

**SOUTHWEST FLORIDA REGIONAL
PLANNING COUNCIL
BASIC FINANCIAL STATEMENTS
TOGETHER WITH ADDITIONAL REPORTS
YEAR ENDED
SEPTEMBER 30, 2015**

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Tax Division

INDEPENDENT AUDITOR'S REPORT

Executive Committee and Council Members
Southwest Florida Regional Planning Council
1400 Colonial Blvd., Suite 1
Fort Myers, Florida 33907

Report on the Financial Statements

We have audited the accompanying financial statements of governmental activities and each major fund of Southwest Florida Regional Planning Council (the "Council"), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements 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 misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of Florida Retirement Systems Pension Plan (FRS) or Health Insurance Subsidy Pension Plan (HIS) as of and for the year ended June 30, 2015. The Council is required to record its proportionate share of the FRS and HIS liability in the Council's government-wide financial statements as of September 30, 2015 and for the year then ended. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Southwest Florida Regional Planning Council's government-wide financial statements, is based on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the

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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.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
General Fund	Unmodified
Special Revenue Fund	Unmodified

Opinions

Unmodified Opinions

In our opinion, based on our report and the report of other auditors, 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 Southwest Florida Regional Planning Council as of September 30, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

During the year ended September 30, 2015, the Council adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, an amendment of GASB Statement No. 27, which is a change in accounting principle that requires an employer participating in a defined benefit pension plan to report the employer's proportionate share of the net pension liability of the defined pension plan. This affects the comparability of amounts reported in the 2014-15 fiscal year with the amount reported for the 2013-14 fiscal year. As a result of the implementation of GASB 68, the Council reported a restatement of net position for the change in accounting principle of \$628,424 (see Note I). The auditor's opinion was not modified with respect to the restatement.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the

management's discussion and analysis on pages i - vii, Schedule of the Council's Proportionate Share of the Net Pension Liability - Florida Retirement System Pension Plan (FRS), Schedule of Council Contributions - Florida Retirement System Pension Plan (FRS), Schedule of the Council's Proportionate Share of the Net Pension Liability - Health Insurance Subsidy Pension Plan (HIS), Schedule of Council Contributions - Health Insurance Subsidy Pension Plan (HIS), and Notes to Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which 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 - management's discussion and analysis (MD&A), Schedule of the Council's Proportionate Share of the Net Pension Liability - Florida Retirement System Pension Plan (FRS), Schedule of Council Contributions - Florida Retirement System Pension Plan (FRS), Schedule of the Council's Proportionate Share of the Net Pension Liability - Health Insurance Subsidy Pension Plan (HIS), Schedule of Council Contributions - Health Insurance Subsidy Pension Plan (HIS), and Notes to Required Supplementary Information, as listed in the table of contents, 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 required supplementary information - management's discussion and analysis (MD&A), Schedule of the Council's Proportionate Share of the Net Pension Liability - Florida Retirement System Pension Plan (FRS), Schedule of Council Contributions - Florida Retirement System Pension Plan (FRS), Schedule of the Council's Proportionate Share of the Net Pension Liability - Health Insurance Subsidy Pension Plan (HIS), Schedule of Council Contributions - Health Insurance Subsidy Pension Plan (HIS), and Notes to Required Supplementary Information, as listed in the table of contents, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Required Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Southwest Florida Regional Planning Council's basic financial statements. The required supplementary information other than the MD&A - budgetary comparison information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The required supplementary information other than the MD&A - budgetary comparison information is the responsibility of management as was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial

statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the required supplementary information other than MD&A - budgetary comparison information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

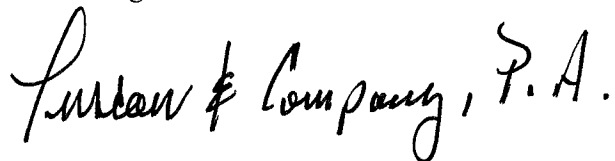
Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Council's basic financial statements. The Exhibit - Management's Response to Independent Auditor's Report to Management is not a required part of the basic financial statements but is required by Government Auditing Standards. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Section 218.415, Florida Statutes

In accordance with Section 218.415, Florida Statutes, we have also issued a report dated May 6, 2016, on our consideration of Southwest Florida Regional Planning Council's compliance with provisions of Section 218.415, Florida Statutes. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and to provide an opinion on compliance with the aforementioned Statute. That report is an integral part of an audit performed in accordance with Sections 218.39 and 218.415, Florida Statutes in considering Southwest Florida Regional Planning Council's compliance with Section 218.415, Florida Statutes.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated May 6, 2016 on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contract 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.



TUSCAN & COMPANY, P.A.
Fort Myers, Florida
May 6, 2016

**MANAGEMENT'S DISCUSSION
AND ANALYSIS
(MD&A)**

SOUTHWEST FLORIDA REGIONAL PLANNING COUNCIL
Management's Discussion and Analysis

As management for the Southwest Florida Regional Planning Council (the "Council") this narrative overview and analysis of the financial statements is designed to provide a helpful viewpoint as to the Council's financial activities for the fiscal year ending September 30, 2015. We recommend readers consider this information in conjunction with the financial statements taken as a whole.

Financial Highlights

- The net position of the Council at the close of its fiscal year end was \$380,942. The Council's total net position decreased \$115,633 or 23% from the prior year, as restated.
- As of the close of the fiscal year 2015, the Council reported an ending fund balance of \$588,437, a decrease of \$160,459 from the prior year. \$584,650 of this amount is available for spending at the Council's discretion.
- Total revenues decreased \$983,433, in comparison to the prior year. Total expenses decreased \$779,796, in comparison to the prior year. These decreases had to do with several multi-year contracts expiring and were not renewed. However, more significantly, these decreases were the result of CHNEP separating from the Council on October 1, 2014. The Council had taken these decreases into account for the budget for 2015.
- The mortgage payable was due and payable on June 1, 2016. However, the related building was placed for sale and sold in December 2015 (subsequent to September 30, 2015). Therefore, the note payable of \$879,263 was recorded as a current liability at September 30, 2015.
- Effective June 15, 2015, the Council adopted the provisions of Governmental Accounting Standards Board Statement No. 68 "*Accounting and Financial Reporting for Pensions* (Statement No. 68). The implementation of this accounting standard requires the Council to report its actuarially determined net pension liability of \$565,736 in the government-wide financial statements as of September 30, 2015. It also requires additional disclosure in the notes related to the financial statements and restatement of the prior year net position in the amount of \$628,424.

Government-Wide Financial Statements

Government-wide financial statements (statement of net position and statement of activities found on pages 5 and 6, respectively) are intended to provide readers with a broad overview of the Council's finances and financial health in a manner similar to a private sector business. They are prepared using the full accrual method of accounting, (revenue is recognized when earned and expenses are recognized when incurred. Amounts expended for capital assets are capitalized rather than expensed).

The *Statement of Net Position* (page 5) presents information on all of the Council's assets and liabilities, with the difference between the two reported as net position. The Council's capital assets (land, building, equipment, furniture and fixtures, and vehicles) are included in this statement and are reported at

SOUTHWEST FLORIDA REGIONAL PLANNING COUNCIL
Management's Discussion and Analysis

Government-Wide Financial Statements (continued)

historical cost, or fair market value at the date of donation if they were donated to the Council, net of their accumulated depreciation.

The *Statement of Activities* (page 6) presents revenue and expense information showing how the Council's net assets changed during the fiscal year.

Governmental Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain financial control over resources that have been segregated for specific activities or objectives. Fund financial statements explain how the Council's services were paid for as well as what remains for future spending. Fund financial statements report the Council's operations in more detail than the government-wide financial statements by providing information about the Council's funds.

Governmental funds financial statements (found on pages 7 and 9) are prepared on the modified accrual basis using the current financial resources measurement focus. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available as net current assets.

Notes to the Financial Statements

The notes to the financial statements provide additional information so that a reader may more fully understand the information provided in the basic financial statements. The information contained in the notes is essential to a full understanding of the government-wide and fund financial statements. The notes are on pages 11 through 48.

Supplementary information consists of more detailed information on the budget to actual revenues and expenditures.

Government-Wide Financial Analysis

The government-wide financial statements were designed so that the user could determine if the Council is in a better or worse financial condition from the prior year. The net position may serve, over time, as a useful indicator of the Council's financial position.

The net investment in capital assets are used by the Council to provide services and consequently these assets are not available to liquidate liabilities and are not available for other spending.

SOUTHWEST FLORIDA REGIONAL PLANNING COUNCIL
Management's Discussion and Analysis

Government-Wide Financial Analysis, (continued)

The following table reflects a Summary of Net Position for fiscal years 2015 and 2014:

Southwest Florida Regional Planning Council			
Summary of Net Position			
Years Ended September 30			
	<u>2015</u>	<u>2014</u>	<u>Change</u>
Assets:			
Current assets	\$ 655,678	\$ 961,397	\$ (305,719)
Capital assets, net	<u>1,390,168</u>	<u>1,438,249</u>	<u>(48,081)</u>
Total assets	<u>2,045,846</u>	<u>2,399,646</u>	<u>(353,800)</u>
Deferred outflows of resources	<u>334,081</u>	<u>237,534</u>	<u>96,547</u>
Liabilities:			
Current liabilities	946,504	287,968	658,536
Noncurrent liabilities	<u>673,456</u>	<u>1,500,616</u>	<u>(827,160)</u>
Total liabilities	<u>1,619,960</u>	<u>1,788,584</u>	<u>(168,624)</u>
Deferred inflows of resources	<u>379,025</u>	<u>352,021</u>	<u>27,004</u>
Net Position:			
Net investment in capital assets	510,905	483,519	27,386
Restricted	-	-	-
Unrestricted (deficit)	<u>(129,963)</u>	<u>13,056</u>	<u>(143,019)</u>
Total net position	<u>\$ 380,942</u>	<u>\$ 496,575</u>	<u>\$ (115,633)</u>

For the fiscal year 2015, current assets are comprised of cash and cash equivalents of \$368,080, investments of \$135,566, contract and other receivables of \$78,331, due from other governments of \$69,914, and deposits of \$3,787.

For the fiscal year 2015, current liabilities are comprised of accounts payable and accrued expenses of \$59,115, unearned contract, grant and DRI/NOPC revenue of \$8,126, and the balance of the note payable (\$879,263) since it was paid off in December 2015.

The net investment in capital assets of \$510,905 is a component of net position and is comprised of land, building, equipment, furniture and fixtures, and vehicles, net of accumulated depreciation and the outstanding related debt used to acquire the assets.

The unrestricted net asset (deficit) balance of \$(129,963) decreased by \$143,019 due to implementation of GASB No. 68 and the current year operating loss. The unrestricted net asset balance represents resources available for spending.

