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MEETING NOTICE

FINANCE COMMITTEE

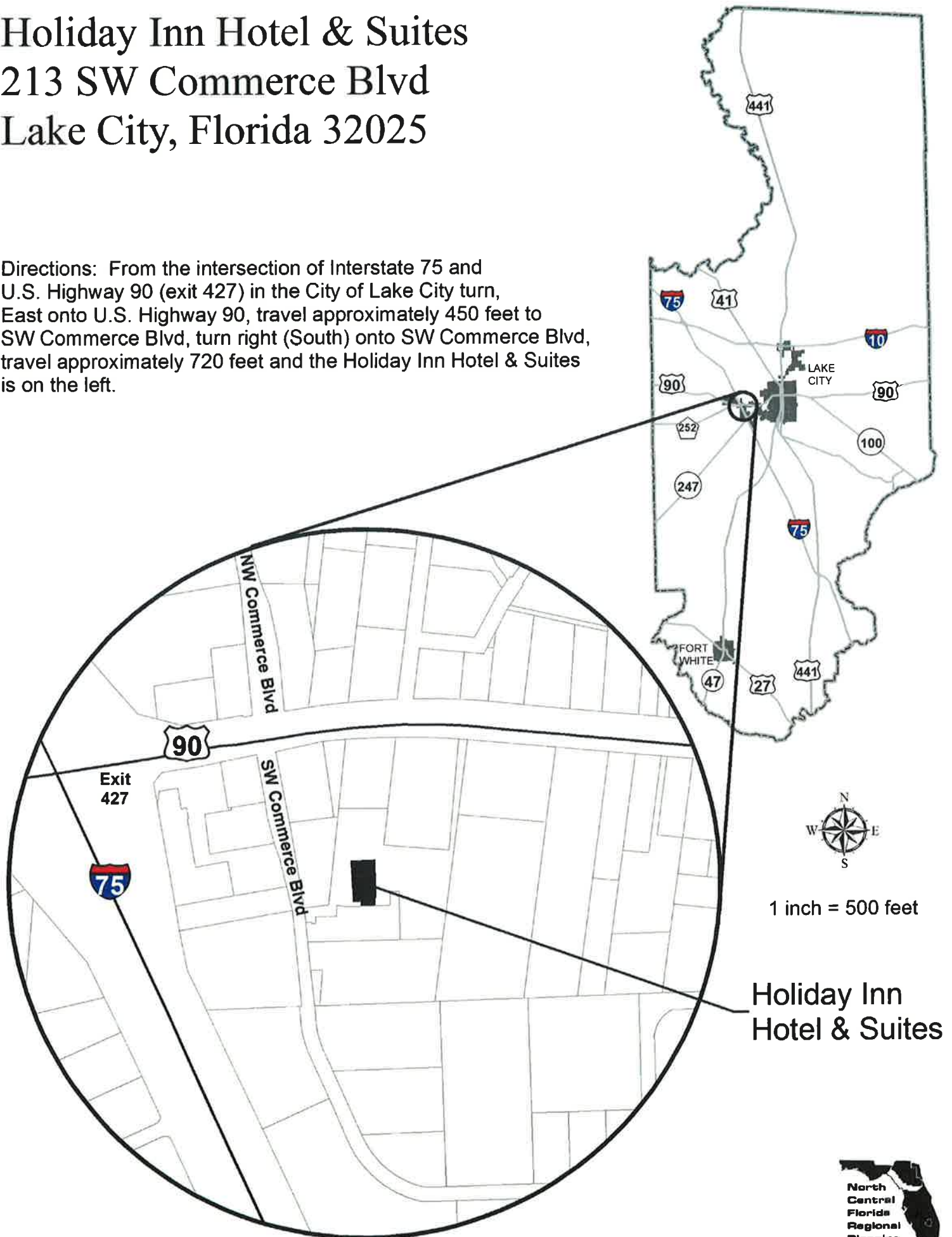
There will be a meeting of the Finance Committee of the North Central Florida Regional Planning Council on May 22, 2017. The meeting will be held at the **Holiday Inn Hotel and Suites, 213 Southwest Commerce Boulevard, Lake City, Florida at 5:30 p.m.**

(Location Map on Back)

Holiday Inn Hotel & Suites

213 SW Commerce Blvd
Lake City, Florida 32025

Directions: From the intersection of Interstate 75 and U.S. Highway 90 (exit 427) in the City of Lake City turn, East onto U.S. Highway 90, travel approximately 450 feet to SW Commerce Blvd, turn right (South) onto SW Commerce Blvd, travel approximately 720 feet and the Holiday Inn Hotel & Suites is on the left.





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AGENDA

FINANCE COMMITTEE

Holiday Inn Hotel and Suites
213 Southwest Commerce Boulevard
Lake City FL

June 22, 2017
5:30 p.m.

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*	I.	APPROVAL OF MINUTES - May 17, 2017	5
*	II.	REVIEW OF FISCAL YEAR 2015-16 AUDIT	7
	III.	AUTHORIZE PAYMENT OF AUDITOR	7

* See Attachments

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FINANCE COMMITTEE MINUTES

North Central Florida Regional Planning Council
2009 NW 67th Place
Gainesville, FL

May 17, 2017
11:30 a.m.

MEMBERS PRESENT

Louie Davis, Chair
Ken Cornell, Vice-Chair

MEMBERS PRESENT VIA TELEPHONE

William Hunter

MEMBERS ABSENT

None

STAFF PRESENT

Scott R. Koons

The meeting was called to order by Chair Davis at 11:34 a.m.

I. APPROVAL OF MINUTES - December 8, 2016

ACTION: Commissioner Cornell made the motion, with a second by Mr. Hunter to approve the minutes of the Finance Committee meeting held on December 8, 2016. The motion carried unanimously.

II. FISCAL YEAR 2017-18 BUDGET

Scott Koons, Executive Director, stated that the purpose of the meeting was to review the proposed budget for Fiscal Year 2017-18. He stated that the anticipated expenditures for next year will be \$2,102,300 which is \$197,000 more than the current year budget. He reported that local governments pay dues, which are proposed to remain at \$0.30 per capita for the 36th year, and will produce approximately \$261,000.

The Committee then reviewed the significant policy decision that must be made with respect to the budget is related to personnel. There is provision for a total of 11 full-time staff positions, plus funds for part-time positions, which is the same number of full-time staff positions budgeted for the current year. The budget includes a recurring increase across the board for all employees, including the Executive Director, equal to two percent of the salary for each employee and one percent of the salary budget for merit increases for all employees, except the Executive Director.

ACTION: Commissioner Cornell made the motion, with a second by Mr. Hunter, to recommend to the Council approval of the Fiscal Year 2017-18 budget. The motion carried unanimously.

