

West Florida Regional Planning Council

Financial Statements
and Supplemental Information

September 30, 2013

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

Report on the Financial Statements

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, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of West Florida Regional Planning Council as of September 30, 2013 and 2012, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budget to actual comparison schedules – general fund, and the schedule of funding progress – other post-employment benefits as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise West Florida Regional Planning Council's basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by 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.

The schedule of expenditures of federal awards and state financial assistance is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2014 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.

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 26, 2014

Management's Discussion and Analysis



Thomas Abbott, Chair
Gene Valentino, 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, 2013. This discussion is intended to be read in conjunction with the Council's Basic Financial Statements that begin following this discussion.

Financial Highlights

- Net position of the Council at the close of its most recent fiscal year was \$2,096,687. Of this amount, \$2,016,243 (unrestricted net position) 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 position balance increased by approximately 9% in comparison with the prior year.
- The Council strives to comply with unfunded mandates for Grants in Aids – Regional Planning Councils. The Governor has vetoed these funds in the previous two fiscal years as well as the current fiscal year. Funds for Grants in Aids are used to update and implement the WFRPC Strategic Regional Policy Plan (SRPP), maintain the Dispute Resolution process, address problems of greater-than-local concern, and provide technical services to local governments, economic development organizations, and other stakeholders. This funding also provides match funding for implementation of the West Florida Five-Year Strategic Plan for Economic Development and other critical related programs.
- Management continued to temporarily fill a finance and SHIP position with temporary help as the funding of certain public transportation projects remained uncertain.
- 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 for personnel experienced a reduction of approximately \$100,000 from the prior fiscal year.
- WFRPC employees received a 3 percent Cost of Living increase for the first time in 5 years.

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Key elements of the net position change are as follows:

**Statement of Net Position
Governmental Activities**

	2013	2012
Current and Other Assets	\$ 3,457,781	\$ 2,584,205
Capital Assets	80,444	100,409
Total Assets	<u>\$ 3,538,225</u>	<u>\$ 2,684,614</u>
Current and Other Liabilities	\$ 1,382,759	\$ 709,037
Long-Term Liabilities	58,779	56,360
Total Liabilities	<u>\$ 1,441,538</u>	<u>\$ 765,397</u>
Net Position:		
Net Investment in Capital Assets	\$ 80,444	\$ 98,064
Unrestricted	2,016,243	1,821,153
Total Net Position	<u>\$ 2,096,687</u>	<u>\$ 1,919,217</u>

Statement of Changes in Net Position

	2013	2012
Revenues		
Program Revenues		
Grant and Project Revenues	\$ 6,692,538	\$ 6,895,291
General Revenue		
Other	85,048	81,174
Total Revenues	<u>\$ 6,777,586</u>	<u>\$ 6,976,465</u>
Expenses		
Project Management Expenses	\$ 1,543,051	\$ 1,642,790
Other General Expenses	5,057,065	5,054,413
Total Expenses	<u>\$ 6,600,116</u>	<u>\$ 6,697,203</u>
Change in Net Position	\$ 177,470	\$ 279,262
Net Position, Beginning of Year	1,919,217	1,639,955
Net Position, End of Year	<u>\$ 2,096,687</u>	<u>\$ 1,919,217</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, 2013.

CAPITAL ASSETS

The Regional Planning Council's investment in capital assets as of September 30, 2013 amounts to \$80,444 (net of accumulated depreciation). The majority of capital assets are attributable to equipment/furniture costs.

ECONOMIC FACTORS AND BUDGETS

The Council relies on grants and project revenue in addition to membership dues as the basis for budgets each year. The annual budget is based on multiple year contracts and ongoing commitments from projects which have a history and assurance of receiving funding.

