

CENTRAL FLORIDA REGIONAL PLANNING COUNCIL

FINANCIAL STATEMENTS

and

AUDITOR'S REPORTS

September 30, 2008

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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
555 East Church Street
Bartow, Florida 33830-3931

We have audited the accompanying financial statements of the governmental activity and of the major fund of Central Florida Regional Planning Council as of and for the year ended September 30, 2008, 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 and the major fund of Central Florida Regional Planning Council as of September 30, 2008, the changes in its financial position, the major fund, 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 January 7, 2009 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 9 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 an opinion on the basic financial statements taken as a whole. The other supplementary information on pages 24 through 25 is presented for the purposes of additional analysis and is not a required part of the basic financial statements of Central Florida Regional Planning Council. 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.

Our audit was conducted 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 is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information 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.



The NCT Group CPA's, L.L.P.
Lakeland, Florida
January 7, 2009

**CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2008**

Management's Discussion and Analysis is designed to offer reviewers of the Central Florida Regional Planning Council's financial statements a summary of the financial activities for the fiscal year ended September 30, 2008. Reviewers are encouraged to read Management's Discussion and Analysis in conjunction with the Council's financial statements and other supplementary information.

Financial Highlights for the Year Ended September 30, 2008

- Assets of the Council exceeded liabilities at the close of the fiscal year by \$1,549,319. Unrestricted net assets were \$624,238 and may be used to meet the Council's ongoing obligations. Net assets invested in capital were \$925,081 and are comprised of the Council's property and equipment, net of accumulated depreciation.
- The increase in net assets of \$237,982 is the amount by which total Revenues exceeded total Expenses.
- The Council invested a total of \$468,204 in vehicles for the Transportation Disadvantaged program, property improvements and technology equipment.
- The note payable to Colonial Bank was paid. The Council has no outstanding debt.

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. The presentation of government-wide statements reconciled with fund financial statements gives the reviewer two different perspectives of the Council's financial activities.

Government-wide Financial Statements

Government-wide financial statements are designed to provide reviewers with a broad overview of the Council's finances, in a manner similar to a private-sector business and can be found on pages 10 and 11 of this report. The government-wide financial statements provide short and long-term information about the Council's financial status as a whole.

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.

**CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2008**

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 accounts payable).

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 state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements such as the Florida Statutes or the Council's budget.

Governmental funds are used to account for 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 short-term inflows and outflows of resources, as well as on balances of available resources at the end of the fiscal year. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The General Fund Balance Sheet includes only short-term assets and liabilities. The General Fund Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual includes principal payments on outstanding debt and capital outlay expenditures.

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, the reviewer may better understand the long-term impact of the government's near-term financing decisions. The General Fund Balance Sheet and the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual provide reconciliations to the government-wide financial statements. These statements can be found on pages 12 and 13 of this report.

The Council maintains one general fund and adopts an annual budget for this fund. To demonstrate compliance with the adopted budget, the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual shows the variance between the final budget and actual revenues and expenditures. Changes to the original budget and actual variances from the final budget are discussed in the Budgetary Highlights section below.

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 15 through 22 of this report.

**CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2008**

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.

Government-Wide Financial Analysis

The following schedules provide a summary of assets, liabilities and net assets and changes in net assets of the Council and the change in the ending balances from the prior year.

	<u>2008</u>	<u>2007</u>	<u>Increase (Decrease)</u>
Current and other assets	\$1,477,653	\$1,367,443	\$110,210
Capital assets	<u>925,081</u>	<u>580,569</u>	<u>344,512</u>
Total assets	<u>2,402,734</u>	<u>1,948,012</u>	<u>454,722</u>
Current liabilities	853,415	458,613	394,802
Long-term liabilities	-	<u>178,062</u>	<u>(178,062)</u>
Total liabilities	<u>853,415</u>	<u>636,675</u>	<u>216,740</u>
Net assets invested in capital assets, net of related debt	925,081	385,709	539,372
Net assets, unrestricted	<u>624,238</u>	<u>925,628</u>	<u>(301,390)</u>
Total net assets	<u>\$1,549,319</u>	<u>\$1,311,337</u>	<u>\$237,982</u>

**CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2008**

	<u>2008</u>	<u>2007</u>	<u>Increase (Decrease)</u>
Expenses:			
General Government:			
Salaries and fringe benefits	\$ 1,081,509	\$ 802,394	\$ 279,115
Consultants	908,092	412,451	495,641
Non-sponsored trips	456,239	334,691	121,548
Accounting and payroll services	1,893	10,498	(8,605)
Advertising	8,171	1,498	6,673
Audit	18,500	18,332	168
Auto	15,604	13,897	1,707
Building security	465	465	-
Dues and fees	21,794	17,967	3,827
Equipment expense	21,258	18,716	2,542
File management	2,481	2,891	(410)
Insurance	17,690	12,574	5,116
Interest	8,920	13,392	(4,472)
Janitorial	7,468	7,870	(402)
Legal	24,000	20,000	4,000
Meeting expense	5,862	5,184	678
Miscellaneous	110	45,779	(45,669)
Office and technology supplies	26,371	11,179	15,192
Postage and delivery	5,708	3,918	1,790
Printing	6,452	2,925	3,527
Registration fees	5,647	3,004	2,643
Repair and maintenance	4,001	8,723	(4,722)
Subscriptions and publications	1,285	815	470
Telephone	6,532	6,597	(65)
Travel	16,260	12,196	4,064
Utilities	10,532	8,683	1,849
Depreciation	123,692	132,417	(8,725)
Loss on disposal of capital assets	-	224	(224)
Total program expenses	<u>2,806,536</u>	<u>1,929,280</u>	<u>877,256</u>
Program Revenues:			
Charges for services	1,282,287	876,831	405,456
Federal operating grants	718,723	472,542	246,181
Federal capital grants	179,448	180,698	(1,250)
State operating grants	645,456	799,017	(153,561)
State capital grants	22,431	22,587	(156)
Total program revenues	<u>2,848,345</u>	<u>2,351,675</u>	<u>496,670</u>
Net program revenues	<u>41,809</u>	<u>422,395</u>	<u>(380,586)</u>
General Revenues:			
Member assessments	190,184	183,250	6,934
Interest income	7,314	20,591	(13,277)
Loss on investment in state pool	(2,315)		(2,315)
Other income	990	60,166	(59,176)
Total general revenues	<u>196,173</u>	<u>264,007</u>	<u>(67,834)</u>
Increase in net assets	237,982	686,402	(448,420)
Net assets - beginning of the year	1,311,337	624,935	686,402
Net assets - end of the year	<u>\$ 1,549,319</u>	<u>\$ 1,311,337</u>	<u>\$ 237,982</u>

**CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2008**

Assets and Liabilities and Net Assets

At September 30, 2008, the Council reported assets in the amount of \$2,402,734. The largest portion of the Council's assets, in the amount of \$925,081, is its investment in capital assets (e.g. building, computer hardware, furniture, operating equipment, vehicles). Additions to capital assets were \$468,204 and the addition to accumulated depreciation was \$123,692. Capital assets are not available for future spending.

Other assets at year end included receivables of \$755,200 and cash of \$657,386. The increase in current assets is attributable to an increase in year-end receivables.

The Council reported liabilities totaling \$853,415, comprised of \$508,071 of expenses to be paid and \$345,344 of deferred revenues. The increase in current liabilities is primarily due to an increase in accounts payable and in deferred grant revenue related to funds received in advance for two programs continuing into the next fiscal year.

The long-term liability at September 30, 2007 was a note payable to a local bank. The entire outstanding balance was paid during 2008.

Net assets may serve over time as one useful indicator of a government's financial condition. The Council's total net assets increased by \$237,982 for the fiscal year ended September 30, 2008. A portion of unrestricted net assets was used to purchase capital assets during the year.

Revenues

Total Revenues increased approximately 17% from \$2,615,682 in fiscal year 2007 to \$3,044,518 in 2008.

Member Assessments and Local/Other Revenue account for approximately 49% 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. Other sources of local revenue include fees for Development of Regional Impact (DRI) reviews and Planning Advisory Services (PAS) for local governments. In comparison to fiscal year 2007, these revenues increased by 30%, largely due to an increase of approximately \$343,000 in DRI review revenue.

Federal Revenue accounts for approximately 29% of the Council's revenue and includes funding for the Transportation Disadvantaged program and Economic Development Administration district planning. Compared to fiscal year 2007, federal revenue increased approximately \$245,000. This is due to supplemental funding in the Transportation Disadvantaged program, federal funds received for the State Evacuation Study and a new grant from the Department of Defense for a Joint Land Use Study.

**CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2008**

State Revenue accounts for approximately 22% of the Council's total revenue, and includes funding from the State of Florida Department of Community Affairs (DCA) and the Florida Commission for the Transportation Disadvantaged. State revenues decreased approximately \$154,000 compared to fiscal year 2007, primarily due to a reduction in technical assistance grants awarded by DCA.

Expenses

Expenses increased approximately 46% from \$1,929,280 in fiscal year 2007 to \$2,808,851 in fiscal year 2008. This increase is primarily due to an increase of approximately \$496,000 in consultant expenses for DRI reviews and other programs, an increase in non-sponsored trips for the Transportation Disadvantaged of \$122,000 related to the increased funding for trips, and an increase in personnel expenses due to the addition of three new employees.

Budgetary Highlights

The Council revised its original budget for fiscal year 2008 to reflect reductions in planning advisory service revenue, the deferral of state revenue for Heartland 2060 to the next fiscal year and the delay of the start date of the federal Department of Defense grant. The fund balance carryover from the prior year was increased \$200,000 to offset the decrease in revenues and enable the Council to continue with planned expenditures and to eliminate the note payable. The amount originally budgeted as a transfer to cash reserves was applied to note principal. In addition, line items within the expense budget were adjusted based upon year to date actual expenses. Budget line item increases were for DRI consultants and the elimination of debt.

