

# West Florida Regional Planning Council

Financial Statements  
and Supplemental Information

September 30, 2010

West Florida Regional Planning Council  
 Financial Statements  
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Carr, Riggs & Ingram, LLC  
Certified Public Accountants  
500 Grand Boulevard  
Suite 210  
Miramar Beach, Florida 32550

(850) 837-3141  
(850) 654-4619 (fax)  
CRlcpa.com

## 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 year ended September 30, 2010, 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 an opinion on these financial statements based on our audits.

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 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

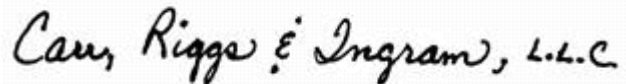
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of West Florida Regional Planning Council as of September 30, 2010, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Audit Standards*, we have also issued our report dated March 21, 2011 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 20 through 21, 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 an opinion on the basic 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.

A handwritten signature in black ink that reads "Cary Riggs & Ingram, L.L.C." The signature is written in a cursive style.

Miramar Beach, Florida  
March 21, 2011

# Management's Discussion and Analysis



J. D. Smith, Chair  
Grady Hester, 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, 2010. This discussion is intended to be read in conjunction with the Council's Basic Financial Statements that begin following this discussion.

### Financial Highlights

- The net assets of the Council at the close of its most recent fiscal year were \$1,349,764. Of this amount, \$1,189,401 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the Regional Planning Council reported an ending net asset balance decrease of approximately 14% in comparison with the prior year.
- The Council continued to experience a pull back on the part of local government interest in Technical Assistance, SHIP, Emergency Repair and other Economic Development Projects as a result of a slowed economy and tightened state and local budgets.
- Additionally, management was reluctant to fill planned positions given the current economic and political environment.
- While overall revenues increased these were predominantly direct reimbursement type dollars that were expended on contractual services and other direct costs. The project management dollars continue to trend downward.
- The Council and its current programs continue to bear the burden of a property lease entered into in May of 2007. In 2007 staff in the Pensacola office was approaching 45 employees. At present, our Pensacola staff is now reduced to 30 individuals.

Key elements of the net asset change are as follows:

Statement of Net Assets

	<b>2010</b>	<b>2009</b>
Current and Other Assets	\$ 2,283,748	\$ 2,316,331
Capital Assets	160,363	177,668
Total Assets	<u>\$ 2,444,111</u>	<u>\$ 2,493,999</u>
Current and Other Liabilities	\$ 955,004	\$ 871,558
Long-Term Liabilities	139,343	51,890
Total Liabilities	<u>\$ 1,094,347</u>	<u>\$ 923,448</u>
<b>Net Assets:</b>		
Invested in Capital Assest, net of related debt	\$ 160,363	\$ 177,668
Unrestricted	1,189,401	1,392,883
Total Net Assets	<u>\$ 1,349,764</u>	<u>\$ 1,570,551</u>

Statement of Activities

	<b>2010</b>	<b>2009</b>
<b>Revenues</b>		
Program Revenues		
Grant and Project Revenues	\$ 6,868,102	\$ 5,560,880
General Revenue		
Other	3,889	3,516
Total Revenues	<u>\$ 6,871,991</u>	<u>\$ 5,564,396</u>
<b>Expenses</b>		
Project Management Expenses	\$ 1,881,595	\$ 2,023,003
Other General Expenses	5,211,183	3,655,858
Total Expenses	<u>\$ 7,092,778</u>	<u>\$ 5,678,861</u>
Change in Net Assets	<u>\$ (220,787)</u>	<u>\$ (114,465)</u>
Net Assets, Beginning of Year	1,570,551	1,685,016
Net Assets, End of Year	<u>\$ 1,349,764</u>	<u>\$ 1,570,551</u>

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

## General Fund Budgetary Highlights

The original adopted budget for the Regional Planning Council remained unchanged for the Fiscal Year Ended September 30, 2010.

### Capital Assets

The Regional Planning Council's investment in capital assets as of September 30, 2010 amounts to \$160,363 (net of accumulated depreciation). 100% of capital assets are attributable to equipment/furniture costs. This is an unusual investment in capital assets for the Council. The purchase of capital assets took place as a direct result of the move to a new building.