Financial Statements

West Florida Regional Planning Council

Statements of Net Position

<i>September 30,</i>	2013	2012
	Governmental Activities	Governmental Activities
Assets		
Cash and cash equivalents	\$ 1,013,089	\$ 1,047,691
Due from other governmental agencies:		
Billed receivables	1,537,073	983,986
Unbilled receivables	856,456	490,185
Prepaid expenses	51,163	62,343
Property and equipment, net	80,444	100,409
Total assets	3,538,225	2,684,614
Liabilities		
Accounts payable	1,197,324	305,434
Accrued liabilities	18,338	2,881
Unearned revenues	167,097	400,722
Compensated absences	54,981	53,209
Obligation for post employment benefits	3,798	3,151
Total liabilities	1,441,538	765,397
Net Position		
Net investment in capital assets	80,444	98,064
Unrestricted	2,016,243	1,821,153
Total net position	\$ 2,096,687	\$ 1,919,217

See accompanying notes to financial statements

West Florida Regional Planning Council

Statements of Activities

<i>Year ended September 30,</i>	2013	2012
	Governmental Activities	Governmental Activities
Expenses		
Project management expenses	\$ 1,543,051	\$ 1,642,790
Contracted services	505,187	562,584
Other direct costs	4,523,482	4,514,104
Unallocated depreciation	27,749	31,066
Other post-employment benefits	647	(53,341)
Total expenses	6,600,116	6,697,203
Program revenues		
Grants and project revenue	6,692,538	6,895,291
Total program revenues	6,692,538	6,895,291
General revenues		
Other operating revenue	84,871	80,999
Interest income	177	175
Total general revenues	85,048	81,174
Change in net position	177,470	279,262
Net position, beginning of year	1,919,217	1,639,955
Net position, end of year	\$ 2,096,687	\$ 1,919,217

See accompanying notes to financial statements.

West Florida Regional Planning Council

Balance Sheets - Governmental Fund

<i>September 30,</i>	2013	2012
	General Fund	General Fund
Assets		
Cash and cash equivalents	\$ 1,013,089	\$ 1,047,691
Due from other governmental agencies:		
Billed receivables	1,537,073	983,986
Unbilled receivables	856,456	490,185
Prepaid expenditures	51,163	62,343
Total assets	\$ 3,457,781	\$ 2,584,205
Liabilities, Deferred Outflows of Resources, and Fund Balance		
Liabilities		
Accounts payable	\$ 1,197,324	\$ 305,434
Accrued liabilities	18,338	2,881
Unearned revenue	167,097	400,723
Total liabilities	1,382,759	709,038
Deferred Outflows of Resources		
Deferred revenue	-	46,951
Total deferred outflows of resources	-	46,951
Fund balance		
Nonspendable	51,163	62,343
Unassigned	2,023,859	1,765,873
Total fund balance	2,075,022	1,828,216
Total liabilities, deferred outflows of resources, and fund balance	\$ 3,457,781	\$ 2,584,205

See accompanying notes to financial statements.

West Florida Regional Planning Council

Reconciliation of the Balance Sheets to the Statements of Net Position

<i>September 30,</i>	2013	2012
Total fund balance, governmental fund	\$ 2,075,022	\$ 1,828,216
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund level statements.	80,444	100,409
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.	(58,779)	(56,359)
Total net position - governmental activities	\$ 2,096,687	\$ 1,919,217

See accompanying notes to financial statements.

West Florida Regional Planning Council

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

<i>Year ended September 30,</i>	2013	2012
	General Fund	General Fund
Revenues		
Grants and project revenue	\$ 6,739,489	\$ 6,848,340
Other operating revenue	84,871	80,999
Interest income	177	175
Total revenues	6,824,537	6,929,514
Expenditures		
Current:		
Project management expenditures	1,543,051	1,642,790
Contracted services	505,187	562,584
Other direct costs	4,521,709	4,517,708
Capital outlay	7,784	-
Total expenditures	6,577,731	6,723,082
 Net change in fund balance	 246,806	 206,432
 Fund balance, beginning of year	 1,828,216	 1,621,784
 Fund balance, end of year	 \$ 2,075,022	 \$ 1,828,216

See accompanying notes to financial statements.