The following schedule reports the revenues, expenses, and changes in net position for the Council for the current and previous fiscal year:

SOUTHWEST FLORIDA REGIONAL PLANNING COUNCIL
Management's Discussion and Analysis

Government-Wide Financial Analysis, (continued)

Southwest Florida Regional Planning Council
Summary of Changes in Net Position
Years Ended September 30

	<u>2015</u>	<u>2014</u>	<u>Change</u>
Revenues:			
Program Revenues			
Charges for services – dues & fees	\$ 561,402	\$ 510,676	\$ 50,726
Contracts, grants and contributions	590,035	1,581,167	(991,132)
General Revenues			
Rental Income	1,250	15,000	(13,750)
Loss on disposition of capital assets	-	(5,433)	5,433
Interest and miscellaneous	4,347	39,057	(34,710)
Total revenues	<u>1,157,034</u>	<u>2,140,467</u>	<u>(983,433)</u>
Expenses:			
Project Planning			
Personnel services	804,098	1,279,801	475,703
Operating expenses	368,204	665,226	297,022
Depreciation	48,081	50,995	2,914
Interest and fiscal charges	52,284	56,441	7,071
Total expenses	<u>1,272,667</u>	<u>2,052,463</u>	<u>\$ (779,796)</u>
Change in net position	(115,633)	88,004	<u>(203,637)</u>
Net Position – Beginning, Prior to Restatement	496,575	1,036,995	
Prior Period Entry	-	(628,424)	
Net Position – Beginning, after Restatement	<u>496,575</u>	<u>408,571</u>	
Net Position - Ending	<u>\$ 380,942</u>	<u>\$ 496,575</u>	

Budgetary Highlights

Budget versus actual comparisons are presented in the required supplementary information other than the Management's Discussion and Analysis. The significant budget variations versus actual results were due to the Council budgeted its reserves carryforward and did not have to use them.

Original to Final Budget Variances

The Council Members approved several budget amendments during the fiscal year ended September 30, 2015. The amendments were between various revenue and expenditure line items but did change the total budgeted revenues and expenditures in the general fund and the special revenue fund.

SOUTHWEST FLORIDA REGIONAL PLANNING COUNCIL
Management's Discussion and Analysis

Budgetary Highlights, (continued)

Final Budget to Actual Variances

No financially significant final budget versus actual line item variances were noted in the General Fund for either revenues or expenditures (before indirect expenditure allocations) except salaries and audit fees. Both were less than budgeted.

Capital Assets

Non-depreciable capital assets include land. Depreciable capital assets include building, equipment, furniture and fixtures, and vehicles. The following is a schedule of the Council's capital assets as of September 30, 2015 and 2014.

Southwest Florida Regional Planning Council			
Capital Assets			
Years Ended September 30			
	2015	2014	Change
Non-Depreciable Capital Assets			
Land	\$ <u>375,565</u>	\$ <u>375,565</u>	\$ <u>-</u>
Depreciable Capital Assets			
Total depreciable capital assets	<u>1,629,297</u>	<u>1,642,128</u>	<u>(12,831)</u>
Less Accumulated Depreciation	<u>(614,694)</u>	<u>(579,444)</u>	<u>(35,250)</u>
Depreciable capital assets, net	<u>1,014,603</u>	<u>1,062,684</u>	<u>(48,081)</u>
Capital Assets, net	\$ <u>1,390,168</u>	\$ <u>1,438,249</u>	\$ <u>(48,081)</u>

Debt Administration

At September 30, 2015, the Council had \$1,552,719 of outstanding debt, which is comprised as noted below. The following is a detailed schedule of the Council's outstanding debt as of September 30, 2015 and 2014.

SOUTHWEST FLORIDA REGIONAL PLANNING COUNCIL
Management's Discussion and Analysis

Debt Administration, (continued)

Southwest Florida Regional Planning Council			
Outstanding Debt			
Years Ended September 30			
	2015	2014*	Change
Note Payable	\$ 879,263	\$ 954,730	\$ (75,467)
Compensated Absences	45,923	45,619	304
OPEB Obligation	61,797	61,797	-
Net Pension Liability	565,736	513,937	51,799
Total Outstanding Debt	1,552,719	1,576,083	\$ (23,364)
Less current portion	879,263	(75,467)	
Noncurrent portion	\$ 673,456	\$ 1,500,616	

*After restatement for GASB No. 68.

The note payable used to finance the purchase of the office building has a monthly payment of \$10,646, including interest at 5.68%, with a final payment of \$826,523 due June 1, 2016. As such, the note payable was recorded at September 30, 2015 as a current liability.

The amount reported as compensated absences represents the total amount the Council had due at the termination of all employees' employment. The net OPEB obligation is the actuarially determined cost to offer retiree's health, dental, and vision coverage.

Net pension liability reflects the Council's proportionate share of its FRS and HIS liability.

Other Known Facts and Conditions

On October 1, 2014, the Charlotte Harbor National Estuary Program (CHNEP) separated from the Southwest Florida Regional Planning Council and relocated to the City of Punta Gorda. The CHNEP employed several staff members who provided direct services on behalf of CHNEP, however, the Regional Planning Council staff performed a significant portion of the administrative function for the CHNEP. The CHNEP contracts and grants were closed out, completed or transferred to the City of Punta Gorda along with the related CHNEP direct service staff

During December 2015, subsequent to the year ended September 30, 2015, the Council sold its building for approximately \$1,200,000. The Council then moved its operations and entered a five year lease.

Request for Information

This financial report is designed to provide the reader an overview of the Council. Questions regarding any information provided in this report should be directed to: the Southwest Florida Regional Planning Council, 1400 Colonial Boulevard, Suite 1, Fort Myers, Florida 33907.

SOUTHWEST FLORIDA REGIONAL PLANNING COUNCIL
STATEMENT OF NET POSITION
September 30, 2015

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 368,080
Investments	135,566
Due from other governments - grants	69,914
Receivables - contracts and other	78,331
Deposits	<u>3,787</u>
Total current assets	<u>655,678</u>
Noncurrent assets:	
Capital assets:	
Land	375,565
Depreciable buildings, improvements, equipment and vehicles (net of \$614,694 accumulated depreciation)	<u>1,014,603</u>
Total noncurrent assets	<u>1,390,168</u>
 TOTAL ASSETS	 <u>2,045,846</u>
 DEFERRED OUTFLOWS OF RESOURCES - PENSIONS	 <u>334,081</u>
 LIABILITIES	
Current liabilities:	
Accounts payable and accrued expenses	59,115
Due to other governments	-
Unearned revenue - grants	-
Unearned revenue - DRI/NOPC	8,126
Current portion of long-term obligations	<u>879,263</u>
Total current liabilities	946,504
Noncurrent liabilities:	
Noncurrent portion of long-term obligations	673,456
Commitments and Contingencies	<u>-</u>
 TOTAL LIABILITIES	 <u>1,619,960</u>
 DEFERRED INFLOWS OF RESOURCES - PENSIONS	 <u>379,025</u>
 NET POSITION	
Net investment in capital assets	510,905
Restricted	-
Unrestricted (deficit)	<u>(129,963)</u>
 TOTAL NET POSITION	 <u>\$ 380,942</u>

The accompanying notes are an integral part of this statement.

**SOUTHWEST FLORIDA REGIONAL PLANNING COUNCIL
STATEMENT OF ACTIVITIES
Year Ended September 30, 2015**

	<u>Governmental Activities</u>
EXPENSES	
Governmental Activities	
Project Planning:	
Personnel services	\$ 804,098
Operating expenses	368,204
Depreciation	48,081
Interest and fiscal charges	52,284
TOTAL EXPENSES - GOVERNMENTAL ACTIVITIES	<u>1,272,667</u>
 PROGRAM REVENUES	
Charges for services:	
Assessments and fees	561,402
Contracts, local grants and events	190,067
Operating grants and contributions	399,968
TOTAL PROGRAM REVENUES	<u>1,151,437</u>
NET PROGRAM REVENUES (EXPENSES)	<u>(121,230)</u>
 GENERAL REVENUES (LOSS)	
Rental income	1,250
Loss on disposition of capital assets	-
Interest and miscellaneous	4,347
TOTAL GENERAL REVENUES (LOSS)	<u>5,597</u>
DECREASE IN NET POSITION	(115,633)
NET POSITION - Beginning of the year, prior to restatement	1,124,999
Prior period entry	(628,424)
NET POSITION - Beginning of the year, as restated	<u>496,575</u>
NET POSITION - End of the year	<u>\$ 380,942</u>

The accompanying notes are an integral part of this statement.

SOUTHWEST FLORIDA REGIONAL PLANNING COUNCIL
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2015

	General Fund	Special Revenue Fund	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 368,080	\$ -	\$ 368,080
Investments	135,566	-	135,566
Due from other governments - grants	-	69,914	69,914
Receivables - contracts and other	-	78,331	78,331
Deposits and other	3,787	-	3,787
Due from other funds	<u>111,040</u>	<u>-</u>	<u>111,040</u>
TOTAL ASSETS	<u>\$ 618,473</u>	<u>\$ 148,245</u>	<u>\$ 766,718</u>
 LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts payable and accrued expenses	\$ 30,036	\$ 29,079	\$ 59,115
Due to other funds	-	111,040	111,040
Due to other governments	-	-	-
Unearned revenue - grants	-	-	-
Unearned revenue - DRI/NOPC	<u>-</u>	<u>8,126</u>	<u>8,126</u>
TOTAL LIABILITIES	<u>30,036</u>	<u>148,245</u>	<u>178,281</u>
 FUND BALANCE			
Nonspendable	3,787	-	3,787
Restricted	-	-	-
Assigned	584,650	-	584,650
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL FUND BALANCE	<u>588,437</u>	<u>-</u>	<u>588,437</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 618,473</u>	<u>\$ 148,245</u>	<u>\$ 766,718</u>

The accompanying notes are an integral part of this statement.

SOUTHWEST FLORIDA REGIONAL PLANNING COUNCIL
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
September 30, 2015

	<u>Amount</u>
Total fund balance for governmental funds	\$ 588,437
Amounts reported for governmental activities 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.	
Capital assets not being depreciated:	
Land	<u>375,565</u>
	375,565
Capital assets being depreciated:	
Building, improvements, equipment and vehicles	1,629,297
Less accumulated depreciation	<u>(614,694)</u>
	1,014,603
Deferred outflows and deferred inflows related to pensions are applied to future periods and, therefore, are not reported in the governmental funds.	
Deferred outflows related to pensions	334,081
Deferred inflows related to pensions	<u>(379,025)</u>
	(44,944)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Note payable	(879,263)
Net pension liability - pension (FRS)	(317,491)
Net pension liability - HIS	(248,245)
Compensated absences	(45,923)
Net OPEB obligation	<u>(61,797)</u>
	(1,552,719)
Elimination of interfund amounts:	
Due from other funds	(111,040)
Due to other funds	<u>111,040</u>
	-
Total net assets of governmental activities	<u><u>\$ 380,942</u></u>

The accompanying notes are an integral part of this statement.

