West Florida Regional Planning Council

Financial Statements
and Supplemental Information

September 30, 2012

West Florida Regional Planning Council
Financial Statements
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Independent Auditor's Report

To the Board of Directors
West Florida Regional Planning Council

We have audited the accompanying financial statements of the governmental activities and each major fund of West Florida Regional Planning Council ("Council") for the years ended September 30, 2012 and 2011, which collectively comprise the Council's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of West Florida Regional Planning Council. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

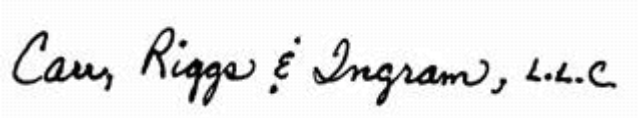
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of West Florida Regional Planning Council as of September 30, 2012 and 2011, and the respective changes in financial position for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2013 on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budget to actual comparison schedule – general fund, and the schedule of funding progress – other post-employment benefits on pages 3 through 5, and pages 23 through 25, 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.

Our audit was conducted for the purpose of forming opinions on the financial statements of West Florida Regional Planning Council taken as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and Chapter 10.550, Rules of the Auditor General, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Miramar Beach, Florida
June 12, 2013

Management's Discussion and Analysis

West Florida Regional Planning Council

David Cadle, Chair
Thomas Abbott, Vice-Chair

Terry A. Joseph, Executive Director

Management Discussion and Analysis

Our Discussion and Analysis of the West Florida Regional Planning Council's financial performance provides an overview of the Council's financial activities for the fiscal year ended September 30, 2012. This discussion is intended to be read in conjunction with the Council's Basic Financial Statements that begin following this discussion.

Financial Highlights

- Net assets of the Council at the close of its most recent fiscal year were $1,919,217. Of this amount, $1,821,153 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.

- At fiscal year end, the Regional Planning Council reported the ending net asset balance increased by approximately 17% in comparison with the prior year.

- The Council continues to minimally comply with unfunded mandates for Grants in Aids – Regional Planning Councils. The Governor has vetoed these funds in the previous fiscal year as well as the current and upcoming fiscal years. The funds should be used to implement the Florida Five-Year Strategic Plan for Economic Development, address problems of greater-than-local concern, and provide technical services to local governments, economic development organizations, and other stakeholders.

- Management continues to temporarily fill some positions with interns and temporary help as the funding of certain projects remains unstable.

- While overall revenues increased these were predominantly direct reimbursement type dollars that were expended on contractual services and other direct cost. The project management revenues reflect only a slight increase.

- The Council entered into a new 5 year lease with MBR and associates at a reduced square foot rate in an effort to minimize overhead expenses. The Council's intent is to attempt to sublease the vacant space if possible.

Key elements of the net asset change are as follows:

Statement of Net Assets
Governmental Activities

	2012	2011
Current and Other Assets	$ 2,584,205	$ 3,963,165
Capital Assets	100,409	131,476
Total Assets	$ 2,684,614	$ 4,094,641
Current and Other Liabilities	$ 709,037	$ 2,341,381
Long-Term Liabilities	56,360	113,305
Total Liabilites	$ 765,397	$ 2,454,686
Net Assets:		
Invested in Capital Assest, net of related debt	$ 98,064	$ 129,130
Unrestricted	1,821,153	1,510,825
Total Net Assets	$ 1,919,217	$ 1,639,955

Statement of Changes in Net Assets

	2012	2011
Revenues		
Program Revenues:		
Grant and Project Revenues	$ 6,895,291	$ 7,788,510
General Revenue:		
Other	81,174	68,196
Total Revenues	**$ 6,688,836**	**$ 7,856,706**
Expenses		
Project Management Expenses	$ 1,642,790	$ 1,885,237
Other General Expenses	5,054,413	5,681,278
Total Expenses	**$ 6,409,574**	**$ 7,566,515**
Change in Net Assets	**$ 279,262**	**$ 290,191**
Net Assets, Beginning of Year	**1,639,955**	**1,349,764**
Net Assets, End of Year	**$ 1,919,217**	**$ 1,639,955**

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

GENERAL FUND BUDGETARY HIGHLIGHTS

The September 30, 2012 original adopted budget for the Regional Planning Council was amended to account for the veto by the Governor of the Council's Grants in Aids base funding. However, the budget amendment took place prior to the start of the fiscal year.

CAPITAL ASSETS

The Regional Planning Council's investment in capital assets as of September 30, 2012 amounts to $100,409 (net of accumulated depreciation). The majority of capital assets are attributable to equipment/furniture costs.

ECONOMIC FACTORS AND BUDGETS

The council relies on Grants & Project Revenue in addition to membership dues as the basis for our budgets each year. The council prepares its annual budget based on multiple year contracts and ongoing commitments from those projects we have a history and assurance of receiving funding from.

