

Treasure Coast Regional Planning Council

Financial Statements

Year Ended September 30, 2013

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McAlpin Cavalcanti & Lewis

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INDEPENDENT AUDITORS' REPORT

To the Council Members
Treasure Coast Regional Planning Council
Stuart, Florida

We have audited the accompanying statement of the governmental activities, each major fund and the aggregate remaining fund information of the Treasure Coast Regional Planning Council (the "Council"), as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Treasure Coast Regional Planning Council as of September 30, 2013 and the respective changes thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

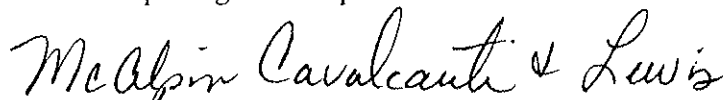
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedules on pages 27 to 30 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The combining schedules on pages 30 - 37 is presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic 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 statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedule on pages 30 - 37 and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.



McAlpin, Cavalcanti & Lewis, CPAs
Ft. Pierce, Florida
November 25, 2013

Management's Discussion and Analysis

As management of Treasure Coast Regional Planning Council (the Council), we offer readers of the Council's financial statements this narrative overview and analysis of the financial activities of the Council for the fiscal year ended September 30, 2013. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Council's financial statements, which follow this narrative.

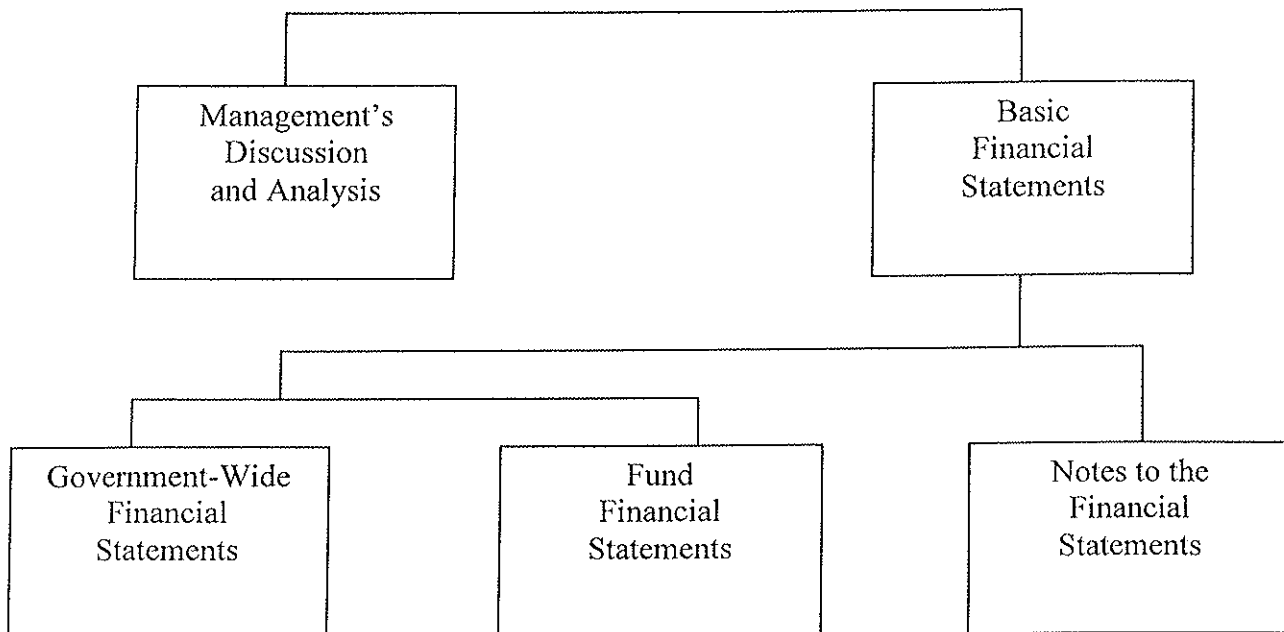
Financial Highlights

- The assets of the Council exceeded its liabilities at the close of the fiscal year by \$1,277,455.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$765,606.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Council's basic financial statements. The Council's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the Council through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the council.

Required Components of Annual Financial Report
Figure 1



Management's Discussion and Analysis

Basic Financial Statements

The first two statements (Page 11 and 12) in the basic financial statements are the *Government-Wide Financial Statements*. They provide both short and long-term information about the Council's financial status.

The next statements (Pages 13 to 18) are *Fund Financial Statements*. These statements focus on the activities of the individual parts of the Council's government. These statements provide more detail than the government-wide statements. The Fund Financial Statements are comprised of the governmental funds statements.

The next section of the basic financial statements is the *Notes to the Financial Statements*, which explains in detail some of the data contained in those statements. After the notes, *supplemental information* is provided to show additional details about the Council's governmental funds.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Council's finances, similar in format to a financial statement of a private-sector business and are reported on the accrual basis of accounting. The government-wide statements provide short and long-term information about the Council's financial status as a whole.

The two government-wide statements report the Council's net position and how they have changed. Net position is the difference between the Council's total assets and total liabilities. Measuring net position is one way to gauge the Council's financial condition.

The government-wide statements include the governmental activities category. The governmental activities include most of the Council's basic services such as Council and Program activities. Federal and State grant funds finance most of these activities. The government-wide financial statements are on pages 11 and 12 of this report.

Fund Financial Statements

The fund financial statements provide a more detailed look at the Council's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Council, like all other governmental entities, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes of the Council's budget procedures. All of the funds of the Council are included in only one category: governmental funds.

Management's Discussion and Analysis

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the Council's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a current financial resources focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Council's programs.

The relationship between government activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is described in the reconciliation that is a part of the fund financial statements.

The Council adopts annual budgets for its General Fund and Revolving Loan Fund. The budgetary statements provided for both funds demonstrates how well the Council complied with the budget and whether or not the Council succeeded in providing the services as planned when the budgets were adopted. The budgetary comparison statements use the budgetary basis of accounting and are presented using the same format, language, and classifications as the legal budget document. The statements shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources and ending balances in the General Fund and Revolving Loan Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 19 to 27 of this report.

Government-Wide Financial Analysis

Net assets serve over time as one useful indicator of a government's financial condition, as shown in the following table.

Management's Discussion and Analysis

Treasure Coast Regional Planning Council's Net Assets
Figure 2

	Governmental Activities		Increase (Decrease)
	2012	2013	
Current assets	\$1,081,136	\$ 891,693	\$(189,443)
Capital assets, noncurrent	2,138,555	2,086,468	(52,087)
Total Assets	\$3,219,691	\$2,978,161	\$(241,530)
Current liabilities	\$ 224,385	\$ 148,352	\$(76,033)
Long-term liabilities	1,573,017	1,493,074	(79,943)
Other liabilities	55,815	59,280	3,465
Total Liabilities	\$1,853,217	\$1,700,706	(\$152,511)
Net position:			
Net investment in capital assets	\$ 488,653	\$ 513,445	\$ 24,792
Restricted for loan program	-	43,050	43,050
Unrestricted	877,821	720,960	(156,861)
Total Net Position	\$1,366,474	\$ 1,277,455	\$ (89,019)

The Council's Statement of Net Position accounts decreased for the fiscal year ended September 30, 2013. Key elements of this decrease are primarily due to the following:

- current assets decreased due to lower balances in the bank accounts resulting from significant decreases due from other governments and local contracts,
- no capital assets were purchased during the year,
- long term liabilities decreased due to repayment of principal to TD Bank, and;
- noncurrent capital assets decreased due to depreciation,
- net investment in capital assets increased primarily due to debt service principal payment exceeding the changes in capital assets; and
- Unrestricted net assets decreased primarily due to a decrease in cash.

