



Serving
Alachua • Bradford
Columbia • Dixie • Gilchrist
Hamilton • Lafayette • Levy • Madison
Marion • Suwannee • Taylor • Union Counties

2009 NW 87th Place, Gainesville, FL 32653-1803 • 352.955.2200

MEETING NOTICE

FINANCE COMMITTEE

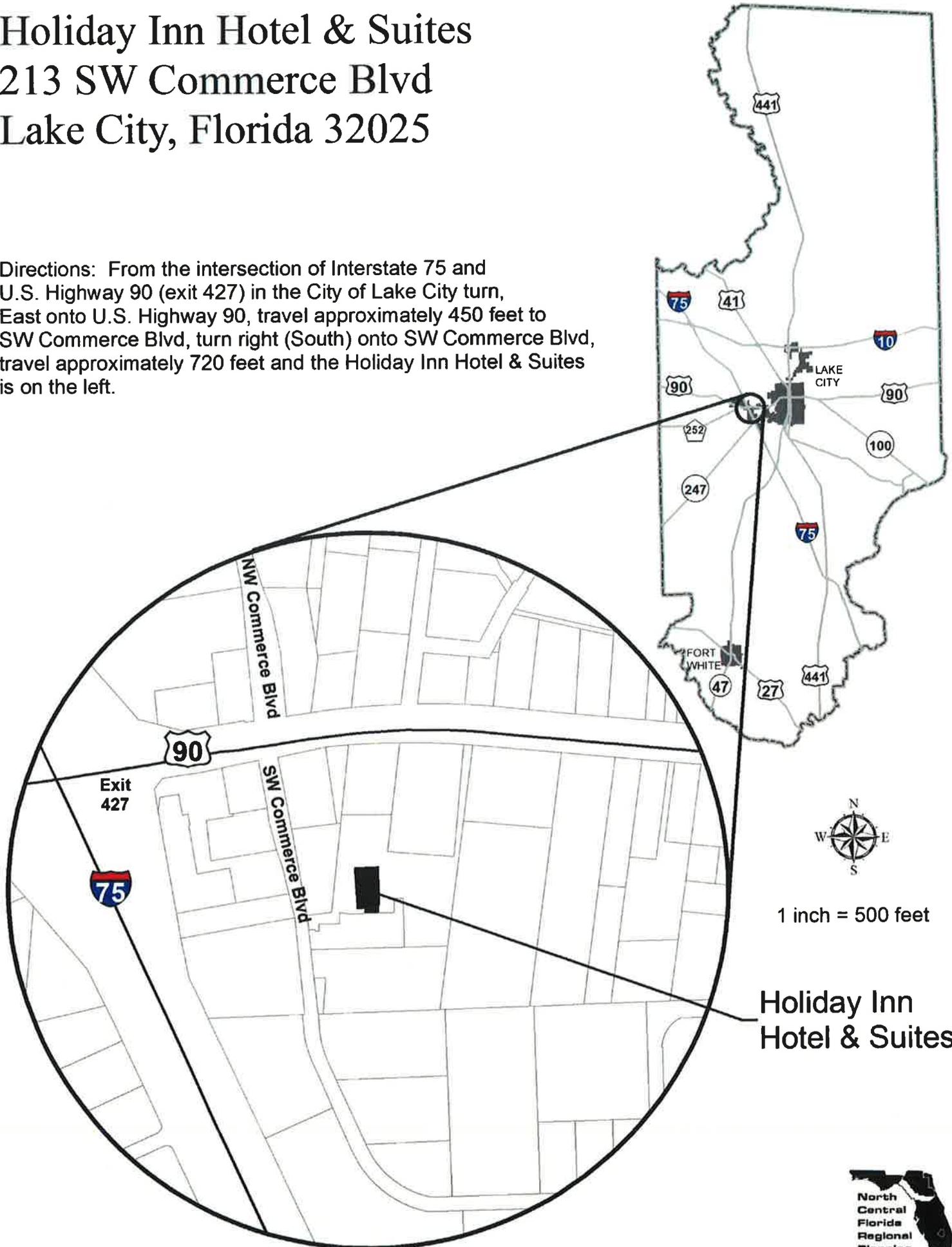
There will be a meeting of the Executive Committee of the North Central Florida Regional Planning Council on **December 8, 2016**. The meeting will be held at the **Holiday Inn Hotel & Suites, 213 Southwest Commerce Boulevard, Lake City, Florida at 5:30 p.m.**

(Location Map on Back)

Holiday Inn Hotel & Suites

213 SW Commerce Blvd
Lake City, Florida 32025

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





Serving
Alachua • Bradford
Columbia • Dixie • Gilchrist
Hamilton • Lafayette • Levy • Madison
Marion • Suwannee • Taylor • Union Counties

2009 NW 67th Place, Gainesville, FL 32653-1603 • 352.955.2200

AGENDA

FINANCE COMMITTEE

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

December 8, 2016
5:30 p.m.

	<u>Page</u>
* I. APPROVAL OF MINUTES - October 20, 2016	5
* II. REVIEW OF FISCAL YEAR 2014-15 AUDIT	7
* III. AUTHORIZE PAYMENT OF AUDITOR	7

* See Attachments

FINANCE COMMITTEE
MINUTES

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

October 20, 2016
11:00 a.m.

MEMBERS PRESENT

Ken Cornell, Vice-Chair

MEMBERS PRESENT
VIA TELEPHONE

Louie Davis, Chair
William Hunter

MEMBERS ABSENT

None

STAFF PRESENT

Scott R. Koons

The meeting was called to order by Chair Davis at 11:03 a.m.