SOUTHWEST FLORIDA REGIONAL PLANNING COUNCIL
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
Year Ended September 30, 2015

	General Fund	Special Revenue Fund	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Federal and state grants	\$ -	\$ 399,968	\$ 399,968
Contracts, local grants and events	-	190,067	190,067
County and city assessments	472,879	-	472,879
NOPC & DRI fees	-	84,023	84,023
DRI monitoring fees	-	4,500	4,500
Rental income	1,250	-	1,250
Interest and miscellaneous	4,347	-	4,347
TOTAL REVENUES	<u>478,476</u>	<u>678,558</u>	<u>1,157,034</u>
EXPENDITURES			
Current			
Personnel services	279,618	541,920	821,538
Operating expenditures	121,525	246,679	368,204
Capital outlay	-	-	-
Debt service	-	127,751	127,751
TOTAL EXPENDITURES	<u>401,143</u>	<u>916,350</u>	<u>1,317,493</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>77,333</u>	<u>(237,792)</u>	<u>(160,459)</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	-	237,792	237,792
Operating transfers out	(237,792)	-	(237,792)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(237,792)</u>	<u>237,792</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(160,459)	-	(160,459)
FUND BALANCE - Beginning of the year	<u>748,896</u>	<u>-</u>	<u>748,896</u>
FUND BALANCE - End of the year	<u>\$ 588,437</u>	<u>\$ -</u>	<u>\$ 588,437</u>

The accompanying notes are an integral part of this statement.

**SOUTHWEST FLORIDA REGIONAL PLANNING COUNCIL
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS TO THE STATEMENT
OF ACTIVITIES**

Year Ended September 30, 2015

	<u>Amount</u>
Net change (expenditures in excess of revenues and other financing sources (uses)) in fund balance - total governmental funds	\$ (160,459)
<p>The decrease in net position reported for governmental activities in the Statement of Activities is different because:</p>	
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>	
Plus: expenditures for capital assets	-
Less: current year depreciation	(48,081)
Less: proceeds from disposition of capital assets	-
Less: loss on disposition of capital assets	-
	<u>(48,081)</u>
Repayment of debt principal is reported as an expenditure in the governmental funds and thus contributes to the change in fund balance. In the Statement of Net Position, however, repayments of debt principal reduces the liability.	75,467
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.</p>	
(Increase) decrease in net pension liability - pension (FRS)	(114,017)
(Increase) decrease in net pension liability - HIS	62,218
Increase (decrease) in deferred outflow	96,547
(Increase) decrease in deferred inflow	(27,004)
Net increase in compensated absences	(304)
Net increase in net OPEB obligation, net	-
	<u>17,440</u>
Interfund transfers increase or decrease the fund balance of the respective funds; however, the transactions offset in the government-wide statements.	
General fund:	
Operating transfers out	237,792
Special revenue fund:	
Operating transfers in	<u>(237,792)</u>
Decrease in net position of governmental activities	<u><u>\$ (115,633)</u></u>

The accompanying notes are an integral part of this statement.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Southwest Florida Regional Planning Council (the "Council") is a governmental agency, created on November 8, 1973 via interlocal agreements as provided by Florida Statutes Chapters 163.01 and 163.02, as amended, to assist other governmental and private agencies in the planning of projects in the Southwest Florida area under Florida Statutes, Chapter 186.504. The Council acts as a regional planning agency and exercises its rights and duties pursuant to Florida Statutes Chapters 23, 160, 163, 186 and 380. The Council's principal members consist of Charlotte, Collier, Glades, Hendry, Lee and Sarasota Counties. The Council's Board Members are appointed per statutory requirement. The Council is funded through statutory member assessments, various fees, and multiple federal, state, and local grants and contracts.

Specifically, the Council's mission is:

1. To make the most efficient use of its powers to promote cooperation for mutual advantage in order to provide services and facilities that will accord best with geographic, economic, social, land use, transportation, public safety resources, and other factors influencing the needs and development of local communities within its six county region;
2. To serve as a regional coordinator for the local governmental units comprising the region;
3. To exchange information on and review programs of regional concerns;
4. To promote communication between the local governments for the conservation and compatible development of the Southwest region;
5. To cooperate with Federal, State, and local government and non-government agencies to accomplish regional objectives; and
6. To do all things authorized for a Regional Planning Agency under Chapters 163, 186 and 380 of the Florida Statutes and other applicable Florida, Federal, State, and local laws, rules, and regulations.

Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies used in the preparation of these basic financial statements.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Summary of Significant Accounting Policies, continued

The basic financial statements of the Council are comprised of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

Reporting Entity

The Council has adopted Governmental Accounting Standards Board (GASB) Statement Number 14, "Financial Reporting Entity" (GASB 14), as amended by GASB Statement Number 39, "Determining Whether Certain Organizations Are Component Units" and GASB Statement Number 61, "the Financial Reporting Entity: Omnibus - An Amendment of GASB Statements No. 14 and No. 34. These Statements require the financial statements of the Council (the primary government) to include its component units, if any. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. Based on the criteria established in GASB Statement 14, as amended, there are no potential component units included or required to be included in the Council's financial statements.

The Council assisted in the creation and establishment of Southwest Florida Regional Development Corporation ("Development"), an independent Florida not-for-profit corporation. Development's mission is to develop a resource conservation plan for its service area, as well as to act as a clearinghouse for other conservation groups and efforts. The name of the corporation changed to Independent Development Services Corporation on July 20, 2007.

The Council provides no direct support to Development and does not have authority to exercise economic control over Development. The Council, however, provides Development with bookkeeping services free of charge. The Council cannot appoint or remove the Board members of Development. Therefore, Development is not considered a component unit of the Council, and its financial activity is not included within these financial statements.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Council and do not emphasize fund types. These governmental activities comprise the primary government. General governmental and intergovernmental revenues support the governmental activities. The purpose of the government-wide financial statements is to allow the user to be able to determine if the Council is in a better or worse financial position than the prior year. The effect of all interfund activity between governmental funds has been removed from the government-wide financial statements.

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement 33, "Accounting and Financial Reporting for Nonexchange Transactions."

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as other financing sources. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability in the government-wide financial statements, rather than as expenditures.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital improvements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Government-wide Financial Statements, continued

Program revenues are considered to be revenues generated by services performed and/or by fees charged such as dues, assessments, fees, and operating grants and contracts.

Fund Financial Statements

The Council adheres to GASB Number 54, Fund Balance Reporting and Governmental Fund Type Definitions.

The accounts of the Council are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity or retained earnings, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. Fund financial statements for the Council's governmental funds are presented after the government-wide financial statements. These statements display information about major funds individually and nonmajor funds in aggregate for governmental funds.

Governmental Funds

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period.

The Council's major funds are presented in separate columns on the governmental fund financial statements. The definition of a major fund is one that meets certain criteria set forth in GASB Statement Number 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments".

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

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Measurement Focus and Basis of Accounting

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

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 related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

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 and soon enough thereafter to pay liabilities of the current period. For this purpose, the Council considers tax revenues to be available if they are collected within sixty days of the end of the current fiscal period.

Revenues susceptible to accrual are interest on investments and intergovernmental revenues. Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursements for specific purposes or projects are recognized when all eligibility requirements are met.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include: (1) principal and interest on the long-term debt, if any, which is recognized when due; and (2) expenditures are generally not divided between years by the recording of prepaid expenditures.

When both restricted and unrestricted resources are available for use, it is the Council's policy to use restricted resources first, then unrestricted resources as they are needed.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Change in Accounting Principles

Effective September 30, 2015, the Council adopted the provisions of Government Accounting Standards Board Statement No. 68 "Accounting and Financial Reporting for Pensions" (Statement No. 68). The implementation required the Council to report its proportionate share of the actuarially determined net pension liability of defined benefit plans in the statement of net position, in the Council's financial statements. The Council participates in the FRS defined benefit pension plan and the HIS defined benefit plan administered by the Florida Department of Management Services, Division of Retirement. The effects of implementing this Statement are discussed in a subsequent note.

Non-current Government Assets/Liabilities

GASB 34 requires non-current governmental assets, such as land and buildings, and non-current governmental liabilities, such as notes payable and capital leases to be reported in the governmental activities column in the government-wide Statement of Net Position.

Major Funds

The Council reports the following major governmental funds:

The General Fund is the Council's primary operating fund. It accounts for all financial resources of the Council, except those required to be accounted for in another fund.

The Special Revenue Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Council accounts for grant proceeds received and grant expenditures incurred in its Special Revenue Fund as well as all contract and other special purpose revenue such as NOPC and DRI fees.

Budgetary Information

The Council has elected to report budgetary comparison of major funds as required supplementary information (RSI).

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Investments

The Council adheres to the requirements of Governmental Accounting Standards Board (GASB) Statement Number 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools," in which all investments are reported at fair value, with the exception of the Local Government Surplus Funds Investment Pool Trust Fund (State Board of Administration), an external 2a7-like investment pool. The Local Government Surplus Funds Investment Pool Trust Fund's shares are stated at amortized cost (otherwise known as fluctuating net asset value or "NAV"), which approximates fair value.

Investments, including restricted investments (if any), consist of the State of Florida Local Government Surplus Funds Trust Fund and Certificates of Deposit held at local depositories.

Capital Assets

Capital assets, which include land, buildings, furniture and fixtures, equipment, and vehicles, are reported in the government-wide financial statements in the Statement of Net Position.

The Council follows a capitalization policy which calls for capitalization of all fixed assets that have a cost or donated value of \$1,000 or more and have a useful life in excess of one year.

All capital assets are valued at historical cost, or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair market value on the date donated. Public domain (infrastructure) capital assets consisting of certain improvements other than building, including curbs, gutters, and drainage systems, are not capitalized, as the Council generally does not acquire such assets. No debt-related interest expense is capitalized as part of capital assets in accordance with GASB Statement Number 34.

Maintenance, repairs, and minor renovations are not capitalized. The acquisition of land and construction projects utilizing resources received from Federal and State agencies are capitalized when the related expenditure is incurred.

Expenditures that materially increase values, change capacities, or extend useful lives

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Capital Assets, continued

are capitalized. Upon sale or retirement, the cost is eliminated from the respective accounts.

Expenditures for capital assets are recorded in the fund statements as current expenditures. However, such expenditures are not reflected as expenditures in the government-wide statements, but rather are capitalized and depreciated.

Depreciable capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Buildings	45
Improvements Other Than Buildings	7-15
Furniture & Fixtures	7
Equipment	3-10
Vehicles	3

Budgets and Budgetary Accounting

The Council has adopted annual budgets for the General Fund and the Special Revenue Fund.