Management's Discussion and Analysis

Changes in Net Position
Figure 3

	Governmental Activities 2012	Governmental Activities 2013
Revenues:		
Program Revenues:		
Operating grants and contributions	\$1,654,759	\$1,576,620
Charges for services	106,211	46,891
General Revenues:		
Membership dues	784,840	784,840
Miscellaneous	2,151	832
Interest	345	13
Total Revenues	2,548,306	2,409,196
Functions/Program Expenses:		
Comprehensive planning	2,187,667	1,973,513
Financial and administrative	560,062	564,002
Total functions/program expenses	2,747,729	2,537,515
Other Financing Sources (Uses):		
Revolving Loan Fund		39,300
Total other financing sources		39,300
Increase (decrease) in net position	\$(199,423)	\$(89,019)

Governmental Activities. Governmental activities have decreased Council's revenue by \$139,110. Key elements of this decrease are as follows:

- an overall reduction in federal and state funding has resulted in fewer contracts,
- local government budgetary constraints have also contributed to a reduction in contracts,
- Council's inability to charge indirect costs to EPA Brownfields contracts; and
- in-kind & matching requirements included in various contracts.

Financial Analysis of the Council's Total Funds

As noted earlier, the Council uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Management's Discussion and Analysis

Governmental Funds. The focus of the Council's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Council's financing requirements. Specifically, unreserved general fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The Council utilizes two funds to account for its activities: the general fund and revolving loan fund. The general fund is the chief operating fund of the Council. The revolving loan fund is a special revenue fund which 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, 2013, the Council created the revolving loan fund for the reporting of the Brownfields loan activity. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$780,240 and the Revolving Loan Fund restricted fund balance was \$43,050.

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.

Capital Asset and Debt Administration

Capital Assets – The Council's investment in the capital assets for its governmental activities as of September 30, 2013, totals \$2,532,684 net of accumulated depreciation of \$446,216. Additional information on the Council's capital assets can be found in Note 7 of the basic financial statements.

**Capital Assets
Figure 4**

	2012	2013
Equipment and furniture	\$ 155,207	\$152,941
Vehicles	53,534	53,534
Building	1,826,209	1,826,209
Land	500,000	500,000
	2,534,950	2,532,684
Accumulated depreciation	(396,395)	(446,216)
Total	\$2,138,555	\$2,086,468

Additional information on the Council's capital assets can be found in Note 7 of the basic financial statements.

Long-term Debt – As of September 30, 2013, the Council's long-term obligations consisted of an accrual for compensated absences of \$59,280 and a loan balance of \$1,573,003 from TD Bank, NA for the purchase of building and land. Monthly payments on the loan are being made in the amount of \$11,673. Additional information on the Council's long-term debt can be found in Note 10 of the basic financial statements.

Management's Discussion and Analysis

Budgetary Highlights. During the fiscal year, the Council revised the budgets on one occasion. Generally, budget amendments fall into the following categories:

1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants and revolving loan activity; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased its revenues by \$480,934 and the Revolving Loan Fund budget increased its revenue by \$45,000. The increase for the General Fund was mainly due to new/increases to federal and state grants and fees and contracts. The increase for the Revolving Loan Fund was mainly due to anticipated beginning loan activity.

Budget Highlights for the Fiscal Year Ending September 30, 2013

Economic factors, such as the continued housing market slump, high energy prices, tight credit markets, elimination of state funding of Regional Planning Councils, and a slow recovery from the national recession have an important influence on Council budgets. Council's total revenue is down \$139,110 from last fiscal year. In spite of these influences, the budgets include the following new programs in addition to the continuing programs from last fiscal year:

- The third year of a Brownfields Assessment and Cleanup Cooperative Agreement for \$1,000,000.
- Continued assistance to local governments for transit-oriented development along Tri-Rail corridor and extension – agreement with Palm Beach MPO in the amount of \$125,000 for next year.
- The third year of a three-year program to provide technical assistance to the Federal Economic Development Administration valued at \$189,000.
- The seventh year of an EPA Revolving Loan Program, originally a five-year program. Council made the first pass-through loan installment of a \$700,000 Brownfields loan to the Redevelopment Agency of the City of Fort Pierce.
- Several Emergency Preparedness local assistance agreements – approximately \$173,300.
- The fourth year of a five-year \$500,000 contract with South Florida Regional Transportation Authority to assist in regional transportation planning, station-area planning, and the facilitation of transit-supportive land use patterns.
- The final year of a \$300,000 contract with South Florida Regional Transportation Authority to provide professional planning services for the Broward Boulevard Corridor project.
- The final year of a \$399,000 contract with FDOT to develop Florida TOD Guidebook and training series for the State of Florida.
- The final full year for the U.S. HUD grant award for the Sustainable Communities Initiative to the SFRPC for \$4.25 million with Council receiving \$282,775.

Management's Discussion and Analysis

- The completion of a \$76,545 agreement with Tampa Bay Regional Planning Council to assist TBRPC in the development of a Statewide Energy Resiliency Strategy in partnership with the state's economic development districts.
- The initiation of a \$347,398 contract with Palm Beach County who received a HUD Challenge Grant, allowing Council to provide professional planning services to create an economic development and recovery plan for the Glades region.
- The initiation of a \$200,000 Regional Waterways Plan for St. Lucie and Martin counties in cooperation with the St. Lucie TPO, Martin MPO and the Florida Inland Navigation District.
- Entered the final phase of \$67,500 contract for the Riviera Beach Broadway Master Plan.
- Completed the \$200,000 contract for developing the form-based code for Riviera Beach's CRA area.

Requests for Information

This report is designed to provide an overview of the Council's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Executive Director, Treasure Coast Regional Planning Council, 421 S.W. Camden Avenue, Stuart, Florida, 34994.

Treasure Coast Regional Planning Council
Statement of Net Position
September 30, 2013

	Governmental Activities
Assets	
Current assets:	
Cash	\$ 318,396
Investments	4,334
Due from other governments and local contracts	505,029
Revolving loan fund loan receivable	39,300
Due from Treasure Coast Enterprise Fund, Inc.	10,000
Prepaid expenses	14,634
Total current assets	891,693
Noncurrent assets:	
Capital assets, not being depreciated	500,000
Capital assets, net of accumulated depreciation	1,586,468
Total noncurrent assets	2,086,468
Total assets	\$ 2,978,161
Liabilities	
Current liabilities:	
Accounts payable	\$ 42,603
Current portion of long-term debt	79,949
Accrued expenses	25,800
Total current liabilities	148,352
Long term liabilities:	
Note payable	1,493,074
Compensated absences	59,280
Total liabilities	1,700,706
Net position	
Net investment in capital assets	513,445
Restricted for loan program	43,050
Unrestricted	720,960
Total net position	1,277,455
Total liabilities and net position	\$ 2,978,161

The notes to the financial statements are an integral part of this statement.

Treasure Coast Regional Planning Council
Statement of Activities
September 30, 2013

		<u>Program Revenues</u>		<u>Net (Expense)</u>
	<u>Expenses</u>	<u>Charges for</u>	<u>Operating</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants and</u>	<u>Change in</u>
			<u>Contributions</u>	<u>Net Position</u>
Governmental Activities:				
Comprehensive planning	\$ 1,973,513	43,141	1,576,620	(353,752)
Financial and administration	564,002	3,750	-	(560,252)
Total governmental activities	<u>2,537,515</u>	<u>46,891</u>	<u>1,576,620</u>	<u>(914,004)</u>
Total primary government	<u>\$ 2,537,515</u>	<u>46,891</u>	<u>1,576,620</u>	<u>(914,004)</u>
General Revenues:				
Member assessments				784,840
Investment earnings				13
Miscellaneous revenue				832
Total general revenues				<u>785,685</u>
Other Financing Sources (Uses):				
Revolving loan fund				39,300
Total other financing sources (uses)				<u>39,300</u>
Change in net position				(89,019)
Net Position - Beginning				<u>1,366,474</u>
Net Position - Ending				<u>1,277,455</u>

The notes to the financial statements are an integral part of this statement.

