

**SOUTHWEST FLORIDA REGIONAL  
PLANNING COUNCIL**

**BASIC FINANCIAL STATEMENTS  
TOGETHER WITH REPORTS OF  
INDEPENDENT AUDITOR**

**YEAR ENDED  
SEPTEMBER 30, 2011**

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## **INDEPENDENT AUDITOR'S REPORT**

Executive Committee and Council Members  
Southwest Florida Regional Planning Council  
1926 Victoria Avenue  
Fort Myers, Florida 33901

We have audited the accompanying basic financial statements of Southwest Florida Regional Planning Council (the "Council"), as of September 30, 2011, and for the year then ended, as listed in the table of contents. These basic financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these basic 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 of America. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of Southwest Florida Regional Planning Council as of September 30, 2011, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated January 19, 2012, on our consideration of Southwest Florida Regional Planning Council's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grants 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.

INTEGRITY ..... SERVICE ..... EXPERIENCE

The Management's Discussion and Analysis (MD&A) on pages i-v is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the Management's Discussion and Analysis. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the Council's basic financial statements taken as a whole. The required supplementary information other than MD&A on pages 35-40 described in the accompanying table of contents is presented for the purposes of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. Such information has been subjected to the auditing procedures applied by us 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.

The accompanying Schedule of Expenditures of Federal Awards on page 41, for the year ended September 30, 2011, is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is a requirement within the provisions of Office of Management and Budget (OMB) Circular A-133 "Audits of States, Local Governments and Non-Profit Organizations". This supplementary 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.

As discussed in Note A to the financial statements. The Council adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as of October 1, 2010.

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

TUSCAN & COMPANY, P.A.  
Fort Myers, Florida  
January 19, 2012

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

**SOUTHWEST FLORIDA REGIONAL PLANNING COUNCIL**  
**Management's Discussion and Analysis**  
**(unaudited)**

This discussion and analysis of the Southwest Florida Regional Planning Council (the "Council") financial statements is designed to introduce the basic financial statements and provide an analytical overview of the Council's financial activities for the fiscal year ended September 30, 2011. The basic financial statements are comprised of the government-wide financial statements, governmental fund financial statements, and footnotes. We hope this will assist readers in identifying significant financial issues and changes in the Council's financial position.

**Council Financial Highlights:**

- At the close of fiscal year 2011 the Council's assets exceeded its liabilities, resulting in net assets of \$754,481.
- The Council's total net assets decreased \$173,580 or 18.7 percent.
- The Council had \$519,868 in fund balance of which \$507,416 can be used to meet the Council's ongoing obligations. That total of \$507,416 represents operating reserves.
- Total revenues decreased \$345,715 or 9.51 percent, in comparison to the prior fiscal year.
- Total expenses decreased \$161,542 or 4.46 percent, in comparison to the prior fiscal year.

**Government-Wide Financial Statements**

Government-wide financial statements (statement of net assets and statement of activities found on pages 3 and 4, respectively) are intended to allow a reader to assess a government's operational accountability. Operational accountability is defined as the extent to which the government has met its operating objectives efficiently and effectively, using all resources available for that purpose, and whether it can continue to meet its objectives for the foreseeable future. Government-wide financial statements concentrate on the Council as a whole and do not emphasize fund types.

The *Statement of Net Assets* (page 3) presents information on all of the Council's assets and liabilities, with the difference between the two reported as net assets. The Council's capital assets (land, building, equipment, furniture and fixtures, and vehicles) are included in this statement and reported net of their accumulated depreciation.

The *Statement of Activities* (page 4) presents revenue and expense information showing how the Council's net assets changed during the fiscal year. Both statements are measured and reported using the economic resource measurement focus (revenues and expenses) and the accrual basis of accounting (revenue recognized when earned and expense is recognized when a liability is incurred).

**Governmental Fund Financial Statements**

The accounts of the Council are organized on the basis of governmental funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for which a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Governmental fund financial statements (found on pages 5 and 7) are prepared on the modified accrual basis using the current financial resources measurement focus. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available as net current assets.

**Notes to the Financial Statements**

The notes to the financial statements explain in detail some of the data contained in the preceding statements and are on pages 9 through 36. These notes are essential to a full understanding of the data provided in the government-wide and fund financial statements.

**SOUTHWEST FLORIDA REGIONAL PLANNING COUNCIL**  
**Management's Discussion and Analysis**  
**(unaudited)**

**Government-Wide Financial Analysis**

The government-wide financial statements were designed so that the user could determine if the Council is in a better or worse financial condition from the prior year.

The following table reflects a Summary of Net Assets for fiscal years 2011 and 2010:

**Southwest Florida Regional Planning Council**  
**Summary of Net Assets**  
**September 30**

Assets:	<u>2011</u>	<u>2010</u>	<u>Change</u>	<u>% Change</u>
Current assets	\$ 910,070	\$ 999,596	\$ (89,526)	-8.96%
Capital assets, net	<u>1,534,499</u>	<u>1,588,006</u>	<u>(53,507)</u>	-3.37%
Total assets	<u>\$ 2,444,569</u>	<u>\$ 2,587,602</u>	<u>\$ (143,033)</u>	-5.53%
Liabilities:				
Current liabilities	\$ 453,871	\$ 379,667	\$ 74,204	19.54%
Noncurrent liabilities	<u>1,236,217</u>	<u>1,279,874</u>	<u>(43,657)</u>	-3.41%
Total liabilities	<u>1,690,088</u>	<u>1,659,541</u>	<u>30,547</u>	1.84%
Net assets:				
Investment in capital assets, net				
of related debt	377,410	370,755	6,655	1.79%
Unrestricted	<u>377,071</u>	<u>557,306</u>	<u>(180,235)</u>	-32.34%
Total net assets	<u>754,481</u>	<u>928,061</u>	<u>(173,580)</u>	-18.70%
Total liabilities and net assets	<u>\$ 2,444,569</u>	<u>\$ 2,587,602</u>	<u>\$ (143,033)</u>	-5.53%

For the fiscal year 2011, current assets are comprised of cash and cash equivalents of \$153,440, investments of \$360,390, grants receivables of \$291,758, contract and other receivables of \$101,373, and deposits of \$3,109.

For the fiscal year 2011, current liabilities are comprised of accounts payable and accrued expenses of \$118,630, retainage payable of \$64,717, deferred contract, grant and DRI/NOPC revenue of \$206,855 and the current portion of long-term liabilities of \$63,669.

The investment in capital assets, net of related debt of \$377,410 represents 50 percent of net assets and is comprised of land, building, equipment, furniture and fixtures, and vehicles, net of accumulated depreciation and the outstanding related debt used to acquire the assets. The unrestricted net asset balance of \$377,071 decreased \$180,235 or 32.34 percent. The unrestricted net asset balance represents resources available for spending.



**SOUTHWEST FLORIDA REGIONAL PLANNING COUNCIL**  
**Management's Discussion and Analysis**  
**(unaudited)**

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

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

Revenues:	<u>2011</u>	<u>2010</u>	<u>Change</u>	<u>% Change</u>
Program Revenues				
Charges for services - dues & fees	\$ 682,027	\$ 782,311	\$ (100,284)	-12.82%
Contracts, grants and contributions	2,591,297	2,841,441	(250,144)	-8.80%
General Revenues				
Increase - fair value of investments	1,719	4,195	(2,476)	-59.02%
Interest and miscellaneous	<u>13,095</u>	<u>5,906</u>	<u>7,189</u>	121.72%
Total revenues	<u>3,288,138</u>	<u>3,633,853</u>	<u>(345,715)</u>	-9.51%
Expenses:				
Project Planning				
Personnel services	\$ 2,287,399	\$ 2,245,381	42,018	1.87%
Operating expenses	1,045,186	1,244,288	(199,102)	-16.00%
Depreciation	61,544	62,687	(1,143)	-1.82%
Interest and fiscal charges	<u>67,589</u>	<u>70,904</u>	<u>(3,315)</u>	-4.68%
Total expenses	<u>3,461,718</u>	<u>3,623,260</u>	<u>(161,542)</u>	-4.46%
Change in net assets	(173,580)	10,593	<u>\$ (162,987)</u>	
Net Assets - Beginning	<u>928,061</u>	<u>917,468</u>		
Net Assets - Ending	<u>\$ 754,481</u>	<u>\$ 928,061</u>		

**Budgetary Highlights**

Budget versus actual comparisons are presented in the required supplementary information other than the Management's Discussion and Analysis.

*Original to Final Budget Variances*

The Council Members approved several budget amendments during the fiscal year ended September 30, 2011. The amendments were between various revenue and expenditure line items and did change the total budgeted revenues and expenditures in the general fund by \$24,374. The Special Revenue Fund had a increase in Budgeted Revenue and Expenditures of \$30,000 due to amendments in the budget.

*Final Budget to Actual Variances*

There were two (2) financially significant final budget versus actual line item variances were noted in the General Fund for either revenues or expenditures (before indirect expenditure allocations). These variances were due to personnel costs being higher than budgeted which included a severance package given to the former Executive Director.

