

CENTRAL FLORIDA REGIONAL
PLANNING COUNCIL

FINANCIAL STATEMENTS
and
AUDITOR'S REPORTS

Year Ended September 30, 2007

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CENTRAL FLORIDA REGIONAL PLANNING COUNCIL

FINANCIAL STATEMENTS

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AUDITOR'S REPORTS

Year Ended September 30, 2007

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The NCT Group CPA's, L.L.P.

Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT

Council Members
Central Florida Regional Planning Council
Bartow, Florida

We have audited the accompanying financial statements of the governmental activity of Central Florida Regional Planning Council as of and for the year ended September 30, 2007, as listed in the table of contents. These financial statements are the responsibility of the Central Florida Regional Planning 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 of Central Florida Regional Planning Council as of September 30, 2007, the changes in its financial position, and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 29, 2008 on our consideration of Central Florida Regional Planning Council's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 7 is not a required part of the basic financial statements but is supplementary information required by the 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 conducted for the purpose of forming opinions on the financial statements taken as a whole. The other supplementary information on pages 20-22 is presented for the purposes of additional analysis and is not a required part of the basic financial statements. The other supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The NCT Group CPA's, LLP

The NCT Group CPA's, L.L.P.
Lakeland, Florida
February 29, 2008

**CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2007**

The Central Florida Regional Planning Council's (Council) discussion and analysis is designed to offer reviewers of the Council's financial statements an overview of the financial activities of the Council for the fiscal year ended September 30, 2007. Reviewers are encouraged to read Management's Discussion and Analysis in conjunction with the Council's financial statements and other supplementary information.

Financial Highlights

- The assets of the Council exceeded its liabilities at the close of the fiscal year by \$1,311,337. The Council's unrestricted net assets have a balance of \$925,628, which may be used to meet the Council's ongoing obligations. In fiscal year 2006, the Council's previously reported unrestricted net assets were \$323,150. The Council's unrestricted net assets increased \$602,478 from fiscal year 2006 to 2007. The increase is primarily attributable to revenues generated by Special Planning Advisory Service contracts with local governments and Technical Assistance Grants received from Department of Community Affairs.
- The Council reported ending net assets invested in capital of \$385,709, an increase of \$231,701 in comparison with the prior fiscal year. This increase is due to the acquisition of four new vehicles for the Transportation Disadvantaged program at a total of \$225,872. Other activity included principal payments of \$63,926, reducing the balance of the note secured by the Council's building and current year depreciation expense of \$132,417.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Council's basic financial statements. The Council's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the Council's finances, in a manner similar to a private-sector business and can be found on pages 8 and 9 of this report.

The statement of net assets presents information on all of the Council's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Council is improving or deteriorating.

The statement of activities presents information showing how the Council's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenditures are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. funds receivable and earned but unused vacation leave).

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Council, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2007**

Fund financial statements (continued)

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Council's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, reviewers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Council maintains one general fund and adopts an annual budget for this fund. To demonstrate compliance with the adopted budget, budgetary comparison statements have been provided for the general fund.

The basic governmental fund financial statements can be found on pages 10 – 12 of this report.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 14 through 19 of this report.

Additional information

Additional information about the Council, which may be of interest to the reviewer, is found under the Management Letter section of this report.

Financial Analysis of the Council

The following schedule provides a summary of assets, liabilities and net assets of the Council. Total net assets for governmental activities increased from \$477,158 to \$1,311,337.

	2007	2006 as reported	Increase (Decrease)
Current and other assets	\$ 1,367,443	\$ 824,642	\$ 542,801
Capital assets	<u>580,569</u>	<u>412,794</u>	<u>167,775</u>
Total assets	<u>1,948,012</u>	<u>1,237,436</u>	<u>710,576</u>
Current liabilities	458,613	501,492	(42,879)
Long-term liabilities	<u>178,062</u>	<u>258,786</u>	<u>(80,724)</u>
Total liabilities	<u>636,675</u>	<u>760,278</u>	<u>(123,603)</u>
Invested in capital assets, net of related debt	385,709	154,008	231,701
Unrestricted	<u>925,628</u>	<u>323,150</u>	<u>602,478</u>
Total net assets	<u>\$ 1,311,337</u>	<u>\$ 477,158</u>	<u>\$ 834,179</u>

**CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2007**

The schedule below provides a summary of the changes in net assets for the year ended September 30, 2007.

	2007	2006 (as reported)	Increase (Decrease)
Revenues:			
Member assessments	\$ 183,250	\$ 144,068	\$ 39,182
Federal grants	653,240	345,336	307,904
State grants	821,604	301,372	520,232
Local and other	957,588	844,978	112,610
Total revenues	<u>2,615,682</u>	<u>1,635,754</u>	<u>979,928</u>
Expenses:			
Governmental activities:			
Salaries	572,813	413,074	159,739
Fringe benefits	229,581	192,517	37,064
Nonsponsored trips	334,691	256,813	77,878
Consultants	412,451	350,971	61,480
Travel	12,196	9,315	2,881
Equipment rental/repair	25,527	20,549	4,978
Legal	20,000	19,200	800
Audit and accounting	28,830	23,067	5,763
File management	2,891	2,557	334
Office supplies	11,179	7,020	4,159
Auto	13,897	13,663	234
Subscriptions	815	714	101
Telephone	6,597	4,805	1,792
Insurance	12,574	10,973	1,601
Building maintenance	9,782	13,014	(3,232)
Building security	465	438	27
Registrations	3,004	2,940	64
Meeting expenses	5,184	7,217	(2,033)
Dues and fees	17,967	15,659	2,308
Advertising	1,498	1,086	412
Postage	3,918	4,853	(935)
Utilities	8,683	9,374	(691)
Printing	2,925	798	2,127
Miscellaneous	45,779	43,313	2,466
Debt service - interest	13,392	15,316	(1,924)
Depreciation	132,417	110,542	21,875
Loss on disposal of capital assets	224	-	224
Total expenses	<u>1,929,280</u>	<u>1,549,788</u>	<u>379,492</u>
Increase in net assets	686,402	85,966	600,436
Net assets - beginning of the year, as previously reported	477,158	391,192	85,966
Prior period adjustment	<u>147,777</u>	<u>-</u>	<u>147,777</u>
Net assets -- beginning of year, as restated	<u>624,935</u>	<u>391,192</u>	<u>233,743</u>
Net assets - end of the year	<u>\$ 1,311,337</u>	<u>\$ 477,158</u>	<u>\$ 834,179</u>

**CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2007**

Assets and Liabilities

At September 30, 2007, the Council reported assets in the amount of \$1,948,012. The largest portion of the Council's assets, in the amount of \$580,569, reflects its investment in capital assets (e.g. building, computer hardware, furniture, operating equipment, vehicles). These assets are used to carry out the Council's responsibilities and are therefore not available for future spending. In addition, the Council had \$704,037 in cash at September 30, 2007. The Council reported liabilities in the amount of \$636,675 of which \$194,860 reflects general long-term debt.

Revenues

Local/Other Revenue and Member Assessments accounts for 43.6% of the Council's total revenue. The member assessments are calculated based on BEBR's annual population estimates and charged to member counties at a rate of \$.25 cents per capita. Local revenue includes Small Quantity Generator (SQG) site verifications, Development of Regional Impact (DRI) reviews, and Planning Advisory Services (PAS) to local governments. In comparison to fiscal year 2006, local operating revenues remained constant. In fiscal year 2007, the council recovered approximately \$76,000 related to prior year unauthorized disbursements.

State Revenue accounts for 31.4% of the Council's revenue and includes funding from the Department of Community Affairs (DCA), the Florida Department of Transportation (FDOT), and the Commission for the Transportation Disadvantaged (CTD). State revenues increased approximately \$520,200, compared to fiscal year 2006 due to several one-time DCA technical assistance grants and an increase in the DCA general legislative planning appropriation.

Federal Revenue accounts for 25% of the Council's revenue and includes funding for Section 5311 Transportation for the Disadvantaged (TD) nonsponsored trips and Economic Development Administration (EDA) district planning. In comparison to fiscal year 2006, federal revenue increased \$307,904, primarily due to an increase in TD funding, including funds for the purchase of four vehicles for the TD program.

Total Revenues increased approximately 60% from \$1,635,754 in fiscal year 2006 to \$2,615,682 in 2007.

Expenses

Expenses increased approximately 25% from \$1,549,788 in fiscal year 2006 to \$1,929,280. This increase is due primarily to an increase in Council staff, increases in DRI consultant fees related to increased DRI revenues, and increases in TD nonsponsored trip expenses.

Budgetary Highlights

The Council revised its original budget for fiscal year 2007 to reflect additional income provided by unanticipated contracts with local governments for special projects, several technical assistance grants received from DCA, and increased funding for the Transportation Disadvantaged program for trips provided and the purchase of vehicles. Budgeted expenses were revised for corresponding increases in nonsponsored trips and capital outlay. Additional revenues allowed for an increase in the original budget amount for principal reduction.

**CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2007**

Capital Asset Activity

The Council's investments in capital assets at September 30, 2007, amounted to \$580,569 (net of accumulated depreciation). This investment in capital assets includes land (\$50,000), building (\$338,050), computer hardware (\$100,571), operating equipment (\$33,504), furniture (\$31,897), and vehicles (\$972,753) and accumulated depreciation of \$946,206.

Debt

At September 30, 2007 the Council had a \$194,860 long-term note payable collateralized by the Council's building.

Economic Factors and Next Year's Budget

Revenues are expected to continue to grow in the next fiscal year as local governments require assistance with various special projects such as required Evaluation and Appraisal Reports. DRI activity is expected to continue to increase. Federal, state and local funding is anticipated for the Heartland 2060 visioning project.

CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
STATEMENT OF NET ASSETS
September 30, 2007

ASSETS	
Cash	\$ 704,037
Accounts receivable - net	570,086
Unbilled costs	93,320
Capital assets not being depreciated	50,000
Capital assets, net of accumulated depreciation of \$946,206	530,569
Total assets	<u>1,948,012</u>
 LIABILITIES	
Accounts payable	229,861
Accrued expenses	59,361
Deferred revenues	152,593
Notes payable:	
Portion due within one year	16,798
Portion due after one year	178,062
Total liabilities	<u>636,675</u>
 NET ASSETS	
Invested in capital assets, net of related debt	385,709
Unrestricted	925,628
Total net assets	<u>\$ 1,311,337</u>

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

CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2007

Expenses:

General Government:

Salaries	\$	572,813
Fringe benefits		229,581
Consultants		412,451
Nonsponsored trips		334,691
Accounting and payroll services		10,498
Advertising		1,498
Audit		18,332
Auto		13,897
Building security		465
Dues and fees		17,967
Equipment expense		18,716
File management		2,891
Insurance		12,574
Interest		13,392
Janitorial		7,870
Legal		20,000
Meeting expenses		5,184
Miscellaneous		45,779
Office supplies		11,179
Postage and delivery		3,918
Printing		2,925
Registration fees		3,004
Repair and maintenance		8,723
Subscriptions and publications		815
Telephone		6,597
Travel		12,196
Utilities		8,683
Depreciation		132,417
Loss on disposal of capital assets		224
Total program expenses		1,929,280

Program Revenues:

Charges for services	876,831
Federal operating grants	472,542
Federal capital grants	180,698
State operating grants	799,017
State capital grants	22,587
Total program revenues	2,351,675
Net program revenues	422,395

General Revenues:

Member assessments	183,250
Investment income	20,591
Other income	60,166
Total general revenues	264,007
Increase in net assets	686,402
Net assets - beginning of the year, as previously reported	477,158
Prior period adjustment	147,777
Net assets - beginning of the year, as restated	624,935
Net assets - end of the year	\$ 1,311,337

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

CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
GOVERNMENTAL FUND BALANCE SHEET
September 30, 2007

	<u>General Fund</u>
ASSETS	
Cash	\$ 704,037
Accounts receivable - net	570,086
Unbilled costs	93,320
Total assets	<u>\$ 1,367,443</u>
LIABILITIES	
Accounts payable	\$ 229,861
Accrued expenses	59,361
Deferred revenues	152,593
Total liabilities	<u>441,815</u>
FUND BALANCE	
Unrestricted, undesignated	<u>925,628</u>
Total Fund Balance	<u>925,628</u>
 Amounts reported 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 fund	580,569
Long-term liabilities are not due and payable in the current period and and, therefore, are not reported in the fund	(194,860)
Net assets of governmental activities	<u>\$ 1,311,337</u>

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

**CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
Year Ended September 30, 2007**

	2007			
	Original Budget	Final Budget	Actual	Variance
Revenues:				
Member assessments	\$ 183,250	\$ 183,250	\$ 183,250	\$ -
Local and other	751,175	986,660	957,588	(29,072)
State grants	339,086	784,502	821,604	37,102
Federal grants	529,504	674,679	653,240	(21,439)
Total revenues	1,803,015	2,629,091	2,615,682	(13,409)
Expenditures:				
Salaries	587,293	550,000	572,813	(22,813)
Fringe benefits	309,908	227,027	229,581	(2,554)
Consultants	221,000	449,000	412,451	36,549
Nonsponsored trips	270,747	337,833	334,691	3,142
Capital outlay	188,315	333,949	300,416	33,533
Accounting and payroll services	5,250	10,500	10,498	2
Advertising	3,000	2,000	1,498	502
Audit	18,538	18,332	18,332	-
Auto	15,770	12,000	13,897	(1,897)
Building security	451	465	465	-
Dues and fees	18,800	18,800	17,967	833
Equipment expense	21,250	16,500	18,716	(2,216)
File management	3,000	3,000	2,891	109
Insurance	25,985	16,000	12,574	3,426
Interest	12	13,800	13,392	408
Janitorial	15,000	8,000	7,870	130
Legal	20,000	20,000	20,000	-
Meeting expenses	7,500	7,500	5,184	2,316
Miscellaneous	1,000	10,000	45,779	(35,779)
Office supplies	8,150	11,000	11,179	(179)
Postage and delivery	5,250	3,500	3,918	(418)

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

**CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - (concluded)
Year Ended September 30, 2007**

	2007			
	Original Budget	Final Budget	Actual	Variance
Expenditures:				
(continued)				
Printing	\$ 2,000	\$ 1,000	\$ 2,925	\$ (1,925)
Registration fees	5,000	3,200	3,004	196
Repair and maintenance	-	3,000	8,723	(5,723)
Subscriptions and publications	1,000	1,000	815	185
Telephone	7,500	6,000	6,597	(597)
Travel	20,000	12,000	12,196	(196)
Utilities	9,200	9,200	8,683	517
Principal debt repayments	17,046	63,300	63,926	(626)
Reserve/Contingency	50,000	50,000	-	50,000
Total expenditures	<u>1,857,965</u>	<u>2,217,906</u>	<u>2,160,981</u>	<u>56,925</u>
Excess (deficit) of revenues over (under) expenditures	(54,950)	411,185	454,701	43,516
Fund balance - beginning of year, as previously reported	100,000	100,000	323,150	223,150
Prior period adjustment	-	-	147,777	147,777
Fund balance - beginning of year, as restated	<u>100,000</u>	<u>100,000</u>	<u>470,927</u>	<u>370,927</u>
Fund balance - end of year	<u>\$ 45,050</u>	<u>\$ 511,185</u>	<u>\$ 925,628</u>	<u>\$ 414,443</u>

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

CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For The Year Ended September 30, 2007

Net change in governmental fund balance	\$	454,701
Amounts reported in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives as depreciation expense. The amount of capital outlay expenses exceeded the depreciation expense (\$132,417) and the loss on disposal of capital assets (\$224) in the current period.		167,775
Repayment of long-term debt principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		63,926
Increase in net assets	\$	<u>686,402</u>

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

CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
Year Ended September 30, 2007

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Central Florida Regional Planning Council have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units. The Governmental 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.

Reporting Entity:

Central Florida Regional Planning Council is an association of local governments in Polk, Hardee, Highlands, Desoto and Okeechobee counties. The purpose of the Council is to advise and represent local governments in matters of comprehensive planning and state and federal grant programs, and to define, promote and preserve regional resources. Central Florida Regional Planning Council was created by the authority of 120.53(1) 160 Florida Statutes in 1973, currently reorganized under Chapter 186, Florida Statutes. The Council operates under Administrative Rules 27E-4, 29G-1 and 29G-2 Florida Administration Code. The governing body consists of twelve elected officials and six governor appointees.

This report includes the financial statements of all funds and account groups required to account for those financial activities that are related to the Council and are controlled by or dependent upon the Council Members. Control or dependence upon the Council is determined on the basis of the governing authority, budget adoption, funding and state statutes.

Based on the above criteria, Central Florida Regional Planning Council is the oversight unit with no other component units.

Government-wide and Fund Financial Statements:

The government-wide financial statements consist of a Statement of Net Assets and a Statement of Activities. The Statement of Net Assets reports all financial and capital resources.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Governmental Fund Type:

Governmental fund types are those funds through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are paid; and the difference between governmental fund assets and liabilities, the fund equity, is referred to as "fund balance." The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following comprises of the Council's major governmental fund:

General Fund - The General Fund is the general operating fund of the Council.

CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS - (Continued)
Year Ended September 30, 2007

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Measurement Focus and Basis of Accounting:

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Council considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Council; therefore, revenues are recognized based upon the expenditures recorded and the availability criteria. In the other, monies are virtually unrestricted as to purpose of expenditure, and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues at the time of receipt, or earlier if the susceptible to accrual criteria are met.

Miscellaneous revenues are generally recorded as revenue when received in cash, because they are generally not measurable until actually received.

Cash:

Custodial Credit Risk – Deposits. Custodial Credit Risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Council's deposits at September 30, 2007 were entirely covered by federal depository insurance or guaranteed by qualified public depositories in Florida pursuant to Chapter 280.07, Florida Statutes.

Capital assets:

Capital Assets, which include property, plant and equipment, are reported only in the government-wide financial statements. Capital assets are those acquired for general government purposes with an initial, individual cost equal to or more than \$750 and an estimated useful life of more than one year. Such assets are recorded at historical cost if purchased or constructed. Donated assets are recorded at their estimated fair value at the date of the donation. The estimated fair value is based on the most recent appraisal documentation available. Maintenance, repairs and minor renovations are not capitalized.

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

<u>Assets</u>	<u>Years</u>
Buildings	39
Machinery & Equipment	5 – 7
Other	5

CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS - (Continued)
Year Ended September 30, 2007

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Concluded)

Unbilled Costs:

Unbilled costs are program expenditures for which the Council will be reimbursed.

Deferred Revenues:

Deferred revenues are payments received before the related costs are incurred.

Compensated Absences:

Accumulated leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the General Fund.

Long-Term Obligations:

In the government-wide financial statements, the long-term obligations expected to be financed from governmental funds are reported as liabilities on the statement of net assets.

Net Assets:

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets invested in capital assets, net of related debt excludes unspent debt proceeds. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Council or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Restricted resources are used first to fund appropriation. During the current year, there were no restricted net assets.

Use of Estimates:

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

Budgetary and Appropriation Data:

As allowed by GASB Statement No. 41, Budgetary Comparison Schedules – Perspective Differences, the Council presents budgetary comparison schedules as required supplementary information based on the program structure of nine functional areas as required by state statute for its legally adopted budget.

B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Assets:

“Total fund balance” of the governmental fund, \$925,628, differs from “net assets” of governmental activities, \$1,311,337, reported in the statement of net assets. This difference primarily results from the long-term economic focus of the statement of net assets versus the current financial resources focus of the governmental fund balance sheet.

CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS - (Continued)
Year Ended September 30, 2007

B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS –
(Concluded)

Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Assets: (Concluded)

Capital related items:

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

Cost of capital assets	\$ 1,526,775
Accumulated depreciation	(946,206)
Total capital assets added	<u>\$ 580,569</u>

Long-term debt transactions:

Long-term liabilities 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. Balance as of September 30, 2007 was:

Notes Payable	<u>\$ (194,860)</u>
---------------	---------------------

Explanation of Differences Between the Governmental Fund Operating Statement and the Statement of Activities:

The “net change in fund balances” for governmental funds, \$454,701, differs from the “change in net assets” for governmental activities, \$686,402, reported in the statement of activities. The difference arises 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 charged for the year.

Capital outlay	\$ 300,416
Depreciation expense	(132,417)
Loss on disposal of capital assets	<u>(224)</u>
Difference	<u>\$ 167,775</u>

Long-term debt transactions:

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Principal repayments	<u>\$ 63,926</u>
----------------------	------------------

CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS - (Continued)
Year Ended September 30, 2007

C - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended September 30, 2007:

	<u>Balance</u> <u>9/30/06</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>9/30/07</u>
Capital assets, not being depreciated:				
Land	\$ 50,000	\$ -	\$ -	\$ 50,000
Capital assets, being depreciated				
Building	300,952	37,098	-	338,050
Computer hardware	187,293	37,446	(124,168)	100,571
Operating equipment	52,174	-	(18,670)	33,504
Furniture	39,427	-	(7,530)	31,897
Vehicles	<u>746,881</u>	<u>225,872</u>	<u>-</u>	<u>972,753</u>
Total capital assets being depreciated	<u>1,326,727</u>	<u>300,416</u>	<u>(150,368)</u>	<u>1,476,775</u>
Less accumulated depreciation for:				
Building	79,709	8,351	-	88,060
Computer hardware	167,222	15,401	(123,944)	58,679
Operating equipment	50,262	432	(18,670)	32,024
Furniture	38,851	258	(7,530)	31,579
Vehicles	<u>627,889</u>	<u>107,975</u>	<u>-</u>	<u>735,864</u>
Total accumulated depreciation	<u>963,933</u>	<u>132,417</u>	<u>(150,144)</u>	<u>946,206</u>
Total capital assets, being depreciated, net	<u>362,794</u>	<u>167,999</u>	<u>(224)</u>	<u>530,569</u>
Governmental activities capital assets, net	<u>\$ 412,794</u>	<u>\$ 167,999</u>	<u>\$ (224)</u>	<u>\$ 580,569</u>

D - GENERAL LONG-TERM DEBT

The following is a summary of changes to the general long-term debt as of September 30, 2007:

	<u>Balance</u> <u>9/30/06</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>9/30/07</u>	<u>Due Within</u> <u>One Year</u>
Note payable to bank due in equal monthly installments of \$2,219, including interest at 5.25%, with a balloon payment of \$219,206 due through August 2009; collateralized by building	\$ 258,119	\$ -	\$ (63,259)	\$ 194,860	\$ 16,798

CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS - (Concluded)
Year Ended September 30, 2007

D - GENERAL LONG TERM DEBT - (Concluded)

