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MEETING NOTICE

FINANCE COMMITTEE

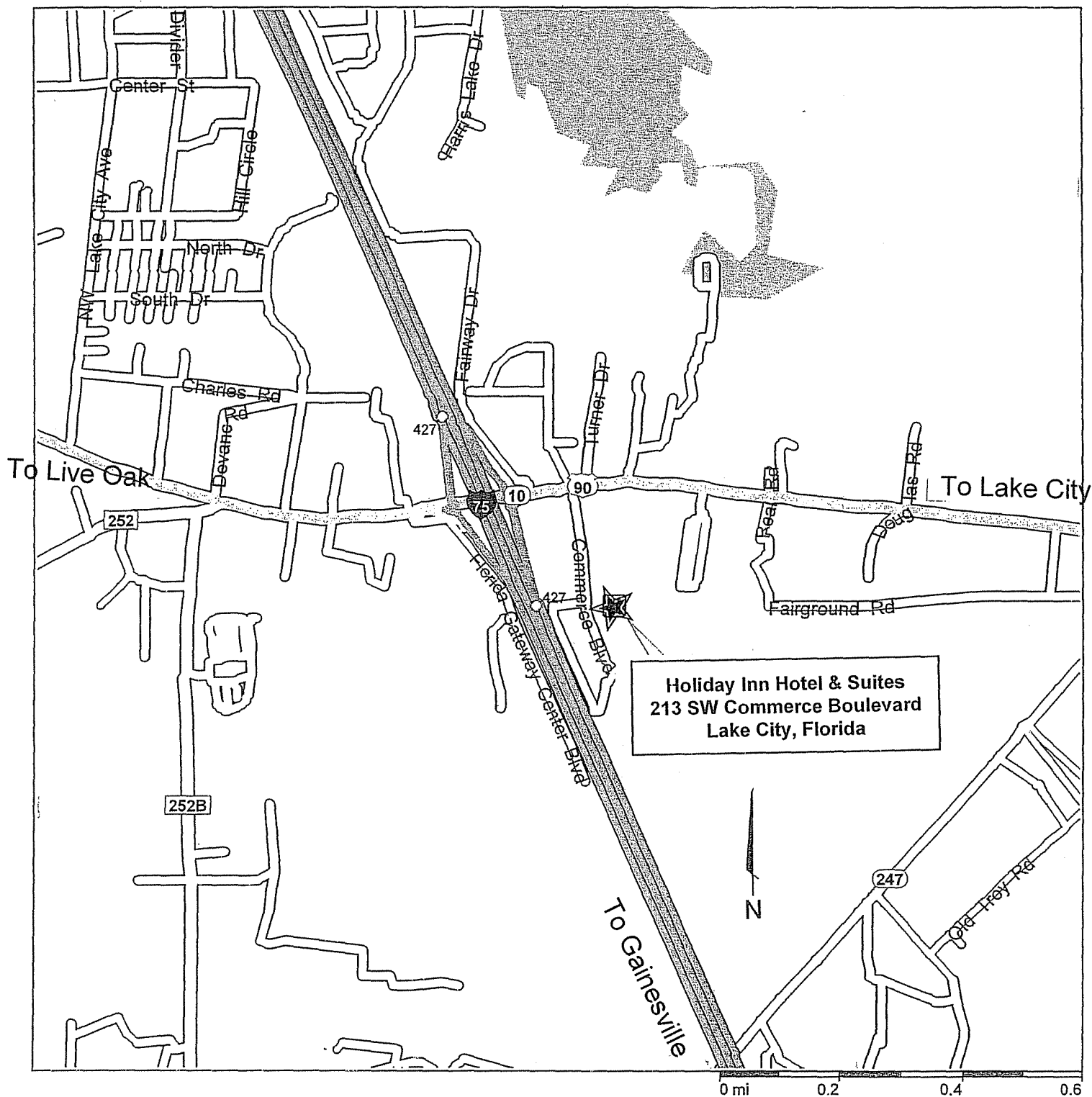
There will be a meeting of the Finance Committee of the North Central Florida Regional Planning Council on January 26, 2012. The meeting will be held at the **Lake City Holiday Inn & Suites, 213 Southwest Commerce Boulevard, Lake City, Florida at 5:30 p.m.**

(Location Map on Back)

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Dedicated to improving the quality of life of the Region's citizens,
by coordinating growth management, protecting regional resources,
promoting economic development and providing technical services to local governments.

To Jasper



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AGENDA

FINANCE COMMITTEE

Holiday Inn Hotel & Suites
213 Southwest Commerce Boulevard
Lake City, Florida

January 26, 2012
5:30 p.m.