I. APPROVAL OF MINUTES - May 18, 2016

ACTION: Commissioner Cornell made the motion, with a second by William Hunter to approve the minutes of the Finance Committee meeting held on May 18, 2016. The motion carried unanimously.

II. AMENDED FISCAL YEAR 2015-16 BUDGET

Scott Koons, Executive Director, stated that the purpose of the meeting was to review the proposed amended budget for Fiscal Year 2015-16. He stated that the proposed budget amendment takes into account action taken by the Council during the past year. He stated that to update the budget, staff has prepared proposed changes in the Fiscal Year 2015-16 budget which reflect an overall net increase of \$105,300 representing a 5.6 percent increase.

The Committee then reviewed the changes as prepared by staff with respect to the proposed FY 2015-16 budget amendment.

ACTION: Commissioner Cornell made the motion, with a second by William Hunter, to recommend to the Council approval of the amended Fiscal Year 2015-16 budget. The motion carried unanimously.

The meeting was adjourned at 11:12 a.m.

Louie Davis, Chair

Date



Serving
 Alachua • Bradford
 Columbia • Dixie • Gilchrist
 Hamilton • Lafayette • Levy • Madison
 Marion • Suwannee • Taylor • Union Counties

2009 NW 67th Place, Gainesville, FL 32653-1603 • 352.955.2200

December 1, 2016

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

FROM: Scott R. Koons, AICP, Executive Director 

SUBJECT: Review of Fiscal Year 2014-15 Annual Audit

RECOMMENDATION:

Recommend to the Council acceptance of the Fiscal Year 2014-15 audit and authorization of payment of auditor.

BACKGROUND:

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

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

More specific comments relating to the report are given in sequence as they appear in the document. On Page 5, you can see that the auditor's report indicates that the records audited "...present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the North Central Florida Regional Planning Council, as of September 30, 2015, and the changes in financial position and the respective budgetary comparisons for the year then ended in accordance with accounting principles generally accepted in the United States of America."

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

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

Page 16 is a "Statement of Revenues, Expenditures and Changes in General Fund Balance." Please note that with respect to revenues collected versus those budgeted, revenues received were (2.0) percent less than budgeted amounts. With respect to expenditures, funds expended were (3.6) percent less than budgeted amounts. The difference in the revenues received and the expenditures made are reflected in the increase in the Council's "General Fund Balance" of \$25,827 prior to the one time expense for an uncollectible forged check from an outside party in the amount of \$49,523.

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

The audit also contains various reports on compliance, internal control and management on Pages 37 through 43. In these reports, Fiscal Year 2014-15 no material weaknesses or problems were cited. However, there were two findings. One related to the Fiscal Year 2014-15 audit being completed later than nine months after the end of the fiscal year and a second related to late payroll tax deposits for one quarter during the fiscal year (see Page 39). Management has addressed both of these items. The audit for Fiscal Year 2015-16 is on schedule to be completed by June 30, 2017 and all payroll tax deposits have been submitted on time for the most recent 18-month period.

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

Attachment

**NORTH CENTRAL FLORIDA
REGIONAL PLANNING COUNCIL**

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2015



Powell & Jones
Certified Public Accountants

NORTH CENTRAL FLORIDA REGIONAL PLANNING COUNCIL

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2015

TABLE OF CONTENTS

	PAGE NO.
Financial Section	
Independent Auditor's Report	4 - 6
Management's Discussion and Analysis	7 - 10
Statement of Net Position	11
Statement of Activities	12
Governmental Funds:	
Balance Sheet	13
Statement of Revenues, Expenditures and Changes in Fund Balances	14
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	15
General Fund:	
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	16
Original Florida Tourism Fund:	
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	17
Employee Pension Plan Trust Fund:	
Statement of Fiduciary Net Position	18
Statement of Changes in Fiduciary Net Position	19
Notes to Financial Statements	20 - 33
Compliance Section	
Schedule of Expenditures of Federal Awards and State Financial Assistance	35
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance	36
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 <i>Government Auditing Standards</i>	37 - 38
Management Letter Required by Chapter 10.550, <i>Rules of the Auditor General</i>	39 - 40
Independent Accountant's Report	41
Communication with Those Charged with Governance	42 - 43

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To North Central Florida
Regional Planning Council
Gainesville, Florida

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the North Central Florida Regional Planning Council (the Council), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the North Central Florida Regional Planning Council's basic financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the North Central Florida Regional Planning Council as of September 30, 2015, and the changes in financial position and the respective budgetary comparisons for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 – 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

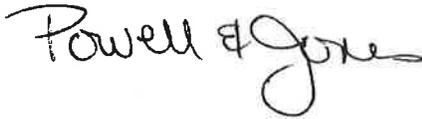
Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2016 on our consideration of the North Central Florida Regional Planning Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the North Central Florida Regional Planning Council's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Powell & Jones".

POWELL & JONES
Certified Public Accountants
November 10, 2016

NORTH CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
Management's Discussion and Analysis

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

Report Layout

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

Basic Financial Statements

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

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

Council as a Whole

Government-wide Financial Statements

A condensed version of the Statement of Net Position at September 30, 2015 and 2014 follows:

Net Position at September 30, 2015 and 2014

	Governmental Activities/ Total Government	
	2015	2014
Cash and investments	\$ 570,001	\$ 1,215,319
Receivables	1,329,807	696,870
Capital assets	148,146	157,850
Other assets	87,431	105,180
Total assets	2,135,385	2,175,219
Accounts payable	90,644	42,163
Other current liabilities	231,551	258,053
	322,195	300,216
Net position:		
Invested in capital assets, net of related debt	148,146	157,850
Restricted	711,764	727,641
Unrestricted	953,280	989,512
Total net position	\$ 1,813,190	\$ 1,875,003

During the year ended September 30, 2015, net position decreased by \$61,813 primarily due to a loss of \$49,523 relating to a forged check from an outside party that was processed by the Council's previous bank.

