



MEMORANDUM

AGENDA ITEM #III.F

DATE: MARCH 3, 2014
TO: COUNCIL MEMBERS
FROM: STAFF
SUBJECT: FY 2012-2013 AUDIT REPORT

Attached is the Audited Financial Statements Report for the year ended September 30, 2013. Representatives of Sharpton, Brunson & Company, P.A. will be available at the March 3, 2014 meeting for any questions you may have.

Recommendation

Approval of the Audit Report.

SOUTH FLORIDA REGIONAL PLANNING COUNCIL
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

TABLE OF CONTENTS

	PAGE(S)
Independent Auditors' Report	1-2
Management's Discussion and Analysis.....	3-8
 BASIC FINANCIAL STATEMENTS	
Balance Sheet/Statement of Net Position	9
Statement of Revenues, Expenditures and Changes in Fund Balances/Statement of Activities.....	10
Notes to Financial Statements	11-25
 REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule - General Fund.....	26
Budgetary Comparison Schedule - Planning Projects Fund.....	27
Budgetary Comparison Schedule - Revolving Loan Fund.....	28
Budgetary Comparison Schedule - ICC Fund.....	29
Notes to Budgetary Comparison Schedules	30
 COMPLIANCE SECTION	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.....	31-32
Independent Auditors' Report on Compliance for Each Major Federal Program and State Project; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards and State Financial Assistance Required by OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General	33-34
Schedule of Findings and Questioned Costs.....	35-38
Schedule of Expenditures of Federal Awards and State Financial Assistance	39-41
Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance.....	42-43
Management Letter in Accordance with Rules of the Auditor General of the State of Florida	44-45



SHARPTON, BRUNSON & COMPANY, P. A.

Certified Public Accountants & Business Consultants

One Southeast Third Avenue
Suite 2100
Miami, FL 33131
Tel: (305) 374-1574
Fax: (305) 372-8161

110 East Broward Boulevard
17th Floor, Suite 1705
Ft. Lauderdale, FL 33301
Tel: (954) 467-5490
Fax: (954) 467-6184
www.sbcpa.com

215 South Monroe Street
Suite 750
Tallahassee, FL 32301
Tel: (850) 727-8160
Fax: (850) 727-8183

INDEPENDENT AUDITORS' REPORT

To the Council Members of
South Florida Regional Planning Council

We have audited the accompanying financial statements of the governmental activities and each major fund of South Florida Regional Planning Council (the "Council"), as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Council as of September 30, 2013, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 8 and 26 through 30 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2014 on our consideration the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.

Sharpton Brunson & Company, P.A.

February 12, 2014

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2013**

This section of the Council's financial statement presents management's analysis of the Council's financial performance during the year ended September 30, 2013. It is presented to enhance the usefulness of the Council's basic financial statements. Please read this narrative in conjunction with the financial statements, which follow this section.

Financial Highlights

- The Council has decided to exclude the Small Business Emergency Bridge Loan fund because, as of September 30, 2013, the current receivable balance for Broward, Dade and Monroe are in default. The Council is not allowed to write off or create an allowance for doubtful accounts unless authorized by the State. Therefore, the Council has excluded the asset accounts of the Small Business Emergency Bridge Loan fund from the statement of net position, being displayed in a separate column.
- The assets of the Council as reported in the government-wide financial statements exceeded the liabilities as of September 30, 2013 by \$7,625,212 (net position). This amount represents a decrease of (\$582,747) or (7%) lower than the prior year due to two reasons. 1) A reduction in the in the Revolving Loan Funds Assets during the year for an allowance for bad debt and 2) the Council received no funding from the State of Florida through the Department of Economic Opportunity and the Council was not able to cover this non-funding from other sources. Of the total net position, \$368,977 (unrestricted) may be used to meet the ongoing obligations of the Council.
- A provision for loan losses for the Consolidated Revolving Loan Fund was recorded in the amount of \$307,716 during fiscal year 2013.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2013**

Overview of the Financial Statements

The Council's basic financial statements consist of: 1) *government-wide statements*, 2) *fund financial statements*, and 3) *notes to the financial statements*. Other supplementary information is also included in the report.

Required Basic Financial Statements

The Council utilizes a governmental fund for its financial reporting purposes. As the Council presents financial information using the governmental fund, the Council has elected to present its government-wide statements and fund statements in one set of statements with an adjusting column reconciling the two sets of statements.

The *government-wide financial* statements include the Statement of Net Position and the Statement of Activities, which provide information about the activities of the Council as a whole and present a longer-term view of the Council's finances.

These two statements report the net position of the Council and changes in them. You can think of the Council's net position - the difference between assets and liabilities - as one way to measure financial health or financial position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Council is improving or deteriorating. However, to assess the overall financial position of the Council, you will need to consider other non-financial factors, such as the condition of the Council's capital assets, the addition or termination of grants and other revenue sources, and the expansion or contraction of programs and services.

The Council reports this information using the accounting methods similar to those used by private sector companies. These statements offer short-term and long-term financial information about its activities. The statement of net position includes all of the Council's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to Council creditors (liabilities).

All of the current year's revenues and expenses are accounted for in the statement of activities. This statement presents information showing how the Council's net position changed during each fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (for example, uncollected contract and grant revenues, and earned, but unused vacation leave).

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2013**

Overview of the Financial Statements (cont'd)

Both the *statement of net position* and the *statement of activities* of the government-wide financial statements distinguish functions of the Council that are supported by membership assessments, planning projects (federal, state and local grants/contracts), and revolving loan portfolios. The Council's activities include administration function and long-range regional planning goals, and various revolving loan program service functions. The long-range regional planning goals function is comprised of a wide array of services including strategic plan development and comprehensive plan review, development of regional impact review and providing technical assistance and expertise in a number of fields including transportation, economic development, geographic information services, affordable housing, emergency preparedness, land use, and natural resources planning. All activities of the Council are considered to be governmental activities.

Fund Financial Statements

Fund financial statements tell how the Council's services were financed in the short term as well as what remains for future spending. The Council utilizes three funds to account for its activities: the general fund, special revenue planning project funds, and revolving loan funds. The general fund is used to account for all financial resources except those required to be accounted for in another fund. Special Revenue Fund is used to account for revenues derived from specific sources, which are usually required by law or regulation to be accounted for in separate funds. As of September 30, 2013, the Planning Projects Fund and the Revolving Loan Funds including; the Consolidated Fund, EPA Brownfield revolving loan fund, the Fort Lauderdale Smart Watts Loan program and the Small Business Emergency Bridge Loan (OTTED) are included in this fund type. The ICC Fund reports the financial activity for the Institute for Community Collaboration, Inc. ("ICC"), a component unit of the Council, and is reported as a fund for financial statement purposes. The fund statements provide a detailed short-term view of the Council's operations and the basic services it provides.

Governmental fund information helps you determine whether there are more or less financial resources that can be spent in the near future to finance the Council's operations. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and Statement of Activities) and governmental funds in a reconciliation as discussed above.

The notes to the financial statements provide additional information that is essential for a full understanding of the information provided in the government-wide and fund financial statements.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2013**

Financial Analysis

Government-Wide Analysis

The Government-wide statements report the Council's net position and how they have changed. Table A-1 presents net position to help identify differences between the Council's assets and liabilities, a way to measure the Council's financial health, or position. Our analysis of the Financial Statements of the Council begins below.

A summary of the Council's statements of net position is presented in Table A-1.

Table A-1

**Condensed Statement of Net Position Excluding
Small Business Emergency Bridge Loan (in thousands of dollars)**

	<u>2013</u>	<u>2012</u>
Current assets, net of loans receivable	\$ 2,726	\$ 2,688
Loans receivable, net	5,304	5,610
Capital assets, net of depreciation	212	212
Non-current assets	<u>48</u>	<u>9</u>
Total assets	<u>\$ 8,290</u>	<u>\$ 8,519</u>
Current liabilities	\$ 596	\$ 245
Non-current liabilities	<u>69</u>	<u>76</u>
Total liabilities	<u>665</u>	<u>321</u>
Net position:		
Net investment in capital assets	212	212
Restricted	7,044	7316
Unrestricted	<u>369</u>	<u>670</u>
Total net position	<u>\$ 7,625</u>	<u>\$ 8,198</u>

As noted earlier, net position may serve over time as a useful indicator of the Council's financial position. As of September 30, 2013 and 2012, the Council's total assets exceeded its total liabilities by \$7.6 and \$8.2 million, respectively, a decrease of \$.6 million from 2012.

