years for employees hired after that date 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, 2021 were 10% and 3%, respectively.

The Council’s contributions to the Pension Plan totaled \$178,054 and \$171,233 for the years ended September 30, 2021 and 2020, respectively.

**EMERALD COAST REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

NOTE 6 - PENSION OBLIGATIONS (Continued)

Pension Plan (Continued):

	Deferred Outflows of Resources	Deferred Inflows of Resources
September 30, 2020:		
Differences between expected and actual experience	\$ 56,375	\$ -
Change of assumptions	266,658	-
Net difference between projected and actual earnings on Pension Plan investments	87,704	-
Changes in proportion and differences between Council Pension Plan contributions and proportionate share of contributions	73,855	1,124
Council Pension Plan contributions subsequent to the measurement date	40,937	-
Total	\$ 525,529	\$ 1,124

The deferred outflows of resources related to the Pension Plan totaling \$37,198 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, 2022. 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	
2022	\$ (94,092)
2023	(120,370)
2024	(172,886)
2025	(234,014)
2026	14,921
	\$ (606,441)

**EMERALD COAST REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

NOTE 6 - PENSION OBLIGATIONS (Continued)

Pension Plan (Continued):

Actuarial Assumptions - The total pension liability in the July 1, 2021 and 2020 actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.25%, average, including inflation
Investment rate of return	6.80%, net of pension plan investment expense, including inflation

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018.

The actuarial assumptions used in the July 1, 2021, and 2020 valuations were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

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%	2.10%	2.10%	1.10%
Fixed income	20.00%	3.80%	3.70%	3.30%
Global equity	54.20%	8.20%	6.70%	17.80%
Real estate (property)	10.30%	7.10%	6.20%	13.80%
Private equity	10.80%	11.70%	8.50%	26.40%
Strategic investments	3.70%	5.70%	5.40%	8.40%
	<u>100.00%</u>			
Assumed inflation - Mean		2.40%		1.20%

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

**EMERALD COAST REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

NOTE 6 - PENSION OBLIGATIONS (Continued)

Pension Plan (Continued):

Discount Rate - The discount rate used to measure the total pension liability was 6.80%. 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 6.80% as well as what the Council's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1%-point lower (5.80%) or 1%-point higher (7.80%) than the current rate:

	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
Council's proportionate share of the net pension liability	\$ 1,265,262	\$ 282,958	\$ (538,198)

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, 2021 and 2020 the Council reported payables of \$5,487 and \$5,990 respectively, for the outstanding amount of contributions to the Pension Plan required for the years ended September 30, 2021 and 2020.

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.

**EMERALD COAST REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

NOTE 6 - PENSION OBLIGATIONS (Continued)

HIS Plan (Continued):

Benefits Provided - For the years ended September 30, 2021 and 2020 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, 2021 and 2020 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 \$33,664 and \$32,121 for the years ended September 30, 2021 and 2020, respectively.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2021 and 2020, the Council reported a net pension liability of \$708,944 and \$637,445, respectively, for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2021 and 2020, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 and 2020, 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, 2021 and 2020, the Council's proportionate share was 0.0057795% and 0.0052207%, respectively.

**EMERALD COAST REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

NOTE 6 - PENSION OBLIGATIONS (Continued)

HIS Plan (Continued):

For the years ended September 30, 2021 and 2020, the Council recognized pension expense of \$44,301 and \$68,461, 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, 2021 and 2020:

	Deferred Outflows of Resources	Deferred Inflows of Resources
September 30, 2021:		
Differences between expected and actual experience	\$ 23,723	\$ 297
Change of assumptions	55,707	29,210
Net difference between projected and actual earnings on HIS Plan investments	739	-
Changes in proportion and differences between Council HIS Plan contributions and proportionate share of contributions	104,027	8,036
Council contributions subsequent to the measurement date	8,373	-
Total	\$ 192,569	\$ 37,543
	Deferred Outflows of Resources	Deferred Inflows of Resources
September 30, 2020:		
Differences between expected and actual experience	\$ 26,075	\$ 492
Change of assumptions	68,545	37,065
Net difference between projected and actual earnings on Pension Plan investments	509	-
Changes in proportion and differences between Council Pension Plan contributions and proportionate share of contributions	75,303	13,721
Council Pension Plan contributions subsequent to the measurement date	-	-
	8,674	-
Total	\$ 179,106	\$ 51,278

The deferred outflows of resources related to pensions totaling \$8,373 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, 2021.