**SOUTHWEST FLORIDA REGIONAL PLANNING COUNCIL**  
**Management's Discussion and Analysis**  
**(unaudited)**

**Capital Assets**

Non-depreciable capital assets include land. Depreciable capital assets include building, equipment, furniture and fixtures, and vehicles. The following is a schedule of the Council's capital assets as of September 30, 2011 and 2010:

**Southwest Florida Regional Planning Council**  
**Capital Assets**  
**Years Ended September 30**

	<u>2011</u>	<u>2010</u>	<u>Change</u>
Non-Depreciable Capital Assets			
Land	\$ 375,565	\$ 375,565	\$ -
Depreciable Capital Assets			
Total depreciable capital assets	<u>1,661,475</u>	<u>1,653,438</u>	<u>8,037</u>
Less Accumulated Depreciation			
Total depreciable capital assets	<u>(502,541)</u>	<u>(440,997)</u>	<u>(61,544)</u>
Depreciable capital assets, net	<u>1,158,934</u>	<u>1,212,441</u>	<u>(53,507)</u>
Capital Assets, net	<u>\$ 1,534,499</u>	<u>\$ 1,588,006</u>	<u>\$ (53,507)</u>

**Debt Administration**

At September 30, 2011, the Council had \$1,299,886 of outstanding debt, which is comprised of \$1,157,089 of noncurrent long-term obligations and \$142,797 of current portion of long-term obligations as shown on the Statement of Net Assets. The following is a detailed schedule of the Council's outstanding debt as of September 30, 2011 and 2010:

**Southwest Florida Regional Planning Council**  
**Outstanding Debt**  
**Years Ended September 30**

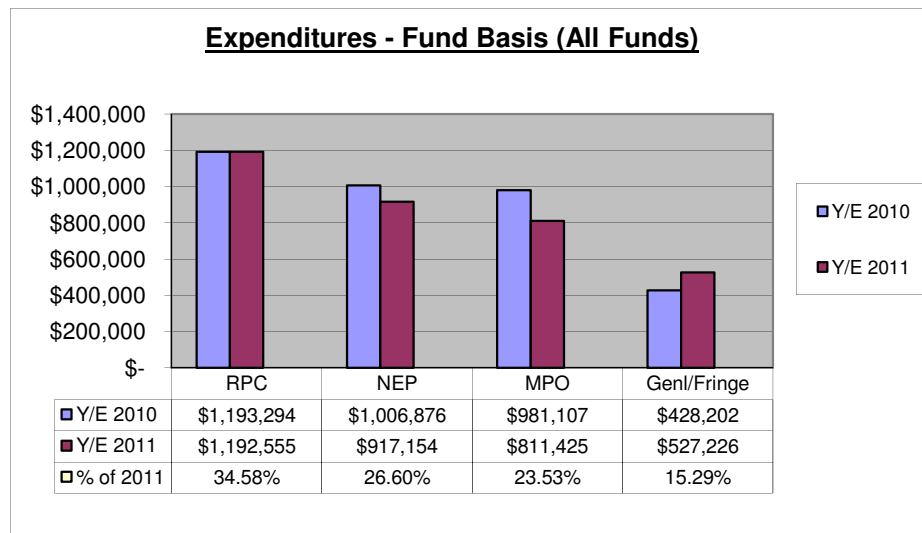
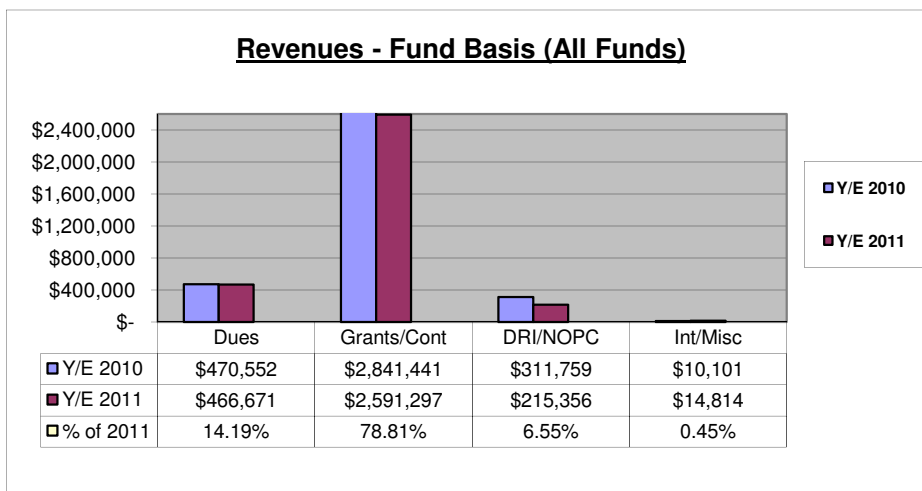
	<u>2011</u>	<u>2010</u>	<u>Change</u>
Note Payable	\$ 1,157,089	\$ 1,217,251	\$ (60,162)
Compensated Absences	101,446	94,452	6,994
OPEB Obligation	<u>41,351</u>	<u>28,332</u>	<u>13,019</u>
Total Outstanding Debt	1,299,886	1,340,035	<u>\$ (40,149)</u>
Less current portion	<u>(63,669)</u>	<u>(60,161)</u>	
	<u>\$ 1,236,217</u>	<u>\$ 1,279,874</u>	

**SOUTHWEST FLORIDA REGIONAL PLANNING COUNCIL**  
**Management's Discussion and Analysis**  
**(unaudited)**

The note payable for the office building has a monthly payment of \$10,646, including interest, with a final payment of \$826,523 due June 1, 2016. The amount reported as compensated absences represents the total amount the Council had due at the termination of all employees' employment. The net OPEB obligation is the actuarially determined cost to offer retiree's health, dental, and vision coverage.

**Other Known Facts, Decisions, or Conditions**

Member assessments, DRI and NOPC fees, and grants and contracts provide the majority of revenues for the Council and provide the basis for the operating expenses. Grant and contracts provided 78.81%, DRI and NOPC fees provided 6.55%, assessments provided 14.19% of fiscal year 2011 revenues. Interest and miscellaneous income provided .45% of fiscal year 2011 revenues.



In October 2011, the Regional Planning Council was informed by the MPO that the MPO was exercising their option to cancel the lease for office space in the Regional Planning Council office building as well as the administrative services portion of the contract. Currently, the Regional Planning Council staff perform significantly all of the administrative function for the MPO.

**SOUTHWEST FLORIDA REGIONAL PLANNING COUNCIL**  
**Management's Discussion and Analysis**  
**(unaudited)**

The financial impact of the MPO leaving will likely negatively affect the Regional Planning Council. The specific effect is currently being determined. In general, based upon fiscal year ended September 30, 2011, amounts recorded by MPO overall revenues and expenditures included in the Regional Planning Council were \$811,425.

**Request for Information**

This financial report is designed to provide the reader an overview of the Council. Questions regarding any information provided in this report should be directed to: the Southwest Florida Regional Planning Council, 1926 Victoria Avenue, Fort Myers, Florida 33901. The phone is (239) 338-2550, extension 237.

**SOUTHWEST FLORIDA REGIONAL PLANNING COUNCIL**  
**STATEMENT OF NET ASSETS**  
**September 30, 2011**

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	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 153,440
Investments	360,390
Due from other governments - grants	291,758
Receivables - contracts and other	101,373
Deposits	<u>3,109</u>
Total current assets	<u>910,070</u>
Noncurrent assets:	
Capital assets:	
Land	375,565
Depreciable buildings, improvements, equipment and vehicles (net of \$502,541 accumulated depreciation)	<u>1,158,934</u>
Total noncurrent assets	<u>1,534,499</u>
 TOTAL ASSETS	 <u><u>\$ 2,444,569</u></u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable and accrued expenses	\$ 118,630
Retainage payable	64,717
Deferred revenue - grants	5,913
Deferred revenue - contracts	189,265
Deferred revenue - DRI/NOPC	11,677
Current portion of long-term obligations	<u>63,669</u>
Total current liabilities	453,871
Noncurrent liabilities:	
Noncurrent portion of long-term obligations	1,236,217
Commitments and Contingencies	<u>-</u>
 TOTAL LIABILITIES	 <u>1,690,088</u>
 <b>NET ASSETS</b>	
Invested in capital assets, net of related debt	377,410
Unrestricted	<u>377,071</u>
 TOTAL NET ASSETS	 <u>754,481</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$ 2,444,569</u></u>

The accompanying notes are an integral part of this statement.

**SOUTHWEST FLORIDA REGIONAL PLANNING COUNCIL**  
**STATEMENT OF ACTIVITIES**  
**Year Ended September 30, 2011**

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	Governmental Activities
<b>EXPENSES</b>	
Governmental Activities	
Project Planning:	
Personnel services	\$ 2,287,399
Operating expenses	1,045,186
Depreciation	61,544
Interest and fiscal charges	67,589
TOTAL EXPENSES - GOVERNMENTAL ACTIVITIES	<u>3,461,718</u>
<b>PROGRAM REVENUES</b>	
Charges for services:	
Dues and fees	682,027
Contracts and local grants	270,658
Operating grants and contributions	<u>2,320,639</u>
TOTAL PROGRAM REVENUES	<u>3,273,324</u>
NET PROGRAM REVENUES (EXPENSES)	<u>(188,394)</u>
<b>GENERAL REVENUES (LOSS)</b>	
Increase in fair value of investments	1,719
Rental income	4,800
Interest and miscellaneous	<u>8,295</u>
TOTAL GENERAL REVENUES (LOSS)	<u>14,814</u>
DECREASE IN NET ASSETS	(173,580)
NET ASSETS - Beginning of the year	<u>928,061</u>
NET ASSETS - End of the year	<u>\$ 754,481</u>

The accompanying notes are an integral part of this statement.

**SOUTHWEST FLORIDA REGIONAL PLANNING COUNCIL**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**September 30, 2011**

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	General Fund	Special Revenue Fund	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 153,440	\$ -	\$ 153,440
Investments	360,390	-	360,390
Due from other governments - grants	-	291,758	291,758
Receivables - contracts and other	-	101,373	101,373
Deposits	3,109	-	3,109
Due from other funds	186,276	-	186,276
<b>TOTAL ASSETS</b>	<u>\$ 703,215</u>	<u>\$ 393,131</u>	<u>\$ 1,096,346</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 118,630	\$ -	\$ 118,630
Retainage payable	64,717	-	64,717
Due to other funds	-	186,276	186,276
Deferred revenue - grants	-	5,913	5,913
Deferred revenue - contracts	-	189,265	189,265
Deferred revenue - DRI/NOPC	-	11,677	11,677
<b>TOTAL LIABILITIES</b>	<u>183,347</u>	<u>393,131</u>	<u>576,478</u>
<b>FUND BALANCE</b>			
Nonspendable	12,452	-	12,452
Restricted	-	-	-
Assigned	507,416	-	507,416
Unassigned	-	-	-
<b>TOTAL FUND BALANCE</b>	<u>519,868</u>	<u>-</u>	<u>519,868</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 703,215</u>	<u>\$ 393,131</u>	<u>\$ 1,096,346</u>

The accompanying notes are an integral part of this statement.