The meeting was adjourned at 11:48 a.m.

Louie Davis, Chair

Date



II.

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June 15, 2017

TO: Finance Committee
Louie Davis, Chair
Ken Cornell, Vice-Chair
William Hunter

FROM: Scott R. Koons, AICP, Executive Director

SUBJECT: Review of Fiscal Year 2015-16 Audit

RECOMMENDATION:

Recommend to the Council acceptance of the Fiscal Year 2015-16 audit and authorization of payment of auditor.

BACKGROUND:

Please find attached a copy of the audit as prepared by Powell & Jones, Certified Public Accountants. The following paragraphs highlight the information reported in the audit.

First, it should be noted that the audit conforms with both federal regulations and the rules of the Auditor General of the State of Florida. Therefore, the auditor is required to take into account not only internal accounting controls, but administrative controls as well. In addition, the audit has been completed in compliance with Governmental Accounting Standards Board Statement 34 and 54 requirements.

More specific comments relating to the report are given in sequence as they appear in the document. On Page 5, you can see that the auditor's report indicates that the records audited "...present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the North Central Florida Regional Planning Council, as of September 30, 2016, and the changes in financial position and the respective budgetary comparisons for the year then ended in accordance with accounting principles generally accepted in the United States of America."

Pages 7 through 12 contain the "Management's Discussion and Analysis" that is intended to present easily understood analyses of the Council's financial activities, but technically is not a part of the audit. This expanded information gives a more detailed look at the financial position of the Council from a business perspective.

Pages 13 through 19 present the statements that were audited. In general, you will find that the information in each of these statements are fairly routine and report no unusual circumstances. In particular, page 13 presents the "Governmental Funds Balance Sheet."

Page 16 is a "Statement of Revenues, Expenditures and Changes in General Fund Balance." Please note that with respect to revenues collected versus those budgeted, revenues received were (1.4) percent less than budgeted amounts. With respect to expenditures, funds expended were (1.6) percent less than budgeted amounts. The difference in the revenues received and the expenditures made are reflected in the increase in the Council's "General Fund Balance" of \$2,169.

The auditor's notes begin on page 20. Note 1, Summary of Significant Accounting Policies and Note 2, Reconciliation of Government-wide and General Fund Financial Statements, deal with the Governmental Accounting Standards Board Statement 34 requirements, Note 3, Deposits and Investments, describes the deposits of the Council and the funds invested in the State Board of Administration Local Government Surplus Funds Trust Fund Investment Pool and Note 6, Fund Balances - Governmental Funds, describes the categories of the fund balance in accordance with the Governmental Accounting Standards Board Statement 54 requirements.

The audit also contains various reports on compliance, internal control and management on Pages 37 through 43. In these reports, no material weaknesses or problems were cited. Consequently, there are no findings of non-compliance or reportable conditions (see page 39).

Overall, management and financial staff are pleased with the audit report. Staff will be available at the meeting to answer any questions that you may have concerning the audit. In the meantime, if you would like additional information concerning the audit before the meeting, please do not hesitate to contact me.

Attachment

**NORTH CENTRAL FLORIDA
REGIONAL PLANNING COUNCIL**

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2016

NORTH CENTRAL FLORIDA REGIONAL PLANNING COUNCIL

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2016

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FINANCIAL SECTION

2

3

INDEPENDENT AUDITOR'S REPORT

**To North Central Florida
Regional Planning Council
Gainesville, Florida**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the North Central Florida Regional Planning Council (the Council), as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the North Central Florida Regional Planning Council's basic financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the

effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the North Central Florida Regional Planning Council as of September 30, 2016, and the changes in financial position and the respective budgetary comparisons 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 on pages 7 – 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the North Central Florida Regional Planning Council's basic financial statements. The schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards and state financial assistance is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2017 on our consideration of the North Central Florida Regional Planning 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 North Central Florida Regional Planning Council's internal control over financial reporting and compliance.

POWELL & JONES

Certified Public Accountants

June 16, 2017

NORTH CENTRAL FLORIDA REGIONAL PLANNING COUNCIL

Management's Discussion and Analysis

This discussion and analysis is intended to be an easily readable analysis of the North Central Florida Regional Planning Council's (the Council) financial activities based on currently known facts, decisions or conditions. This analysis focuses on current year activities and should be read in conjunction with the financial statements that follow.

Report Layout

The Council has implemented Governmental Accounting Standards Board (GASB) Statement 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments. This statement requires governmental entities to report finances in accordance with specific guidelines. Among those guidelines are the components of this section dealing with management's discussion and analysis. Besides this Management's Discussion and Analysis (MD&A), the report consists of government-wide statements, fund financial statements, and the notes to the financial statements. The first two statements are condensed and present a government-wide view of the Council's finances. Within this view, all Council operations are categorized as applicable, and reported as either governmental or business-type activities. Governmental activities include basic planning related services, tourism development, and general administration. The Council had no business-type activities in this fiscal year. These government-wide statements are designed to be more corporate-like in that all activities are consolidated into a total for the Council.

Basic Financial Statements

- The Statement of Net Position focuses on resources available for future operations. In simple terms, this statement presents a snap-shot view of the assets of the Council, the liabilities it owes and the net difference. The net difference is further separated into amounts restricted for specific purposes and unrestricted amounts. In this statement, governmental activities are reported on the accrual basis of accounting.
- The Statement of Activities focuses gross and net costs of the Council's programs and the extent to which such programs rely upon general revenues. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues. The accrual basis of accounting is also utilized in this statement.
- Fund financial statements focus separately on governmental and proprietary funds, as applicable. Governmental fund statements follow the more traditional presentation of financial statements. As stated above, the Council has no proprietary funds and business-type activities.
- The notes to the financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the Council's financial condition.

- The MD&A is intended to serve as an introduction to the Council's basic financial statements and to explain the significant changes in financial position and differences in operations between the current and prior years.

Council as a Whole

Government-wide Financial Statements

A condensed version of the Statement of Net Position follows:

Net Position at September 30, 2016 and 2015

	Governmental Activities/ Total Government	
	2016	2015
Assets		
Cash and investments	\$1,353,563	\$ 570,001
Receivables	656,532	1,329,807
Capital assets	143,789	148,146
Other assets	52,233	87,431
Total assets	<u>2,206,117</u>	<u>2,135,385</u>
Liabilities		
Accounts payable	84,176	90,644
Other current liabilities	315,550	231,551
	<u>399,726</u>	<u>322,195</u>
Net position		
Net investment in capital assets	143,789	148,146
Restricted	692,527	711,764
Unrestricted	970,075	953,280
Total net position	<u>\$1,806,391</u>	<u>\$1,813,190</u>

During the year ended September 30, 2016, net position decreased by \$6,799 primarily due to normal operations and budget administration.