The Council follows these procedures in establishing budgetary data for the General Fund and Special Revenue Fund.

1. During the summer of each year, the Council management submits to the Board a proposed operating budget for the fiscal year commencing on October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain public comments.
3. The budget is adopted by approval of the Board Members no later than August 15 each year.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Budgets and Budgetary Accounting, continued

4. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
5. Budget transfers can be made throughout the year between expenditure accounts by approval of the Board Members. The level of control for appropriations is exercised at the fund level.
6. Budget amounts, as shown in these basic financial statements, are as originally adopted or as amended by the Board Members.
7. Appropriations lapse at year-end.
8. The Board Members approved several budget amendments, in both funds, during the fiscal year ended September 30, 2015. The budget amendments increased total budgeted expenditures by \$19,452 in the General Fund and increased total budgeted expenditures by \$103,589 in the Special Revenue Fund.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Council because it is at present not necessary to assure effective budgetary control or to facilitate effective cash planning and control.

Compensated Absences

The Council's employees accumulate leave based on various criteria including the number of years of continuous service and job classification.

Leave which is requested and approved prior to the day in which it is taken by the employee (vacation) shall be considered to be scheduled leave. At September 30, any scheduled leave accrued above 160 hours shall be used or forfeited except for the Executive Director which is limited to 200 hours. Any employee who is separated from the Council staff by layoff, resignation, death, disability, or other cause shall be paid for the number of working hours of unused scheduled (vacation) leave accrued, not to exceed 160 hours.

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES, CONTINUED**

Compensated Absences, continued

Leave not requested/approved prior to the day it is taken (sick time) shall be considered unscheduled. Unscheduled leave may be accumulated to a total of 200 hours. There is no reimbursement for unscheduled leave accrual at the time of an employee's termination from the Council.

Due From Other Governments

No allowances for losses on uncollectible accounts has been recorded since the Council considers all amounts to be fully collectible.

Management Estimates

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires the Council to make estimates and assumptions that affect the reported amounts of assets, liabilities, fund equity, and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Net Position

In the government-wide financial statements no net assets have been identified as restricted. Restricted net assets are those net assets that have constraints as to their use externally imposed by creditors, through debt covenants, by grantors, or by law.

Fund Balances

The governmental fund financial statements the Council maintains include nonspendable, assigned, and unassigned fund balances. Nonspendable balances are those that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Criteria include items that are not expected to be converted into cash, for example prepaid expenses and deposits.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Fund Balances, continued

The Council's assigned balances are a result of the Council's Board approval of actions prior to October 1, 2014. The Council's intent and policy is to maintain a minimum assigned fund balance level between four (4) to six (6) months of prior year total expenditures. This assigned fund balance will serve as the Council's operational and capital reserve as well as its disaster reserve. At September 30, 2015, the entire fund balance is classified as assigned since the balance is less than the Council's minimum target fund balance. Any use of the fund balance requires the Council's Board approval.

Interfund Transactions

The Council considers interfund receivables (due from other funds) and interfund liabilities (due to other funds) to be loan transactions to and from other funds to cover temporary (three months or less) cash needs. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing funds and as reduction of expenditures/expenses in the fund that is reimbursed.

Pensions

In the government-wide statement of net position, liabilities are recognized for the Council's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) and the Health Insurance Subsidy (HIS) defined benefit plan and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments, (including refunds of employees contributions) are recognized when due and payable in accordance with the benefit terms.

The Council's retirement plans and related amounts are described in a subsequent note.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The deferred amount on pensions reported in the government-wide statement of net position. The deferred outflows of resources related to pensions are discussed in a subsequent note.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The deferred amount on pension reported only in the government-wide statement of net position. A deferred amount on pension results from the difference in the expected and actual amounts of experience, earnings, and contributions. This amount is deferred and amortized over the service life of all employees that are provided with pensions through the pension plan except earnings which are amortized over five to seven years.

Subsequent Events

Subsequent events have been evaluated through May 6, 2016, which is the date the financial statements were available to be issued.

NOTE B - CASH AND CASH EQUIVALENTS

Cash was \$368,080, including cash on hand of \$200 at September 30, 2015.

Deposits

The Council's deposit policy allows deposits to be held in demand deposits and money market accounts. All Council depositories are institutions designated as qualified depositories by the State Treasurer at September 30, 2015.

NOTE B - CASH AND CASH EQUIVALENTS, CONTINUED

Deposits, continued

The Council's deposits consist of the following at September 30, 2015:

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Depository Accounts	\$ 414,640	\$ 367,880

These deposits were entirely covered by federal depository insurance or by collateral pursuant to the Public Depository Security Act (Florida Statute 280) of the State of Florida. Bank balances approximate market value. Depository accounts are fully insured and/or collateralized.

NOTE C - INVESTMENTS

Florida Statutes and the Council's investment policy authorize investments in the Local Government Surplus Funds Trust Fund (SBA) administered by the State Board of Administration, and certificates of deposit held in financial institutions.

At September 30, 2015, the Council's investments consist of the following:

	<u>Maturity</u>	<u>Interest Rate</u>	<u>Cost Basis</u>	<u>Fair Value (NAV)/ Carrying Amount</u>
<u>General Fund</u>				
Local Government Surplus Trust Fund (SBA)				
Fund "A" (Florida PRIME)			\$ 135,566	\$ 135,566
Total Investments			<u>\$ 135,566</u>	<u>\$ 135,566</u>

The Local Government Surplus Funds Trust Fund (Florida PRIME (formerly Fund "A")) is an external 2a7-like investment pool, administered by the Florida State Board of Administration. The Local Government Surplus Funds Investment Pool Trust Fund is not categorized as it is not evidenced by securities that exist in physical or book entry form. The Local Government Surplus Trust Funds Investment Pool's shares are stated at amortized cost (NAV), which approximates fair value. These

NOTE C - INVESTMENTS, CONTINUED

investments are subject to the risk that the market value of an investment, collateral protecting a deposit or securities underlying a repurchase agreements, will decline. The Council's investment in the Fund represented less than 1% of the Fund's total investments. Investments held in the Fund include, but are not limited to, short-term federal agency obligations, treasury bills, repurchase agreements and commercial paper. These short-term investments are stated at cost, which approximates market. Investment income is recognized as earned and is allocated to participants of the Fund based on their equity participation.

At September 30, 2015, the Council reported SBA investments of \$135,566 fair value/cost for amounts held in Florida PRIME. Florida PRIME carried a credit rating of AAAM by Standard and Poors and had a weighted average days to maturity (WAM) of 29 days at September 30, 2015.

NOTE D - DUE FROM OTHER GOVERNMENTS - GRANTS

Grants receivable consisted of the following at September 30, 2015:

	<u>Amount</u>
<u>Federal</u>	
US Department of Commerce, Economic Development Administration -Advanced Manufacturing	\$ 29,129
Total due from other governments - federal grants	<u>29,129</u>
<u>State</u>	
Florida Division of Emergency Management - DEM-HMEP 14/15 (CSFA 20.703)	19,913
Department of Emergency Management - LEPC 2015-2016 (CSFA 31.067)	12,000
Glades/Hendry - TD (CSFA 55.002)	<u>8,872</u>
Total due from other governments - state grants	<u>40,785</u>
Total due from other governments - grants	<u>\$ 69,914</u>

The grants receivable balances as of September 30, 2015, are considered by management to be fully collectible.

SOUTHWEST FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2015

NOTE E - CAPITAL ASSETS ACTIVITY

The following is a summary of changes in capital assets activity for the year ended September 30, 2015:

	Balance October 1 2014	Increases/ Additions	Decreases/ Deletions	Adjustments/ Reclassifications	Balance September 30 2015
Capital Assets Not Being Depreciated:					
Land	\$ 375,565	\$ -	\$ -	\$ -	\$ 375,565
Total Capital Assets Not Being Depreciated	<u>375,565</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>375,565</u>
Capital Assets Being Depreciated:					
Building & Improvements	1,377,564	-	-	-	1,377,564
Furniture & Fixtures	44,130	-	-	-	44,130
Equipment	198,647	-	(12,831)	-	185,816
Vehicles	21,787	-	-	-	21,787
Total Capital Assets Being Depreciated	<u>1,642,128</u>	<u>-</u>	<u>(12,831)</u>	<u>-</u>	<u>1,629,297</u>
Less Accumulated Depreciation:					
Building & Improvements	(358,573)	(37,722)	-	-	(396,295)
Furniture & Fixtures	(25,314)	(3,226)	-	-	(28,540)
Equipment	(173,772)	(7,133)	12,831	-	(168,074)
Vehicles	(21,785)	-	-	-	(21,785)
Total Accumulated Depreciation	<u>(579,444)</u>	<u>(48,081)</u>	<u>12,831</u>	<u>-</u>	<u>(614,694)</u>
Total Capital Assets Being Depreciated, Net	<u>1,062,684</u>	<u>(48,081)</u>	<u>-</u>	<u>-</u>	<u>1,014,603</u>
Capital Assets, Net	<u>\$ 1,438,249</u>	<u>\$ (48,081)</u>	<u>\$ -</u>	<u>\$ -</u>	1,390,168
				Related debt	<u>(879,263)</u>
				Net investment in capital assets	<u>\$ 510,905</u>

SOUTHWEST FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2015

NOTE E - CAPITAL ASSETS ACTIVITY, CONTINUED

Depreciation expense was charged to the following functions during the year ended September 30, 2015:

	<u>Amount</u>
General Government	\$ 48,081
Total Depreciation Expense	<u>\$ 48,081</u>

NOTE F - DUE TO/FROM OTHER FUNDS

Interfund receivables and payables at September 30, 2015, are as follows:

<u>Fund</u>	<u>Due from other funds</u>	<u>Due to other funds</u>
General Fund:		
Special Revenue Fund	\$ 111,040	\$ -
Total General Fund	<u>111,040</u>	<u>-</u>
Special Revenue Fund:		
General Fund	<u>-</u>	<u>111,040</u>
Total Special Revenue Fund	<u>-</u>	<u>111,040</u>
Total	<u>\$ 111,040</u>	<u>\$ 111,040</u>

Interfund receivables and payables were eliminated for presentation purposes in the Statement of Net Position at September 30, 2015.