Actual variances from the final budget include pass through revenues and expenses for the Transportation Disadvantaged program and DRI reviews.

Capital Asset Activity

The Council's investments in capital assets at September 30, 2008, amounted to \$925,081 (net of accumulated depreciation). This investment in capital assets includes land, building, computer equipment, operating equipment, furniture, and vehicles. During the year the Council invested \$468,204 including \$224,310 for vehicles for the Transportation Disadvantaged program, and \$243,894 for improvements such as parking lot and landscaping redevelopment, carpet, paint, furniture, computer equipment and a new telephone system.

Debt Management

During the year, the Council paid off the \$194,860 note payable outstanding at September 30, 2007. Additional information regarding this debt can be found in the notes to the financial statements. The Council does not anticipate the need for additional debt in the foreseeable future.

Economic Factors and Next Year's Budgets

The economic outlook continues to present many challenges for the Council and for local, state and federal governments. Developments of Regional Impact activity is expected to decrease. Available state revenue is expected to decrease dramatically.

**CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2008**

The Council anticipates that as local governments reduce staff size, they may rely more on the Council for Planning Advisory Services and the Council has begun to explore the possibility of obtaining more federal funds through grants.

CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
STATEMENT OF NET ASSETS
September 30, 2008

ASSETS	
Cash	\$ 398,376
Investment in state pool	259,010
Accounts receivable	755,200
Prepaid expenses	9,015
Unbilled costs	56,052
Capital assets not being depreciated	50,000
Capital assets, net of accumulated depreciation of \$1,018,908	875,081
Total assets	2,402,734
 LIABILITIES	
Accounts payable	422,680
Accrued expenses	85,391
Deferred revenues	345,344
Total liabilities	853,415
 NET ASSETS	
Invested in capital assets	925,081
Unrestricted	624,238
Total net assets	\$ 1,549,319

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, 2008

Expenses:

General Government:

Salaries and fringe benefits	\$ 1,081,509
Consultants	908,092
Non-sponsored trips	456,239
Accounting and payroll services	1,893
Advertising	8,171
Audit	18,500
Auto	15,604
Building security	465
Dues and fees	21,794
Equipment expense	21,258
File management	2,481
Insurance	17,690
Interest	8,920
Janitorial	7,468
Legal	24,000
Meeting expense	5,862
Miscellaneous	110
Office and technology supplies	26,371
Postage and delivery	5,708
Printing	6,452
Registration fees	5,647
Repair and maintenance	4,001
Subscriptions and publications	1,285
Telephone	6,532
Travel	16,260
Utilities	10,532
Depreciation	123,692
Total program expenses	2,806,536

Program Revenues:

Charges for services	1,282,287
Federal operating grants	718,723
Federal capital grants	179,448
State operating grants	645,456
State capital grants	22,431
Total program revenues	2,848,345
Net program revenues	41,809

General Revenues:

Member assessments	190,184
Interest income	7,314
Loss on investment in state pool	(2,315)
Other income	990
Total general revenues	196,173
Increase in net assets	237,982
Net assets - beginning of the year	1,311,337
Net assets - end of the year	\$ 1,549,319

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

CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
GENERAL FUND BALANCE SHEET
September 30, 2008

ASSETS

Cash	\$	398,376
Investment in state pool		259,010
Accounts receivable		755,200
Prepaid expenses		9,015
Unbilled costs		56,052
Total assets		1,477,653

LIABILITIES

Accounts payable		422,680
Accrued expenses		85,391
Deferred revenues		345,344
Total liabilities		853,415

FUND BALANCE

Unrestricted, undesignated		
Total fund balance		624,238

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		925,081
Net assets of governmental activities	\$	1,549,319

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
For the Year Ended September 30, 2008