	<u>Balance</u> <u>9/30/06</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>9/30/07</u>	<u>Due Within</u> <u>One Year</u>
Note payable to Ford Motor Credit Company due in equal monthly principal payments of \$390, with 0% interest through November, 2007; unsecured	667	-	(667)	-	-
Total	\$ 258,786	\$ -	\$ (63,926)	\$ 194,860	\$ 16,798

Annual debt service requirements for general long-term debt as of September 30, 2007, including interest payments of \$18,047, are as follows:

<u>Year Ending September 30:</u>	<u>Amount</u>
2008	\$ 16,798
2009	<u>178,062</u>
	<u>\$ 194,860</u>

E - PRIOR PERIOD ADJUSTMENT

During 2007, the Council noted that the revenues and deferred revenues related to several of its programs were miscalculated in 2006. During 2006, the Council recorded several items as deferred revenues which should have been recorded as revenues during the year. As the error occurred in 2006, a prior period adjustment in the amount of \$147,777 was recorded to properly restate net assets at the beginning of the year.

F - MISCELLANEOUS EXPENSE

The miscellaneous expense account is used to record various expenses which cannot otherwise be categorized. The miscellaneous expense account includes \$9,416 of unauthorized disbursements made by the Council's former finance director.

G - OTHER INCOME

The other income account is used to record miscellaneous revenues which cannot otherwise be categorized. Local and other income includes \$75,736 of reimbursements and recoveries of funds related to several previous years of unauthorized disbursements made by the Council's former finance director.

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OTHER SUPPLEMENTARY INFORMATION

Central Florida Regional Planning Council
General Fund
Schedule of Revenues and Expenditures - By Category
for the Fiscal Year Ended September 30, 2007

	Total	Planning Advisory Services	Developments of Regional Impact	Transportation Disadvantaged	Hazards Analysis & Emergency Management
Revenue:					
Member assessments	\$ 183,250	\$ -	\$ -	\$ -	\$ -
Local/other revenue	957,588	369,392	384,024	65,847	52,525
State revenue	821,604	-	-	89,155	77,260
Federal revenue	653,240	-	-	545,230	28,010
Total Revenue	2,615,682	369,392	384,024	700,232	157,795
Expenditures:					
Salaries	572,813	154,917	22,990	45,680	57,273
Fringe benefits	229,581	62,090	9,214	18,308	22,955
Consultants	412,451	40,346	322,383	-	21,390
Nonsponsored trips	334,691	-	-	334,691	-
Accounting/payroll services	10,498	-	-	-	-
Advertising	1,498	-	-	333	111
Audit	18,332	-	-	-	-
Auto expense	13,897	-	-	369	-
Building security	465	-	-	-	-
Dues and fees	17,967	-	-	-	-
Equipment expense	18,716	3,884	1,303	1,044	186
File management	2,891	-	-	-	-
Insurance	12,574	-	-	-	-
Interest expense	13,392	-	-	-	-
Janitorial	7,870	-	-	-	-
Legal fees	20,000	-	-	-	-
Meeting expense	5,184	100	131	-	-
Miscellaneous	45,779	-	-	110	-
Office supplies	11,179	-	-	-	151
Postage and delivery	3,918	804	634	632	87
Printing	2,925	-	-	-	2,125
Registration fees	3,004	-	-	195	175
Repair and maintenance	8,723	-	-	-	-
Subscription and publications	815	-	-	-	-
Telephone	6,597	-	-	-	-
Travel	12,196	4	794	389	6,114
Utilities	8,683	-	-	-	-
Depreciation expense	132,417	-	-	103,417	-
Loss on disposal of capital assets	224	-	-	-	-
Local match expense	-	-	-	-	-
Indirect costs	-	104,404	15,494	30,785	38,598
Total Expenditures	1,929,280	366,549	372,943	535,953	149,165
Revenue Over(Under) Expenditures	\$ 686,402	\$ 2,843	\$ 11,081	\$ 164,279	\$ 8,630

DCA	EDA	Non Program	Eliminations	Indirect Costs
\$ -	\$ -	\$ 183,250	\$ -	\$ -
-	34,286	85,800	(34,286)	-
655,189	-	-	-	-
-	80,000	-	-	-
655,189	114,286	269,050	(34,286)	-
127,797	66,269	4,991	-	92,896
51,213	26,568	2,000	-	37,233
28,332	-	-	-	-
-	-	-	-	-
-	-	-	-	10,498
18	14	240	-	782
-	-	18,332	-	-
-	-	-	-	13,528
-	-	-	-	465
-	-	15,878	-	2,089
654	853	-	-	10,792
-	-	-	-	2,891
-	-	-	-	12,574
-	-	-	-	13,392
-	-	-	-	7,870
-	-	-	-	20,000
1,032	-	-	-	3,921
-	-	20,684	-	24,985
-	-	-	-	11,028
468	106	-	-	1,187
-	-	-	-	800
325	-	-	-	2,309
-	-	-	-	8,723
-	-	-	-	815
-	-	-	-	6,597
2,233	64	2,225	-	373
-	-	-	-	8,683
-	-	-	-	29,000
-	-	224	-	-
-	-	34,286	(34,286)	-
86,126	44,661	3,363	-	(323,431)
298,198	138,535	102,223	(34,286)	-
\$ 356,991	\$ (24,249)	\$ 166,827	\$ -	\$ -

CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
SCHEDULE OF INDIRECT COSTS
Year Ended September 30, 2007