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*	I. APPROVAL OF MINUTES - September 14, 2011	5
*	II. REVIEW OF FISCAL YEAR 2010-11 AUDIT	7
*	III. AUTHORIZE PAYMENT OF AUDITOR	

* See Attachment

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Dedicated to improving the quality of life of the Region's citizens,
by coordinating growth management, protecting regional resources,
promoting economic development and providing technical services to local governments.

FINANCE COMMITTEE
MINUTES

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

September 14, 2011
12:30 p.m.

MEMBERS PRESENT

Garth Nobles, Jr., Chair
James Montgomery, Vice-Chair

MEMBER PRESENT VIA TELEPHONE

Carolyn Spooner

MEMBERS ABSENT

None

STAFF PRESENT

Scott R. Koons

The meeting was called to order by Chair Nobles at 12:31 p.m.

I. APPROVAL OF MINUTES - May 13, 2011

ACTION: Mr. Montgomery made the motion, with a second by Commissioner Spooner, to approve the minutes of the Finance Committee meeting held on May 13, 2011 as written. The motion carried unanimously.

II. AMENDED FISCAL YEAR 2010-11 BUDGET

Scott Koons, Executive Director, stated that the purpose of the meeting was to review the proposed amended budget for Fiscal Year 2010-11. He stated that the proposed budget amendment takes into account action taken by the Council during the past year. He stated that to update the budget, staff has prepared proposed changes in the current year budget which reflect an overall total decrease of (\$55,000), representing a 2.6 percent overall change.

The Committee then reviewed the line item expenditure changes and the revenue changes as prepared by staff with respect to the proposed FY 2010-11 budget amendment.

ACTION: Mr. Montgomery made the motion, with a second by Commissioner Sooner, to recommend to the Council approval of the budget amendment as proposed by staff to the Fiscal Year 2010-11 budget. The motion carried unanimously.

The meeting was adjourned at 12:57 p.m.

Garth Nobles, Jr., Chair

1/26/12
Date



II.

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January 19, 2012

TO: Finance Committee Members
Garth Nobles, Jr., Chair
James Montgomery, Vice-Chair
Carolyn Spooner

FROM: Scott R. Koons, AICP, Executive Director 

SUBJECT: Review of Fiscal Year 2010-11 Annual Audit

Attached is a copy of the audit as prepared by Powell & Jones, Certified Public Accountants. The summary statements below may help you in reviewing this document prior to the Council meeting on January 26th.

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 (GASB) Statement 34 and 54 requirements.

More specific comments relating to the report are given in sequence as they appear in the document. Beginning on Page 4, you can see that the auditor's formal report indicates that the records audited "...present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Council, as of September 30, 2011, and the changes in financial position and the respective budgetary comparisons of the governmental funds thereof for the year ended in conformity with accounting principles generally accepted in the United States of America."

Pages 6-9 contain a relatively new requirement. It is a "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. However, the auditor has indicated that it fulfills its intended purpose.

Pages 10 through 18 present the statements that were audited. In general, you will find that the information in each of these statements are fairly routine and present no unusual circumstances about which you are unaware.

Pages 10, 11 and 12 present tables that replace the "Combined Balance Sheet" as titled in audits of several years ago. The expanded information gives a more detailed look at the financial position of the Council from a business perspective.

Page 15 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 0.2 percent less than budgeted amounts. With respect to expenditures, funds expended were 2.7 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 \$61,321.

The auditor's notes begin on page 19. 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 (GASB) Statement 34 changes, 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, Note 5, Fund Balances - Governmental Funds, describes the categories of the fund balance in accordance with the Governmental Accounting Standards Board (GASB) Statement 54 changes and Note 10, Long-Term Debt, relates to the debt service associated with the purchase of the Council office building.

The audit also contains various reports on compliance, internal control and management on Pages 38 through 41. In these reports, no material weaknesses or problems were cited. Consequently, there were no findings of non-compliance or reportable conditions (see Page 40).

Overall, management and financial staff are pleased with the audit report. The agencies that deal with the Council should be comfortable with the findings of the auditor. Staff will be available at your 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 call me.

