



MEMORANDUM

AGENDA ITEM #III.F

DATE: APRIL 1, 2013
TO: COUNCIL MEMBERS
FROM: STAFF
SUBJECT: FY 2011-2012 AUDIT REPORT

Attached is the draft audited General-Purpose Financial Statements and Supplementary Schedules for the year ended September 30, 2012. Representatives of Sharpton, Brunson & Company, P.A. will be available at the April 1, 2013 meeting.

Recommendation

Approval of the draft Audit Report and Supplementary Schedule.

SOUTH FLORIDA REGIONAL PLANNING COUNCIL
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

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Independent Auditors' Report

To the Council Members of
South Florida Regional Planning Council

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

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Council as of September 30, 2012, and the respective changes in financial position thereof 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 March 15, 2013, on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 10 and 28 through 30 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Sharpton Brunson & Company, P.A.

March 15, 2013



**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2012**

This section of the Council's financial statement presents management's analysis of the Council's financial performance during the year ended September 30, 2012. It is presented to enhance the usefulness of the Council's basic financial statements. Please read this narrative in conjunction with the financial statements, which follow this section.

Financial Highlights

- The assets of the Council as reported in the government-wide financial statements exceeded the liabilities as of September 30, 2012 by \$8,197,999 (net assets). This amount represents a decrease of \$701,987 or 8% over the prior year. Of the total net assets, \$670,043 (unrestricted net assets) may be used to meet the ongoing obligations of the Council. The Council has decided to exclude the Small Business Emergency Bridge Loan fund because, as of September 30, 2012, the current receivable balance for Broward, Dade and Monroe are in default. The Council is not allowed to write off or create an allowance for doubtful accounts unless authorized by the State. Therefore, the Council has excluded the asset accounts of the Small Business Emergency Bridge Loan fund from the statement of net assets, being displayed in a separate column.
- As of September 30, 2012, the Council's governmental funds financial statements, with the Institute for Community Collaboration ("ICC") as a component unit, reported combined ending fund balances of \$9,137,809 a decrease of \$711,462 or 7% over the prior year due to a reduction in the Revolving Loan Funds Assets during the year. In January 2012 the Council refunded \$304,152 to the City of Fort Lauderdale from the Smart Watts loan program. In August 2012, Broward County ended their Artist Entrepreneurial Services program and \$51,756 was refunded to the county. During the year, \$12,500 was received by the Council and applied to outstanding Small Business Emergency Bridge Loan fund delinquent balances. Upon receipt of these monies The Council increases the liability to Florida's Office of Tourism, Trade, and Economic Development. The Council also refunded \$50,000 to the state of Florida's Office of Tourism, Trade, and Economic Development during October 2011. The balance of the Asset reduction was due to Bad Debt write-offs described below.
- A Provision for loan losses for the Consolidated Revolving Loan Fund was recorded in the amount of \$330,289 during fiscal year 2012.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2012**

Overview of the Financial Statements

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

Required Basic Financial Statements

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

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

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

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

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

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2012**

Overview of the Financial Statements (cont'd)

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

Fund Financial Statements

Fund financial statements tell how the Council's services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Council's operations in more detail than the government-wide statements by providing information at the individual fund level. The Council utilizes two funds to account for its activities: the general and revolving loan funds. The general fund is used to account for all financial resources except those required to be accounted for in another fund. Special Revenue Fund is used to account for revenues derived from specific sources, which are usually required by law or regulation to be accounted for in separate funds. As of September 30, 2012, the EDA Consolidated Revolving Loan Fund (RLF, RLF II, RLF III, Rescue have been consolidated into one Fund) , the EPA Brownfield Revolving Loan Fund, the Fort Lauderdale Smart Watts Revolving Loan Fund, and the Small Business Emergency Bridge Loan program (Wilma RLF) are included in this fund type. The ICC Fund reports the financial activity for the ICC, a component unit of the Council, and is reported as a fund for financial statement purposes. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The fund statements provide a detailed short-term view of the Council's operations and the basic services it provides.

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

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

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2012**

Financial Analysis

Government-Wide Analysis

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

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

Table A-1

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

	<u>2012</u>	<u>2011</u>
Current assets, net of loans receivable	\$ 2,688	\$ 2,863
Loans receivable, net	5,610	5,948
Capital assets, net of depreciation	212	217
Non-current assets	<u>9</u>	<u>29</u>
Total assets	<u>\$ 8,519</u>	<u>\$ 9,057</u>
Current liabilities	\$ 245	\$ 91
Non-current liabilities	<u>76</u>	<u>69</u>
Total liabilities	<u>321</u>	<u>160</u>
Nets assets:		
Invested in capital assets	212	217
Restricted	7,316	8,090
Unrestricted	<u>670</u>	<u>590</u>
Total net assets	<u>\$ 8,198</u>	<u>\$ 8,897</u>

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2012**

Financial Analysis (cont'd)

As noted earlier, net assets may serve over time as a useful indicator of the Council's financial position. As of September 30, 2012 and 2011, the Council's total assets exceeded its total liabilities by \$8.198 and \$8.897 million, respectively, a decrease of \$.7 million from 2011.

Restricted net assets decreased by \$.7 million or 10% to \$7.316 million as of September 30, 2012. The outstanding balance of loans receivable, net of allowance for doubtful accounts, amounted to \$5.6 and \$5.9 million for the years 2012 and 2011, respectively.

On January 24, 2011, the City of Fort Lauderdale transferred \$320,000 from the recovery act project for the creation of the REEL program (Renovation for Energy Efficient Loan Program). The fund is a revolving loan fund that would provide funding to residents and small businesses of Fort Lauderdale to institute improvements to their properties that will result in a reduction in their electrical energy consumption. Only three loans were made for a total of \$7,962. In January 2012, the Council refunded \$304,000 to Ft Lauderdale and the program was ended.