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Member assessments	\$ 190,184	\$ 190,184	\$ 190,184	\$ -
Local and other	1,281,386	1,166,543	1,290,591	124,048
State grants	770,620	778,374	667,887	(110,487)
Federal grants	835,568	664,981	898,171	233,190
Total revenues	3,077,758	2,800,082	3,046,833	246,751
Expenditures:				
Salaries and fringe benefits	1,165,605	1,083,873	1,081,509	(2,364)
Consultants	638,960	793,028	908,092	115,064
Non-sponsored trips	337,833	337,833	456,239	118,406
Accounting and payroll services	6,000	2,000	1,893	(107)
Advertising	6,000	8,100	8,171	71
Audit	15,000	18,500	18,500	-
Auto	15,770	15,770	15,604	(166)
Building security	930	500	465	(35)
Dues and fees	24,000	24,000	21,794	(2,206)
Equipment expense	16,500	20,228	21,258	1,030
File management	3,000	3,000	2,481	(519)
Insurance	33,637	17,700	17,690	(10)
Interest	9,828	8,928	8,920	(8)
Janitorial	10,000	7,500	7,468	(32)
Legal	24,000	24,000	24,000	-
Meeting expense	12,500	6,000	5,862	(138)
Miscellaneous	1,000	500	110	(390)
Office and technology supplies	15,000	15,000	26,371	11,371
Postage and delivery	5,250	5,500	5,708	208
Printing	2,000	6,452	6,452	-
Registration fees	5,000	6,000	5,647	(353)
Repair and maintenance	10,000	2,000	4,001	2,001
Subscriptions and publications	5,000	1,500	1,285	(215)
Telephone	7,500	6,000	6,532	532
Travel	25,000	16,000	16,260	260
Utilities	9,200	11,000	10,532	(468)
Principal debt repayments	116,804	194,860	194,860	-
Loss on investment in state pool		-	2,315	2,315
Capital Outlay	490,109	464,310	468,204	3,894
Reserve	50,000	-	-	-
Total expenditures	3,061,426	3,100,082	3,348,223	248,141
Excess (deficit) of revenues over (under) expenditures	16,332	(300,000)	(301,390)	(1,390)
Fund balance - beginning of year	100,000	300,000	925,628	625,628
Fund balance - end of year	<u>\$ 116,332</u>	<u>\$ -</u>	<u>\$ 624,238</u>	<u>\$ 624,238</u>

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

CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
RECONCILIATION OF THE GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2008

Net change in governmental fund balance	\$	(301,390)
 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 (\$468,204) is allocated over their useful lives as depreciation expense. The amount of capital outlay expenses exceeded the depreciation expense (\$123,692) in the current period.		344,512
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.		194,860
 Increase in net assets	<u>\$</u>	<u>237,982</u>

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

CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2008

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Central Florida Regional Planning Council (the "Council") have been prepared to conform with accounting principles generally accepted in the United States of America, as applicable to government units. The Governmental Accounting Standards Board is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the significant accounting policies.

Reporting Entity

The Council is an association of local governments in DeSoto, Hardee, Highlands, Okeechobee and Polk counties. Its purpose is to advise and represent local governments in matters of comprehensive planning, to administer programs funded by state and federal grant programs, and to define, promote and preserve regional resources. The 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 Administrative 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 upon the principles set forth in accounting principles generally accepted in the United States of America, the Council is an oversight unit with no 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 are charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function, and 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 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

CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS – (Continued)
For the Year Ended September 30, 2008

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

measurement focus is upon determination of changes in financial position, rather than upon net income determination. The Council's major governmental fund, the General Fund, is the general operating fund of the Council.

Measurement Focus and Basis of Accounting

The government-wide financial statements, the Statement of Net Assets and the Statement of Activities, 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 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 accrual concept to intergovernmental revenues, the legal and contractual requirements of the 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 recorded as revenue when received.

Cash

The Council's cash deposits at September 30, 2008 were entirely insured under federal depository insurance or guaranteed by qualified public depositories in Florida pursuant to Chapter 280.07 Florida Statutes.

Investment in State Pool

In addition to cash held by a local bank, the Council invests excess cash in an external investment pool, the Local Government Surplus Funds Trust Fund (the "State Pool"). The State Pool is administered by the Florida State Board of Administration (the "SBA"),

CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS – (Continued)
For the Year Ended September 30, 2008

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

who provides regulatory oversight. During the year, the SBA reported that the State Pool was exposed to potential risks due to indirect exposure in the sub-prime mortgage financial market. Consequently, the SBA placed some restrictions on how participants could access their surplus funds and ultimately restructured the State Pool into two separate pools, “LGIP” and “Fund B”.

The Council’s investment in the State Pool exposes it to credit risk and, for Fund B, interest rate risk. The Council does not have a formal investment policy relating to these risks. Credit risk is the risk that in the event of a failure of the counterparty to a transaction, the Council will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

The LGIP has adopted operating procedures consistent with the requirements for a SEC 2a7-like fund (as defined in GASB 31), therefore the account balance should be considered the fair value of the investment. The LGIP is rated by Standard and Poors. The current rating is AAAm. The weighted average days to maturity (WAM) of the LGIP at September 30, 2008 was 8.5 days. A portfolio’s WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the LGIP to interest rate changes.

Fund B is accounted for as a fluctuating Net Asset Value (NAV) pool and is reported at fair value, determined by the fair value per share of the pool’s underlying portfolio. The Fair Value Factor for September 30, 2008 was .798385. Fund B is not rated by any nationally recognized statistical rating agency. The weighted average life (WAL) of Fund B at September 30, 2008 was 9.36 years. A portfolio’s WAL is the dollar weighted average length of time until securities held reach maturity. WAL is based on legal final maturity dates for Fund B as of September 30, 2008.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Receivables

Receivables include amounts due from services under various agreements. All receivables are current and therefore due within one year. All receivables are considered to be collectable and therefore no allowance for doubtful accounts is necessary.

CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS – (Continued)
For the Year Ended September 30, 2008

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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>
Building & Improvements	20 - 39
Furniture, Equipment & Vehicles	5 - 7

Unbilled Costs

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

Accrued Expenses

Accrued expenses include liabilities for compensated absences and accrued payroll at year end.

Deferred Revenues

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

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consist 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 resolution 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.

Indirect Cost Allocation

Indirect costs are those costs incurred for a common or joint purpose benefiting more than one program and cannot be readily identified with a particular program. The Council's policy for determining which costs are direct and which are indirect follows the definition in OMB Circular No. A-87. Indirect costs include equipment rental and maintenance, legal

CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS – (Continued)
For the Year Ended September 30, 2008

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

expense, insurance, office supplies and depreciation. Using direct salaries as the cost base, indirect costs are allocated to programs on a prorated basis.

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 Data

As allowed by GASB Statement No. 41, Budgetary Comparison Schedules – Perspective Differences, the Council presents budgetary comparisons in the General Fund Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.

B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Total net assets of the governmental-wide activities of \$1,549,319 reported on the Statement of Net Assets differ from the total fund balance of \$624,238 reported on the General Fund Balance Sheet. This difference results from the long-term economic focus of the Statement of Net Assets versus the current financial resources focus of the General Fund Balance Sheet.

Capital related items

When capital assets (property, plant, equipment) to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in the General Fund Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual. The government-wide Statement of Net Assets includes those capital assets as an asset and as net assets invested in capital assets.

Cost of capital assets	\$ 1,943,989
Accumulated depreciation	<u>(1,018,908)</u>
Net capital assets added	<u>\$ 925,081</u>

**CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
 NOTES TO FINANCIAL STATEMENTS – (Continued)
 For the Year Ended September 30, 2008**

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

Explanation of Differences Between the Government-wide Statement of Activities and the General Fund Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

The increase in net assets for governmental activities of \$237,982 reported in the Statement of Activities differs from the deficit of revenues under expenditures \$(301,390) reported in the General Fund Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual. The difference results 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	\$ 468,204
Depreciation expense	<u>(123,692)</u>
Difference	<u>\$ 344,512</u>

Long-term debt transactions

The repayment of the principal of long-term debt consumes the current financial resources of governmental funds. However, in the statement of net activities, the reduction of debt reduces a long-term liability and increases net assets invested in capital.

Principal repayments	<u>\$ 194,860</u>
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CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS – (Continued)
For the Year Ended September 30, 2008

C- INVESTMENT IN STATE POOL

The fair value of funds held in the State Board of Administration's Local Government Surplus Funds Trust Fund Investment Pool (LGIP) and the Fund B Surplus Funds Trust Fund (Fund B) at September 30, 2008 is as follows:

LGIP Fund	\$ 249,843
Fund B	<u>9,167</u>
Total	<u>\$ 259,010</u>

D - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended September 30, 2008:

	Balance 9/30/07	Additions	Disposals	Balance 9/30/08
Capital assets, not being depreciated:				
Land	\$ 50,000	\$ -	\$ -	\$ 50,000
Capital assets, being depreciated				
Building	338,050	180,604	-	518,654
Computer hardware	100,571	45,895	(23,932)	122,534
Operating equipment	33,504	-	(21,552)	11,952
Furniture	31,897	17,395	(5,506)	43,786
Vehicles	<u>972,753</u>	<u>224,310</u>	<u>-</u>	<u>1,197,063</u>
Total capital assets being depreciated	<u>1,476,775</u>	<u>468,204</u>	<u>(50,990)</u>	<u>1,893,989</u>
Less accumulated depreciation for:				
Building	88,060	12,786	-	100,846
Computer hardware	58,679	16,736	(23,932)	51,483
Operating equipment	32,024	397	(21,552)	10,869
Furniture	31,579	2,060	(5,506)	28,133
Vehicles	<u>735,864</u>	<u>91,713</u>	<u>-</u>	<u>827,577</u>
Total accumulated depreciation	<u>946,206</u>	<u>123,692</u>	<u>(50,990)</u>	<u>1,018,908</u>
Total capital assets, being depreciated, net	<u>530,569</u>	<u>344,512</u>	<u>-</u>	<u>875,081</u>
Governmental activities capital assets, net	<u>\$ 580,569</u>	<u>\$ 344,512</u>	<u>\$ -</u>	<u>\$ 925,081</u>

**CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
 NOTES TO FINANCIAL STATEMENTS – (Continued)
 For the Year Ended September 30, 2008**

E – DEFERRED REVENUE

Deferred revenue at September 30, 2008 consisted of the following:

Deferred DRI revenue	\$ 118,344
Deferred grant revenue	190,000
Deferred PAS revenue	<u>37,000</u>
	<u>\$ 345,344</u>

F - GENERAL LONG TERM DEBT

The following is a summary of changes to the general long-term debt as of September 30, 2008:

	Balance 9/30/07	Additions	Deletions	Balance 9/30/08
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	<u>\$ 194,860</u>	<u>\$ -</u>	<u>\$ (194,860)</u>	<u>\$ -</u>