Restricted net position decreased by \$.3 million or 4% to \$7.0 million as of September 30, 2013. The outstanding balance of loans receivable, net of allowance for doubtful accounts, amounted to \$5.3 and \$5.6 million for the years 2013 and 2012, respectively.

The Council's net investment in capital assets was \$.212 million as of September 30, 2013 and 2012, respectively.

Unrestricted net position at September 30, 2013 and 2012 were approximately \$.369 million and \$.670 million respectively. The Council used approximately \$.542 million and \$.905 million in 2013 and 2012, respectively, as "matching funds" from its unrestricted net position to cover expenditures incurred in development and review of programs it administered.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2013**

Financial Analysis (cont'd)

Government-Wide Analysis (cont'd)

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

Table A-2

Condensed Statement of Activities (in thousands of dollars)

	<u>2013</u>	<u>2012</u>
REVENUES:		
Membership assessments	\$ 757	\$ 758
Federal, State and local grants	3,269	2,742
D.R.I. fees	11	28
Interest	269	221
Other income	58	154
Total Revenues	<u>4,364</u>	<u>3,903</u>
EXPENSES:		
Current:		
Comprehensive planning:		
Personnel services	1,570	1,595
Operating expenses	3,367	2,635
Depreciation and amortization	4	5
Total Expenses	<u>4,941</u>	<u>4,235</u>
Other financing sources (uses):		
Revolving loan fund , net	(10)	(379)
Purchase of capital assets	4	-
Net other financing sources	<u>(6)</u>	<u>(379)</u>
Change in net position	(583)	(711)
Net position, beginning of year	<u>9,138</u>	<u>9,849</u>
Net position, end of year	8,555	9,138
Less: Small Business Loan Fund Balance	<u>(930)</u>	<u>(940)</u>
Net position, end of year restated with the exclusion	<u>\$ 7,625</u>	<u>\$ 8,198</u>

In 2013, the Council's total revenues of \$4.4 million were an improvement comparing with 2012 of \$3.9 million. The increase in revenue was due to an increase year over year in the US HUD Sustainable Communities Grant (Seven50 project).

Total expenditures for the year ended September 30, 2013 were \$5.0 million versus \$4.2 million, an increase of \$.8 million. This increase is attributable to an increase in pass through consultant payments for the Seven50 project discussed above. During 2013, total third party pass-through consulting fees were \$2.3 million versus \$1.5 million in 2012.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2013**

Capital Assets and Debt Administration

For the years ended September 30, 2013 and 2012, the Council had approximately \$212,000 in fixed assets, respectively, net of accumulated depreciation. There was an addition to capital assets for the year ended September 30, 2013 of \$4,182 compared to \$0 in 2012.

The Council does not have any long-term debt related to its capital assets and does not utilize debt as a matter of policy.

Individual Fund Analysis

Since the Council only has governmental funds/activities, the explanations provided above for the Statement of Activities regarding changes in net position also substantially explain the change in fund balance as a result of the Statement of Revenues, Expenditures and Changes in Fund Balance which are applicable only to the Statement of Activities' presentation.

General Fund Budgetary Highlights

Over the course of the fiscal year, the original budget and two budget amendments were approved at the Council meetings in September 2012, July 2013, and in September 2013. The amendments effectively approve any expenditure that had already been incurred that exceeded its original budgeted amount.

Economic Factors and Next Year's Budget

The Council's grants and contracts are contingent upon its renewal and its ability to obtain new grants and, therefore, its revenues may vary from year to year. In setting its budget for fiscal year 2014, various factors, such as delivering at least the same level of expertise in fiscal year 2013 and adding new programs and grants were considered.

Requests for Information

This financial report is designed to provide a general overview of the Council's finances for all those with interest in its financial position. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Executive Director, 3440 Hollywood Boulevard, Suite 140, Hollywood, Florida 33021.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
BALANCE SHEET/ STATEMENT OF NET POSITION
SEPTEMBER 30, 2013**

	Major Funds					Total Governmental Funds	OTTED Loan Exclusion	Adjustments	Statement of Net Position
	General Fund	Planning Projects Fund	Revolving Loan Fund	ICC Fund	Governmental Funds				
ASSETS									
Cash and cash equivalents	\$ 137,416	\$ -	\$ -	\$ 61,902	\$ 199,318	\$ -	\$ -	\$ -	\$ 199,318
Investments	8,513	-	-	-	8,513	-	-	-	8,513
Receivables:									
Contract and grant receivables	1,845	762,091	-	1,500	765,436	-	-	-	765,436
Deposits and other assets	47,593	-	-	-	47,593	-	-	-	47,593
Due from other funds	310,947	-	-	-	310,947	-	(310,947)	-	-
Restricted assets:									
Cash and cash equivalents	-	-	1,844,838	-	1,844,838	92,212	-	-	1,752,626
Loans receivable, net	-	-	6,323,561	-	6,323,561	1,019,592	-	-	5,303,969
Property and equipment, net	-	-	-	-	-	-	-	212,521	212,521
Total Assets	\$ 506,314	\$ 762,091	\$ 8,168,399	\$ 63,402	\$ 9,500,206	\$ 1,111,804	\$ (98,426)	\$ 8,289,975	
LIABILITIES AND NET POSITION									
Liabilities:									
Accounts payable and other accrued expenses	\$ 111,404	\$ 482,924	\$ 181,955	\$ 1,500	\$ 777,783	\$ 181,954	\$ -	\$ -	\$ 595,829
Compensated absences	68,935	-	-	-	68,935	-	-	-	68,935
Due to general fund	-	279,167	12,880	18,900	310,947	-	(310,947)	-	-
Total liabilities	180,339	762,091	194,835	20,400	1,157,665	181,954	(310,947)	664,764	
Fund Balances:									
Restricted for revolving loan program	-	-	7,973,564	-	7,973,564	929,850	(7,043,714)	-	-
Unassigned	325,975	-	-	43,002	368,977	-	(368,977)	-	-
Total fund balances	325,975	-	7,973,564	43,002	8,342,541	929,850	(7,412,691)	-	
Total Liabilities and Fund Balances	\$ 506,314	\$ 762,091	\$ 8,168,399	\$ 63,402	\$ 9,500,206	\$ 1,111,804	212,521	7,043,714	
Net Position:									
Net investment in capital assets								212,521	212,521
Restricted for loan program excluding OTTED Loan Fund								7,973,564	7,043,714
Unrestricted								368,977	368,977
Total Net Position								\$ 8,555,062	\$ 7,625,212

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

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Major Funds				Total Governmental Funds	Adjustments	Statement of Activities
	General Fund	Planning Projects Fund	Revolving Loan Fund	ICC Fund			
REVENUES							
Membership assessments	\$ 755,578	\$ -	\$ -	\$ 1,050	\$ 756,628	\$ -	\$ 756,628
Federal, state and local grants	-	3,269,427	-	-	3,269,427	-	3,269,427
D.R.I. fees	11,000	-	-	-	11,000	-	11,000
Interest	584	-	268,212	-	268,796	-	268,796
Other income	28,170	4,715	18,259	6,850	57,994	-	57,994
Total Revenues	795,332	3,274,142	286,471	7,900	4,363,845	-	4,363,845
EXPENDITURES							
Current:							
Comprehensive planning:							
Personnel services	328,228	1,003,684	237,707	-	1,569,619	-	1,569,619
Operating expenses	145,783	472,156	120,604	7,917	746,460	-	746,460
Outside consultant expense	10,000	2,297,511	5,650	-	2,313,161	-	2,313,161
Bad debt expense	-	-	307,716	-	307,716	-	307,716
Depreciation and amortization	-	-	-	-	-	3,857	3,857
Total Expenditures	484,011	3,773,351	671,677	7,917	4,936,956	3,857	4,940,813
Excess (deficiency) of revenues over expenditures	311,321	(499,209)	(385,206)	(17)	(573,111)	(3,857)	(576,968)
Other financing sources (uses):							
Purchase of capital assets	-	-	-	-	-	4,182	4,182
Transfer to liability account OTTED Loan Fund	-	-	(9,961)	-	(9,961)	-	(9,961)
Transfer in	-	499,209	113,161	-	612,370	-	-
Transfer out	(541,970)	-	-	(70,400)	(612,370)	-	-
Total other financing sources (uses)	(541,970)	499,209	103,200	(70,400)	(9,961)	4,182	(5,779)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses/change in net position	(230,649)	-	(282,006)	(70,417)	(583,072)	325	(582,747)
Fund balance/net position at beginning of year	556,624	-	8,255,570	113,419	8,925,613	212,196	9,137,809
Fund balance/net position at end of year	\$ 325,975	\$ -	\$ 7,973,564	\$ 43,002	\$ 8,342,541	\$ 212,521	\$ 8,555,062
Less: OTTED Loan Fund balance restricted							929,850
							<u>\$ 7,625,212</u>

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

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

Note 1 - Nature of Operations

Reporting entity

South Florida Regional Planning Council (the "Council") is a regional governmental planning and coordinating agency formed in September 1969, in accordance with Chapter 186 of the Florida Statutes to provide policy analysis and comprehensive planning services in such areas as housing, emergency management, economic development, water management, transportation and other matters having direct regional impact. The membership of the Council presently consists of Broward, Miami-Dade and Monroe counties.