**SOUTHWEST FLORIDA REGIONAL PLANNING COUNCIL**  
**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL**  
**FUNDS TO THE STATEMENT OF NET ASSETS**  
**September 30, 2011**

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	<u>Amount</u>	
Total fund balance for governmental funds	\$ 519,868	
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Capital assets not being depreciated:		
Land	<u>375,565</u>	375,565
Capital assets being depreciated:		
Building, improvements, equipment and vehicles	1,661,475	
Less accumulated depreciation	<u>(502,541)</u>	1,158,934
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Note payable	(1,157,089)	
Compensated absences	(101,446)	
Net OPEB Obligation	<u>(41,351)</u>	(1,299,886)
Elimination of interfund amounts:		
Due from other funds		186,276
Due to other funds		<u>(186,276)</u>
Total net assets of governmental activities		<u><u>\$ 754,481</u></u>

The accompanying notes are an integral part of this statement.



**SOUTHWEST FLORIDA REGIONAL PLANNING COUNCIL**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS**  
**Year Ended September 30, 2011**

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	General Fund	Special Revenue Fund	Total Governmental Funds
<b>REVENUES</b>			
Federal and state grants	\$ -	\$ 2,320,639	\$ 2,320,639
Contracts and local grants	-	270,658	270,658
County and city assessments	466,671	-	466,671
DRI fees	-	210,356	210,356
DRI monitoring fees	-	5,000	5,000
Increase in fair value of investments	1,719	-	1,719
Rental income	4,800	-	4,800
Interest and miscellaneous	8,295	-	8,295
<b>TOTAL REVENUES</b>	<b>481,485</b>	<b>2,806,653</b>	<b>3,288,138</b>
<b>EXPENDITURES</b>			
Current			
Personnel services	503,605	1,763,781	2,267,386
Operating expenditures	35,183	1,010,003	1,045,186
Capital outlay	3,444	4,593	8,037
Debt service	37,782	89,969	127,751
<b>TOTAL EXPENDITURES</b>	<b>580,014</b>	<b>2,868,346</b>	<b>3,448,360</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(98,529)</b>	<b>(61,693)</b>	<b>(160,222)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	-	61,693	61,693
Operating transfers out	(61,693)	-	(61,693)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(61,693)</b>	<b>61,693</b>	<b>-</b>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>(160,222)</b>	<b>-</b>	<b>(160,222)</b>
<b>FUND BALANCE - Beginning of the year</b>	<b>680,090</b>	<b>-</b>	<b>680,090</b>
<b>FUND BALANCE - End of the year</b>	<b>\$ 519,868</b>	<b>\$ -</b>	<b>\$ 519,868</b>

The accompanying notes are an integral part of this statement.

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

Page 8 of 54

**Year Ended September 30, 2011**

	<u>Amount</u>
Net change (expenditures in excess of revenues) in fund balance - total governmental funds	\$ (160,222)
The decrease in net assets reported for governmental activities in the Statement of Activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Expenditures for capital assets	8,037
Less: current year depreciation	<u>(61,544)</u>
	(53,507)
Repayment of debt principal is reported as an expenditure in the governmental funds and thus contributes to the change in fund balance. In the Statement of Net Assets, however, repayments of debt principal reduces the liability.	60,162
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	
Increase in compensated absences	(6,994)
Increase in net OPEB obligation	(13,019)
Interfund transfers increase or decrease the fund balance of the respective funds; however, the transactions offset in the government-wide statements.	
General fund:	
Operating transfers out	(61,693)
Special revenue fund:	
Operating transfers in	<u>61,693</u>
Decrease in net assets of governmental activities	<u>\$ (173,580)</u>

The accompanying notes are an integral part of this statement.

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

**Organization**

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

Specifically, the Council's mission is:

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

**Summary of significant accounting policies**

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

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

**Summary of significant accounting policies, continued**

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

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

**Reporting entity**

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

The Council assisted in the creation and establishment of Southwest Florida Resource Conservation and Development Council, Inc. ("Conservation"), an independent Florida not-for-profit corporation. Conservation's mission is to develop a resource conservation plan for its service area, as well as to act as a clearinghouse for other conservation groups and efforts.

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

The Council is the host (sponsoring agency) of the Metropolitan Planning Organization (MPO) and the Charlotte Harbor National Estuary Program (NEP). The MPO and the NEP each operate as functioning entities, and each has a separate Board of Directors and budget. Both the MPO and NEP operate pursuant to

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

**Reporting entity, continued**

authority granted by federal and state law. The MPO is considered a government agency. The NEP is a program not a legal entity. Both are funded through federal grants and local contributions. In accordance with the standards noted above, neither entity, however, is considered a legally separate or independent entity. The Council is responsible to report the financial activity for both the MPO and NEP. As such, all the financial activity and assets of the MPO and the NEP are accounted for by the Council and reflected in the accompanying financial statements.

The mission of the MPO is to ensure that comprehensive, coordinated highway facilities, mass transit, rail systems, air transportation, and other facilities are located and developed.

The NEP is a partnership that protects the estuaries of Southwest Florida from Venice to Estero Bay. This program gives citizens, elected officials, resource managers, and commercial and recreational resource users in the 4,400-square-mile study area a voice to address diverse resource management concerns, including fish and wildlife habitat loss, water quality degradation, and water flow. The program addresses these concerns through public education, research, restoration, and legislation. The watershed in the program area includes Lee, Charlotte, Hardee, and DeSoto counties and parts of Sarasota, Manatee, and Polk counties.

**Government-wide Financial Statements**

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

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of

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

**Government-wide Financial Statements, continued**

accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement 33, "Accounting and Financial Reporting for Nonexchange Transactions."

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

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

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

**Fund Financial Statements**

The Council has implemented GASB Number 54, Fund Balance Reporting and Governmental Fund Type Definitions that requires a change in reporting format of fund balances in the governmental fund statements. As a result of such implementation there is no net effect in fund balance or revenues and other sources over (under) expenditures and other financings uses at September 30, 2011 or for the year then ended. Essentially, the implementation resulted in adoption of a fund balance policy and reclassification of the components within fund balance.

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

**Fund Financial Statements, continued**

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

**Governmental Funds**

When both restricted and unrestricted resources are combined in a fund, expenditures are considered to be paid first from restricted resources, as appropriate, and then from unrestricted resources. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period.

The Council's major funds are presented in separate columns on the governmental fund financial statements. The definition of a major fund is one that meets certain criteria set forth in GASB Statement Number 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments". The funds that do not meet the criteria of a major fund are considered non-major funds and are combined into a single column on the governmental fund financial statements.

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

**Measurement Focus and Basis of Accounting**

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

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

**Measurement Focus and Basis of Accounting, continued**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period and soon enough thereafter to pay liabilities of the current period. For this purpose, the Council considers tax revenues to be available if they are collected within sixty days of the end of the current fiscal period.

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

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

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

**Non-current Government Assets/Liabilities**

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



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

**Major Funds**

The Council reports the following major governmental funds:

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

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

**Budgetary Information**

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

**Investments**

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

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

**Capital Assets**

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

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

**Capital Assets, continued**

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

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

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

Expenditures that materially increase values, change capacities, or extend useful lives are capitalized. Upon sale or retirement, the cost is eliminated from the respective accounts.

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

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

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

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

**Budgets and budgetary accounting**

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

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

1. During the summer of each year, Council management submits to the Board a proposed operating budget for the fiscal year commencing on October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain public comments.
3. The budget is adopted by approval of the Board Members.
4. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
5. Budget transfers can be made throughout the year between expenditure accounts by approval of the Board Members. The level of control for appropriations is exercised at the fund level.
6. Budget amounts, as shown in these basic financial statements, are as originally adopted or as amended by the Board Members.
7. Appropriations lapse at year-end.
8. The Board Members approved several budget amendments, in both funds, during the fiscal year ended September 30, 2011. The budget amendments increased total budgeted expenditures by \$24,374 in the General Fund and increased total budgeted expenditures by \$30,000 in the Special Revenue Fund.

For the year ended September 30, 2011, the Council budgeted revenues in excess of expenditures (after amendments) of \$286,907 in the General Fund, plus a transfer out to the Special Revenue Fund of \$286,907, and a fund balance carryforward of \$680,090. Expenditures were budgeted in excess of revenues (after amendments)

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

**Budgets and budgetary accounting, continued**

in the Special Revenue Fund for the year ended September 30, 2011 in the amount of \$286,907. This deficiency in the Special Revenue Fund was budgeted to be funded from the General Fund.

**Encumbrances**

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

**Compensated absences**

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

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

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

**Due from other governments**

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

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

**Management estimates**

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

**Net assets**

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

**Fund balances**

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

The Council's assigned balances are a result of the Council's Board approval of actions prior to October 1, 2011. The Council's intent and policy is to maintain a minimum assigned fund balance level between four (4) to six (6) months of prior year total expenditures. This assigned fund balance will serve as the Council's operational and capital reserve as well as its disaster reserve. At September 30, 2011, the entire fund balance is classified as assigned since the balance is less than the Council's minimum target fund balance. Any use of the fund balance requires the Council's Board approval.

**SOUTHWEST FLORIDA REGIONAL PLANNING COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

**Interfund transactions**

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

**Subsequent events**

Subsequent events have been evaluated through January 19, 2012, which is the date the financial statements were available to be issued.

**NOTE B - CASH AND CASH EQUIVALENTS**

Cash was \$153,440, including cash on hand of \$200 at September 30, 2011.

**Deposits**

The Council's deposit policy allows deposits to be held in demand deposits and money market accounts. All Council depositories are institutions designated as qualified depositories by the State Treasurer at September 30, 2011.

The Council's deposits consist of the following at September 30, 2011:

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Depository Accounts	<u>\$165,199</u>	<u>\$ 153,240</u>

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

**SOUTHWEST FLORIDA REGIONAL PLANNING COUNCIL**  
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**NOTE C - INVESTMENTS**

Florida Statutes and the Council's investment policy authorize investments in the Local Government Surplus Funds Trust Fund (SBA) administered by the State Board of Administration, and certificates of deposit held in financial institutions. The Council held one (1) Certificate of Deposit (CD) at September 30, 2011. The CD is fully insured by Federal Depository Insurance or by collateral pursuant to the Public Depository Security Act of the State of Florida (Florida Statute 280).