A condensed version of the Statement of Activities follows:

**Change in Net Position
For the Fiscal Years Ended September 30, 2015 and 2014**

	Governmental Activities/ Total Government	
	2015	2014
Revenues		
Program revenues		
Charges for services	\$ 1,160,214	\$ 997,597
Operating grants	438,408	447,570
General revenues		
Member dues	156,851	152,904
Miscellaneous	11,625	5,095
Total revenues	1,767,098	1,603,166
 Expenses		
Comprehensive planning services	1,618,188	1,544,572
Tourism development	210,723	96,310
Interest on long-term debt	-	72
Total expenses	1,828,911	1,640,954
 Change in net position	(61,813)	(37,788)
Beginning net position	1,875,003	1,912,791
Ending net position	\$ 1,813,190	\$ 1,875,003

Governmental activities

Comprehensive planning program expenses increased by \$73,616, or 5%, and revenues increased by \$163,932, or 10%. Total General Fund expenditures were \$57,739 less than the final budget and revenues were \$31,912 less than the final budget.

Capital Assets and Debt Administration

Capital Assets

At September 30, 2015, the Council has \$148,146 invested in capital assets, consisting primarily of its administrative headquarters and associated furniture and equipment. Changes in capital assets during the year consisted of additions of office and computer equipment.

Capital Assets at September 30, 2015 and 2014

	Totals	
	2015	2014
Land	\$ 119,985	\$ 119,985
Buildings	393,000	393,000
Equipment	174,631	170,554
Subtotal	687,616	683,539
Accumulated depreciation	(539,470)	(525,689)
Capital assets, net	\$ 148,146	\$ 157,850

The Council continued to have no long-term debt at September 30, 2015.

Reporting the Council's Most Significant Funds

Fund Financial Statements

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

Financial Contact

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

NORTH CENTRAL FLORIDA REGIONAL PLANNING COUNCIL

STATEMENT OF NET POSITION

September 30, 2015

	<u>Primary Governmental Activities</u>
ASSETS	
Current assets	
Cash and cash equivalents	\$ 116,066
Cash, invested	453,935
Accounts receivable	1,329,807
Prepaid expenses	87,431
Total current assets	<u>1,987,239</u>
Noncurrent assets	
Capital assets, net of accumulated depreciation	148,146
Total assets	<u>\$ 2,135,385</u>
LIABILITIES	
Current liabilities	
Accounts payable	\$ 90,644
Accrued payroll liabilities	64,979
Accrued compensated absences	126,580
Unearned revenues	39,992
Total current liabilities	<u>322,195</u>
Total liabilities	<u>322,195</u>
NET POSITION	
Invested in capital assets, net of related debt	148,146
Restricted for:	
Unemployment compensation	30,000
Capital improvements	525,000
Legal costs	100,000
Original Florida Tourism Fund	56,764
Unrestricted	953,280
Total net position	<u>\$ 1,813,190</u>

NORTH CENTRAL FLORIDA REGIONAL PLANNING COUNCIL

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended September 30, 2015

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Change in Net Position Governmental Activities Total</u>
		<u>Charges for Services</u>	<u>Operating Grants</u>	
Governmental activities:				
General government				
Comprehensive planning services	\$ 1,618,188	\$ 1,096,276	\$ 358,036	\$ (163,876)
Economic environment				
Tourism development	210,723	63,938	80,372	(66,413)
Total governmental activities	<u>\$ 1,828,911</u>	<u>\$ 1,160,214</u>	<u>\$ 438,408</u>	<u>(230,289)</u>
 General revenues:				
Member dues				156,851
Miscellaneous				11,625
				<u>168,476</u>
 Decrease in net position				(61,813)
Net position - October 1, 2014				1,875,003
Net position - September 30, 2015				<u>\$ 1,813,190</u>

See notes to financial statements.

NORTH CENTRAL FLORIDA REGIONAL PLANNING COUNCIL

**BALANCE SHEET
GOVERNMENTAL FUNDS**

September 30, 2015

	General Fund	Original Florida Tourism Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 58,573	\$ 57,493	\$ 116,066
Cash, invested	453,935	-	453,935
Accounts receivable	1,265,199	64,608	1,329,807
Due from Original Florida Tourism Fund	-	-	-
Prepaid expenses	74,967	12,464	87,431
Total assets	\$ 1,852,674	\$ 134,565	\$ 1,987,239
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$ 25,307	\$ 65,337	\$ 90,644
Accrued payroll liabilities	64,979	-	64,979
Accrued compensated absences	126,580	-	126,580
Due to General Fund	-	-	-
Unearned revenues	39,992	-	39,992
Total liabilities	256,858	65,337	322,195
Fund Balances			
Nonspendable:			
Prepays	74,967	12,464	87,431
Restricted:			
Paddling guide publication	-	42	42
Tourism promotion	-	56,722	56,722
	-	56,764	56,764
Assigned to:			
Unemployment compensation benefits	30,000	-	30,000
Capital improvements	525,000	-	525,000
Legal expenses	100,000	-	100,000
	655,000	-	655,000
Unassigned	865,849	-	865,849
Total fund balances	1,595,816	69,228	1,665,044
Total liabilities and fund balance	\$ 1,852,674	\$ 134,565	\$ 1,987,239
Total fund balances reported above			\$ 1,665,044
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.			148,146
Long-term liabilities, including notes payable not due and payable in the current period and therefore, are not reported in the governmental funds.			-
Net position of governmental activities			\$ 1,813,190

See notes to financial statements.