The Council maintains separate management control and accountability. The governing board of the Council is composed of elected officials from the member counties, elected officials from city governments in the geographic area covered by the Council, and gubernatorial appointees from the geographic area covered by the Council.

The financial reporting entity for which the accompanying financial statements are prepared includes the Council (primary government) and its component unit, which is an entity for which the Council is financially accountable. The Council is financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's body and either is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific burdens, on the Council. The Council may also be financially accountable for organizations that are fiscally dependent on it.

Component Unit

The Institute for Community Collaboration, Inc. (the "Institute") was formed as a nonprofit Section 501(c)(3) corporation. The Institute is dedicated to providing educational and implementation opportunities to the economic development field and stakeholder groups concerning access to capital, environmental justice, conflict resolution, visioning as well as community development and redevelopment practices affecting land use, transportation, emergency management, safe and sanitary housing, health and the built environment, and natural resource protection and management.

The Institute is a component unit of the Council since the Institute's Board of Directors consists of the current members of the Council, thereby providing Council to impose its will upon the Institute. It qualifies as a blended component unit; therefore, data from the Institute is combined with data of the Council. The Institute does not issue stand-alone financial statements.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

Note 2 - Summary of Significant Accounting Policies

Government-wide and fund financial statements

These financial statements have been prepared in conformity with reporting guidelines established by GASB and in conformity with accounting principles generally accepted in the United States of America. As a result of adopting GASB Statement No. 34 and GASB 63, the following types of financial statements are reported by the Council:

Government-wide Statements – The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position (statement of activities)) report information on all of the activities of the Council. Governments typically report activities as either governmental activities, which normally are supported by taxes and intergovernmental revenues, or business-type activities, which rely to a significant extent on fees and charges for support. The Council reports only governmental activities as it has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues. Since the Council's primary function (mission) is policy analysis and comprehensive planning, all revenues and expenses are considered to be for this purpose and the accompanying financial statements do not segregate beyond this function.

The Council has only governmental activities and one function. As such, the government-wide financial statements are presented together with the governmental fund financial statements, with an adjustment column presented to reconcile the two sets of statements.

Fund Financial Statements – Separate financial statements are provided for the Council's Governmental Funds, as described below:

Governmental Fund Type – used to account for all operations of the Council. The measurement focus of this fund type is based upon determination of changes in financial position or the financial flow measurement focus, rather than upon net income determination. Only current assets and current liabilities are generally included on its balance sheet. The operating statement presents sources (revenues and other financial sources) and uses (expenditures and other financial uses) of available spendable resources during the period. The following comprise the Council's major governmental funds:

- a) ***General Fund*** – used to account for all financial resources except those required to be accounted for in another fund.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

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

Government-wide and fund financial statements (cont'd)

- b) ***Planning Projects Fund*** – used to account for resources derived from specific sources, which are usually required by law or regulation to be accounted for in separate funds.

- c) ***The Revolving Loan Fund*** – used to account for resources derived from the various Revolving Loan portfolios (“RLF”) are included in this fund type. The RLF fund is used to account for revolving loan funds from the Department of Commerce through the Economic Development Administration (“EDA”), the Environmental Protection Agency (“EPA”) the Florida Office of Tourism, Trade, and Economic Development (“OTTED”), and the City of Fort Lauderdale. The EDA RLF is used to provide loans to small and medium size businesses located within Miami-Dade, Broward and Monroe Counties which cannot obtain conventional financing. The EPA RLF is used to fund loans on qualified, suitable market-ready Brownfield sites to appropriate developers and buyers (for-profit and non-profit developers or local governments). The loan fund will assist in the remediation activities required for site cleanup that will allow redevelopment projects to go forward. The primary target areas for loans are the eastern portion of Miami-Dade, Broward and the Palm Beach Counties. The RLF OTTED is the Small Business Emergency Bridge Loan. The Small Business Emergency Bridge Loan was used to provide temporary working capital to established small businesses in Monroe, Miami-Dade, and Broward Counties that experienced adverse impacts as a result of Hurricane Wilma and were experiencing difficulty surviving or continuing business operation. The City of Fort Lauderdale RLF is for a loan program which was available for businesses in Fort Lauderdale that use the proceeds to reduce electricity usage.

- d) ***ICC Fund*** – used to account for the financial activity of the Institute for Community Collaboration, Inc. (“ICC”), a component unit of the Council. ICC is a not-for-profit corporation created by the Council. The Institute is dedicated to providing educational and implementation opportunities to the economic development field and stakeholder groups concerning access to capital, environmental justice, conflict resolution, visioning as well as community development and redevelopment practices affecting land use, transportation, emergency management, safe and sanitary housing, health and the built environment, and natural resource protection and management.

SOUTH FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

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

Measurement focus, basis of accounting and financial statement presentation

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

Governmental Fund Financial Statements – The Council uses the accrual basis of accounting under which revenues and expenses of the Council are recorded in the accounting period in which they are earned or incurred.

Expenditures are recorded when obligations are incurred, except for expenditures related to claims and judgments, which are recorded only when payment is due.

Government-wide Financial Statements – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Intergovernmental and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

GASB Statement No. 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in government funds. Currently, the Council utilizes three of the four designations for fund balance under this statement: net investment in capital assets, restricted, and unassigned. These designations are defined as follows:

Net investment in capital assets fund balance category includes the purchase cost net of accumulated depreciation and or amortization of capital assets or leasehold improvements.

Restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external source providers, or through enabling legislation. The project planning funds and revolving loan funds are considered restricted as defined by the statement.

Unassigned fund balance is classification for the government's general fund and includes all spendable amounts not contained in the other classifications. For fiscal year ended September 30, 2013, the unassigned fund balance in the Council's general fund will be used for the day to day operations of the Council.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

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

Implementation of Governmental Accounting Standards Board Statements

The Council adopted the following Governmental Accounting Standards Board (GASB) Statements during the fiscal year ended September 30, 2013.

In December 2010, the GASB issued *Statement No. 62 "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements."* This statement classifies all sources of generally accepted accounting principles for state and local governments so that the authoritative accounting and financial reporting literature will be together in a single source, with that guidance modified as necessary to appropriately recognize the governmental environment and the needs of the governmental financial statement users. The Council elected to include all pre-November 30, 1989, FASB pronouncements which are now codified in GASB Statement No. 62.

In June 2011, the GASB issued *Statement No. 63 "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position."* This Statement provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position. Amounts that are required to be reported as deferred outflows should be reported in a statement of financial position in a separate section following assets. Similarly, amounts required to be reported as deferred inflows of resources should be reported in a separate section following liabilities. The statement of net position should report the residual amount as net position, rather than net assets. The adoption of this statement resulted in a change in the presentation on the Statement of Net Assets to what is now referred to as the Statement of Net Position. Additionally, the term "net assets" is changed to "net position" throughout the financial statements.

Cost allocation

Expenses incurred in relation to specific grants or contracts are charged directly to grants or contracts. All other expenses are allocated to active grants or contracts on the basis of direct salary charges to total direct salaries, plus allocated fringe benefits. This policy is consistent with the principles of Office of Management and Budget ("OMB") Circular A-87 and Circular A-122.

Budget policy

Prior to October 1 of each year, the budget is legally adopted by the Council's Board. The budget is prepared based on the accrual basis of accounting which is the same basis of accounting used to reflect actual revenues and expenditures recognized in accordance with accounting principles generally accepted in the United States of America. All budget amounts presented in the Budgetary Comparison Schedules have been adjusted for budget revisions approved by the Council's Board as of September 2013.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

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

Risk management

It is the policy of the Council to purchase insurance for the risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Council obtained workers' compensation, property, general liability and automobile insurance coverage through the Florida Municipal Insurance Trust Fund of the Florida League of Cities, Inc. The Council obtained, from third party insurers, employee group life and disability insurance.