Treasure Coast Regional Planning Council
 Balance Sheet
 Governmental Funds
 September 30, 2013

	General Fund	Revolving Loan Fund	Total Funds
Assets			
Cash	\$ 314,646	\$ 3,750	\$ 318,396
Investments	4,334	-	4,334
Due from other governments and local contracts	505,029	-	505,029
Loan receivable	-	39,300	39,300
Due from Treasure Coast Enterprise Fund, Inc.	10,000	-	10,000
Prepaid items	14,634	-	14,634
 Total assets	 \$ 848,643	 \$ 43,050	 \$ 891,693
Liabilities and fund balances			
Liabilities:			
Accounts payable	\$ 42,603	\$ -	\$ 42,603
Accrued liabilities	25,800	-	25,800
 Total liabilities	 68,403	 -	 68,403
Fund balances:			
Nonspendable	14,634	-	14,634
Restricted	-	43,050	43,050
Unassigned	765,606	-	765,606
 Total fund balances	 780,240	 43,050	 823,290
 Total liabilities and fund balances	 \$ 848,643	 \$ 43,050	 \$ 891,693

The notes to the financial statements are an integral part of this statement.

Treasure Coast Regional Planning Council
 Reconciliation of the Balance Sheet to the Statement of Net Position
 September 30, 2013

Fund Balances - Total Governmental Funds \$ 823,290

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Governmental capital assets	\$ 2,532,684	
Less: Accumulated depreciation	<u>(446,216)</u>	2,086,468

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Note payable		(1,573,023)
Compensated absences		<u>(59,280)</u>

Net Position of Governmental Activities \$ 1,277,455

The notes to the financial statements are an integral part of this statement.

Treasure Coast Regional Planning Council
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended September 30, 2013

	<u>General Fund</u>	<u>Revolving Loan Fund</u>	<u>Total Funds</u>
Revenues			
Federal contracts and grants	\$ 998,212	\$ -	\$ 998,212
Member assessments	784,840	-	784,840
State contracts and grants	191,723	-	191,723
Local contracts	386,685	-	386,685
DRI fees	43,141	-	43,141
Miscellaneous	832	3,750	4,582
Investment income	13	-	13
Total revenues	<u>2,405,446</u>	<u>3,750</u>	<u>2,409,196</u>
Expenditures			
Current:			
Comprehensive planning	1,966,790	-	1,966,790
Financial and administration	451,973	-	451,973
Debt service:			
Interest	63,200	-	63,200
Principal	76,879	-	76,879
Capital outlay	-	-	-
Total expenditures	<u>2,558,842</u>	<u>-</u>	<u>2,558,842</u>
Excess (deficiency) of revenues over expenditures	(153,396)	3,750	(149,646)
Other financing sources (uses)			
Revolving loan fund	<u>-</u>	<u>39,300</u>	<u>39,300</u>
Total other financing sources (uses)	<u>-</u>	<u>39,300</u>	<u>39,300</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses/change in net position	(153,396)	43,050	(110,346)
Fund balances			
Beginning of year	933,636	-	933,636
End of year	<u>\$ 780,240</u>	<u>\$ 43,050</u>	<u>\$ 823,290</u>

The notes to the financial statements are an integral part of this statement.

Treasure Coast Regional Planning Council
 Reconciliation of the Statement of Revenues,
 Expenditures and Changes in Governmental Fund Balances
 to the Statement of Activities
 For the year ended September 30, 2013

Net Change in Fund Balances - Total Government Funds \$ (110,346)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is depreciated over their estimated useful lives.

Expenditures for capital assets	\$ -	
Less: current year depreciation	<u>(52,087)</u>	(52,087)

Repayment of debt service principal is an expenditure in the governmental funds, but the repayment reduces long term debt liabilities in the statement of net position.		76,879
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Some expenses in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Change in long-term compensated absences		<u>(3,465)</u>
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Change in Net Position of Governmental Activities \$ (89,019)

The notes to the financial statements are an integral part of this statement.

Treasure Coast Regional Planning Council
Statement of Fiduciary Net Position
Fiduciary Fund - Pension Trust Fund
September 30, 2013

	<u>Deferred Compensation Plan</u>
Assets	
Investments	\$ <u>851,935</u>
Total assets	\$ <u><u>851,935</u></u>
 Net Position	
Net position	
Held in trust for pension benefits	\$ <u>851,935</u>
Total liabilities and net position	\$ <u><u>851,935</u></u>

The notes to the financial statements are an integral part of this statement.

Treasure Coast Regional Planning Council
Statement of Changes in Fiduciary Net Position
Fiduciary Fund - Pension Trust Fund
For the year ended September 30, 2013

	<u>Deferred Compensation Plan</u>
Additions	
Contributions:	
Employee	\$ 32,920
Investment increases:	
Net increases in fair value of investments	<u>114,671</u>
Total additions	<u>147,591</u>
 Deductions	
Benefit payments	<u>56,314</u>
Change in net position	91,277
Net position - beginning of year	<u>760,658</u>
Net position - end of year	<u><u>\$ 851,935</u></u>

The notes to the financial statements are an integral part of this statement.

Treasure Coast Regional Planning Council

Notes to Financial Statements

September 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The Treasure Coast Regional Planning Council ("the Council") is a regional planning council as defined in Florida Statute 186.504 and was created in 1976 by an interlocal agreement as provided in Florida Statute 163.01. Its purpose is to plan for and coordinate intergovernmental solutions to growth related problems on greater-than-local issues, provide technical assistance to local governments, and meet other needs of the communities in each region. The Council's members consist of Indian River, Martin, St. Lucie and Palm Beach counties. The basic operations of the Council are financed by assessments charged to member governments. The Council also acts as the administrator or "pass-through" agency for specific programs which are financed through federal and state grants.

The financial statements of the Council have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to state and local governmental entities. The Council's financial statements include the accounts of all Council operations. The criteria for including organizations within the Council's reporting entity, as set forth in Governmental Accounting Standards Board (GASB) No. 14, "The Financial Reporting Entity", is financial accountability. Financial accountability is defined as appointment of a voting majority of the component unit's board and either the ability to impose its will by the primary government or the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. 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. As a result of applying the reporting entity criteria contained in GASB No. 14, no component units exist which would require inclusion in the Council's financial statements.

Government-wide Financial Statements – The government-wide financial statements (i.e. the statement of net assets and the statement of activities) report information on all of the activities of the Council. The effect of interfund activities, if any, has been removed from these statements. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include a) fees and charges paid by recipients of goods or services offered by the programs and b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements - A fund financial statement is presented for the Council's General and Revolving Loan Funds that are considered to be major funds. Separate financial statements are provided for the governmental funds and fiduciary fund, even though the latter is excluded from the government-wide financial statements.

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

Governmental funds and fiduciary fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as

Treasure Coast Regional Planning Council

Notes to Financial Statements

September 30, 2013

soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Council considers revenues to be available if they are collected within 60 days of the end of the current period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and long-term debt agreements are recorded only when payment is due.

The Council reports the following major governmental funds:

General Fund – accounts for all financial resources of the Council that are not required to be accounted for in other funds.

Special Revenue Fund - accounts 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 Environmental Protection Agency ("EPA"). This fund is used to fund loans on qualified, suitable market-ready Brownfield sites to appropriate developers and buyers. 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 Indian River, St. Lucie, Martin and Palm Beach Counties.

Additionally, the Council reports the following fund type:

Fiduciary Fund – The Pension Trust Fund accounts for the assets of the Council's deferred compensation plan held in a trustee capacity for the employees.

Budgets and Budgetary Accounting – The Council adopts a budget for its general and revolving loan funds. The budget amounts presented in the accompanying financial statements are as approved by the Council on a basis consistent with U.S. generally accepted accounting principles for governmental funds, using the modified accrual basis of accounting.

Investments – Florida Statutes authorize the Council to invest in the Local Government Surplus Funds Trust Fund, which is administered by the State Board of Administration (SBA); obligations of, or obligations the principal and interest of which are unconditionally guaranteed by the United States Government; interest bearing time deposits or savings accounts in banks and savings and loan organized under laws of the United States; obligations of the Federal Farm Credit Banks, The Federal Home Loan Mortgage Corporation, The Federal Home Loan Bank, or obligations guaranteed by the Government National Mortgage Association; and obligations of the Federal National Mortgage Association.