Attachment

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**NORTH CENTRAL FLORIDA
REGIONAL PLANNING COUNCIL**

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2011

NORTH CENTRAL FLORIDA REGIONAL PLANNING COUNCIL

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2011

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FINANCIAL SECTION

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, 2011, which comprise the Council's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Council as of September 30, 2011, and the changes in financial position and the respective budgetary comparisons of the governmental funds thereof for the year ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2011 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, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 6 through 9, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance as listed in the table of contents is presented for purposes of additional analysis, and is not a required part of the financial statements of the Council. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

POWELL & JONES
December 21, 2011

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 Assets 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 Assets at September 30, 2011 and 2010 follows:

Net Assets at September 30, 2011 and 2010

	Governmental Activities/ Total Government	
	2011	2010
Cash and investments	\$ 1,536,216	\$ 1,409,360
Receivables	410,081	366,420
Capital assets	225,671	265,691
Other assets	53,159	104,733
Total assets	<u>2,225,127</u>	<u>2,146,204</u>
Accounts payable	20,113	20,424
Other current liabilities	308,544	254,072
Long term liabilities	94,674	133,991
	<u>423,331</u>	<u>408,487</u>
Net assets:		
Invested in capital assets, net of related debt	130,997	131,700
Restricted	677,952	673,392
Unrestricted	992,847	932,625
Total net assets	<u>\$ 1,801,796</u>	<u>\$ 1,737,717</u>

During the year ended September 30, 2011, net assets increased by \$64,079 primarily through normal operations and prudent budget administration.

A condensed version of the Statement of Activities follows:

**Change in Net Assets
For the Fiscal Years Ended September 30, 2011 and 2010**

	Governmental Activities/ Total Government	
	2011	2010
Revenues		
Program revenues		
Charges for services	\$ 1,286,136	\$ 1,236,481
Operating grants	641,589	534,023
General revenues		
Member dues	166,562	166,950
Miscellaneous	11,660	20,883
Total revenues	<u>2,105,947</u>	<u>1,958,337</u>
Expenses		
Comprehensive planning services	1,948,786	1,807,396
Tourism development	87,831	93,800
Interest on long-term debt	5,251	6,998
Total expenses	<u>2,041,868</u>	<u>1,908,194</u>
Increase in net assets	64,079	50,143
Beginning net assets	1,737,717	1,704,898
Prior period adjustment	-	(17,324)
Ending net assets	<u>\$ 1,801,796</u>	<u>\$ 1,737,717</u>

Governmental activities

Comprehensive planning program expenses remained similar to the prior year with expenses increasing by \$133,674, or 7%, while revenues increased by 8%. Total General Fund expenditures were \$53,366 less than the final budget and revenues were \$5,045 less than the final budget.

Capital Assets and Debt Administration

Capital Assets

At September 30, 2011, the Council has \$225,671 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 and deletions of obsolete equipment.

Capital Assets at September 30, 2011 and 2010

	Totals	
	2011	2010
Land	\$ 119,985	\$ 119,985
Buildings	393,000	393,000
Equipment	179,790	194,109
Subtotal	692,775	707,094
Accumulated depreciation	(467,104)	(441,403)
Capital assets, net	\$ 225,671	\$ 265,691

Debt Outstanding

At year-end, the Council had \$94,674 in debt outstanding versus \$133,991 last year. This debt consists of the note payable on its administrative headquarters.

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 ASSETS

September 30, 2011

	Primary Government Governmental Activities
ASSETS	
Current assets	
Cash and cash equivalents	\$ 1,089,478
Cash, invested	446,738
Accounts receivable	410,081
Prepaid expenses	53,159
Total current assets	<u>1,999,456</u>
Noncurrent assets	
Capital assets, net of accumulated depreciation	225,671
Total assets	<u><u>\$ 2,225,127</u></u>
LIABILITIES	
Current liabilities	
Accounts payable	\$ 20,113
Accrued payroll liabilities	52,418
Accrued compensated absences	208,380
Deferred revenues	47,746
Total current liabilities	<u>328,657</u>
Noncurrent liabilities	
Due within one year	41,117
Due within more than one year	53,557
Total noncurrent liabilities	<u>94,674</u>
Total liabilities	<u>423,331</u>
NET ASSETS	
Invested in capital assets, net of related debt	130,997
Restricted for:	
Unemployment compensation	30,000
Capital improvements	450,000
Legal costs	100,000
Paddling guide publication	17,422
Tourism marketing	80,530
Unrestricted	992,847
Total net assets	<u><u>\$ 1,801,796</u></u>

See notes to financial statements.

NORTH CENTRAL FLORIDA REGIONAL PLANNING COUNCIL

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended September 30, 2011

		Program Revenues		Net (Expense)
		Charges	Operating	Revenue and
		for	Grants	Change in
	Expenses	Services		Net Assets
				Governmental
				Activities
				Total
Governmental activities:				
General government				
Comprehensive planning				
services	\$ 1,948,786	\$ 1,277,166	\$ 605,339	\$ (66,281)
Economic environment				
Tourism development	87,831	8,970	36,250	(42,611)
Interest on long-term debt	5,251	-	-	(5,251)
Total governmental activities	<u>\$ 2,041,868</u>	<u>\$ 1,286,136</u>	<u>\$ 641,589</u>	<u>(114,143)</u>
General revenues:				
Member dues				166,562
Miscellaneous				11,660
				<u>178,222</u>
Change in net assets				64,079
Net assets - October 1, 2010				1,737,717
Net assets - September 30, 2011				<u>\$ 1,801,796</u>

See notes to financial statements.