**EMERALD COAST REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

NOTE 6 - 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>	
2022	\$ 45,135
2023	27,358
2024	25,971
2025	24,697
2026	18,082
Thereafter	<u>5,410</u>
	<u>\$ 146,653</u>

Actuarial Assumptions - The total pension liability in the July 1, 2021 and 2020 actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.25%, average, including inflation
Municipal Bond Rate	2.16%

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018.

The actuarial assumptions used in the July 1, 2021 and 2020 valuation were based on the results of an actuarial experience study for the period, July 1, 2013 through June 30, 2018.

Discount Rate - The discount rate used to measure the total pension liability was 2.16%. 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.

**EMERALD COAST REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

NOTE 6 - 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 2.16% 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 (1.16%) or 1%-point higher (3.16%) than the current rate:

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
Council's proportionate share of the net pension liability	\$ 819,608	\$ 708,944	\$ 618,280

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, 2021 and 2020, the Council reported payables of \$994 and \$1,002, respectively, for the outstanding amount of contributions to the HIS Plan required for the years ended September 30, 2021 and 2020.

NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS

The Council has implemented GASB 75, which sets forth rules for how governmental employers should account for Other Postemployment Benefits ("OPEB").

Plan Description:

The Council's medical benefits are provided through comprehensive medical plans 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. Since this OPEB is directly tied to insurance coverage for active employees, a separate single employer benefit plan has not been established to account for the benefits and obligations related to the implicit rate subsidy. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

**EMERALD COAST REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Benefits Provided:

Retirees are required to pay the full amount of the insurance company’s stated premium in order to remain covered under the medical plan; however, the premiums charged are based on a blending of the experience among younger active employees and older retired employees.

Since older retirees generally have higher costs, this means that the Council is actually subsidizing the cost of the retiree and spouse coverage because it pays all or a significant portion of that premium on behalf of the active employees. This practice is categorized as an “implicit rate subsidy”.

Employees Covered by Benefit Terms:

At September 30, 2021, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	4
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	31
	35

Total OPEB Obligation:

The Council’s total OPEB liability of \$19,101 and \$19,188 at September 30, 2021 and 2020, respectively, were measured as of October 1, 2021 and October 1, 2020, respectively, and was determined by an actuarial valuation as of that date.

**EMERALD COAST REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions and Other Inputs:

The total OPEB liability in the October 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Individual Entry Age Normal
Amortization method	Level dollar, open
Amortization period	30 years
Asset valuation method	Market value
Inflation	2% annually
Salary increases	3% annually
Healthcare trend rate	5.5% annually until year 2030, then 4.5%
Prior discount rate	2.21%
Discount rate	2.15% annually which is the Bond Buyer 20-Bond General Obligation Index. The 20-Bond Index consists of 20 general obligation bonds that mature in 20 years.
Mortality	SOA RP-2014 Combined Mortality Table
Turnover	Age specific table with an average of 15% when applied to active census.

Changes in the Net OPEB Liability:

Changes in the net OPEB liability were as follows:

Net OPEB liability, September 30, 2020	<u>\$ 19,188</u>
Changes for the year:	
Service cost	338
Interest cost	428
Changes in assumptions / inputs	(964)
Difference between expected and actual experience	<u>111</u>
Net changes	<u>(87)</u>
Net OPEB liability, September 30, 2021	<u><u>\$ 19,101</u></u>

**EMERALD COAST REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate:

The following represents the net OPEB liability of the Council, as well as what the Council's net OPEB liability would be if it were calculated using a discount rate that is 1% lower (1.15%) or 1% higher (3.15%) than the current discount rate:

	1% Decrease (1.15%)	Current Discount Rate (2.15%)	1% Increase (3.15%)
Net OPEB liability	\$ 21,016	\$ 19,101	\$ 17,427

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates:

The following represents the total OPEB liability of the Council, as well as what the Council's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (4.50%) or 1% higher (6.50%) than the current healthcare cost trend rates:

	1% Decrease (4.50%)	Healthcare Cost Trend Rate (5.50%)	1% Increase (6.50%)
Net OPEB liability	\$ 17,256	\$ 19,101	\$ 21,223

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

For the year ended September 30, 2021, the Council recognized OPEB expense of \$253. At September 30, 2021, the Council reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and experience	\$ 6,273	\$ (1,423)
Changes in assumptions	6,314	(13,387)
	\$ 12,587	\$ (14,810)

**EMERALD COAST REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

Amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in expense as follows:

Year Ending September 30		
2022	\$	(513)
2023		(513)
2024		(513)
2025		(513)
2026		(513)
Thereafter		342
	\$	(2,223)

NOTE 8 - COMMITMENTS AND CONTINGENCIES

Operating Leases:

The Council has entered into lease agreements for office space and office equipment under operating leases expiring in various years through 2024.

Rental expenses for leased office space and equipment for the fiscal years ended September 30, 2021 and 2020 totaled \$142,724 and \$143,825, respectively. Minimum future rental payments under non-cancelable operating as of September 30, 2021, are as follows:

2022	\$	165,978
2023		23,503
2024		6,394
2025		1,338
		1,338
Total minimum lease payments	\$	197,213

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.

**EMERALD COAST REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

NOTE 9 - 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.

REQUIRED SUPPLEMENTARY INFORMATION

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

	2021	2020	2019	2018	2017	2016	2015	2014
Emerald Coast Regional Council proportion of net pension liability	0.0037454%	0.0033986%	0.0032544%	0.0027775%	0.0029973%	0.0024957%	0.0026470%	0.0026470%
Emerald Coast Regional Council proportionate share of net pension liability	\$ 282,958	\$ 1,473,030	\$ 1,120,736	\$ 954,751	\$ 887,960	\$ 756,811	\$ 322,352	\$ 161,505
Emerald Coast Regional Council covered-employee payroll	\$ 2,027,946	\$ 1,935,025	\$ 1,779,110	\$ 1,672,862	\$ 1,557,614	\$ 1,395,390	\$ 1,143,510	\$ 1,142,736
Emerald Coast Regional Council proportionate share of net pension liability as a percentage of its covered-employee payroll	14.0%	76.1%	63.0%	57.1%	57.0%	54.2%	28.2%	14.1%
Plan fiduciary net position as a percentage of the total pension liability	96.4%	78.9%	82.6%	84.3%	83.9%	84.9%	92.0%	96.1%

* 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.

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 178,054	\$ 171,233	\$ 144,537	\$ 126,502	\$ 115,216	\$ 99,781	\$ 78,398	\$ 80,522
Contributions in relation to the contractually required contribution	<u>(178,054)</u>	<u>(171,233)</u>	<u>(144,537)</u>	<u>(126,502)</u>	<u>(115,216)</u>	<u>(99,781)</u>	<u>(78,398)</u>	<u>(80,522)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Emerald Coast Regional Council's covered-employee payroll	2,027,946	1,935,025	1,779,110	1,672,862	1,557,614	1,395,390	1,143,510	1,142,736
Contribution as a percentage of covered-employee payroll	8.78%	8.85%	8.12%	7.56%	7.40%	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.