A condensed version of the Statement of Activities follows:

**Change in Net Position
For the Fiscal Years Ended September 30, 2016 and 2015**

	Governmental Activities/ Total Government	
	2016	2015
Revenues		
Program revenues		
Charges for services	\$1,252,091	\$1,160,214
Operating grants	569,182	438,408
General revenues		
Member dues	166,624	156,851
Miscellaneous	14,500	11,625
Total revenues	<u>2,002,397</u>	<u>1,767,098</u>
Expenses		
Comprehensive planning services	1,704,740	1,618,188
Tourism development	304,456	210,723
Total expenses	<u>2,009,196</u>	<u>1,828,911</u>
Change in net position	(6,799)	(61,813)
Beginning net position	<u>1,813,190</u>	<u>1,875,003</u>
Ending net position	<u><u>\$1,806,391</u></u>	<u><u>\$1,813,190</u></u>

Governmental activities

Comprehensive planning program expenses increased by \$86,552, or 5%, and revenues increased by \$235,299, or 13%. Total General Fund expenditures were \$27,217 less than the final budget and revenues were \$25,048 less than the final budget.

Capital Assets and Debt Administration

Capital Assets

At September 30, 2016, the Council has \$143,789 invested in capital assets, consisting primarily of its administrative headquarters and associated furniture and equipment. Changes in capital assets during the year consisted of additions of office and computer equipment.

Capital Assets at September 30, 2016 and 2015

	Totals	
	2016	2015
Land	\$ 119,985	\$ 119,985
Buildings	393,000	393,000
Equipment	185,347	174,631
Subtotal	698,332	687,616
Accumulated depreciation	(554,543)	(539,470)
Capital assets, net	\$ 143,789	\$ 148,146

The Council continued to have no long-term debt at September 30, 2016.

Reporting the Council's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the Council as a whole. Some funds are required to be established by state law and by grant regulations. However, the Council, from time to time, establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities to using certain grants and other money.

Financial Contact

The Council's financial statements are designed to present users (citizens, taxpayers, customers, and creditors) with a general overview of the Council's finances and to demonstrate the Council's accountability. If you have questions about the report or need additional financial information, please contact the Council's Executive Director at 2009 NW 67th Place, Gainesville, Florida 32653-1603.

NORTH CENTRAL FLORIDA REGIONAL PLANNING COUNCIL

STATEMENT OF NET POSITION

September 30, 2016

	Governmental Activities
ASSETS	
Current assets	
Cash and cash equivalents	\$ 897,162
Cash, invested	456,401
Accounts receivable	656,532
Prepaid expenses	52,233
Total current assets	2,062,328
Noncurrent assets	
Capital assets, net of accumulated depreciation	143,789
Total assets	\$ 2,206,117
 LIABILITIES	
Current liabilities	
Accounts payable	\$ 84,176
Accrued expenses	36,147
Accrued payroll liabilities	25,088
Accrued compensated absences	189,527
Unearned revenues	64,788
Total current liabilities	399,726
Total liabilities	399,726
 NET POSITION	
Net investment in capital assets	143,789
Restricted for:	
Unemployment compensation	30,000
Capital improvements	525,000
Legal costs	100,000
Original Florida Tourism Fund	37,527
Unrestricted	970,075
Total net position	\$ 1,806,391

NORTH CENTRAL FLORIDA REGIONAL PLANNING COUNCIL

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended September 30, 2016

		<u>Program Revenues</u>		Net (Expense) Revenue and Change in Net Position
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants</u>	<u>Governmental Activities Total</u>
Governmental activities:				
General government				
Comprehensive planning services	\$ 1,704,740	\$ 1,158,307	\$ 411,121	\$ (135,312)
Economic environment				
Tourism development	304,456	93,784	158,061	(52,611)
Total governmental activities	<u>\$ 2,009,196</u>	<u>\$ 1,252,091</u>	<u>\$ 569,182</u>	<u>(187,923)</u>
 General revenues:				
Member dues				166,624
Miscellaneous				14,500
				<u>181,124</u>
 Decrease in net position				(6,799)
Net position - October 1, 2015				1,813,190
Net position - September 30, 2016				<u>\$ 1,806,391</u>

See notes to financial statements.

NORTH CENTRAL FLORIDA REGIONAL PLANNING COUNCIL

BALANCE SHEET GOVERNMENTAL FUNDS

September 30, 2016

	General Fund	Original Florida Tourism Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 869,422	\$ 27,740	\$ 897,162
Cash, invested	456,401	-	456,401
Accounts receivable	591,854	64,678	656,532
Prepaid expenses	25,143	27,090	52,233
Total assets	\$ 1,942,820	\$ 119,508	\$ 2,062,328
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$ 65,285	\$ 18,891	\$ 84,176
Accrued expenses	36,147	-	36,147
Accrued payroll liabilities	25,088	-	25,088
Accrued compensated absences	189,527	-	189,527
Unearned revenues	28,788	36,000	64,788
Total liabilities	344,835	54,891	399,726
Fund Balances			
Nonspendable:			
Prepays	25,143	27,090	52,233
Restricted:			
Paddling guide publication	-	42	42
Tourism promotion	-	37,485	37,485
	-	37,527	37,527
Assigned to:			
Unemployment compensation benefits	30,000	-	30,000
Capital improvements	525,000	-	525,000
Legal expenses	100,000	-	100,000
	655,000	-	655,000
Unassigned	917,842	-	917,842
Total fund balances	1,597,985	64,617	1,662,602
Total liabilities and fund balance	\$ 1,942,820	\$ 119,508	\$ 2,062,328
Total fund balances reported above			\$ 1,662,602
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 governmental funds.			143,789
Net position of governmental activities			\$ 1,806,391

See notes to financial statements.

NORTH CENTRAL FLORIDA REGIONAL PLANNING COUNCIL

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the Fiscal Year Ended September 30, 2016

	<u>General Fund</u>	<u>Original Florida Tourism Fund</u>	<u>Total Governmental Funds</u>
REVENUES			
Member dues	\$ 118,624	\$ 48,000	\$ 166,624
State and federal grants	411,121	158,061	569,182
Contracts earned	1,158,307	93,784	1,252,091
Miscellaneous revenues	14,500	-	14,500
Total revenues	<u>1,702,552</u>	<u>299,845</u>	<u>2,002,397</u>
EXPENDITURES			
Current expenditures			
General government	1,689,667	-	1,689,667
Economic environment	-	304,456	304,456
Capital outlay			
General government	10,716	-	10,716
Total expenditures	<u>1,700,383</u>	<u>304,456</u>	<u>2,004,839</u>
Net change in fund balance	2,169	(4,611)	(2,442)
Fund balances, October 1, 2015	<u>1,595,816</u>	<u>69,228</u>	<u>1,665,044</u>
Fund balances, September 30, 2016	<u><u>\$ 1,597,985</u></u>	<u><u>\$ 64,617</u></u>	<u><u>\$ 1,662,602</u></u>

See notes to financial statements.