Unrestricted net assets at September 30, 2012 and 2011 were approximately \$670,042 and \$590,184, respectively. The Council used approximately \$881,000 and \$815,000 in 2012 and 2011, respectively, as "matching funds" from its unrestricted net assets to cover expenditures incurred in development and review of programs it administered.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2012**

Financial Analysis (cont'd)

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

Table A-2

Condensed Statement of Activities (in thousands of dollars)

	<u>2012</u>	<u>2011</u>
REVENUES:		
Membership assessments	\$ 758	\$ 756
Federal, State and local grants	2,742	1,433
D.R.I. fees	28	38
Interest	221	313
Other income	<u>154</u>	<u>42</u>
Total Revenues	<u>3,903</u>	<u>2,582</u>
EXPENSES:		
Current:		
Comprehensive planning:		
Personnel services	1,595	1,609
Operating expenses	2,635	1,317
Depreciation and amortization	<u>5</u>	<u>7</u>
Total Expenses	<u>4,235</u>	<u>2,934</u>
Other financing sources (uses):		
Revolving loan fund, net	(379)	(1,020)
Operating transfers in	905	815
Operating transfers out	<u>(905)</u>	<u>(815)</u>
Net other financing sources	<u>(379)</u>	<u>(1,020)</u>
Change in net assets	(711)	(1,372)
Net assets, beginning of year (as restated in 2011)	<u>9,849</u>	<u>11,221</u>
Net assets, end of year	9,138	9,849
Less: Small Business Loan Fund Balance	<u>(940)</u>	<u>(952)</u>
Net assets, end of year restated with the exclusion	<u>\$ 8,198</u>	<u>\$ 8,897</u>

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2012**

Financial Analysis (cont'd)

The Council's total revenues which include ICC as a component unit for the year ended September 30, 2012, were \$3.9 million, or an increase of \$1.3 million or 51% due to the Council's application and receipt of federal grants.

The Institute for Community Collaboration (ICC), in 2012, received \$25,000 in federal funding and \$112,500 from private sources. ICC is a blended component unit of the Council and revenues and expenses are combined.

In 2012, the Council's total expenditures for the year ended September 30, 2012 were \$4.2 million versus \$2.9 million, an increase of \$1.5 million. The increase in expenditures is due to professional consultant services which are third party passed through payments from federal grants.

During 2012, the Council's personnel expenses decreased by 1% due to open staff positions and no change in salaries.

Capital Assets and Debt Administration

For the years ended September 30, 2012 and 2011, the Council had approximately \$212,000 and \$217,000 in fixed assets, respectively, net of accumulated depreciation. There were no additions to capital assets for the year ended September 30, 2012 compared to \$2,927 in 2011.

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

Individual Fund Analysis

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

General Fund Budgetary Highlights

Over the course of the fiscal year, the original budget and two budget amendments were approved at the Council meetings in September 2011, amended in July 2012, and a final amendment approved in September 2012. The amendments effectively approve any expenditure that had already been incurred that exceeded its original budgeted amount. The primary reasons for amending the original budget were to account for unanticipated changes and pass through grants in both revenues and expenditures and to prevent compliance violations under the grants.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2012**

Economic Factors and Next Year's Budget

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

Requests for Information

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

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
BALANCE SHEET - STATEMENT OF NET ASSETS
SEPTEMBER 30, 2012**

	Major Funds						
	General Fund	Revolving Loan Fund	ICC Fund	General Revolving Loan and ICC OTTED Loan Funds Total	Exclusion	Adjustments	Statement of Net Assets
ASSETS							
Cash and cash equivalents	\$ 53,340	\$ -	\$ 111,784	\$ 165,124	\$ -	\$ -	\$ 165,124
Investments	56,975	-	-	56,975	-	-	56,975
Receivables:							
Contract and grant receivables	618,264	-	9,489	627,753	-	-	627,753
Deposits and other assets	9,374	-	-	9,374	-	-	9,374
Due from revolving loan fund	140,036	-	-	140,036	-	(140,036)	-
Restricted assets:							
Cash and cash equivalents	-	1,917,680	-	1,917,680	80,662	-	1,837,018
Loans receivable, net	-	6,478,642	-	6,478,642	1,029,746	-	5,448,896
Interest receivable on loans	-	162,028	-	162,028	-	-	162,028
Property and equipment, net	-	-	-	-	-	212,196	212,196
Total Assets	\$ 877,989	\$ 8,558,350	\$ 121,273	\$ 9,557,612	\$ 1,110,408	\$ 72,160	\$ 8,519,364
LIABILITIES AND FUND BALANCES/NET ASSETS							
Liabilities:							
Accounts payable and other accrued expenses	\$ 170,319	\$ 170,599	\$ -	\$ 340,919	\$ 170,598	\$ -	\$ 170,319
Payable to pension plan	8,707	-	-	8,707	-	-	8,707
Accrued salaries	50,186	-	-	50,186	-	-	50,186
Compensated absences	76,060	-	-	76,060	-	-	76,060
Due to general fund	-	132,182	7,854	140,036	-	(140,036)	-
Deferred revenue	16,093	-	-	16,093	-	-	16,093
Total liabilities	321,365	302,781	7,854	631,999	170,598	(140,036)	321,365
Fund Balances:							
Restricted for revolving loan program	-	8,255,570	-	8,255,570	939,810	(7,315,762)	-
Unassigned	556,624	-	113,419	670,043	-	(670,043)	-
Total fund balances	556,624	8,255,570	113,419	8,925,613	939,808	(7,985,804)	-
Total Liabilities and Fund Balances	\$ 877,989	\$ 8,558,350	\$ 121,273	\$ 9,557,612	\$ 1,110,408		
Net Assets:							
Investment in capital assets, net of related debt						212,196	212,196
Restricted for loan program excluding Wilma Loan Fund						8,255,570	7,315,760
Unrestricted						670,043	670,043
Total Net Assets						\$ 9,137,809	\$ 8,197,999