Encumbrances

The Council does not utilize encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

Accounting estimates

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

Cash and cash equivalents

Cash and cash equivalents include amounts in demand deposit accounts and highly liquid investments (including restricted assets) with maturity of three months or less when purchased.

Investments

Investments are stated at fair value.

Contract and grant receivables

Contract and grant receivables are stated at gross value. In management's opinion, all receivables are collectible as of year-end.

Loans receivable/allowance for loan losses

Loans are stated at the amount of unpaid principal, reduced by an allowance for loan losses. The allowance for loan losses is established through a provision for loan losses charged as an expense.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

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

Restricted assets

The use of certain assets is restricted to finance business development activities with local economic development strategies and for revolving loan fund activities. Assets so designated are identified as restricted assets on the balance sheet.

Capital assets

Capital assets, which include office furniture and equipment and leasehold improvements, are recorded as capital outlay expenditures in the General Fund at the time goods are received and a liability is incurred. These assets are then capitalized at cost in the statement of net position. Fixed assets are depreciated using the straight-line method over two to ten years for furniture and equipment, and the remaining lease period for leasehold improvements. The depreciation expense is recorded in the statement of activities.

Compensated absences

The Council's policy is to permit regular employees to accumulate earned and unused vacation pay benefits up to 160 hours of vacation time. The liability for accumulated vacation hours is reflected in the statement of net position.

Due to and from other funds

Interfund receivables and payables arise from interfund transactions and are recorded by funds affected in the period in which transactions are executed.

Income taxes

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

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

Note 3 - Cash and Investments

At September 30, 2013, the Council's cash and investments consisted of the following:

Cash and cash equivalents—Unrestricted Demand deposits and petty cash	\$ 199,318
Pooled investment fund – Florida State Board of Administration	8,513
Restricted cash and cash equivalents:	
Small Business Emergency Bridge Loan Fund	92,212
EPA Brownfield Revolving Loan Fund	1,071,303
EDA Consolidated Loan Fund	673,772
Ft. Lauderdale Smart Watts Loan Fund	<u>7,551</u>
Total restricted cash and cash equivalents	<u>\$ 1,844,838</u>

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

Deposits

The Council's deposits are held in financial institutions with Federal depository insurance that are approved by the State Treasurer to hold public funds.

Investments

The Council does not have an investment policy with specific provisions to limit exposure to credit risk, custodial credit risk, concentration of credit risk, interest rate risk, or foreign currency risk. Excess funds are invested with the Local Government Surplus Funds Investment Pool Trust Fund ("Florida Prime"), which is administered by the Florida State Board of Administration (SBA) and governed by Chapters 215 and 218 of the Florida Statutes, and Chapter 19-7 of the Florida Administrative Code (collectively, "applicable Florida Law").

At September 30, 2013, South Florida Regional Planning Council had a balance of \$8,513 invested in the State Board of Administration's Florida Prime Fund (\$376) and SBA Fund B (\$8,137).

The Office of the Auditor General performs an operational audit of the activities and investments of the SBA. Investments in the pooled fund are held in the name of the SBA and are not registered with the Securities and Exchange Commission.

Florida PRIME is not a registrant with the Securities and Exchange Commission (SEC); however, SBA has adopted operating procedures consistent with those required of an SEC Rule 2a-7-like fund. A 2a-7-like external investment pool is one that is not registered with the SEC as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with SEC Rule 2a-7, which governs the operation of SEC regulated money market funds.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

Note 3 - Cash and Investments (cont'd)

SBA's General Description of SBA Fund B

The SBA's interpretation in regards to Fund B is that it does not meet the requirements of a SEC 2a-7like fund; therefore SBA is providing a Fair Value Factor (i.e. total net asset value of fund B divided by total participant balances of fund B) for September 30, 2013. The Fair value factor for fund B for the year ended September 30, 2013 was 0.94896811. The Fair Value factor is calculated as follows:

Factor Calculation at September 30, 2013:

Investment, at fair value	\$ 136,185,520
Interest receivable	4,544
Less: accrued Federated fees & bank fees	(175)
Less: accrues SBA service charges	<u>(1,119)</u>
Net asset value including accruals	<u>136,188,770</u>
Participant balances	<u>120,241,942</u>
Factor (<i>net asset value divided by participant balances</i>)	<u>1.13262284</u>

Using the September 30, 2013 factor of 1.13262284 and multiplying it by the Council Fund B pool balance as of September 30, 2013, the Fair Value of the Council investment as of September 30, 2013 is approximately \$9,215, which is \$1,078 more than the book value for SBA Fund B.

Fund B is not rated by any nationally recognized statistical agency. The weighted average life for Fund B at September 30, 2013 is estimated to be 4.04 years. However, because fund B consists of restructure or defaulted securities, there is considerable uncertainty regarding the weighted average life.

Restricted cash

The EDA Consolidated Loan and EPA Brownfield Loan restricted cash represents funds available to be loaned to finance business development activities consistent with local economic development strategies. Clean Cities and Small Business Emergency Bridge Loan restricted cash represents funds withheld for the State, to be refunded at program completion, and limited administrative costs for the Council's facilitation of those programs.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

Note 4 - Loans Receivable/Allowance for Loan Losses

In August 2000, the U.S. Department of Commerce, through the EDA, transferred the administration of Special Economic Development and Assistance Programs, Long-term Economic Deterioration (RLF I) to the Council from a local nonprofit organization. The outstanding balance of loans receivable and funds available to the program was \$2,745,569 and \$1,723,623, respectively, were likewise transferred to the Council.

On February 23, 2004, the U.S. Department of Commerce, through the EDA, signed an Offer to Amend Grant Agreement to transfer the administration of Special EDA Assistance Program Long-term Economic Deterioration (RLF II) and (RLF Rescue) to the Council from a nonprofit corporation. The outstanding balance of loans receivable and funds available to the program were \$1,571,858 and \$2,001,905, respectively, were transferred to the Council on May 1, 2004.

In October 2008, the U.S. Department of Commerce, through the EDA, transferred the administration of Special Economic Development and Assistance Programs, Long-term Economic Deterioration (RLF III) to the Council from the City of Homestead. The outstanding balance of loans receivable and funds available to the program was \$179,523 and \$877,359, respectively, and were likewise transferred to the Council.

On September 22, 2010 an offer to consolidate the existing RLF awards was reached between the Council and the U.S department of Commerce, Economic Development Administration (EDA). The Consolidated financial award restated was \$10, 997,147 in federal award, \$1,290,088 contributed by the original recipients for an estimated total of \$12,287,235. In October 2010, the council consolidated RLF I, RLF II, RLF III and RLF Rescue into one fund (RLF Consolidated). As of September 30, 2013 EDA RLF Consolidated fund had an outstanding loan balance principal of \$5,201,672 net of allowance for doubtful accounts. During fiscal 2013, \$140,000 of new loans were originated and funded with an additional \$165,000 of new loan commitments, including \$100,000 held in escrow with the Council's attorney pending loan closing. The administrative costs (excluding bad debt expense) related to the management of all RLF loan programs was \$363,961 for the year ended September 30, 2013.

During fiscal year 2013 a provision for loan losses was recorded in the amount of \$299,773. On September 30, 2013, one loan accounts with an outstanding balance of \$299,773 was not paying as agreed and was in default. As of September 30, 2013, the amount allocated for doubtful accounts equals \$299,773.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

Note 4 - Loans Receivable/Allowance for Loan Losses (cont'd)

On November 8, 2005, the Council entered into an agreement with the State of Florida Office of Tourism, Trade and Economic Development to administer a loan program for small businesses affected by Hurricane Wilma. Eleven million (\$11,000,000) dollars were released to the Council for small business loans not to exceed twenty-five thousand (\$25,000) per business. The funds were allocated as follows: five million dollars (\$5,000,000) for Broward, five million dollars (\$5,000,000) for Miami-Dade County and one million dollars (\$1,000,000) for Monroe. Eight million, four hundred seventy-two thousand, two hundred and four dollars (\$8,472,204) were disbursed to small businesses affected by hurricane Wilma from the three counties and the unused portion of the funds went back to the State including interest earned less administrative cost. As of September 30, 2013 the receivable balances were as follows: Broward County Businesses \$530,730, Miami-Dade County Businesses \$428,362 and Monroe County Businesses \$60,500. As of September 30, 2013, all the receivable balances are in default. Therefore, the Council excluded the entire fund balance of \$929,850 from the statement of net position as of September 30, 2013.