Capital Assets – Capital assets, which include furniture, equipment and vehicles, are reported in the applicable governmental column in the government-wide financial statements. The Council does not have any infrastructure assets. Capital assets are defined as assets with a cost of \$1,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated

Treasure Coast Regional Planning Council

Notes to Financial Statements

September 30, 2013

historical cost if purchased or constructed. Donated capital assets are stated at estimated fair value on the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciation has been provided on capital assets as a direct charge using the straight-line method over the estimated useful lives of the various classes of depreciable assets, which range from three to forty years.

<u>Years</u>	<u>Classification</u>
3 - 5	Furniture and equipment
5	Vehicles
40	Building

Compensated Absences – Accumulated paid leave that is expected to be liquidated with expendable available financial resources is reported as a liability and expenditure of the general fund.

Indirect Cost Allocation – Indirect costs are allocated to individual projects based upon an indirect allocation rate. The allocation rate is the ratio of the indirect costs of the Council to direct chargeable personnel costs, and is calculated using budgetary indirect costs.

Use of Estimates – The preparation of financial statements 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 reported amount of revenues and expenditures during the reporting period. Actual amounts could differ from those estimates.

NOTE 2 – CASH

Florida Statutes require state and local governmental units to deposit monies with financial institutions classified as "Qualified Public Depositories", a multiple financial institution pool whereby groups of securities pledged by the various financial institutions provide common collateral from their deposits of public funds. This pool is provided as additional insurance to the federal depository insurance and allows for additional assessments against the member institutions, providing full insurance for public deposit. As of September 30, 2013, the Council had deposits only with qualifying institutions or with banks in which depository insurance was sufficient to cover the deposit balance. The Council's total bank deposits (demand deposit and certificates of deposit) had a financial institution balance of \$345,374 and carrying amount of \$318,396 at September 30, 2013.

NOTE 3 – INVESTMENTS

The Council invests excess cash in the State Board of Administration (SBA) Investment Pool as described in Note 1. The SBA has established two different pools (Florida Prime and Fund B) whereby participants own a share of the respective pools and not the underlying securities.

Florida Prime - The Florida Prime (formerly known as Pool or Fund A) meets the requirements of and is classified as a "2a-7 like" pool. The SBA is not a registrant with, nor regulated by, the Securities and Exchange Commission or any other regulatory agency; however, the Florida Prime has adopted operating

Treasure Coast Regional Planning Council

Notes to Financial Statements

September 30, 2013

procedures consistent with the requirements for a 2a-7 like pool and the fair value of the position in the pool is equal to the value of the pool's shares. Such investments are stated at amortized cost in the accompanying financial statements. The Florida Prime is rated by Standard and Poor's and is currently rated AAAm. The weighted average days to maturity (WAM) at September 30, 2013 are 44 days. Next interest rate reset dates are used in the calculation of the WAM.

Fund B - Fund B does not meet the requirements of a 2a-7 like pool; therefore the SBA provides a Fair Value factor (i.e. total net asset value of Fund B divided by total participant balances of Fund B). At September 30, 2013, the Fair Value factor is 1.13262284. The Council's position is determined by multiplying its Fund B account balance by the Fair Value factor to determine the fair value of its investment in Fund B. Fund B is not rated by any nationally recognized statistical rating agency. The WAL (weighted average life) at September 30 is estimated at 4.04 years. However, because Fund B consists of restructured or defaulted securities there is considerable uncertainty regarding the weighted average life.

Neither the Florida Prime nor Fund B has participated in a security lending program in the year ended September 30, 2013. The SBA provides separate financial statements for the Florida Prime and Fund B (unaudited) as of and for the period ending June 30. It does not issue financial statements as of and for the period ending September 30.

The Council expects to eventually receive all of the funds with minimal or no devaluation, therefore a write-down, which is not material, has not been recorded.

	Carrying Amount	Fair Value
Surplus Funds Trust Fund B	4,334	4,597
Total Investment Pool	\$ 4,334	\$ 4,597

NOTE 4 – DEFERRED COMPENSATION PLAN

The Council offers its employees a deferred compensation plan created in accordance with Internal Revenue Service Code Section 457 that is administered by an agent of the National Association of Counties. The plan, available to all employees, permits the deferral of a portion of their salary to future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The assets of the plan are held in trust for the exclusive benefit of the participants. The assets of the plan are stated at fair value as of September 30, 2013.

NOTE 5 – PENSION PLAN

The Council has a noncontributory simplified employee pension plan as allowed by Internal Revenue Code Section 408(k). The Council contributes 15% of an employee's gross salary to the employee's individual retirement account after the employee has been with Council for six months. Total eligible payroll for the year was \$908,527. The Council contributed \$136,279 to the plan during the fiscal year, equal to 15% of eligible salaries.

Treasure Coast Regional Planning Council

Notes to Financial Statements

September 30, 2013

NOTE 6 - DUE FROM OTHER GOVERNMENTS AND LOCAL CONTRACTS

Amounts due from other governments and local contracts as of September 30, 2013 are as follows:

State of Florida, Department of Community Affairs:	
HMEP - Planning and Training	\$ 36,852
Sara Title III	18,511
Florida Department of Transportation	
Land Use and Transportation Study	14,748
SFRTA 2010 - 2015	50,000
Palm Beach Metropolitan Planning Organization	
Transit Service Development in Palm Beach County	28,027
South Florida Regional Planning Council	
Sustainable Communities Initiative	66,362
Tampa Bay Regional Planning Council	
Statewide Energy Resiliency	6,683
City of Riviera Beach	
Broadway Master Plan	50,625
Florida Division of Emergency Management	
Regional Evacuation Small Area Update	8,000
U.S. Department of Commerce	
Economic Development Administration Planning	20,965
U.S. Environmental Protection Agency:	
Brownfields RLF	1,460
Brownfields Assessment 2011-2014	98,876
City of West Palm Beach	
TOD Connector Charrette	2,500
Town of Jupiter	
TOD Public Outreach	8,750
City of Palm Beach Gardens	
Technical & Policy Review Services	13,425
Palm Beach County	
Glades Regional Master Plan	40,245
South Florida Regional Transportation Authority	
Broward Blvd Gateway Project	39,000
	<hr/>
Total due from other governments and local contracts	<u><u>\$ 505,029</u></u>

Treasure Coast Regional Planning Council

Notes to Financial Statements

September 30, 2013

NOTE 7 – CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	Balance October 1, 2012,	Additions	Deletions	Balance September 30, 2013
Capital assets not being depreciated:				
Land	\$ 500,000	\$ -	\$ -	\$ 500,000
Capital assets being depreciated:				
Building	1,826,209	-	-	1,826,209
Furniture and equipment	155,207	-	(2,266)	152,941
Vehicles	53,534	-	-	53,534
Total capital assets being depreciated	2,034,950	-	-	\$ 2,032,684
Less accumulated depreciation for:				
Building	199,003	45,655		244,658
Furniture and equipment	143,858	6,432	(2,266)	148,024
Vehicles	53,534			53,534
Total accumulated depreciation	396,395	52,087	-	446,216
Total capital assets being depreciated, net	\$ 1,638,555	\$ 52,087	\$ -	\$ 2,086,468

Depreciation was charged to functions as follows:

Financial and administration	\$ 46,548
Comprehensive planning	5,539
	\$ 52,087

NOTE 8 – OPERATING LEASES

The Council leases office equipment under non-cancelable operating lease agreements expiring from February, 2016 to June, 2017, totaling \$2,655 per month. Rent expenditures relating to all lease agreements for the year ended September 30, 2013 were approximately \$29,476. Minimum future lease payments as of September 30, 2013 are:

Year ending September 30,	Total
2014	\$ 29,476
2015	29,476
2016	12,977
Thereafter	893
	\$ 72,822

Treasure Coast Regional Planning Council

Notes to Financial Statements

September 30, 2013

NOTE 9 - RISK MANAGEMENT

The Council is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; and natural disaster for which the government carries commercial insurance. The Council insures its workers' compensation and employees' health and benefits through the Florida Municipal Insurance Trust Fund of the Florida League of Cities, Inc. and Aetna Insurance Co., respectively. The agreement calls for the fund to be self-sustaining through the Council's and other members' premiums. There were no significant reductions in coverage from the prior year. Settled claims resulting from these risks have not exceeded insurance coverage in the current year or any of the past three fiscal years.