**EMERALD COAST REGIONAL PLANNING COUNCIL
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
HEALTH INSURANCE SUBSIDY PROGRAM
LAST TEN FISCAL YEARS***

	2021	2020	2019	2018	2017	2016	2015	2014
Emerald Coast Regional Council proportion of net pension liability	0.0057795%	0.0052207%	0.0053151%	0.0050794%	0.0047851%	0.0044326%	0.0035674%	0.0038708%
Emerald Coast Regional Council proportionate share of net pension liability	\$ 708,944	\$ 637,445	\$ 594,707	\$ 537,614	\$ 544,647	\$ 516,598	\$ 363,822	\$ 361,925
Emerald Coast Regional Council covered-employee payroll	\$ 2,027,946	\$ 1,935,025	\$ 1,779,110	\$ 1,672,862	\$ 1,557,614	\$ 1,395,390	\$ 618,721	\$ 1,142,736
Emerald Coast Regional Council proportionate share of net pension liability as a percentage of its covered-employee payroll	35.0%	32.9%	33.4%	32.1%	35.0%	37.0%	58.80%	31.67%
Plan fiduciary net position as a percentage of the total pension liability	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	99.00%

* 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.

**EMERALD COAST REGIONAL PLANNING COUNCIL
SCHEDULE OF CONTRIBUTIONS
HEALTH INSURANCE SUBSIDY PROGRAM
LAST TEN FISCAL YEARS***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 33,664	\$ 32,121	\$ 29,533	\$ 27,770	\$ 25,856	\$ 23,163	\$ 16,167	\$ 16,804
Contributions in relation to the contractually required contribution	<u>(33,664)</u>	<u>(32,121)</u>	<u>(29,533)</u>	<u>(27,770)</u>	<u>(25,856)</u>	<u>(23,163)</u>	<u>(16,167)</u>	<u>(16,804)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Emerald Coast Regional Council's covered-employee payroll	2,027,946	1,935,025	1,779,110	1,672,862	1,557,614	1,395,390	1,143,510	1,142,736
Contribution as a percentage of covered-employee payroll	1.66%	1.66%	1.66%	1.66%	1.66%	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.

**EMERALD COAST REGIONAL PLANNING COUNCIL
SCHEDULE OF CHANGES IN TOTAL OTHER POSTEMPLOYMENT
BENEFITS (OPEB) LIABILITY AND RELATED RATIOS**

	2021
Total OPEB liability	
Service cost	\$ 338
Interest	428
Differences between expected and actual experience	(964)
Changes in assumptions or other inputs	111
Net change in total OPEB liability	(87)
Total OPEB liability - beginning	19,188
Total OPEB liability - ending	\$ 19,101
 Covered payroll	 \$ 1,941,263
 Net OPEB liability as a percentage of covered-employee payroll	 0.98%

NOTE: Information is presented for those years in which information is available.

COMPLIANCE SECTION

**EMERALD COAST REGIONAL PLANNING COUNCIL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2021**

Federal/State Agency, Pass-through Entity, Federal Program/State Project	CFDA/ CSFA Number	Grantor's Contract Number	Expenditures
FEDERAL AWARDS			
Department of Commerce			
Economic Development Support for Planning Organizations			
C-EDA-9-021 Planning Assistance 2018-2020	11.302	03-02-0022	\$ 19,091
C-EDA-9-023 Planning Assistance 2021-2023	11.302	ED21ATL3020014	40,316
Subtotal			59,407
Economic Adjustment Assistance			
C-EDA-9-022 EDA DISASTER RECOVERY COORDINATOR	11.307	04-79-07271	6,355
C-EDA-9-400 EDA CARES ACT 07/01/20 to 06/30/22	11.307	03-07-0091	138,698
Subtotal			145,053
National Oceanic and Atmospheric Administration			
C-ENV-5-473 BUILDING FLOOD RESILIENCE IN SANTA ROSA COUNTY	11.473	NA17NOS4730140	2,771
Coronavirus Relief Funding (CRF)			
C-CRF-3-001 HOLMES CARES MTG&RNTL ASSIST 3/20-12/20	21.019	N/A	4,647
C-CRF-6-001 WALTN CARES MTG & RNTL ASSIST 3/20-12/20	21.019	N/A	7,106
C-CRF-7-001 WASH CARES MTG & RNTL ASSIST 3/20-12/20	21.019	N/A	5,475
C-CRF-8-001 JACKSON CARES MTG & RNTL ASSIST 3/20-12/20	21.019	N/A	8,008
Subtotal			25,236
Total Department of Commerce			232,467
Department of Transportation/Federal Transit Administration			
<u>Passed through Florida Department of Transportation</u>			
Highway Planning and Construction			
T-TPO-9-108 FL-AL TPO JUL20-JUN22 #G1J85	20.205	FM439321-3-14-01/G1J85	791,555
T-TPO-9-208 OK-WAL TPO JUL20-JUN22 #G1J89	20.205	FM439322-3-14-01/G1J89	502,839
T-TPO-9-308 BAY TPO JUL20-JUN22 #G1J90	20.205	FM439320-3-14-01/G1J90	588,069
T-SU-9-011 BERRYHILL RD W CORRIDOR MGMT PLAN	20.205	FM439321-3-14-01/G1J85	95,537
T-LRTP-9-070 FLAL 2045 LNG RNGE TRNS PLAN 3/19-11/20	20.205	FM439321-3-14-03/G1J85	46,388
T-LRTP-9-080 OW 2045 LNG RNGE TRNS PLAN 7/19-6/21	20.205	FM439322-3-14-02/G1J89	182,101
T-LRTP-9-090 BAY 2045 LONG RANGE PLAN	20.205	FM439320-3-14-02/G1J90	129,964
Subtotal			2,336,453
<u>Passed through Alabama Department of Transportation</u>			
Highway Planning and Construction			
T-TPO-9-409 FL-AL TPO ALDOT OCT20-SEP21	20.205	Z450-100069836	12,510