At September 30, 2011, the Council's investments consist of the following:

	<u>Maturity</u>	<u>Interest Rate</u>	<u>Cost Basis</u>	<u>Fair Value (NAV)/ Carrying Amount</u>
<u>General Fund</u>				
Local Government Surplus Trust Fund (SBA)				
Fund "A" (Florida PRIME)			\$ 43,925	\$ 43,517
Fund "B"			11,492	9,343
Certificates of Deposit				
Financial Institution	12/7/2012	1.98%	<u>307,530</u>	<u>307,530</u>
Total investments			<u>\$ 362,947</u>	<u>\$ 360,390</u>

The Local Government Surplus Funds Trust Fund (Florida PRIME (formerly Fund "A")) is an external 2a7-like investment pool, administered by the Florida State Board of Administration. The Local Government Surplus Funds Investment Pool Trust Fund is not categorized as it is not evidenced by securities that exist in physical or book entry form. The Local Government Surplus Trust Funds Investment Pool's shares are stated at amortized cost (NAV), which approximates fair value. These investments are subject to the risk that the market value of an investment, collateral protecting a deposit or securities underlying a repurchase agreements, will decline. The Council's investment in the Fund represented less than 1% of the Fund's total investments. Investments held in the Fund include, but are not limited to, short-term federal agency obligations, treasury bills, repurchase agreements and commercial paper. These short-term investments are stated at cost, which approximates market. Investment income is recognized as earned and is allocated to participants of the Fund based on their equity participation.

**NOTE C - INVESTMENTS, CONTINUED**

At September 30, 2011, the Council reported SBA investments of \$43,517 fair value/cost for amounts held in Florida PRIME. Florida PRIME carried a credit rating of AAAm by Standard and Poors and had a weighted average days to maturity (WAM) of 31 days at September 30, 2011.

At September 30, 2011, the Council reported investments of \$9,343 (NAV) for amounts held in Fund "B" Surplus Funds Trust Fund administered by the State Board of Administration (SBA) pursuant to Section 218.405, Florida Statutes. The SBA does not believe Fund "B" meets the requirements of a SEC 2a7-like investment pool; therefore SBA is providing a fair value factor (i.e.: total net asset value of Fund "B" divided by total participant balance of Fund "B" at June 30, 2011 as a means of determining the net asset value (NAV). The fair value factor for June 30, 2011 (the latest valuation available) is .78965331. The District's investments in the Fund "B" investment pool are similar to money market funds in which shares are owned in the fund rather than the underlying investments and as such, use fluctuating net asset value. Specifically the Fund "B" uses fluctuating NAV for valuation of Fund "B". The SBA has taken the position that participants in the Fund "B" investment pool should disclose information related to interest rate risk and credit risk. Fund "B" was not rated by a nationally recognized statistical rating agency as of September 30, 2011. The weighted average life (WAL) of Fund "B" at June 30, 2011, was 7.16 years. A portfolio's WAL is the dollar weighted average length of time until securities held reach maturity is based on legal final maturity dates for Fund "B" as of June 30, 2011. WAL measures the sensitivity of Fund "B" to interest rate changes. Fund "B" did not participate in a securities-lending program during the fiscal year ended September 30, 2011.

It is the belief of the SBA that the remaining balance may, in whole or in part, be recovered. However, it may not be available for up to one year. At September 30, 2011, the SBA has determined the market value of the Fund "B" shares to be \$2,794, less than the cost in the General Fund in total, which includes a current year increase of \$1,719. The gain, although technically unrealized, is recorded as a current year gain in keeping with the District's policy to reflect investments at market value.



**SOUTHWEST FLORIDA REGIONAL PLANNING COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE D - DUE FROM OTHER GOVERNMENTS - GRANTS**

Grants receivable consisted of the following at September 30, 2011:

	<u>Amount</u>
<u>Federal</u>	
National Estuary Program - Charlotte Harbor (CFDA 66.456)	\$ 40,080
FDOT - PL Sec. 112-MPO-10-11 (CFDA 20.205)	158,545
Hazardous Materials Emergency Preparedness - Planning & Training (CFDA 20.703)	19,812
Economic Development (CFDA 11.302) Planning, Section 203	<u>36,673</u>
Total due from other governments - federal grants	<u>255,110</u>
<u>State</u>	
DCA General Revenue 2010-2011 (CSFA 52.006)	
DCA Title III 2011-2012 (CSFA 52.023)	25,573
Glades / Hendry Counties - TD - Year 21 (CSFA 55.002)	5,853
Lee County - TD - Year 21 (CSFA 55.002)	<u>5,222</u>
Total due from other governments - state grants	<u>36,648</u>
Total due from other governments - grants	<u>\$ 291,758</u>

The grants receivable balances as of September 30, 2011, are considered by management to be fully collectible.

**SOUTHWEST FLORIDA REGIONAL PLANNING COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE E - CAPITAL ASSETS ACTIVITY**

The following is a summary of changes in capital assets activity for the year ended September 30, 2011:

	Balance October 1 2010	Increases/ Additions	Decreases/ Deletions	Adjustments/ Reclassifications	Balance September 30 2011
Capital Assets Not Being Depreciated:					
Land	\$ 375,565	\$ -	\$ -	\$ -	\$ 375,565
Total Capital Assets Not Being Depreciated	<u>375,565</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>375,565</u>
Capital Assets Being Depreciated:					
Building & improvements	1,363,973	-	-	-	1,363,973
Furniture & fixtures	21,550	-	-	-	21,550
Equipment	246,128	8,037	-	-	254,165
Vehicles	<u>21,787</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,787</u>
Total Capital Assets Being Depreciated	<u>1,653,438</u>	<u>8,037</u>	<u>-</u>	<u>-</u>	<u>1,661,475</u>
Less Accumulated Depreciation:					
Building & improvements	(207,154)	(37,604)	-	-	(244,758)
Furniture & fixtures	(19,498)	(2,052)	-	-	(21,550)
Equipment	(206,357)	(17,531)	-	-	(223,888)
Vehicles	<u>(7,988)</u>	<u>(4,357)</u>	<u>-</u>	<u>-</u>	<u>(12,345)</u>
Total Accumulated Depreciation	<u>(440,997)</u>	<u>(61,544)</u>	<u>-</u>	<u>-</u>	<u>(502,541)</u>
Total Capital Assets Being Depreciated, Net	<u>1,212,441</u>	<u>(53,507)</u>	<u>-</u>	<u>-</u>	<u>1,158,934</u>
Capital Assets, Net	<u>\$ 1,588,006</u>	<u>\$ (53,507)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>1,534,499</u>
				Related debt	<u>(1,157,089)</u>
				Net assets invested in capital assets, net of related debt	<u>\$ 377,410</u>

**SOUTHWEST FLORIDA REGIONAL PLANNING COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2011**

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**NOTE E - CAPITAL ASSETS ACTIVITY, CONTINUED**

Depreciation expense was charged to the following functions during the year ended September 30, 2011:

	<u>Amount</u>
General Government	\$ 61,544
Total Depreciation Expense	<u>\$ 61,544</u>

**NOTE F - DUE TO/FROM OTHER FUNDS**

Interfund receivables and payables at September 30, 2011, are as follows:

<u>Fund</u>	<u>Due from other funds</u>	<u>Due to other funds</u>
General Fund:		
Special Revenue Fund	\$ 186,276	\$ -
Total General Fund	<u>186,276</u>	<u>-</u>
Special Revenue Fund:		
General Fund	<u>-</u>	<u>186,276</u>
Total Special Revenue Fund	<u>-</u>	<u>186,276</u>
Total	<u>\$ 186,276</u>	<u>\$ 186,276</u>

Interfund receivables and payables were eliminated for presentation purposes in the Statement of Net Assets at September 30, 2011.

**SOUTHWEST FLORIDA REGIONAL PLANNING COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE G - DEFERRED REVENUE**

Deferred revenue (by type) consisted of the following at September 30, 2011:

	<u>Amount</u>
<u>Federal</u>	
Regional Wetlands Program Dev- Salt Marsh (CFDA 66.461)	<u>\$      5,913</u>
<u>Contracts</u>	
MPO - Misc Local	\$    131,683
NEP - Local	56,871
ABM	<u>711</u>
	<u>\$    189,265</u>
<u>DRI/NOPC</u>	
DRI - Fountains	\$        9,775
DRI - Bryan Paul - S. LaBelle	1,113
NOPC - SCIBC - 1st Baptist of Venice	90
NOPC - Parkland	583
NOPC - Tuscany	<u>116</u>
	<u>\$    11,677</u>

**SOUTHWEST FLORIDA REGIONAL PLANNING COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2011**

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**NOTE H - LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities for the year ended September 30, 2011:

	Balance October 1 2010	Additions	Retirements / Adjustments	Balance September 30 2011	Amounts Due Within One Year
Note Payable	\$ 1,217,251	\$ -	\$ (60,162)	\$ 1,157,089	\$ 63,669
Compensated Absences	94,452	11,649	(4,655)	101,446	-
Net OPEB Obligation	28,332	26,467	(13,448)	41,351	-
	<u>\$ 1,340,035</u>	<u>\$ 38,116</u>	<u>\$ (78,265)</u>	<u>\$ 1,299,886</u>	<u>\$ 63,669</u>

The following is a summary of the long-term liabilities at September 30, 2011:

	Amount
\$1,525,000 note payable monthly to financial institution in the amount of \$10,646 including interest at 5.68% to finance the purchase of an office building. The note is uncollateralized except for available general revenue and includes prepayment penalties. Final principal payment of \$826,523 due June 1, 2016.	\$ 1,157,089
Non-current portion of compensated absences. Employees of the Council are entitled to paid scheduled (vacation) leave based on length of service and job classification.	101,446
Net OPEB obligation. Cumulative difference between annual OPEB cost and Council's projected payments toward the cost of post employment benefits other than pensions since GASB no. 45 transition date (October 1, 2009)	41,351
	<u>\$ 1,299,886</u>

The annual debt service requirements at September 30, 2011, were as follows:

Year Ending September 30	Total Principal	Total Interest	Total
Note payable:			
2012	\$ 63,669	\$ 64,082	\$ 127,751
2013	67,381	60,370	127,751
2014	71,309	56,442	127,751
2015	75,467	52,284	127,751
2016	879,263	36,339	915,602
Total Note Payable	1,157,089	269,517	1,426,606
Accrued compensated absences	101,446	-	101,446
Net OPEB Obligation	41,351	-	41,351
Total Long-Term Debt	<u>\$ 1,299,886</u>	<u>\$ 269,517</u>	<u>\$ 1,569,403</u>

**NOTE H - LONG-TERM LIABILITIES, CONTINUED**

Interest expense related to the note payable for the year ended September 30, 2011 was \$67,589.