NOTE 10 - LONG-TERM LIABILITIES

The Council's long-term liabilities consist of a note payable to TD Bank and the compensated absences.

The Council's note payable to TD Bank has monthly principal and interest payments of \$11,673, bears interest at 3.86%, and balloons in May, 2018. The note was issued to finance the cost of purchasing a building for the Council and the costs of the improvements to the building. The note is secured by a pledge of all unrestricted pledged revenues of the Council. During the year, the Council paid principal and interest payments of \$76,879 and \$63,200, respectively.

The annual principal and interest payments as of September 30, 2013 are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total Payments
2014	79,949	60,130	140,079
2015	83,134	56,945	140,079
2016	86,297	53,782	140,079
2017	89,885	50,194	140,079
2018	1,233,758	31,315	1,265,073
	\$ 1,573,023	\$ 252,366	\$ 1,825,389

The change in long-term debt is as follows:

	Beginning Balance	Additions	Reductions	Fiscal Year Ending September 30,
Note payable	\$ 1,649,902		(76,879)	\$ 1,573,023
Compensated absences	55,815	10,338	(6,873)	59,280

Treasure Coast Regional Planning Council

Notes to Financial Statements

September 30, 2013

NOTE 11 - RELATED PARTY TRANSACTIONS

The Treasure Coast Enterprise Fund, Inc. (the Fund) amount due of \$10,000 is interest free with one remaining payment of \$10,000, as long as the board decides that the Fund can perpetuate itself. The Council has a staff member and the Council's Executive Director who are also board members for the Fund. The Fund repaid the remaining \$10,000 in November 2013. Therefore, the amount due remains unchanged as compared to the prior year as follows:

Original Amount	Prior Years Repayments	Current Year Repayments	Fiscal Year Ending September 30,
\$ 100,000	(90,000)	-	\$ 10,000

NOTE 12 - FUND BALANCE REPORTING AND GOVERNMENTAL FUND TYPE DEFINITIONS

In accordance with GASB 54, the Council is required to report fund balance amounts in five classifications - nonspendable and the spendable categories of restricted, committed, assigned, and unassigned, as follows:

Nonspendable - includes fund balance amounts that cannot be spent either because it is not spendable form or because of legal or contractual requirements. The Council had a nonspendable fund balance of \$14,634 in the General Fund.

Restricted - amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments. The Council had a restricted fund balance of \$43,050 in the Revolving Loan Fund.

Committed - amounts that can only be used for specific purposes pursuant to constraints imposed by formal action by the Council's highest level of decision-making authority. The Council's Board addresses these commitments through formal board action prior to the Council's fiscal year end. The Council had no committed fund balances at September 30, 2013.

Assigned - amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Assignments can be made by the Board. The Council had no assigned fund balance amounts at September 30, 2013.

Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balances may also include negative fund balances for any other governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The Council uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this. Additionally, the Council would first use committed, then assigned, and lastly unassigned amounts. The Council does not have a formal minimum fund balance policy, nor has it established any stabilization arrangements within the fund balances.

Treasure Coast Regional Planning Council

Notes to Financial Statements

September 30, 2013

NOTE 13 – NEW ACCOUNTING STANDARDS IMPLEMENTED

The Council implemented GASB Standard No. 61, *The Financial Reporting Entity*. This pronouncement changes the criteria the Council needs to consider in determining whether any potential component units should be included in these financial statements. This implementation had no impact on the decisions made with respect to component units (see Note 1).

The Council implemented GASB Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*. GASB Statement No. 63 requires certain items specifically identified by the GASB to be reported as additional elements to the Statement of New Position (formerly called the Statement of Net Assets) – deferred outflows of resources (beneath assets) and deferred inflows of resources (beneath liabilities). This implementation had no significant impact on these financial statements as none of the Council's assets or liabilities meet the criteria established in GASB Statement No. 63.

The GASB issued a companion document to GASB Statement No. 63 which becomes effective next year. GASB Statement No. 65 *Items Previously Reported as Assets and Liabilities*, further provides for the reclassification as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities, as well as recognizing as outflow of resources or inflow of resources, certain items that were previously reported as assets and liabilities. It also clarifies that the term *deferred* should be limited only to items reported as deferred outflows of resources and deferred inflows of resources. The implementation of this pronouncement may have a material effect on the Council's financial statements in the future.

Treasure Coast Regional Planning Council
 General Fund
 Budgetary Comparison Schedule
 For the year ended September 30, 2013

	Budget		Actual	Variance with
	Original	Final		Final budget - Positive (Negative)
Revenues				
Federal contracts and grants	\$ 1,007,522	\$ 1,117,658	\$ 998,212	\$ (119,446)
Member assessments	784,839	784,839	784,840	1
Local contracts	237,000	571,439	386,685	(184,754)
State contracts and grants	40,909	122,268	191,723	69,455
DRI fees	85,000	85,000	43,141	(41,859)
Miscellaneous	8,000	8,000	832	(7,168)
Investment income	5,000	5,000	13	(4,987)
Total revenues	<u>2,168,270</u>	<u>2,694,204</u>	<u>2,405,446</u>	<u>(288,758)</u>
Expenditures				
Current:				
Comprehensive planning				
Salaries and benefits	1,040,412	1,054,462	1,053,403	1,059
Consultants	361,579	814,963	781,166	33,797
Legal fees	40,000	40,000	47,456	(7,456)
Travel	35,000	59,000	34,157	24,843
Supplies	15,000	20,500	26,805	(6,305)
Copying	15,000	20,500	11,885	8,615
Training	20,400	20,400	4,252	16,148
Education	1,000	2,000	2,423	(423)
Conferences	2,000	2,000	1,604	396
Legal advertising	1,300	2,800	1,427	1,373
Postage	2,000	2,000	1,367	633
Telephone and facsimile	750	750	760	(10)
Graphics	1,000	5,000	82	4,918
Total comprehensive planning	<u>1,535,441</u>	<u>2,044,375</u>	<u>1,966,787</u>	<u>77,588</u>
Financial and administrative				
Salaries and benefits	295,000	295,000	293,738	1,262
Dues and memberships	29,000	32,000	23,850	8,150
Office supplies	15,000	20,500	23,666	(3,166)
Travel	20,000	20,000	19,949	51
Copying	15,000	20,500	19,267	1,233
Insurance	30,000	30,000	17,546	12,454
Telephone and facsimile	14,250	14,250	15,125	(875)
Audit fees	11,500	11,500	11,500	-
Rental equipment and maintenance	20,000	20,000	9,132	10,868
Occupancy	7,000	7,000	6,707	293

continued

The notes to the financial statements are an integral part of this statement.

Treasure Coast Regional Planning Council
 General Fund
 Budgetary Comparison Schedule - Continued
 For the year ended September 30, 2013

	Budget		Actual	Variance with Final budget - Positive (Negative)
	Original	Final		
Financial and administrative (continued)				
Utilities	11,000	11,000	5,423	5,577
Postage	6,000	9,000	3,379	5,621
Conferences	2,000	2,000	1,320	680
Repairs and maintenance	1,000	1,000	1,000	-
Legal advertising	500	500	256	244
Library and publications	500	500	118	382
Total financial and administrative	<u>477,750</u>	<u>494,750</u>	<u>451,976</u>	<u>42,774</u>
Debt service - interest	63,194	63,194	63,200	(6)
Debt service - principal	76,885	76,885	76,879	6
Capital outlay	15,000	15,000	-	15,000
	<u>2,168,270</u>	<u>2,694,204</u>	<u>2,558,842</u>	<u>135,362</u>
Deficiency of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(153,396)</u>	<u>(153,396)</u>
Total fund balance				
Beginning of year	715,887	715,887	933,636	
End of year	<u>\$ 715,887</u>	<u>\$ 715,887</u>	<u>\$ 780,240</u>	<u>\$</u>

The notes to the financial statements are an integral part of this statement.