**EMERALD COAST REGIONAL PLANNING COUNCIL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2021
(Continued)**

Federal/State Agency, Pass-through Entity, Federal Program/State Project	CFDA/ CSFA Number	Grantor's Contract Number	Expenditures
<u>Passed through Florida Department of Transportation</u>			
Transportation Infrastructure Finance and Innovation Act (TIFIA) Program			
T-RTP-9-001 RURAL TRANS PLAN 02/10/21-02/09/23	20.223	BEA85	<u>50,915</u>
Metropolitan Transportation Planning Grants			
T-FTA-9-701 FL-AL FTA SECTION 5305 G1770	20.505	FM421717-2-14-28/G1770	60,260
T-FTA-9-702 FL-AL FTA SECTION 5305 G1P53	20.505	FM421717-2-14-28/G1P53	77,864
T-FTA-9-801 OK-WAL FTA SECTION 5305 G1774	20.505	FM421718-2-14-28/G1774	30,722
T-FTA-9-802 OK-WAL FTA SECTION 5305 G1P55	20.505	FM421718-2-14-28/G1P55	35,542
T-FTA-9-901 BAY FTA SECTION 5305 G1778	20.505	FM421719-2-14-28/G1778	24,063
T-FTA-9-902 BAY FTA SECTION 5305 G1P56	20.505	FM421719-2-14-28/G1P56	<u>41,948</u>
Subtotal			<u><u>270,399</u></u>
<u>Transit Services Program Cluster</u>			
Job Access Reverse Commute			
T-JARC-9-005 FL-AL TPO JARC OCT12-JAN14	20.516	FL-37-X069-01	<u>61,007</u>
New Freedom Program			
T-NF-9-005 FTA SECT 5317 OCT12-JAN14	20.521	FL-57-X038-01	<u>50,687</u>
<u>Passed through Florida Division of Emergency Management</u>			
Interagency Hazardous Materials Public Sector			
Training and Planning Grants			
C-HZMT-9-083 HMEP Training OCT20-SEP21	20.703	T0108-693JK3190042HMEP	<u>45,911</u>
Total Department of Transportation Federal Transit Administration			<u>2,827,882</u>
Total Federal Awards			<u><u>\$ 3,060,349</u></u>