NORTH CENTRAL FLORIDA REGIONAL PLANNING COUNCIL

BALANCE SHEET GOVERNMENTAL FUNDS

September 30, 2011

	General Fund	Original Florida Tourism Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 989,857	\$ 99,621	\$ 1,089,478
Cash, invested	446,738	-	446,738
Accounts receivable	405,581	4,500	410,081
Due from Original Florida Tourism Fund	4,596	-	4,596
Prepaid expenses	53,159	-	53,159
Total assets	<u>\$ 1,899,931</u>	<u>\$ 104,121</u>	<u>\$ 2,004,052</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$ 18,540	\$ 1,573	\$ 20,113
Accrued payroll liabilities	52,418	-	52,418
Accrued compensated absences	208,380	-	208,380
Due to General Fund	-	4,596	4,596
Deferred revenues	47,746	-	47,746
Total liabilities	<u>327,084</u>	<u>6,169</u>	<u>333,253</u>
Fund Balances			
Nonspendable:			
Prepays	53,159	-	53,159
Assigned to:			
Unemployment compensation benefits	30,000	-	30,000
Capital improvements	450,000	-	450,000
Legal expenses	100,000	-	100,000
Paddling guide publication	-	17,422	17,422
Tourism marketing	-	80,530	80,530
Unassigned	939,688	-	939,688
Total fund balances	<u>1,572,847</u>	<u>97,952</u>	<u>1,670,799</u>
Total liabilities and fund balance	<u>\$ 1,899,931</u>	<u>\$ 104,121</u>	<u>\$ 2,004,052</u>
Total fund balances reported above			\$ 1,670,799
Amounts reported for governmental activities in the statement of net assets are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.			225,671
Long-term liabilities, including notes payable not due and payable in the current period and therefore, are not reported in the governmental funds.			(94,674)
Net assets of governmental activities			<u>\$ 1,801,796</u>

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, 2011

	General Fund	Original Florida Tourism Fund	Total Governmental Funds
REVENUES			
Member dues	\$ 120,562	\$ 46,000	\$ 166,562
State and federal grants	605,339	36,250	641,589
Contracts earned	1,277,166	8,970	1,286,136
Miscellaneous revenues	11,588	72	11,660
Total revenues	<u>2,014,655</u>	<u>91,292</u>	<u>2,105,947</u>
EXPENDITURES			
Current expenditures			
General government	1,902,396	-	1,902,396
Economic environment	-	87,831	87,831
Capital outlay			
General government	6,370	-	6,370
Debt service			
General government	44,568	-	44,568
Total expenditures	<u>1,953,334</u>	<u>87,831</u>	<u>2,041,165</u>
Excess of revenues over expenditures	61,321	3,461	64,782
Fund balances, October 1, 2010	<u>1,511,526</u>	<u>94,491</u>	<u>1,606,017</u>
Fund balances, September 30, 2011	<u><u>\$ 1,572,847</u></u>	<u><u>\$ 97,952</u></u>	<u><u>\$ 1,670,799</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, 2011

Net change in fund balances - Total Governmental Funds		\$ 64,782
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	6,370	
Less current year depreciation	<u>(46,390)</u>	(40,020)
Repayment of debt principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
Note principal payments		<u>39,317</u>
Change in net assets of governmental activities		<u>\$ 64,079</u>

See notes to financial statements.

