

NEFRC

A stylized map of Florida in light blue, centered on a compass rose. The compass rose has four cardinal directions marked with blue arrows. The text is overlaid on the map.

**PERSONNEL, BUDGET & FINANCE
POLICY COMMITTEE**

Meeting

**January 5, 2012
9:00 a.m.**

Northeast Florida Regional Council


6850 Belfort Oaks Place

Jacksonville, FL 32216

MEMORANDUM

DATE: January 5, 2012

TO: NEFRC Personnel, Budget, and Finance Policy Committee

THRU: Brian Teeple, Chief Executive Officer 

FROM: Donna Starling, ^{DS} Chief Financial Officer

RE: February 2, 2012 Committee Meeting

The next meeting of the Personnel, Budget, and Finance Policy Committee scheduled for **Thursday, February 2, 2012**, at 9:00 a.m. will be held in the Bald Eagle Conference Room at the Northeast Florida Regional Council, 6850 Belfort Oaks Place, Jacksonville, FL 32216.

Northeast Florida Regional Council

PERSONNEL, BUDGET & FINANCE
POLICY COMMITTEE

A G E N D A

Northeast Florida Regional Council
6850 Belfort Oaks Place
Jacksonville, Florida 32216

Thursday, January 5, 2012
9:00 a.m.

(ADDED OR MODIFIED ITEMS IN BOLD)
(*Denotes Action Required)

TAB

1. Call to Order, Welcome, Roll Call and Pledge – Vice Chair Fish

- *2. Approval of December 1, 2011 Meeting’s Minutes – Vice Chair Fish..... 1

- *3. November 2011 Financial Report – Donna Starling 2

- *4. FY 2010/2011 Audit – Ms. MaryAnn Magers, Magers & Associates 3

5. Public Comment – limited to **3 minutes per speaker**

6. Next Meeting Date and Location: **Thursday, February 2, 2012**
Northeast Florida Regional Council
6850 Belfort Oaks Place
Jacksonville, Florida 32216

7. Adjournment

***Denotes Action Item**

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NORTHEAST FLORIDA REGIONAL COUNCIL

Personnel, Budget & Finance Committee

December 1, 2011

MINUTES

A meeting of the NEFRC Personnel, Budget & Finance Committee was held on Thursday, December 1, 2011, at 9:35am, in the Soforenko Conference Room at the Northeast Florida Regional Council, 6850 Belfort Oaks Place, Jacksonville, FL 32216. Chair Williams called the meeting to order with the following members present representing a quorum:

Hugh Fish

Wendell Davis

Catherine Robinson

Larry Williams

Staff: Donna Starling, Brian Teeple, Mario Taylor and Sheron Forde

*Approval of Minutes

Chair Williams called for a motion on the November 3, 2011 meeting minutes. Mr. Fish moved approval, seconded by Commissioner Davis; motion passed unanimously.

*October 2011 Financial Report

Ms. Starling stated that the Council had an income of \$1,070 and year-to-date is the same as this is the first month in the fiscal year. She stated that the audit has been completed without any issues. The audit will be presented at the January Committee and full Board meeting.

Mr. Teeple stated that this is the last year the Council can use this auditor. He reminded the Members that last year was the fifth year the Council utilized this auditor, which would normally have changed to a new one based on standard operating procedures. However, the Board voted to extend the auditor's contract for an additional year to assist the Council through these tough times. Mr. Teeple stated that staff will begin a search following the beginning of the year. Mr. Taylor stated that staff has asked the current auditor for their assistance during the changeover to which they have agreed and also offered appropriate assistance help with the search of the new auditor. A brief discussion followed.

Chair Williams called for a motion on the October 2011 Financial Report. Mr. Fish moved approval, seconded by Commissioner Davis; motion passed unanimously.

Other Discussions

Mayor Robinson asked for a status on the search for new tenants. Mr. Taylor reported that the search is going very well. He added that the current tenant, Girls On The Run, is all moved in and working out very well. They have referred two very serious prospective tenants to staff. One is a for profit consultant that does work for non-profit entities; the other is the muscular dystrophy group who are very interested in utilizing the remaining space on the first floor east wing. Staff is currently in discussions with these groups and will provide more information as talks proceed.

Mr. Teeple informed the Committee that Mr. Corrigan has submitted his resignation to the Governor, as he was a Gubernatorial appointee, citing responsibilities of his new role as City of Jacksonville Tax Collector. Mr. Teeple stated that the Council is getting to the point where the gubernatorial appointees are "getting very thin."

Commissioner Davis asked if the Governor appointments are restricted to keep the balance among the members as are the elected officials. Mr. Teeple replied yes, as the Statutes provide for appointment of

at least one member from each of the seven counties. The Governor has 10 total appointments; once all those slots are filled, he can then double up with no restrictions on what he can do with the remaining three. What has historically been done is placing one in Clay, St. Johns and Duval as they are the three most populous counties. He can put all three in one county if he so chooses.