**EMERALD COAST REGIONAL PLANNING COUNCIL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2021
(Continued)**

Federal/State Agency, Pass-through Entity, Federal Program/State Project	CFDA/ CSFA Number	Grantor's Contract Number	Expenditures
STATE FINANCIAL ASSISTANCE			
Executive Office of the Governor			
Residential Construction Mitigation Project			
C-HLMP-9-003 HURRICANE LOSS MIT PROG	31.066	DEM-HL00032/B0070	\$ 159,575
Emergency Management Projects			
C-LEPC-9-002 LEPC-HZMT STAFFING JUL20-JUN21	31.067	T0060	53,630
C-LEPC-9-003 LEPC STAFFING JUL21-JUN22	31.067	T0124	8,775
Subtotal			<u>62,405</u>
Total Executive Office of the Governor			<u>221,980</u>
Florida Housing Finance Corporation			
Hurricane Housing Recovery Program			
C-HHRP-3-030 HOLMES JUL19-DEC22	40.902	N/A	13,562
C-HHRP-7-070 WASH CO JUL19-DEC22	40.902	N/A	43,656
C-HHRP-8-080 JACKSON OCT19-DEC22	40.902	N/A	112,374
Subtotal			<u>169,592</u>
State Housing Initiatives Partnership Program			
C-SHIP-3-031 HOLMES CTY SHIP WU&I 19/20	52.901	N/A	58
C-SHIP-6-032 WALTON CTY SHIP ADMIN 17/18	52.901	N/A	4,681
C-SHIP-6-035 WALTON CTY SHIP WU&I 18/19	52.901	N/A	2,811
C-SHIP-6-036 WALTON CTY SHIP ADMIN 19/20	52.901	N/A	65
C-SHIP-6-037 WALTON CTY SHIP WU&I 19/20	52.901	N/A	4,945
C-SHIP-6-040 WALTON CO SHIP ADM JUL21-JUN22	52.901	N/A	3,790
C-SHIP-7-026 WASHINGTON CTY SHIP ADMIN 19/20	52.901	N/A	408
C-SHIP-7-027 WASHINGTON CTY SHIP WU&I 19/20	52.901	N/A	5,248
C-SHIP-7-030 WASHINGTON CO SHIP ADMIN JUL21-JUN22	52.901	N/A	3,419
C-SHIP-DIS-7-01 WASH CO SHIP DISASTER RECOVERY	52.901	N/A	116
C-SHIP-8-004 JACKSON CTY SHIP ADMIN 19/20	52.901	N/A	5,357
C-SHIP-8-005 JACKSON CO SHIP WU&I JUL19-DEC20	52.901	N/A	1,261
C-SHIP-8-008 JACKSON CO SHIP ADMIN JUL21	52.901	N/A	2,558
Subtotal			<u>34,717</u>
Total Florida Housing Finance Corporation			<u>204,309</u>

**EMERALD COAST REGIONAL PLANNING COUNCIL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2021
(Continued)**

Federal/State Agency, Pass-through Entity, Federal Program/State Project	CFDA/ CSFA Number	Grantor's Contract Number	Expenditures
Florida Department of Transportation			
Florida Commission for the Transportation			
Disadvantaged Planning Grant Program			
T-TD-1-020 BAY CO JUL20-JUN21	55.002	FM43202-911-401/G1N08	13,622
T-TD-1-021 BAY CO JUL21-JUN22	55.002	FM43202-911-401/G1X93	3,381
T-TD-2-020 ESC CO JUL20-JUN21	55.002	FM43202-911-401/G1N38	14,666
T-TD-2-021 ESC CO JUL21-JUN22	55.002	FM43202-911-401/G1Y20	3,235
T-TD-3-020 HOLMES/WASHGTN JUL20-JUN21	55.002	FM43202-911-401/G1N51	22,790
T-TD-3-021 HOLMES/WASHGTN JUL21-JUN22	55.002	FM43202-911-401/G1Y39	8,029
T-TD-4-020 OKALOOSA CO JUL20-JUN21	55.002	FM43202-911-401/G1N74	12,582
T-TD-4-021 OKALOOSA CO JUL21-JUN22	55.002	FM43202-911-401/G1Y60	3,257
T-TD-5-020 SANTA ROSA CO JUL20-JUN21	55.002	FM43202-911-401/G1N82	12,261
T-TD-5-021 SANTA ROSA CO JUL21-JUN22	55.002	FM43202-911-401/G1Y67	3,116
T-TD-6-020 WALTON CO JUL20-JUN21	55.002	FM43202-911-401/G1N90	11,138
T-TD-6-021 WALTON CO JUL21-JUN22	55.002	FM43202-911-401/G1Y77	2,497
Subtotal			<u>110,572</u>
Commute Assistance/Rideshare Grants Project			
T-RIDE-9-015 COMMUTER ASSISTANCE JAN20-SEP20-DEC21	55.007	FM415606-2-84-02/G1I01	42,889
T-RIDE-9-016 COMMUTER ASSISTANCE JAN21-DEC21	55.007	FM415606-2-84-03/G1T08	129,806
Subtotal			<u>172,695</u>
T-TA-9-003 SPANISH TRAIL BIKE/PED AUG20-JUN21	N/A	PO394	<u>38,036</u>
C-SRES-9-001 STATE REGIONAL EVACUATION STUDY AUG20 - MAR21	N/A	PO1357	<u>37,198</u>
Total Florida Department of Transportation			<u>358,502</u>
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u><u>\$ 784,790</u></u>