On January 24, 2011 the City of Fort Lauderdale transferred \$320,000 from the recovery act project for the creation of the Smart Watts program to provide information, resources and financial incentives to help qualifying homeowners and small business reduce energy consumption and save money. The fund is a revolving loan fund of low-interest loans that range from \$2,500 to \$10,000 for qualified homeowners looking to make more comprehensive energy retrofits. From the date of the transfer through September 30, 2013, the Council issued three loans for a total of \$7,962. In January 2012, \$304,152 was refunded to the City of Fort Lauderdale by the council and the program has ended. The Council still services the three outstanding loans which had an outstanding balance of \$2,297 as of September 30, 2013.

Note 5 - Capital Assets

The following is the summary of changes in capital assets for the year ended September 30, 2013:

Description	Balance October 1, 2012	Additions	Retirement	Balance September 30, 2013
Office furniture and equipment	\$ 256,965	\$ 4,182	\$ -	\$ 261,147
Leasehold improvements	<u>80,842</u>	<u>-</u>	<u>-</u>	<u>80,842</u>
Sub-total	337,807	4,182	-	341,989
Less accumulated depreciation and amortization	<u>(125,611)</u>	<u>(3,857)</u>	<u>-</u>	<u>(129,468)</u>
Net	<u>\$ 212,196</u>	<u>\$ 325</u>	<u>\$ -</u>	<u>\$ 212,521</u>

Depreciation expense was \$3,857 in fiscal year ended September 30, 2013.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

Note 6 - Interfund

Interfund transfers made during fiscal year 2013 are as follows:

<u>Transfers Out</u>	<u>Transfers In</u>		
	<u>Planning Projects Fund</u>	<u>Revolving Loan Fund</u>	<u>Total</u>
General fund	\$ 428,809	\$ 113,161	\$ 541,970
ICC fund	70,400	-	70,400
Total transfers out	<u>\$ 499,209</u>	<u>\$ 113,161</u>	<u>\$ 612,370</u>

Note 7 - Employee Benefit Plans

The Council has a qualified defined contribution single employer pension plan (the "Plan") covering substantially all full-time employees which were employed by the Council prior to May 1986. The Plan provides for annual contributions by the Council of at least 10% of the total gross wage compensation with no exclusions for each qualified employee. The Plan expense for the year ended September 30, 2013 was \$20,082. At September 30, 2013, the Council's total payroll for eligible employees covered by the Plan was approximately \$200,824.

The Council also participates in the Florida Retirement System (the "System"), a cost-sharing, multiple-employer public employee retirement system ("PERS"). The System was created in 1970 by consolidating several employee retirement systems. Benefits under the plan vest after six years of service. Employees who retire at or after age 62 with six years of credited service are entitled to an annual retirement benefit, payable monthly for life. The System also provides for death and disability benefits. These benefit provisions and all other requirements are established by State Statutes. All eligible employees, as defined by the State, who were hired after May 1, 1986, are covered by the System.

Participating employers are required by Statute to pay monthly contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are adequate to accumulate sufficient assets to pay benefits when due. Under the System, the Council was required to contribute 7.83%, as of July 1, 2005, of the gross salaries with certain exclusion of payments of employees to the plan. The System was a noncontributory prior to July 1, 2011 and is administered by the State of Florida. At the completion of the Florida Legislature 2011 session the Senate passed Senate Bill 2100, making substantive changes to the Florida Retirement System (FRS). The bill, which has been signed into law by Governor Rick Scott, was effective on July 1, 2011. The bill requires all FRS Investment Plan and Pension Plan members (except those in DROP) to make 3% employee contributions on a pretax basis. This change will require both the employee and the employer to pay the retirement contributions needed to fund your retirement benefits. On July 1, 2012, the contribution rates changed to 5.18%, 6.30% and 5.44% for non-executive, executive and DROP employees respectively. On July 1, 2013, the contribution rates changed to 6.95%, 18.31% and 12.84% for non-executive, executive and DROP employees respectively.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

Note 7 - Employee Benefit Plans (cont'd)

The bill also changes the Deferred Retirement Option Program (DROP) annual interest rate from 6.5% to 1.3% per year for members in the DROP program effective on or after July 1, 2011. DROP participants whose DROP effective date is prior to July 1, 2011 will retain the 6.5% interest rate for their entire DROP period. The bill also changes the Pension Plan's vesting requirement (member's right to a benefit) from 6 years to 8 years. If the member uses their available 2nd Election and transfers from the Pension Plan to the Investment Plan, the present value of their Pension Plan benefit will vest after they completed 8 years of service. Current members with previous FRS credit (regardless of whether they were actively employed when the law changed) will retain 6-year vesting. The Investment Plan's 1-year vesting requirement has not changed.

The Council's pension costs for the year ended September 30, 2013, as required and defined by the System, were approximately \$71,169. The employee required contribution was \$29,396 for fiscal year ended of September 30, 2013. The Council's contribution represented approximately 6.62% of payroll for the year ended September 30, 2013.

The payroll for Council employees covered by the System for the year ended September 30, 2013 was approximately \$1,075,267.

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due and make comparisons among PERS and employers. The System does not make separate measurements of assets and pension benefit obligations for individual employers.

Contributions of all participating agencies throughout the State of Florida are pooled to fund accrued benefits under the System. The pension benefit obligation at June 30, 2011 for the System as a whole, estimated through an update of an actuarial valuation performed as of July 1, 2013, was approximately \$153.3 billion. The System's net position available for plan benefits on that date, \$131.7 billion, resulted in an underfunded pension obligation of \$21.6 billion.

The future investment earnings of the assets of the FRS are assumed to accrue at an annual rate of 7.75%, compounded annually, net of investment and administrative expenses.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

Note 7 - Employee Benefit Plans (cont'd)

Senate Bill 2100 (2011) eliminated post-retirement benefit increases on benefits earned on and after July 1, 2011. Benefits earned before July 1, 2011 will receive post-retirement benefit increases of 3% per year. Tier II members (those initially enrolled on and after July 1, 2011) will receive no post-retirement benefit increases. Tier I members (those initially enrolled before July 1, 2011) will receive postretirement benefit increases equal to 3% per year multiplied by a fraction, the numerator of which is service through June 30, 2011 and the denominator of which is total service at retirement.

Salaries are assumed to increase between 4% and 10% per year depending on the member's age and service. In addition to increases in salary due to promotions and longevity, this scale includes an assumed 4% per annum rate of increase in the average wage level of the membership.

Available ten year historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is published in the State of Florida's Division of Retirement Comprehensive Annual Financial Report, Cedars Executive Center, 2639-C North Monroe Street, Tallahassee, FL 32399-1560, or by calling (850) 488-5706.

Note 8- Commitments

The Council conducts its operations from leased office space. The existing office lease expires February 28, 2015. The Council has recently renegotiated the terms of the existing lease and has agreed to a three year lease extension until February 28, 2018. The amended lease reduces the total leased space and reduces the total annual lease commitment for the council. Total rental expense for the year ended September 30, 2013 was \$266,412. Future annual rental payments, including approximate common area maintenance cost and real estate taxes required under the amended lease and the extension period are included as follows:

<u>Year ending September 30,</u>	<u>Amount</u>
2014	\$ 224,439
2015	188,835
2016	186,354
2017	193,579
2018	<u>82,372</u>
Total	<u>\$ 875,579</u>

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

Note 9 - Contingencies

The Council participates in a number of Federal programs and State projects. These programs and projects are subject to financial and compliance audits by the grantors or their respective representatives. The possible disallowance of any item charged to the program or project or request for the return of any unexpended funds cannot be determined at this time. No provision for any liability that may result has been made in the financial statements.