West Florida Regional Planning Council

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

<i>Year ended September 30,</i>	2013	2012
Net change in fund balance - governmental fund	\$ 246,806	\$ 206,432
Depreciation on capital assets is not recognized in the fund financial statements but is reported as an expense in the Statement of Activities.	(27,749)	(31,066)
Capital outlay, reported as expenditures in the governmental funds, is shown as capital assets on the Statement of Net Position.	7,784	-
Revenues reported in the Statement of Activities that do not provide current financial resources are deferred in the governmental funds.	(46,951)	46,951
Current change in long-term OPEB obligation does not consume current resources and therefore is not reported in the governmental fund.	(647)	53,341
Current year change in long-term compensated absences liability does not consume current resources so therefore it is not reflected in the governmental fund	(1,773)	3,604
Change in net position of governmental activities	\$ 177,470	\$ 279,262

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 Position and the Statement of Activities) report information on all the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and grants, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. At September 30, 2013, 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, 2013, the Council does not report any proprietary funds.

Reclassifications

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

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.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Council does not have any of this type of item at September 30, 2013 and 2012.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In addition to liabilities, the Statement of Financial Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Council does not have any of this type of item at September 30, 2013, however at September 30, 2012, the Council reported a deferred inflow of \$46,951 on its Balance Sheets – Governmental Fund relating to revenue that was unavailable as a current financial resource.

Net Position

Net position in the government-wide financial statements is categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets represents assets related to property, plant and equipment, net of any related debt. Restricted net position represents the assets restricted by external parties, constitutional provisions or enabling legislation. At September 30, 2013 and 2012, the Council had no restricted assets.

Fund Equity

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

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.

West Florida Regional Planning Council

Notes to Financial Statements

NOTE 3 – CAPITAL ASSETS

Capital assets are classified as follows:

<i>Year ended September 30, 2013</i>	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities				
Capital assets being depreciated:				
Office equipment	\$ 362,410	\$ 7,784	\$ (17,615)	\$ 352,579
<i>Less accumulated depreciation for:</i>				
Office equipment	262,001	27,749	(17,615)	272,135
Governmental activities capital assets, net	\$ 100,409	\$ (19,965)	\$ -	\$ 80,444

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

NOTE 4 – COMPENSATED ABSENCES

Changes in compensated absences year ended September 30, 2013 were as follows:

September 30,	2012	Additions	Reductions	2013	Amount due within one year
Compensated absences	\$ 53,209	\$ 1,772	\$ -	\$ 54,981	\$ -

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	\$ -

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, 2013 and 2012 totaled \$196,142 and \$230,802, respectively, for office space and for other leased equipment. The leases expire between October 2013 and December 2016.

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

Year ending September 30,	
2014	\$ 195,130
2015	199,552
2016	201,768
2017	47,808
<hr/>	
Total lease obligation	<u>\$ 644,258</u>

NOTE 7 – RELATED PARTY TRANSACTION

The lessor of the Council's primary office building is a member of the Council's board of directors. During the years ended September 30, 2013 and 2012, the Council paid rent totaling \$174,960 and \$191,092, respectively.

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.

NOTE 8 – 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 2012-2013 fiscal years, contribution rates were as follows:

	Regular Employees	Senior Management	DROP Participants
Oct 11 - June 12	4.91%	6.27%	4.42%
July 12 - June 13	5.18%	6.30%	5.44%
July 13 - Sept 13	6.95%	18.31%	12.84%

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, 2013, September 30, 2012, and September 30, 2011, totaled \$52,943, \$49,731, and \$110,661, 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.

West Florida Regional Planning Council

Notes to Financial Statements

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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 2013, the Council’s portion of health care funding cost for retired employees totaled \$5,495. This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

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:

<i>For the year ended September 30,</i>	2013	2012
<u>Determination of Annual Required Contribution (ARC)</u>		
Normal cost at September 30	\$ 4,174	\$ 4,013
Amortization of UAAL	2,025	1,948
Annual required contribution	\$ 6,199	\$ 5,961

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

<i>For the year ended September 30,</i>	2013	2012
<u>Annual OPEB Cost and net OPEB obligation</u>		
Annual required contribution	\$ 6,199	\$ 5,961
Interest on Net OPEB Obligation	126	93
Adjustment to annual required contributions	(183)	(134)
Annual OPEB cost	6,142	5,920
Less: estimated net contributions	(5,495)	(5,088)
Less: change in estimate based on change in calculation method	-	(54,173)
Increase (decrease) in net OPEB obligation	647	(53,341)
Net OPEB obligation - beginning of year	3,151	56,492
Net OPEB obligation - end of year	\$ 3,798	\$ 3,151