**EMERALD COAST REGIONAL PLANNING COUNCIL
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL
AWARDS AND STATE FINANCIAL ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2021**

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 Emerald Coast Regional 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.

NOTE 2 - INDIRECT COST RATE

The Economic Development Administration (EDA), a component of the Department of Commerce, receives a cost rate certificate from the Council in accordance with 2 C.F.R. part 200 each year. The certified indirect cost rate for fiscal year 2021 was 12.85%.

**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
Emerald Coast 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 Emerald Coast Regional Planning Council (the "Council"), as of and for the year ended September 30, 2021, 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 31, 2022.

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 31, 2022

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
Emerald Coast Regional Planning Council
Pensacola, Florida

Report on Compliance for Each Federal Program and State Project

We have audited Emerald Coast 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 projects for the year ended September 30, 2021. The Council's major federal program and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Council's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 (Chapter 10.550). Those standards, the Uniform Guidance, and Chapter 10.550 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about 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 projects. 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 projects for the year ended September 30, 2021.

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 projects 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 projects and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the 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. Accordingly, this report is not suitable for any other purpose.



Pensacola, Florida
May 31, 2022

**EMERALD COAST REGIONAL PLANNING COUNCIL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2021**

A. SUMMARY OF AUDITOR'S RESULTS

1. The independent auditor's report expresses an unmodified opinion on the financial statements of the Emerald Coast 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 projects are reported in the Independent Auditor's Report on Compliance for Each 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 projects for the Council expresses an unmodified opinion.
6. There are no audit findings relative to the major federal program and state projects 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/projects tested as major were:

Federal Program	CFDA No.
Highway Planning and Construction	20.205
State Project	CSFA No.
Residential Construction Mitigation Project	31.066
Hurricane Housing Recovery Program	40,902
Commuter Assistance Program/Ride Share	55.007
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 PROJECTS

None.

**EMERALD COAST REGIONAL PLANNING COUNCIL
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED SEPTEMBER 30, 2021**

There were no prior audit findings.

In accordance with Rules of the Auditor General 10.557(3)(d)5 and 10.656(3)(d)6, no summary schedule of prior audit findings is required because there were no prior audit findings related to federal programs or state projects.

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

Board of Directors
Emerald Coast Regional Planning Council
Pensacola, Florida

We have examined the Emerald Coast 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, 2021. 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, 2021.

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 31, 2022

MANAGEMENT LETTER

Board of Directors
Emerald Coast Regional Planning Council
Pensacola, Florida

Report on the Financial Statements

We have audited the financial statements of Emerald Coast Regional Planning Council (the “Council”) as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated May 31, 2022.

Auditor’s Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor’s Report on Compliance for Each Major Federal Program and State Project and on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant’s Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated May 31, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in 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 and Management

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.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Council. 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.

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

Additional Matters

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

Purpose of this Letter

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



Pensacola, Florida
May 31, 2022