Note 10 - Institute for Community Collaboration

As described in Note 1, the Institute for Community Collaboration, Inc. ("ICC") is a component unit of the Council. Summary financial data for the Institute is as follows:

	<u>2013</u>
ASSETS	
Cash	\$ 61,902
Accounts receivable	<u>1,500</u>
Total Assets	<u>\$ 63,402</u>
LIABILITIES	
Accounts payable	\$ 1,500
Due to general fund	<u>18,900</u>
Total Liabilities	<u>\$ 20,400</u>
NET POSITION	
Unrestricted	<u>\$ 43,002</u>
Total Revenue	<u>\$ 7,900</u>
Total Expenses	<u>\$ 7,917</u>
Operating transfer out	<u>\$ (70,400)</u>
Change in net position	\$ (70,417)
Net position, beginning of year	<u>113,419</u>
Net position, end of year	<u>\$ 43,002</u>

SOUTH FLORIDA REGIONAL PLANNING COUNCIL

REQUIRED SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2013

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget Positive (Negative)</u>
REVENUES				
Membership assessments	\$ 754,578	\$ 754,578	\$ 755,578	\$ 1,000
D.R.I. fees	5,000	11,500	11,000	(500)
Interest	250	100	584	484
Other income	<u>9,000</u>	<u>24,000</u>	<u>28,170</u>	<u>4,170</u>
Total revenues	<u>768,828</u>	<u>790,178</u>	<u>795,332</u>	<u>5,154</u>
EXPENDITURES				
Personnel services	410,000	341,000	328,228	12,772
Operating expenses	110,000	151,000	145,783	5,217
Outside consultant expense	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Total expenditures	<u>530,000</u>	<u>502,000</u>	<u>484,011</u>	<u>17,989</u>
Excess revenues over expenditures	238,828	288,178	311,321	23,143
Other financing uses:				
Transfer out	<u>(169,328)</u>	<u>(218,678)</u>	<u>(541,970)</u>	<u>(323,292)</u>
Total other financing uses	<u>(169,328)</u>	<u>(218,678)</u>	<u>(541,970)</u>	<u>(323,292)</u>
Excess (deficiency) of revenues over expenditures and other financing uses	69,500	69,500	(230,649)	(300,149)
Fund balance at beginning of year	<u>556,624</u>	<u>556,624</u>	<u>556,624</u>	<u>-</u>
Fund balance at end of year	<u>\$ 626,124</u>	<u>\$ 626,124</u>	<u>\$ 325,975</u>	<u>\$ (300,149)</u>

See notes to budgetary comparison schedule.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
BUDGETARY COMPARISON SCHEDULE
PLANNING PROJETS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget Positive (Negative)</u>
REVENUES				
Federal, state and local grants	\$ 2,933,797	\$ 3,227,736	\$ 3,269,427	\$ 41,690
Other income	-	-	4,715	4,715
Total revenues	<u>2,933,797</u>	<u>3,227,736</u>	<u>3,274,142</u>	<u>46,405</u>
EXPENDITURES				
Personnel services	1,000,000	1,000,000	1,003,684	(3,684)
Operating expenses	450,000	450,000	472,156	(22,156)
Outside consultant expense	<u>1,631,625</u>	<u>1,986,915</u>	<u>2,297,511</u>	<u>(310,596)</u>
Total expenditures	<u>3,081,625</u>	<u>3,436,915</u>	<u>3,773,351</u>	<u>(336,436)</u>
Deficiency of revenues over expenditures	(147,828)	(209,179)	(499,209)	(290,031)
Other financing sources:				
Transfer in	<u>147,828</u>	<u>209,179</u>	<u>499,209</u>	<u>290,031</u>
Total other financing sources	<u>147,828</u>	<u>209,179</u>	<u>499,209</u>	<u>290,031</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	-	-	-	-
Fund balance beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to budgetary comparison schedule.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
BUDGETARY COMPARISON SCHEDULE
REVOLVING LOAN FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget Positive (Negative)</u>
REVENUES				
Interest & service fees	\$ 275,000	\$ 287,000	\$ 286,471	\$ (531)
Total revenues	<u>275,000</u>	<u>287,000</u>	<u>286,471</u>	<u>(531)</u>
EXPENDITURES				
Personnel services	240,000	240,000	237,707	2,293
Operating expenses	120,000	120,000	120,604	(604)
Outside consultant expense	6,000	6,000	5,650	350
Bad debt expense	-	-	307,716	(307,716)
Total expenditures	<u>366,000</u>	<u>366,000</u>	<u>671,677</u>	<u>(305,677)</u>
Deficiency of revenues over expenditures	(91,000)	(79,000)	(385,206)	(306,206)
Other financing sources (uses):				
Transfer to liability account OTTED Loan Fund	-	-	(9,961)	(9,961)
Net operating transfers from general fund in	<u>91,000</u>	<u>79,000</u>	<u>113,161</u>	<u>34,161</u>
Total other financing sources	<u>91,000</u>	<u>79,000</u>	<u>103,200</u>	<u>24,200</u>
Deficiency of revenues and other financing sources over expenditures/ change in net position	-	-	(282,006)	(282,006)
Fund balance/net position at beginning of year	<u>8,255,570</u>	<u>8,255,570</u>	<u>8,255,570</u>	<u>8,255,570</u>
Fund balance/net position at end of year	<u>\$8,255,570</u>	<u>\$ 8,255,570</u>	<u>\$ 7,973,564</u>	<u>\$ 7,973,564</u>

See notes to budgetary comparison schedule.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
BUDGETARY COMPARISON SCHEDULE
ICC FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance to Final Budget Positive (Negative)
REVENUES				
Membership assessments	\$ 1,000	\$ 1,000	\$ 1,050	\$ 50
Other income	<u>6,000</u>	<u>6,000</u>	<u>6,850</u>	<u>850</u>
Total revenues	<u>7,000</u>	<u>7,000</u>	<u>7,900</u>	<u>900</u>
EXPENDITURES				
Operating expenses	<u>7,000</u>	<u>7,000</u>	<u>7,917</u>	<u>(917)</u>
Total expenditures	<u>7,000</u>	<u>7,000</u>	<u>7,917</u>	<u>(917)</u>
Deficiency of revenues over expenditures	-	-	(17)	(17)
Other financing uses:				
Transfer out	<u>(69,500)</u>	<u>(69,500)</u>	<u>(70,400)</u>	<u>(900)</u>
Total other financing uses	<u>(69,500)</u>	<u>(69,500)</u>	<u>(70,400)</u>	<u>(900)</u>
Deficiency of revenues over expenditures and other financing uses	(69,500)	(69,500)	(70,417)	(917)
Fund balance at beginning of year	<u>113,419</u>	<u>113,419</u>	<u>113,419</u>	-
Fund balance at end of year	<u>\$ 43,919</u>	<u>\$ 43,919</u>	<u>\$ 43,002</u>	<u>\$ (917)</u>

See notes to budgetary comparison schedule.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO BUDGETARY COMPARISON SCHEDULE
SEPTEMBER 30, 2013**

Note 1- Budgetary Requirements

The South Florida Regional Planning Council ("the Council") prepares an annual operating budget for the general and special revenue funds which are reflected in these financial statements. The Council's budgeting process is based on estimates of revenues and expenditures and requires that all budgets be approved by the Board of the Council (the "Board"). Subsequent amendments to the budget, if any, are approved by the Board.

Budgets are prepared on the same basis of accounting as required for Governmental Fund Types. Any remaining fund balances remain with the Council at the end of the year.

For the year ended September 30, 2013 the Council's General Fund revenues were \$795,332 or \$5,154 more than budget. General Fund Expenditures were \$484,011, or \$17,989 lower than budget. These savings are due to not replacing staff that resigned during the year.

The Project Planning fund revenues were \$3,274,142 or 1.4% ahead of budget. Total Expenditures were \$3,773,351 or \$336,436 more than budget due to payments to third party consultants for the HUD Sustainable Communities Grant (HUD SCI). The total deficiency in revenue versus expenditures of \$499,209 in the fund is due to Council's match for projects completed during 2013. The budget variance is because the budget did not contemplate the match requirements for all the projects completed during the fiscal year.

The Revolving Loan Fund revenue budget variance can be explained by a write-down of a doubtful account. The Council staff had worked with the obligor to get back to the agreed payments terms, but unfortunately the borrower's business has taken a negative turn and is not expected to recover so full payment is unlikely. Fund revenue and expenses (excluding the write-down) were \$286,471 and \$363,961 respectively at or slightly below budget. Payments received on the OTTED loan portfolio are recorded as a liability with principal payments recorded as a reduction in fund balance. During fiscal 2013 the Council received \$9,961 in principal payments on the OTTED loans. These payments were not expected in the budget.

SOUTH FLORIDA REGIONAL PLANNING COUNCIL

COMPLIANCE SECTION

SEPTEMBER 30, 2013



SHARPTON, BRUNSON & COMPANY, P.A.

Certified Public Accountants & Business Consultants

One Southeast Third Avenue
Suite 2100
Miami, FL 33131
Tel: (305) 374-1574
Fax: (305) 372-8161

110 East Broward Boulevard
17th Floor, Suite 1705
Ft. Lauderdale, FL 33301
Tel: (954) 467-5490
Fax: (954) 467-6184
www.sbcpa.com

215 South Monroe Street
Suite 750
Tallahassee, FL 32301
Tel: (850) 727-8160
Fax: (850) 727-8183

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

To the Council Members of
South Florida Regional Planning Council.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of South Florida Regional Planning Council (the "Council"), as of and for the year ended September 30, 2013, and the related notes to the financial statements, and have issued our report thereon dated February 12, 2014.