NORTH CENTRAL FLORIDA REGIONAL PLANNING COUNCIL

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

For the Fiscal Year Ended September 30, 2016

Net change in fund balances - Total Governmental Funds		\$	(2,442)
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.			
Expenditures for capital assets	10,716		
Less current year depreciation	<u>(15,073)</u>		<u>(4,357)</u>
Change in net assets of governmental activities		\$	<u><u>(6,799)</u></u>

NORTH CENTRAL FLORIDA REGIONAL PLANNING COUNCIL

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL**

For the Fiscal Year Ended September 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Member dues	\$ 217,300	\$ 118,600	\$ 118,624	\$ 24
State and federal grants	386,100	406,200	411,121	4,921
Other grants and contracts earned	1,047,900	1,193,100	1,158,307	(34,793)
Miscellaneous revenues	1,000	9,700	14,500	4,800
Total revenues	<u>1,652,300</u>	<u>1,727,600</u>	<u>1,702,552</u>	<u>(25,048)</u>
EXPENDITURES				
General government services				
Personnel services				
Salaries and benefits	<u>1,265,100</u>	<u>1,173,400</u>	<u>1,198,992</u>	<u>(25,592)</u>
Operating expenses				
Building occupancy	55,000	37,000	41,131	(4,131)
Contractual services	63,000	152,700	160,124	(7,424)
Legal costs	14,000	14,000	22,419	(8,419)
Insurance	18,000	20,000	21,777	(1,777)
Meeting expenses	19,000	21,000	22,086	(1,086)
Postage	8,000	6,000	5,903	97
Subscriptions, dues, and training	50,000	66,000	73,327	(7,327)
Supplies	23,000	34,300	22,508	11,792
Travel	80,000	66,000	86,717	(20,717)
Other	42,200	126,200	34,683	91,517
	<u>372,200</u>	<u>543,200</u>	<u>490,675</u>	<u>52,525</u>
Capital outlay				
Machinery and equipment	<u>15,000</u>	<u>11,000</u>	<u>10,716</u>	<u>284</u>
Total expenditures	<u>1,652,300</u>	<u>1,727,600</u>	<u>1,700,383</u>	<u>27,217</u>
Excess revenues over expenditures				
Net change in fund balance	<u>-</u>	<u>-</u>	<u>2,169</u>	<u>2,169</u>
Fund balance, October 1, 2015	<u>1,595,816</u>	<u>1,595,816</u>	<u>1,595,816</u>	<u>-</u>
Fund balance, September 30, 2016	<u>\$ 1,595,816</u>	<u>\$ 1,595,816</u>	<u>\$ 1,597,985</u>	<u>\$ 2,169</u>

See notes to financial statements.

NORTH CENTRAL FLORIDA REGIONAL PLANNING COUNCIL

**ORIGINAL FLORIDA TOURISM FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL**

For the Fiscal Year Ended September 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Member dues	\$ 44,000	\$ 48,000	\$ 48,000	\$ -
State and federal grants	259,100	180,300	158,061	(22,239)
Contracts earned	131,600	93,600	93,784	184
Total revenues	<u>434,700</u>	<u>321,900</u>	<u>299,845</u>	<u>(22,055)</u>
EXPENDITURES				
Economic environment				
Operating expenses				
Contractual services	76,950	43,300	44,766	(1,466)
Marketing	354,127	243,800	251,664	(7,864)
Postage	300	500	5,033	(4,533)
Subscriptions, dues, and training	1,000	1,100	1,095	5
Other	2,323	33,200	1,898	31,302
Total expenditures	<u>434,700</u>	<u>321,900</u>	<u>304,456</u>	<u>17,444</u>
Net change in fund balance	-	-	(4,611)	(4,611)
Fund balance, October 1, 2015	<u>69,228</u>	<u>69,228</u>	<u>69,228</u>	<u>-</u>
Fund balance, September 30, 2016	<u>\$ 69,228</u>	<u>\$ 69,228</u>	<u>\$ 64,617</u>	<u>\$ (4,611)</u>

NORTH CENTRAL FLORIDA REGIONAL PLANNING COUNCIL

EMPLOYEE PENSION PLAN TRUST FUND

STATEMENT OF FIDUCIARY NET POSITION

September 30, 2016

	Pension Trust Fund
Assets	
Cash	\$ 2,085
Investments at fair value	3,506,752
Accounts receivable	12,842
Total assets	3,521,679
Liabilities	
Accounts payable	10,172
Net position	
Reserved for pension benefits	\$ 3,511,507

NORTH CENTRAL FLORIDA REGIONAL PLANNING COUNCIL

EMPLOYEE PENSION PLAN TRUST FUND

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the Fiscal Year Ended September 30, 2016

	<u>Pension Trust Fund</u>
Additions:	
Contributions:	
Employer	<u>\$ 128,590</u>
Total contributions	<u>128,590</u>
 Investment income:	
Interest and dividends	144,514
Net appreciation in fair value of investments	<u>31,667</u>
Net investment gain	<u>176,181</u>
Total additions	<u>304,771</u>
 Deductions:	
Pension benefit payments	893,140
Bank charges	410
Other expenses	<u>10,295</u>
Total deductions from net position	<u>903,845</u>
 Decrease in fiduciary net position	(599,074)
 Net position reserved for pension benefits	
October 1, 2015	<u>4,110,581</u>
 September 30, 2016	<u>\$ 3,511,507</u>

NORTH CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The North Central Florida Regional Planning Council (the Council), located in Gainesville, Florida, was established on June 29, 1969, as a political subdivision of the State of Florida under Section 163.01 *Florida Statutes*. The Council is not currently subject to state or federal income taxes.

The financial statements of the Council have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Government Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Council's accounting policies are described below:

A. Reporting entity - As required by generally accepted accounting principles, these financial statements present the Council and its component units, entities for which the primary government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units would be combined with data of the primary government. Each discretely presented component unit, on the other hand, would be reported in a separate column in the combined financial statements to emphasize it is legally separate from the government.

Management has elected to include the following blended component unit in the financial statements:

The Original Florida Tourism Task Force

In accordance with the Council's agreement with this entity, its financial statements are maintained and presented as a separate special revenue fund.

