

CENTRAL FLORIDA
REGIONAL PLANNING COUNCIL

FINANCIAL STATEMENTS
and
AUDITOR'S REPORTS

September 30, 2010

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities and the major fund of Central Florida Regional Planning Council as of and for the year ended September 30, 2010, 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 opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 the 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of Central Florida Regional Planning Council, as of September 30, 2010, and the changes in 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 January 10, 2011, on our consideration of the Central Florida Regional Planning Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 8 be presented to supplement the basic financial statements.

Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 22 through 23 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 Central Florida Regional Planning Council's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The NCT Group CPAs, LLC

January 10, 2011

**CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2010**

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, 2010. 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, 2010

- Assets of the Council exceeded liabilities at the close of the fiscal year by \$1,553,698. Unrestricted net assets were \$783,079 and may be used to meet the Council's ongoing obligations. Net assets invested in capital were \$770,619 and are comprised of the Council's property and equipment, net of accumulated depreciation.
- The increase in net assets of \$15,215 is the amount by which total Revenues exceeded total Expenses.
- The Council invested a total of \$113,201 in new vehicles and technology equipment.

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 9 and 10 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.

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).

**CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2010**

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 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 capital outlay expenditures and excludes depreciation expense and changes in certain long-term liabilities.

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 11 and 12 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 14 through 21 of this report.

**CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2010**

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>2010</u>	<u>2009</u>	<u>Increase (Decrease)</u>
Current and other assets	\$ 1,259,048	\$ 1,124,670	\$ 134,378
Capital assets	<u>770,619</u>	<u>810,424</u>	<u>(39,805)</u>
Total assets	<u>2,029,667</u>	<u>1,935,094</u>	<u>94,573</u>
Liabilities	<u>475,969</u>	<u>396,611</u>	<u>79,358</u>
Invested in capital assets, net of related debt	770,619	810,424	(39,805)
Unrestricted	<u>783,079</u>	<u>728,059</u>	<u>55,020</u>
Total net assets	<u>\$ 1,553,698</u>	<u>\$ 1,538,483</u>	<u>\$ 15,215</u>

**CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2010**

	<u>2010</u>	<u>2009</u>	<u>Increase (Decrease)</u>
Expenses:			
General Government:			
Salaries and fringe benefits	\$ 1,254,061	\$ 1,362,093	\$ (108,032)
Consultants	590,289	413,773	176,516
Transportation for the disadvantaged	491,755	476,209	15,546
Accounting and payroll services	960	929	31
Advertising	2,688	4,873	(2,185)
Audit	20,350	20,350	-
Auto	14,188	13,173	1,015
Building security	459	391	68
Dues and fees	21,821	19,586	2,235
Equipment expense	23,124	24,712	(1,588)
File management	2,851	4,425	(1,574)
Insurance	20,334	16,599	3,735
Janitorial	7,569	16,125	(8,556)
Legal	24,000	24,000	-
Meeting expense	4,768	5,782	(1,014)
Office and technology supplies	29,640	29,390	250
Postage and delivery	8,170	8,047	123
Printing	6,109	8,248	(2,139)
Registration fees	4,058	3,953	105
Repair and maintenance	3,872	2,366	1,506
Subscriptions and publications	724	1,002	(278)
Telephone	7,321	7,509	(188)
Travel	21,141	20,821	320
Utilities	12,617	15,416	(2,799)
Depreciation	153,006	147,058	5,948
Total program expenses	<u>2,725,875</u>	<u>2,646,830</u>	<u>79,045</u>
Program Revenues:			
Charges for services	795,607	1,095,453	(299,846)
Federal operating grants	1,326,639	863,274	463,365
Federal capital grants	83,554	-	83,554
State operating grants	329,273	476,518	(147,245)
Total program revenues	<u>2,535,073</u>	<u>2,435,245</u>	<u>99,828</u>
Net program revenues	<u>(190,802)</u>	<u>(211,585)</u>	<u>20,783</u>
General Revenues:			
Member assessments	197,080	195,080	2,000
Interest income	1,742	2,234	(492)
Gain/(Loss) on investment in state pool	1,828	(1,964)	3,792
Other income	5,367	5,399	(32)
Total general revenues	<u>206,017</u>	<u>200,749</u>	<u>5,268</u>
Increase (Decrease) in net assets	15,215	(10,836)	26,051
Net assets - beginning of the year	1,538,483	1,549,319	(10,836)
Net assets - end of the year	<u>\$ 1,553,698</u>	<u>\$ 1,538,483</u>	<u>\$ 15,215</u>

**CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2010**

Assets and Liabilities and Net Assets

At September 30, 2010, the Council reported assets in the amount of \$2,029,667. The largest portion of the Council's assets, in the amount of \$770,619, is its investment in capital assets (e.g. building, computer hardware, furniture, operating equipment, vehicles). Additions to capital assets were \$113,201 and the addition to accumulated depreciation was \$153,006. Capital assets are not available for future spending.

Other assets at year end included receivables of \$602,025 and cash and investments totaling \$637,078. The increase in current assets is attributable to an increase in year-end receivables.

The Council reported liabilities totaling \$475,969, comprised of \$387,241 of expenses to be paid and \$88,728 of deferred revenues. The increase in current liabilities is attributable to an increase in year-end accounts payable.

Net assets may serve over time as one useful indicator of a government's financial condition. The Council's total net assets increased by \$15,215 for the fiscal year ended September 30, 2010.

Revenues

Total Revenues increased approximately 4% from \$2,635,994 in fiscal year 2009 to \$2,741,090 in 2010.

Member Assessments and Local/Other Revenue account for approximately 37% 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. Member assessments remained consistent from fiscal year 2009, while fees for other services decreased approximately \$300,000, resulting in a decrease in local/other revenue of 23%.

Federal Revenue accounts for approximately 51% of the Council's revenue and includes funding from the Department of Transportation (DOT) for the Transportation Disadvantaged program, the Environmental Protection Agency (EPA) for the Brownfields program and the Economic Development Administration (EDA) for the Disaster Resiliency Study and district planning. Compared to fiscal year 2009, federal revenue increased approximately 63% due to increases in funding from these agencies.

State Revenue accounts for approximately 12% of the Council's total revenue, and includes funding from the State of Florida Department of Community Affairs (DCA), Florida Department of Emergency Management and the Florida Commission for the Transportation Disadvantaged. State revenues decreased 31% compared to fiscal year 2009, primarily due to continued reduction in funding from DCA.

**CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2010**

Expenses

Expenses increased 3% from \$2,646,830 in fiscal year 2009 to \$2,725,875 in fiscal year 2010. The increase includes an increase in consultant expenses offset by a reduction in salary and fringe benefit expenses. These items and transportation for the disadvantaged expenses comprise 86% of total expenses.

Budgetary Highlights

The Council revised its original budget for fiscal year 2010 to reflect anticipated decreases in local, state and federal funding. Line items within the expense budget were adjusted based upon year to date actual expenses. However, increased activity in the EPA Brownfields program in the last quarter of the fiscal year resulted in total revenues nearer the original budgeted amount. This increased activity also resulted in higher consultant expenses than were provided for in the revised budget.

Actual variances from the final budget include pass through revenues and expenses for the EPA Brownfields program and two vehicles funded by the Department of Transportation for the Transportation Disadvantaged program. The application for the vehicles was approved by the Council in the previous year and delivered in the current year.

Capital Asset Activity

The Council's investments in capital assets at September 30, 2010, amounted to \$770,619 (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 \$113,201 in capital assets including \$102,286 for new vehicles, and \$10,915 for technology equipment.

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. Available revenue is expected to continue to decrease. The Council has been successful in obtaining funding through federal grants for fiscal year 2011.

The Department of Housing and Urban Development (HUD) has awarded the Council and a consortium of local governments and agencies a \$1.4 million cooperative agreement for its Sustainable Communities Regional Planning program. The EPA Brownfields and EDA regional planning programs will continue in FY 2011.

CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
STATEMENT OF NET ASSETS
September 30, 2010

ASSETS

Cash	\$ 630,995
Investments	6,083
Accounts receivable	602,025
Prepaid expenses	19,945
Capital assets not being depreciated	50,000
Capital assets, net of accumulated depreciation of \$667,181	720,619
Total assets	<u>2,029,667</u>

LIABILITIES

Accounts payable	308,974
Accrued expenses	36,948
Deferred revenues	88,728
Accrued compensated absences	41,319
Total liabilities	<u>475,969</u>

NET ASSETS

Invested in capital assets	770,619
Unrestricted	783,079
Total net assets	<u>\$ 1,553,698</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, 2010

Expenses:

General Government:

Salaries and fringe benefits	\$	1,254,061
Consultants		590,289
Transportation for the disadvantaged		491,755
Accounting and payroll services		960
Advertising		2,688
Audit		20,350
Auto		14,188
Building security		459
Dues and fees		21,821
Equipment expense		23,124
File management		2,851
Insurance		20,334
Janitorial		7,569
Legal		24,000
Meeting expense		4,768
Office and technology supplies		29,640
Postage and delivery		8,170
Printing		6,109
Registration fees		4,058
Repair and maintenance		3,872
Subscriptions and publications		724
Telephone		7,321
Travel		21,141
Utilities		12,617
Depreciation		153,006
Total program expenses		<u>2,725,875</u>

Program Revenues:

Charges for services	795,607
Federal operating grants	1,326,639
Federal capital grants	83,554
State operating grants	329,273
Total program revenues	<u>2,535,073</u>
Net program revenues	<u>(190,802)</u>

General Revenues:

Member assessments	197,080
Interest income	1,742
Gain on investment in state pool	1,828
Other income	5,367
Total general revenues	<u>206,017</u>
Increase in net assets	15,215
Net assets - beginning of the year	1,538,483
Net assets - end of the year	<u>\$ 1,553,698</u>

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

**CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
GENERAL FUND BALANCE SHEET
September 30, 2010**

ASSETS

Cash	\$	630,995
Investments		6,083
Accounts receivable		602,025
Prepaid expenses		19,945
Total assets		1,259,048

LIABILITIES

Accounts payable		308,974
Accrued expenses		36,948
Deferred revenues		88,728
Total liabilities		434,650

FUND BALANCE

Unrestricted, undesignated		824,398
Total fund balance		824,398

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		770,619
Accrued compensated absences are a long-term liability which is not due and payable in the current period and therefore is not reported in the fund		(41,319)
Net assets of governmental activities	\$	1,553,698

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, 2010

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Member assessments	\$ 197,000	\$ 197,084	\$ 197,080	\$ (4)
Local and other	724,000	761,418	804,544	43,126
State grants	441,000	369,246	329,273	(39,973)
Federal grants	1,404,500	1,190,574	1,410,193	219,619
Total revenues	2,766,500	2,518,322	2,741,090	222,768
Expenditures:				
Salaries and fringe benefits	1,388,650	1,263,951	1,245,497	(18,454)
Consultants	736,500	462,900	590,289	127,389
Transportation for the disadvantaged	340,000	481,000	491,755	10,755
Accounting and payroll services	1,000	1,000	960	(40)
Advertising	7,500	3,000	2,688	(312)
Audit	20,350	20,350	20,350	-
Auto	21,000	15,000	14,188	(812)
Building security	500	435	459	24
Dues and fees	24,000	22,000	21,821	(179)
Equipment expense	25,000	25,000	23,124	(1,876)
File management	3,500	2,800	2,851	51
Insurance	25,000	25,334	20,334	(5,000)
Janitorial	16,000	7,500	7,569	69
Legal	24,000	24,000	24,000	-
Meeting expense	5,000	5,000	4,768	(232)
Miscellaneous	1,000	1,000	-	(1,000)
Office and technology supplies	33,000	34,000	29,640	(4,360)
Postage and delivery	7,500	7,500	8,170	670
Printing	8,000	7,000	6,109	(891)
Registration fees	6,000	4,498	4,058	(440)
Repair and maintenance	10,000	4,500	3,872	(628)
Subscriptions and publications	1,500	1,000	724	(276)
Telephone	9,000	8,000	7,321	(679)
Travel	20,000	24,000	21,141	(2,859)
Utilities	15,000	13,000	12,617	(383)
Loss on investment in state pool	2,500	-	-	-
Capital Outlay	15,000	29,647	113,201	83,554
Total expenditures	2,766,500	2,493,415	2,677,506	184,091
Excess of revenues over expenditures	-	24,907	63,584	38,677
Fund balance - beginning of year	760,814	760,814	760,814	-
Fund balance - end of year	\$ 760,814	\$ 785,721	\$ 824,398	\$ 38,677