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

SOUTH FLORIDA REGIONAL PLANNING COUNCIL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Major Funds					
	General Fund	Revolving Loan Fund	ICC Fund	General Revolving Loan and ICC Funds Total	Adjustments	Statement of Activities
REVENUES						
Membership assessments	\$ 758,144	\$ -	\$ -	\$ 758,144	\$ -	\$ 758,144
Federal, state and local grants	2,717,103	-	25,000	2,742,103	-	2,742,103
D.R.I. fees	28,450	-	-	28,450	-	28,450
Interest	316	220,356	-	220,672	-	220,672
Other income	22,166	18,862	112,550	153,578	-	153,578
Total Revenues	3,526,179	239,218	137,550	3,902,947	-	3,902,947
EXPENDITURES						
Current:						
Comprehensive planning:						
Personnel services	1,377,918	218,002	-	1,595,920	-	1,595,920
Operating expenses	2,116,133	458,726	60,520	2,635,380	-	2,635,380
Depreciation and amortization	-	-	-	-	4,590	4,590
Total Expenditures	3,494,051	676,728	60,520	4,231,300	4,590	4,235,889
Excess (deficiency) of revenues over expenditures	32,128	(437,510)	77,030	(328,353)	(4,590)	(332,942)
Other financing sources (uses):						
City of Fort Lauderdale loan fund, net	-	(378,500)	-	(378,500)	-	(378,500)
Operating transfers out	(876,338)	(5,000)	(23,365)	(904,703)	-	(904,703)
Operating transfers in	870,404	34,299	-	904,703	-	904,703
Total other financing sources (uses)	(5,934)	(349,201)	(23,365)	(378,500)	-	(378,500)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses/change in net assets	26,194	(786,711)	53,665	(706,853)	(4,590)	(711,442)
Fund balance/net assets at beginning of year	530,430	9,042,281	59,754	9,632,466	216,786	9,849,251
Fund balance/net assets at end of year	\$ 556,624	\$ 8,255,570	\$ 113,419	\$ 8,925,613	\$ 212,196	\$ 9,137,809
Less: Wilma Loan Fund balance restricted						939,810
						<u>\$ 8,197,999</u>

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

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

Note 1 - Nature of Operations

Reporting entity

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

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

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

Component Unit:

The Institute for Community Collaboration, Inc. (the "ICC") was formed as a nonprofit Section 501(c)(3) corporation to provide services, training and research in the field of public policy, conflict prevention and resolution. The ICC is a component unit of the Council since the board of the Council (adopted December 2012) is the governing body of the ICC and has the ability to impose their will on the ICC. It qualifies as a blended component unit; therefore, data from the ICC is combined with data of the Council. The ICC does not issue a stand-alone financial report.

Note 2 - Summary of Significant Accounting Policies

Government-wide and fund financial statements

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

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

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

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

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

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

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

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

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

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

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

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

- b) ***Special Revenue Fund*** – used to account for revenues derived from specific sources, which are usually required by law or regulation to be accounted for in separate funds. The Revolving Loan Fund (“RLF”) is included in this fund type. RLF is used to account for revolving loan funds from the Department of Commerce through the Economic Development Administration (“EDA”), the Environmental Protection Agency (“EPA”) and the Small Business Emergency Bridge Loan. The EDA RLF is used to provide loans to small and medium size businesses located within Miami-Dade, Broward and Monroe Counties which cannot obtain conventional financing. The EPA RLF is used to fund loans on qualified, suitable market-ready Brownsfield sites to appropriate developers and buyers (for-profit and non-profit developers or local governments). The loan fund will assist in the remediation activities required for site cleanup that will allow redevelopment projects to go forward. The primary target areas for loans are the eastern portion of Miami-Dade, Broward and the Palm Beach Counties. The Small Business Emergency Bridge Loan was used to provide temporary working capital to established small businesses in Monroe, Miami-Dade, and Broward Counties that experienced adverse impacts as a result of Hurricane Wilma and were experiencing difficulty surviving or continuing business operation.

- c) ***ICC Fund*** – used to account for the financial activity of the ICC. The ICC is a not-for-profit corporation created by the Council, committed to providing services; and to conducting research and educational activities that promote peaceful, effective conflict resolution and prevention, in and between communities, diverse stakeholder groups, local, State and Federal government. It is the vision of the ICC to build partnerships with institutions, private practitioners and organizations in fulfilling its purpose of bringing collaborative processes and consensus decision-making to the communities of South Florida on the myriad issues they face in this diverse region.

Measurement focus, basis of accounting and financial statement presentation

Basis of accounting refers to the point at which revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. ***Governmental Fund Financial Statements*** – The Council uses the modified accrual basis of accounting under which revenues are recorded when measurable and available to finance operations during the current period. Revenues of the Council are recorded in the accounting period in which they are earned.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

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

Measurement focus, basis of accounting and financial statement presentation (cont'd)

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

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

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

Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classification. For fiscal year ended September 30, 2012, the unassigned fund balance in the Council's general fund will be used for the day to day operations of the Council.

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

Cost allocation

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

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

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

Budget policy

Prior to October 1 of each year, the budget is legally adopted by the Council's Board. The budget is prepared based on the modified accrual basis of accounting which is the same basis of accounting used to reflect actual revenues and expenditures recognized in accordance with accounting principles generally accepted in the United States of America. The Council does not adopt individual budgets for each fund type. All budget amounts presented in the Combined Statements of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual have been adjusted for budget revisions approved by the Council's Board. Appropriations lapse at the end of each fiscal year.

Risk management

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

Encumbrances

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

Accounting estimates

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

Cash and cash equivalents

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

Investments

Investments are stated at fair value.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

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

Contract and grant receivables

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

Loans receivable/allowance for loan losses

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

Restricted assets

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

Capital assets

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

Compensated absences

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

Due to and from other funds

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

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

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

Deferred revenues

Deferred revenues are payments received from grantor agencies before the related costs are incurred.

Income taxes

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

Note 3 - Cash and Investments

At September 30, 2012, the Council's cash and investments consisted of the following:

Cash and cash equivalents—Unrestricted	
Demand deposits and petty cash	\$ 165,124
Pooled investment fund—Florida State Board of Administration and	
Wachovia Money Market	56,975
Small Business Emergency Bridge Loan Demand Deposit	80,662
Brownfield's Revolving Loan Fund Demand Deposit	1,084,800
Special Economic Development and Assistance (EDA) Consolidated	
(RLF I, RLF II, RLF III, and Rescue) Demand Deposit	746,421
Ft. Lauderdale Smart Watts Revolving Loan Fund Demand Deposit	<u>5,797</u>
Total restricted cash and cash equivalents	<u>\$ 1,917,680</u>

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

Deposits

The Council's deposits are held in financial institutions with Federal depository insurance that are approved by the State Treasurer to hold public funds. The Florida Security for Public Deposits Act (Chapter 280 of the Florida Statutes) requires that all such qualified financial institutions deposit eligible collateral with the Treasurer or another bank. In the event of the failure of a qualified public depository, other qualified public depositories would be responsible for uninsured losses not covered by proceeds from the sale of the securities pledged by the defaulting depository.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

Note 3 - Cash and Investments (cont'd)

Investments

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

At September 30, 2012, South Florida Regional Planning Council had a balance of \$50,440 invested in the State Board of Administration's Florida Prime Fund and SBA Fund B, and \$6,535 invested in a Wells Fargo Money Market Account. The amounts invested in the Florida Prime Fund and SBA Fund B at September 30, 2012 were \$32,666 and \$17,714 respectively.