B. Basic Financial Statements - Basic financial statements are presented at both the government-wide and fund financial level. Both levels of statements categorize primary activities as either governmental or business-type.

Government-wide financial statements report information about the reporting unit as a whole. For the most part, the effect of any interfund activity has been removed from these statements. These statements focus on the sustainability of the Council as an entity and the change in aggregate financial position resulting from the activities of the year. These aggregated statements consist of the Statement of Net Position and the Statement of 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 charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. Other items not reported as program revenues are reported instead as general revenues.

Fund financial statements report information at the individual fund level. Each fund is considered to be a separate accounting entity.

C. Measurement focus, basis of accounting, and basis of 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. A 120 day availability period is used for revenue recognition. Expenditures are recorded when the related fund liability is incurred.

The Council reports deferred revenue on its governmental fund balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

The Council reports the following governmental funds:

General Fund

This is the general operating fund of the Council. It is used to account for all financial resources of the primary government, except those not required to be accounted for in another fund.

Original Florida Tourism Fund

This is the special revenue fund utilized by the Council to account for the financial resources and transactions of The Original Florida Tourism Task Force, a component unit of the Council.

Fiduciary Fund

The pension trust fund is used to account for transactions and assets held by the Council in a trustee capacity. The Council utilizes the Employee Pension Plan Trust Fund to administer this pension plan.

D. Cash and cash equivalents - The Council considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

E. Cash and Investments - Cash deposits are held by a bank qualified as a public depository under Florida law. All deposits are insured by Federal depository insurance and collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, *Florida Statutes*.

Investments in the General Fund consist of amounts placed with the State Board of Administration for participation in the Local Government Surplus Funds Trust Fund investment pool created by Sections

218.405 and 218.417, *Florida Statutes*. The Council's investments in the Pool, which the State Board of Administration indicates is a Securities and Exchange Commission Rule 2a7-like external investment pool, as of September 30, 2016, are similar to money market funds in which shares are owned in the fund rather than the underlying investments. These investments are reported at fair value, which is amortized cost.

In accordance with the pension plan documents, pension plan participants maintain self-directed retirement subaccounts whereby they choose their own specific investments, which may include stocks, bonds and mutual funds.

F. Capital assets - Capital assets, which include property, plant, and equipment assets are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the Council as assets with an initial cost of \$1,000 or more and an estimated useful life in excess of two years. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at their estimated fair market value on the date of the donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation of exhaustible assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and improvements	15 years
Equipment	50 months

G. Deferred outflows/inflows of resources - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Council had no items that qualified for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statements element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Council had no items that qualified for reporting in this category.

H. Compensated absences - The Council allows limited vesting of employee vacation and sick pay. The Council's policy stipulates that employees cannot carry forward, from one fiscal year to the next, more than 24 working days of vacation or more than 30 working days of sick leave. Employees are paid for accrued vacation and vested sick leave in excess of these limits at the conclusion of the fiscal year.

In the accompanying financial statements, the Council reports its entire liability for accrued compensated absences in the general fund. This reporting practice is followed because the Council has been reimbursed through funding contracts for this liability.

I. Pervasiveness of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND GENERAL FUND FINANCIAL STATEMENTS

A. Explanation of Difference Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

"Total fund balances" of the Council's Governmental Funds \$1,662,602 differs from "net position" of governmental activities \$1,806,391 reported in the statement of net position. This difference primarily results from the long-term economical focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheet.

Capital related items

When capital assets (property, plant, equipment) that are to be used in governmental activities are purchased or constructed, the cost of these assets are reported as expenditures in governmental funds.

However, the statement of net assets includes those capital assets among the assets of the Council as a whole.

Cost of capital assets	\$ 698,332
Accumulated depreciation	(554,543)
Total	<u>\$ 143,789</u>

NORTH CENTRAL FLORIDA REGIONAL PLANNING COUNCIL

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

	Total Governmental Funds	Capital Related Items	Statement of Net Position
ASSETS			
Cash and cash equivalents	\$ 897,162	\$ -	\$ 897,162
Cash, Invested	456,401	-	456,401
Accounts receivable	656,532	-	656,532
Prepaid expenses	52,233	-	52,233
Capital assets - net	-	143,789	143,789
Total assets	<u>\$ 2,062,328</u>	<u>\$ 143,789</u>	<u>\$ 2,206,117</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 84,176	\$ -	\$ 84,176
Accrued expenses	36,147	-	36,147
Accrued payroll liabilities	25,088	-	25,088
Accrued compensated absences	189,527	-	189,527
Unearned revenue	64,788	-	64,788
Total liabilities	<u>399,726</u>	<u>-</u>	<u>399,726</u>
Fund balance/net position	<u>1,662,602</u>	<u>143,789</u>	<u>1,806,391</u>
Total liabilities and fund balance/net position	<u>\$ 2,062,328</u>	<u>\$ 143,789</u>	<u>\$ 2,206,117</u>

B. Explanation of Differences Between Governmental Fund Operating Statements and the Statement of Activities

The “net change in fund balances” for the governmental funds of \$(2,442) differs from the “change in net position” for governmental activities of \$(6,799) reported in the statement of activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

Capital related items

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balances decrease by the amount of financial resources expended, whereas net assets decrease by the amount of depreciation expense charges for the year.

Capital outlay	\$ 10,716
Depreciation expense	(15,073)
Difference	<u>\$ (4,357)</u>

NORTH CENTRAL FLORIDA REGIONAL PLANNING COUNCIL

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

B. Explanation of Differences Between the Governmental Fund Operating Statements and the Statement of Activities

	Total Governmental Funds	Capital Related Items	Statement of Activities
REVENUES			
Member dues	\$ 166,624	\$ -	\$ 166,624
State and federal grants	569,182	-	569,182
Other grants and contracts earned	1,252,091	-	1,252,091
Miscellaneous revenues	14,500	-	14,500
Total revenues	<u>2,002,397</u>	<u>-</u>	<u>2,002,397</u>
EXPENDITURES			
Current expenditures			
General government	1,689,667	15,073	1,704,740
Economic environment	304,456	-	304,456
Capital outlay			
General government	10,716	(10,716)	-
Total expenditures	<u>2,004,839</u>	<u>4,357</u>	<u>2,009,196</u>
 Net change in fund balance	 (2,442)	 (4,357)	 (6,799)
 Fund balance, October 1, 2015	 <u>1,665,044</u>	 <u>148,146</u>	 <u>1,813,190</u>
 Fund balance, September 30, 2016	 <u>\$ 1,662,602</u>	 <u>\$ 143,789</u>	 <u>\$ 1,806,391</u>

NOTE 3. DEPOSITS AND INVESTMENTS

1 Deposits

At September 30, 2016, the carrying amount of the Council's bank deposits was \$869,322. All deposits with financial institutions were 100% insured by federal depository insurance or by collateral provided by qualified public depositories to the State Treasurer pursuant to the Public Depository Security Act of the State of Florida. The Act established a Trust Fund, maintained by the State Treasurer, which is a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a member fails.