NORTH CENTRAL FLORIDA REGIONAL PLANNING COUNCIL

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

For the Fiscal Year Ended September 30, 2015

	General Fund	Original Florida Tourism Fund	Total Governmental Funds
REVENUES			
Member dues	\$ 118,851	\$ 38,000	\$ 156,851
State and federal grants	358,036	80,372	438,408
Contracts earned	1,096,276	63,938	1,160,214
Miscellaneous revenues	11,625	-	11,625
Total revenues	<u>1,584,788</u>	<u>182,310</u>	<u>1,767,098</u>
EXPENDITURES			
Current expenditures			
General government	1,554,884	-	1,554,884
Economic environment	-	210,723	210,723
Capital outlay			
General government	4,077	-	4,077
Total expenditures	<u>1,558,961</u>	<u>210,723</u>	<u>1,769,684</u>
Excess of revenues over (under) expenditures	25,827	(28,413)	(2,586)
OTHER FINANCING USES			
Forgery loss	(49,523)	-	(49,523)
Net change in fund balance	<u>(23,696)</u>	<u>(28,413)</u>	<u>(52,109)</u>
Fund balances, October 1, 2014	<u>1,619,512</u>	<u>97,641</u>	<u>1,717,153</u>
Fund balances, September 30, 2015	<u>\$ 1,595,816</u>	<u>\$ 69,228</u>	<u>\$ 1,665,044</u>

See notes to financial statements.

NORTH CENTRAL FLORIDA REGIONAL PLANNING COUNCIL

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

For the Fiscal Year Ended September 30, 2015

Net change in fund balances - Total Governmental Funds		\$	(52,109)
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.			
Expenditures for capital assets	4,077		
Less current year depreciation	<u>(13,781)</u>		<u>(9,704)</u>
Change in net assets of governmental activities		\$	<u><u>(61,813)</u></u>

NORTH CENTRAL FLORIDA REGIONAL PLANNING COUNCIL

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

For the Fiscal Year Ended September 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Member dues	\$ 118,800	\$ 118,800	\$ 118,851	\$ 51
State and federal grants	374,300	398,100	358,036	(40,064)
Other grants and contracts earned	1,155,500	1,097,300	1,096,276	(1,024)
Miscellaneous revenues	1,000	2,500	11,625	9,125
Total revenues	1,649,600	1,616,700	1,584,788	(31,912)
EXPENDITURES				
General government services				
Personal services				
Salaries and benefits	1,270,700	1,117,400	1,164,621	(47,221)
Operating expenses				
Building occupancy	31,000	27,000	34,206	(7,206)
Contractual services	58,000	110,000	65,218	44,782
Legal costs	14,000	56,000	53,565	2,435
Meeting expenses	19,000	19,000	17,426	1,574
Postage	8,000	6,000	6,792	(792)
Subscriptions, dues, and training	50,000	59,000	55,813	3,187
Supplies	21,000	24,000	22,871	1,129
Travel	98,000	83,000	70,904	12,096
Other	64,900	110,300	63,468	46,832
	363,900	494,300	390,263	104,037
Capital outlay				
Machinery and equipment	15,000	5,000	4,077	923
Total expenditures	1,649,600	1,616,700	1,558,961	57,739
Excess revenues over (under) expenditures	-	-	25,827	25,827
OTHER FINANCING USES				
Forgery loss	-	-	(49,523)	(49,523)
Net change in fund balance	-	-	(23,696)	(23,696)
Fund balance, October 1, 2014	1,619,512	1,619,512	1,619,512	-
Fund balance, September 30, 2015	\$ 1,619,512	\$ 1,619,512	\$ 1,595,816	\$ (23,696)

See notes to financial statements.

NORTH CENTRAL FLORIDA REGIONAL PLANNING COUNCIL

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

For the Fiscal Year Ended September 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Member dues	\$ 34,000	\$ 38,000	\$ 38,000	\$ -
State and federal grants	50,000	65,200	80,372	15,172
Contracts earned	10,000	72,200	63,938	(8,262)
Total revenues	94,000	175,400	182,310	6,910
EXPENDITURES				
Economic environment				
Operating expenses				
Contractual services	55,000	48,400	71,217	(22,817)
Marketing	94,000	143,400	124,767	18,633
Postage	500	1,100	1,477	(377)
Subscriptions, dues, and training	1,000	900	785	115
Other	3,300	2,600	12,477	(9,877)
Total expenditures	153,800	196,400	210,723	(14,323)
Net change in fund balance	(59,800)	(21,000)	(28,413)	(7,413)
Fund balance, October 1, 2014	97,641	97,641	97,641	-
Fund balance, September 30, 2015	\$ 37,841	\$ 76,641	\$ 69,228	\$ (7,413)

See notes to financial statements.