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

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

SBA's General Description of Florida Prime

The primary investment objectives for Florida PRIME, in priority order, are safety, liquidity, and competitive returns with minimization of risks. In buying and selling portfolio securities for Florida PRIME, the Investment Manager will comply with the diversification, maturity and credit quality conditions imposed by Rule 2a-7 under the 1940 Act; with the requirements imposed by any NRSRO that rates Florida PRIME to ensure that it maintains a AAAM rating (or the equivalent); and with the investment limitations imposed by Section 215.47, Florida Statutes. The Investment Manager generally will comply with the following diversification limitations that are additional to those set forth in Rule 2a-7. First, at least 50% of Florida PRIME assets thereto by the Investment Manager (i.e., so long as such deeming is consistent with the requirements of the NRSRO's AAAM (or equivalent) rating criteria), subject to Section 215.47(1)(j), Florida Statutes. The Investment Manager will document each instance in which a security is deemed to be of comparable credit quality and its basis for such a determination. Second, exposure to any single non-governmental issuer will not exceed 5% and exposure to any single money market mutual fund will not exceed 10% of Florida PRIME assets.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

Note 3 - Cash and Investments (cont'd)

SBA's General Description of SBA Fund B

The SBA's interpretation in regards to Fund B is that it does not meet the requirements of a SEC 2a-7like fund; therefore SBA is providing a Fair Value Factor (i.e. total net asset value of fund B divided by total participant balances of fund B) for September 30, 2012. The Fair value factor for fund B for the years ended September 30, 2012 was 0.94896811. The Fair Value factor is calculated as follows:

Factor Calculation at September 30,2012

Cash	\$ (1,977,825.07)
Investment, at fair value	251,207,936.15
Interest receivable	20,423.47
Less accrued Federated fees & bank fees	(174.99)
Less accrues SBA service charges	<u>(2,042.85)</u>
Net Asset Value including accruals	<u>249,248,316.73</u>
Participant Balances	<u>262,651,941.86</u>
Factor (<i>Net Asset Value divided by Participant Balances</i>)	<u>\$ 0.94896811</u>

Using the September 30, 2012 factor of 0.94896811 and multiplying it by the Council Fund B pool balance as of September 30, 2012, the Fair Value of the Council investment as of September 30, 2012 is approximately \$16,867, which is \$847 less than the book value for SBA Fund B.

Fund B is not rated by any nationally recognized statistical agency. The weighted average life for Fund B at September 30, 2012 is estimated to be 4.08 years. However, because fund B consists of restructure or defaulted securities, there is considerable uncertainty regarding the weighted average life.

Restricted cash

The Revolving Loan Funds Demand Deposits are restricted cash funds available for funding new loans consistent with Council's Revolving Loan Agreements with the Economic Development Agency, Environmental Protection Agency, Ft Lauderdale, and the State of Florida. With regard to the EDA Consolidated Revolving Loan Fund the cash can be used for the Council's administrative costs for program facilitation.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

Note 4 - Loans Receivable/Allowance for Loan Losses

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

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

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

On September 22, 2010 an offer to consolidate the existing RLF awards was reached between the Council and the U.S. Department of Commerce, Economic Development Administration (EDA). The Consolidated financial award restated was \$10,997,147 in federal award, \$1,290,088 contributed by the original recipients for an estimated total of \$12,287,235. On October 2010, after the book for FY 2009-2010 was closed, the Council consolidated RLF I, RLF II, RLF III and RLF Rescue into one fund. As of September 30, 2012 EDA RLF had an outstanding loan balance principal of \$5,504,424 net of allowance for doubtful accounts. In addition, during fiscal 2011-2012, \$500,000 of new loans were originated and funded with an additional \$150,000 of new loan commitments. The administrative costs (excluding bad debt expense) related to the management of RLF were \$326,333 for the year ended September 30, 2012.

On September 25, 2006, the Council's Loan Board Administration approved staff recommendation to change the 15% of the outstanding loan receivables to actual loan balance assigned to Counsel for litigation as basis for the allowance for doubtful accounts. During fiscal year 2012, a provision for loan losses was recorded in the amount of 330,289 for the Consolidated RLF. On September 30, 2012, four loan accounts with a combined outstanding balance of \$498,725 remained in default. As of September 30, 2012, the amount allocated for doubtful accounts equals \$498,864.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

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

On November 8, 2005, the Council entered into an agreement with the State of Florida Office of Tourism, Trade and Economic Development to administer a loan program for small businesses affected by Hurricane Wilma. Eleven Million (\$11,000,000) dollars were released to the Council for small business loans not to exceed twenty-five thousand (\$25,000) per business. The funds were allocated as follows: five million dollars (\$5,000,000) for Broward, five million dollars (\$5,000,000) for Dade County and one million dollars (\$1,000,000) for Monroe. Eight million, four hundred seventy-two thousand, two hundred and four dollars (\$8,472,204) were disbursed to small businesses affected by hurricane Wilma from the three counties and the unused portion of the funds went back to the State including interest earned less administrative cost. As of September 30, 2012 the receivable balances were as follows: Broward Small Business \$531,560 Dade Small Business \$437,685 and Monroe Small Business \$60,500. As of September 30, 2012, the receivable balances are in default. Therefore, the Council excluded the entire fund balance of \$939,808 from the statement of net asset as of September 30, 2012.