### 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

Statement of Net Assets

<i>September 30,</i>	<b>2010</b>
	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 1,012,730
Due from other governmental agencies:	
Billed receivables	351,577
Unbilled receivables	849,930
Other receivables	505
Prepaid expenses	69,006
Property and equipment, net	160,363
<b>Total assets</b>	<b>2,444,111</b>
<b>Liabilities</b>	
Accounts payable	572,118
Accrued payroll and leave	51,658
Accrued liabilities	2,193
Deferred revenues	329,035
Compensated absences	50,732
Obligation for post employment benefits	88,611
<b>Total liabilities</b>	<b>1,094,347</b>
<b>Net Assets</b>	
Invested in capital assets	160,363
Unrestricted	1,189,401
<b>Total net assets</b>	<b>\$ 1,349,764</b>

See accompanying notes to financial statements

West Florida Regional Planning Council

Statement of Activities

<i>Year ended September 30,</i>	<b>2010</b>
	<b>Governmental Activities</b>
<b>Expenses</b>	
Project management expenses	\$ 1,881,595
Contracted services	1,188,199
Other direct costs	3,898,373
Unallocated depreciation	36,000
Other post-employment benefits	88,611
Total expenses	7,092,778
<b>Program revenues</b>	
Grants and project revenue	6,868,102
Total program revenues	6,868,102
<b>General revenues (loss)</b>	
Other operating revenue	3,712
Interest income	177
Total general revenues	3,889
Change in net assets	(220,787)
Net assets, beginning of year	1,570,551
Net assets, end of year	\$ 1,349,764

See accompanying notes to financial statements.

West Florida Regional Planning Council

Balance Sheet - Governmental Fund

<i>September 30,</i>	<b>2010</b>
	<b>General Fund</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 1,012,730
Due from other governmental agencies	
Billed receivables	351,577
Unbilled receivables	849,930
Other receivables	505
Prepaid expenses	69,006
<b>Total assets</b>	<b>\$ 2,283,748</b>
<b>Liabilities and Fund Balances</b>	
Liabilities	
Accounts payable	\$ 572,118
Accrued payroll and leave	51,658
Accrued liabilities	2,193
Deferred revenue	329,035
<b>Total liabilities</b>	<b>955,004</b>
Fund balances	
Unreserved, undesignated	1,328,744
<b>Total fund balance</b>	<b>1,328,744</b>
<b>Total liabilities and fund balance</b>	<b>\$ 2,283,748</b>

See accompanying notes to financial statements.

West Florida Regional Planning Council

Reconciliation of the Balance Sheet to the Statement of Net Assets

<i>September 30,</i>	<b>2010</b>
Total fund balance, governmental fund	\$ 1,328,744
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund level statements.	160,363
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.	(139,343)
<b>Total net assets - governmental activities</b>	<b>\$ 1,349,764</b>

See accompanying notes to financial statements.

West Florida Regional Planning Council

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

<i>Year ended September 30,</i>	<b>2010</b>
	<b>General Fund</b>
<b>Revenues</b>	
Grants and project revenue	\$ 6,868,102
Other operating revenue	3,712
Interest income	177
Total revenues	6,871,991
 <b>Expenditures</b>	
Current:	
Project management expenses	1,881,595
Contracted services	1,188,199
Other direct costs	3,899,531
Capital outlay	18,695
Total expenditures	6,988,020
Net change in fund balance	(116,029)
Fund balance, beginning of year	1,444,773
Fund balance, end of year	\$ 1,328,744

See accompanying notes to financial statements.

West Florida Regional Planning Council

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

<i>Year ended September 30,</i>	<b>2010</b>
Net change in fund balance - governmental fund	\$ (116,029)
Depreciation on capital assets is not recognized in the fund financial statements but is reported as an expense in the Statement of Activities.	(36,000)
Capital outlay, reported as expenditures in the governmental funds, is shown as capital assets on the Statement of Net Assets.	18,695
Current change in long-term OPEB obligation does not consume current resources and therefore is not reported in the governmental fund.	(88,611)
Current year change in long-term compensated absences liability does not consume current resources so therefore it is not reflected in the governmental fund	1,158
Change in net assets of governmental activities	\$ (220,787)

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, 2010, 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)**

The preparation of government-wide financial statements includes the application of both GASB pronouncements and those of the Financial Accounting Standards Board (FASB) issued before November 30, 1989.

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.

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, 2010, 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 which have a market value equal to 50% of all public funds on deposit at the end of each month in excess of any applicable deposit insurance. 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, 2010, the Council had no restricted net assets.

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

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation. Designation of fund balance represents tentative management plans that are subject to change and are thus called unreserved, designated fund balances in the Balance Sheet for governmental funds.

***Other Post-Employment Benefits***

Effective October 1, 2009, the Board implemented the provisions of GASB Statement No. 45, Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions. The effect of this adoption was to establish 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 8 for a description of the OPEB expenditures and liabilities. GASB Statement No. 45, improves the relevance and usefulness of financial reporting by: (a) requiring systematic, accrual-basis measurement and recognition of OPEB cost (expense) over a period that approximates employees' years of service and (b) providing information about actuarial accrued liabilities associated with OPEB and whether and to what extent progress is being made in funding the plan.