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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

Fiscal year Ending	Annual OPEB Cost	Amount Contributed	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
9/30/2013	\$ 6,142	\$ 5,495	89.47%	\$ 3,798
9/30/2012	5,920	5,088	85.95%	3,151

Funded Status and Funding Progress – During the years ended September 30, 2013 and 2012, 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, 2013 was \$36,426 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.

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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.

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.

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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.

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

<i>Year ended September 30,</i>	2013		
	Original and Final Budget	Actual Amounts	Variance with Final Budget
Revenues			
Grants and project revenue	\$ 2,826,092	\$ 6,739,489	\$ 3,913,397
Other operating revenue	80,890	84,871	3,981
Interest income	-	177	177
Total revenues	2,906,982	6,824,537	3,917,555
Expenditures			
Current:			
Project management expenditures	1,448,298	1,543,051	(94,753)
Contracted services	55,000	505,187	(450,187)
Other direct costs	1,400,684	4,521,709	(3,121,025)
Capital outlay	3,000	7,784	(4,784)
Total expenditures	2,906,982	6,577,731	(3,670,749)
Excess of revenues over expenditures	\$ -	\$ 246,806	\$ 246,806

West Florida Regional Planning Council

Budget to Actual Comparison Schedule - General Fund

<i>Year ended September 30,</i>	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

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
09/30/13	-	\$ 33,678	\$ 33,678	0%	\$ 1,217,188	3%
09/30/12	-	33,678	33,678	0%	1,425,337	2%
09/30/11	-	847,387	847,387	0%	1,388,324	61%

West Florida Regional Planning Council

Schedule of Expenditures of Federal Awards and
State Financial Assistance
For the Year Ended September 30, 2013

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 Commerce				
Economic Development Support for Planning Organizations				
C-EDA-9-017 Planning Assistance 2012-2014	11.302	04-83-06641	\$ 19,169	\$ -
C-EDA-9-018 Statewide Energy Resiliency Strategy	11.302	04-69-06568	64,545	-
Subtotal			83,714	-
Department of Energy				
Electricity Delivery and Energy Reliability, Research, Development and Analysis				
C-EDA-9-019 Florida Energy Assurance Plan	81.122	ARR003/19585	25,000	-
Department of Transportation Federal Transit Administration				
<u>Passed Through Florida Department of Transportation</u>				
Highway Planning and Construction				
T-TPO-9-101 FL AL TPO PL 12/13	20.205	FM42383811401	401,054	-
T-TPO-9-201 OK WAL TPO PL 12/13	20.205	FM42383711401	284,922	-
T-TPO-9-301 BAY TPO PL 12/13	20.205	FM42384011401	285,720	-
T-SU-9-002 US 98 PENSACOLA BAY BRIDGE	20.205	FM40979291401	8,505	-
T-TPO-9-102 FL-AL TPO PL 13/14	20.205	FM42383811401	148,930	-
T-TPO-9-202 OK-WAL TPO PL 13/14	20.205	FM42383711401	122,981	-
T-TPO-9-302 BAY TPO PL 13/14	20.205	FM42383811401	118,884	-
T-SU-9-003 MAIN ST CORRIDOR MANAGEMENT PLAN	20.205	FM40979291801	34,685	-
Subtotal			1,405,681	-
<u>Passed Through Alabama Department of Transportation</u>				
Highway Planning and Construction				
T-TPO-9-100 FL-AL TPO Support to Lillian	20.205	FM42383811401	2,656	-
T-TPO-9-102 FL-AL TPO PL 13/14	20.205	FM42383811401	1,155	-
Subtotal			3,811	-
<u>Passed Through Florida Department of Transportation</u>				
Metropolitan Transportation Planning Grants				
T-FTA-9-019 FL-AL TPO FTA SECT 5303 FY 2010	20.505	FM42171711419 / AOJ44	99,931	-
T-FTA-9-020 OK-WAL FTA SECT 5303 FY 2010	20.505	FM42171811420 / AOJ41	21,683	-
T-FTA-9-021 BAY FTA SECT 5303 FY 2010	20.505	FM42171911420 / AOJ42	3,127	-
T-FTA-9-023 OW FTA SECTION 5303 FY 2013	20.505	FM421718214 / AQF31	83,002	-
T-FTA-9-024 BAY FTA SECTION 5303 FY 13/14	20.505	FM42171921422 / AQF29	67,008	-
Subtotal			274,751	-
Formula Grants for Other than Urbanized Areas				
T-5311-9-009 BAY CTY 5311 NONURBANIZED GRANT	20.509	FM42136728401 / AQF64	64,520	-