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

Note 5 - Capital Assets

The following is the summary of changes in capital assets for the year ended September 30, 2012:

Description	Balance October 1, 2011	Additions	Retirement	Balance September 30, 2012
Office furniture and equipment	\$ 256,965	\$ -	\$ -	\$ 256,965
Leasehold improvements	80,842	-	-	80,842
Sub-total	337,807	-	-	337,807
Less accumulated depreciation and amortization	(121,021)	(4,590)	-	(125,611)
Net	<u>\$ 216,786</u>	<u>\$ (4,590)</u>	<u>\$ -</u>	<u>\$ 212,196</u>

Depreciation expense was \$4,590 in fiscal year ended September 30, 2012.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

Note 6 - Employee Benefit Plans

The Council has a qualified defined contribution single employer pension plan (the "Plan") covering substantially all full-time employees which were employed by the Council prior to May 1986. The Plan provides for annual contributions by the Council of at least 10% of the total gross wage compensation with no exclusions for each qualified employee. The Plan expense for the year ended September 30, 2012 was \$20,154. At September 30, 2012, the Council's total payroll for eligible employees covered by the Plan was approximately \$201,547.

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

Participating employers are required by Statute to pay monthly contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are adequate to accumulate sufficient assets to pay benefits when due. Under the System, the Council was required to contribute 7.83%, as of July 1, 2005, of the gross salaries with certain exclusion of payments of employees to the plan. On July 1, 2006, the rate increased to 9.85%. As of July 1, 2010 the rate increases once more to 10.77%. The System was a noncontributory prior to July 1, 2011 and is totally administered by the State of Florida. At the completion of the Florida Legislature 2011 session the Senate passed Senate Bill 2100, making substantive changes to the Florida Retirement System (FRS). The bill, which has been signed into law by Governor Rick Scott, was effective on July 1, 2011. The bill requires all FRS Investment Plan and Pension Plan members (except those in DROP) to make 3% employee contributions on a pretax basis. This change will require both the employee and the employer to pay the retirement contributions needed to fund your retirement benefits. Employer now has to deduct this amount from the employee gross salary each paycheck beginning July 2011. On July 1, 2012, the contribution rates changed to 5.18%, 6.30% and 5.44% for non-executive, executive and DROP employees, respectively.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

Note 6 - Employee Benefit Plans (cont'd)

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

The Council's pension costs for the year ended September 30, 2012, as required and defined by the System, were approximately \$56,547. The employee required contribution was \$30,350 at the end of September 30, 2012. The Council's contribution represented approximately 5.53% of payroll for the year ended September 30, 2012.

The payroll for Council employees covered by the System for the year ended September 30, 2012 was approximately \$1,022,405.

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

Contributions of all participating agencies throughout the State of Florida are pooled to fund accrued benefits under the System. The pension benefit obligation at June 30, 2011 for the System as a whole, estimated through an update of an actuarial valuation performed as of July 1, 2012, was approximately \$147.2 billion. The System's net assets available for plan benefits on that date, \$127.9 billion, resulted in an underfunded pension obligation of \$19.3 billion.

Significant actuarial assumptions used include (a) a rate of return on the investment of present and future assets of 7.75 % per year compounded annually; (b) projected salary increases of 5.85% per year compounded annually, attributable to inflation; (c) inflation rate at 3.0%. There were no significant changes made to benefit provisions since the last valuation.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

Note 6 - Employee Benefit Plans (cont'd)

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

Note 7- Commitments

The Council conducts its operations from leased premises. The lease, which expires February 28, 2015, calls for minimum annual rental increases by \$0.50 per rentable square foot. Total rental expense for the years ended September 30, 2012 was \$279,505. Future annual rental payments, including approximate common area maintenance cost and real estate taxes required under the lease are included as follows:

<u>Year ending September 30,</u>	<u>Amount</u>
2013	\$ 288,457
2014	293,436
2015	<u>295,543</u>
Total	<u>\$ 877,436</u>

Note 8 - Contingencies

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

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

Note 9 - Institute for Community Collaboration, Inc.

As described in Note 1, the ICC is a component unit of the Council. Summary financial data for the ICC is as follows:

	<u>2012</u>
ASSETS	
Cash	\$ 111,784
Accounts receivable	<u>9,489</u>
Total Assets	<u>\$ 121,273</u>
LIABILITIES	
Due to the Council	<u>\$ 7,854</u>
Total Liabilities	<u>\$ 7,854</u>
NET ASSETS	
Unrestricted	<u>\$ 113,419</u>
Total Revenue	<u>\$ 137,550</u>
Total Expenses	<u>\$ 60,520</u>
Operating transfer out	<u>\$ 23,365</u>
Change in net assets	\$ 53,665
Net assets, beginning of year	<u>59,754</u>
Net assets, end of year	<u>\$ 113,419</u>

SOUTH FLORIDA REGIONAL PLANNING COUNCIL

REQUIRED SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2012

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget Positive (Negative)</u>
REVENUES				
Membership assessments	\$ 755,578	\$ 755,578	\$ 758,144	\$ 2,566
Federal, state and local grants	2,517,322	3,161,508	2,717,103	(444,405)
D.R.I. fees	20,000	20,000	28,450	8,450
Interest	500	500	316	(184)
Other income	<u>75,000</u>	<u>75,000</u>	<u>22,166</u>	<u>(52,834)</u>
Total revenues	<u>3,368,400</u>	<u>4,012,586</u>	<u>3,526,179</u>	<u>(486,407)</u>
EXPENDITURES				
Current:				
Comprehensive planning:				
Personnel services	1,657,325	1,522,280	1,377,918	144,362
Operating expenses	<u>1,711,075</u>	<u>2,490,306</u>	<u>2,116,133</u>	<u>374,173</u>
Total expenditures	<u>3,368,400</u>	<u>4,012,586</u>	<u>3,494,051</u>	<u>518,535</u>
Excess of revenues over expenditures	-	-	32,128	32,128
Other financing sources (uses)				
Operating transfers out	-	-	(876,338)	(876,338)
Operating transfers in	<u>-</u>	<u>-</u>	<u>870,404</u>	<u>870,404</u>
Total other financing uses	<u>-</u>	<u>-</u>	<u>(5,934)</u>	<u>(5,934)</u>
Excess of revenues and other financing sources over expenditures and other financing uses	-	-	26,194	26,194
Fund balance/net assets at beginning of year	<u>530,430</u>	<u>530,430</u>	<u>530,430</u>	<u>-</u>
Fund balance/net assets at end of year	<u>\$ 530,430</u>	<u>\$ 530,430</u>	<u>\$ 556,624</u>	<u>\$ 26,194</u>