	Actual		
Salaries	\$ 92,896		
Fringe benefits	37,233		
Accounting and payroll services	10,498		
Advertising	782		
Auto expense	13,528		
Building security	465		
Dues and fees	2,089		
Equipment expense	10,792		
File management	2,891		
Insurance	12,574		
Interest expense	13,392		
Janitorial	7,870		
Legal fees	20,000		
Meeting expense	3,921		
Miscellaneous expense	24,985		
Office supplies	11,028		
Postage and delivery	1,187		
Printing	800		
Registration fees	2,309		
Repair and maintenance	8,723		
Subscriptions and publications	815		
Telephone	6,597		
Travel	373		
Utilities	8,683		
Depreciation expense	29,000		
Total indirect costs (A)	\$ 323,431		
 Basis of allocation of indirect costs:			
Fringe benefit allocation rate			
Total fringe benefits	229,581	=	40.08%
Total salaries	572,813		
 Indirect cost allocation rate (after allocation of fringe benefits)			
Total indirect costs	323,431	=	67.39%
Direct salaries	479,917		

COMPLIANCE SECTION

**CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
SCHEDULE OF FINANCIAL AWARDS**

Year Ended September 30, 2007

	CFDA/ CSFA Number	Expenditures		
		Federal	State	Total
FEDERAL FINANCIAL ASSISTANCE:				
<u>U.S. Department of Commerce</u>				
Economic Development Administration:				
Comprehensive Economic Development Strategies				
Contract #04-83-05778	11.302	\$ 53,500	\$ -	\$ 53,500
Contract #04-83-05929	11.302	26,500	-	26,500
<u>U. S. Department of Transportation</u>				
Passed through the Florida Department of Community Affairs:				
Hazardous Materials Emergency Preparedness				
Contract #07-DT-5Z-13-00-21-281	20.703	28,010	-	28,010
<u>Federal Transit Administration</u>				
Joint Participation Agreement, Urban Mass Transportation Act, Section 5311 (9/27/02 - 12/31/07)				
Contract #AM585; FM 204671-1-84-24	* 20.509	18,586	-	18,586
Multi-Year Joint Participation Agreement Urban Mass Transportation Act, Section 5311 (9/27/02 - 12/31/07)				
Contract #AM585; FM 204671-1-84-25	* 20.509	342,599	-	342,599
Elderly and Persons with Disabilities Program Section 5310, Capital grant				
Contract #FL-16-0029	20.513	90,349	-	90,349
Elderly and Persons with Disabilities Program Section 5310, Capital grant				
Contract #FL-16-0030	20.513	90,349	-	90,349
Elderly and Persons with Disabilities Program Section 5310, Capital grant				
Contract #FL-16-0030	20.513	-	-	-
<u>U.S. Department of Homeland Security</u>				
Statewide Regional Evacuation Study Program Passed through the Northeast Florida Regional Planning Council:				
Contract #07-HS-32-00-21-355	97.039	25,956	-	25,956
Total Federal Financial Awards		\$ 675,849	\$ -	\$ 675,849
STATE FINANCIAL ASSISTANCE:				
<u>Florida Department of Community Affairs</u>				
Regional Planning Council Funding				
Contract # 07-DR-81-13-00-21-007	52.006	\$ -	\$ 202,047	\$ 202,047

* Tested as a major program

**CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
SCHEDULE OF FINANCIAL AWARDS - (Continued)**

Year Ended September 30, 2007

	CSFA Number	Expenditures		
		Federal	State	Total
Contract #05-DR-52-13-00-21-007	52.006	-	75,643	75,643
Hazardous Materials Hazards Analysis Update (DeSoto and Okeechobee County)				
Contract #07CP-11-13-00-21-038	52.023	-	5,121	5,121
Contract #08CP-04-13-00-21-024	52.023	-	270	270
Local Emergency Planning Committee Staffing Division of Emergency Management Florida Hazardous Materials Planning and Prevention Program				
Contract #07CP-11-13-00-21-037	52.023	-	40,909	40,909
Contract #08CP-04-13-00-21-033	52.023	-	11,523	11,523
Transportation Concurrency Management System				
Contract #07-DR-78-13-00-21-056	52.033	-	33,202	33,202
Polk County Coordinated Proportionate Fair Share Process				
Contract #07-DR-78-13-00-21-057	52.028	-	10,570	10,570
Capital Improvement Elements (CIE) Update Frostproof, Fort Meade, Lake Hamilton and Dundee				
Contract #07-DR-85-13-00-21-032	52.028	-	13,501	13,501
Capital Improvement Elements (CIE) Training Passed through Tampa Bay Regional Planning Council				
Contract #07-DR-85-13-00-21-032	52.033	-	6,750	6,750
<u>Florida Commission for the Transportation Disadvantaged</u>				
TD Planning Hardee, Highlands, Okeechobee				
Contract # AOF90	55.002	-	52,949	52,949
Contract #AOR80	55.002	-	18,398	18,398
<u>Florida Department of Transportation:</u>				
State match for TD vehicles 2004-2005				
Contract #FL-16-0029	55.014	-	11,294	11,294
State match for TD vehicles 2005-2006				
Contract #FL-16-0030	55.014	-	11,294	11,294
State match for TD vehicles 2006-2007				
Contract #FL-16-0031	55.014	-	-	-
Total State Financial Awards		-	493,471	493,471
Total State and Federal Financial Awards		\$ 675,849	\$ 493,471	\$1,169,320

**CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For The Fiscal Year Ended September 30, 2007**

NOTE 1 – GENERAL

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance presents the activity of all federal and state financial award programs of Central Florida Regional Planning Council (Council). The Council reporting entity is defined in Note A to the Council's basic financial statements for the year ended September 30, 2007. All federal financial awards and state financial assistance received directly from federal and state agencies, as well as federal financial awards and state financial assistance passed through other government agencies, are included in the schedule.

NOTE 2 – BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance is presented using the accrual basis of accounting which is described in Note A to the Council's financial statements for the year ended September 30, 2007.