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, 2013

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				
<u>Federal Transit Cluster</u>				
Federal Transit Capital Investment Grants				
T-ECHO-9-016 BAY CTY TPO FTA SECT 5309	20.500	FL-04-0078-00	816,684	-
Federal Transit Formula Grants				
T-ECHO-9-014 BAY CTY TPO FTA SECT 5307	20.507	FL90-X676-00	23,954	-
ARRA T-ECHO-9-015 BAY CTY TPO FTA SECT 5307	20.507	FL96-X022-00	8,390	-
T-ECHO-9-017 BAY CTY TPO FTA SECT 5307	20.507	FL90-X710-00	16,244	-
T-ECHO-9-018 BAY CTY TPO FTA SECT 5307	20.507	FL90-X744-00	109,460	-
T-ECHO-9-019 BAY CTY TPO FTA SECT 5307	20.507	FL90-X772-00	239,405	-
T-ECHO-9-020 BAY CTY TPO FTA SECT 5307	20.507	FL90-X796	1,034,792	-
T-JARC-9-004 BAY CTY TPO JARC SECT 5307	20.507	FL-90-X743-00	119,778	-
T-JARCNF-9-006 BAY CTY JARCNF	20.507	FL-90-X823-00	80,788	-
T-NF-9-004 NEW FREEDOM SECT 5307	20.507	FL-90-X743	62,813	-
T-ECHO-9-021 BAY CTY TPO FY13 UZA FORMULA GRAN	20.507	FL-90-X829-00	38,672	-
Subtotal			2,550,980	-
<u>Transit Services Program Cluster</u>				
Job Access Reverse Commute				
T-JARC-9-001 FL-AL TPO JARC SECT 5316	20.516	FL-37-X035-00	2,394	-
T-JARC-9-003 FL-AL TPO JARC SECT 5316	20.516	FL-37-X046-00	65,517	-
T-JARC-9-005 FL-AL TPO JARC	20.516	FL-37-X069-00	28,878	-
New Freedom Program				
T-NF-9-003 NEW FREEDOM SECT 5316	20.521	FL-57-X026	68,616	-
T-NF-9-005 FTA SECT 5317 OCT12-JAN14	20.521	FL-57-X038	65,965	-
Subtotal			231,370	-
<u>Passed Through Florida Division of Emergency Management</u>				
Interagency Hazardous Materials Public Sector Training and Planning Grants				
C-HZMT-9-048 HMEP Planning FY 12/13	20.703	13-DT-00-13-00-21-000	20,000	-
C-HZMT-9-049 HMEP Training FY 12/13	20.703	13-DT-00-13-00-21-000	26,028	-
C-HZMT-9-053 HMEP Planning FY 13/14	20.703	14-DT-75-13-00-21-168	4,996	-
C-HZMT-9-054 HMEP Training FY 13/14	20.703	14-DT-75-13-00-21-168	8,717	-
Subtotal			59,741	-
Subtotal Department of Transportation Federal Transit Administration			4,590,854	-