See notes to budgetary comparison schedule.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
BUDGETARY COMPARISON SCHEDULE
REVOLVING LOAN FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget Positive (Negative)</u>
REVENUES				
Interest	\$ 317,500	\$ 279,000	\$ 220,356	\$ (58,644)
Other income	<u>15,000</u>	<u>15,000</u>	<u>18,862</u>	<u>3,862</u>
Total revenues	<u>332,500</u>	<u>294,000</u>	<u>239,218</u>	<u>(54,782)</u>
EXPENDITURES				
Current:				
Comprehensive planning:				
Personnel services	209,475	185,220	218,002	(32,782)
Operating expenses	<u>123,025</u>	<u>108,780</u>	<u>458,726</u>	<u>(349,946)</u>
Total expenditures	<u>332,500</u>	<u>294,000</u>	<u>676,728</u>	<u>(382,728)</u>
Deficiency of revenues over expenditures	-	-	(437,510)	(437,510)
Other financing sources (uses)				
City of Fort Lauderdale Loan Fund/net	-	-	(378,500)	378,500
Operating transfers out	-	-	(5,000)	5,000
Operating transfers in	<u>-</u>	<u>-</u>	<u>34,299</u>	<u>(34,299)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(349,201)</u>	<u>349,201</u>
Deficiency of revenues and other financing sources over expenditures and other financing uses	-	-	(786,711)	(786,711)
Fund balance/net assets at beginning of year	<u>9,042,281</u>	<u>9,042,281</u>	<u>9,042,281</u>	<u>-</u>
Fund balance/net assets at end of year	<u>\$ 9,042,281</u>	<u>\$ 9,042,281</u>	<u>\$ 8,255,570</u>	<u>\$ 786,711</u>

See notes to budgetary comparison schedule.

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO BUDGETARY COMPARISON SCHEDULE
SEPTEMBER 30, 2012**

Note 1- Budgetary Requirements

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

Budgets are prepared on the same basis of accounting as required for Governmental Fund Types. Expenditures may exceed the approved budget amounts for individual categories as long as the total does not exceed the approved budget. Any remaining fund balances remain with the Council at the end of the year.

For the year ended September 30, 2012 the Council's General Fund had a Budgeted Revenue shortfall of \$486,407 or a 12% decline. Over three-fourths of the budget shortfall is attributed to lower third-party pass through billings than budget. The Department of Housing and Urban Development (HUD) Sustainable Communities project and the Department of Energy (DOE) Electric Vehicles Charging project missed budgeted revenues for 3rd party pass-through billings by \$261,000 and \$109,000 respectively, due to project timing. The remaining budget variance is due to the timing of project completion.

General Fund Expenditures were also 13% lower than budget or \$518,535 for the year ended September 30, 2012. This expense savings from budget is due to staff reductions and the timing of 3rd party pass-through payments to Professional Consultants.

The Revolving Loan Revenue Budget variance can be explained by lower interest received on loans. The RLF Consolidated portfolio was short of budget due to loan defaults and charge-offs amounting to \$23,000. The Wilma, Brownsfield and Ft. Lauderdale Smart Watts programs all fell short due to lower payments received than budget in the amounts of \$10,000, \$19,000, and \$4,000 respectively.

The revolving loan expenses exceeded budget due to Bad Debt charge off of four RLF Consolidated accounts amounting to \$330,289.

SOUTH FLORIDA REGIONAL PLANNING COUNCIL

COMPLIANCE SECTION

SEPTEMBER 30, 2012



SHARPTON, BRUNSON & COMPANY, P.A.

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Independent Auditors' Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards

To the Council Members of
South Florida Regional Planning Council

We have audited the financial statements of the governmental activities and each major fund of the South Florida Regional Planning Council (the "Council") as of and for the year ended September 30, 2012, which collectively comprise the Council's basic financial statements, and have issued our report thereon dated March 15, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Council's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of the Council's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the 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. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

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

Sharpton Brunson & Company, P.A.

March 15, 2013





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Independent Auditors' Report On Compliance With Requirements That Could Have A Direct And Material Effect On Each Major Federal Program And State Project And On Internal Control Over Compliance In Accordance With OMB Circular A-133 And Chapter 10.550, Rules Of The Auditor General

To the Council Members of
South Florida Regional Planning Council

Compliance

We have audited the South Florida Regional Planning Council (the "Council") compliance with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* and the requirements described in the Department of Financial Services' *State Projects Compliance Supplement* that are that could have a direct and material effect on each of its major federal programs and major state projects for the year ended September 30, 2012. The Council's major federal programs and major state projects are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs and major state projects is the responsibility of the Council's management. Our responsibility is to express an opinion on the Council's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Auditor General. Those standards, OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program and major state project occurred. An audit includes examining, on a test basis, evidence about the Council's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Council's compliance with those requirements.

In our opinion, the Council complied, in all material respects, with the compliance requirements referred to above that that could have a direct and material effect on each of its major federal programs and major state projects for the year ended September 30, 2012.

Internal Control Over Compliance

The management of the Council is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs and state projects. In planning and performing our audit, we considered the Council's internal control over compliance with the requirements that could have a direct and material effect on a major federal program and major state project 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, and Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control over compliance.

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

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

Schedule of Expenditures of Federal Awards and State Financial Assistance

We have audited the financial statements of the governmental activities and the governmental funds information of the Council, as of and for the year ended September 30, 2012, and have issued our report thereon dated March 15, 2013 which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and Chapter 10.550, Rules of the Auditor General of the State of Florida and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

Sharpton Brunson & Company, P.A.

March 15, 2013



**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:

Unqualified

- Material weakness(es) identified?

____ Yes X No

- Significant deficiency(ies) identified that are not considered to be a material weaknesses?

 X Yes ____ None Reported

- Noncompliance material to financial statements noted?