***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.

**NOTE 3 – CAPITAL ASSETS**

Capital assets are classified as follows:

<i>Year ended September 30, 2010</i>	Beginning Balance	Additions	Deletions	Ending Balance
<b>Business-type Activities:</b>				
Capital assets being depreciated:				
Office equipment	\$ 401,118	\$ 18,695	\$ (10,487)	\$ 409,326
<i>Less accumulated depreciation for:</i>				
Office equipment	223,450	36,000	(10,487)	248,963
<b>Business-type activities capital assets, net</b>	<b>\$ 177,668</b>	<b>\$ (17,305)</b>	<b>\$ -</b>	<b>\$ 160,363</b>

**NOTE 4 – COMPENSATED ABSENCES**

Changes in compensated absences year ended September 30, 2010 were as follows:

September 30,	2009	Additions	Reductions	2010	Amount due within one year
Compensated absences	\$ 51,890	\$ -	\$ (1,158)	\$ 50,732	\$ -

**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 year ended September 30, 2010 totaled \$252,686 for office space and \$19,819 for other leased equipment. The leases expire between July 2011 and May 2013.

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

Year ending September 30,	
2011	\$ 266,946
2012	133,302
2013	9,039
<b>Total lease obligation</b>	<b>\$ 409,287</b>

**NOTE 7 – 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.

**NOTE 7 – PENSION PLAN (CONTINUED)**

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.

***Funding Policy***

The contribution rates for Plan members are established, and may be amended by the State of Florida. During the 2009-2010 fiscal years, contribution rates were as follows: regular employees, 10.77%, senior management 14.57% and DROP participants, 12.25%.

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, 2010, September 30, 2009, and September 30, 2008, totaled \$150,860, \$151,549, and \$182,406, respectively, which were equal to the required contributions for each fiscal year.

**NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS**

For the fiscal year ending September 30, 2010, the Council implemented GASB Statement No. 45, "*Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*", for certain postemployment health care benefits provided by the Council. The requirement of the Statement was implemented prospectively. The Council participates in a variety of benefit plans and programs, including post-employment benefits provided to retirees. Postemployment benefits are provided in the form of health insurance for retired participants at the same rate as active participants. This results in an implicit rate subsidy.

The Council's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The Council has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement 45 for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

**NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

The Council is not required by law or other contractual agreement to provide funding for the implicit rate subsidy postemployment benefit other than the pay-as-you-go amount necessary to provide current benefits to retirees and eligible dependants and has therefore chosen to fund the OPEB obligation on a pay-as-you-go basis.

As of September 30, 2010, the actuarial accrued liability for benefits (AAL) was approximately \$1,025,992, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was 1,425,337, and the ratio of the unfunded actuarial accrued liability (UAAL) to the covered payroll was 72%.

The projection of future benefit for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The following table shows the components of the Council's OPEB cost for fiscal year 2010, the amount actually contributed to the plan, and changes in the Council's net OPEB obligation relating to the retiree health plan implicit rate subsidy:

<i>For the year ended September 30,</i>	2010
<u>Determination of Annual Required Contribution (ARC)</u>	
Normal cost at September 30	\$ 56,287
Amortization of UAAL	32,324
Annual required contribution	88,611
<u>Annual OPEB Cost and net OPEB obligation</u>	
Annual required contribution (ARC)	88,611
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	88,611
Less: employer contributions made	-
Increase in net OPEB obligation	88,611
Net OPEB obligation - beginning of year	-
Estimated net OPEB obligation - end of year	\$ 88,611

**NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

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

The following simplifying assumptions were made:

*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 9 – RISK MANAGEMENT**

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

Required Supplementary Information  
(Other than MD&A)

West Florida Regional Planning Council

Budget to Actual Comparison Schedule - General Fund

<i>Year ended September 30,</i>	<b>2010</b>			
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>				
Grants and project revenue	\$ 5,205,968	\$ 5,205,968	\$ 6,868,102	\$ 1,662,134
Other operating revenue	-	-	3,712	3,712
Interest income	-	-	177	177
<b>Total revenues</b>	<b>5,205,968</b>	<b>5,205,968</b>	<b>6,871,991</b>	<b>1,666,023</b>
<b>Expenditures</b>				
Current:				
Project management expenses	2,081,654	2,081,654	1,881,595	200,059
Contracted services	837,345	837,345	1,188,199	(350,854)
Other direct costs	2,286,969	2,286,969	3,899,531	(1,612,562)
Capital outlay	-	-	18,695	(18,695)
<b>Total expenditures</b>	<b>5,205,968</b>	<b>5,205,968</b>	<b>6,988,020</b>	<b>(1,782,052)</b>
 Excess of revenues over expenditures	 \$ -	 \$ -	 \$ (116,029)	 \$ (116,029)

West Florida Regional Planning Council

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
09/30/10	-	1,025,992	1,025,992	0%	1,425,337	72%