Financial Statements

West Florida Regional Planning Council

Statements of Net Assets

September 30,	**2012**	2011
	Governmental Activities	Governmental Activities
Assets		
Cash and cash equivalents	**$ 1,047,691**	$ 1,869,956
Due from other governmental agencies:		
Billed receivables	**983,986**	272,772
Unbilled receivables	**490,185**	1,744,868
Prepaid expenses	**62,343**	75,569
Property and equipment, net	**100,409**	131,476
Total assets	**2,684,614**	4,094,641
Liabilities		
Accounts payable	**305,434**	1,411,921
Accrued liabilities	**2,881**	4,923
Deferred revenues	**400,722**	924,537
Compensated absences	**53,209**	56,813
Obligation for post employment benefits	**3,151**	56,492
Total liabilities	**765,397**	2,454,686
Net Assets		
Invested in capital assets	**98,064**	129,130
Unrestricted	**1,821,153**	1,510,825
Total net assets	**$ 1,919,217**	$ 1,639,955

See accompanying notes to financial statements

West Florida Regional Planning Council

Statements of Activities

Year ended September 30,	**2012**	2011
	Governmental Activities	Governmental Activities
Expenses		
Project management expenses	**$ 1,642,790**	$ 1,885,237
Contracted services	**562,584**	1,044,419
Other direct costs	**4,514,104**	4,626,264
Unallocated depreciation	**31,066**	42,714
Other post-employment benefits	**(53,341)**	(32,119)
Total expenses	**6,697,203**	7,566,515
Program revenues		
Grants and project revenue	**6,895,291**	7,788,510
Total program revenues	**6,895,291**	7,788,510
General revenues		
Other operating revenue	**80,999**	68,019
Interest income	**175**	177
Total general revenues	**81,174**	68,196
Change in net assets	**279,262**	290,191
Net assets, beginning of year	**1,639,955**	1,349,764
Net assets, end of year	**$ 1,919,217**	$ 1,639,955

See accompanying notes to financial statements.

West Florida Regional Planning Council

Balance Sheets - Governmental Fund

September 30,	**2012**	2011
	General Fund	General Fund
Assets		
Cash and cash equivalents	**$ 1,047,691**	$ 1,869,956
Due from other governmental agencies:		
Billed receivables	**983,986**	272,772
Unbilled receivables	**490,185**	1,744,868
Prepaid expenditures	**62,343**	75,569
Total assets	**$ 2,584,205**	$ 3,963,165
Liabilities and Fund Balance		
Liabilities		
Accounts payable	**$ 305,434**	$ 1,411,921
Accrued liabilities	**2,881**	4,923
Deferred revenue	**447,674**	924,537
Total liabilities	**755,989**	2,341,381
Fund balance		
Nonspendable	**62,343**	75,569
Unassigned	**1,765,873**	1,546,215
Total fund balance	**1,828,216**	1,621,784
Total liabilities and fund balance	**$ 2,584,205**	$ 3,963,165

See accompanying notes to financial statements.

Reconciliation of the Balance Sheets to the Statements of Net Assets

September 30,		**2012**		2011
Total fund balance, governmental fund	**$**	**1,828,216**	$	1,621,784
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund level statements.		**100,409**		131,476
Assets that are not available to pay for current-period expenditures are deferred in the fund level statements.		**46,951**		-
Liabilities not due and payable from current resources, including compensated absences and obligation for post employment benefits, are not reported in the fund level statements.		**(56,359)**		(113,305)
Total net assets - governmental activities	**$**	**1,919,217**	$	1,639,955

See accompanying notes to financial statements.

Statements of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund

Year ended September 30,	**2012**	2011
	General Fund	General Fund
Revenues		
Grants and project revenue	**$ 6,848,340**	$ 7,788,510
Other operating revenue	**80,999**	68,019
Interest income	**175**	177
Total revenues	**6,929,514**	7,856,706
Expenditures		
Current:		
Project management expenses	**1,642,790**	1,885,237
Contracted services	**562,584**	1,044,419
Other direct costs	**4,517,708**	4,620,183
Capital outlay	**-**	13,827
Total expenditures	**6,723,082**	7,563,666
Net change in fund balance	**206,432**	293,040
Fund balance, beginning of year	**1,621,784**	1,328,744
Fund balance, end of year	**$ 1,828,216**	$ 1,621,784

See accompanying notes to financial statements.

Reconciliation of the Statements of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statements of Activities

Year ended September 30,		**2012**		2011
Net change in fund balance - governmental fund	**$**	**206,432**	$	293,040
Depreciation on capital assets is not recognized in the fund financial statements but is reported as an expense in the Statement of Activities.		**(31,066)**		(42,714)
Capital outlay, reported as expenditures in the governmental funds, is shown as capital assets on the Statement of Net Assets.		**-**		13,827
Revenues reported in the Statement of Activities that do not provide current financial resources are deferred in the governmental funds.		**46,951**		-
Current change in long-term OPEB obligation does not consume current resources and therefore is not reported in the governmental fund.		**53,341**		32,119
Current year change in long-term compensated absences liability does not consume current resources so therefore it is not reflected in the governmental fund		**3,604**		(6,081)
Change in net assets of governmental activities	**$**	**279,262**	$	290,191

See accompanying notes to financial statements.

NOTE 1 - ORGANIZATION

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Measurement Focus, Basis of Accounting and Basis of Presentation

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

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and grants, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. At September 30, 2012, the Council did not have any significant business-type activities. Therefore, no business-type activities are reported.

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

The Council reports the following major governmental fund:

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

For the year ended September 30, 2012, the Council does not report any proprietary funds.

Cash and Cash Equivalents

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Due from Other Governmental Agencies

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

Capital Assets

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

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

Compensated Absences

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

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

Net Assets

Net assets are categorized as invested in capital assets, net of related debt, restricted or unrestricted. Invested in capital assets, net of related debt represents net assets related to infrastructure and property, plant and equipment, net of any related debt. Restricted net assets represent the net assets restricted by outside organizations. At September 30, 2012 and 2011, the Council had no restricted net assets.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Other Post-Employment Benefits

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

Estimates

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

Reclassifications

Certain items for the prior year have been reclassified in the financial statements in order to conform to the current year presentation.