NOTE G - UNEARNED REVENUE

Unearned revenue (by type) consisted of the following at September 30, 2015:

<u>Other</u>	<u>Amount</u>
DRI - Palmer Ranch XXIV	\$ 2,500
NOPC - North Point	662
NOPC - Pelican Marsh	464
NOPC - Palmer Ranch	<u>4,500</u>
	<u>\$ 8,126</u>

SOUTHWEST FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2015

NOTE H - LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended September 30, 2015:

	Balance October 1 2014		Retirements / Adjustments	Balance September 30 2015	Amounts Due Within One Year
Note payable	\$ 954,730	\$ -	\$ (75,467)	\$ 879,263	\$ 879,263
Net Pension Liability - FRS	203,474	114,017	-	317,491	-
Net Pension Liability - HIS	310,463	-	(62,218)	248,245	-
Compensated absences	45,619	92,644	(92,340)	45,923	-
Net OPEB obligation	<u>61,797</u>	<u>-</u>	<u>-</u>	<u>61,797</u>	<u>-</u>
	<u>\$ 1,576,083</u>	<u>\$ 206,661</u>	<u>\$ (230,025)</u>	<u>\$ 1,552,719</u>	<u>\$ 879,263</u>

The following is a summary of the long-term liabilities at September 30, 2015:

	<u>Amount</u>
\$1,525,000 note payable monthly to financial institution in the amount of \$10,646 including interest at 5.68% to finance the purchase of an office building. The note is uncollateralized except for available general revenue and includes prepayment penalties. The loan was due in full June 1, 2016. However, the loan was satisfied in full in November 2015 upon the sale of the building. The mortgage was fully satisfied for \$866,265 plus a prepayment penalty of \$25,851.	\$ 879,263
Net pension obligation - FRS pension plan. This amount is actuarially determined through calculation based upon the audited financial statements of the Florida FRS Plan.	317,491
Net pension obligation - HIS plan. This amount is actuarially determined through calculation based upon the audited financial statements of the Florida FRS Plan.	248,245
Non-current portion of compensated absences. Employees of the Council are entitled to paid scheduled (vacation) leave based on length of service and job classification.	45,923
Net OPEB obligation. Cumulative difference between annual OPEB cost and the Council's projected payments toward the cost of post employment benefits other than pensions since GASB no. 45 transition date (October 1, 2009)	<u>61,797</u>
	<u>\$ 1,552,719</u>

NOTE H - LONG-TERM LIABILITIES, CONTINUED

The annual debt service requirements at September 30, 2015, were as follows:

<u>Years Ending September 30</u>	<u>Total Principal</u>	<u>Total Interest</u>	<u>Total</u>
Note payable:			
2016	\$ 879,263	\$ 36,339	\$ 915,602
Total Note Payable	879,263	<u>36,339</u>	<u>915,602</u>
Net Pension Liability - FRS	317,491		
Net Pension Liability - HIS	248,245		
Accrued compensated absences	45,923		
Net OPEB obligation	<u>61,797</u>		
Total Long-Term Debt	<u>\$ 1,552,719</u>		

Interest expense related to the note payable for the year ended September 30, 2015 was \$52,284.

The Council's outstanding note payable contains several covenants that require the Council to ensure compliance, including a debt service ratio as well as facilities maintenance, insurance and reporting requirements.

NOTE I - PRIOR PERIOD ADJUSTMENT

GASB Statement No. 68

The beginning net position of the Council was decreased by \$628,424 due to the adoption of the new GASB Pronouncement, Statement No. 68, *Accounting and Financial Reporting for Pensions*. GASB Statement No. 68 requires the Council to recognize its proportionate share of the net pension liabilities and related pension amounts of the cost-sharing multiple-employer FRS and HIS defined benefit plans.

NOTE J - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN

General Information about the Florida Retirement System

The Florida Retirement System ("FRS") was created in Chapter 121, Florida Statutes. The FRS was created to provide a defined benefit pension plan ("Pension Plan") for participating public employees. All Council employees are participants in the Statewide Florida Retirement System (FRS) under authority of Article X, Section 14 of the State Constitution and Florida Statutes, Chapters 112 and 121. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide an integrated defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a separate cost-sharing multiple-employer defined benefit pension plan to assist retired members of any State-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the Council are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and Florida Retirement System Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer defined benefit plans (Pension and HIS Plans) and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information dated June 30, 2015, is available from the Florida Department of Management Services' Web site (www.dms.myflorida.com).

The Council's total pension expense, \$39,757 for the year ended September 30, 2015, is recorded in the government-wide financial statements. Total Council retirement actual contribution expenditures were \$63,714 for the year ended September 30, 2015. The Council contributed 100% of the required contributions.

NOTE J - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN, CONTINUED

FRS Pension Plan

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

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

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

Special Risk Class - Members who are employed as law enforcement officers and meet the criteria to qualify for this class.

Elected Officials - Members who are elected by the voters within the District boundaries.

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for those members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Members of both Plans (Pension and HIS) may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost of living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee

NOTE J - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN, CONTINUED

FRS Pension Plan, continued

may participate in 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 FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

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

<u>Class, Initial Enrollment, and Retirement Age/Years of Service</u>	<u>%Value</u>
Regular Class and elected members initially enrolled before July 1, 2011	
Retirement up to age 62, or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
Regular Class and elected members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
Special Risk Regular	
Service from December 1, 1970 through September 30, 1974	2.00
Service on or after October 1, 1974	3.00
Senior Management Service Class	2.00

NOTE J - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN, CONTINUED

FRS Pension Plan, continued

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

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the year ended September 30, 2015 were as follows:

Class	Percent of Gross Salary*		
	Employee	Employer (1)	Employer (3)
Florida Retirement System, Regular	3.00	7.37	7.26
Florida Retirement System, Senior Management Service	3.00	21.14	21.43
Florida Retirement System, Special Risk	3.00	19.82	22.04
Deferred Retirement Option Program - Applicable to Members from All of the Above Classes	0.00	12.28	12.88
Florida Retirement System, Reemployed Retiree	(2)	(2)	N/A
Florida Retirement System, Elected Official	3.00	43.24	42.27

Notes:

- (1) Employer rates include 1.26 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.04 percent for administrative costs of the Investment Plan. Rates for 7/1/14 - 6/30/15.
- (2) Contribution rates are dependent upon retirement class in which reemployed.
- (3) Employer rates include 1.66 percent for the post employment health insurance subsidy. Also, employer rates, other than for DROP participants, include .04 percent for administrative costs for the Investment Plan. Rates for 7/1/15 - 6/30/16.

* As defined by the Plan.

NOTE J - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN, CONTINUED

FRS Pension Plan, continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Pension Plan. At

September 30, 2015, the Council reported a net pension liability of \$317,491 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The Council's proportionate share of the net pension liability was based on the Council's 2014-15 fiscal year contributions relative to the total 2014-15 fiscal year contributions of all participating members. At September 30, 2015, the Council's proportionate share was .002458057 percent, which was an decrease of .000876779 percent from its proportionate share measure as of September 30, 2014.

For the year ended September 30, 2015, the Council recognized FRS pension expense of \$31,440. In addition, the Council reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources at September 30, 2015:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 33,518	\$ 7,530
Change of assumptions	21,073	-
Net difference between projected and actual earnings on pension plan investments	111,829	187,641
Changes in proportion and differences between Council contributions and proportionate share of contributions	130,947	115,072
Council contributions subsequent to the measurement date	<u>10,194</u>	<u>-</u>
Total	<u>\$ 307,561</u>	<u>\$ 310,243</u>

NOTE J - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN, CONTINUED

FRS Pension Plan, continued

The deferred outflows (inflows) of resources related to the pension totaling \$7,079, resulting from Council contributions subsequent to the measurement date, will be recognized as a reduction on the net pension liability in the year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension will be recognized in pension expense over the remaining service period of 6.3 years as follows:

<u>Fiscal Years Ending September 30</u>	<u>Amount</u>
2016	\$ (7,079)
2017	(7,079)
2018	(7,079)
2019	(7,079)
2020	11,874
Thereafter	<u>3,566</u>
Total	<u>\$ (12,876)</u>

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

Inflation	2.60 percent
Real payroll growth	0.65 percent
Salary increases	3.25 percent, average, including inflation
Investment rate of return	7.65 percent, net of pension plan investment expense, including inflation

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

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

NOTE J - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN, CONTINUED

FRS Pension Plan, continued

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

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.00%	3.2%	3.1%	1.7%
Fixed income	18.00%	4.8%	4.7%	4.7%
Global equity	53.00%	8.5%	7.2%	17.7%
Real estate (property)	10.00%	6.8%	6.2%	12.0%
Private equity	6.00%	11.9%	8.2%	30.0%
Strategic investments	<u>12.00%</u>	6.7%	6.1%	11.4%
Total	<u>100.00%</u>			
Assumed inflation - Mean		2.60%		1.90%

(1) As outlined in the Plan's investment policy

Discount Rate. The discount rate used to measure the total pension liability was 7.65 percent. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

NOTE J - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN, CONTINUED

FRS Pension Plan, continued

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the Council's proportionate share of the net pension liability calculated using the discount rate of 7.65 percent, as well as what the Council's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.65 percent) or 1-percentage-point higher (8.65 percent) than the current rate:

	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)
Council's proportionate share of the net pension liability	<u>\$ 822,691</u>	<u>\$ 317,491</u>	<u>\$ (102,918)</u>

Pension Plan Fiduciary Net Position. Detailed information about pension plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report dated June 30, 2015.

The FRS CAFR and actuarial reports may also be obtained by contacting the Division of Retirement at:

Department of Management Services
 Division of Retirement
 Bureau of Research and Member Communications
 P.O. Box 9000
 Tallahassee, FL 32315-9000
 850-488-5706 or toll free at 877-377-1737

http://www.dms.myflorida.com/workforce_operations/retirement/publications

Payables to the Pension Plan. At September 30, 2015, the Council reported a payable of \$5,373 for the outstanding amount of contributions in the pension plan required for the year ended September 30, 2015.

NOTE J - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN, CONTINUED

HIS Plan

Plan Description. The HIS Plan ("HIS Plan") is a cost-sharing multiple-employer defined benefit pension plan established under section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Division of Retirement within the Florida Department of Management Services.

Benefits Provided. For the year ended September 30, 2015, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$5. The payments are at least \$30 but not more than \$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 can include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the year ended September 30, 2015, the contribution rate ranged between 1.26 percent and 1.66 percent of payroll pursuant to Section 112.363, Florida Statutes. The Council contributed 100 percent of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which HIS 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.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the HIS Plan. At September 30, 2015, the Council reported a HIS net pension liability of \$248,245 for its proportionate share of the net HIS Plan's net pension liability. The net pension liability was measured as of September 30, 2015, and the total pension liability was used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The Council's proportionate share of the net HIS liability was based on the District's 2014-15 fiscal year contributions relative to the total 2014-15 fiscal

NOTE J - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN, CONTINUED

HIS Plan, continued

year contributions of all participating members. At September 30, 2015, the Council's proportionate share was .002434150 percent, which was an decrease of .000886223 percent from its proportionate share measured as of September 30, 2014.