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, 2010**

Net change in governmental fund balance	\$	63,584
 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 (\$113,201) is allocated over their useful lives as depreciation expense. The amount of depreciation expense (\$153,006) exceeded the capital outlay expenditures in the current period.		(39,805)
Accrued compensated absences expenses are reported on the statement of activities and do not require the use of current financial resources. The change in accrued compensated absences in not reported as an expenditure in governmental funds.		(8,564)
 Increase in net assets	<u>\$</u>	<u>15,215</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, 2010**

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 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 measurement focus is upon determination of changes in financial position, rather than upon net income

CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2010

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Governmental Fund Type - continued

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 accrual criteria are met. Miscellaneous revenues are recorded as revenue when received.

Cash

The Council's cash deposits at September 30, 2010 were entirely insured under federal depository insurance or guaranteed by qualified public depositories in Florida pursuant to Chapter 280.07 Florida Statutes.

Investments

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"), who provides regulatory oversight. During the year ended September 30, 2008, the SBA reported

**CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2010**

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Investments - continued

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, “Florida PRIME” 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 Florida PRIME 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 Florida PRIME is rated by Standard & Poor’s. The current rating is AAAM. The weighted average days to maturity (WAM) of the Florida PRIME at September 30, 2010 was 52 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, 2010 was approximately 0.71. Fund B is not rated by any nationally recognized statistical rating agency. The weighted average life (WAL) of Fund B at September 30, 2010 was 7.49 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, 2010.

Accounts Receivable

Receivables include amounts due for services under various agreements which are due within one year.

Prepaid Expenses

Prepaid expenses are payments which have been made in the current period for expenses related to a future period.

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

**CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2010**

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Capital Assets - continued

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. Land is not depreciated. 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

Accounts Payable

Payables include amounts due to vendors for services under various agreements which are due within one year.

Accrued Expenses

Accrued expenses include liabilities for accrued payroll and other accrued expenses.

Deferred Revenues

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

Accrued Compensated Absences

Accrued compensated absences represent the liability due to employees for leave earned but not yet taken.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets consist of capital assets, net of accumulated depreciation. 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 occupancy, equipment rental and maintenance, legal expense, insurance, office supplies and depreciation. Using direct salaries as the cost base, indirect costs are allocated to programs on a prorated basis.

CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2010

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

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 \$1,553,698 reported on the Statement of Net Assets differ from the total fund balance of \$824,398 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	\$ 1,387,800
Accumulated depreciation	<u>(667,181)</u>
Net capital assets	<u>\$ 770,619</u>

**CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2010**

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

Accrued Compensated Absences

Long-term liabilities applicable to the Council’s activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Assets.

Accrued compensated absences	\$ <u>41,319</u>
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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 \$15,215 reported in the Statement of Activities differs from the excess of revenues over expenditures of \$63,584 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	\$ 113,201
Depreciation expense	<u>(153,006)</u>
Difference	<u>\$ (39,805)</u>

Accrued Compensated Absences

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Net change in accrued compensated absences	\$ <u>(8,564)</u>
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**CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2010**

C - INVESTMENT IN STATE POOL

The fair value of funds held in the State Board of Administration's Florida PRIME and Fund B at September 30, 2010 is as follows.

Florida PRIME	\$	892
Fund B		<u>5,191</u>
		<u>\$ 6,083</u>

D - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended September 30, 2010:

	<u>Balance 9/30/09</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance 9/30/10</u>
Capital assets, not being depreciated				
Land	\$ 50,000	\$ -	\$ -	\$ 50,000
Capital assets, being depreciated				
Building	525,332	-	-	525,332
Computer hardware	127,257	10,915	(7,270)	130,902
Operating equipment	11,952	-	-	11,952
Furniture	43,786	-	(2,258)	41,528
Vehicles	<u>1,194,646</u>	<u>102,286</u>	<u>(618,846)</u>	<u>678,086</u>
Assets being depreciated	<u>1,902,973</u>	<u>113,201</u>	<u>(628,374)</u>	<u>1,387,800</u>
Accumulated depreciation				
Building	121,618	20,943	-	142,561
Computer hardware	72,670	21,504	(7,270)	86,904
Operating equipment	11,265	397	-	11,662
Furniture	30,679	2,515	(2,258)	30,936
Vehicles	<u>906,317</u>	<u>107,647</u>	<u>(618,846)</u>	<u>395,118</u>
Total accumulated depreciation	<u>1,142,549</u>	<u>153,006</u>	<u>(628,374)</u>	<u>667,181</u>
Total capital assets, being depreciated, net	<u>760,424</u>	<u>(39,805)</u>	<u>-</u>	<u>720,619</u>
Governmental activities capital assets, net	<u>\$ 810,424</u>	<u>\$ (39,805)</u>	<u>\$ -</u>	<u>\$ 770,619</u>

CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2010

E – DEFERRED REVENUE

Deferred revenue at September 30, 2010 consisted of the following:

Deferred DRI revenue	\$ 48,728
Deferred grant revenue	<u>40,000</u>
	<u>\$ 88,728</u>

F- 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, 2010 was \$14,670. Minimum noncancellable lease commitments are as follows:

2011	\$ 14,660
2012	12,042
2013	12,042
2014	12,042
2015	<u>6,021</u>
	<u>\$ 56,807</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, 2010 were \$48,463.

CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
SCHEDULE OF REVENUES AND EXPENDITURES - BY PROGRAM
For the Year Ended September 30, 2010

	Total	Planning Advisory Services	Developments of Regional Impact	Transportation Disadvantaged	Hazards Analysis & Emergency Management	Heartland 2060	Economic Development	Evacuation Study	JLUS	Brownfields	Non Program	Eliminations	Indirect Costs
Revenue:													
Member Assessments	\$ 197,080	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 197,080	\$ -	\$ -
Local/Other Revenue	804,544	476,098	227,684	38,000	53,824		81,968				8,938	(81,968)	-
State Revenue	329,273	190,545		53,174	44,684	10,000			30,870				-
Federal Revenue	1,410,193			668,729	52,781		295,426		87,795	305,462			-
Total Revenue	2,741,090	666,643	227,684	759,903	151,289	10,000	377,394	-	118,665	305,462	206,018	(81,968)	-
Expenditures:													
Salaries	925,352	358,582	23,680	93,251	49,474	7,325	226,309	28,877	18,985	27,045	10,131	-	81,693
Fringe benefits	328,709	127,391	8,411	33,123	17,573	2,602	80,385	10,257	6,744	9,607	3,599	-	29,017
Consultants	590,289	17,745	156,470	-	44,852	-	-	-	92,765	278,457	-	-	-
Non-sponsored trips	491,755	-	-	491,755	-	-	-	-	-	-	-	-	-
Accounting and payroll service	960	-	-	-	-	-	-	-	-	-	-	-	960
Advertising	2,688	334	-	385	1,306	164	-	-	288	25	186	-	-
Audit	20,350	-	-	-	-	-	-	-	-	-	-	-	20,350
Auto expense	14,188	-	-	119	-	-	-	-	-	-	-	-	14,069
Building security	459	-	-	-	-	-	-	-	-	-	-	-	459
Dues and fees	21,821	1,564	-	-	150	-	-	-	-	-	17,383	-	2,724
Equipment expense	23,124	8,825	876	1,808	53	193	229	1,197	500	176	993	-	8,274
File management	2,851	-	-	-	-	-	-	-	-	-	-	-	2,851
Insurance	20,334	-	-	-	-	-	-	-	-	-	-	-	20,334
Janitorial	7,569	-	-	-	-	-	-	-	-	-	-	-	7,569
Legal	24,000	-	-	-	-	-	-	-	-	-	-	-	24,000
Meeting expense	4,768	731	190	-	1,254	889	-	-	623	-	923	-	158
Office and technology supplies	29,640	2,280	-	-	231	-	-	61	-	-	6	-	27,062
Postage and delivery	8,170	4,445	661	782	289	-	15	22	39	54	1,008	-	855
Printing	6,109	1,590	1,470	-	724	-	-	-	322	-	1,756	-	247
Registration fees	4,058	2,441	-	230	-	-	-	175	72	450	690	-	-
Repair and maintenance	3,872	-	-	-	-	-	-	-	-	-	-	-	3,872
Subscription and publications	724	364	-	-	-	-	-	-	-	-	-	-	360
Telephone	7,321	-	-	-	-	-	-	-	-	-	-	-	7,321
Travel	21,141	3,204	-	535	5,747	146	315	1,065	520	2,263	5,722	-	1,624
Utilities	12,617	-	-	-	-	-	-	-	-	-	-	-	12,617
Depreciation expense	153,006	-	-	100,481	-	-	-	-	-	-	-	-	52,525
Unrealized loss on investment	-	-	-	-	-	-	-	-	-	-	-	-	-
Local match expense	-	-	-	-	-	-	-	-	-	-	81,968	(81,968)	-
Indirect costs	-	135,581	8,951	35,249	18,701	2,769	85,545	10,916	7,176	10,223	3,830	-	(318,941)
Total Expenditures	2,725,875	665,077	200,709	757,718	140,354	14,088	392,798	52,570	128,034	328,300	128,195	(81,968)	-
Revenue Over(Under) Expenditures	\$ 15,215	\$ 1,566	\$ 26,975	\$ 2,185	\$ 10,935	\$ (4,088)	\$ (15,404)	\$ (52,570)	\$ (9,369)	\$ (22,838)	\$ 77,823	\$ -	\$ -

CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
SCHEDULE OF INDIRECT COSTS
For the Fiscal Year Ended September 30, 2010

Indirect Costs		
Salaries		81,693
Fringe benefits		29,017
Accounting and payroll services		960
Audit		20,350
Auto		14,069
Building security		459
Dues and fees		2,724
Equipment expense		8,274
File management		2,851
Insurance		20,334
Janitorial		7,569
Legal		24,000
Meeting expense		158
Office and technology supplies		27,062
Postage and delivery		855
Printing		247
Repair and maintenance		3,872
Subscriptions and publications		360
Telephone		7,321
Travel		1,624
Utilities		12,617
Depreciation		52,525
Total Indirect Costs		<u><u>318,941</u></u>

Basis of allocation of indirect costs:

Fringe Benefit Allocation Rate			
Total Fringe benefits	<u>328,709</u>	=	35.52%
Total Salaries	925,352		
Indirect Cost Allocation Rate			
Total Indirect Costs	<u>318,941</u>	=	37.80%
Direct Salaries	843,659		

COMPLIANCE SECTION

**CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the Year Ended September 30, 2010**

	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 #09-DT-04-13-00-21-298	20.703	\$ 48,781	\$ -	\$ 48,781
Federal Transit Administration Multi-Year Joint Participation Agreement Urban Mass Transportation Act, Section 5311 Contract #AOV78; FM 410124-1-84-27	20.509	572,029	-	572,029
Multi-Year Joint Participation Agreement Job Access and Reverse Commute (JARC), Section 5316 Contract #APV08; FM 428350-1-84-01	20.516	8,003	-	8,003
Multi-Year Joint Participation Agreement New Freedom Program, Section 5317 Contract #APV09; FM 428347-1-84-01	20.521	5,143	-	5,143
Formula Grant for Other than Urbanized Areas Section 5311 Capital Grant	20.509 ARRA	83,554	-	83,554
United States Department of Commerce Economic Development Administration Comprehensive Economic Development Strategies Contract #04-83-06120	11.302	45,426	-	45,426
Economic Analysis and Disaster Resiliency Study Contract #04-69-06281	11.307	250,000	-	250,000
United States Department of Homeland Security Emergency Management Exercise HS Funds passed thru State of Florida DEM and Polk County	97.067	4,000	-	4,000
United States Department of Defense Office of Economic Adjustment Joint Land Use Study - Avon Park AFR Contract #EN0719-08-01	12.61	87,795	-	87,795
United States Environmental Protection Agency ARRA - Brownfields Assessment and Cleanup Cooperative Agreement Contract #2B-95427809-0	66.818 ARRA	305,462	-	305,462
Total Federal Financial Awards		\$ 1,410,193	\$ -	\$ 1,410,193

**CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the Year Ended September 30, 2010**

	CFDA/ CSFA Number	Expenditures		
		Federal	State	Total
STATE FINANCIAL ASSISTANCE				
Florida Department of Community Affairs				
Regional Planning Council Funding				
Contract #09-DR-AZ-13-00-21-007	52.006	-	95,265	95,265
Contract #10-DR-BS-13-00-21-007	52.006	-	95,280	95,280
Implementation of SB360				
Visioning for Florida's Heartland				
Contract #08-DR-90-13-00-21-003	52.033	-	10,000	10,000
Florida Division of Emergency Management				
Hazardous Materials Hazards Analysis Update				
Florida Hazardous Materials Planning				
and Prevention Program				
Contract #09CP-04-13-00-21-031	52.023	-	3,684	3,684
Local Emergency Planning Committee Staffing				
Florida Hazardous Materials Planning				
and Prevention Program				
Contract #10CP-04-13-00-21-009	52.023	-	28,479	28,479
Contract #11CP-03-13-00-21-012	52.023	-	12,521	12,521
Enterprise Florida, Inc.				
Defense Infrastructure Grant				
Avon Park Joint Land Use Study				
Contract #DIG-07-07	31.0044	-	30,870	30,870
Florida Commission for the Transportation Disadvantaged				
Transportation Disadvantaged Planning Program				
Hardee, Highlands and Okechobee Counties				
Contract #AOR80	55.002	-	39,544	39,544
Contract #AP635	55.002	-	13,630	13,630
Total State Financial Assistance		\$ -	\$ 329,273	\$ 329,273
Total Federal Financial Awards and State Financial Assistance		\$ 1,410,193	\$ 329,273	\$ 1,739,466

**CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the Year Ended September 30, 2010**

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, 2010. 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, 2010.

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 10, 2011, 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 FINANCIAL ASSISTANCE**
September 30, 2010

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 Awards Program

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))?	No

Identification of major programs:

<u>Federal Program</u>	<u>CFDA No.</u>
Urban Mass Transportation, Section 5311	20.509
ARRA - Brownfields Assessment and Cleanup Cooperative Agreement	66.818

Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
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Auditee qualified as low-risk auditee?	Yes
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**CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL PROGRAMS AND STATE FINANCIAL ASSISTANCE**
September 30, 2010

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 AWARDS

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.

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

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

We have audited the financial statements of the governmental activities and the major fund of Central Florida Regional Planning Council, as of and for the year ended September 30, 2010, and have issued our report thereon dated January 10, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

We noted certain matters that we reported to management of Central Florida Regional Planning Council, in a separate letter dated January 10, 2011.

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

The NCT Group CPAs, LLP

January 10, 2011

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

To the Council
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 (the 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, 2010. Central Florida Regional Planning 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 of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Council's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a 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 major federal programs for the year ended September 30, 2010.

Internal Control Over Compliance

Management of the Council, is responsible for establishing and maintaining effective internal control over compliance with the 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 the 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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a

reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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 management, the Council, others within the entity, the State of Florida Auditor General, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

The NCT Group CPAs, LLP

January 10, 2011

MANAGEMENT LETTER

To the Council
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 fiscal year ended September 30, 2010 and have issued our report thereon dated January 10, 2011.

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 Internal Control over Financial Reporting and Compliance and Other Matters, Independent Auditor's Report on Compliance with Requirements Applicable to each Major Federal Program and on Internal Control over Compliance, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated January 10, 2011, 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. This letter includes the following information, which is not included in the aforementioned auditor's reports or schedule:

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 significant findings and recommendations made in the preceding annual financial audit report. There were no such findings or recommendations noted 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. In connection with our audit, we did not have any such recommendations.

Section 10.554 (1)(i)4., Rules of the Auditor General, requires that we address violations of provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, 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.

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 have an inconsequential effect on the financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) Deficiencies in internal control that are not significant deficiencies. In connection with our audit, we did not have any such findings.

STATUS OF PRIOR YEAR COMMENTS

There were no prior year comments.

STATUS OF CURRENT YEAR COMMENTS

There were no current year comments.

Section 10.554(1)(i)6., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. See footnote A in the Notes to the 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 the Central Florida Regional Planning Council for the fiscal year ended September 30, 2010, 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, 2010. 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 the 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.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of management, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.



January 10, 2011