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

**NOTE I - PENSION PLAN - FLORIDA RETIREMENT SYSTEM (FRS)**

**Plan description and provisions**

Substantially all Council employees are participants in the statewide Florida Retirement System (FRS) under the authority of Article X, Section 14 of the State Constitution and Florida Statutes, Chapters 112 and 121. The FRS was noncontributory prior to July 1, 2011. Beginning July 1, 2011, FRS requires a 3% of eligible compensation employee contribution for all classes of employees except those enrolled in the DROP program, which requires no employee contribution. The FRS is totally administered by the State of Florida. The Council contributed 100% of the required contributions. Pension costs for the Council ranged between 4.91% and 14.57% of gross wages for the year ended September 30, 2011. The Council's contributions to the plan were \$170,332, \$184,466, and \$185,088 for the fiscal years ended September 30, 2011, 2010, and 2009, respectively. The Council's covered payroll for the years ended September 30, 2011, 2010, and 2009 was \$1,705,751, \$1,698,289, and \$1,737,079, respectively.

Employees enrolled prior to July 1, 2011, who retire at or after age 62 with 6 years of creditable service, 6 years of senior management service and age 62, 6 years of special risk service and age 55, or 30 years of service (25 years for special risk) regardless of age, are entitled to a retirement benefit, payable monthly for life, equal to 1.6% to 3.0% per year of creditable service, depending on the class of employee (regular, special risk, etc.) based on average final compensation of the five (5) highest fiscal years' compensation. Benefit cannot exceed 100% of average final compensation.

Employees enrolled on or after July 1, 2011, who retire at or after age 65 with 8 years of creditable service, 8 years of senior management service and age 65, 8 years of special risk service and age 60, or 33 years of service (30 years for special risk)

**NOTE I - PENSION PLAN - FLORIDA RETIREMENT SYSTEM (FRS), CONTINUED**

**Plan description and provisions, continued**

regardless of age, are entitled to a retirement benefit, payable monthly for life, equal to 1.6% to 3.0% per year of creditable service, depending on the class of employee (regular, special risk, etc.) based on average final compensation of the eight (8) highest fiscal years' compensation. Benefit cannot exceed 100% of average final compensation.

Benefits vest after six (6) years of credited service for those employees enrolled prior to July 1, 2011 and after eight (8) years for those enrolled on or after July 1, 2011. Vested employees may retire anytime after vesting and incur a 5% benefit reduction for each year prior to normal retirement age.

Early retirement, disability, death, and survivor benefits are also offered. Benefits are established by State Statute. The plan provides for a constant 3% cost-of-living adjustment for retirees.

The Plan also provides several other plan and/or investment options that may be elected by the employee. Each offers specific contribution and benefit options. The Plan documents should be referenced for complete detail.

**Description of funding policy**

This is a cost sharing, multi-employer defined benefit plan available to governmental units within the state, and actuarial information with respect to an individual participating entity is not available. Participating employers are required, by Statute, to pay monthly contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are adequate to accumulate sufficient assets to pay benefits when due.

**Plan information**

A copy of the FRS's June 30, 2011 annual report can be obtained by writing to the Florida Division of Retirement, Cedars Executive Center, 2639-C North Monroe Street, Tallahassee, Florida 32399-1560, or by calling (850) 488-5706.

**NOTE I - PENSION PLAN - FLORIDA RETIREMENT SYSTEM (FRS), CONTINUED**

**Other post employment benefits**

The Council provides post retirement health care benefits to eligible employees. Upon retirement from the Council and becoming a recipient of monies from the State of Florida Retirement Trust Fund (FRS), eligible retired employees are qualified for continued health insurance benefits. Eligible retired employees have their medical insurance premiums paid by the Council, but are required to reimburse the Council for 100% of the premiums paid by the Council on their behalf.

**NOTE J - PENSION PLAN - 457 DEFERRED COMPENSATION**

In May 1990, the Council approved a resolution to establish a deferred compensation plan to be made available to all eligible Council employees pursuant to Section 457 of the Internal Revenue Code. With the exception of the Executive Director, all contributions to the plan are voluntary deductions from employees' wages, with no contributions to the plan made by the Council.

Effective October 18, 2007, the Council agreed to an employment contract with the Executive Director. According to the agreement, the Council will contribute five percent (5%) of the Executive Director's annual salary into the 457 deferred compensation plan (457 Plan). Contributions by the Council to the 457 Plan on behalf of the Executive Director totaled \$4,996 for the year ended September 30, 2011.

**NOTE K - COMMITMENTS/CONTINGENCIES**

**Grants**

The Council is currently receiving, and has received in the past, grants which are subject to special compliance audits by the grantor agency. The grantor agency may at times disallow expenditure amounts associated with a contract based on the outcome of an audit. These amounts would constitute a contingent liability of the Council. The Council has not, as of September 30, 2011, been notified of any existing contingent liabilities related to prior grants or the grants currently in process. The Council has not had any special compliance audits conducted by grantor agencies or any disallowed costs during the year ended September 30, 2011. The management of the Council does not believe contingent liabilities, if any exist, to be material.



**SOUTHWEST FLORIDA REGIONAL PLANNING COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2011**

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**NOTE L - OPERATING LEASE COMMITMENTS**

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

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

<u>Years Ending September 30</u>	<u>Amount</u>
2012	\$ 33,036
2013	31,036
2014	18,102
	<u>\$ 82,174</u>

For the year ended September 30, 2011, total rent expense was \$29,253.

**NOTE M - INDIRECT EXPENDITURES**

Indirect expenditures (including indirect and fringe benefit costs) allocated to the Special Revenue Fund during the year ended September 30, 2011, consist of the following:

	<u>Amount</u>
Personal services:	
Salaries and fringe benefits	<u>\$ 837,061</u>
Operating expenditures:	
Professional fees	54,028
Telephone, rent, supplies, etc.	73,235
Miscellaneous and insurance	23,207
Computer supplies and graphics	48,890
Professional development/meetings	6,462
Travel	2,021
Postage	5,407
Printing/reproduction	1,347
Advertising	285
Publications	1,730
Utilities	<u>24,411</u>
Total operating expenditures	<u>241,023</u>
Capital outlay	2,830
Debt service	<u>89,969</u>
Total indirect expenditures	<u>\$ 1,170,883</u>

**NOTE N - ECONOMIC DEPENDENCE**

The Council's operations are substantially dependent on the receipt of revenue from grantor and contract agencies. Loss of these funds and/or large decreases in this type of funding would have a material effect on the financial position of the Council and a negative impact on overall operations. For the fiscal year ended September 30, 2011, approximately 79% of total revenue is attributable to funds received from grantor and contract agencies.

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

The Council's defined benefit OPEB Plan provides the opportunity to obtain insurance (health, dental, and vision) benefits to its retired employees. The year ended September 30, 2010, was the Council's transition year. As such, the Council implemented GASB No. 45 on a prospective basis. All retired full-time employees are eligible for OPEB benefits if actively employed by the Council immediately before retirement. As of September 30, 2011, there were zero (0) retirees receiving these benefits. The benefits are provided both with and without contractual agreements. The Council's OPEB policy provides the opportunity for qualified retirees (pre-medicare qualified retirees) the opportunity to purchase health, dental, and vision insurance coverage similar to active full-time employees. As such, the qualified retiree is responsible for 100% of the cost of coverage selected. The Council simply acts as agent for the retiree and submits the premiums paid by the retiree. The Council pays for no portion of the retiree insurance coverage. The Council finances the benefits on a pay-as-you-go basis and recognizes retiree reimbursement of premiums as revenue and the offsetting expenditures at the time the premiums are due.

**Funding Policy**

The Council's OPEB benefits are unfunded. The Council has not determined if a separate trust fund or equivalent arrangement will be established into which the Council would make contributions to advance-fund the obligation. Therefore, no separate financial statement is issued. All required disclosures are presented herein. The Council obtained an actuarial valuation for OPEB Plan to measure the current year's subsidies and project these subsidies into the future, making an allocation of that cost to different years.

**SOUTHWEST FLORIDA REGIONAL PLANNING COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2011**

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

Schedule of Funding Progress

(1)	Actuarial		Unfunded			UAAAL as a
Actuarial	Value of	Actuarial	Accrued	Funded	Annual	Percentage of
Valuation	Assets	Accrued	Liability	Ratio	Covered	Covered
Date	(AVA)	Liability (AAL)	(UAAL)	(a/b)	Payroll	Payroll
	(a)	(b)	(b-a)		(c)	(b-a)/c
10/01/09	\$ -	\$ 142,670	\$ 142,670	0.0%	\$ 1,664,926	8.6%
10/01/10	\$ -	\$ 149,984	\$ 149,984	0.0%	\$ 1,667,142	9.0%

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

Schedule of Contributions from Employer

Year	Annual	Projected	Percentage of		Actual
Ended	OPEB Cost	Cash	Annual OPEB	Net OPEB	Cash
		Payment*	Cost	Obligation	Payment
09/30/10	\$ 28,332	\$ 3,025	10.7%	\$ 28,332	\$ -
09/30/11	\$ 25,202	\$ 9,158	36.3%	\$ 41,351	\$ -

\*The Council did not make the expected cash payments of \$3,025 or \$9,158 during the years ended September 30, 2010 and 2011, respectively. Therefore, the actual Net OPEB obligation is \$28,332 and \$41,351 at September 30, 2010 and 2011, respectively.