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, 2013

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				
<u>Passed through State of Florida Emergency Management</u>				
<u>Passed through Regional Planning Council</u>				
Interoperable Emergency Communications				
C-RDST-9-031 FIN Training FY 12	97.055	12-DS-9J-13-00-22-427	2,923	-
C-RDST-9-032 IO Exercise	97.055	13-DS-61-12-00-22-212	10,718	-
C-RDST-9-034 FIN Training FY13	97.055	12-DS-9J-13-00-22-427	1,397	-
C-RDST-9-035 IO Summit	97.055		1,898	-
Subtotal			16,936	-
Emergency Management Grants				
C-EVAC-9-003 Census State Evac Study	97.042		4,359	-
Homeland Security Grant Program				
C-RDST-9-033 TEPW Training Exercise	97.067	13-DS-87-13-00-22-288	5,452	-
Subtotal Department of Homeland Security			26,747	-
Environmental Protection Agency				
<u>Passed through Partnership for Community Programs</u>				
Brownfields Assessment and Cleanup Cooperative Agreements				
ARRA C-ENV-9-017	66.818	BF95406508-0	292,647	215,000
C-ENV-9-020	66.818	BF-95482211-0	82,911	-
Subtotal			375,558	215,000
Total Federal awards			\$ 5,101,873	\$ -

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, 2013

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				
Executive Office of the Governor				
Emergency Management Projects				
C-HZMT-9-050 LEPC STAFFING 12/13	31.067	13-CP-11-13-00-21-160	\$ 30,293	\$ -
C-HZMT-9-051 HAZARDS ANALYSIS 12/13	31.067	13-CP-11-13-00-21-XXX	3,430	-
C-HZMT-9-052 LEPC STAFFING 13/14	31.067	14-CP-XX-13-00-21-XXX	11,423	-
C-HZMT-9-055 HAZARDS ANALYSIS 13/14	31.067	14-CP-11-13-00-21-XXX	544	-
Subtotal Executive Office of the Governor			45,690	-
Florida Housing Finance Corporation				
State Housing Initiatives Partnership Program				
C-SHIP-3-017 HOLMES CTY SHIP ADMIN	52.901		1,111	-
C-SHIP-3-018 HOLMES CTY SHIP WU&I 11/12	52.901		10,726	-
C-SHIP-6-022 WALTON CTY SHIP ADMIN	52.901		1,633	-
C-SHIP-6-023 WALTON CTY SHIP WU&I 11/12	52.901		7,095	-
C-SHIP-3-019 HOLMES CTY SHIP ADMIN	52.901		622	-
C-SHIP-6-024 WALTON CTY SHIP ADMIN	52.901		1,194	-
C-SHIP-6-025 WALTON CTY SHIP WU&I 13/14	52.901		607	-
Subtotal Florida Housing Finance Corporation			22,988	-
Florida Department of Transportation				
Florida Commission for the Transportation Disadvantaged Planning Grant Program				
T-TD-1-012 BAY CTY TD PROGRAM	55.002	FM19363011401 / AQO37	12,107	-
T-TD-2-012 ESCAMBIA CTY TD PROGRAM	55.002	FM19363011401 / AQO37	13,206	-
T-TD-3-012 HOLMES/WASHINGTON CTY TD PROGRAM	55.002	FM19363011401 / AQO37	20,296	-
T-TD-4-012 OKALOOSA CTY TD PROGRAM	55.002	FM19363011401 / AQO37	13,535	-
T-TD-5-012 SANTA ROSA CTY TD PROGRAM	55.002	FM19363011401 / AQO37	10,428	-
T-TD-6-012 WALTON CTY TD PROGRAM	55.002	FM19363011401 / AQ37	10,058	-
T-TD-1-013 BAY CTY TD FY13/14	55.002	FM43202911401 / AR283	4,262	-
T-TD-2-013 ESCAMBIA CTY TD FY13/14	55.002	FM43202911401 / AR283	4,567	-
T-TD-3-013 HOLMES/WASHINGTON CTY TD FY13/14	55.002	FM43202911401 / AR283	6,025	-
T-TD-4-013 OKALOOSA CTY TD FY13/14	55.002	FM43202911401 / AR283	5,194	-
T-TD-5-013 SANTA ROSA CTY TD FY 13/14	55.002	FM43202911401 / AR283	4,013	-
T-TD-6-013 WATON CTY TD FY13/14	55.002	FM43202911401 / AR283	3,632	-
Subtotal			107,323	-