NOTE 3 – CAPITAL ASSETS

Capital assets are classified as follows:

Year ended September 30, 2012	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities				
Capital assets being depreciated:				
Office equipment	$ 384,672	$ -	$ (22,262)	$ 362,410
Less accumulated depreciation for:				
Office equipment	253,196	30,564	(21,759)	262,001
Governmental activities capital assets, net	$ 131,476	$ (30,564)	$ (503)	$ 100,409

NOTE 3 – CAPITAL ASSETS (CONTINUED)

Year ended September 30, 2011	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities				
Capital assets being depreciated:				
Office equipment	$ 409,326	$ 13,827	$ (38,481)	$ 384,672
Less accumulated depreciation for:				
Office equipment	248,963	42,714	(38,481)	253,196
Governmental activities capital assets, net	$ 160,363	$ (28,887)	$ -	$ 131,476

NOTE 4 – COMPENSATED ABSENCES

Changes in compensated absences year ended September 30, 2012 were as follows:

September 30,	2011	Additions	Reductions	2012	Amount due within one year
Compensated absences	$ 56,813	$ -	$ (3,604)	$ 53,209	$ -

Changes in compensated absences year ended September 30, 2011 were as follows:

September 30,	2010	Additions	Reductions	2011	Amount due within one year
Compensated absences	$ 50,732	$ 6,081	$ -	$ 56,813	$ -

NOTE 5 – CONCENTRATIONS

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

NOTE 6 – OPERATING LEASES

The Council has entered into various lease agreements for office space and equipment. Rental expense for the fiscal years ended September 30, 2012 and 2011 totaled $206,908 and $259,628, respectively, for office space and for other leased equipment. The leases expire between October 2013 and December 2016.

NOTE 6 – OPERATING LEASES (CONTINUED)

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

Year ending September 30,		
2013	$	194,678
2014		193,666
2015		198,576
2016		201,768
2017		47,808
Total lease obiligation	$	836,496

NOTE 7 – SUBSEQUENT EVENT

Subsequent to September 30, 2012, the lessor of the Council's office building joined the Council's board of directors.

NOTE 8 – PENSION PLAN

Defined Benefit Plan

All regular employees of the Council are covered by the Florida Retirement System (FRS), a State-administered cost-sharing, multiple-employer, defined benefit retirement plan (Plan). Plan provisions are established by Chapters 121 and 122, Florida Statutes; Chapter 112 Part IV, Florida Statutes; Chapter 238, Florida Statutes; and Florida Retirement System Rules, Chapter 60S, Florida Administrative Code, wherein Plan eligibility, contribution, and benefits are defined and described in detail. Essentially all regular employees of participating employers are eligible and must enroll as members to the FRS.

Benefits in the defined benefit plan vest at six years of service. All members are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, which may include up to four years of credit for military service. The Plan also includes an early retirement provision but imposes a penalty for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability and death benefits, and annual cost-of-living adjustments

A Deferred Retirement Option Program (DROP), subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with a Florida Retirement System employer. An employee may participate in the DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the Florida Retirement System Trust Fund and accrue interest.

NOTE 8 – PENSION PLAN (CONTINUED)

Funding Policy

The contribution rates for Plan members are established, and may be amended by the State of Florida. During the 2011-2012 fiscal years, contribution rates were as follows:

	Regular Employees	Senior Management	DROP Participants
Oct 10 - June 11	10.77%	14.57%	12.25%
July 11 - Sept 11	4.91%	6.27%	4.42%
July 12 - Sept 12	5.18%	6.30%	5.44%

In addition, for regular employees and senior management, the Council is required to withhold 3% of the employees pay to fund the Plan.

The Council's liability for participation in the Plan is limited to the payment of the required contribution at the rates and frequencies established by law on future payrolls of the Council. The Council's contributions to the Plan for the fiscal years ended September 30, 2012, September 30, 2011, and September 30, 2010, totaled $49,731, $110,661, and $150,860, respectively, which were equal to the required contributions for each fiscal year.

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS

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

The employees are covered by a retirement system whose eligibility provisions for those hired before October 1, 2011, are as follows: 6 years of consecutive service and attainment of age 62; or, 30 years of service at any age. For employees hired on and after October 1, 2011, the retirement eligibility provisions are as follows: 8 years of consecutive service and attainment of age 65; or, 33 years of service at any age. Complete plan provisions are included in the official plan documents.