**Annual OPEB Cost and Net OPEB Obligation**

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

**SOUTHWEST FLORIDA REGIONAL PLANNING COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2011**

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

<u>Fiscal year ended September 30, 2011 (initial year)</u>	<u>Amount</u>
Annual required contribution (ARC)	\$ 25,529
Less NOO amortization	(4,617)
Plus interest on NOO	<u>1,265</u>
Annual OPEB cost	22,177
Expected cash payment (projected)*	<u>(9,158)</u>
Yearly change in OPEB obligation	13,019
Net OPEB obligation - beginning of year	<u>28,332</u>
Net OPEB obligation - end of year	<u><u>\$ 41,351</u></u>

\*The Council did not make the expected cash payment of \$9,158 during the year ended September 30, 2011. Therefore, the actual Net OPEB obligation is \$41,351.

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

**Actuarial Methods and Assumptions**

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

In the October 1, 2010 actuarial valuation, the entry age normal (level % of pay) actuarial cost method with linear pro-rata to assumed benefit commencement was used. The actuarial assumptions included a 5.0 percent investment rate of

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

**Actuarial Methods and Assumptions, continued**

return. Since there are no invested plan assets held in trust to finance the OPEB obligations, the investment return discount rate is the long-term expectation of investment return on assets held in Council funds pursuant to its investment policy. The assumptions also included an annual healthcare cost inflation rate trend of 8% (pre-medicare) in 2009 trending to 5% (pre-medicare) in 2012. The unfunded actuarial accrued liability, as calculated, is being amortized over a closed amortization period of 30 years as a level percent of payroll. The assumed rate of payroll growth is 0.0 percent. The assumed rate of inflation is 0.0 percent.

**NOTE P - PARKING LOT LEASE**

During the year ended September 30, 2010, the Council entered into an operating lease whereby the Council agreed to lease a portion of its parking lot to a third party. The lease commenced November 1, 2009 and has a term of sixty (60) months. The lease requires a \$400 a month rent payment due on each first (1st) of the month. The lease required no security deposit. The lease is renewable by mutual consent and requires rent of \$400 a month throughout the initial term of the lease. The lease also provides the tenant will provide the Council storage space of approximately 500 square feet in their office building. The Council recognized rent during the year ended September 30, 2011, of \$4,800. The lease annual anticipated cash flow is as follows:

<u>Year</u> <u>Ending</u>	<u>Amount</u>
2012	\$ 4,800
2013	4,800
2014	4,800
	<u>\$ 14,400</u>

**SOUTHWEST FLORIDA REGIONAL PLANNING COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2011**

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**NOTE Q - FUND BALANCE**

Fund balance was classified for the following purposes at September 30, 2011:

<u>Nonspendable fund balance - General Fund</u>	<u>Amount</u>
Deposits	\$ 3,109
SBA - Fund "B"	9,343
	<u>\$ 12,452</u>
 <u>Assigned fund balance - General Fund</u>	 <u>Amount</u>
Operating reserves	\$ 507,416
	<u>\$ 507,416</u>

**NOTE R - SUBSEQUENT EVENT**

In October 2011, the Regional Planning Council was informed by the MPO that the MPO was exercising their option to cancel the lease for office space in the Regional Planning Council office building as well as the administrative services portion of the contract. Currently, the Regional Planning Council staff perform significantly all of the administrative function for the MPO.

The financial impact of the MPO leaving will likely negatively affect the Regional Planning Council. The specific effect is currently being determined. In general, based upon fiscal year ended September 30, 2011, amounts recorded by MPO overall revenues and expenditures included in the Regional Planning Council were \$811,425.

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

**SOUTHWEST FLORIDA REGIONAL PLANNING COUNCIL**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND -**  
**SUMMARY STATEMENT**  
**Year Ended September 30, 2011**

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	General Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Federal and state grants	\$ -	\$ -	\$ -	\$ -
Contracts and local grants	-	-	-	-
County and city assessments	466,669	466,669	466,671	2
DRI fees	-	-	-	-
DRI monitoring fees	-	-	-	-
Increase in fair value of investments	-	-	1,719	1,719
Rental income	-	-	4,800	4,800
Interest and miscellaneous	30,000	30,000	8,295	
Fund balance carryforward	655,716	680,090	-	(680,090)
<b>TOTAL REVENUES</b>	<u>1,152,385</u>	<u>1,176,759</u>	<u>481,485</u>	<u>(673,569)</u>
<b>EXPENDITURES</b>				
Current				
Personnel services	1,151,300	1,151,300	503,605	647,695
Operating expenditures	(309,822)	(271,448)	35,183	(306,631)
Capital outlay	12,000	10,000	3,444	6,556
Debt service	-	-	37,782	(37,782)
<b>TOTAL EXPENDITURES</b>	<u>853,478</u>	<u>889,852</u>	<u>580,014</u>	<u>309,838</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>298,907</u>	<u>286,907</u>	<u>(98,529)</u>	<u>(385,436)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	-	-	-	-
Operating transfers out	(298,907)	(286,907)	(61,693)	225,214
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(298,907)</u>	<u>(286,907)</u>	<u>(61,693)</u>	<u>225,214</u>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>(160,222)</u>	<u>\$ (160,222)</u>
<b>FUND BALANCE, October 1, 2010</b>			<u>680,090</u>	
<b>FUND BALANCE, September 30, 2011</b>			<u>\$ 519,868</u>	

The accompanying notes are an integral part of this statement.



**SOUTHWEST FLORIDA REGIONAL PLANNING COUNCIL**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND -**  
**DETAILED STATEMENT**  
**Year Ended September 30, 2011**

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	General Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Federal and state grants	\$ -	\$ -	\$ -	\$ -
Contracts and local grants	-	-	-	-
County and city assessments	466,669	466,669	466,671	2
DRI fees	-	-	-	-
DRI monitoring fees	-	-	-	-
Increase in fair value of investments	-	-	1,719	1,719
Rental income	-	-	4,800	4,800
Interest and miscellaneous	30,000	30,000	8,295	(21,705)
Fund balance carryforward	655,716	680,090	-	(680,090)
<b>TOTAL REVENUES</b>	<b>1,152,385</b>	<b>1,176,759</b>	<b>481,485</b>	<b>(695,274)</b>
<b>EXPENDITURES</b>				
Current				
Personnel services				
Salaries	650,000	650,000	792,028	(142,028)
Fringe benefits:				
FICA	130,000	130,000	127,430	2,570
Retirement	181,300	181,300	170,332	10,968
Health insurance	180,000	180,000	176,024	3,976
Severance	-	-	66,649	(66,649)
Workers compensation/unemployment	10,000	10,000	8,203	1,797
Allocation of indirect expenditures	-	-	(837,061)	837,061
<b>Total personnel services</b>	<b>1,151,300</b>	<b>1,151,300</b>	<b>503,605</b>	<b>647,695</b>
Operating expenditures				
Professional fees:				
Legal fees	-	-	-	-
Consultant fees	16,000	16,000	11,807	4,193
Audit fees	47,000	47,000	46,220	780
Telephone, rent, supplies, etc:				
Office supplies	12,000	12,000	13,212	(1,212)
Equipment rental	32,000	32,000	29,128	2,872
Storage unit rental	-	-	-	-
Repairs and maintenance	25,000	25,000	20,937	4,063
Telephone	6,900	10,400	10,142	258
Miscellaneous and insurance:				
Insurance	33,200	28,420	19,820	8,600
Other miscellaneous	1,500	1,500	3,386	(1,886)
Computer supplies and graphics	27,000	45,000	48,890	(3,890)
Professional development/meetings:				
Professional development/dues	16,000	16,000	24,621	(8,621)
Meetings/events	7,000	7,000	2,681	4,319

The accompanying notes are an integral part of this statement.

**SOUTHWEST FLORIDA REGIONAL PLANNING COUNCIL**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND -**  
**DETAILED STATEMENT, CONTINUED**  
**Year Ended September 30, 2011**

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	General Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Operating expenditures (continued)				
Travel	14,000	10,500	8,949	1,551
Postage	1,500	1,500	6,227	(4,727)
Printing/reproduction	1,000	1,000	1,759	(759)
Utilities	28,000	28,000	24,411	3,589
Advertising	1,100	1,880	2,285	(405)
Publications	1,800	1,800	1,731	69
NEP grant expenses	-	-	-	-
MPO grant expenses	-	-	-	-
Reserves - operations	655,716	680,090	-	680,090
Allocation of indirect expenditures	<u>(1,236,538)</u>	<u>(1,236,538)</u>	<u>(241,023)</u>	<u>(995,515)</u>
Total operating expenditures	<u>(309,822)</u>	<u>(271,448)</u>	<u>35,183</u>	<u>(306,631)</u>
Capital outlay				
Capital purchases	12,000	10,000	6,274	3,726
Allocation of indirect expenditures	<u>-</u>	<u>-</u>	<u>(2,830)</u>	<u>2,830</u>
Total capital outlay	<u>12,000</u>	<u>10,000</u>	<u>3,444</u>	<u>6,556</u>
Debt service				
Principal retirement	-	-	60,162	(60,162)
Interest and fiscal charges	-	-	67,589	(67,589)
Allocation of indirect expenditures	<u>-</u>	<u>-</u>	<u>(89,969)</u>	<u>89,969</u>
Total debt service	<u>-</u>	<u>-</u>	<u>37,782</u>	<u>(37,782)</u>
TOTAL EXPENDITURES	<u>853,478</u>	<u>889,852</u>	<u>580,014</u>	<u>309,838</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>298,907</u>	<u>286,907</u>	<u>(98,529)</u>	<u>(385,436)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	-	-	-	-
Operating transfers out	<u>(298,907)</u>	<u>(286,907)</u>	<u>(61,693)</u>	<u>225,214</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(298,907)</u>	<u>(286,907)</u>	<u>(61,693)</u>	<u>225,214</u>
EXCESS OF REVENUES & OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES & OTHER FINANCING USES	<u>\$ -</u>	<u>\$ -</u>	<u>(160,222)</u>	<u>\$ (160,222)</u>
FUND BALANCE, October 1, 2010			<u>680,090</u>	
FUND BALANCE, September 30, 2011			<u>\$ 519,868</u>	

The accompanying notes are an integral part of this statement.