NORTH CENTRAL FLORIDA REGIONAL PLANNING COUNCIL

EMPLOYEE PENSION PLAN TRUST FUND

STATEMENT OF FIDUCIARY NET POSITION

September 30, 2015

	<u>Pension Trust Fund</u>
Assets	
Cash	\$ 19,704
Investments at fair value	4,089,634
Accounts receivable	9,835
Total assets	<u>4,119,173</u>
Liabilities	
Accounts payable	<u>8,592</u>
Net position	
Reserved for pension benefits	<u>\$ 4,110,581</u>

See notes to financial statements.

NORTH CENTRAL FLORIDA REGIONAL PLANNING COUNCIL

EMPLOYEE PENSION PLAN TRUST FUND

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the Fiscal Year Ended September 30, 2015

	<u>Pension Trust Fund</u>
Additions:	
Contributions:	
Employer	\$ 123,066
Total contributions	<u>123,066</u>
Investment income:	
Interest and dividends	128,846
Net depreciation in fair value of investments	<u>(127,962)</u>
Net investment loss	<u>884</u>
Total additions	<u>123,950</u>
Deductions:	
Pension benefit payments	(521,048)
Bank charges	<u>(424)</u>
Total deductions from net position	<u>(521,472)</u>
Decrease in fiduciary net position	(397,522)
Net position reserved for pension benefits	
October 1, 2014	<u>4,508,103</u>
September 30, 2015	<u>\$ 4,110,581</u>

See notes to financial statements.

NORTH CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

The Original Florida Tourism Task Force

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

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

Government-wide financial statements report information about the reporting unit as a whole. For the most part, the effect of any interfund activity has been removed from these statements. These statements focus on the sustainability of the Council as an entity and the change in aggregate financial position resulting from the activities of the year. These aggregated statements consist of the Statement of Net Position and the Statement of Activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. Other items not reported as program revenues are reported instead as general revenues.

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

C. Measurement focus, basis of accounting, and basis of presentation - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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

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

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

The Council reports the following governmental funds:

General Fund

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

Original Florida Tourism Fund

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

Fiduciary Fund

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

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

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

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

218.405 and 218.417, *Florida Statutes*. The Council's investments in the Pool, which the State Board of Administration indicates is a Securities and Exchange Commission Rule 2a7-like external investment pool, as of September 30, 2015, are similar to money market funds in which shares are owned in the fund rather than the underlying investments. These investments are reported at fair value, which is amortized cost.

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

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

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

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

Buildings and improvements	15 years
Equipment	50 months

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

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

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

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

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

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

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

“Total fund balances” of the Council’s Governmental Funds \$1,665,044 differs from “net assets” of governmental activities \$1,813,190 reported in the statement of net assets. This difference primarily results from the long-term economical focus of the statement of net assets versus the current financial resources focus of the governmental fund balance sheet.

Capital related items

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

Cost of capital assets	\$ 687,616
Accumulated depreciation	<u>(539,470)</u>
Total	<u><u>\$ 148,146</u></u>

NORTH CENTRAL FLORIDA REGIONAL PLANNING COUNCIL

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

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

	Total Governmental Funds	Capital Related Items	Long-Term Debt Transactions	Elimination of Interfund Receivables/ Payables	Statement of Net Position
ASSETS					
Cash and cash equivalents	\$ 116,066	\$ -	\$ -	\$ -	\$ 116,066
Cash, invested	453,935	-	-	-	453,935
Accounts receivable	1,329,807	-	-	-	1,329,807
Prepaid expenses	87,431	-	-	-	87,431
Capital assets - net	-	148,146	-	-	148,146
Total assets	\$ 1,987,239	\$ 148,146	\$ -	\$ -	\$ 2,135,385
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 90,644	\$ -	\$ -	\$ -	\$ 90,644
Accrued payroll liabilities	64,979	-	-	-	64,979
Accrued compensated absences	126,580	-	-	-	126,580
Deferred revenues	39,992	-	-	-	39,992
Total liabilities	322,195	-	-	-	322,195
Fund balance/net position	1,665,044	148,146	-	-	1,813,190
Total liabilities and fund balance/net position	\$ 1,987,239	\$ 148,146	\$ -	\$ -	\$ 2,135,385

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

The “net change in fund balances” for the governmental funds of (\$52,109) differs from the “change in net assets” for governmental activities of (\$61,813) reported in the statement of activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

Capital related items

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

Capital outlay	\$	4,077
Depreciation expense		(13,781)
Difference	\$	<u>(9,704)</u>

NORTH CENTRAL FLORIDA REGIONAL PLANNING COUNCIL

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

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

	Total Governmental Funds	Capital Related Items	Reclassification	Statement of Activities
REVENUES				
Member dues	\$ 156,851	\$ -	\$ -	\$ 156,851
State and federal grants	438,408	-	-	438,408
Other grants and contracts earned	1,160,214	-	-	1,160,214
Miscellaneous revenues	11,625	-	-	11,625
Total revenues	<u>1,767,098</u>	<u>-</u>	<u>-</u>	<u>1,767,098</u>
EXPENDITURES				
Current expenditures				
General government	1,554,884	15,689	(1,908)	1,568,665
Economic environment	210,723	-	-	210,723
Capital outlay				
General government	4,077	(4,077)	-	-
Total expenditures	<u>1,769,684</u>	<u>11,612</u>	<u>(1,908)</u>	<u>1,779,388</u>
Excess of revenues (under) expenditures	(2,586)	(11,612)	1,908	(12,290)
Other expenses				
Bad debt expense	(49,523)	-	-	(49,523)
Net change in fund balance	<u>(52,109)</u>	<u>(11,612)</u>	<u>1,908</u>	<u>(61,813)</u>
Fund balance, October 1, 2014	<u>1,717,153</u>	<u>157,850</u>	<u>-</u>	<u>1,875,003</u>
Fund balance, September 30, 2015	<u>\$ 1,665,044</u>	<u>\$ 146,238</u>	<u>\$ 1,908</u>	<u>\$ 1,813,190</u>

NOTE 3. DEPOSITS AND INVESTMENTS

1. Deposits

At September 30, 2015, the carrying amount of the Council's bank deposits was \$116,038. All deposits with financial institutions were 100% insured by federal depository insurance or by collateral provided by qualified public depositories to the State Treasurer pursuant to the Public Depository Security Act of the State of Florida. The Act established a Trust Fund, maintained by the State Treasurer, which is a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a member fails.