West Florida Regional Planning Council

Schedule of Expenditures of Federal Awards and  
State Financial Assistance  
For the Year Ended September 30, 2010

Federal or State Agency Pass Through Entity Federal Program or State Project	CFDA / CFSA Number	Grantor's Contract Number	Expenditures	Transfer to Sub recipients
<b>Federal Awards</b>				
<b>Department of Agriculture Forest Service</b>				
<b>Cooperative Forestry Assistance</b>				
C-ENV-9-019 DOACS - Green Infrastructure	10.664	15934	\$ 11,256	\$ -
<b>Department of Commerce</b>				
<b>Economic Development Technical Assistance</b>				
C-EDA-9-013 EDA PLANNING ASSISTANCE	11.303	04-83-06126	37,209	-
<b>Public Safety Intolerable Communications Grant Program</b>				
C-RDST-9-018 Operation Radar - TIC Exercise	11.555	10-PR-31-13-00-22-019	25,903	-
C-RDST-9-021 TIC Plan Exercises	11.555	10-PR-31-13-00-22-045	2,783	-
Subtotal			28,686	-
Subtotal Department of Commerce			65,895	
<b>Department of Transportation Federal Transit Administration</b>				
<u>Passed Through Florida Department of Transportation</u>				
<b>Federal Transit Capital Investment Grants</b>				
T-ECHO-9-013 BAY CTY TPO FTA SECTION 5309	20.500	FL04-0043	53,825	-
T-ECHO-9-016 BAY CTY TPO FTA 5309	20.500	FL04-0078	1,965	-
Subtotal			55,790	-
<b>Highway Planning and Construction</b>				
T-TPO-9-022 FL-AL TPO PL 09/10	20.205	AI610 / FM41620411401	640,503	-
T-TPO-9-023 OK-WAL TPO PL 09/10	20.205	AI609 / FM41620011401	518,141	-
T-TPO-9-024 BAY CTY TPO PL 09/10	20.205	AI608 / FM41620211401	472,601	-
T-TPO-9-025 FL-AL TPO PL 10/11	20.205	APZ16 / FM42077911401	142,827	-
T-TPO-9-026 OK-WAL TPO PL 10/11	20.205	APZ15 / FM42078111401	121,352	-
T-TPO-9-027 BAY CTY TPO PL 10/11	20.205	APZ13 / FM42086811401	108,825	-
Subtotal			2,004,249	-
<b>Federal Transit Metropolitan Planning Grants</b>				
T-FTA-9-016 FL-AL TPO FTA SECT 5303 FY 2008	20.505	AOJ44 / FM42171711417	33,905	-
T-FTA-9-017 OK-WAL FTA SECT 5303 FY 2008	20.505	AOJ41 / FM42171811417	647	-
T-FTA-9-018 BAY CTY FTA SECT 5303 FY 2008	20.505	AOJ42 / FM42171911417	18	-
T-FTA-9-019 FL-AL TPO FTA SECT 5303 FY 2009	20.505	AOJ44 / FM42171711418	29,079	-
T-FTA-9-020 OK-WAL FTA SECT 5303 FY 2009	20.505	AOJ41 / FM42171811418	53,427	-
T-FTA-9-021 BAY CTY FTA SECT 5303 FY 2009	20.505	AOJ42 / FM42171911418	49,110	-
Subtotal			166,186	-
<b>Federal Transit Formula Grants</b>				
T-ECHO-9-008 PANAMA CITY MPO SECT 5307	20.507	FL90-X550	25,621	-
T-ECHO-9-011 BAY CTY TPO FTA FY 2006	20.507	FL90-X587	31,771	-
T-ECHO-9-012 BAY CTY TPO FTA FY 2007	20.507	FL90-X634	324,429	-
T-ECHO-9-014 BAY CTY TPO FTA FY 2008	20.507	FL90-X676	112,515	-
ARRA T-ECHO-9-015 BAY CTY TPO FTA FY 5307	20.507	FL96-X022	484,124	-
T-ECHO-9-017 BAY CTY TPO FTA 5307	20.507	FL90-X710	842,434	-
Subtotal			1,820,894	-