2. Investments

General Fund

As of September 30, 2016, the Council's general fund had the following investments and maturities:

Investment	Maturities	Fair Value
State Board of Administration Local Government Surplus Funds Trust Fund Investment Pool	50 Day Average	\$ 456,401
Total Investments		<u>\$ 456,401</u>

As of September 30, 2016, the Council's investment in the Local Government Surplus Funds Trust Fund investment pool is rated AAAm by Standard & Poors.

Pension Trust Fund

The investments held by the Council's Employee Pension Plan Trust at September 30, 2016 consist of the following:

Types of Investments	Fair Value	Cost
Money market accounts	\$ 1,861,251	\$ 1,861,251
Equity mutual funds	691,269	535,984
Bond mutual funds	5,770	4,559
Stocks and corporate bonds	948,462	836,782
	<u>\$ 3,506,752</u>	<u>\$ 3,238,576</u>

As of September 30, 2016, the Council's Employee Pension Plan Trust had the following investments that represent 5% or more of its net assets:

Name of Investments	Number of Shares	Fair Value
Greater than 5% Schwab Money Market Funds 1,814,000 shares	1,814,000	\$ 1,861,250
Other investments		1,645,502
Total investments		<u>\$ 3,506,752</u>

As previously described, these investments are contained in individual participant self-directed accounts.

During 2016, the Trust's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by \$31,667.

Interest Rate Risk

- Section 218.415(17), *Florida Statutes*, limits investment maturities to provide sufficient liquidity to pay obligations as they come due.
- The maturity of the State Board of Administration Local Government Investment Pool is based on the weighted average of days to maturity (WAM). A portfolio's WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the portfolio to interest rate changes.

Custodial Credit Risk

Section 218.415(18), *Florida Statutes*, requires the Council to earmark all investments and 1) if registered with the issuer or its agents, the investment must be immediately placed for safekeeping in a location that protects the governing body's interest in the security; 2) if in book entry form, the investment must be held for the credit of the governing body by a depository chartered by the Federal Government, the State, or any other state or territory of the United States which has a branch or principal place of business in this State, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in this State, and must be kept by the depository in an account separate and apart from the assets of the financial institution; or 3) if physically issued to the holder but not registered with the issuer or its agents, must be immediately placed for safekeeping in a secured vault. All general Council investments complied with this provision of law.

NOTE 4. ACCOUNTS RECEIVABLE

All accounts receivable in the governmental funds totaling \$656,532 represent amounts due the Council from other governmental units for services and grant contracts, and are considered by management to be fully collectible.

NOTE 5. EMPLOYEE RETIREMENT SYSTEM

The Council maintains a single employer defined contribution retirement plan. The plan is administered by the North Central Florida Regional Planning Council Employee Pension Plan Trust (the Trust). Employees are eligible to participate in the plan after six months of service. The participants are fully vested in the portion of their account associated with their contributions. They become vested in employer contributions at a rate of twenty-five percent per year of service. One year of service equals 1,000 hours of work during the plan year.

There are no mandatory employee contributions. However, plan members may voluntarily make contributions during the fiscal year. Voluntary contributions were not made in the current year. Current Council contributions for, and interest forfeited by, employees who terminate their employment before becoming fully vested are used to reduce the amount of the Council's future monthly contributions. The Council's total payroll for the fiscal year ended September 30, 2016, was \$847,831. The Council's contributions were made using a base eligible salary amount of \$781,702. Total required contributions of 16.45% on base pay of \$781,702, amounted to \$128,590. The Council made the required contributions during the fiscal year. Other than payment of contributions, there were no transactions between the Council and the Trust during the year.

Participants invest in Charles Schwab - Individual Participant Directed Accounts, whereby they choose their own specific investments, such as stocks, mutual funds and bonds. In accordance with the Plan document, each participant's account is credited with the participant's contribution and allocations of (a) the Council's contributions and (b) Plan earnings, and (c) may be charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

On termination of service due to death, disability or retirement, a participant or his beneficiary may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or payments in monthly, quarterly, semi-annual or annual installments, over a period not exceeding ten years. For termination of service due to other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution.

The Council pays all administrative expenses of the Plan, excluding bank fees, and does not expect the Plan to reimburse it for these administrative expenses, excluding bank fees.

The Council has the right to permanently discontinue its contributions to the Plan or to partially or completely terminate the Plan in the future. If that occurs, all participants then become fully vested and are not thereafter subject to forfeiture. The Trustees of the Plan may continue the Plan or direct that all assets be distributed to the participants, and the Trustees' decision is binding on all participants.

The Plan obtained its latest determination letter on January 11, 2002, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan has not been amended since receiving the determination letter. However, the Plan administrator and the Plan's tax counsel believe the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

NOTE 6. FUND BALANCES – GOVERNMENTAL FUNDS

As of September 30, 2016, fund balances of the governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form

or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of the Council. The Council is the highest level of decision making authority for the Council. Commitments may be established, modified, or rescinded only through resolutions approved by the Council. There were no committed fund balances at year end.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. Under current practices, the assignment of amounts for specific purposes is approved by the Council.

Unassigned – all other spendable amounts.

As of September 30, 2016, fund balances are composed of the following:

	General Fund	Original Florida Tourism Fund	Total Governmental Funds
Nonspendable:			
Prepays	\$ 25,143	\$ 27,090	\$ 52,233
Restricted for:			
Paddling guide publication	-	42	42
Tourism marketing	-	37,485	37,485
Assigned to:			
Unemployment compensation benefits	30,000	-	30,000
Capital improvements	525,000	-	525,000
Legal expenses	100,000	-	100,000
Unassigned	917,842	-	917,842
Total fund balances	<u>\$ 1,597,985</u>	<u>\$ 64,617</u>	<u>\$ 1,662,602</u>

A description of the restricted fund balances follows:

Paddling Guide Publication - The Original Florida Tourism Task Force has established a reserve of \$42 in the Original Florida Tourism Fund to provide funding for the eventual reprinting of the Suwannee River Paddling Guide. During the current year, \$0 was used for reprinting.

Tourism Promotion – The remaining fund balance of the Original Florida Tourism Fund is classified as restricted due to the fact that it is fully controlled by the Original Florida Tourism Task Force, an entity that is independent of the Council.