G- OPERATING LEASES

The Council has entered into operating lease agreements for office equipment. Total expense for all operating lease agreements for the year ended September 30, 2008 was \$10,754. Minimum noncancellable lease commitments are as follows:

2009	\$ 15,242
2010	15,242
2011	15,242
2012	<u>6,055</u>
	<u>\$ 51,781</u>

H – RETIREMENT PLAN

The Council has a 457(b) retirement plan for the benefit of its employees. Employees may elect to defer compensation to the plan up to annual limits established by law. The Council matches employee deferrals based upon length of employment and individual employee deferral. The Council's contributions to the 457(b) retirement plan for the year ended September 30, 2008 were \$61,957.

OTHER SUPPLEMENTARY INFORMATION

CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
SCHEDULE OF REVENUES AND EXPENDITURES - BY PROGRAM
For the Year Ended September 30, 2008

	Total	Planning Advisory Services	Developments of Regional Impact	Transportation Disadvantaged	Hazard Analysis & Emergency Management	DCA	EDA	Evac Study	JLUS	Non Program	Eliminations	Indirect Costs
Revenue:												
Member Assessments	\$ 190,184	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 190,184	\$ -	\$ -
Local/Other Revenue	1,290,591	310,834	726,713	60,431	129,385	55,000	22,714	-	-	8,228	(22,714)	-
State Revenue	667,887	89,150	-	73,888	49,527	455,322	-	-	-	-	-	-
Federal Revenue	898,171	-	-	689,527	28,968	-	53,000	101,695	24,981	-	-	-
Total Revenue	3,046,833	399,984	726,713	823,846	207,880	510,322	75,714	101,695	24,981	198,412	(22,714)	-
Expenditures:												
Salaries	785,140	166,127	61,527	57,536	55,831	225,656	56,348	23,843	8,658	21,550	-	108,064
Fringe benefits	296,369	62,713	23,227	21,720	21,076	85,185	21,271	9,001	3,269	8,161	-	40,746
Consultants	908,092	204,079	557,509	-	64,404	78,190	-	-	-	1,500	-	2,410
Non-sponsored trips	456,239	-	-	456,239	-	-	-	-	-	-	-	-
Accounting and payroll services	1,893	-	-	-	-	-	-	-	-	-	-	1,893
Advertising	8,171	-	2,578	28	1,518	370	41	-	-	242	-	3,394
Audit	18,500	-	-	-	-	-	-	-	-	-	-	18,500
Auto expense	15,604	-	-	-	-	-	-	-	-	-	-	15,604
Building security	465	-	-	-	-	-	-	-	-	-	-	465
Dues and fees	21,794	-	-	-	75	-	-	-	-	16,772	-	4,947
Equipment expense	21,258	4,372	8,033	1,221	418	2,155	406	277	13	809	-	3,554
File management	2,481	-	-	-	-	-	-	-	-	-	-	2,481
Insurance	17,690	-	-	-	-	-	-	-	-	-	-	17,690
Interest	8,920	-	-	-	-	-	-	-	-	-	-	8,920
Janitorial	7,468	-	-	-	-	-	-	-	-	-	-	7,468
Legal	24,000	-	-	-	-	-	-	-	-	-	-	24,000
Meeting expense	5,862	85	521	-	81	1,106	580	36	-	2,907	-	546
Miscellaneous	110	-	-	-	-	-	-	-	-	-	-	110
Office and technology supplies	26,371	44	802	-	-	223	-	-	-	243	-	25,059
Postage and delivery	5,708	972	1,312	773	170	903	202	20	-	515	-	841
Printing	6,452	-	3,161	-	-	2,700	-	-	-	-	-	591
Registration fees	5,647	155	-	205	200	3,215	150	-	-	495	-	1,227
Repair and maintenance	4,001	-	-	-	-	-	-	-	-	-	-	4,001
Subscription and publications	1,285	279	-	-	-	-	-	-	-	-	-	1,006
Telephone	6,532	-	-	-	-	-	-	-	-	-	-	6,532
Travel	16,260	782	282	1,503	6,397	2,052	921	1,037	-	2,667	-	619
Utilities	10,532	-	-	-	-	-	-	-	-	-	-	10,532
Depreciation expense	123,692	-	-	91,713	-	-	-	-	-	-	-	31,979
Unrealized loss on investment	2,315	-	-	-	-	-	-	-	-	-	-	2,315
Local match expense	-	-	-	-	-	-	-	-	-	-	-	(343,179)
Indirect costs	-	84,209	31,188	29,165	28,301	114,385	28,563	12,086	4,389	10,893	-	-
Total Expenditures	2,808,851	523,817	690,140	660,103	178,471	516,140	108,482	46,300	16,329	91,783	(22,714)	-
Revenue Over(Under) Expenditures	\$ 237,982	\$ (123,833)	\$ 36,573	\$ 163,743	\$ 29,409	\$ (5,818)	\$ (32,768)	\$ 55,395	\$ 8,652	\$ 106,629	\$ -	\$ -

CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
SCHEDULE OF INDIRECT COSTS
For the Year Ended September 30, 2008

Indirect Costs

Salaries Expense	108,064
Employee Fringe Benefits	40,746
Consultants	2,410
Accounting/Payroll Services	1,893
Advertising	3,394
Audit Expense	18,500
Auto Expense	15,604
Building Security	465
Dues & Fees	4,947
Equipment Expense	3,554
File Management	2,481
Insurance	17,690
Interest Expense	8,920
Janitorial/Maintenance	7,468
Legal Fees	24,000
Meeting Expense	546
Miscellaneous	110
Office and Technology Supplies	25,059
Postage & Delivery	841
Printing	591
Registration Fees	1,227
Repair & Maintenance	4,001
Subscriptions & Publications	1,006
Telephone	6,532
Travel	619
Utilities	10,532
Depreciation Expense	31,979

Total Indirect Costs	<u>343,179</u>
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Basis of allocation of indirect costs:

Fringe Benefit allocation Rate

Total Fringe Benefits	<u>296,369</u>	=	37.75%
Total Salaries	785,140		

Indirect Cost Allocation Rate (After allocation of fringe benefits)

Total Indirect Costs	<u>343,179</u>	=	50.69%
Direct Salaries	677,076		

COMPLIANCE SECTION

**CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the Year Ended September 30, 2008**

	CFDA/ CSFA Number	Expenditures		
		Federal	State	Total
FEDERAL AWARDS				
United States Department of Transportation				
Hazardous Materials Emergency Preparedness				
Passed Through Florida Division of Emergency Management				
Contract #08-DT-72-13-00-21-268				
	20.703	\$ 28,489	\$ -	\$ 28,489
Federal Transit Administration				
Multi-Year Joint Participation Agreement				
Urban Mass Transportation Act, Section 5311				
Contract #AM585; FM 204671-1-84-25				
*	20.509	69,393	-	69,393
Joint Participation Agreement, Urban Mass				
Transportation Act, Section 5311				
Contract #AOV78; FM 410124-1-84				
*	20.509	440,972	-	440,972
Elderly and Persons with Disabilities Program				
Section 5310, Capital grant				
Contract #FL-16-0031				
	20.513	98,218	-	98,218
Elderly and Persons with Disabilities Program				
Section 5310, Capital grant				
Contract #FL-16-0032				
	20.513	81,230	-	81,230
United States Department of Commerce				
Economic Development Administration				
Comprehensive Economic Development Strategies				
Contract #04-83-05982				
	11.302	53,000	-	53,000
Department of Homeland Security				
Statewide Regional Evacuation Study Program				
HS Funds passed thru Northeast Florida RPC				
07-HS-32-00-21-355				
Subcontract with Northeast Florida Regional Planning Council				
	97.039	101,695	-	101,695
Department of Defense				
Office of Economic Adjustment				
Contract #EN0719-08-01				
	12.61	24,981	-	24,981
Total Federal Financial Awards		\$ 897,978	\$ -	\$ 897,978
STATE FINANCIAL ASSISTANCE				
Florida Department of Community Affairs				
Regional Planning Council Funding				
Contract #08-DR-95-13-00-21-007				
*	52.006	\$ -	\$ 194,572	\$ 194,572
Contract #09-DR-AZ-13-00-21-007				
*	52.006	-	65,750	65,750

* Tested as a major program

CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE - (Continued)
For the Year Ended September 30, 2008

	CFDA/ CSFA Number	Expenditures		
		Federal	State	Total
Hazardous Materials Hazards Analysis Update				
Division of Emergency Management				
Florida Hazardous Materials Planning and Prevention Program				
Contract #08CP-04-13-00-21-024	52.023	-	4,502	4,502
Contract #09CP-04-13-00-21-000	52.023	-	2,117	2,117
Local Emergency Planning Committee Staffing				
Division of Emergency Management				
Florida Hazardous Materials Planning and Prevention Program				
Contract #08CP-04-13-00-21-033	52.023	-	26,389	26,389
Contract #09CP-04-13-00-21-034	52.023	-	16,520	16,520
Technical Assistance Planning				
Rural and Small Town Evaluation and Appraisal Reports (EARs)				
Contract #08-DR-93-13-00-21-001	* 52.028	-	170,000	170,000
Implementation of SB360				
Visioning for Florida's Heartland				
Contract #08-DR-90-13-00-21-003	52.033	-	25,000	25,000
Enterprise Florida, Inc.				
Defense Infrastructure Grant				
Avon Park Joint Land Use Study				
Contract #DIG-07-07	31.0044	-	89,150	89,150
Florida Commission for the Transportation Disadvantaged				
Transportation Disadvantaged Planning Program				
Hardee, Highlands and Okechobee Counties				
Contract #AOR80	55.002	-	40,854	40,854
Contract #AP635	55.002	-	10,606	10,606
Florida Department of Transportation				
State match for TD vehicles 2006-2007				
FL-16-0031	55.014	-	11,216	11,216
State match for TD vehicles 2007-2008				
FL-16-0032	55.014	-	11,215	11,215
Total State Financial Assistance		\$ -	\$ 667,891	\$ 667,891
Total Federal Financial Awards and State Financial Assistance		\$ 897,978	\$ 667,891	\$ 1,565,869

* Tested as a major program

**CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the Year Ended September 30, 2008**

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 the Central Florida Regional Planning Council. The Council reporting entity is defined in Note A to the Council's basic financial statements for the year ended September 30, 2008. 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, 2008.