2. Investments

General Fund

As of September 30, 2015, the Council's general fund had the following investments and maturities:

Investment	Maturities	Fair Value
State Board of Administration Local Government Surplus Funds Trust Fund Investment Pool	39 Day Average	\$ 453,935
Total Investments		\$ 453,935

As of September 30, 2015, the Council's investment in the Local Government Surplus Funds Trust Fund investment pool is rated AAAM by Standard & Poors.

Pension Trust Fund

The investments held by the Council's Employee Pension Plan Trust at September 30, 2015 consist of the following:

Types of Investments	Fair Value	Cost
Money market accounts	\$ 1,837,281	\$ 1,837,281
Equity mutual funds	625,208	625,208
Bond mutual funds	5,550	5,550
Stocks and corporate bonds	1,621,595	1,621,595
	\$ 4,089,634	\$ 4,089,634

As of September 30, 2015, the Council's Employee Pension Plan Trust had the following investments that represent 5% or more of its net assets:

	Fair Value
Greater than 5%	
Schwab Money Market Funds 1,631,752, shares	\$ 1,631,752
Schwab S&P 500 Index Fund 8,834 shares	268,896
Laudus U.S. Large City 22,459 shares	367,214
Other investments	1,821,772
Total investments	\$ 4,089,634

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

During 2015, the Trust's investments (including gains and losses on investments bought and sold, as well as held during the year) depreciated in value by \$127,962.

Interest Rate Risk

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

Custodial Credit Risk

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

NOTE 4. ACCOUNTS RECEIVABLE

All accounts receivable in the governmental funds totaling \$1,329,807 represent amounts due the Council from other governmental units for services and grant contracts, and are considered by management to be fully collectible.

NOTE 5. EMPLOYEE RETIREMENT SYSTEM

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

There are no mandatory employee contributions. However, plan members may voluntarily make contributions during the fiscal year. Voluntary contributions were not made in the current year. Current Council contributions for, and interest forfeited by, employees who terminate their employment before becoming fully vested are used to reduce the amount of the Council's future monthly contributions.

The Council's total payroll for the fiscal year ended September 30, 2015, was \$748,122. The Council's contributions were made using a base eligible salary amount of \$748,122. Total required contributions of 16.45% on base pay of \$748,122, amounted to \$123,066. The Council made the required contributions during the fiscal year. Other than payment of contributions, there were no transactions between the Council and the Trust during the year.

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

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

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

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

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

NOTE 6. FUND BALANCES – GOVERNMENTAL FUNDS

As of September 30, 2015, fund balances of the governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

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

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

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

Unassigned – all other spendable amounts.

As of September 30, 2015, fund balances are composed of the following:

	<u>General Fund</u>	<u>Original Florida Tourism Fund</u>	<u>Total Governmental Funds</u>
Nonspendable:			
Prepays	\$ 74,967	\$ 12,464	\$ 87,431
Restricted for:			
Paddling guide publication	-	42	42
Tourism marketing	-	56,722	56,722
Assigned to:			
Unemployment compensation benefits	30,000	-	30,000
Capital improvements	525,000	-	525,000
Legal expenses	100,000	-	100,000
Unassigned	865,849	-	865,849
Total fund balances	<u>\$ 1,595,816</u>	<u>\$ 69,228</u>	<u>\$ 1,665,044</u>

A description of the restricted fund balances follows:

Paddling Guide Publication – The Original Florida Tourism Task Force has established a reserve of \$17,562 in the Original Florida Tourism Fund to provide funding for the eventual reprinting of the Suwannee River Paddling Guide. During the current year, \$17,520 was used for reprinting.

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

A description of the assigned fund balances follows:

Unemployment Compensation Benefits – As provided by State law, the Council is a reimbursable type of employer for unemployment compensation benefits. A \$30,000 reserve has been maintained for future unemployment claims.

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

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

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

NOTE 7. CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2015, follows:

	Beginning Balances	Increases	Decreases	Reclassifications	Ending Balances
Land	\$ 119,985	\$ -	\$ -	\$ -	\$ 119,985
Depreciable capital assets:					
Buildings	393,000	-	-	-	393,000
Furniture, fixtures and equipment	170,554	4,077	-	-	174,631
Total depreciable	563,554				567,631
Accumulated depreciation:					
Buildings	(393,000)	-	-	-	(393,000)
Furniture, fixtures and equipment	(132,689)	(15,689)	-	1,908	(146,470)
Total accumulated depreciation	(525,689)	(15,689)		1,908	(539,470)
Capital assets, net	\$ 157,850	\$ (11,612)	\$ -	\$ 1,908	\$ 148,146

Total depreciation of \$15,689 was charged to the General Government function of the Council's General Fund.