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

Funding Policy – In 2012, the Council's portion of health care funding cost for retired employees totaled $5,088. This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Annual Required Contribution – The Council's Annual Required Contribution (ARC), is an amount actuarially determined in accordance with GASB 45. The ARC is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

For the year ended September 30,	2012	2011
Determination of Annual Required Contribution (ARC)		
Normal cost at September 30	$ 4,013	$ (56,287)
Amortization of UAAL	1,948	28,246
Annual required contribution	$ 5,961	$ (28,041)

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

For the year ended September 30,	2012	2011
Annual OPEB Cost and net OPEB obligation		
Annual required contribution	$ 5,961	$ (28,041)
Interest on Net OPEB Obligation	93	-
Adjustment to annual required contributions	(134)	(4,078)
Annual OPEB cost	5,920	(32,119)
Less: estimated net contributions	(5,088)	-
Less: change in estimate based on change in calculation method	(54,173)	-
Increase (decrease) in net OPEB obligation	(53,341)	(32,119)
Net OPEB obligation - beginning of year	56,492	88,611
Net OPEB obligation - end of year	$ 3,151	$ 56,492

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

Fiscal year Ending	Annual OPEB Cost	Amount Contributed	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
9/30/2012	$ 5,920	$ 5,088	85.95%	$ 3,151
9/30/2011	(32,119)	-	0.00%	56,492

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Funded Status and Funding Progress – During the years ended September 30, 2012 and 2011, the Council made no contributions to its post employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the October 1, 2011 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year September 30, 2012 was $35,025 which is defined as that portion, as determined by a particular actuarial cost method (the Council uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost.

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

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

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

Actuarial Value of Plan Assets – There are not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Statement 45.

Turnover Rate – An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 7%.

Post employment Benefit Plan Eligibility Requirements – Based on past experience, it has been assumed that entitlement to benefits will commence upon retiree coverage eligibility. The employees are covered by a retirement system whose eligibility provisions are as follows: 6 years of consecutive service and attainment of age 62; or, 30 years of service at any age.

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

For employees hired on and after October 1, 2011, the retirement eligibility provisions are as follows: 8 years of consecutive service and attainment of age 65; or, 33 years of service at any age.

Investment Return Assumption (Discount Rate) – GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

Health Care Cost Trend Rate – The expected rate of increase in medical cost is based on projections performed by the Office of the Actuary at the Centers for Medicare & Medicaid Services as published in National Health Care Expenditures Projections: 2003 to 2013, Table 3: National Health Expenditures, Aggregate and per Capita Amounts, Percent Distribution and Average Annual Percent Change by Source of Funds: Selected Calendar Years 1990-2013, released in January, 2004 by the Health Care Financing Administration (www.cms.hhs.gov). "State and Local" rates for 2008 through 2013 from this report were used, with rates beyond 2013 graduated down to an ultimate annual rate of 5.0% for 2016 and later.

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

Method of Determining Value of Benefits – The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. Retiree coverage ceases at age 65. The rates provided are "blended" rates. Since use of "unblended" rates is required by GASB 45 for valuation purposes, we have estimated the unblended rates before Medicare eligibility to be 130% of the blended rates. Retiree medical coverage ceases at Medicare eligibility.

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

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

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

For the year ended September 30, 2011, the following simplifying assumptions were made:

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Retirement age for active employees – Based on the Council's retirement policy, active plan members were assumed to retire at the earlier of age 62 or after attaining 30 years of service with the Council. Retirees are assumed to participate in the OPEB plans until they become eligible for Medicare at age 65.

Marital status – Marital status of members at the calculation date was assumed to continue throughout retirement.

Turnover – All personnel were assumed to remain employed until the assumed retirement age for developing an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.

Healthcare cost trend rate – The expected rate of increase in healthcare insurance premiums were based on projections provided by the Council's healthcare insurance provider. A rate of 10 percent was used.

Health insurance premiums – 2010 health insurance premiums for retirees were used as the basis for calculation of the implicit rate subsidy.

NOTE 10 – RISK MANAGEMENT

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

Required Supplementary Information
(Other than MD&A)

West Florida Regional Planning Council

Budget to Actual Comparison Schedule - General Fund

Year ended September 30,	2012		
	Original and Final Budget	**Actual Amounts**	**Variance with Final Budget**
Revenues			
Grants and project revenue	$ 3,238,014	$ 6,848,340	$ 3,610,326
Other operating revenue	80,776	80,999	223
Interest income	-	175	175
Total revenues	3,318,790	6,929,514	3,610,724
Expenditures			
Current:			
Project management expenses	1,657,227	1,642,790	14,437
Contracted services	55,280	562,584	(507,304)
Other direct costs	1,606,283	4,517,708	(2,911,425)
Total expenditures	3,318,790	6,723,082	(3,404,292)
Excess of revenues over expenditures	$ -	$ 206,432	$ 206,432

West Florida Regional Planning Council

Budget to Actual Comparison Schedule - General Fund

Year ended September 30,	2011		
	Original and Final Budget	**Actual Amounts**	**Variance with Final Budget**
Revenues			
Grants and project revenue	$ 5,577,622	$ 7,788,510	$ 2,210,888
Other operating revenue	65,841	68,019	2,178
Interest income	-	177	177
Total revenues	5,643,463	7,856,706	2,213,243
Expenditures			
Current:			
Project management expenses	1,884,184	1,885,237	(1,053)
Contracted services	1,533,330	1,044,419	488,911
Other direct costs	2,225,949	4,620,183	(2,394,234)
Capital outlay	-	13,827	(13,827)
Total expenditures	5,643,463	7,563,666	(1,920,203)
Excess of revenues over expenditures	$ -	$ 293,040	$ 293,040

Schedule of Funding Progress - Other Post-Employment Benefits

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
09/30/12	-	$ 33,678	$ 33,678	0%	$ 1,425,337	2%
09/30/11	-	847,387	847,387	0%	1,388,324	61%
09/30/10	-	1,025,992	1,025,992	0%	1,425,337	72%

Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended September 30, 2012

Federal or State Agency Pass Through Entity Federal Program or State Project	CFDA / CFSA Number	Grantor's Contract Number	Expenditures	Transfer to Sub recipients
Federal Awards				
Department of Agriculture Forest Service				
Cooperative Forestry Assistance				
C-ENV-9-019 DOACS - Green Infrastructure	10.664	15934	$ 8,904	$ -
Department of Commerce				
Economic Development Support for Planning Organizations				
C-EDA-9-013 EDA Planning Assistance 2011	11.302	04-83-06126	6,127	-
C-EDA-9-017 Planning Assistance 2012-2014	11.302	04-83-06641	12,044	-
C-EDA-9-018 Statewide Energy Resiliency Strategy	11.302	04-69-06568	9,829	-
Subtotal			28,000	-
Subtotal Department of Commerce			36,904	-
Department of Interior				
Coastal Wetlands Planning, Protection and Restoration Act				
C-ENV-9-015 Grasses to Classes Coastal Restoration	15.614	401817G040	2,665	-
Department of Transportation Federal Transit Administration				
Passed Through Florida Department of Transportation				
Highway Planning and Construction				
T-TPO-9-100 FL-AL TPO PL 11/12	20.205	FM42077911401 / APZ16	413,569	-
T-TPO-9-200 OK-WAL TPO PL 11/12	20.205	FM42078111401 / APZ15	346,706	-
T-TPO-9-300 BAY CTY TPO PL 11/12	20.205	FM42086811401 / APZ13	297,165	-
T-TPO-9-101 FL AL TPO PL 12-13	20.205	FM42383811401	118,183	-
T-TPO-9-201 OK WAL TPO PL 12-13	20.205	FM42383711401	96,492	-
T-TPO-9-301 BAY TPO PL 12-13	20.205	FM42384011401	90,319	-
T-SU-9-002 US 98 PENSACOLA BAY BRIDGE	20.205	FM40979291401	139,422	-
Subtotal			1,501,856	-
Passed Through Alabama Department of Transportation				
Highway Planning and Construction				
T-TPO-9-100 FL-AL TPO Support to Lillian	20.205	FM42077911401 / APZ16	1,022	-
T-TPO-9-101 FL-AL TPO Support to Lillian	20.205	FM42383811401	775	-
Subtotal			1,797	-
Passed Through Florida Department of Transportation				
Metropolitan Transportation Planning Grants				
T-FTA-9-019 FL-AL TPO FTA SECT 5303 FY 2010	20.505	FM42171711419 / AOJ44	114,298	-
T-FTA-9-020 OK-WAL FTA SECT 5303 FY 2010	20.505	FM42171811420 / AOJ41	96,132	-
T-FTA-9-021 BAY CTY FTA SECT 5303 FY 2010	20.505	FM42171911420 / AOJ42	64,975	-
Subtotal			275,405	-

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

Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended September 30, 2012

Federal or State Agency Pass Through Entity Federal Program or State Project	CFDA / CFSA Number	Grantor's Contract Number	Expenditures	Transfer to Sub recipients
Federal Awards				
Department of Transportation Federal Transit Administration				
Federal Transit Cluster				
Federal Transit Formula Grants				
T-ECHO-9-008 PANAMA CITY MPO SECT 5307	20.507	FL90-X550-00	$ 24,184	$ -
T-ECHO-9-014 BAY CTY TPO FTA SECT 5307	20.507	FL90-X676-00	16,486	-
ARRA T-ECHO-9-015 BAY CTY TPO FTA SECT 5307	20.507	FL96-X022-00	15,275	-
T-ECHO-9-017 BAY CTY TPO FTA SECT 5307	20.507	FL90-X710-00	261,919	-
T-ECHO-9-018 BAY CTY TPO FTA SECT 5307	20.507	FL90-X744-00	588,055	-
T-ECHO-9-019 BAY CTY TPO FTA SECT 5307	20.507	FL90-X772-00	863,818	-
T-ECHO-9-020 BAY CTY TPO FTA SECT 5307	20.507	FL90-X796	51,960	-
T-JARC-9-004 BAY TPO J.A.R.C. SECT 5307	20.507	FL-90-X743-00	162,485	
T-NF-9-004 NEW FREEDOM SECT 5307	20.507	FL-90-X743	180,379	
Subtotal			2,164,561	-
Formula Grants for Other than Urbanized Areas				
T-5311-9-0078 BAY CTY TPO FTA SECT 5311 11/12	20.509	FM42136718429 / AOI69	63,497	-
Transit Services Program Cluster				
Job Access_Reverse Commute				
T-JARC-9-001 FL-AL TPO J.A.R.C. SECT 5316	20.516	FL-37-X035-00	8,112	-
T-JARC-9-002 BAY CTY TPO J.A.R.C SECT 5316	20.516	FM42450438401 / AP953	10,989	-
T-JARC-9-003 FL-AL TPO J.A.R.C. SECT 5316	20.516	FL-37-X046-00	183,156	-
New Freedom Program				
T-NF-9-003 NEW FREEDOM SECT 5316	20.521	FL-57-X026	69,611	-
Subtotal			271,868	-
Passed Through Florida Division of Emergency Management				
Interagency Hazardous Materials Public Sector Training and Planning Grants				
C-HZMT-9-043 HMEP TRAINING FY 10/11	20.703	10-DT-83-00-21-213	500	-
C-HZMT-9-045 HMEP PLANNING FY 11/12	20.703	12-DT-B5-13-00-21-286	15,016	-
C-HZMT-9-046 HMEP TRAINING FY 11/12	20.703	12-DT-B5-13-00-21-286	26,179	-
C-HZMT-9-048 HMEP PLANNING FY 12/13	20.703	13-DT-00-13-00-21-000	5,011	-
C-HZMT-9-049 HMEP TRAINING FY 12/13	20.703	13-DT-00-13-00-21-000	8,729	-
Subtotal			55,435	-
Subtotal Department of Transportation Federal Transit Administration			4,334,419	-