A description of the assigned fund balances follows:

Unemployment Compensation Benefits – As provided by State law, the Council is a reimbursable

type of employer for unemployment compensation benefits. A \$30,000 reserve has been maintained for future unemployment claims.

Capital Improvements – The Council maintains a reserve of \$525,000 to provide funding for future building and equipment replacements.

Legal Expenses - Due to the nature of its operations, the Council is subject to various types of legal challenges regarding its actions. A reserve of \$100,000 is maintained to provide funding for these non-routine legal expenses.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Council considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Council considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Council has provided otherwise in its commitment or assignment actions.

NOTE 7. CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2016, follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Land	\$ 119,985	\$ -	\$ -	\$ 119,985
Depreciable capital assets:				
Buildings	393,000	-	-	393,000
Furniture, fixtures and equipment	174,631	10,716	-	185,347
Total depreciable	567,631	10,716	-	578,347
Accumulated depreciation:				
Buildings	(393,000)	-	-	(393,000)
Furniture, fixtures and equipment	(146,470)	(15,073)	-	(161,543)
Total accumulated depreciation	(539,470)	(15,073)	-	(554,543)
Capital assets, net	\$ 148,146	\$ (4,357)	\$ -	\$ 143,789

Total depreciation of \$15,073 was charged to the General Government function of the Council's General Fund.

NOTE 8. BUDGETARY PROCESS

The Council follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In March, the Finance Committee begins preparing a budget for the fiscal year commencing the following October 1, based on work desired in the Overall Planning Design (OPD) prepared by the Program Committee.
2. In May, the Council adopts and approves the budget. The budget is adopted on a basis that

does not materially differ from the modified accrual basis of accounting.

3. Actual contracts entered into by the Council throughout the year necessarily have an impact on approved budgetary operating levels. Should any major changes be needed due to unforeseen contracts or the need to appropriate additional Council funds, the budget is amended during the year and subsequently approved by the Council.
4. The legal level of budgetary control is the fund total level.
5. The Council approved one budget amendment for the year ended September 30, 2016. The amendment is reflected in budget amounts disclosed in the financial statements.
6. There were no material violations of legal and contractual provisions requiring disclosure.

NOTE 9. RISK MANAGEMENT

The Council purchases insurance to limit the exposure of the following risks of loss: theft of, damage to, and destruction of assets; natural disasters and injuries to employees. Commercial insurance has also been purchased by the Council to cover the risks of loss due to employee errors or omissions and health insurance. Settled claims resulting from the risks have not exceeded insurance coverage in any of the past three years.

The Council is also a member of the Florida Municipal Insurance Trust (the Trust). The Trust is a self-insurance program established to provide certain liability, casualty and property coverage to participating units of local governments in Florida, pursuant to various provisions of *Florida Statutes*. The Trust's underwriting and rate setting policies were established after consulting with an independent actuary. The Council pays an annual premium to the Trust for its insurance coverage. The Trust is non-assessable and, therefore, the Council has no liability for future deficits of the Trust, if any.

NOTE 10. CONCENTRATIONS OF CREDIT RISK

Significant concentrations of credit risk for financial instruments owned by the Council are as follows:

Accounts and grants receivable - Substantially all of the Council's receivables are for amounts due from federal, state and local governmental agencies under cost reimbursement and performance contracts. The Council has no policy requiring collateral or other security to support its receivables. Based upon past history, the Council anticipates no loss on these receivables and has established no reserve for possible losses.

NOTE 11. INVENTORIES

It has consistently been the policy of the Council to record the acquisition of goods and supplies as

expenditures at the time of purchase. The amount of such inventory on hand at any one time would be a nominal amount and considered to be immaterial.

NOTE 12. CONTINGENCIES

There is a contingent liability due to the fact that all possible regulatory audits of the Council's operations have not been completed for the fiscal year ended September 30, 2016. Any eventual expenditures determined to not be in compliance with grant regulations could be subject to repayment by the Council. The Council's management believes that all expenditures were significantly in compliance with appropriate grant regulations.

NOTE 13. SUBSEQUENT EVENTS

In preparing these financial statements, the Council has evaluated events and transactions for potential recognition or disclosure through June 16, 2017, the date the financial statements were available to be issued.

NOTE 14. OPERATING LEASES

The Council has an operating lease agreement for equipment with Pitney Bowes. The future minimum lease payments under this agreement at September 30, 2016 are as follows:

<u>September 30,</u>	<u>Minimum Lease Payment</u>
2017	\$ 3,936
2018	3,936
2019	3,936
	<u>\$ 11,808</u>

COMPLIANCE SECTION

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NORTH CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the Fiscal Year Ended September 30, 2016