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, 2011

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Member dues	\$ 120,500	\$ 120,500	\$ 120,562	\$ 62
State and federal grants	634,500	616,300	605,339	(10,961)
Other grants and contracts earned	1,300,900	1,271,400	1,277,166	5,766
Miscellaneous revenues	10,000	11,500	11,588	88
Total revenues	<u>2,065,900</u>	<u>2,019,700</u>	<u>2,014,655</u>	<u>(5,045)</u>
EXPENDITURES				
General government services				
Personal services				
Salaries and benefits	<u>1,467,200</u>	<u>1,532,000</u>	<u>1,510,911</u>	<u>21,089</u>
Operating expenses				
Building occupancy	50,432	39,432	36,983	2,449
Contractual services	135,000	93,000	95,027	(2,027)
Legal costs	9,000	12,000	10,945	1,055
Meeting expenses	15,000	19,000	18,298	702
Postage	20,000	18,000	17,179	821
Subscriptions, dues, and training	36,000	36,000	34,931	1,069
Supplies	40,000	41,000	39,507	1,493
Travel	85,000	88,000	85,018	2,982
Other	<u>125,700</u>	<u>76,700</u>	<u>53,597</u>	<u>23,103</u>
	<u>516,132</u>	<u>423,132</u>	<u>391,485</u>	<u>31,647</u>
Capital outlay				
Machinery and equipment	<u>15,000</u>	<u>7,000</u>	<u>6,370</u>	<u>630</u>
Debt service				
Principal	39,317	39,317	39,317	-
Interest	5,251	5,251	5,251	-
	<u>44,568</u>	<u>44,568</u>	<u>44,568</u>	<u>-</u>
Total expenditures	<u>2,042,900</u>	<u>2,006,700</u>	<u>1,953,334</u>	<u>53,366</u>
Net change in fund balance	23,000	13,000	61,321	48,321
Fund balance, October 1, 2010	<u>1,511,526</u>	<u>1,511,526</u>	<u>1,511,526</u>	<u>-</u>
Fund balance, September 30, 2011	<u>\$ 1,534,526</u>	<u>\$ 1,524,526</u>	<u>\$ 1,572,847</u>	<u>\$ 48,321</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, 2011

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Member dues	\$ 48,000	\$ 46,000	\$ 46,000	\$ -
State and federal grants	35,000	36,300	36,250	(50)
Miscellaneous revenue	-	9,800	9,042	(758)
Total revenues	<u>83,000</u>	<u>92,100</u>	<u>91,292</u>	<u>(808)</u>
EXPENDITURES				
Economic environment				
Operating expenses				
Contractual services	48,000	42,800	42,750	50
Marketing	30,275	39,700	39,501	199
Postage	1,000	500	374	126
Subscriptions, dues, and training	2,325	2,300	3,047	(747)
Other	1,400	2,800	2,159	641
Total expenditures	<u>83,000</u>	<u>88,100</u>	<u>87,831</u>	<u>269</u>
Net change in fund balance	-	4,000	3,461	(539)
Fund balance, October 1, 2010	<u>94,491</u>	<u>94,491</u>	<u>94,491</u>	<u>-</u>
Fund balance, September 30, 2011	<u>\$ 94,491</u>	<u>\$ 98,491</u>	<u>\$ 97,952</u>	<u>\$ (539)</u>

See notes to financial statements.

NORTH CENTRAL FLORIDA REGIONAL PLANNING COUNCIL

EMPLOYEE PENSION PLAN TRUST FUND

STATEMENT OF FIDUCIARY NET ASSETS

September 30, 2011

	Pension Trust Fund
Assets	
Cash	\$ 12,869
Investments at fair value	3,323,347
Total assets	<u>3,336,216</u>
Liabilities	
Accounts payable	<u>141</u>
Net assets	
Held in trust for pension benefits	<u>\$ 3,336,075</u>

See notes to financial statements.

NORTH CENTRAL FLORIDA REGIONAL PLANNING COUNCIL

EMPLOYEE PENSION PLAN TRUST FUND

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

For the Fiscal Year Ended September 30, 2011

	<u>Pension Trust Fund</u>
Additions:	
Contributions:	
Employer	\$ 169,149
Total contributions	<u>169,149</u>
 Investment income:	
Interest and dividends	47,016
Net appreciation in fair value of investments	<u>(87,919)</u>
Net investment income	<u>(40,903)</u>
Total additions	<u>128,246</u>
 Deductions:	
Pension benefit payments	(10,000)
Bank charges	<u>(1,037)</u>
Total deductions from net assets	<u>(11,037)</u>
 Increase in fiduciary net assets	117,209
 Net assets held in trust for pension benefits	
October 1, 2010	<u>3,218,866</u>
 September 30, 2011	<u>\$ 3,336,075</u>

See notes to financial statements.

NORTH CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
September 30, 2011

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.

In June 1999, the Governmental Accounting Standards Board approved Statement #34 Basic Financial Statements and Management Discussion and Analysis for State and Local Governments. This statement provided for significant changes in financial reporting and was scheduled for phased implementation over a three year period of time based on the size of the government. The Council implemented these provisions in 2003 as required by the statement.

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 Assets 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 and the Fund B Surplus Fund Trust Fund investment pools created by Sections 218.405 and 218.417, *Florida Statutes*. On December 4, 2007, the State Board of Administration restructured the Local Government Surplus Funds Trust Fund (Pool) to also establish the Fund B Surplus Funds Trust Fund. 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, 2011, 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.