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 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

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

Shampton Brunson & Company, P.A.

February 12, 2014



SHARPTON, BRUNSON & COMPANY, P. A.

Certified Public Accountants & Business Consultants

One Southeast Third Avenue
Suite 2100
Miami, FL 33131
Tel: (305) 374-1574
Fax: (305) 372-8161

110 East Broward Boulevard
17th Floor, Suite 1705
Ft. Lauderdale, FL 33301
Tel: (954) 467-5490
Fax: (954) 467-6184
www.sbc CPA.com

215 South Monroe Street
Suite 750
Tallahassee, FL 32301
Tel: (850) 727-8160
Fax: (850) 727-8183

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE REQUIRED BY OMB CIRCULAR A-133 AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

To the Council Members of
South Florida Regional Planning Council

Report on Compliance for Each Major Federal Program and State Major Project

We have audited South Florida Regional Planning Council (the "Council") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the requirements described in the Department of financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2013. The Council's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditors' Responsibility

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Council's compliance with those requirements.

Opinion on Each Major Federal Program and Major State Project

In our opinion, the Council complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and major state projects for the year ended September 30, 2013.

Report on Internal Control Over Compliance

Management of the Council is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Council's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and major state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and major state project to test and report on internal control over compliance in accordance with OMB Circular A-133, and Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133, and Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133 and State Financial Assistance Required by Chapter 10.550, Rules of the Auditor General

We have audited the financial statements of the governmental activities and the governmental funds of the Council, as of and for the year ended September 30, 2013, and have issued our report thereon dated February 12, 2014, which contained an unmodified opinion on those financial statements. 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 accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards and state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.

Sharpton Brunson & Company, P.A.

February 12, 2014



**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:

Unmodified

- Material weakness(es) identified? ___ Yes X No
- Significant deficiency(ies) identified that are not considered to be a material weaknesses? ___ Yes X None Reported
- Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards

Internal Control over major programs:

- Material weakness(es) identified? ___ Yes X No
- Significant deficiency(ies) identified that are not considered to be a material weakness? ___ Yes X None Reported

Type of auditors' report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?

___ Yes X No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Programs</u>
11.307	U.S. Department of Commerce - Economic Adjustment Assistance
81.086	Conservation Research and Development
97.067	Homeland Security Grant

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 300,000

Auditee qualified as a low-risk auditee?

X Yes ___ No

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

Section I - Summary of Auditors' Results

State Awards ___ Yes X No

Internal Control over major projects:

• Material weakness(es) identified? ___ Yes X No

• Significant deficiency(ies) identified that are not considered to be a material weakness? ___ Yes X None Reported

Type of auditors' report issued on compliance for major projects: **Unmodified**

• Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550, Rules of the Auditor General. ___ Yes X No

Identification of major projects:

<u>CSFA Number(s)</u>	<u>Name of State Project or Cluster</u>
N/A	Florida Department of Office of Tourism, Trade and Economic Development

Dollar threshold used to distinguish between Type A and Type B projects \$300,000

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

Section II - Financial Statement Current Year Findings and Questioned Costs

There were no findings and questioned costs noted during the current year.

Section III - Financial Statement Prior Year Findings and Questioned Costs

2012-1 Timeliness of Billing Reimbursable Grant/Contract Expenses

Observation

We observed several grantor agencies reimbursable costs that were not submitted in a timely manner (vendor invoices submitted more than ninety days after the costs were incurred).

Status

This observation has been corrected with the hiring of a new Director of Finance and Budget subsequent to the end of the fiscal year 2012.

2012-2 Bank Reconciliations Not Completed Timely

Observation

We noted that the bank accounts were not reconciled on a timely basis. It is a generally accepted business practice for bank reconciliations to be prepared on a monthly basis and reviewed and approved by a senior official.

Status

This observation has been corrected with the hiring of a new Director of Finance and Budget subsequent to the end of the fiscal year 2012.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

Section III - Financial Statement Prior Year Findings and Questioned Costs (cont'd)

2012-3 Transactions Incorrectly Posted to General Ledger Accounts

Observation

We noted a number of transactions recorded to the general ledger in error during the fiscal year. Interfund activity was not recorded properly consistently which resulted in time consuming reconciliations to balance individual funds. There were a number of turnover of fiscal personnel during the fiscal year of 2012 which attributed to the erroneous recording of transactions. The Council hired a new Director of Finance and Budget subsequent to the end of the fiscal year end of September 30, 2012 to correct these noted errors.

Status

This observation has been corrected with the hiring of a new Director of Finance and Budget subsequent to the end of the fiscal year 2012.

Section IV - Federal Award and State Financial Assistance Current Year Findings and Questioned Costs

There were no findings and questioned costs noted during the current year.

Section V - Federal Award and State Financial Assistance Prior Year Findings and Questioned Costs

There were no findings and questioned costs noted during the prior year.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

FEDERAL AWARDS	CFDA#	Contract #	Grant Amount	Expenditures	Loans Receivable ⁽¹⁾	Balance (including cash held by trustee)	SFRPC Match	Total Expenditures	Federal Share
US Dept. of Commerce - Economic Development Administration Economic Adjustment Assistance "EDA CONSOLIDATED"	11.307	04-89-03952	\$ 12,287,235	\$ 279,594	\$ 5,301,672	\$ 673,772	\$ 43,432	\$ 6,298,470	\$ 6,255,038
Comprehensive Development Strategy (CEDS)			189,000	36,130	-	-	80,475	116,605	36,130
Total US Dept. of Commerce - Economic Development Administration Programs	11.302	04-83-06117	12,476,235	315,724	5,301,672	673,772	123,907	6,415,075	6,291,168
<i>Passed-through Tampa Bay Regional Planning Council</i>									
"Energy Resiliency Strategy"			63,414	63,414	-	-	25,465	88,879	63,414
Total US Dept. of Commerce - Economic Development Administration	11.302	#04-69-06568	12,539,649	379,138	5,301,672	673,772	149,372	6,503,954	6,354,582
U.S. Department of Housing and Urban Development Office of Sustainable Housing and Communities Sustainable Communities Initiative	14.703	FLRIP0008-10	4,250,000	2,004,485	-	-	162,154	2,166,639	2,004,485
US Department of Transportation Federal Highway Administration Passed-through Miami-Dade County-MPO - Highway Planning and Construction	20.205	Interfocal Agreement	25,000	25,000	-	-	15,727	40,727	25,000
<i>Passed-through the State of Florida Division of Emergency Management</i>									
Interagency Hazardous Materials Public Sector Training and Planning Grants			25,000	25,000	-	-	-	25,000	25,000
"DEO/HMEP - Planning"	20.703	13-DT-85-13-00-21-165/10- DT-07-13-00-21-224	68,359	68,359	-	-	-	68,359	68,359
"DEO/HMEP - Training"	20.703	13-DT-85-13-00-21-165/10- DT-07-13-00-21-224	93,359	93,359	-	-	-	93,359	93,359
Total Interagency Hazardous Materials Public Sector Training and Planning Grants			118,359	118,359	-	-	15,727	134,086	118,359
Total US Department of Transportation			2,200,000	6,552	-	1,071,304	12,527	1,090,383	1,077,856
US Environmental Protection Agency Brownfields Assessment and Clean-up Cooperative Agreements "Brownfields Revolving Loan Fund"	66.818	BL974-34201-0	500,000	269,293	-	-	54,094	323,387	269,293
US Department of Energy Planning for Plug-in Vehicles and Charging Infrastructure Passed-through University of Central Florida Advancing Alternative Fuels in Florida Total Alternative Fuels and Plug-in Vehicles	81.086	DE-EE0005561 DE-EE0006080	80,000	40,000	-	-	54,094	40,000	40,000
Passed-through Leonardo Technologies, Inc. Clean Cities Coalition Programmatic Support	81.000	DE-FE0004002	27,500	27,500	-	-	53,683	81,183	27,500

The accompanying notes are an integral part of this schedule.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