For the fiscal year ended September 30, 2015, the Council recognized HIS expense of \$8,317. In addition, the Council reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Change of assumptions	19,530	-
Net difference between projected and actual earnings on pension plan investments	134	-
Changes in proportion and differences between Council contributions and proportionate share of contributions	4,767	68,782
Council contributions subsequent to the measurement date	<u>2,089</u>	<u>-</u>
Total	<u>\$ 26,520</u>	<u>\$ 68,782</u>

The deferred outflows of resources totaling \$7,141 was related to HIS, resulting from Council contributions subsequent to the measurement date, will be recognized as a reduction on the net pension liability in the year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense of the remaining service period of 7.2 years as follows:

NOTE J - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN, CONTINUED

HIS Plan, continued

Fiscal Years Ending September 30	Amount
2016	\$ (7,141)
2017	(7,141)
2018	(7,141)
2019	(7,143)
2020	(7,175)
Thereafter	<u>(8,610)</u>
Total	<u>\$ (44,351)</u>

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

Inflation	2.60 percent
Real Payroll Growth	0.65 percent
Salary Increases	3.25 percent, average, including inflation
Municipal Bond Rate	3.80 percent

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

Because the HIS Plan is funded on a pay-as-you-go basis, no experience study has been completed for this plan.

Discount Rate. The discount rate used to measure the total HIS liability was 3.80 percent. In general, the discount rate for calculating the total HIS 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 plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

NOTE J - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN, CONTINUED

HIS Plan, continued

Sensitivity of the District's Proportionate Share of the Net HIS Liability to Changes in the Discount Rate. The following presents the Council's proportionate share of the net HIS liability calculated using the discount rate of 3.80 percent, as well as what the Council's proportionate share of the net HIS liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.80 percent) or 1-percentage-point higher (4.80 percent) than the current rate:

	1% Decrease (2.80%)	Current Discount Rate (3.80%)	1% Increase (4.80%)
Council's proportionate share of the net HIS liability	<u>\$ 282,864</u>	<u>\$ 248,245</u>	<u>\$ 219,378</u>

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 Comprehensive Annual Financial Report dated June 30, 2015.

The FRS CAFR and actuarial reports may also be obtained by contacting the Division of Retirement at:

Department of Management Services
 Division of Retirement
 Bureau of Research and Member Communications
 P.O. Box 9000
 Tallahassee, FL 32315-9000
 850-488-5706 or toll free at 877-377-1737

http://www.dms.myflorida.com/workforce_operations/retirement/publications

Payables to the Pension Plan. At September 30, 2015 the Council reported a payable of \$1,587 for the outstanding amount of contributions to the HIS plan required for the fiscal ended September 30, 2015.

NOTE J - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN, CONTINUED

FRS - Defined Contribution Pension Plan

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Council employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances amount various approved investment choices. Costs of administering plan, including FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2014-15 fiscal year were as follows:

Class	Percent of Gross Salary*		
	Employee	Employer (1)	Employer (3)
Florida Retirement System, Regular	3.00	7.37	7.26
Florida Retirement System, Senior Management Service	3.00	21.14	21.43
Florida Retirement System, Special Risk	3.00	19.82	22.04
Deferred Retirement Option Program - Applicable to Members from All of the Above Classes	0.00	12.28	12.88
Florida Retirement System, Reemployed Retiree	(2)	(2)	N/A
Florida Retirements System, Elected Official	3.00	43.24	42.27

Notes:

- (1) Employer rates include 1.26 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.04 percent for administrative costs of the Investment Plan. Rates for 7/1/14 - 6/30/15.
- (2) Contribution rates are dependent upon retirement class in which reemployed.
- (3) Employer rates include 1.66 percent for the post employment health insurance subsidy. Also, employer rates, other than for DROP participants, include .04 percent for administrative costs for the Investment Plan. Rates for 7/1/15 - 6/30/16.

* As defined by the Plan.

NOTE J - RETIREMENT PLAN - DEFINED BENEFIT PENSION PLAN, CONTINUED

FRS - Defined Contribution Pension Plan, continued

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5 year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2015, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Council.

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

The Council's Investment Plan pension expense totaled \$31,999 for the fiscal year ended September 30, 2015.

Payables to the Investment Plan. At September 30, 2015, the Council reported a payable of \$0 for the outstanding amount of contributions to the Plan required for the fiscal year ended September 30, 2015.

NOTE K - COMMITMENTS/CONTINGENCIES

Grants

The Council is currently receiving, and has received in the past, grants which are subject to special compliance audits by the grantor agency. The grantor agency may at times disallow expenditure amounts associated with a contract based on the outcome of an audit. These amounts would constitute a contingent liability of the Council. The Council has not, as of September 30, 2015, been notified of any existing contingent liabilities related to prior grants or the grants currently in process. The Council has not had any special compliance audits conducted by grantor agencies or any disallowed costs during the year ended September 30, 2015. The management of the Council does not believe contingent liabilities, if any exist, to be material.

NOTE L - ECONOMIC DEPENDENCE

The Council's operations are substantially dependent on the receipt of revenue from grantor and contract agencies. Loss of these funds and/or large decreases in this type of funding would have a material effect on the financial position of the Council and a negative impact on overall operations. For the fiscal year ended September 30, 2015, approximately 50% of total revenue is attributable to funds received from grantor and contract agencies.

NOTE M - OPERATING LEASE COMMITMENTS

The Council leases certain copiers and equipment under agreements classified as operating leases.

Future minimum lease payments under the operating leases are as follows:

<u>Years Ending</u> <u>September 30</u>	<u>Amount</u>
2016	\$ 5,040
2017	5,040
2018	3,780
	<u>\$ 13,860</u>

For the year ended September 30, 2015, total rent expense was \$ 7,964.

NOTE N - INDIRECT EXPENDITURES

Indirect expenditures (including indirect and fringe benefit costs) based upon a fixed preapproved rate allocated to the Special Revenue Fund during the year ended September 30, 2015, consist of the following:

	<u>Amount</u>
Personnel services:	
Salaries and fringe benefits	\$ 236,950
Operating expenditures	70,186
Debt service	<u>127,751</u>
Total indirect expenditures	<u>\$ 434,887</u>

NOTE O - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB)

The Council's defined benefit OPEB Plan provides the opportunity to obtain insurance (health, dental, and vision) benefits to its retired employees. The year ended September 30, 2010, was the Council's transition year. As such, the Council implemented GASB No. 45 on a prospective basis. All retired full-time employees are eligible for OPEB benefits if actively employed by the Council immediately before retirement. As of September 30, 2015, there were zero (0) retirees receiving these benefits. The benefits are provided both with and without contractual agreements. The Council's OPEB policy provides the opportunity for qualified retirees (pre-medicare qualified retirees) the opportunity to purchase health, dental, and vision insurance coverage similar to active full-time employees. As such, the qualified retiree is responsible for 100% of the cost of coverage selected. The Council simply acts as agent for the retiree and submits the premiums paid by the retiree. The Council pays for no portion of the retiree insurance coverage. The Council finances the benefits on a pay-as-you-go basis and recognizes retiree reimbursement of premiums as revenue and the offsetting expenditures at the time the premiums are due.

Funding Policy

The Council's OPEB benefits are unfunded. The Council has not determined if a separate trust fund or equivalent arrangement will be established into which the

**NOTE O - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB),
CONTINUED**

Funding Policy, continued

Council would make contributions to advance-fund the obligation. Therefore, no separate financial statement is issued. All required disclosures are presented herein. The Council obtained an actuarial valuation for OPEB Plan to measure the current year's subsidies and project these subsidies into the future, making an allocation of that cost to different years. The following schedule of funding progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Schedule of Funding Progress

(1)	Actuarial Value of Assets (AVA)	Actuarial Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
Date	(a)	(b)	(b-a)	(a/b)	(c)	(b-a)/c
10/01/12	\$ -	\$ 50,030	\$ 50,030	0.0%	\$ 899,507	5.6%
10/01/13	\$ -	\$ 46,936	\$ 46,936	0.0%	\$ 899,507	5.2%
10/01/14	\$ -	\$ 46,936	\$ 46,936	0.0%	\$ 899,507	5.2%

(1) - Initial actuarial valuation dated 10/1/09 (transition year)

Schedule of Contributions from Employer

Year Ended	Annual OPEB Cost	Projected Cash Payment*	Percentage of Annual OPEB Cost	Net OPEB Obligation	Actual Cash Payment
9/30/13	\$ 10,275	\$ 6,158	59.9%	\$ 59,864	\$ -
9/30/14	\$ 9,010	\$ 6,888	76.4%	\$ 61,797	\$ -
9/30/15	\$ 9,010	\$ 6,888	76.4%	\$ 61,797	\$ -

*The Council did not make the expected cash payments of \$6,158, \$6,888 or \$6,888 during the years ended September 30, 2013, 2014 and 2015, respectively because the Council had no retiree participants. Therefore, the actual Net OPEB obligation was \$59,864, \$61,797, and \$61,797 at September 30, 2013, 2014 and 2015, respectively.

**NOTE O - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB),
CONTINUED**

Annual OPEB Cost and Net OPEB Obligation

The annual OPEB cost is the amount that was expensed in the current year. Since the Council's plan is unfunded, the offset to that expense comes from subsidies paid on behalf of the current retirees and their dependents for the current year. This offset is called the expected cash payment. The cumulative difference between the annual OPEB cost for the year and the expected cash payment is called the net OPEB obligation (NOO). The net OPEB obligation is reflected as a liability in the Statement of Net Position. The following table shows the components of the Council's annual OPEB cost for the year and the net OPEB obligation.

<u>Fiscal year ended September 30, 2015</u>	<u>Amount</u>
Annual required contribution (ARC)	\$ -
Less NOO amortization	-
Plus interest on NOO	-
Annual OPEB cost	-
Expected cash payment (projected)*	-
Yearly change in OPEB obligation	-
Net OPEB obligation - beginning of year	61,797
Net OPEB obligation - end of year	<u>\$ 61,797</u>

*The Council did not make the expected cash payment of \$6,888 during the year ended September 30, 2015 since the Council had no retiree participants. Therefore, the actual Net OPEB obligation is \$61,797.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trend. Amounts determined regarding the funding status of a plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

**NOTE O - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB),
CONTINUED**

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of the valuation and the historical pattern of sharing of benefit costs between the employer and plan members. The actual methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial valuation of assets, consistent with the long-term perspective of the calculations.

In the October 1, 2011 actuarial valuation, the entry age normal (level % of pay) actuarial cost method with linear pro-ration to assumed benefit commencement was used. The actuarial assumptions included a 5.0 percent investment rate of return. Since there are no invested plan assets held in trust to finance the OPEB obligations, the investment return discount rate is the long-term expectation of investment return on assets held in Council funds pursuant to its investment policy (5%). The assumptions also included an annual healthcare cost inflation rate trending to 8% (pre-medicare) in 2015, 5% in 2019, and 4.5% thereafter. The unfunded actuarial accrued liability, as calculated, is being amortized over a closed amortization period of 30 years as a level percent of payroll. The assumed rate of payroll growth is 0.0 percent. The assumed rate of inflation is 0.0 percent. The mortality rate table used is RP-2000.