NOTE 3 – CONTINGENCIES

Grant monies received and disbursed by the Council are for specific purposes and are subject to review by the grantor agencies. Such audits may result in request for reimbursement due to disallowed expenditures. Based upon prior experience, the Council does not believe that such disallowances, if any, would have a material effect on the financial position of the Council. As of February 29, 2008, there were no material questioned or disallowed costs as a result of grant audits in process or completed.

**CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL PROGRAMS AND STATE PROJECTS
September 30, 2007**

PART I – SUMMARY OF AUDITOR’S RESULTS

Basic Financial Statement Section

Type of auditor’s report issued:	Unqualified Opinion
Internal control over financial reporting:	
Significant deficiencies identified?	Yes
Significant deficiencies considered to be material weaknesses?	Yes
Noncompliance material to basic financial statements noted?	No

Federal Awards Section

Dollar threshold used to determine Type A program:	Federal Programs - \$300,000 State Projects - \$300,000
Auditee qualified as low-risk auditee?	No
Type of auditor’s report on compliance for major programs	Unqualified Opinion
Internal control over compliance:	
Material weakness(es) identified?	No
Were reportable condition(s) identified not considered to be material weakness(es)?	No
Any audit findings disclosed that are required to be reported in accordance with Circular A-133 (Section .510(a)) or Chapter 10.650, Rules of the Auditor General?	No

Identification of major programs:

<u>Federal Program</u>	<u>CFDA No.</u>
Urban Mass Transportation	20.509

**CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Concluded)
FEDERAL PROGRAMS AND STATE PROJECTS
September 30, 2007**

PART II – SCHEDULE OF BASIC FINANCIAL STATEMENT FINDINGS

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*.

Finding 07-03:

Condition:

Our audit procedures disclosed certain adjusting entries that were necessary for the financial statements to be presented fairly in accordance with generally accepted accounting principles.

Criteria:

Accounting principles generally accepted in the United States of America.

Context:

Substantive testing of account balances to supporting documentation disclosed the differences and related necessary adjustments.

Effect:

The Council brought to our attention that deferred revenues were miscalculated in the prior year causing a prior period adjustment. In addition, several invoices that related to the period being audited were not recorded in the general ledger at September 30, 2007.

Cause:

Certain contractors are not timely in submitting invoices, some of which were not known or discovered during the year end closing.

Recommendation:

We recommend the Council ensure that all necessary adjustments are posted prior to closing the general ledger at year end.

Management Response:

Management concurs and will ensure all adjustments are posted prior to audit fieldwork.

**PART III – SCHEDULE OF FEDERAL AWARD AND STATE PROJECTS
FINDINGS AND QUESTIONED COSTS**

This section identifies reportable conditions, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal programs as required to be reported by circular A-133 Section .510.

No reportable conditions, material weaknesses and instances of noncompliance, including questioned costs, related to the major federal programs were noted.



The NCT Group CPA's, L.L.P.

Certified Public Accountants and Consultants

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

Council Members
Central Florida Regional Planning Council
Bartow, Florida

We have audited the financial statements of Central Florida Regional Planning Council as of and for the year ended September 30, 2007, and have issued our report thereon dated February 29, 2008. 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 Central Florida Regional Planning Council's internal control over financial reporting (internal control) 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 the Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

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

07-3 Material audit adjustments

Material weakness:

Our audit procedures disclosed certain adjusting entries that were necessary to post to the trial balance of the Council, as originally presented for audit, in order for the financial statements to be presented fairly in accordance with generally accepted accounting principles.

There were two material adjusting journal entries needed to be posted to the trial balance. A prior period adjustment needed to be recorded for deferred revenues improperly recorded in the prior year. The Council was aware of this adjustment prior to the audit. Prior to posting the entry the Council wanted the auditors to review the entry. Therefore, the entry was prepared by the Council but not posted prior to the audit. The other entry related to several accounts payable items, noted by the auditor, that were not being recorded in the proper fiscal year. The net effect on the financial statements is that fund balance and revenues were overstated and accounts payable and expenses were understated by the amount of the adjustments.

Recommendation:

We recommend the Council assure that all necessary adjustments are posted prior to the commencement of audit fieldwork.

Management Response:

Management concurs and will ensure all adjustments are posted prior to audit fieldwork.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider item 07.3 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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.

We noted certain matters that we communicated to management in a separate letter dated February 29, 2008.

This report is intended for the information of the audit committee, management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than those specified parties.

The NCT Group CPAs, LLP
The NCT Group CPA's, L.L.P.
Lakeland, Florida
February 29, 2008



The NCT Group CPA's, L.L.P.

Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE APPLICABLE TO EACH MAJOR FEDERAL PROGRAM

Council Members
Central Florida Regional Planning Council
Bartow, Florida

Compliance

We have audited the compliance of Central Florida Regional Planning Council (Council) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 2007. The Council's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Council's management. Our responsibility is to express an opinion on the Council's compliance based on our audit.

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

In our opinion, the Council complied, in all material respects, with the requirements referred to above that are applicable to each of its federal programs for the year ended September 30, 2007.

Internal Control Over Compliance

Management of the Council is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Council's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by any entity's internal control.

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

This report is intended solely for the information and use of the audit committee, management, the Auditor General, and federal and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

The NCT Group CPAs, LLP

THE NCT GROUP CPA'S L.L.P.

Lakeland, Florida

February 29, 2008



The NCT Group CPA's, L.L.P.

Certified Public Accountants and Consultants

MANAGEMENT LETTER

Council Members
Central Florida Regional Planning Council
Bartow, Florida

We have audited the basic financial statements of the Central Florida Regional Planning Council (Council), whose headquarters is located in Bartow, Florida, as of and for the fiscal year ended September 30, 2007, and have issued our report thereon dated February 29, 2008.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. We have issued our Independent Auditor's Report on Compliance and Internal Control over Financial Reporting, Independent Auditor's Report on Compliance and Internal Control over Compliance Applicable to each Major Federal Program, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated February 29, 2008, should be considered in conjunction with this management letter.