FEDERAL AWARDS	CFDA#	Contract #	Grant Amount	Expenditures	Loans Receivable ⁽¹⁾	Balance (including cash) held by trustee	SFRPC Match	Total Expenditures	Federal Share
US Department of Energy (cont'd)									
<i>Passed-through Tampa Bay Regional Planning Council</i>									
Energy Assurance	81.122	DACS-01602_a 07-11	32,817	32,817			33,416	66,233	32,817
<i>Passed-through the City of Ft. Lauderdale</i>									
Energy Efficiency Conservation Block Grant (City of Ft. Lauderdale)	81.128	DE-EE0000790000	412,818	325	2,297	7,551	-	10,173	10,173
Efficiency & Conservation Watts Program Under The American Recovery Act			1,053,135	369,935	2,297	7,551	141,193	520,976	379,783
Total US Department of Energy									
US Health and Human Services									
<i>Passed-through the Broward Regional Health Planning Council, Inc.</i>									
"TOUCH GRANT"	93.000	FOA CDCORFA-DP11-1103PPHF	33,077	26,003			-	26,003	26,003
U.S. Department of Homeland Security									
<i>Passed-through the State of Florida Division of Emergency Management</i>									
<i>Passed-through Northeast Florida Regional Planning Council</i>									
Interoperable Emergency Communications Grant Program	97.000	07-HS-32-00-21-355	-	-			8,711	8,711	-
FDEM/IECGP1112 - Regional IOC Exercise - Planning	97.000	#447700	4,000	4,000			1,163	5,163	4,000
FDEM/IECGP1213 - Training FIN(1)	97.000	07-HS-32-00-21-355, PO #4477832	4,000	4,000			55	4,055	4,000
FDEM/IECGP1213 - IOC Summit			8,000	8,000			9,929	17,929	8,000
Total Interoperable Emergency Communications Grant Program									
<i>Passed-through Broward Sheriff's Office</i>									
DHS / RDSTF1113-Region 7 FRT Exercise	97.000	BSO PO 3 125206	11,250	11,250			-	11,250	11,250
<i>Passed-through City of Miramar</i>									
DHS/RDSTF1113 - Region 7 UASI Exercise	97.000	N/A	25,000	25,000			4,720	29,720	25,000
<i>Passed-through Central Florida Regional Planning Council</i>									
DHS/RDSTF1213 - Region 4 Exercise Facilitation	97.000	N/A	2,000	2,000			207	2,207	2,000
<i>Passed-through the State of Florida Division of Emergency Management</i>									
<i>Passed-through Miami Urban Area Security Initiative (UASI) Grant</i>									
<i>Passed-through Palm Beach County Sheriff's Office</i>									
Total U.S. Department of Homeland Security	97.067	Memorandum of Agreement	-	262,988			1,926	264,924	262,988
Total Federal Awards			20,240,470	3,213,721	5,303,969	1,752,626	497,756	10,768,072	10,270,316

⁽¹⁾ Note Receivable is Net of Allowance for Bad Debt

The accompanying notes are an integral part of this schedule.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 AND STATE FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED SEPTEMBER 30, 2013**

STATE PROJECTS	CSFA#	Contract #	Grant Amount	Expenditures	Loans Receivable	SFRPC MATCH	Cash Balance	Total Expenditures
State of Florida Division of Emergency Management								
Emergency Management Projects - LEPC Title III	52.023	10-CP-04-13-00-21-011	\$ 40,909	\$ 61,567		\$ -	\$ -	\$ 61,567
Training & Exercise Program	97.067	NEFRC PO# 779	10,238	10,238		439		10,677
Monroe County Hazards Analysis	31.067	13-CP-11-13-00-21-185	3,074	3,074		429		3,503
			<u>54,221</u>	<u>74,879</u>		<u>868</u>		<u>75,747</u>
State of Florida Division of Emergency Management								
<i>Passed-through NEFRC subcontract to SFRPC</i>								
FDEM - SRESP Demographics	97.042	694779	5,000	5,000		8,326		13,326
FDEM - SRESP Scen ACSC	N/A	NEFRC PO# 718	7,500	7,500		-		7,500
FDEM - SRESP Small Area Data Update, 2	N/A	NEFRC PO# 836	8,000	8,000		11,643		19,643
			<u>20,500</u>	<u>20,500</u>		<u>19,969</u>		<u>40,469</u>
State of Florida Department of Environmental Protection								
<i>Passed-through the Department of Economic Development</i>	11.419	CO905	194,000	45,000		4,034		49,034
Florida Department of Office of Tourism, Trade and Economic Development (pass through SFRPC)								
	N/A	OT-06-084	11,000,000	-	\$ 1,019,592	-	\$ 92,212	1,111,804
Total State Projects			<u>\$ 11,268,721</u>	<u>\$ 140,379</u>	<u>\$ 1,019,592</u>	<u>\$ 24,871</u>	<u>\$ 92,212</u>	<u>\$ 1,277,054</u>

The accompanying notes are an integral part of this schedule.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

Note 1 - General

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance included herein represents the Federal and State grant activity of the South Florida Regional Planning Council (the "Council").

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The information in this schedule is presented in accordance with accounting principles generally accepted in the United States and the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Chapter 10.550, Rules of the Auditor General. Some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

Basis of Accounting

The expenditures in the accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance are presented using the accrual basis of accounting. The accrual basis recognizes expenses when they are incurred.

Note 3 - Matching

Matching funds were provided as follows:

	<u>Net Federal and State Expenditures</u>	<u>Matching and Other Expenditures</u>	<u>Gross Expenditures</u>
Federal Awards	\$ 10,270,316	\$ 497,756	\$ 10,768,072
State Financial Assistance	1,252,183	24,871	1,277,054
	<u>\$ 11,522,499</u>	<u>\$ 522,627</u>	<u>\$ 12,045,126</u>

Note 4 - Loans Receivable

Loans receivable reported for federal awards and state financial assistance were expended in prior years. Therefore, amounts reported in the statement were not taken into consideration as expenditures for the current year, as they were considered in the year the actual expenditures occurred.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

Note 5 - Contingencies

Grant monies received and disbursed by the Council are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the Council does not believe that such disallowances, if any, would have a material effect on the financial position of the Council. As of February 12, 2014, management is not aware of any material questioned or disallowed costs as a result of grant audits in process or completed; however, the possible disallowance by a governmental agency of any item charged to a program or project cannot be determined at this time.

Note 6 - Description of Acronyms

<u>Acronyms</u>	<u>Description</u>
CEDS	Comprehensive Development Strategy
DCA	Department of Community Affairs
DEO	Department of Economic Opportunity
DHS	Department of Homeland Security
EDA	Economic Development Agency
FDEM	Florida Department of Emergency Management
HMEP	Hazard Materials Emergency Planning
IECGP	Interoperable Emergency Communications Grant Program
LEPC	Local Emergency Planning Committee
NEFRC	Northeast Florida Regional Planning Council
RDSTF	Regional Domestic Security Task Force
SFRPC	South Florida Regional Planning Council
SRESP	Statewide Regional Evacuation Study Program



SHARPTON, BRUNSON & COMPANY, P.A.

Certified Public Accountants & Business Consultants

One Southeast Third Avenue
Suite 2100
Miami, FL 33131
Tel: (305) 374-1574
Fax: (305) 372-8161

110 East Broward Boulevard
17th Floor, Suite 1705
Ft. Lauderdale, FL 33301
Tel: (954) 467-5490
Fax: (954) 467-6184
www.sbcepa.com

215 South Monroe Street
Suite 750
Tallahassee, FL 32301
Tel: (850) 727-8160
Fax: (850) 727-8183

Management Letter in Accordance with Rules of the Auditor General of the State of Florida

To the Council Members of
South Florida Regional Planning Council

We have audited the financial statements of the South Florida Regional Planning Council (the "Council") as of and for the fiscal year ended September 30, 2013, and have issued our report thereon dated February 12, 2014.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Florida Auditor General. We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards; Independent Auditors' Report on Compliance for each Major Federal Program and Major State Project; Report on Internal Control over Compliance; Report on the Schedule of Expenditures of Federal Awards and State Financial Assistance in Accordance with OMB Circular A-133 and Chapter 10.550 Rules of the Florida Auditor General; and the Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule which are dated February 12, 2014, should be considered in conjunction with this management letter.

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 includes the following information, which is not included in the aforementioned auditors' reports or schedule:

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. The Council has implemented corrective actions to address prior year's findings and recommendations made in the prior year's financial audit report. The status of prior year's findings and recommendations are noted in the schedule of findings and questioned costs.

Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of 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.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address noncompliance of provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)5., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The name or official title and legal authority of the primary government and component unit are disclosed in the notes to the financial statements.

Section 10.554(1)(i)6.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental 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 the Council did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Section 10.554(1)(i)6.b., Rules of the Auditor General, requires that we determined whether the annual financial report for the Council for the fiscal year ended September 30, 2012, 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, 2012. In connection with our audit, we determined that these two reports were in agreement.

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

Sharpton Brunson & Company, P.A.

February 12, 2014