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 January 7, 2009, 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, 2008**

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Federal and State Awards Section

Internal control over financial reporting:	
Significant deficiencies identified?	No
Significant deficiencies considered to be material weaknesses?	No
Type of auditor's report on compliance for major programs	Unqualified
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, Section 5311	20.509
<u>State Projects:</u>	<u>CSFA No.</u>
Regional Planning Council Funding	52.006
Technical Assistance Planning	52.028

Dollar threshold used to distinguish between Type A and Type B programs:	Federal Programs - \$300,000 State Projects - \$300,000
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Auditee qualified as low-risk auditee?	No
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**CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Concluded)
FEDERAL PROGRAMS AND STATE PROJECTS
September 30, 2008**

II. FINANCIAL STATEMENT FINDINGS

This section identifies 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*.

No significant deficiencies, material weaknesses or instances of noncompliance related to the basic financial statements were noted.

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARD AND STATE PROJECTS

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

No significant deficiencies, material weaknesses or instances of noncompliance, including questioned costs, related to the major programs were noted during the current or prior year.



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
555 East Church Street
Bartow, Florida 33830-3931

We have audited the financial statements of Central Florida Regional Planning Council (the Council) as of and for the year ended September 30, 2008, and have issued our report thereon dated January 7, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Council's internal control over financial reporting (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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control over financial reporting.

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.

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 over financial reporting.

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

Compliance and Other Matters

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

This report is intended 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 CPA's, L.L.P.
Lakeland, Florida
January 7, 2009



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 STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT

Council Members
Central Florida Regional Planning Council
555 East Church Street
Bartow, Florida 33830-3931

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 and, the requirements described in the Department of Financial Services' State Projects Compliance Supplement*, that are applicable to each of its major federal programs and state projects for the year ended September 30, 2008. The Council's major federal programs and state projects 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 and state projects is the responsibility of the Council's management. Our responsibility is to express an opinion on the Council's compliance based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Auditor General. Those standards, OMB Circular A-133, and Chapter 10.550, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program and state projects 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 and state projects for the year ended September 30, 2008.

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 and state projects. 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 and a state project 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 and a state project 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 and a state project such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program and a state project that is more than inconsequential will not be prevented or detected by the entity's internal control over compliance.

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 and a state project will not be prevented or detected by any entity's internal control over compliance.

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 Council, 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 CPA'S L.L.P.
Lakeland, Florida
January 7, 2009



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

Certified Public Accountants and Consultants

MANAGEMENT LETTER

Council Members
Central Florida Regional Planning Council
555 East Church Street
Bartow, Florida 33830-3931

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, 2008, and have issued our report thereon dated January 7, 2009.

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 Program, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated January 7, 2009, 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.

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

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

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management, accounting procedures, and internal controls. In connection with our audit, we did not have any such current year recommendations.

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

Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that are inconsequential to the determination of financial statement amounts, considering both quantitative and qualitative factors: (1) violations of laws, regulations, contracts or grant agreements, or abuse that have occurred, or are likely to have occurred, and (2) 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 annual financial statements); (b) failures to properly record financial transactions; and (c) inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. In connection with our audit, we did not have any such findings.

STATUS OF PRIOR 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.

Status:

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

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.

Status:

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

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.

Status:

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

CURRENT YEAR COMMENTS

There were no current year comments.

Section 10.554(1)(i)6.), Rules of the Auditor General, 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.

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

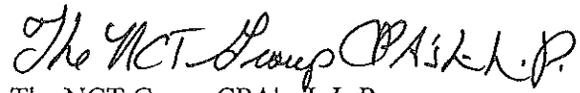
Section 10.554(1)(i)7.b., Rules of the Auditor General, requires that we determine whether the annual financial report for Central Florida Regional Planning Council for the fiscal year ended September 30, 2008, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2008. In connection with our audit, we determined that these two reports were in agreement.

Pursuant to Sections 10.554(1)(i)7.c. and 10.556.(7), Rules of the Auditor General, we applied financial condition assessment procedures. It is managements' responsibility to monitor Central Florida Regional Planning Council's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Central Florida Regional Planning Council
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Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited .

This management letter is intended solely for the information and use of the 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 CPA's, L.L.P.

Lakeland, Florida

January 7, 2009