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

West Florida Regional Planning Council

Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended September 30, 2012

Federal or State Agency Pass Through Entity Federal Program or State Project	CFDA / CFSA Number	Grantor's Contract Number	Expenditures	Transfer to Sub recipients
Federal Awards				
Department of Homeland Security				
Passed through State of Florida Emergency Management				
Passed through Regional Planning Council				
Interoperable Emergency Communications				
C-RDST-9-021 COMMEX	97.055	11-PR-36-13-00-22-280	$ 89	$ -
C-RDST-9-026 Interoperable Communication Functional Exce	97.055	12-PR-39-13-00-22-165	13,144	-
C-RDST-9-027 IECGP Training	97.055	12-PR-39-13-00-22-166	3,903	-
C-RDST-9-028 IOX Camp Blanding	97.055	12-PR-39-13-00-22-261	2,803	-
C-RDST-9-031 FIN Training FY 12	97.055	12-DS-9J-13-00-22-427	1,991	-
C-RDST-9-032 IO Exercise	97.055	13-DS-61-12-00-22-212	614	-
Subtotal			22,544	-
Emergency Management Grants				
C-EVAC-9-002 SRES Depth Analysis	97.042	12-PG-A6-13-00-22-315	20,162	-
C-RDST-9-030 SRESP Training	97.042	12-PG-A9-13-00-22-366	1,124	
Subtotal			21,286	-
Homeland Security Grant Program				
C-RDST-9-029 TEPW FY 12	97.067	12-DS-9Z-13-00-22-248	7,432	-
Subtotal Department of Homeland Security			51,262	-
Environmental Protection Agency				
Passed through Partnership for Community Programs				
Brownfields Assessment and Cleanup Cooperative Agreements				
ARRA C-ENV-9-017	66.818	BF95406508-0	13,161	-
C-ENV-9-020	66.818	BF-95482211-0	12,659	
Subtotal			25,820	-
Total Federal awards			**4,451,070**	**-**

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

Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended September 30, 2012

Federal or State Agency Pass Through Entity Federal Program or State Project	CFDA / CFSA Number	Grantor's Contract Number	Expenditures	Transfer to Sub recipients
State Assistance				
Florida Department of Community Affairs				
Emergency Management Projects				
C-HZMT-9-044 LEPC STAFFING 11/12	52.023	12-CP-03-13-00-21-144	$ 36,115	$ -
C-HZMT-9-047 HAZARDS ANALYSIS 11/12	52.023	12-CP-03-13-00-21-222	4,670	-
C-HZMT-9-050 LEPC STAFFING 12/13	52.023	13-CP-11-13-00-21-160	10,616	-
C-HZMT-9-051 HAZARDS ANALYSIS 12/13	52.023	13-CP-11-13-00-21-XXX	88	-
Subtotal			51,489	-
Subtotal Florida Department of Community Affairs			51,489	-
Florida Housing Finance Corporation				
State Housing Initiatives Partnership Program				
C-SHIP-3-017 HOLMES CTY SHIP ADMIN	52.901		19,454	-
C-SHIP-3-018 HOLMES COUNTY SHIP WU&I	52.901		6,109	-
C-SHIP-6-022 WALTON CTY SHIP ADMIN	52.901		28,019	
C-SHIP-6-023 WALTON COUNTY SHIP WU&I	52.901		13,324	
Subtotal Florida Housing Finance Corporation			66,906	-
Florida Department of Transportation				
Florida Commission for the Transportation Disadvantaged Planning Grant Program				
T-TD-1-011 BAY CTY TD PROGRAM	55.002	FM22707321401 / AQO37	12,883	-
T-TD-2-011 ESCAMBIA CTY TD PROGRAM	55.002	FM22708121401 / AQO37	13,656	-
T-TD-3-011 HOLMES CTY TD PROGRAM	55.002	FM22709521401 / AQO37	18,161	-
T-TD-4-011 OKALOOSA CTY TD PROGRAM	55.002	FM22711421401 / AQ037	12,877	-
T-TD-5-011 SANTA ROSA CTY TD PROGRAM	55.002	FM22711821401 / AQO37	11,015	-
T-TD-6-011 WALTON CTY TD PROGRAM	55.002	FM22712521401 / AQO37	9,640	-
T-TD-1-012 BAY CTY TD PROGRAM	55.002	FM22707321401 / AQC19	3,512	-
T-TD-2-012 ESCAMBIA CTY TD PROGRAM	55.002	FM22708121401 / AQC19	4,159	-
T-TD-3-012 HOLMES/WASHINGTON CTY TD PROGRAM	55.002	FM22709521401 / AQC19	5,239	-
T-TD-4-012 OKALOOSA CTY TD PROGRAM	55.002	FM22711421401 / AQC19	3,705	-
T-TD-5-012 SANTA ROSA CTY TD PROGRAM	55.002	FM22711821401 / AQC19	3,465	-
T-TD-6-012 WALTON CTY TD PROGRAM	55.002	FM22712521401 / AQC19	2,730	-
Subtotal			101,042	-
Commuter Assistance/Rideshare Grants Project				
T-RIDE-9-011 COMMUTER ASSISTANCE PROGRAM	55.007	FM41560618401/AO624	204,532	-