NOTE 8. BUDGETARY PROCESS

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

1. In March, the Finance Committee begins preparing a budget for the fiscal year commencing the following October 1, based on work desired in the Overall Planning Design (OPD) prepared by the Program Committee.
2. In May, the Council adopts and approves the budget. The budget is adopted on a basis that does not materially differ from the modified accrual basis of accounting.
3. Actual contracts entered into by the Council throughout the year necessarily have an impact on approved budgetary operating levels. Should any major changes be needed due to unforeseen contracts or the need to appropriate additional Council funds, the budget is amended during the year and subsequently approved by the Council.
4. The legal level of budgetary control is the fund total level.
5. The Council approved one budget amendment for the year ended September 30, 2015. The amendment is reflected in budget amounts disclosed in the financial statements.

6. There were no material violations of legal and contractual provisions requiring disclosure.

NOTE 9. RISK MANAGEMENT

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

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

NOTE 10. CONCENTRATIONS OF CREDIT RISK

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

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

NOTE 11. INVENTORIES

It has consistently been the policy of the Council to record the acquisition of goods and supplies as expenditures at the time of purchase. The amount of such inventory on hand at any one time would be a nominal amount and considered to be immaterial.

NOTE 12. CONTINGENCIES

There is a contingent liability due to the fact that all possible regulatory audits of the Council's operations have not been completed for the fiscal year ended September 30, 2015. Any eventual expenditures determined to not be in compliance with grant regulations could be subject to repayment by the Council. The Council's management believes that all expenditures were significantly in compliance with appropriate grant regulations.

NOTE 13. SUBSEQUENT EVENTS

In preparing these financial statements, the Council has evaluated events and transactions for potential recognition or disclosure through November 10, 2016, the date the financial statements were available to be issued.

NOTE 14. OPERATING LEASES

The Council has an operating lease agreement for equipment with Pitney Bowes. The future minimum lease payments under this agreement at September 30, 2015 is as follows:

<u>September 30,</u>	<u>Minimum Lease Payment</u>
2016	\$ 3,936
2017	3,936
2018	3,936
2019	3,936
	<u>\$ 15,744</u>

NOTE 15. FORGERY LOSS

During a prior year a forged check from an unknown outside party in the amount of \$49,523 was processed through the Council's operating bank account. The Council aggressively sought reimbursement from the bank through the legal system. During the current year, it was ruled by an arbitration proceeding that the bank had no liability to reimburse the Council for this forgery loss.

COMPLIANCE SECTION

NORTH CENTRAL FLORIDA REGIONAL PLANNING COUNCIL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the Fiscal Year Ended September 30, 2015

Grantor/Pass-Through Grantor	CFDA/CSFA Number	Contract Number	Award Amount	Received FY 2015	Expended FY 2015
FEDERAL AWARDS					
<u>U.S. Department of Commerce</u>					
Economic Development Support for Planning Organizations					
Planning Grant, Section 203 1/1/14 - 12/31/16	11.302	04-83-06901	\$ 189,000	\$ 63,000	\$ 63,000
Planning Grant, Section 203 11/12 - 14/15	11.302	04-88-06598	200,000	-	-
			<u>389,000</u>	<u>63,000</u>	<u>63,000</u>
<u>U.S. Department of Transportation</u>					
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	AQY17	25,000	1,344	1,344
Interagency Hazardous Materials Public Sector Training and Planning					
Hazardous Materials Emergency Preparedness 13/14	20.703	14-DT-75-13-00-21-187	70,205	9,422	9,422
Hazardous Materials Emergency Preparedness 14/15	20.703	15-DT-75-13-00-21-351	63,194	55,540	55,540
			<u>158,399</u>	<u>66,306</u>	<u>66,306</u>
Total federal awards			<u>547,399</u>	<u>129,306</u>	<u>129,306</u>
STATE FINANCIAL ASSISTANCE					
<u>Division of Emergency Management</u>					
Florida Hazardous Materials Planning and Prevention 14/15	31.067	15-CP-11-13-00-21-164	\$ 42,000	\$ 31,098	\$ 31,098
Florida Hazardous Materials Planning and Prevention 15/16	31.067	16-CP-11-13-00-21-208	48,000	12,000	12,000
Florida Hazardous Materials Planning and Prevention - Hazards Analysis 14/15	31.067	15-CP-11-13-00-01-192	11,562	11,562	11,562
			<u>101,562</u>	<u>54,660</u>	<u>54,660</u>
<u>Department of Transportation</u>					
Transportation Disadvantaged 14/15	55.002	ARH93	173,620	130,150	130,150
Transportation Disadvantaged 15/16 - Bradford	55.002	G0209	19,325	4,445	4,445
Transportation Disadvantaged 15/16 - Columbia, Hamilton, Suwannee	55.002	G0217	58,955	13,560	13,560
Transportation Disadvantaged 15/16 - Dixie	55.002	G0219	19,089	4,390	4,390
Transportation Disadvantaged 15/16 - Gilchrist	55.002	G0225	19,103	4,394	4,394
Transportation Disadvantaged 15/16 - Lafayette	55.002	G0234	18,930	4,354	4,354
Transportation Disadvantaged 15/16 - Levy	55.002	G0238	19,606	4,509	4,509
Transportation Disadvantaged 15/16 - Madison	55.002	G0240	19,149	4,404	4,404
Transportation Disadvantaged 15/16 - Union	55.002	G0265	19,069	4,386	4,386
			<u>366,846</u>	<u>174,592</u>	<u>174,592</u>
<u>Department of Economic Opportunity</u>					
Rural Development Grant 13/14	40.007	RDG 13-05	35,000	11,003	11,003
Rural Development Grant 14/15	40.007	D0075	150,000	69,369	69,369
			<u>185,000</u>	<u>80,372</u>	<u>80,372</u>
Total state financial assistance			<u>653,408</u>	<u>309,624</u>	<u>309,624</u>
Total federal and state financial assistance			<u>\$ 1,200,807</u>	<u>\$ 438,930</u>	<u>\$ 438,930</u>