____ Yes X No

Federal Awards

Internal Control over major programs:

- Material weakness(es) identified?

____ Yes X No

- Significant deficiency(ies) identified that are not considered to be a material weakness?

____ Yes X None Reported

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

Unqualified

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

____ Yes X No

Identification of major programs:

CFDA Number(s) Name of Federal Programs

11.307	U.S. Department of Commerce - Economic Adjustment Assistance
14.703	Office of Sustainable Housing and Communities
93.724	U.S. Department of Health and Human Services - Healthy Food Access

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

\$ 300,000

Auditee qualified as a low-risk auditee?

 X Yes ____ No

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

Section I - Summary of Auditors' Results

State Awards

____ Yes X No

Internal Control over major projects:

• Material weakness(es) identified?

____ Yes X No

• Significant deficiency(ies) identified that are not considered to be a material weakness?

____ Yes X None Reported

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

Unqualified

• Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550, Rules of the Auditor General.

____ Yes X No

Identification of major projects:

CSFA Number(s)

Name of State Project or Cluster

N/A

Florida Department of Office of Tourism, Trade and Economic Development

Dollar threshold used to distinguish between Type A and Type B projects

\$300,000

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

Section II - Financial Statement Current Year Findings and Questioned Costs

2012-1 Timeliness of Billing Reimbursable Grant/Contract Expenses

Observation

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

Effect

This condition may result in lost revenue that could be earned on reimbursed expenses if not billed and collected in a timely manner and/or additional costs could be incurred on funds borrowed to finance projects due to reimbursed costs not being billed and collected in a timely manner.

Recommendation

We suggest that procedures be established to monitor the billing and collection efforts of reimbursable grant/contract expenses. Additionally, we suggest that management evaluate the resources needed to bill and collect reimbursable grant/contract expenses.

Management's Response

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

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

Section II - Financial Statement Current Year Findings and Questioned Costs (cont'd)

2012-2 Bank Reconciliations Not Completed Timely

Observation

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

Effect

This observation could result in errors or irregularities that may not be detected in a timely manner.

Recommendation

We recommend that reconciliation between bank statements and detail accounting system records be prepared monthly and then reviewed by a senior official or a member of the Council. The date of preparation and review should be noted on the bank reconciliation.

Management's Response

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

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

Section II - Financial Statement Current Year Findings and Questioned Costs (cont'd)

2012-3 Transactions Incorrectly Posted to General Ledger Accounts

Observation

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

Effect

More time is required at year end in correcting the general ledger accounts and preparing financial statements that conform to generally accepted accounting principles.

Recommendation

Management should adhere to the procedures of recording and reviewing of general ledger account balances throughout the fiscal year. Specific attention should be given to interfund transactions, accounts payable and fund balance general ledger accounts.

Management's Response

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

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

Section III - Financial Statement Prior Year Findings and Questioned Costs

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

Section IV - Federal Award Current Year Findings and Questioned Costs

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

Section V - Federal Award Prior Year Findings and Questioned Costs

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

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>CFDA#</u>	<u>Contract #</u>	<u>Grant Amount</u>	<u>Expenditures</u>	<u>Loans Receivable⁽¹⁾</u>	<u>Balance (including cash held by trustee)</u>	<u>SFRPC Match</u>	<u>Total Expenditures</u>	<u>Federal Share</u>
FEDERAL AWARDS									
US Dept. of Commerce - Economic Development Administration Economic Adjustment Assistance "EDA CONSOLIDATED"	11.307	04-89-03852	\$ 12,287,235	\$ 237,224	\$ 5,504,424	\$ 746,420	\$ -	\$ 6,488,068	\$ 6,488,068
US Dept. of Commerce - Economic Development Administration Comprehensive Development Strategy (CEDS)	11.302	04-83-06117	189,189	17,542			11,435	28,977	17,542
US Dept. of Commerce - Economic Development Administration Comprehensive Development Strategy (CEDS)	11.302	04-83-06640	189,000	58,577			93,326	149,903	58,577
US Department of Energy Passed-through Leonardo Technologies, Inc Clean Cities Coalition Programmatic Support	81.000	DE-FE0004002	75,000	12,500			34,092	46,592	12,500
US Environmental Protection Agency Brownfields Assessment and Clean-up Cooperative Agreements "Brownfields Revolving Loan Fund"	66.818	BL974-34201-0	2,200,000	1,141	4,480	1,084,800	10,052	1,100,473	1,141
U.S. Department of Housing and Urban Development Office of Sustainable Housing and Communities Sustainable Communities Initiative	14.703	FLRIP0009-10	4,250,000	1,299,654			-	1,299,654	1,299,654
U.S. Department of Homeland Security Passed-through the State of Florida Division of Emergency Management Passed-through Miami Urban Area Security Initiative (UASI) Grant Passed-through Palm Beach County Sheriff's Office	97.000	Memorandum of Agreement	283,100	131,982			-	131,982	131,982
U.S. Department of Homeland Security Passed-through the State of Florida Division of Emergency Management Passed-through Miami Urban Area Security Initiative (UASI) Grant Fort Lauderdale Passed-through Palm Beach County Sheriff's Office	97.000	Memorandum of Agreement	276,900	95,755			-	95,755	95,755
U.S. Department of Energy National Technology Laboratory Clean Cities Readiness Planning for Plug-in Vehicles and Charging Infrastructure	81.086	DE-EE0005561	500,000	230,707			-	230,707	230,707
U.S. Department of Energy Energy Efficiency Conservation Block Grant (City of Ft. Lauderdale) Efficiency & Conservation Waits Program Under The American Recovery Act	81.128	DE-EE000790/000	412,818	860	7,982	5,797	1,851	16,470	8,822
US Department of Transportation Passed-through the State of Florida Division of Emergency Management Interagency Hazardous Materials Public Sector Training and Planning Grants "DCA/HMPEP - Planning" "DCA/HMPEP - Training" "DCA/HMPEP - Planning" "DCA/HMPEP - Training"	20.703 20.703 20.703 20.703	12-DT-85-13-00-21-284 12-DT-85-13-00-21-284 13-DT-85-13-00-21-165 13-DT-85-13-00-21-165	15,000 41,015 20,000 54,687	15,000 41,015 - 58,015			5,815 4,183 6,211 16,157	20,815 45,178 6,211 88,361	15,000 41,015 - 58,015