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

Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended September 30, 2012

Federal or State Agency Pass Through Entity Federal Program or State Project	CFDA / CFSA Number	Grantor's Contract Number	Expenditures	Transfer to Sub recipients
State Assistance				
Florida Department of Transportation				
Public Transit Block Grant Program Project				
T-BLOK-9-010 BAY CTY TPO TRANSIT BLOCK GRANT	55.010	FM41410018401/AOJ76	$ 26,654	$ -
T-BLOK-9-011 BAY CTY TPO TRANSIT BLOCK GRANT	55.010	FM41410018401/AOJ76	360,474	-
Subtotal			387,128	-
Public Transit Service Development Program				
T-SVC-9-002 SERVICE DEVELOPMENT EXTENDED HRS	55.012	FM42426018401 / AP210	179,992	-
Transit Corridor Program				
T-CORR-9-009 BAY CTY URBAN CORRIDOR GRANT	55.013	FM42027218401/AOK38	131,815	-
T-CORR-9-010 BEACH FREQ IMPROVE URBAN CORRIDOF	55.013	FM42224938401/AQC91	155,000	-
T-CORR-9-012 BAY TPO FRONT BEACH ROAD PROGRAM	55.013	FM42224928401/AQC54	105,792	-
Subtotal			392,607	-
Intermodal Development Program				
T-LRTP-9-001 FL-AL LRTP	55.014	FM41235211201 / AP582	13,930	-
T-LRTP-9-002 BAY CTY LRTP	55.014	FM4162111 / APL43	38,749	-
T-LRTP-9-003 OK-WAL LRTP	55.014	FM42254311201	160,079	-
Subtotal			212,758	-
Work Program Liaison				
T-WPL-9-002 WORK PROGRAM LIAISON	Unassigned	FM420746111401 / APX42	12,576	-
T-WPL-9-003 WORK PROGRAM LIAISON	Unassigned	FM420746111401 / APX42	5,849	-
Subtotal			18,425	-
Subtotal Florida Department of Transportation			1,496,484	-
Total state assistance			**1,614,879**	**-**
Total expenditures of federal awards and state financial assistance			**$ 6,065,949**	**$ -**

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

West Florida Regional Planning Council
Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended September 30, 2012

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

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

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

We have audited the financial statements of the governmental activities and each major fund of West Florida Regional Planning Council (the Council) as of and for the year ended September 30, 2012, and have issued our report thereon dated June 12, 2013. 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.

Internal Control Over Financial Reporting

Management of West Florida Regional Planning Council is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Corporation's internal control over financial reporting as a basis for designing our auditing procedures 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 Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Council's internal controls over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not

express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards.*

This report is intended for the information of management, the Board of Directors, others within the Council, the Florida Auditor General, federal and state awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than those specified parties.

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

Miramar Beach, Florida
June 12, 2013

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Report On Compliance with Requirements That Could Have a Direct and Material Effect on each Major Federal Program and State Project and Internal Control over Compliance in Accordance With OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General of the State of Florida

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

Compliance

We have audited West Florida Regional Planning Council's (the Council) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement*, and the 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 awards programs and state financial assistance projects for the year ended September 30, 2012. The Council's major federal awards programs and state financial assistance projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs and state projects is the responsibility of the Council's management. Our responsibility is to express an opinion on the Council's compliance based on our audit.

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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations;* Chapter 10.550, Rules of the Auditor General, *Local Governmental Entity Audits.* Those standards, OMB Circular A-133, and the rules of the Auditor General require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal awards program or state financial assistance 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. Our audit does not provide a legal determination of the Council's compliance with those requirements.

In our opinion, West Florida Regional Planning Council complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal awards and state financial assistance projects for the year ended September 30, 2012. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as items 2012-1.

Internal Control Over Compliance

Management of West Florida Regional Planning Council is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal awards programs and state financial assistance projects. In planning and performing our audit, we considered the Council's internal control over compliance with the requirements that could have a direct and material effect on a major federal award program or state financial assistance project in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB A-133 and Chapter 10.550, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state financial assistance project on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of control deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state financial assistance project will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a deficiency in internal control over compliance that we considered to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as item 2012-1. 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 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.

West Florida Regional Planning Council's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Council's response, and accordingly, we express no opinion on the response.

This report is intended for the information and use of the Board of Directors, management, others within the Council, federal awarding agencies, pass-through entities, and specific legislative or regulatory bodies and is not intended to be and should not be used by anyone other than these specified parties.

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

Miramar Beach, Florida
June 12, 2013

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of West Florida Regional Planning Council (the Council).

2. No significant deficiencies in internal control over financial reporting are reported in the Report on Internal Control over Financial Reporting and on Compliance Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*.

3. No instances of noncompliance material to the financial statements of the Council which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.

4. One significant deficiency in internal control over major federal award programs and state financial assistance projects is reported in the Report on Compliance with Requirements Applicable to Each Major Federal Program and State Project and Internal Control Over Compliance in Accordance with OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General of the State of Florida.

5. The auditor's report on compliance for the major federal awards programs and state financial assistance projects for the Council expresses an unqualified opinion with one instance of noncompliance that is required to be disclosed.