Grantor/Pass-Through Grantor	CFDA/CSFA Number	Contract Number	Award Amount	Received FY 2016	Expended FY 2016
FEDERAL AWARDS					
<u>U.S. Department of Commerce</u>					
Economic Development Support for Planning Organizations					
Planning Grant, Section 203 1/1/14 - 12/31/16	11.302	04-83-06901	\$ 189,000	\$ 63,000	\$ 63,000
			<u>189,000</u>	<u>63,000</u>	<u>63,000</u>
<u>U.S. Department of Transportation</u>					
Metropolitan Transportation Planning and State and					
Non-Metropolitan Planning and Research	20.505	AQY17	25,000	1,487	1,487
Interagency Hazardous Materials Public Sector Training and Planning					
Hazardous Materials Emergency Preparedness 14/15	20.703	15-DT-75-13-00-21-351	63,194	6,687	6,687
Hazardous Materials Emergency Preparedness 15/16	20.703	16-DT-T4-13-00-21-221	76,827	76,827	76,827
			<u>165,021</u>	<u>85,001</u>	<u>85,001</u>
			<u>354,021</u>	<u>148,001</u>	<u>148,001</u>
Total federal awards					
STATE FINANCIAL ASSISTANCE					
<u>Division of Emergency Management</u>					
Florida Hazardous Materials Planning and Prevention 15/16	31.067	16-CP-11-13-00-21-208	48,000	36,000	36,000
Florida Hazardous Materials Planning and Prevention 16/17	31.067	17-CP-11-13-00-21-201	59,000	14,750	14,750
Florida Hazardous Materials Planning and Prevention - Haz Analysis 15/16	31.067	16-CP-11-13-00-21-205	16,434	16,434	16,434
Florida Hazardous Materials Planning and Prevention - Haz Analysis 15/17	31.067	17-CP-11-13-00-21-200	16,754	2,756	2,756
			<u>140,188</u>	<u>69,940</u>	<u>69,940</u>
<u>Department of Transportation</u>					
Transportation Disadvantaged 15/16 - Bradford	55.002	G0209	19,325	14,880	14,880
Transportation Disadvantaged 15/16 - Columbia, Hamilton, Suwannee	55.002	G0217	58,955	45,395	45,395
Transportation Disadvantaged 15/16 - Dixie	55.002	G0219	19,039	14,699	14,699
Transportation Disadvantaged 15/16 - Gilchrist	55.002	G0225	19,103	14,709	14,709
Transportation Disadvantaged 15/16 - Lafayette	55.002	G0234	18,930	14,576	14,576
Transportation Disadvantaged 15/16 - Levy	55.002	G0238	19,606	15,097	15,097
Transportation Disadvantaged 15/16 - Madison	55.002	G0240	19,149	14,745	14,745
Transportation Disadvantaged 15/16 - Union	55.002	G0265	19,069	14,683	14,683
Transportation Disadvantaged 16/17 - Bradford	55.002	G0C29	19,301	4,439	4,439
Transportation Disadvantaged 16/17 - Columbia, Hamilton, Suwannee	55.002	G0C37	58,867	13,539	13,539
Transportation Disadvantaged 16/17 - Dixie	55.002	G0C39	19,074	4,387	4,387
Transportation Disadvantaged 16/17 - Gilchrist	55.002	G0C45	19,097	4,392	4,392
Transportation Disadvantaged 16/17 - Lafayette	55.002	G0C56	18,925	4,353	4,353
Transportation Disadvantaged 16/17 - Levy	55.002	G0C63	19,572	4,502	4,502
Transportation Disadvantaged 16/17 - Madison	55.002	G0C65	19,129	4,400	4,400
Transportation Disadvantaged 16/17 - Union	55.002	G0C85	19,059	4,384	4,384
			<u>386,250</u>	<u>193,180</u>	<u>193,180</u>
<u>Executive Office of the Governor</u>					
Governor's Office on Tourism, Trade, and Economic Development					
Rural Development Grant 14/15	40.007	D0075	150,000	76,739	76,739
Rural Development Grant 15/16	40.007	D0088	150,000	81,322	81,322
			<u>300,000</u>	<u>158,061</u>	<u>158,061</u>
Total state financial assistance			<u>826,438</u>	<u>421,181</u>	<u>421,181</u>
Total federal and state financial assistance			<u>\$ 1,180,459</u>	<u>\$ 569,182</u>	<u>\$ 569,182</u>

See Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

NORTH CENTRAL FLORIDA REGIONAL PLANNING COUNCIL

Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance

For the Fiscal Year Ended September 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and presentation of the Schedule of Expenditures of Federal Awards and State Financial Assistance of North Central Florida Regional Planning Council (Council) have been designed to conform to generally accepted accounting principles as applicable to governmental units, including the reporting and compliance requirements of the Audits of States, Local Governments, and Non-Profit Organizations and Office of Management and Budget *Uniform Guidance*.

C. Reporting Entity

The reporting entity consists of North Central Florida Regional Planning Council, the primary government and its blended component unit, The Original Florida Tourism Task Force. The Council includes a Schedule of Expenditures of Federal Awards and State Financial Assistance in the Compliance Section for the purpose of additional analysis.

D. Basis of Accounting

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

The modified accrual basis of accounting is followed in the Schedule of Expenditures of Federal Awards and State Financial Assistance. Under the modified accrual basis, revenues are recognized when they become 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 generally considers revenues to be available if they are collected within 120 days after the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

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

To North Central Florida Regional Planning Council
Gainesville, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the North Central Florida Regional Planning Council, as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise North Central Florida Regional Planning Council's basic financial statements, and have issued our report thereon dated June 16, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the North Central Florida Regional Planning 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 North Central Florida Regional Planning Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the North Central Florida Regional Planning Council's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the North Central Florida Regional Planning Council's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements,

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

Purpose of this Report

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

POWELL & JONES

Certified Public Accountants

June 16, 2017

**MANAGEMENT LETTER REQUIRED BY
CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

To North Central Florida
Regional Planning Council
Gainesville, Florida

We have audited the basic financial statements of the North Central Florida Regional Planning Council (the Council) as of and for the year ended September 30, 2016, and have issued our report thereon dated June 16, 2017.

We have issued our 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 dated June 16, 2017. Disclosures in that report should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and *Government Auditing Standards* issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, *Rules of the Auditor General*, which govern the conduct of local governmental entity audits performed in the State of Florida and require that the following be addressed in this letter:

PRIOR YEAR FINDINGS

The prior year findings were fully corrected during the current year.

CURRENT YEAR FINDINGS

There are no reportable findings in the current year.

FINANCIAL COMPLIANCE MATTERS

Annual Local Government Financial Report - The Financial Report filed with the Department of Financial Services pursuant to Section 218.32(1)(a), *Florida Statutes*, is in agreement with the accompanying financial statements of the Council, for the fiscal year ended September 30, 2016.

Financial Emergency Status - We determined that the Council had not met any of the conditions described in Section 218.503(1), *Florida Statutes*, that might result in a financial emergency.

Financial Condition Assessment Procedures – As required by the *Rules of the Auditor General*, Sections 10.554(1)(i)7.c and 10.556(7), we applied financial condition assessment procedures to the Council's financial statements. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information they provided.

We noted no deteriorating financial conditions as defined by Rule 10.554(2)(f).

Our audit did not disclose any further items that would be required to be reported under the *Rules of the Auditor General*, Chapter 10.550.

CONCLUSION

We very much enjoyed the challenge and experiences with our audit of the Council. We appreciate the helpful assistance of the Council staff in completing our audit and also the generally high quality of the Council's financial records and internal controls.

POWELL & JONES
Certified Public Accountants
June 16, 2017

INDEPENDENT ACCOUNTANT'S REPORT

To North Central Florida
Regional Planning Council
Gainesville, Florida

We have examined North Central Florida Regional Planning Council's (the Council's) compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2016. Management is responsible for the Council's compliance with those requirements. Our responsibility is to express an opinion on the Council's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included 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 examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Council's compliance with specified requirements.

In our opinion, the North Central Florida Regional Planning Council complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2016.

This report is intended solely for the information and use of the Council and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

POWELL & JONES
Certified Public Accountants
June 16, 2017

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

To North Central Florida
Regional Planning Council
Gainesville, Florida

We have audited the financial statements of North Central Florida Regional Planning Council for the year ended September 30, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by North Central Florida Regional Planning Council are described Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2016. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There are no sensitive estimates affecting North Central Florida Regional Planning Council's financial statements.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There are no sensitive disclosures affecting the financial statements.

Difficulties Encountered In Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no such misstatements identified during our audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial

accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 16, 2017.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information in Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Governing Board and management of North Central Florida Regional Planning Council, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

POWELL & JONES
Certified Public Accountants
June 16, 2017