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, 2010

Federal or State Agency Pass Through Entity Federal Program or State Project	CFDA / CFSA Number	Grantor's /Pass Thru Contract Number	Expenditures	Transfer to Sub recipients
<b>Federal Awards</b>				
<b>Department of Transportation Federal Transit Administration</b>				
<b>Formula Grants for Other than Urbanized Areas</b>				
T-5311-9-006 BAY CTY TPO FTA SECT 5311 09/10	20.509	AOI69 / FM42136718401	\$ 63,981	\$ -
<b>Job Access Reverse Commute</b>				
T-JARC-9-001 FL-AL TPO J.A.R.C. SECT 5316	20.516	FL37X035-00	35,806	-
<u>Passed Through Florida Department of Transportation</u>				
T-JARC-9-002 BAY CTY TPO J.A.R.C SECT 5316	20.516	AP953 / FM42450438401	125,544	-
Subtotal			161,350	-
<b>New Freedom Program</b>				
T-NF-9-001 NEW FREEDOM SECT 5317	20.521	FL57-X010-00	65,802	-
<u>Passed Through Florida Department of Transportation</u>				
T-NF-9-002 NEW FREEDOM SECT 5316 & 5317	20.521	APA96 / FM42450528401	180,842	-
Subtotal			246,644	-
<u>Passed Through Florida Division of Emergency Management</u>				
<b>Interagency Hazardous Materials Public Sector Training and Planning Grants</b>				
C-HZMT-9-038 HMEP PLANNING	20.703	10-DT-07-13-00-21-286	18,050	-
C-HZMT-9-039 HMEP TRAINING	20.703	10-DT-07-13-00-21-286	31,424	-
Subtotal			49,474	-
Subtotal Department of Transportation Federal Transit Administration			4,568,568	-
<b>Environmental Protection Agency</b>				
<u>Passed through Partnership for Community Programs</u>				
<b>Protection of Children and Older Adults from Environmental Health Risks</b>				
C-PCP-PLENV-2-001 ASTHMA & CHILDREN	66.609	CH-96499908-0	3,662	-
<b>Brownfields Assessment and Cleanup Cooperative Agreements</b>				
C-ENV-9-017 BROWNFIELDS ASSESSMENT AND CLEANUP	66.818	BF95406508-0	26,844	-
Subtotal Environmental Protection Agency			30,506	-
<b>Department of Homeland Security</b>				
<u>Passed through State of Florida Emergency Management</u>				
<u>Passed through Regional Planning Council</u>				
<b>Hazard Mitigation Grant</b>				
C-EVAC-9-001 REGIONAL EVACUATION STUDY 2007	97.039	07-HS-32-13-00-21-355	11,505	-

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, 2010

Federal or State Agency Pass Through Entity Federal Program or State Project	CFDA / CFSA Number	Grantor's Contract Number	Expenditures	Transfer to Sub recipients
<b>Federal Awards</b>				
<b>Department of Homeland Security</b>				
<u>Passed through State of Florida Emergency Management</u>				
<u>Passed through Regional Planning Council</u>				
<b>Interoperable Emergency Communications</b>				
C-RDST-9-017 REGIONAL I/O COMMUNICATIONS FY 2009	97.055	10-PR-45-12-11-22-090	\$ 11,458	\$ -
C-RDST-9-020 REGIONAL I/O COMMUNICATIONS FY 2010	97.055	10-PR-45-12-11-22-090	3,793	-
C-RDST-9-021 COMMEM	97.055	11-RP-36-13-00-22-280	258	-
Subtotal			15,509	-
<u>Passed through State of Florida Emergency Management</u>				
<u>Passed through Regional Planning Council</u>				
<b>Homeland Security Grant Program</b>				
C-RDST-9-019 TEP Workshop	97.067	10-PR-47-13-00-22-396	390	-
Subtotal Department of Homeland Security			27,404	
<b>Total Federal awards</b>			<b>4,703,629</b>	<b>-</b>
<b>State Assistance</b>				
<b>Florida Department of Environmental Protection</b>				
<b>Small Quantity Hazardous Waste Generator Grant Program</b>				
C-SQG-3-002 HOLMES SQG 2010	37.013	C05-1151-PW	\$ 2,569	\$ -
C-SQG-4-007 OKALOOSA SQG 2009	37.013	C05-1151-RE5-9	82	-
C-SQG-4-008 OKALOOSA SQG 2010	37.013	C05-1151-PW	9,012	-
C-SQG-5-007 SANTA ROSA SQG 2009	37.013	C05-1151-RE5-9	245	-
C-SQG-5-008 SANTA ROSA SQG 2010	37.013	C05-1151-PW	7,261	-
C-SQG-7-001 WASHINGTON SQG 2009	37.013	C05-1151-RE5-9	163	-
C-SQG-7-002 WASHINGTON SQG 2010	37.013	C05-1151-PW	2,246	-
Subtotal Florida Department of Environmental Protection			21,578	
<b>Florida Department of Community Affairs</b>				
<b>Regional Planning Councils Project</b>				
C-SRPP-9-009 SRPP / TA 09/10	52.006	10-DR-BS-13-00-21-001	173,500	-
C-SRPP-9-010 SRPP / TA 10/11	52.006	11-DR-CC-13-00-21-001	32,306	-
Subtotal			205,806	-
<b>Growth Management Implementation</b>				
C-TA-9-019 SUSTAINABLE EMERALD COAST	52.033	08-DR-90-13-00-21-012	3,823	-