6. The audit finding relative to the major federal awards programs and state financial assistance projects for the Council is reported on this Schedule.

7. The following programs were tested as major programs:

Federal Program	**CFDA #**		**Expenditures**
Federal Transit Cluster	20.507	$	2,164,561
Transit Services Program Cluster	20.516 & 20.521	$	271,868

State Project	**CSFA #**		**Expenditures**
Commuter Assistance	55.007	$	204,532
Public Transit Block Grant	55.010	$	387,128
Transit Corridor Program	55.013	$	392,607

8. The threshold for distinguishing Type A and B programs was $300,000 for major federal programs and major state financial assistance projects.

9. The Council qualified as a low-risk auditee pursuant to OMB Circular A-133.

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

The results of our audit of the Council did not disclose any findings required to be reported in accordance with GAGAS.

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

The results of our audit of the Council disclosed one finding required to be reported under the provision of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, or under Chapter 10.550, Rules of the Auditor General, *Local Governmental Entity Audits.* Finding 2012-1 is detailed on page 38. A Summary of Prior Audit Findings begins on page 40.

Finding 2012-1: Allowable Costs

Federal Agency:	**Department of Transportation**
State Agency:	**Florida Department of Transportation**
Programs:	**Federal Transit Cluster**
CFDA #s:	**20.507**
Awards #s:	**FL-90-X743**
Award Years:	**October 1, 2011 – September 30, 2012**

Criteria: OMB Circular A-87, Attachment A, Item.1 states:

"….To be allowable under Federal awards, costs must meet …general criteria:" These criteria include, among others:

- Be allocable to Federal awards under the provisions of this Circular.
- Conform to any limitations or exclusions set forth in these principles, Federal laws, terms and conditions of the Federal award, or other governing regulations as to types or amounts of cost items.
- Be the net of all applicable credits.
- Be adequately documented."

Condition: The Council made manual edits to certain invoices received from the Chautauqua Learn and Serve Charter School to appropriately exclude unallowed expenses. However, when payments on these invoices were processed, the manual edits were either overlooked or misunderstood. The actual amounts reimbursed to the Charter School by the Council did not agree to the manually approved amounts.

- **Check #:** 55741, **Payee:** Chautauqua Learn and Serve Charter School, **Amount:** $121,250.92, **Date:** 8/23/2012, **Description:** January through May 2012 invoices for the New Freedom Transportation education program.

Cause: The manual edits to the invoices resulted in clerical errors which were not identified during the review and approval process.

Effect: The Council paid $39,409.42 to the Chautauqua Learn and Serve Charter School which was more than originally invoiced and included unallowable costs**.**

Recommendation: The Council should complete tasks that include, but are not limited to the following:

1. Review the details of the identified invoices and determine no other disallowed cost exists.

Recommendation (continued):

2. Prepare a plan for the Chautauqua Learn and Serve Charter School to repay the funds.
3. Review and revise, as necessary, the Council's internal control policies and procedures related to invoice processing activities to ensure adequate guidance to staff.
4. Conduct staff training as necessary to help ensure adherence to established or revised policies and procedures.

Management's Response:

Council management has reviewed the details of invoices to ascertain that no disallowed costs exist. Chautauqua Learn and Serve Charter School has fully reimbursed the council through credits on subsequent invoices. The Council's internal control policies and procedures will be reviewed and updated to provide specific guidance for approval of invoices to include who is responsible for checking for the programmatic as well as clerical accuracy of invoices. Council management will hold a senior staff meeting to provide training while discussing the details of the finding and the corrective actions that will be taken for the future.

West Florida Regional Planning Council
Summary Schedule of Prior Year Audit Findings
Federal Programs and State Financial Assistance Projects
For the Year Ended September 30, 2012

Listed below is the Council's summary on the status of prior year audit findings on Federal Programs and State Projects:

Audit Report and Schedule Paragraph No.	Program/Area	Brief Description	Status
IC2011-1	Internal Controls over Financial Reporting	The Council's internal controls over the preparation of the Schedule of Expenditures of Federal Awards and State Financial Assistance lacked oversight.	Management has implemented controls to review the schedule's preparation prior to the commencement of audit procedures.

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Management Letter

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

We have audited the financial statements of West Florida Regional Planning Council ("Council") as of and for the fiscal year ended September 30, 2012, and have issued our report thereon dated June 12, 2013.

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. We have issued our Report on Internal Control over Financial Reporting and on Compliance and Other Matters, Report on Compliance with Requirements Applicable to Each major State Project and on Internal Control over Compliance, and Schedule of Findings and Questioned Costs. Disclosures in these reports and schedule dated June 12, 2013, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of 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 auditor's 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 recommendations made in the preceding management letter were corrected during the current year.

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.

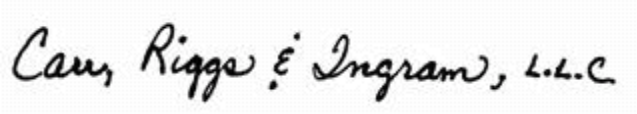
Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of provisions of contracts or grant agreements or abuse that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings other than the item identified on page 38.

Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (1) violations of

provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) deficiencies in internal control that are not significant deficiencies. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)6., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The information required is disclosed in the notes to the financial statements.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of the Board of Directors, others within the Council, and the Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.



Miramar Beach, Florida
June 12, 2013