NOTE P - 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; injuries to employees, and natural disasters.

Insurance programs for general/professional liability, automobile, and property are through commercial insurance carriers. The Council retains the risk of loss, on insured claims, up to a deductible amount (depending on the type of loss) with the risk of loss in excess of this amount transferred to the insurance carrier. The Council is third party insured for employee health as well as workers' compensation. There were no claims paid in excess of insurance coverage during the past three (3) fiscal years.

SOUTHWEST FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2015

NOTE Q - FUND BALANCE

Fund balance was classified for the following purposes at September 30, 2015:

<u>Nonspendable fund balance - General Fund</u>	<u>Amount</u>
Deposits	\$ 3,787
	<u>\$ 3,787</u>
<u>Assigned fund balance - General Fund</u>	<u>Amount</u>
Operating reserves	\$ 584,650
	<u>\$ 584,650</u>

NOTE R - SUBSEQUENT EVENT

On November 20, 2015, the Council sold their existing office building for \$1,200,000. As a result of the sale, the Council satisfied the related mortgage on the building in the amount of \$866,265 plus prepayment penalty of \$25,851. The Council subsequently leased office space under a five year lease beginning on December 1, 2015 with annual base rent of \$42,000 in the first year and graduating to \$51,051 in the fifth and final year.

NOTE S - DEFICIT UNRESTRICTED NET POSITION (NET ASSETS)

During the year ended September 30, 2015, the Council's unrestricted net position (net assets) balance became a deficit of \$(129,963), due substantially to recording the current year actuarially determined net pension liability of \$565,736. The Council's fund balance remains approximately equal to five (5) months of actual expenditures. However, the Board has assigned all of the \$584,650 available fund balance for specific purposes.

**REQUIRED SUPPLEMENTARY
INFORMATION
OTHER THAN MD&A**

SOUTHWEST FLORIDA REGIONAL PLANNING COUNCIL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND -
SUMMARY STATEMENT
Year Ended September 30, 2015

	General Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal and state grants	\$ -	\$ -	\$ -	\$ -
Contracts, local grants and events	2,500	-	-	-
County and city assessments	472,941	472,941	472,879	(62)
DRI fees	-	-	-	-
DRI monitoring fees	-	-	-	-
Rental income	15,000	1,541	1,250	(291)
Interest and miscellaneous	5,000	-	4,347	4,347
Fund balance carryforward	708,484	748,895	-	(748,895)
TOTAL REVENUES	<u>1,203,925</u>	<u>1,223,377</u>	<u>478,476</u>	<u>(744,901)</u>
EXPENDITURES				
Current				
Personnel services	456,577	505,262	279,618	225,644
Operating expenditures	704,698	718,115	121,525	596,590
Capital outlay	42,650	-	-	-
Debt service	-	-	-	-
TOTAL EXPENDITURES	<u>1,203,925</u>	<u>1,223,377</u>	<u>401,143</u>	<u>822,234</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>77,333</u>	<u>77,333</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	(237,792)	(237,792)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>(237,792)</u>	<u>(237,792)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>(160,459)</u>	<u>\$ (160,459)</u>
FUND BALANCE, October 1, 2014			<u>748,896</u>	
FUND BALANCE, September 30, 2015			<u>\$ 588,437</u>	

The accompanying notes are an integral part of this statement.

SOUTHWEST FLORIDA REGIONAL PLANNING COUNCIL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND -
DETAILED STATEMENT
Year Ended September 30, 2015

	General Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal and state grants	\$ -	\$ -	\$ -	\$ -
Contracts, local grants and events	2,500	-	-	-
County and city assessments	472,941	472,941	472,879	(62)
DRI fees	-	-	-	-
DRI monitoring fees	-	-	-	-
Rental income	15,000	1,541	1,250	(291)
Interest and miscellaneous	5,000	-	4,347	4,347
Fund balance carryforward	708,484	748,895	-	(748,895)
TOTAL REVENUES	<u>1,203,925</u>	<u>1,223,377</u>	<u>478,476</u>	<u>(744,901)</u>
EXPENDITURES				
Current				
Personnel services				
Salaries	307,031	482,222	304,873	177,349
Fringe benefits:				
FICA	55,809	45,359	46,494	(1,135)
Retirement	58,766	56,166	63,714	(7,548)
Health insurance	128,579	100,884	98,290	2,594
Severance	-	-	-	-
Workers compensation/unemployment	2,329	4,413	3,197	1,216
Allocation of indirect expenditures	(95,937)	(183,782)	(236,950)	53,168
Total personnel services	<u>456,577</u>	<u>505,262</u>	<u>279,618</u>	<u>225,644</u>
Operating expenditures				
Professional fees:				
Legal fees	-	-	-	-
Consultant fees	14,500	40,000	46,395	(6,395)
Grant/Consulting expense	-	-	-	-
Audit fees	20,000	34,620	20,010	14,610
Telephone, rent, supplies, etc:				
Office supplies	5,000	3,175	4,052	(877)
Equipment rental	7,015	7,015	7,964	(949)
Storage unit rental	-	-	-	-
Repairs and maintenance	15,000	10,000	10,311	(311)
Telephone	5,100	5,100	5,749	(649)
Miscellaneous and insurance:				
Insurance	22,500	22,500	22,970	(470)
Other miscellaneous	7,200	5,550	5,162	388
Computer supplies and graphics	27,010	24,070	20,116	3,954
Professional development/meetings:				
Professional development/dues	36,836	14,105	7,049	7,056
Meetings/events	1,303	8,000	-	8,000

The accompanying notes are an integral part of this statement.

SOUTHWEST FLORIDA REGIONAL PLANNING COUNCIL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND -
DETAILED STATEMENT, CONTINUED
Year Ended September 30, 2015

	General Fund			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Operating expenditures (continued)				
Travel	6,300	2,500	9,131	(6,631)
Postage	2,750	4,212	3,004	1,208
Printing/reproduction	1,500	5,190	3,038	2,152
Utilities	23,200	20,700	20,889	(189)
Advertising/legal notices	750	2,000	5,871	(3,871)
Publications	250	461	-	461
Bad debt	-	-	-	-
MPO grant expenses	-	-	-	-
Amount to be reserved for ED/PR	-	-	-	-
Amount to be reserved for A/C	-	-	-	-
Reserves - operations	708,484	623,146	-	623,146
Allocation of indirect expenditures	(200,000)	(114,229)	(70,186)	(44,043)
Total operating expenditures	<u>704,698</u>	<u>718,115</u>	<u>121,525</u>	<u>596,590</u>
Capital outlay				
Capital purchases	42,650	-	-	-
Allocation of indirect expenditures	-	-	-	-
Total capital outlay	<u>42,650</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt service				
Principal retirement	75,716	75,716	75,467	249
Interest and fiscal charges	52,284	52,284	52,284	-
Allocation of indirect expenditures	(128,000)	(128,000)	(127,751)	(249)
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>1,203,925</u>	<u>1,223,377</u>	<u>401,143</u>	<u>822,234</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>77,333</u>	<u>77,333</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	(237,792)	(237,792)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>(237,792)</u>	<u>(237,792)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>(160,459)</u>	<u>\$ (160,459)</u>
FUND BALANCE, October 1, 2014			<u>748,896</u>	
FUND BALANCE, September 30, 2015			<u>\$ 588,437</u>	

The accompanying notes are an integral part of this statement.

SOUTHWEST FLORIDA REGIONAL PLANNING COUNCIL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE
FUND - SUMMARY STATEMENT
Year Ended September 30, 2015

	Special Revenue Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal and state grants	\$ 377,796	\$ 428,894	\$ 399,968	\$ (28,926)
Contracts, local grants and events	85,900	123,881	190,067	66,186
County and city assessments	-	-	-	-
DRI fees	60,000	70,000	84,023	14,023
DRI monitoring fees	-	4,510	4,500	(10)
Interest and miscellaneous	-	-	-	-
Fund balance carryforward	-	-	-	-
TOTAL REVENUES	<u>523,696</u>	<u>627,285</u>	<u>678,558</u>	<u>51,273</u>
EXPENDITURES				
Current				
Personnel services	95,937	294,494	541,920	(247,426)
Operating expenditures	299,759	204,791	246,679	(41,888)
Capital outlay	-	-	-	-
Debt service	<u>128,000</u>	<u>128,000</u>	<u>127,751</u>	<u>249</u>
TOTAL EXPENDITURES	<u>523,696</u>	<u>627,285</u>	<u>916,350</u>	<u>(289,065)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>(237,792)</u>	<u>(237,792)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	237,792	237,792
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>237,792</u>	<u>237,792</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCE, October 1, 2014			-	
FUND BALANCE, September 30, 2015			<u>\$ -</u>	

The accompanying notes are an integral part of this statement.

SOUTHWEST FLORIDA REGIONAL PLANNING COUNCIL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE
FUND - DETAILED STATEMENT
Year Ended September 30, 2015

	Special Revenue Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal and state grants	\$ 377,796	\$ 428,894	\$ 399,968	\$ (28,926)
Contracts, local grants and events	85,900	123,881	190,067	66,186
County and city assessments	-	-	-	-
DRI fees	60,000	70,000	84,023	14,023
DRI monitoring fees	-	4,510	4,500	(10)
Interest and miscellaneous	-	-	-	-
Fund balance carryforward	-	-	-	-
TOTAL REVENUES	523,696	627,285	678,558	51,273
EXPENDITURES				
Current				
Personnel services				
Salaries	-	110,712	304,970	(194,258)
Fringe benefits:				
FICA	-	-	-	-
Retirement	-	-	-	-
Health insurance	-	-	-	-
Workers compensation/unemployment	-	-	-	-
Allocation of indirect expenditures	95,937	183,782	236,950	(53,168)
Total personnel services	95,937	294,494	541,920	(247,426)
Operating expenditures				
Professional fees:				
Legal fees	-	-	-	-
Consultant fees	-	6,850	11,193	(4,343)
Grant/Consulting expense	52,953	54,396	63,533	(9,137)
Audit fees	20,000	-	16,810	(16,810)
Telephone, rent, supplies, etc:				
Office supplies	175	-	442	(442)
Equipment rental	-	-	-	-
Storage unit rental	-	-	-	-
Repairs and maintenance	-	-	-	-
Telephone	-	-	-	-
Miscellaneous and insurance:				
Insurance	-	-	-	-
Other miscellaneous	-	-	-	-
Computer supplies and graphics	60	150	7,210	(7,060)
Professional development/meetings:				
Professional development/dues	3,120	4,851	6,988	(2,137)
Meetings/events	2,150	616	26,771	(26,155)
Travel	18,870	22,170	18,142	4,028

The accompanying notes are an integral part of this statement.