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, unless otherwise required to be reported in the report on compliance and internal controls or schedule of findings and questioned costs, this letter is required to include the following information.

The rules of the Auditor General (Section 10.554(1)(i)1., requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report.

The rules of the Auditor General (Section 10.554(1)(i)2., requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Council complied with Section 218.415, Florida Statutes.

The rules of the Auditor General (Section 10.554(1)(i)3., requires that we address in the management letter any recommendations to improve financial management, accounting procedures, and internal controls. In connection with our audit, see Current Year Comments section.

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

The rules of the Auditor General (Section 10.554(1)(i)5., requires, based on professional judgment, the reporting of the following matters that are inconsequential to the financial statements, considering both quantitative and qualitative factors: (1) violations of laws, rules, regulations, and contractual provisions or abuse that have occurred, or were likely to have occurred and would have an immaterial effect on the financial statements; (2) improper expenditures or illegal acts that would have an immaterial effect on the financial statements; (3) control deficiencies that are not significant deficiencies, including, but not limited to; (a) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the financial statements); (b) failures to properly record financial transactions; and (c) other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. In connection with our audit, see Current Year comments section.

STATUS OF PRIOR YEAR COMMENTS

05-02 Segregation of Duties

Control deficiency:

A small number of persons have the primary responsibility for performing most of the accounting and financial duties. As a result, some of the aspects of internal accounting control which rely upon adequate segregation of duties are missing in your agency. The supervision and periodic review procedures currently in place help mitigate the lack of proper segregation of duties and should be continued.

Status:

This finding was still noted in the beginning of the current year. After the first quarter, the Council took appropriate action to correct this finding.

06-01 Indirect Costs

Control deficiency:

During our testing of cash disbursements, we noted that several items are charged to Member Assessments instead of to the indirect costs. Items such as mortgage payments, vehicle payments, legal fees, subscriptions, dues and board meeting expenses are charged to Member Assessments.

Status:

The Council took appropriate action to correct this item in the current year.

06-02 Accounting Procedures

Control deficiency:

During our inquiry of accounting procedures, we noted that the bank reconciliations and monthly journal entries are not being reviewed.

Status:

This finding was still noted in the beginning of the current year. After the first quarter, the Council took appropriate action to correct this finding.

06-03 Accounting Software

Control deficiency:

During our inquiry of accounting procedures, we noted that the general ledger software is very old and no longer has support available. It will not run proper financial statements for the Council and it has many limitations regarding data entry.

Status:

The Council took appropriate action by utilizing an updated accounting software program.

06-04 Unauthorized Disbursements

Control deficiency:

During our testing of payroll we noted that an employee was not contributing their share of the retirement contribution. The Council is contributing their portion as well as the employee's portion. In addition, we noted that an employee was issuing an additional check to themselves for several pay periods and coding the payment to leave expense in indirect cost.

Status:

During the first quarter of the current fiscal year, an employee made unauthorized disbursements in the amount of \$7,500. Upon discovery, the employee was immediately terminated and appropriate controls were implemented to prevent future occurrences.

Management Response:

Current year irregularities relate to the prior year situation and were discovered at the time of the prior year audit testing. Once discovered, the situation did not recur. All auditor recommendations have been incorporated into the accounting policies and procedures as amended effective October 1, 2006.

06-05 Subsequent Receipts

Control deficiency:

During our testing of subsequent receipts, we noted that an invoice for an impact fee study had not been included in the funds receivable as of September 30, 2006.

Status:

This finding was not noted in the current year.

CURRENT YEAR COMMENTS

07-01 Personnel Files

Control deficiency:

During our test of payroll, we noted that the personnel files include both an annual salary amount and an hourly rate for each employee.

Recommendation:

The Council should include in all of the personnel files an employment agreement with each employee, signed by the employee and a member of the Council's management. The employment agreement should clearly identify the terms of the employment. We also recommend that the Council ensure that all of the exempt salaried employees are properly classified as such.

Management Response:

The Council will add an Hourly or Salaried status and an Exempt or Non-Exempt (overtime) status on the Personnel Action Form for each employee.

07-02 Bank Accounts

Control deficiency:

We noted during our audit that the authorized signers for the SBA account are the former Executive Director and former Finance Director.

Recommendation:

We recommend the Council take the appropriate action to remove the former Executive Director and former Finance Director and add the current Executive Director and current Finance Director as authorized signers on the SBA account.

Management Response:

The SBA has been re-notified in writing of these changes.

07-3 Material audit adjustments

Material weakness:

Our audit procedures disclosed certain adjusting entries that were necessary to post to the trial balance of the Council, as originally presented for audit, in order for the financial statements to be presented fairly in accordance with generally accepted accounting principles.

There were two material adjusting journal entries needed to be posted to the trial balance. A prior period adjustment needed to be recorded for deferred revenues improperly recorded in the prior year. The Council was aware of this adjustment prior to the audit. Prior to posting the entry the Council wanted the auditors to review the entry. Therefore, the entry was prepared by the Council but not posted prior to the audit. The other entry related to several accounts payable items, noted by the auditor, that were not being recorded in the proper fiscal year. The net effect on the financial statements is that fund balance and revenues were overstated and accounts payable and expenses were understated by the amount of the adjustments.

Recommendation:

We recommend the Council ensure that all necessary adjustments are posted prior to the commencement of audit fieldwork.

Management Response:

Management concurs and will ensure all adjustments are posted prior to audit fieldwork.

The Rules of the Auditor General (Section 10.554(1)(i)6.) also require that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. See footnote A in the Notes to Financial Statements for a description of the reporting entity.

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

The NCT Group CPAs, LLP

The NCT Group CPA's, L.L.P.
Lakeland, Florida
February 29, 2008