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

<u>FEDERAL AWARDS</u>	<u>CFDA#</u>	<u>Contract #</u>	<u>Grant Amount</u>	<u>Expenditures</u>	<u>Loans Receivable⁽¹⁾ held by trustee</u>	<u>Balance (including cash)</u>	<u>SFRPC Match</u>	<u>Total Expenditures</u>	<u>Federal Share</u>
US Health and Human Services									
Passed-through the State of Florida Department of Health "Miami-Dade Healthy Food access"	93.724	CDC-RFA-DP08-912ARRA08 Contract # DEV63	435,000	404,333			21,122	425,455	404,333
US Environmental Protection Agency									
Passed-through The Institute for Community Collaboration ICC/EPA - Environmental Justice Mini-Grant	66.804	EQ-9548512	25,000	25,000			639	24,004	25,000
US Health and Human Services									
Passed-through the Broward Regional Health Planning Council, Inc. "TOUCH GRANT"		FOA CDC0RFA-DP11-1103PPHF	33,077	33,077			29,604	62,681	33,077
US Department of Transportation - Federal Highway Administration									
Passed-through Miami-Dade County-MPO Highway Planning and Construction July 1, 2011 to June 30, 2012	20.205	Interlocal Agreement	25,000	25,000			18,855	43,955	25,000
U.S. Department of Homeland Security									
Passed-through the State of Florida Division of Emergency Management Passed-through Northeast Florida Regional Planning Council Interoperable Emergency Communications Grant Program FDEMIECGP1112 - Regional IOC Exercise - Planning FDEMIECGP1112 - Training COMT(1) FDEMIECGP1112 - Training COMT(1) FDEMIECGP1112 - Training FIN(1) FDEMIECGP1112 - Training FIN(2)	97,000 97,000 97,000 97,000 97,000	PO# 517 - 8/28/11 PO# 532 - 9/28/2011 PO# 532 - 9/28/2011 PO# 532 - 9/28/2011 PO# 700 - 7/03/2012 Various PO's	52,500 8,000 7,000 4,000 14,000 85,500	52,500 8,000 7,000 4,000 14,000 85,500			- - - 1,431 - 1,431	52,500 8,000 7,000 5,431 14,000 86,931	52,500 8,000 7,000 4,000 14,000 85,500
US Dept. of Commerce - Economic Development Administration									
Passed-through Tampa Bay Regional Planning Council "Energy Resiliency Strategy"	11.000	Subrecipient Award Agreement	76,545	20,483			7,984	28,447	20,483
Total Federal Awards			<u>\$ 21,473,877</u>	<u>\$ 2,733,330</u>	<u>\$ 5,516,866</u>	<u>\$ 1,837,017</u>	<u>\$ 281,817</u>	<u>\$ 10,348,598</u>	<u>\$ 9,249,953</u>

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

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

STATE PROJECTS	CSFA#	Contract #	Grant Amount	Expenditures	Loans Receivable	SFRPC MATCH	Cash Balance	Total Expenditures
State of Florida Division of Emergency Management								
Emergency Management Projects								
July 1, 2011 to June 30, 2012	52.023	12-CP-03-13-00-21-140	\$ 40,909	\$ 40,963		\$ -		\$ 40,963
Emergency Management Projects								
Monroe County Hazards Analysis	52.023	12-CP-03-13-00-21-229	2,365	2,365		571		2,936
State of Florida Division of Emergency Management								
Passed-through NEFRC subcontract to SFRPC								
FDEM - Surge Depth Analysis	N/A	PO# 635	12,500	39,000		-		39,000
FDEM - Training & Exercise Program	N/A	PO# 614	1,774	10,238		-		10,238
FDEM - TIME Training	N/A	PO# 697	4,800	1,000		1,236		2,236
			19,074	50,238		1,236		51,474
Florida Department of Office of Tourism, Trade and Economic Development (pass through SFRPC)	N/A	OT-08-084	11,000,000	-	\$ 1,029,746	-	\$ 80,662	1,110,408
Total State Projects			\$ 11,062,348	\$ 93,556	\$ 1,029,746	\$ 1,807	\$ 80,662	\$ 1,205,771

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

Note 1 - General

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

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

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

Basis of Accounting

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

Note 3 - Matching

Matching funds were provided as follows:

	<u>Net Federal and State Expenditures</u>	<u>Matching and Other Expenditures</u>	<u>Gross Expenditures</u>
Federal Awards	\$ 10,087,213	\$ 261,386	\$ 10,348,599
State Financial Assistance	<u>1,203,964</u>	<u>1,807</u>	<u>1,205,771</u>
	<u>\$ 11,291,177</u>	<u>\$ 1,263,193</u>	<u>\$ 11,554,370</u>

Note 4 - Loans Receivable

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

**SOUTH FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

Note 5 - Contingencies

Grant monies received and disbursed by the Council are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the Council does not believe that such disallowances, if any, would have a material effect on the financial position of the Council. As of March 15, 2013, management is not aware of any material questioned or disallowed costs as a result of grant audits in process or completed; however, the possible disallowance by a governmental agency of any item charged to a program or project cannot be determined at this time.



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State of Florida Reporting Requirements - Management Letter

To the Council Members of
South Florida Regional Planning Council

We have audited the financial statements of the South Florida Regional Planning Council (the "Council") as of and for the fiscal year ended September 30, 2012, and have issued our report thereon dated March 15, 2013.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, *Rules of the Florida Auditor General*. We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters, Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Federal Program and State Project and on Internal Control over Compliance in Accordance with OMB Circular A-133 and Chapter 10.550 Rule of the Florida Auditor General, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule which are dated March 15, 2013, should be considered in conjunction with this management letter.

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

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no such findings or recommendations.

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. Recommendations to improve financial management are disclosed in the Schedule of Findings and Questioned Costs pages 37 through 39.

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

Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) Deficiencies in internal control that are not significant deficiencies. In connection with our audit, we did not have any such findings.

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

Section 10.554(1)(i)7.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Council did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Section 10.554(1)(i)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.

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

Shampton Brunson & Company, P.A.

March 15, 2013