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, 2010

Federal or State Agency Pass Through Entity Federal Program or State Project	CFDA / CFSA Number	Grantor's Contract Number	Expenditures	Transfer to Sub recipients
<b>State Assistance</b>				
<b>Florida Department of Community Affairs</b>				
<b>Emergency Management Projects</b>				
C-HZMT-9-036 LEPC STAFFING 09/10	52.023	10-CP-07-13-00-21-016	\$ 40,043	\$ -
C-HZMT-9-037 HAZARDS ANALYSIS UPDATE 09/10	52.023	10-CP-04-13-00-21-176	6,072	-
C-HZMT-9-040 LEPC STAFFING 10/11	52.023	11-CP-03-13-00-21-014	1,880	-
Subtotal			47,995	
Subtotal Florida Department of Community Affairs			257,624	-
<b>Florida Housing Finance Corporation</b>				
<b>State Housing Initiatives Partnership Program</b>				
C-SHIP-6-016 WALTON CTY SHIP WU&I 07/08	52.901	Ch 420, F.S.	432	-
C-SHIP-6-017 WALTON CTY SHIP ADMIN 08/09	52.901	Ch 420, F.S.	9,550	-
C-SHIP-6-018 WALTON CTY SHIP WU&I 08/09	52.901	Ch 420, F.S.	3,920	-
C-SHIP-6-019 WALTON CTY SHIP ADMIN 09/10	52.901	Ch 420, F.S.	11,288	-
Subtotal Florida Housing Finance Corporation			25,190	-
<b>Florida Department of Transportation</b>				
<b>Intermodal Development Program</b>				
T-LRTP-9-001 FL-AL LRTP	55.014	AP582 / FM41235211201	165,081	-
T-LRTP-9-002 BAY CTY LRTP	55.014	APL43 / FM4162111	148,767	-
T-LRTP-9-003 OK-WAL LRTP	55.014	FM42254311201	887	-
Subtotal			314,735	-
<b>Transit Corridor Program</b>				
T-CORR-9-008 BAY CTY URBAN CORRIDOR GRANT	55.013	AOK38 / FM42027218401	179,850	-
T-SU-9-001 US 90 CORRIDOR MGMT STUDY UPDATE	55.013	FM4097928	5,825	-
Subtotal			185,675	-
<b>Public Transit Block Grant Program Project</b>				
T-BLOK-9-009 BAY CTY TPO TRANSIT BLOCK GRANT	55.010	AOJ76 / FM41410018401	359,713	-
T-FTA-9-016 FL-AL TPO FTA SECT 5303 FY 2008	55.010	AOJ44 / FM42171711417	4,238	-
T-FTA-9-017 OK-WAL FTA SECT 5303 FY 2008	55.010	AOJ41 / FM42171811417	81	-
T-FTA-9-018 BAY CTY FTA SECT 5303 FY 2008	55.010	AOJ42 / FM42171911417	2	-
T-FTA-9-019 FL-AL TPO FTA SECT 5303 FY 2009	55.010	AOJ44 / FM42171711418	3,635	-
T-FTA-9-020 OK-WAL FTA SECT 5303 FY 2009	55.010	AOJ41 / FM42171811418	6,678	-
T-FTA-9-021 BAY CTY FTA SECT 5303 FY 2009	55.010	AOJ42 / FM42171911418	6,139	-
Subtotal			380,486	-
<b>Commuter Assistance/Rideshare Grants Project</b>				
T-RIDE-9-010 COMMUTER ASSISTANCE PROGRAM	55.007	AO624 / FM41560618401	213,632	-
T-RIDE-9-011 COMMUTER ASSISTANCE PROGRAM	55.007	AO624 / FM41560618401	122	-
Subtotal			213,754	-