Treasure Coast Regional Planning Council
 Revolving Loan Fund
 Budgetary Comparison Schedule
 For the year ended September 30, 2013

	Budget		Actual	Variance with Final budget - Positive (Negative)
	Original	Final		
Revenues				
Miscellaneous	\$ 3,800	\$ 3,800	\$ 3,750	\$ (50)
Total revenues	<u>3,800</u>	<u>3,800</u>	<u>3,750</u>	<u>(50)</u>
Expenditures				
Current:	-	-	-	-
Excess of revenues over expenditures	3,800	3,800	3,750	(50)
Other financing sources (uses)				
Revolving loan fund	-	-	39,300	39,300
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>39,300</u>	<u>39,300</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	3,800	3,800	43,050	39,250
Total fund balance				
Beginning of year	-	-	-	
End of year	<u>\$ 3,800</u>	<u>\$ 3,800</u>	<u>\$ 43,050</u>	<u>\$ 39,250</u>

The notes to the financial statements are an integral part of this statement.

Treasure Coast Regional Planning Council
Notes to Required Supplementary Information
September 30, 2013

1. Summary of Significant Budget Policies

The annual budgets are adopted for the Governmental Funds and approved by the Council's board members. The budget amounts presented in the accompanying budgetary comparison schedules are as amended by the Council's board members. Budgets are adopted on a basis consistent with U.S. generally accepted accounting principles for governmental funds, using the modified accrual basis of accounting. Budgetary control is established through a non appropriated budget for the Governmental Funds.

Treasure Coast Regional Planning Council
Schedule of Revenues, Expenditures and
Changes in General Fund Balance by Project
For the year ended September 30, 2013

	Local	Developments of Regional Impact (DRI)	DCA Title III 2013-14	DCA Title III 2012-13	FL Emer Mgmt Hazards Analysis 12-13
Revenues					
Federal contracts and grants	-	-	-	-	-
Member assessments	784,840	-	-	-	-
Local contracts	-	-	-	-	-
State contracts and grants	-	-	18,511	25,126	7,086
DRI fees	-	43,141	-	-	-
Miscellaneous	832	-	-	-	-
Interest	13	-	-	-	-
Total revenues	785,685	43,141	18,511	25,126	7,086
Expenditures					
Salaries and benefits	373,728	3,402	11,636	16,853	5,728
Consultants	42,644	6,475	-	-	-
Indirect costs	77,852	1,874	6,465	9,256	3,114
Legal fees	47,456	-	-	-	-
Travel	7,758	-	288	1,937	120
Supplies	10,431	-	-	176	-
Copying	3,046	78	363	963	13
Training-HMEP	-	-	-	-	-
Education	2,123	-	-	-	-
Conferences	1,129	-	-	-	-
Legal advertising	479	-	-	801	-
Postage	59	19	36	123	74
Telephone and facsimile	201	-	-	19	-
Graphics	-	-	-	-	-
Debt service interest	63,200	-	-	-	-
Debt service principal	76,879	-	-	-	-
Total expenditures	706,985	11,848	18,788	30,128	9,049
Excess (deficit) of revenues over expenditures	78,700	31,293	(277)	(5,002)	(1,963)
Transfers in	-	-	-	5,002	1,963
Transfers out	(240,274)	-	-	-	-
Fund balance (deficit), beginning of year	1,304,503	(17,140)	-	-	-
Fund balance (deficit), end of year	<u>\$ 1,142,929</u>	<u>14,153</u>	<u>(277)</u>	<u>-</u>	<u>-</u>

Treasure Coast Regional Planning Council
Schedule of Revenues, Expenditures and
Changes in General Fund Balance by Project
For the year ended September 30, 2013

	Broward Blvd Gateway SFRTA	Glades Regional Master Plan	Florida TOD Framework	HMEP Training 2013-14	HMEP Training 2012-13
Revenues					
Federal contracts and grants	-	56,708	24,848	10,136	32,251
Member assessments	-	-	-	-	-
Local contracts	-	-	-	-	-
State contracts and grants	141,000	-	-	-	-
DRI fees	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Interest	-	-	-	-	-
Total revenues	141,000	56,708	24,848	10,136	32,251
Expenditures					
Salaries and benefits	58,611	36,315	39,826	2,853	9,030
Consultants	63,020	11,500	-	9,698	11,450
Indirect costs	32,288	20,098	21,790	1,583	4,953
Legal fees	-	-	-	-	-
Travel	32	184	2,736	263	4,865
Supplies	-	-	912	-	1,050
Copying	285	158	2,195	109	461
Training-HMEP	-	-	-	-	4,252
Education	-	-	-	-	-
Conferences	-	-	-	-	-
Legal advertising	-	-	-	-	-
Postage	-	-	28	10	126
Telephone and facsimile	-	67	11	-	20
Graphics	82	-	-	-	-
Debt service interest	-	-	-	-	-
Debt service principal	-	-	-	-	-
Total expenditures	154,318	68,322	67,498	14,516	36,207
Excess (deficit) of revenues over expenditures	(13,318)	(11,614)	(42,650)	(4,380)	(3,956)
Transfers in	-	-	149,628	-	3,956
Transfers out	-	-	-	-	-
Fund balance (deficit), beginning of year	(86,477)	-	(106,679)	-	-
Fund balance (deficit), end of year	(99,795)	(11,614)	299	(4,380)	-

Treasure Coast Regional Planning Council
Schedule of Revenues, Expenditures and
Changes in General Fund Balance by Project
For the year ended September 30, 2013

	HMEP Planning 2013-14	HMEP Planning 2012-13	Land Use, Transportation & Planning MPO	Statewide Energy Resiliency	Energy Assurance Agreement
Revenues					
Federal contracts and grants	3,655	14,589	109,719	53,953	19,566
Member assessments	-	-	-	-	-
Local contracts	-	-	-	-	-
State contracts and grants	-	-	-	-	-
DRI fees	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Interest	-	-	-	-	-
Total revenues	3,655	14,589	109,719	53,953	19,566
Expenditures					
Salaries and benefits	1,998	8,343	66,954	42,924	17,787
Consultants	-	-	18,510	1,080	-
Indirect costs	1,108	4,570	36,653	23,582	9,669
Legal fees	-	-	-	-	-
Travel	529	1,553	81	823	-
Supplies	-	-	-	901	-
Copying	11	95	284	221	2
Training-HMEP	-	-	-	-	-
Education	-	-	-	-	-
Conferences	-	-	-	-	-
Legal advertising	-	-	-	108	-
Postage	9	28	34	1	-
Telephone and facsimile	-	-	-	-	-
Graphics	-	-	-	-	-
Debt service interest	-	-	-	-	-
Debt service principal	-	-	-	-	-
Total expenditures	3,655	14,589	122,516	69,640	27,458
Excess (deficit) of revenues over expenditures	-	-	(12,797)	(15,687)	(7,892)
Transfers in	-	-	-	25,038	7,892
Transfers out	-	-	-	-	-
Fund balance (deficit), beginning of year	-	-	(8,433)	(9,351)	-
Fund balance (deficit), end of year	-	-	(21,230)	-	-

Treasure Coast Regional Planning Council
Schedule of Revenues, Expenditures and
Changes in General Fund Balance by Project
For the year ended September 30, 2013