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

NORTH CENTRAL FLORIDA REGIONAL PLANNING COUNCIL

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

For the Fiscal Year Ended September 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and presentation of the Schedule of Expenditures of Federal Awards and State Financial Assistance of North Central Florida Regional Planning Council (Council) have been designed to conform to generally accepted accounting principles as applicable to governmental units, including the reporting and compliance requirements of the Audits of States, Local Governments, and Non-Profit Organizations and Office of Management and Budget Circular A-133.

C. Reporting Entity

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

D. Basis of Accounting

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

The modified accrual basis of accounting is followed in the Schedule of Expenditures of Federal Awards and State Financial Assistance. Under the modified accrual basis, revenues are recognized when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Council generally considers revenues to be available if they are collected within 120 days after the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

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

To North Central Florida Regional Planning Council
Gainesville, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the North Central Florida Regional Planning Council, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise North Central Florida Regional Planning Council's basic financial statements, and have issued our report thereon dated November 10, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the North Central Florida Regional Planning Council's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the North Central Florida Regional Planning Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the North Central Florida Regional Planning Council's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

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

Purpose of this Report

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

A handwritten signature in cursive script that reads "Powell & Jones".

POWELL & JONES
Certified Public Accountants
November 10, 2016

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

To North Central Florida
Regional Planning Council
Gainesville, Florida

We have audited the basic financial statements of the North Central Florida Regional Planning Council (the Council) as of and for the year ended September 30, 2015, and have issued our report thereon dated November 10, 2016.

We have issued our Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards dated November 10, 2016. Disclosures in that report should be considered in conjunction with this management letter.

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

PRIOR YEAR FINDINGS

There were no reportable findings in the prior year.

CURRENT YEAR FINDINGS

Annual Audit and Financial Report – The Council is required by Section 218.39, *Florida Statutes* to have its annual financial audit completed within nine months after the end of the fiscal year. Section 218.32, *Florida Statutes* requires the Council to submit both the audit report and Annual Local Government Financial Report to the State within the nine-month period. The Council did not meet this time requirement for the current fiscal year.

Payroll Tax Penalties – From our audit procedures we found that the Council incurred and paid penalties due to late payroll tax deposits between April and June, 2015. We found no other such penalties during the fiscal year.

FINANCIAL COMPLIANCE MATTERS

Annual Local Government Financial Report - The Financial Report filed with the Department of Financial Services pursuant to Section 218.32(1)(a), *Florida Statutes*, is in agreement with the accompanying financial statements of the Council, for the fiscal year ended September 30, 2015.

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

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

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

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

CONCLUSION

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



POWELL & JONES
Certified Public Accountants
November 10, 2016

INDEPENDENT ACCOUNTANT'S REPORT

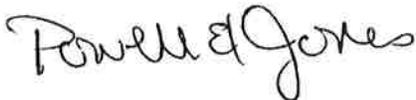
To North Central Florida
Regional Planning Council
Gainesville, Florida

We have examined North Central Florida Regional Planning Council's (the Council's) compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2015. Management is responsible for the Council's compliance with those requirements. Our responsibility is to express an opinion on the Council's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Council's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Council's compliance with specified requirements.

In our opinion, the North Central Florida Regional Planning Council complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

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



POWELL & JONES
Certified Public Accountants
November 10, 2016

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

To North Central Florida
Regional Planning Council
Gainesville, Florida

We have audited the financial statements of North Central Florida Regional Planning Council for the year ended September 30, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by North Central Florida Regional Planning Council are described Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2015. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 10, 2016.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Information in Documents Containing Audited Financial Statements

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

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

Very truly yours,



POWELL & JONES
Certified Public Accountants
November 10, 2016



Serving
Alachua • Bradford
Columbia • Dixie • Gilchrist
Hamilton • Lafayette • Levy • Madison
Marion • Suwannee • Taylor • Union Counties

2009 NW 67th Place, Gainesville, FL 32659-1803 • 352.955.2200

December 1, 2016

Ms. Sherrill F. Norman, CPA
State of Florida Auditor General
Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

RE: Fiscal Year 2014-15 Audit
Management Letter Response

Dear General Norman:

This letter is in response to the management letter contained in the Fiscal Year 2014-15 audit of the financial statements for the North Central Florida Regional Planning Council. The management letter included two findings. Management response to the findings is, as follows:

Annual Audit and Financial Report - The auditor noted that the audit and annual financial report for the Council were not completed within nine months after the end of the fiscal year. Management has addressed this matter and the Fiscal Year 2015-16 audit is scheduled to be completed by June 30, 2017.

Payroll Tax Penalties - The auditor noted that payroll tax deposits were submitted late for the April to June 2015 quarter resulting in financial penalties being incurred by the Council. Management has addressed this matter and all payroll tax deposits for the most recent 18-month period have been submitted in a timely manner.

If you have any questions concerning this matter, please do not hesitate to contact me at 352.955.2200, ext. 101.

Sincerely,

Scott R. Koons, AICP
Executive Director

o:\koons\letters\auditor general management letter response ncfrpc fy15 audit.docx

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