The Council's investments in the Fund B Surplus Trust Fund are accounted for as a fluctuating net asset value pool, with a fair value factor of 0.7568386 at September 30, 2011. The Fund B is not subject to participant withdrawal requests. Distributions from Fund B, as determined by the State Board of Administration, are effected by transferring eligible cash or securities to the Local Government Surplus Funds Trust Fund, consistent with the pro rata allocation of Pool shareholders of record at the creation of Fund B. One hundred percent of such distributions from Fund B are available as a liquid balance within the Local Government Surplus Funds Trust Fund.

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. 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.

H. 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 Assets

"Total fund balances" of the Council's Governmental Funds (\$1,670,799) differs from "net assets" of governmental activities (\$1,801,796) reported in the statement of net assets. This difference primarily results from the long-term economical focus of the statement of net assets 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	\$ 692,775
Accumulated depreciation	(467,104)
Total	<u>\$ 225,671</u>

Long-term debt transactions

Long-term liabilities applicable to the Council's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the statement of net assets. Balances at September 30, 2011, were:

Revenue note payable	<u>\$ (94,674)</u>
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Elimination of interfund receivables/payables

Interfund receivables and payables in the amount of \$4,596 between governmental funds must be eliminated for the statement of net assets.

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 Assets

	Total Governmental Funds	Capital Related Items	Long-Term Debt Transactions	Elimination of Interfund Receivables/ Payables	Statement of Net Assets
ASSETS					
Cash and cash equivalents	\$ 1,089,478	\$ -	\$ -	\$ -	\$ 1,089,478
Cash, invested	446,738	-	-	-	446,738
Accounts receivable	410,081	-	-	-	410,081
Due from other funds	4,596	-	-	(4,596)	-
Prepaid expenses	53,159	-	-	-	53,159
Capital assets - net	-	225,671	-	-	225,671
Total assets	<u>\$ 2,004,052</u>	<u>\$ 225,671</u>	<u>\$ -</u>	<u>\$ (4,596)</u>	<u>\$ 2,225,127</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 20,113	\$ -	\$ -	\$ -	\$ 20,113
Accrued payroll liabilities	52,418	-	-	-	52,418
Accrued compensated absences	208,380	-	-	-	208,380
Due to general fund	4,596	-	-	(4,596)	-
Deferred revenues	47,746	-	-	-	47,746
Revenue note payable	-	-	94,674	-	94,674
Total liabilities	<u>333,253</u>	<u>-</u>	<u>94,674</u>	<u>(4,596)</u>	<u>423,331</u>
Fund balance/net assets	<u>1,670,799</u>	<u>225,671</u>	<u>(94,674)</u>	<u>-</u>	<u>1,801,796</u>
Total liabilities and fund balance/net assets	<u>\$ 2,004,052</u>	<u>\$ 225,671</u>	<u>\$ -</u>	<u>\$ (4,596)</u>	<u>\$ 2,225,127</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 \$64,782 differs from the "change in net assets" for governmental activities of \$64,079 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	\$ 6,370
Depreciation expense	(46,390)
Difference	<u>\$ (40,020)</u>

Long-term debt transactions

Repayment of debt principal are reported as an expenditure in the General Fund and, thus, have the effect of reducing fund balance because current financial resources have been used. However, the principal payments reduce the liabilities in the statement of net assets and do not result in an expense in the statement of activities.

Debt principal payments made	<u>\$ 39,317</u>
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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	Long-Term Debt Transactions	Statement of Activities
REVENUES				
Member dues	\$ 166,562	\$ -	\$ -	\$ 166,562
State and federal grants	641,589	-	-	641,589
Other grants and contracts earned	1,286,136	-	-	1,286,136
Miscellaneous revenues	11,660	-	-	11,660
Total revenues	<u>2,105,947</u>	<u>-</u>	<u>-</u>	<u>2,105,947</u>
EXPENDITURES				
Current expenditures				
General government	1,902,396	46,390	-	1,948,786
Economic environment	87,831	-	-	87,831
Capital outlay				
General government	6,370	(6,370)	-	-
Debt service				
Principal	39,317	-	(39,317)	-
Interest	5,251	-	-	5,251
Total expenditures	<u>2,041,165</u>	<u>40,020</u>	<u>(39,317)</u>	<u>2,041,868</u>
Excess of revenues (under) expenditures	64,782	(40,020)	39,317	64,079
Fund balance, October 1, 2010	<u>1,606,017</u>	<u>265,691</u>	<u>(133,991)</u>	<u>1,737,717</u>
Fund balance, September 30, 2011	<u>\$ 1,670,799</u>	<u>\$ 225,671</u>	<u>\$ (94,674)</u>	<u>\$ 1,801,796</u>

NOTE 3. DEPOSITS AND INVESTMENTS

1. Deposits

At September 30, 2011, the carrying amount of the Council's bank deposits was \$1,089,328. 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, 2011, 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	38 Day Average	\$ 439,256
Fund B Surplus Funds Trust Fund	4.82 Year Average	7,482
Total Investments		<u>\$ 446,738</u>

As of September 30, 2011, the Council's investment in the Local Government Surplus Funds Trust Fund investment pool is rated AAAm by Standard & Poors. The Fund B Surplus Trust Fund is unrated.