**SOUTHWEST FLORIDA REGIONAL PLANNING COUNCIL**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE**  
**FUND - SUMMARY STATEMENT**  
**Year Ended September 30, 2011**

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	Special Revenue Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Federal and state grants	\$ 2,439,455	\$ 2,469,455	\$ 2,320,639	\$ (148,816)
Contracts and local grants	439,476	439,476	270,658	(168,818)
County and city assessments	-	-	-	-
DRI fees	190,000	190,000	210,356	20,356
DRI monitoring fees	10,000	10,000	5,000	(5,000)
Interest and miscellaneous	-	-	-	-
Fund balance carryforward	-	-	-	-
<b>TOTAL REVENUES</b>	<u>3,078,931</u>	<u>3,108,931</u>	<u>2,806,653</u>	<u>(302,278)</u>
<b>EXPENDITURES</b>				
Current				
Personnel services	1,056,000	1,056,000	1,763,781	(707,781)
Operating expenditures	2,170,838	2,200,838	1,010,003	1,190,835
Capital outlay	23,000	11,000	4,593	6,407
Debt service	128,000	128,000	89,969	38,031
<b>TOTAL EXPENDITURES</b>	<u>3,377,838</u>	<u>3,395,838</u>	<u>2,868,346</u>	<u>527,492</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(298,907)</u>	<u>(286,907)</u>	<u>(61,693)</u>	<u>225,214</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	298,907	286,907	61,693	(225,214)
Operating transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>298,907</u>	<u>286,907</u>	<u>61,693</u>	<u>(225,214)</u>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>FUND BALANCE, October 1, 2010</b>			<u>-</u>	
<b>FUND BALANCE, September 30, 2011</b>			<u>\$ -</u>	

The accompanying notes are an integral part of this statement.

**SOUTHWEST FLORIDA REGIONAL PLANNING COUNCIL**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE**  
**FUND - DETAILED STATEMENT**  
**Year Ended September 30, 2011**

Page 41 of 54

	Special Revenue Fund			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Federal and state grants	\$ 2,439,455	\$ 2,469,455	\$ 2,320,639	\$ (148,816)
Contracts and local grants	439,476	439,476	270,658	(168,818)
County and city assessments	-	-	-	-
DRI fees	190,000	190,000	210,356	20,356
DRI monitoring fees	10,000	10,000	5,000	(5,000)
Interest and miscellaneous	-	-	-	-
Fund balance carryforward	-	-	-	-
<b>TOTAL REVENUES</b>	<b>3,078,931</b>	<b>3,108,931</b>	<b>2,806,653</b>	<b>(302,278)</b>
<b>EXPENDITURES</b>				
Current				
Personnel services				
Salaries	1,056,000	1,056,000	926,720	129,280
Fringe benefits:				
FICA	-	-	-	-
Retirement	-	-	-	-
Health insurance	-	-	-	-
Workers compensation/unemployment	-	-	-	-
Allocation of indirect expenditures	-	-	837,061	(837,061)
Total personnel services	1,056,000	1,056,000	1,763,781	(707,781)
Operating expenditures				
Professional fees:				
Legal fees	-	-	-	-
Consultant fees	24,000	54,000	52,287	1,713
Audit fees	-	-	-	-
Telephone, rent, supplies, etc:				
Office supplies	6,500	6,500	4,425	2,075
Equipment rental	200	200	125	75
Storage unit rental	-	-	-	-
Repairs and maintenance	-	-	-	-
Telephone	1,850	1,850	1,951	(101)
Miscellaneous and insurance:				
Insurance	-	-	-	-
Other miscellaneous	3,000	3,000	1,105	1,895
Computer supplies and graphics	12,000	12,000	8,103	3,897
Professional development/meetings:				
Professional development/dues	18,000	22,000	13,488	8,512
Meetings/events	48,800	48,800	52,285	(3,485)
Travel	61,000	57,000	30,493	26,507

The accompanying notes are an integral part of this statement.

**SOUTHWEST FLORIDA REGIONAL PLANNING COUNCIL**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE**  
**FUND - DETAILED STATEMENT, CONTINUED**  
**Year Ended September 30, 2011**

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	Special Revenue Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Operating expenditures (continued)				
Postage	26,500	26,500	17,541	8,959
Printing/reproduction	92,500	92,500	91,465	1,035
Utilities	-	-	-	-
Advertising	11,950	15,450	14,273	1,177
Publications	2,000	2,000	745	1,255
NEP grant expenses	174,000	174,000	233,995	(59,995)
MPO grant expenses	452,000	448,500	246,699	201,801
Reserves - operations	-	-	-	-
Allocation of indirect expenditures	1,236,538	1,236,538	241,023	995,515
Total operating expenditures	2,170,838	2,200,838	1,010,003	1,190,835
Capital outlay				
Capital purchases	23,000	11,000	1,763	9,237
Allocation of indirect expenditures	-	-	2,830	(2,830)
Total capital outlay	23,000	11,000	4,593	6,407
Debt service				
Principal retirement	56,850	56,850	-	56,850
Interest and fiscal charges	71,150	71,150	-	71,150
Allocation of indirect expenditures	-	-	89,969	(89,969)
Total debt service	128,000	128,000	89,969	38,031
TOTAL EXPENDITURES	3,377,838	3,395,838	2,868,346	527,492
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(298,907)	(286,907)	(61,693)	225,214
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	298,907	286,907	61,693	(225,214)
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	298,907	286,907	61,693	(225,214)
EXCESS OF REVENUES & OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES & OTHER FINANCING USES	\$ -	\$ -	-	\$ -
FUND BALANCE, October 1, 2010			-	
FUND BALANCE, September 30, 2011			\$ -	

The accompanying notes are an integral part of this statement.

**SOUTHWEST FLORIDA REGIONAL PLANNING COUNCIL**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year ended September 30, 2011**

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<u>Grantor Agency/Program Title</u>	<u>Federal CFDA/ Number</u>		<u>Grantor's Number</u>	<u>Program or Award Amount</u>	<u>Receipts/ Revenue</u>		<u>Disbursements/ Expense</u>
<b>FEDERAL AGENCY</b>							
<b><u>Environmental Protection Agency</u></b>							
<b><u>TYPE A - NON MAJOR</u></b>							
National Estuary Program - Charlotte Harbor2	66.456		CE-96457406-7	\$ 3,009,350	\$ 651,537	(1)	\$ 651,537
<b><u>TYPE B - NONMAJOR</u></b>							
Regional Wetlands Program Development Grant	66.461		CD-96484907-2	470,494	82,818		82,818
Regional Wetlands Program Development Grant	66.461		CD-95488111-0	554,318	-		-
Regional Wetlands Prog - Salt Marsh	66.461		CD-95450310-0	299,725	151,117	(2)	151,117
				<u>4,333,887</u>	<u>885,472</u>		<u>885,472</u>
<b><u>Federal Highway Administration/US DOT</u></b>							
Passed through Florida Department of Transportation							
<b><u>TYPE A - MAJOR</u></b>							
FDOT-Federal Aid Highway Program PL Sec. 112-MPO-11-12							
Contract from 7/1/11 to 6/30/12	20.205	*	PL-0261(48)-420869-1-14-01	614,783	300,594	(3)	300,594
FDOT-Federal Aid Highway Program PL Sec. 112-MPO-10-11							
Contract from 7/1/10 to 6/30/11	20.205	*	PL-0261(47)-420869-1-14-01	613,867	440,024		440,024
Master Plan-Bicycle/Pedestrian Plan for Lee County	20.205	*	425839-1-18-1/8887661A	100,000	67,434		67,434
				<u>1,328,650</u>	<u>808,052</u>		<u>808,052</u>
<b><u>TYPE B - NONMAJOR</u></b>							
<b><u>U.S. Department of Transportation</u></b>							
Passed through Florida Department of Community Affairs / Division of Emergency Management							
Hazardous Materials Emergency Preparedness							
Planning & Training	20.703		11DT08130021210	52,546	52,546	(5)	52,546
				<u>52,546</u>	<u>52,546</u>		<u>52,546</u>
<b><u>U.S. Department of Commerce</u></b>							
Economic Development							
Planning, Section 203, 1/1/11 to 12/31/13	11.302		04-83-06492	189,000	-		-
Economic Development							
Planning, Section 203, 1/1/08 to 12/31/10	11.302		04-83-06028-1	179,189	62,487	(4)	62,487
				<u>368,189</u>	<u>62,487</u>		<u>62,487</u>
<b><u>TYPE B - MAJOR</u></b>							
<b><u>Department of Homeland Security</u></b>							
Passed through Florida Department of Community Affairs / Division of Emergency Management							
Passed through Northeast Florida Regional Council							
IECGP Interoperable Communications Exercise (08)	97.055	**	11PR36130022280	62,312	62,312		62,312
IECGP Interoperable Communications Exercise (09)	97.055	**	10PR36130022280	71,150	44,569		44,569
FINMARC	97.055	**	10PR45120022326	22,000	21,906		21,906
				<u>155,462</u>	<u>128,787</u>		<u>128,787</u>
<b><u>TYPE B - NONMAJOR</u></b>							
Passed through Central Florida Regional Council							
Training and Exercise Plan (TEPW)	97.067		11DS72130022258	5,060	7,658		7,658
Passed through Northeast Florida Regional Council							
IE COP Interoperable Workshop	97.067		09DS12130021390	N/A	8,576		8,576
NE Coastal Depth Analysis	97.067		11DS26130022242	22,500	22,500		22,500
				27,560	38,734		38,734
Hazard Mitigation - Florida Regional Evacuation Study	97.039		07HS3213002135	264,225	-		-
				<u>291,785</u>	<u>38,734</u>		<u>38,734</u>
TOTAL FEDERAL AWARDS				<u>\$ 6,530,519</u>	<u>\$ 1,976,078</u>		<u>\$ 1,976,078</u>

\* Designates Type A Major Grant Project

\*\*Designates Type B Major Grant Project

(1) Includes receivable of \$40,080

(3) Includes receivable of \$158,545

(5) Includes receivable of \$19,812

(2) Does not include deferred revenue of \$5,913

(4) Includes receivable of \$36,673

The accompanying notes are an integral part of this statement.