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, 2013

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				
Commuter Assistance/Rideshare Grants Project				
T-RIDE-9-011 COMMUTER ASSISTANCE PROGRAM	55.007	FM41560618401 / AO624	15,232	-
T-RIDE-9-012 COMMUTER ASSISTANCE PROGRAM	55.007	41560628401 / AQL72	256,800	-
Subtotal			272,032	-
Public Transit Block Grant Program Project				
T-BLOK-9-011 BAY CTY TPO TRANSIT BLOCK GRANT	55.010	FM42224618401/AQG39	27,281	-
T-BLOK-9-012 BAY CTY TPO TRANSIT BLOCK GRANT	55.010	42224618401 / AQG39	488,187	-
Subtotal			515,468	-
Transit Corridor Program				
T-CORR-9-009 BAY CTY URBAN CORRIDOR GRANT	55.013	42224918401 / AQC57	180,000	-
Work Program Liaison				
T-WPL-9-004 WORK PROGRAM LIAISON FY10/15	Unassigned	FM420746111401 / APX42	13,481	-
T-WPL-9-005 RURAL WORK PROGRAM LIAISON FY10/15	Unassigned	FM420746111401 / APX42	4,239	-
Subtotal			17,720	-
Subtotal Florida Department of Transportation			1,092,543	-
Total state assistance			\$ 1,161,221	\$ -
Total expenditures of federal awards and state financial assistance			\$ 6,263,094	\$ -

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, 2013

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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of West Florida Regional Planning Council (the Council), as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements, and have issued our report thereon dated March 26, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Council's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2013-001, that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those

provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

West Florida Regional Planning Council's Response to Findings

The Council's response to the findings identified in our audit is described in the accompanying schedule of findings and questions costs. The Council's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

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

Miramar Beach, Florida
March 26, 2014

Independent Auditor's Report on Compliance for Each Major Program and State Project and on Internal Control Over Compliance Required by OMB 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

Report on Compliance for Each Major Federal Program

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 *Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of the Council's major federal programs and state projects for the year ended September 30, 2013. The Council's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Council's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.500, 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 noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state 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 on compliance for each major federal program and state financial assistance project. However, our audit does not provide a legal determination of the Council's compliance.

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

Management of the Council is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Council's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state financial assistance project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular 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 over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Miramar Beach, Florida
March 26, 2014

West Florida Regional Planning Council
 Schedule of Findings and Questioned Costs
 Federal Programs and State Financial Assistance Projects
 For the Year Ended September 30, 2013

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of West Florida Regional Planning Council (the Council).
2. One significant deficiency in internal control over financial reporting is 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. No significant deficiencies in internal control over major federal award programs and state financial assistance projects to be 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 unmodified opinion.
6. No audit findings relative to the major federal awards programs and state financial assistance projects were required to be reported.
7. The following programs were tested as major programs:

Federal Program	CFDA #	Expenditures
Federal Transit Cluster	20.500 & 20.507	\$ 2,550,980
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	\$ 375,558

State Project	CSFA #	Expenditures
Florida Commission for the Transportation Disadvantaged Planning Grant	55.002	\$ 107,323
Public Transit Block Grant	55.010	\$ 515,468

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, 2013

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 disclosed one finding required to be reported in accordance with GAGAS. Finding 2013-001 is detailed on page 39.

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

The results of our audit of the Council did not disclose findings 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*. A Summary of Prior Audit Findings begins on page 40.

West Florida Regional Planning Council
Schedule of Findings and Questioned Costs
Federal Programs and State Financial Assistance Projects
For the Year Ended September 30, 2013

Finding 2013-001: Segregation of Regional Utility Authority funds

Condition: For the year ended September 30, 2013, certain adjustments were required to be made in order to properly segregate the Regional Utility Authority (RUA) funds from those of the Council. The Council provides management services for RUA, and as part of that responsibility, collects and remits loan payments on behalf of the RUA. These transactions were being accounted for within the Council's bank account and accounting system, however they did not net to a zero sum of activity.