SOUTHWEST FLORIDA REGIONAL PLANNING COUNCIL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE
FUND - DETAILED STATEMENT, CONTINUED
Year Ended September 30, 2015

	Special Revenue Fund			Variance
	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Operating expenditures (continued)				
Postage	37	75	169	(94)
Printing/reproduction	690	1,000	3,393	(2,393)
Utilities	-	-	-	-
Advertising	1,704	454	1,895	(1,441)
Publications	-	-	211	(211)
Bad debt	-	-	19,736	(19,736)
NEP grant expenses	-	-	-	-
MPO grant expenses	-	-	-	-
Reserves - operations	-	-	-	-
Allocation of indirect expenditures	<u>200,000</u>	<u>114,229</u>	<u>70,186</u>	<u>44,043</u>
Total operating expenditures	<u>299,759</u>	<u>204,791</u>	<u>246,679</u>	<u>(41,888)</u>
Capital outlay				
Capital purchases	-	-	-	-
Allocation of indirect expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Allocation of indirect expenditures	<u>128,000</u>	<u>128,000</u>	<u>127,751</u>	<u>249</u>
Total debt service	<u>128,000</u>	<u>128,000</u>	<u>127,751</u>	<u>249</u>
TOTAL EXPENDITURES	<u>523,696</u>	<u>627,285</u>	<u>916,350</u>	<u>(289,065)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>(237,792)</u>	<u>(237,792)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	237,792	237,792
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>237,792</u>	<u>237,792</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCE, October 1, 2014			<u>-</u>	
FUND BALANCE, September 30, 2015			<u>\$ -</u>	

The accompanying notes are an integral part of this statement.

SOUTHWEST FLORIDA REGIONAL PLANNING COUNCIL
SCHEDULE OF COUNCIL'S PROPORTIONATE SHARE OF THE NET
PENSION LIABILITY - FLORIDA RETIREMENT SYSTEM PENSION
PLAN (1)

	<u>2015</u>	<u>2014</u>
Council's proportion of the net pension liability	0.002458057%	0.003334835%
Council's proportionate share of the net pension liability	\$ 317,491	\$ 203,474
Council's covered-employee payroll	\$ 596,412	\$ 978,831
Council's proportionate share of the net pension liability as a percentage of its covered-employee payroll	53.23%	20.79%
Plan fiduciary net position as a percentage of the total pension liability	92.00%	96.09%

Notes: (1) The amounts presented for each fiscal year were determined as of September 30.

SCHEDULE OF COUNCIL CONTRIBUTIONS -
FLORIDA RETIREMENT SYSTEM PENSION PLAN (1)

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 49,187	\$ 84,553
Contributions in relation to the contractually required contribution	<u>49,187</u>	<u>84,553</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>
Council's covered-employee payroll	\$ 596,412	\$ 978,831
Contributions as a percentage of covered-employee payroll	8.25%	8.64%

Notes: (1) The amounts presented for each fiscal year were determined as of September 30.

GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, governments should present information for only those years for which information is available.

SOUTHWEST FLORIDA REGIONAL PLANNING COUNCIL
SCHEDULE OF COUNCIL'S PROPORTIONATE SHARE OF THE NET
PENSION LIABILITY - HEALTH INSURANCE SUBSIDY (HIS) PENSION
PLAN (1)

	<u>2015</u>	<u>2014</u>
Council's proportion of the net pension liability	0.002434150%	0.003320373%
Council's proportionate share of the net pension liability	\$ 248,245	\$ 310,463
Council's covered-employee payroll	\$ 596,412	\$ 978,831
Council's proportionate share of the net pension liability as a percentage of its covered-employee payroll	41.62%	31.72%
Plan fiduciary net position as a percentage of the total pension liability	0.50%	0.99%

Notes: (1) The amounts presented for each fiscal year were determined as of September 30.

SCHEDULE OF COUNCIL CONTRIBUTIONS -
HEALTH INSURANCE SUBSIDY (HIS) PENSION PLAN (1)

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 14,527	\$ 17,441
Contributions in relation to the contractually required contribution	<u>14,527</u>	<u>17,441</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>
Council's covered-employee payroll	\$ 596,412	\$ 978,831
Contributions as a percentage of covered-employee payroll	2.44%	1.78%

Notes: (1) The amounts presented for each fiscal year were determined as of September 30.

GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, governments should present information for only those years for which information is available.

Changes of Assumptions

Actuarial assumptions for both cost-sharing defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS Pension Plan has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed in 2014 for the period July 1, 2008, through June 30, 2013. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

The total pension liability for each cost-sharing defined benefit plan was determined using the individual entry age actuarial cost method. Inflation increases for both plans is assumed at 2.60%. Payroll growth, including inflation, for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 7.65%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.80% was used to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index). Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB tables.

Florida Retirement System Pension Plan

There were no changes in actuarial assumptions. As of June 30, 2015, the inflation rate assumption remained at 2.6 percent, the real payroll growth assumption was 0.65 percent, and the overall payroll growth rate assumption remained at 3.25 percent. The long-term expected rate of return remained at 7.65 percent.

Health Insurance Subsidy Pension Plan

The municipal rate used to determine total pension liability decreases from 4.29 percent to 3.80 percent.

Pension Expense and Deferred Outflows/Inflows of Resources

In accordance with GASB 68, paragraphs 54 and 71, changes in the net pension liability are recognized in pension expense in the current measurement period, except as indicated below. For each of the following, a portion is recognized in pension expense in the current reporting period, and the balance is amortized as deferred outflows or deferred inflows of resources using a systematic and rational method over a closed period, as defined below:

- Differences between expected and actual experience with regard to economic and demographic factors - amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees)
- Changes of assumptions or other inputs - amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees)
- Changes in proportion and differences between contributions and proportionate share of contributions - amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees)
- Differences between expected and actual earnings on pension plan investments - amortized over five years

Employer contributions to the pension plans from employers are not included in collective pension expense. However, employee contributions are used to reduce pension expense.

The average expected remaining service life of all employees provided with pensions through the pension plans at September 30, 2015, was 6.3 years for FRS and 7.2 years for HIS.

ADDITIONAL REPORTS



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American Institute of Certified Public Accountants

Private Companies Practice Section

Tax Division

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

Executive Committee and Council Members
 Southwest Florida Regional Planning Council
 1400 Colonial Blvd., Suite 1
 Fort Myers, Florida 33907

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 of America, the basic financial statements of the governmental activities and each major fund of Southwest Florida Regional Planning Council (the "Council") as of and for the year ended September 30, 2015, and the related notes to the financial statements which collectively comprise the Council's basic financial statements as listed in the table of contents and have issued our report thereon dated May 6, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Council's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our 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 basic financial statements will not be prevented or detected and

INTEGRITY SERVICE EXPERIENCE

corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Southwest Florida Regional Planning 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 that are required to be reported under Government Auditing Standards.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing 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 Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



TUSCAN & COMPANY, P.A.
Fort Myers, Florida
May 6, 2016



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

Executive Committee and Council Members
Southwest Florida Regional Planning Council
1400 Colonial Blvd., Suite 1
Fort Myers, Florida 33907

We have examined Southwest Florida Regional Planning Council's compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2015. Management is responsible for Southwest Florida Regional Planning Council's compliance with those requirements. Our responsibility is to express an opinion on Southwest Florida Regional Planning 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 Southwest Florida Regional Planning Council's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Southwest Florida Regional Planning Council's compliance with specified requirements.

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

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

TUSCAN & COMPANY, P.A.
Fort Myers, Florida
May 6, 2016

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INDEPENDENT AUDITOR'S REPORT TO MANAGEMENT

Executive Committee and Council Members
 Southwest Florida Regional Planning Council
 1400 Colonial Blvd., Suite 1
 Fort Myers, Florida 33907

We have audited the accompanying basic financial statements of Southwest Florida Regional Planning Council (the "Council") as of and for the year ended September 30, 2015 and have issued our report thereon dated May 6, 2016.

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 of America and Chapter 10.550, Rules of the Florida Auditor General. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards. Disclosures in that report, which is dated May 6, 2016, should be considered in conjunction with this report to management.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter included the following information, which is not included in the aforementioned auditor's report:

- 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 financially significant prior year comments.
- Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. No Such recommendations were noted to improve financial management.

INTEGRITY SERVICE EXPERIENCE

- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.
- 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 if the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The Council discloses this information in the notes to the financial statements.
- Section 10.554(1)(i)5.a., Rules of the Auditor General, requires a statement be included as to whether or not the local government entity 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 this item is not applicable to the Council.
- Section 10.554(1)(i)5.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the Council for the fiscal year ended September 30, 2015, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a) Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2015. In connection with our audit, we determined that these two reports were in agreement.
- Pursuant to Sections 10.554(1)(i)5.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the Council's financial condition. However, we determined this item is not applicable to the Council.
- Pursuant to Section 10.554(1)(i)5.d., Rules of the Auditor General, requires a statement indicating a failure, if any, of a component unit Special District to provide financial information necessary to a proper reporting of the component unit within the audited financial statements of this entity (F.S. Section 218.39(3)(b)). There are no known component special districts required to report within these financial statements.
- Section 10.556(10)(a), Rules of the Auditor General, requires that the scope of our audit to determine the entity's compliance with the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Council complied with Section 218.415, Florida Statutes as reported in our Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes dated May 6, 2016, included herein.

PRIOR YEAR COMMENTS:

No financially significant comments noted.

CURRENT YEAR COMMENTS:

No financially significant comments noted.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of the Executive Committee, Council members, management, the Auditor General of the State of Florida, federal and state awarding agencies, pass-through entities and other federal and state audit agencies. However, this report is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Tuscan & Company, P.A.".

TUSCAN & COMPANY, P.A.

Fort Myers, Florida

May 6, 2016

EXHIBIT

1400 Colonial Blvd., Suite 1
Fort Myers, FL 33907



P: 239.938.1813 | F: 239.938.1817
www.swfrpc.org

May 16, 2016

Jeff Tuscan
Tuscan and Company, P.A.
12621 World Plaza Lane
Building 55
Fort Myers, FL 33901

Dear Mr. Tuscan:

The records for the Southwest Florida Regional Planning Council (SWFRPC), Fiscal Year 2015 ending September 30, 2015 have been audited by your firm.

This correspondence is our response to your management letter as it relates to your comments and recommendations.

PRIOR YEAR COMMENTS


Response: No financially significant comments noted. Staff implemented prior year changes to project management functions and general operations have been successful.

CURRENT YEAR COMMENTS

No financially significant comments noted.

Response: Development of a new grant procedure and the utilization of accounting software have allowed the accounting staff and project managers to be more efficient and transparent.

Sincerely,


Margaret Wuerstle, AICP
Executive Director
Southwest Florida Regional Planning Council