Pension Trust Fund

The investments held by the Council's Employee Pension Plan Trust at September 2011 consist of the following:

Types of Investments	Fair Value	Cost
Money market accounts	\$ 1,621,141	\$ 1,621,141
Equity mutual funds	1,243,790	1,243,790
Bond mutual funds	42,948	42,948
Stocks and corporate bonds	415,468	415,468
	<u>\$ 3,323,347</u>	<u>\$ 3,323,347</u>

As of September 30, 2011, the Council's Employee Pension Plan Trust had the following investments that represent 5% or more of its net assets:

	Fair Value
Greater than 5%	
Schwab Money Market Funds 1,507,845 shares	\$ 1,621,141
Other investments	<u>1,702,206</u>
Total investments	<u>\$ 3,323,347</u>

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

During 2011, the Trust's investments (including gains and losses on investments bought and sold, as well as held during the year) depreciated in value by \$(40,903).

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. 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, 2011, was \$1,028,259. The Council's contributions were made using a base eligible salary amount of \$1,028,259. Total required contributions of 16.45% on base pay of \$1,028,259, amounted to \$169,149. 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 5. FUND BALANCES – GOVERNMENTAL FUNDS

As of September 30, 2011, 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. There were no restricted fund balances at year end.

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 2011, fund balances are composed of the following:

	General Fund	Original Florida Tourism Fund	Total Governmental Funds
Nonspendable:			
Prepays	\$ 53,159	\$ -	\$ 53,159
Assigned to:			
Unemployment compensation benefits	30,000	-	30,000
Capital improvements	450,000	-	450,000
Legal expenses	100,000	-	100,000
Paddling guide publication	-	17,422	17,422
Tourism marketing	-	80,530	80,530
Unassigned	939,688	-	939,688
Total fund balances	<u>\$ 1,572,847</u>	<u>\$ 97,952</u>	<u>\$ 1,670,799</u>

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 \$450,000 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.

Paddling Guide Publication – The Original Florida Tourism Task Force has established a reserve of \$17,422 to provide funding for the eventual reprinting of the Suwannee River Paddling Guide. The remaining fund balance of this special revenue fund is assigned to future tourism marketing.

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 6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2011, follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Land	\$ 119,985	\$ -	\$ -	\$ 119,985
Depreciable capital assets:				
Buildings	393,000	-	-	393,000
Furniture, fixtures and equipment	194,109	6,370	(20,689)	179,790
Total depreciable	587,109	6,370	(20,689)	572,790
Accumulated depreciation:				
Buildings	(288,200)	(26,200)	-	(314,400)
Furniture, fixtures and equipment	(153,203)	(19,509)	20,008	(152,704)
Total accumulated depreciation	(441,403)	(45,709)	20,008	(467,104)
Capital assets, net	\$ 265,691	\$ (39,339)	\$ (681)	\$ 225,671

Total depreciation of \$19,509 was charged to the General Government function of the Council's General Fund.

NOTE 7. 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, 2011. 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 8. 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 9. 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 10. LONG-TERM DEBT

Long-term debt at September 30, 2011, is summarized as follows:

Revenue note payable to Wells Fargo, due December, 2013, interest at 4.54%, monthly principal and interest payment of \$3,714, collateralized by rents and profits.	<u>\$ 94,674</u>
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Debt service requirements to maturity, including \$5,604 of interest are as follows:

Year Ending September 30,	Amount
2012	\$ 44,568
2013	44,568
2014	11,142
	<u>\$ 100,278</u>

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

	Balance October 1, 2010	Additions	Reductions	Balance September 30, 2011	Due Within One Year
Note payable	\$ 133,991	\$ -	\$ 39,317	\$ 94,674	\$ 41,096

Interest expense for the year ended September 30, 2011, was \$5,251. All debt service payments are made from the General Fund.