Criteria: If the Council is going to record the RUA activity on its books, the Council should have internal controls in place that provide reasonable assurance that the RUA activity will be recorded properly and net to a zero sum of activity.

Cause: The internal control procedures in place did not prevent or detect and correct instances where RUA activity did not net to a zero sum of activity.

Effect: Revenue was recorded incorrectly in the unadjusted trial balance presented to us at the outset of the audit engagement. Removing and correcting this activity required multiple adjustments to separate the Council's activity from the RUA's activity, and included a reduction of overall revenue totaling approximately \$76,000.

Recommendation: We recommend that the Council create a separate bank account and account for the RUA activity separately from the Council's. This may include purchasing a simple accounting software package such as QuickBooks or setting up a separate company within the existing accounting software package. Separating the accounting for these entities should prevent the need for future adjustments and the comingling of funds. If a separate accounting entity is not established, we recommend that the Council account for these transactions essentially as an escrow account where no revenue activity is reflected on the Council's books.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with Auditor's recommendation of creating separate bank accounts and financial activity. The Council opened a separate RUA bank account during the fiscal year ended September 30, 2013. Of the two entities involved in submitting revolving loan payments to the RUA, one has correctly changed to the RUA bank account for remitting its payments, and our staff continues to work with the second entity in arranging for its deposits to be remitted to the new RUA bank account. Until such time as all RUA financial deposits are remitted directly to the RUA bank account, the Council will account for RUA deposits as accounts payable or an escrow account so that no revenue will be reflected on the Council's books. The Council is maintaining RUA financial activity in a separate system of accounting using the Council's current financial accounting software.

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, 2013

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
2012-1	20.507 Federal Transit Cluster	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 invoice were processed, the manual edits were either overlooked or misunderstood. The result was overpayments in the amount of \$39,409.42 to the Chautauqua Learn and Serve Charter School.	Management reviewed the details of the invoices and requested reimbursement for the overpayments. The Council's reviewed internal control policies and procedures and updated specific guidance for approval of invoices and verifying clerical accuracy.

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 (the Council) as of and for the fiscal year ended September 30, 2013, and have issued our report thereon dated March 26, 2014.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Florida Auditor General. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in this report, which is dated March 26, 2014, should be considered in conjunction with this management letter.

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

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. As noted on page 40, corrective actions have been taken.

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 noted one item that is hereinafter referred to as item 2013-002. Certain employees had total accumulated annual leave hours that slightly exceeded the stated maximum in the Council's policy manual. We recommend these balance be adjusted in the future to be in line with the policy.

Management's response: Management recognizes that certain employees had annual leave balances which slightly exceeded the 160 hour maximum as allowed by the employee handbook. Management will adjust balances in the future if excess leave hours are incurred.

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

based on professional judgment (item 2013-003). Immaterial expense amounts identified as unallowable were charged to the Brownfields grants. These amounts included approximately \$540 of indirect costs, which are specifically unallowed per the grant contract, plus additional amounts from a subcontractor that appear to be administrative in nature (i.e. time incurred to prepare invoices to the Council). We recommend the Council provide enhanced oversight related to this very restrictive grant contract.

Management's response: Management acknowledges \$540 of unallowable costs was charged in error to a Brownfields grant. The procedures for charging indirect costs as part of salary transfers was changed during the fiscal year ending September 30, 2013 so as not to allow this type of error to occur. Management will carefully review all future invoices from subcontractor's to assure that administrative charges are not charged to the Brownfields grant. Council staff will review all subcontractor invoices and credit the federal program for those charges which were unallowable

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

Section 10.554(1)(i)6.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Council did not meet any of the conditions described in Section 218.503(1), Florida Statutes during the year ended September 30, 2013.

Section 10.554(1)(i)6.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the Council for the fiscal year ended September 30, 2013, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2013. In connection with our audit, we determined that these two reports were in agreement.

Pursuant to Sections 10.554(1)(i)6.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the Council's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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

Cary Riggs & Ingram, L.L.C.

Miramar Beach, Florida
March 26, 2014