	IRC Command System Training	Land Use & Transportation Study (FDOT)	Jensen Beach Restaurant Plan	Riveria Beach Continuing Svc	Miami Hospitality Culinary Inst
Revenues					
Federal contracts and grants	-	-	-	-	-
Member assessments	-	-	-	-	-
Local contracts	15000	12,628	25,000	1,425	3,500
State contracts and grants	-	-	-	-	-
DRI fees	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Interest	-	-	-	-	-
Total revenues	15,000	12,628	25,000	1,425	3,500
Expenditures					
Salaries and benefits	683	8,117	25,700	2,080	1,907
Consultants	14000	-	19,091	-	120
Indirect costs	379	4,491	14,044	1,144	1,037
Legal fees	-	-	-	-	-
Travel	-	23	286	-	96
Supplies	-	-	924	-	-
Copying	1	16	57	-	74
Training-HMEP	-	-	-	-	-
Education	-	-	-	-	-
Conferences	-	-	-	-	-
Legal advertising	-	-	-	-	-
Postage	-	4	1	-	-
Telephone and facsimile	-	-	-	-	83
Graphics	-	-	-	-	-
Debt service interest	-	-	-	-	-
Debt service principal	-	-	-	-	-
Total expenditures	15,063	12,651	60,103	3,224	3,317
Excess (deficit) of revenues over expenditures	(63)	(23)	(35,103)	(1,799)	183
Transfers in	-	-	35,103	-	-
Transfers out	-	-	-	-	(183)
Fund balance (deficit), beginning of year	-	(18,520)	-	(155)	-
Fund balance (deficit), end of year	(63)	(18,543)	-	(1,954)	-

Treasure Coast Regional Planning Council
Schedule of Revenues, Expenditures and
Changes in General Fund Balance by Project
For the year ended September 30, 2013

	MCC & SLC Waterways Project	PBC Technical & Policy Review	Brownfields Assessment HazMat & Petro	Brownfields Master	South FL Regional Transportation Authority 10-15
Revenues					
Federal contracts and grants	-	-	316,420	8,922	-
Member assessments	-	-	-	-	-
Local contracts	-	13,425	-	-	100,000
State contracts and grants	-	-	-	-	-
DRI fees	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Interest	-	-	-	-	-
Total revenues	-	13,425	316,420	8,922	100,000
Expenditures					
Salaries and benefits	499	7,206	19,948	2,052	37,993
Consultants	-	-	290,198	-	650
Indirect costs	277	3,998	10,982	1,132	20,902
Legal fees	-	-	-	-	-
Travel	-	212	3,840	61	1,931
Supplies	-	-	1,685	6,585	419
Copying	37	44	426	200	111
Training-HMEP	-	-	-	-	-
Education	-	-	-	-	300
Conferences	-	-	125	-	350
Legal advertising	-	-	-	-	-
Postage	-	-	192	24	3
Telephone and facsimile	-	-	6	-	-
Graphics	-	-	-	-	-
Debt service interest	-	-	-	-	-
Debt service principal	-	-	-	-	-
Total expenditures	813	11,460	327,402	10,054	62,659
Excess (deficit) of revenues over expenditures	(813)	1,965	(10,982)	(1,132)	37,341
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Fund balance (deficit), beginning of year	-	-	(5,359)	(2,165)	55,886
Fund balance (deficit), end of year	(813)	1,965	(16,341)	(3,297)	93,227

Treasure Coast Regional Planning Council
Schedule of Revenues, Expenditures and
Changes in General Fund Balance by Project
For the year ended September 30, 2013

	EDA Administration Dist Plan 11-13	HUD Sustainable Comm Initiative	Glades Utility Authority	Treasure Coast Enterprise Fund	Riviera Beach Master Plan
Revenues					
Federal contracts and grants	60,670	282,775	4,000	-	-
Member assessments	-	-	-	-	-
Local contracts	-	-	-	-	57,375
State contracts and grants	-	-	-	-	-
DRI fees	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Interest	-	-	-	-	-
Total revenues	60,670	282,775	4,000	-	57,375
Expenditures					
Salaries and benefits	78,271	99,187	5,340	670	31,157
Consultants	-	173,866	-	-	4,870
Indirect costs	43,119	54,464	3,431	368	17,148
Legal fees	-	-	-	-	-
Travel	59	6,375	28	-	-
Supplies	51	3,399	-	272	-
Copying	371	1,519	126	42	106
Training-HMEP	-	-	-	-	-
Education	-	-	-	-	-
Conferences	-	-	-	-	-
Legal advertising	39	-	-	-	-
Postage	122	187	235	12	1
Telephone and facsimile	308	45	-	-	-
Graphics	-	-	-	-	-
Debt service interest	-	-	-	-	-
Debt service principal	-	-	-	-	-
Total expenditures	122,340	339,042	9,160	1,364	53,282
Excess (deficit) of revenues over expenditures	(61,670)	(56,267)	(5,160)	(1,364)	4,093
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Fund balance (deficit), beginning of year	(67,264)	(12,186)	(249)	(92,775)	-
Fund balance (deficit), end of year	(128,934)	(68,453)	(5,409)	(94,139)	4,093

Treasure Coast Regional Planning Council
Schedule of Revenues, Expenditures and
Changes in General Fund Balance by Project
For the year ended September 30, 2013

	Functional Needs Strategy	Planning & Operations Sec Chief	MC CEMP Update 2012	Region 5 Training & Exercise Plan	Regional Evacuation Study
Revenues					
Federal contracts and grants	-	-	-	-	-
Member assessments	-	-	-	-	-
Local contracts	5,412	17,000	45,000	3,750	8,000
State contracts and grants	-	-	-	-	-
DRI fees	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Interest	-	-	-	-	-
Total revenues	5,412	17,000	45,000	3,750	8,000
Expenditures					
Salaries and benefits	3,709	1,701	22,549	2,444	1,051
Consultants	-	14,500	-	-	-
Indirect costs	2,033	925	12,458	1,347	583
Legal fees	-	-	-	-	-
Travel	-	-	-	47	-
Supplies	-	-	-	-	-
Copying	7	3	86	3	45
Training-HMEP	-	-	-	-	-
Education	-	-	-	-	-
Conferences	-	-	-	-	-
Legal advertising	-	-	-	-	-
Postage	-	-	-	-	34
Telephone and facsimile	-	-	-	-	-
Graphics	-	-	-	-	-
Debt service interest	-	-	-	-	-
Debt service principal	-	-	-	-	-
Total expenditures	5,749	17,129	35,093	3,841	1,713
Excess (deficit) of revenues over expenditures	(337)	(129)	9,907	(91)	6,287
Transfers in	337	129	-	91	-
Transfers out	-	-	(9,907)	-	-
Fund balance (deficit), beginning of year	-	-	-	-	-
Fund balance (deficit), end of year	-	-	-	-	6,287

Treasure Coast Regional Planning Council
Schedule of Revenues, Expenditures and
Changes in General Fund Balance by Project
For the year ended September 30, 2013

	IRC Hazmat Technician Training	MC CEMP Phase II Emg Support Func	PDRP-IRC Phase 2	PDRP-SLC Phase 2	Total
Revenues					
Federal contracts and grants	-	-	-	-	998,212
Member assessments	-	-	-	-	784,840
Local contracts	18,800	-	31,365	29,005	386,685
State contracts and grants	-	-	-	-	191,723
DRI fees	-	-	-	-	43,141
Miscellaneous	-	-	-	-	832
Interest	-	-	-	-	13
Total revenues	18,800	-	31,365	29,005	2,405,446
Expenditures					
Salaries and benefits	394	4,757	-	-	1,053,403
Consultants	18,500	-	31,497	49,497	781,166
Indirect costs	219	2,640	-	-	451,976
Legal fees	-	-	-	-	47,456
Travel	-	14	16	-	34,157
Supplies	-	-	-	-	26,805
Copying	1	60	172	94	11,885
Training-HMEP	-	-	-	-	4,252
Education	-	-	-	-	2,423
Conferences	-	-	-	-	1,604
Legal advertising	-	-	-	-	1,427
Postage	2	-	1	2	1,367
Telephone and facsimile	-	-	-	-	760
Graphics	-	-	-	-	82
Debt service interest	-	-	-	-	63,200
Debt service principal	-	-	-	-	76,879
Total expenditures	19,116	7,471	31,686	49,593	2,558,842
Excess (deficit) of revenues over expenditures	(316)	(7,471)	(321)	(20,588)	(153,396)
Transfers in	316	-	321	20,588	250,364
Transfers out	-	-	-	-	(250,364)
Fund balance (deficit), beginning of year	-	-	-	-	933,636
Fund balance (deficit), end of year	-	(7,471)	-	-	780,240