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, 2011. 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 EVENT

In preparing these financial statements, the Council has evaluated events and transactions for potential recognition or disclosure through December 21, 2011, 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, 2011 is as follows:

September 30,	Minimum Lease Payment
2012	\$ 4,649
2013	4,649
2014	1,162
	<u>\$ 10,460</u>

COMPLIANCE SECTION

NORTH CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the Fiscal Year Ended September 30, 2011

<u>Grantor/Pass-Through Grantor</u>	<u>CFDA/ CSFA Number</u>	<u>Contract Number</u>	<u>Program Award Amount</u>	<u>Received FY 2011</u>	<u>Expended FY 2011</u>
FEDERAL AWARDS					
Non Major Programs					
<u>U.S. Department of Commerce</u>					
Direct Programs:					
Economic Development Support for Planning Organizations					
Planning Grant, Section 203	11.302	04-83-06033	\$ 159,000	\$ 13,250	\$ 13,250
Planning Grant, Section 203	11.302	04-83-06033-02	10,000	10,000	10,000
Planning Grant, Section 203	11.302	04-83-06491	189,000	39,559	39,559
Economic Adjustment Grant	11.307	04-69-06339	200,000	152,015	152,015
			<u>558,000</u>	<u>214,824</u>	<u>214,824</u>
 <u>U.S. Department of Transportation</u>					
Passed through Florida Department of Community Affairs:					
Interagency Hazardous Materials Public Sector Training and Planning Grant		11-DT-83-13			
	20.703	00-21-207	52,410	52,410	52,410
Total federal awards			<u>\$ 610,410</u>	<u>\$ 267,234</u>	<u>\$ 267,234</u>
 STATE FINANCIAL ASSISTANCE					
Non Major Programs					
<u>Department of Community Affairs</u>					
Regional Planning Councils 10/11	52.006	11-DR-CC-13- 00-21-003	\$ 179,416	\$ 134,562	\$ 134,562
			<u>179,416</u>	<u>134,562</u>	<u>134,562</u>

NORTH CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the Fiscal Year Ended September 30, 2011

Grantor/Pass-Through Grantor	CFDA/ CSFA Number	Contract Number	Program Award Amount	Received FY 2011	Expended FY 2011
<u>Division of Emergency Management</u>					
Florida Hazardous Materials Planning and Prevention Program 10/11	52.023	11-CP-03-13 00-21-004	\$ 40,909	\$ 34,865	\$ 34,865
Florida Hazardous Materials Planning and Prevention Program 10/11	52.023	11-CP-03-13 00-21-197	10,175	10,175	10,175
Florida Hazardous Materials Planning and Prevention Program 11/12	52.023	12-CP-03-13 00-21-138	40,909	7,976	7,976
			<u>91,993</u>	<u>53,015</u>	<u>53,015</u>
Governor's Office on Tourism, Trade, and Economic Development Rural Development Grant	31.003	RDG 10-07	35,000	31,750	31,750
Rural Development Grant	31.003	RDG 11-11	35,000	4,500	4,500
			<u>70,000</u>	<u>36,250</u>	<u>36,250</u>
<u>Department of Transportation</u>					
Transportation Disadvantaged 10/11	55.002	AQ031	157,966	118,464	118,464
Transportation Disadvantaged 11/12	55.002	AQC22	157,951	32,063	32,063
			<u>315,917</u>	<u>150,527</u>	<u>150,527</u>
Total state financial assistance			<u>\$ 657,326</u>	<u>\$ 374,355</u>	<u>\$ 374,355</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, 2011

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 Circular A-133.

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.

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.

**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 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, 2011, which collectively comprise the North Central Florida Regional Planning Council's basic financial statements and have issued our report thereon dated December 21, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered North Central Florida Regional Planning Council's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of North Central Florida Regional Planning Council's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of North Central Florida Regional Planning Council's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

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

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

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

POWELL & JONES
December 21, 2011

**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, 2011, and have issued our report thereon dated December 21, 2011, which was unqualified.

We have issued our Independent Auditor's Report and 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 December 21, 2011. Disclosures in these reports, if any, 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 - There were no reportable findings in the prior year.

CURRENT YEAR FINDINGS - There were 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, 2011.

Investment of Public Funds - The Council complied with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the fiscal year ended September 30, 2011.

Financial Emergency Status - Nothing came to our attention that caused us to believe that the Council had met any of the conditions described in Section 218.503(1)(a), *Florida Statutes*, that might result in a financial emergency.

Financial Condition Assessment Procedures - Pursuant to Chapter 10.556(7), *Rules of the Auditor General*, 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 10.550.

Our audit did not disclose any further items that would be required to be reported under the *Rules of the Auditor General*, Chapter 10.554(1)(f).

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
December 21, 2011