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, 2010

Federal or State Agency Pass Through Entity Federal Program or State Project	CFDA / CFSA Number	Grantor's Contract Number	Expenditures	Transfer to Sub recipients
<b>State Assistance</b>				
<b>Florida Department of Transportation</b>				
<b>Florida Commission for the Transportation Disadvantaged Planning Grant Program</b>				
T-TD-1-009 BAY CTY TD PROGRAM	55.002	APJ43 / FM22707321401	\$ 16,555	\$ -
T-TD-2-009 ESCAMBIA CTY TD PROGRAM	55.002	APJ43 / FM22708121401	17,048	-
T-TD-3-009 HOLMES CTY TD PROGRAM	55.002	APJ43 / FM22709521401	13,959	-
T-TD-4-009 OKALOOSA CTY TD PROGRAM	55.002	APJ43 / FM22711421401	16,719	-
T-TD-5-009 SANTA ROSA CTY TD PROGRAM	55.002	APJ43 / FM22711821401	13,814	-
T-TD-6-009 WALTON CTY TD PROGRAM	55.002	APJ43 / FM22712521401	14,174	-
T-TD-7-009 WASHINGTON CTY TD PROGRAM	55.002	APJ43 / FM22712821401	13,950	-
T-TD-1-010 BAY CTY TD PROGRAM	55.002	AQ037 / FM22707321401	4,171	-
T-TD-2-010 ESCAMBIA CTY TD PROGRAM	55.002	AQ037 / FM22708121401	4,879	-
T-TD-3-010 HOLMES CTY TD PROGRAM	55.002	AQ037 / FM22709521401	3,719	-
T-TD-4-010 OKALOOSA CTY TD PROGRAM	55.002	AQ037 / FM22711421401	4,236	-
T-TD-5-010 SANTA ROSA CTY TD PROGRAM	55.002	AQ037 / FM22711821401	4,206	-
T-TD-6-010 WALTON CTY TD PROGRAM	55.002	AQ037 / FM22712521401	3,074	-
T-TD-7-010 WASHINGTON CTY TD PROGRAM	55.002	AQ037 / FM22712821401	3,187	-
Subtotal			133,691	-
<b>Public Transit Service Development Program</b>				
T-SVC-9-002 SERVICE DEVELOPMENT EXTENDED HRS	55.012	AP210 / FM42426018401	125,123	-
T-SVC-9-003 SERVICE DEVELOPMENT INCREASED FREQUEN	55.012	APD05 / FM42544918401	48,231	-
Subtotal			173,354	-
<b>Work Program Liaison</b>				
T-WPL-9-001 WORK PROGRAM LIAISON FY 05/10	Unassigned	AO533 / FM41939911401	15,055	-
T-WPL-9-002 WORK PROGRAM LIAISON FY 10/15	Unassigned	APX42 / FM42074611401	5,796	-
Subtotal			20,851	-
Subtotal Florida Department of Transportation			1,422,546	-
<b>Total state assistance</b>			<b>1,726,938</b>	<b>-</b>
<b>Total expenditures of federal awards and state financial assistance</b>			<b>\$ 6,430,567</b>	<b>\$ -</b>

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, 2010

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**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.

**Independent Auditor's 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, 2010, and have issued our report thereon dated March 21, 2011. 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**

In planning and performing our audit we considered the Council'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 Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting 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 a material weakness, as defined above.

**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.

*Caru, Riggs & Ingram, L.L.C.*

Miramar Beach, Florida  
March 21, 2011



Carr, Riggs & Ingram, LLC  
Certified Public Accountants  
500 Grand Boulevard  
Suite 210  
Miramar Beach, Florida 32550

(850) 837-3141  
(850) 654-4619 (fax)  
CRlcpa.com

**Independent Auditor's 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 10.650, 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 the compliance of West Florida Regional Planning Council (the Council) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement*, and the requirements described in the *Executive Office of the Governor's 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, 2010. 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 10.650, Rules of the Auditor General, *Florida Single Audit Act Audits – Nonprofit and For-profit Organizations*. Those standards and OMB Circular A-133 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, 2010. However, the results of our auditing procedures disclosed an instance of noncompliance

with requirements which is required to be reported in accordance with OMB A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2010-01.

### **Internal Control Over Compliance**

The management of the 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 10.650, 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 exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state 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 would not necessarily 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 compliance that we consider to be material weaknesses, as defined above.

The Council's response to the finding identified in our audit is described in the accompanying Management Response. We did not audit the Council's response and accordingly, we express no opinion on it.

This report is intended for the information and use of the Board of Directors, management, others within the Council 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  
March 21, 2011

West Florida Regional Planning Council  
 Schedule of Findings and Questioned Costs  
 Federal Programs and State Financial Assistance Projects  
 For the Year Ended September 30, 2010

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**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 relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the Council which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.
4. No control deficiencies relating to the audit of the major federal awards programs and state financial assistance projects are 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 10.650, 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.
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:

<b>Federal Program</b>	<b>CFDA #</b>	<b>Expenditures</b>
Highway Planning and Construction	20.205	\$ 2,004,249
Federal Transit Formula Grants	20.507	\$ 1,820,894

<b>State Project</b>	<b>CSFA #</b>	<b>Expenditures</b>
Regional Planning Councils	52.006	\$ 205,806
Public Transit Block Grant Program Project	55.010	\$ 380,486
Intermodal Development Program	55.014	\$ 314,735
Florida Commission for the Transportation Disadvantaged Planning Grant Program	55.002	\$ 133,691

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.