Treasure Coast Regional Planning Council
Schedule of Expenditures of Federal Awards
for the year ended September 30, 2013

Federal Agency, Pass-through Entity/ Federal Program	CFDA	Contract/Grant No.	Expenditures
Federal Awards			
<u>U.S. Department of Transportation</u>			
Passed through Palm Beach Metropolitan Planning Organization			
Transit Service Development in Palm Beach County	20.205	ANO76	\$ 109,719
Passed through the Florida Department of Transportation			
Florida Transit Oriented Development Framework	20.514	APU13	24,848
Passed through Florida Department of Community Affairs			
Hazardous Material Emergency Preparedness			
Planning and Training	20.703	13-DT-B5-13-00-21-158	46,840
Planning and Training	20.703	14-DT-75-13-00-21-184	13,791
			<u>195,198</u>
<u>U.S. Environmental Protection Agency</u>			
Brownfields Revolving Loan Fund Administration	66.818	BF-96431305-0 & 1	48,222
Brownfields Assessment and Cleanup	66.818	BF-95482011-0	316,420
			<u>364,642</u>
<u>U. S. Department of Energy</u>			
Passed through Tampa Bay Regional Planning Council			
ARRA - Energy Assurance Agreement	81.122	19585	19,566
			<u>19,566</u>
<u>U.S. Department of Commerce</u>			
ARRA - Glades Utility Authority	11.307	04-79-06327	4,000
Passed through Economic Development Administration			
Planning Grant 2011 - 2013	11.302	04-83-06494	60,670
Passed through Tampa Bay Regional Planning Council			
Statewide Energy Resiliency Strategy	11.307	04-69-06568	53,953
			<u>118,623</u>
<u>U.S. Department of Housing and Urban Development</u>			
Passed through South Florida Regional Planning Council			
Sustainable Communities Initiative	14.703	FLRIP0009-10	282,775
Passed through Palm Beach County			
Glades Region Master Plan	14.704	R2012-1799	56,708
			<u>339,483</u>
Total Federal Awards			<u>\$ 1,037,512</u>

Treasure Coast Regional Planning Council
Notes to Schedule of Expenditures of Federal Awards
September 30, 2013

1. Schedule of Expenditures of Federal Awards

The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

McAlpin Cavalcanti & Lewis

C P A

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
Treasure Coast Regional Planning Council
Stuart, Florida

We have audited, 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, the governmental activities, each major fund and the aggregate remaining fund information of the Treasure Coast Regional Planning Council (Council) as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements, and have issued our report thereon dated November 25, 2013.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant weaknesses may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, in Comments No. ML 2009-2 on page 47, that we consider to be significant deficiencies.

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*.

Response to Findings

The Council's response to the findings identified in our audit is described on page 48 of this report. The Council's response was not subjected to the auditing procedures applied to the audit of the financial statements, and accordingly, we express no opinion on it.

Purpose of this Report

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



McAlpin, Cavalcanti & Lewis, CPAs
Ft. Pierce, Florida
November 25, 2013

McAlpin Cavalcanti & Lewis

C P A

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Council Members
Treasure Coast Regional Planning Council
Stuart, Florida

Report on Compliance for Each Major Federal Program

We have audited Treasure Coast Regional Planning Council's (Council) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect of each of the Council's major federal programs for the year ended September 30, 2013. The Council's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Council's major federal programs based on our audit of the types of compliance requirement referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Council's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Council's compliance.

Opinion of Each Major Federal Program

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

Report on Internal Control Over Compliance

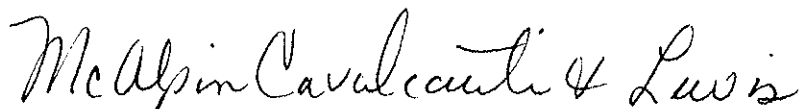
Management of the Council is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our

audit of compliance, we considered the Council's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do express an opinion on the effectiveness of the Council's internal control over compliance.

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

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

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



McAlpin, Cavalcanti & Lewis, CPA's
Ft Pierce, Florida
November 25, 2013

Treasure Coast Regional Planning Council
 Schedule of Findings and Questioned Costs - Federal Award Programs
 For the year ended September 30, 2013

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

We have audited the financial statements of the Treasure Coast Regional Planning Council as of and for the year ended September 30, 2013, and issued an unmodified opinion, dated November 25, 2013.

Internal control over financial reporting:

Material weakness(es) identified?	_____ yes	_____ <u>X</u> no
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	_____ <u>X</u> yes	_____ none reported
Noncompliance material to financial statements noted?	_____ yes	_____ <u>X</u> no

Federal Awards

Internal control over major programs/projects:

Materials weakness(es) indentified?	_____ yes	_____ <u>X</u> no
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	_____ yes	_____ <u>X</u> none reported

The auditor's report issued on compliance for each major programs/projects is unmodified:

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	_____ yes	_____ <u>X</u> no
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Identification of major programs/projects:

Federal Programs

<u>CFDA Number (s)</u>	<u>Name of Federal Program or Cluster</u>
14.703	Sustainable Communities Initiative
66.818	Brownfields Assessment and Cleanup

Dollar threshold used to distinguish between type A and type B programs/projects: \$ 300,000

Auditee qualified as low-risk auditee?	_____ <u>X</u> yes	_____ no
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SECTION II - FINANCIAL STATEMENT FINDINGS

There is one finding related to the financial statements which is required to be reported in accordance with *Government Auditing Standards*. Please see comment on page 47.

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

There are no findings or questioned costs for Federal Awards Programs.

SECTION IV - SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

See comment on page 48.

Treasure Coast Regional Planning Council
Auditors' Comments -- Current Year
(Management Letter)

Improve Knowledge of Internal Control Over Financial Reporting

Professional standards (AU-C 265, formally SAS 115) - *Communicating Internal Control Related Matters Identified in an Audit* addresses various control deficiencies in the design or operation of internal control and requires the auditor to communicate such deficiencies in writing. One of those controls addresses "the person responsible for the accounting reporting function lacks the skills and knowledge to apply generally accepted accounting principles in recording an entity's financial transactions or preparing its financial statements". We believe that this situation exists at Treasure Coast Regional Planning Council (the Council) for the year ended September 30, 2013. The basis for this control issue is that the auditor cannot be considered part of the Council's internal control (i.e., cannot be substituted for elements within the Council's internal control system.)

We bring this condition to your attention in accordance with professional standards, but we recognize that it requires an assessment of a cost effective solution. Alternative solutions might include training accounting staff, hiring additional staff or engaging outside consultants or obtaining assistance from knowledgeable volunteers to prepare financial statements in accordance with generally accepted accounting principles.

COMPLIANCE

None

OTHER COMMENTS

None

TREASURE COAST REGIONAL PLANNING COUNCIL
INDIAN RIVER — ST. LUCIE — MARTIN — PALM BEACH

November 25, 2013

McAlpin Cavalcanti & Lewis, CPAs
315 Avenue A
Fort Pierce, Florida 34950


Subject: Response to Auditors' Comments (Management Letter)

Dear Sirs:

The following is the Council's response to the condition listed on page 47 of the audited general purpose financial statements and internal control section of Treasure Coast Regional Planning Council as of and for the year ended September 30, 2013:

Improve Knowledge of Internal Control Over Financial Reporting

We understand your options provided and we will consider the alternatives necessary to improve the knowledge of Internal Control Over Financial Reporting.



Michael J. Busha, AICP
Executive Director