**SOUTHWEST FLORIDA REGIONAL PLANNING COUNCIL**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF**  
**FEDERAL AWARDS**  
**September 30, 2011**

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**NOTE A - BASIS OF PRESENTATION**

The Schedule of Expenditures of Federal Awards has been prepared on an accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America and is in accordance with the provisions of OMB Circular A-133.

Expenditures reported on the Schedule (Schedule) of Expenditures of Federal Awards include cash disbursements, whether capitalized or expensed, during the fiscal year as well as grant related amounts recorded as payable at year end. Revenues reported on the Schedule of Expenditures of Federal Awards include cash receipts, whether recognized as well as grant receivables recorded at year end. Revenue that is deferred is not reflected but rather footnoted.

**NOTE B - INDIRECT COSTS**

The Council did routinely allocate costs to Federal Awards. Costs charged to such programs were direct costs unless specifically incurred for the program and allowed and indicated as such. Indirect costs are allocated to the functions and programs based upon various methods which reflect appropriate cost, usage and/or benefit by the function and program.

**NOTE C - GRANT PAID DIRECTLY TO PROVIDER**

The MPO, as part of the Council, technically, is the recipient of a Federal Transit Authority (FTA) Section 5303 Grant. However, the grant dollars are paid directly to the third party provider organization by the State Department of Transportation (Contract A0Z59). The Council, therefore, does not record revenue or expense related to this grant as a result.

**ADDITIONAL REPORTS OF  
INDEPENDENT AUDITOR**



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

Executive Committee and Council Members  
Southwest Florida Regional Planning Council  
1926 Victoria Avenue  
Fort Myers, Florida 33901

We have audited the financial statements of Southwest Florida Regional Planning Council as of and for the year ended September 30, 2011, and have issued our report thereon dated January 19, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America.

**Internal Control Over Financial Reporting**

Management of Southwest Regional Planning Council is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Southwest Florida Regional Planning 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 Southwest Florida Regional Planning Council's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Southwest Florida Regional Planning Council's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.

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A significant deficiency is a control deficiency, or combination of control deficiencies, in internal control, that adversely affect the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the financial statements that is more than inconsequential will not be prevented or detected and corrected on a timely basis.

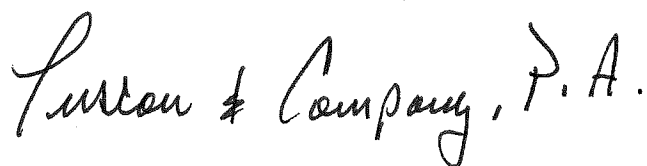
A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

#### Compliance and Other Matters

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

This report is intended solely for the information and use of the Board, Audit Committee, management, Federal and State awarding agencies, pass-through entities, the Auditor General of the State of Florida, and other Federal and State Audit agencies. This report 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 "Tuscan & Company, P.A." in a cursive, flowing script.

TUSCAN & COMPANY, P.A.  
Fort Myers, Florida  
January 19, 2012

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL  
EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Executive Committee and Council Members  
Southwest Florida Regional Planning Council  
1926 Victoria Avenue  
Fort Myers, Florida 33901

Compliance

We have audited Southwest Florida Regional Planning Council's compliance with the types of compliance requirements described in the United States Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of Southwest Florida Regional Planning Council's major federal programs for the year ended September 30, 2011. Southwest Florida Regional Planning Council's major federal programs 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 is the responsibility of Southwest Florida Regional Planning Council's management. Our responsibility is to express an opinion on Southwest Florida Regional Planning 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 and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Those standards and OMB Circular A-133 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 occurred. An audit includes examining, on a test basis, evidence about Southwest Florida Regional Planning Council's compliance with those requirements and performing such other

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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 on Southwest Florida Regional Planning Council's compliance with those requirements.

In our opinion, Southwest 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 programs for the year ended September 30, 2011.

#### Internal Control Over Compliance

Management of Southwest Florida Regional Planning Council is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Southwest Florida Regional Planning Council internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the 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 Circular A-133, 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 Southwest Florida Regional Planning 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 significant deficiency is a control deficiency, or combination of control deficiencies, in internal control, that adversely affects the entity's ability to administer a federal program or state project such that there is a reasonable possibility that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. 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.

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

This report is intended solely for the information and use of the Executive Committee, Council Members, management, Federal and State awarding agencies, pass-through entities, the Auditor General of the State of Florida, and other Federal and State audit agencies. This report is not intended to be, and should not be, used by anyone other than these specified parties.

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

TUSCAN & COMPANY, P.A.

Fort Myers, Florida

January 19, 2012

**SOUTHWEST FLORIDA REGIONAL PLANNING COUNCIL**  
**SCHEDULE OF FINDINGS AND QUESTIONED**  
**COSTS - FEDERAL AWARDS**  
**Year ended September 30, 2011**

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***Section I – Summary of Auditor’s Results***

Financial Statements

Type of auditor's report issued:	Unqualified		
Internal control over financial reporting:			
Control deficiency(ies) identified?	_____ Yes	_____ X	_____ No
Significant deficiency(ies) identified?	_____ Yes	_____ X	_____ No
Material weakness(es) identified?	_____ Yes	_____ X	_____ None reported
Noncompliance material to financial statements noted?	_____ Yes	_____ X	_____ No

Federal Awards

Internal control over major programs:			
Control deficiency(ies) identified?	_____ Yes	_____ X	_____ No
Significant deficiency(ies) identified?	_____ Yes	_____ X	_____ No
Material weakness(es) identified?	_____ Yes	_____ X	_____ None reported
Type of auditors report issued on compliance for major programs:	Unqualified		
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510(a)?	_____ Yes	_____ X	_____ No
Identification of major programs:			

CFDA

<u>Number(s)</u>	<u>Type</u>	<u>Name of Federal Program or Cluster</u>
20.205	A	Federal Aid Highway Program
97.055	B	Interoperable Emergency Planning

Dollar threshold used to distinguish between Type A and Type B programs	Threshold used was \$300,000
Auditee qualified as low-risk auditee?	_____ X _____ Yes _____ No
Listing of Subrecipients and amounts passed-through:	There were no subgrantees.

**SOUTHWEST FLORIDA REGIONAL PLANNING COUNCIL  
SCHEDULE OF FINDINGS AND QUESTIONED  
COSTS - FEDERAL AWARDS, CONTINUED  
Year ended September 30, 2011**

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***Section II- Financial Statement Findings***

There were no significant deficiencies, material weaknesses, or instances of material noncompliance related to the financial statements.

***Section III- Federal Award Findings and Questioned Costs***

There were no audit findings related to federal awards required to be reported by Circular A-133, Section 510(a).

**Status of Federal Prior Year Findings**

There were no prior year findings.

## **INDEPENDENT AUDITOR'S REPORT TO MANAGEMENT**

Executive Committee and Council Members  
Southwest Florida Regional Planning Council  
1926 Victoria Avenue  
Fort Myers, Florida 33901

We have audited the accompanying basic financial statements of Southwest Florida Regional Planning Council (the "Council") as of and for the year ended September 30, 2011 and have issued our report thereon dated January 19, 2012.

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. This report should be considered in conjunction with our Independent Auditor's Report dated January 19, 2012.

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

- Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. The prior year comment appears to have been resolved.
- 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. See the comments noted below to improve financial management.

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- 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 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, provided 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) control deficiencies that are not significant deficiencies. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)6., Rule of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit if the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The Council discloses this information in the notes to the financial statements.
- Section 10.554(1)(i)7.a., Rules of the Auditor General, requires a statement be included as to whether or not the local government entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that this item is not applicable to the Council.
- Section 10.554(1)(i)7.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, 2011, 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, 2011. In connection with our audit, we determined that these two reports were in agreement.
- Pursuant to Sections 10.554(1)(i)7.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the Council's financial condition. However, we determined this item is not applicable to the Council.

**CURRENT YEAR COMMENT:**

1. The Council Should Consider Increasing its Total Fund Balance

During the audit we noted that total fund balance decreased by approximately \$160,000 during the year ended September 30, 2011. We also noted that the current fund balance is approximately 15% of the Council's total annual budget. We understand the Council's revenue was reduced by State budget cuts and the current condition of the local economy. We understand, in response to these factors, the Council reduced budgeted expenditures. However, with the planned departure of the MPO, it appears the budget will be further affected in a negative manner.

We recommend that the Council analyze means of increasing its unrestricted revenue and its unreserved fund balance. The budget should be monitored monthly and proactive action by the Council should be taken to address the situation. It should be noted that approximately 85% of current revenue is restricted. Fund balance targets should be approximately three (3) to six (6) months operating budget.

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

A handwritten signature in black ink that reads "Tuscán & Company, P.A." The signature is written in a cursive, flowing style.

TUSCAN & COMPANY, P.A.  
Fort Myers, Florida  
January 19, 2012

## **EXHIBIT**



## **Southwest Florida Regional Planning Council**

Serving Charlotte, Collier, Glades, Hendry, Lee and Sarasota Counties

1926 Victoria Ave, Fort Myers, Florida 33901-3414 (239) 338-2550 FAX (239) 338-2560 [www.swfrpc.org](http://www.swfrpc.org)

February 27, 2012

Jeff Tuscan  
Tuscan & Company PA  
12621 World Plaza Lane  
Building 55  
Fort Myers, FL 33907

Dear Mr. Tuscan,

The records for the Southwest Florida Regional Planning Council, Fiscal year 2011 have been audited by your firm.

We are in agreement with the basic financial statements and have noted that there was one current year comment regarding fund balance for our response.

The Southwest Florida Regional Planning Council is in the process of researching additional grants as well as offering technical services or rental space. We continue to analyze expenses and will do so on a weekly/monthly basis.

Sincerely,

Margaret Wuerstle,  
Executive Director