West Florida Regional Planning Council  
Schedule of Findings and Questioned Costs  
Federal Programs and State Financial Assistance Projects  
For the Year Ended September 30, 2010

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***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 without questioned costs required to be reported under the provision of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, or under Chapter 10.650, Rules of the Auditor General, *Florida Single Audit Act Audits – Nonprofit and For-profit Organizations*. Finding 2010-1 is detailed on pages 30 through 31. No Summary of Prior Audit Findings is required because no findings were reported in the prior year audit.

West Florida Regional Planning Council  
Schedule of Findings and Questioned Costs  
Federal Programs and State Financial Assistance Projects  
For the Year Ended September 30, 2010

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**Finding 2010-1: Equipment and Real Property Management**

**Federal Agency:** Department of Transportation

**State Agency:** Florida Department of Transportation

**Programs:** Highway Planning and Construction, and Federal Transit – Formula Grants (Urbanized Area Formula Program)

**CFDA #s:** 20.205 and 20.507

**Awards #s:** FM41620411401 / AI610, FM41620011401 / AI609, FM41620211401 / AI608, FM42077911401 / APZ16, FM42078111401 / APZ15, FM42086811401 / APZ13, FL90-X550, FL90-X587 , FL90-X634, FL90-X676, FL96-X022, FL90-X710

**Award Years:** October 1, 2009 – September 30, 2010

**Criteria**

OMB Circular A-110, Section\_\_34(f)(1) states that Equipment records shall be maintained accurately and shall include the following information. (i) A description of the equipment. (ii) Manufacturer's serial number, model number, Federal stock number, national stock number, or other identification number. (iii) Source of the equipment, including the award number. (iv) Whether title vests in the recipient or the Federal Government. (v) Acquisition date (or date received, if the equipment was furnished by the Federal Government) and cost. (vi) Information from which one can calculate the percentage of Federal participation in the cost of the equipment (not applicable to equipment furnished by the Federal Government). (vii) Location and condition of the equipment and the date the information was reported. (viii) Unit acquisition cost. (ix) Ultimate disposition data, including date of disposal and sales price or the method used to determine current fair market value where a recipient compensates the Federal awarding agency for its share.

**Condition**

The Council maintains a Master Property Inventory Listing (the "Listing") which includes a description of the equipment, identification number, physical location, acquisition date and cost. The listing did not include the following:

- Source of the equipment, including the award number
- Whether title vests in the recipient or the Federal Government.
- Information from which one can calculate the percentage of Federal participation in the cost of the equipment

West Florida Regional Planning Council  
Schedule of Findings and Questioned Costs  
Federal Programs and State Financial Assistance Projects  
For the Year Ended September 30, 2010

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**Finding 2010-1: Equipment and Real Property Management (Continued)**

**Cause**

The Council's current Listing does not include fields for all the minimum information requirements as outlined in OMB Circular A-110, Section \_\_.34(f)(1).

**Effect**

The inability to identify assets purchased with grant funds.

**Recommendation**

We recommend that the Council update the Listing to ensure that all required documentation is included and that all information is accurately documented.

**Management's Response**

The Council's management will update the Inventory Listing to include all required documentation and ensure that it is adequately documented.

## 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, 2010, and have issued our report thereon dated March 21, 2011.

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 Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters, Independent Auditor’s 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 March X, 2011, 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 have one recommendation detailed below:

- During our review of certain credit card purchases, we noted several charges that did not have sufficient documentation relating to the business purpose for the expenditure. While the absence of business purpose documentation does not automatically qualify the expenditures as unallowable, it does require that additional effort be undertaken to verify that the expenditures were incurred specifically to carry out the purpose of the federal awards and state projects. We did not note any compliance issues with the items

selected for testing, however we recommend that all credit card purchases include documentation of the expenditure's business purpose. For example, credit card charges for meals should include those eating and the general reason for the meal.

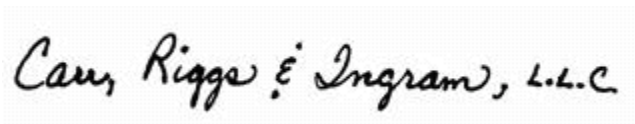
- During our audit of the payroll charges allocated to grants and contracts, we noted instances where managers/directors reallocated employees' time between contracts. The timesheets that included the reallocated time did not include documentation of the reason for the reallocation nor why the change in project was appropriate. Through discussion with Council personnel and other procedures, we concluded that the reallocations were reasonable and did not violate any provisions of the applicable contracts or grant agreements. We recommend that this type of activity be kept to a minimum. Management override of controls is identified as one of the key risks relating to internal controls. However, in instances where reallocation is necessary, we recommend that the reasons for moving the time and the person giving authority for reallocation be documented on the applicable timesheet.

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.

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.

A handwritten signature in black ink that reads "Cary Riggs & Ingram, L.L.C." The signature is written in a cursive, slightly slanted style.

Miramar Beach, Florida  
March 21, 2011