Mr. Fish inquired if the Governor is statutorily required to make those appointments. Mr. Teeple stated that he is not. **Mr. Fish** stated that as the Governor didn't fund the Council, he may not appoint anyone. He asked what it would do to the Council if there are no appointments. Mr. Teeple stated that he does not believe it does anything to the Council. The statute says we have to have one third gubernatorial appointees and two thirds local elected officials and that is the makeup of the Board. The statute has to allow for some flexibility of agencies because as soon as a member resigns without an appointment immediately afterwards, it would lend to being out of compliance.

Commissioner Davis stated that it might politically, under certain circumstances such as last year staff was there wrestling on financial issues and if one or more governor's appointees who you would expect to have contact in the Governor's office was working that relationship that would give you more leverage. So it potentially could be more costly on the political side, but in the operational side it wouldn't have any affect. **Mr. Fish** added that this Council's gubernatorial appointees have provided a world of expertise and experience to the Board. It would be a loss not to have that pool.

Mr. Taylor stated that Mrs. Stern worked tirelessly last year to contact and communicate with the Governor's office.

Mr. Teeple informed the Committee that the Council is not included in the Department of Economic Opportunity's (DEO) budget, which has been sent to the Governor. The Governor's budget comes out next week and the Council will not be included in his budget. Staff has already started working, and will continue to do so, on securing appropriations through the Legislature and hope to have a better outcome this Legislative cycle.

Commissioner Davis stated, understanding the Governor's philosophy on reducing bureaucracy and overhead and agencies and some who have exercised their power and leadership appropriately; what is the speculation of where he's going? As there would be some entity in making some decisions somewhere with someone with planning control, possibly to go back to the local government to some degree, is there any thoughts as to where the Governor may be headed based on that? Mr. Teeple stated that this year, there is not much in the Growth Management arena; in the Legislature, there is a glitch bill that is problematic and will be discussed later. Mr. Teeple stated that he believes the Governor, and the Legislature is finished with that issue and is now pursuing other issues; there were some concerns with regard to the Development of Regional Impact (DRI) process. The Senate Community Affairs Committee's interim report came out, which recommends leaving the DRI process intact.

Mr. Teeple stated that, since the Council is now partnering with DEO, staff has spent a great deal of time and effort working with the Economic Development Division of DEO. The State has to do a five-year strategic plan. As we work very closely with them, staff is realigning our Comprehensive Economic Development Strategy to be in the same framework as the Florida Chamber Foundations' Six Pillars. DEO is very excited about this as they have to produce a statewide economic development plan by March or April of 2012 and will be relying very heavily on us, which we will be doing because we are an Economic Development District and they have recognized the value and importance of that.

Mr. Williams stated that Budget and Redistricting will take up a majority of the 2012 Legislative Session agenda. He anticipates even less bills making it out of the Legislature this year. Mr. Teeple stated that Gaming may be another item addressed this Session.

Mr. Teeple stated that there has been talk regarding the Legislature may not pass the budget during the regular session and may wait for the results of a new Revenue Estimating Conference that will occur after the regular session and will then call themselves back later in the year. Mr. Williams stated he does not believe that will be the case based Speaker Cannon's comments.

Next Meeting Date and Location

The next meeting is scheduled for January 5, 2012.

Adjournment

Personnel, Budget & Finance Committee meeting adjourned at 10:00 am.

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Bringing Communities Together

Baker • Clay • Duval • Flagler • Nassau • Putnam • St. Johns

MEMORANDUM

DATE: December 28, 2011

TO: Northeast Florida Regional Council

THRU: Larry Williams, Personnel, Budget & Finance Committee Chair

FROM: Donna Starling, ^{DS} Chief Financial Officer

RE: November 2011 Financial Report

The Northeast Florida Regional Council posted a Net Loss of \$784 for the month of November and a Year to Date Net Income of \$286. Revenues for the month of November were \$213,359. Expenses for the month were \$214,143.

The payment of our quarterly Florida Regional Council Association (FRCA) dues contributed to the loss for the month of November.

Regional Council - Agencywide	Adopted Budget 11/12	November, 2011	YTD	Represents 17% of Fiscal Year	Budget Variance
Revenues					
Planning and Development	\$ 793,679	20,568	87,957	11%	-6%
Emergency Preparedness	\$ 3,017,047	138,857	224,309	7%	-10%
County	\$ 623,091	51,924	103,849	17%	0%
North Florida Procurement Association	\$ 16,000	368	387	2%	-15%
Tenant Revenue	\$ -	1,485	2,228	0%	0%
Anticipated Revenue/Other	\$ -	157	233	0%	0%
TOTAL REVENUES	\$ 4,449,817	\$ 213,359	\$ 418,963	9%	
Expenses					
Salaries and Fringe	\$ 1,316,309	100,029	214,321	16%	-1%
Contract/Grant Direct Expenses	\$ 2,555,083	62,176	123,177	5%	-12%
Common/Indirect - Allocated Expenses*	\$ 380,751	37,196	58,039	15%	-2%
General Fund Expense*	\$ 197,674	14,742	23,140	12%	-5%
TOTAL EXPENSES	\$ 4,449,817	\$ 214,143	\$ 418,677	9%	
Net Income (loss)	\$ -	(784)	\$ 286		

*Excludes Salaries & Fringe

Planning and Development	Adopted Budget			Represents 17% of Fiscal Year	Budget Variance
	11/12	November, 2011	YTD		
Revenues					
Local Gov't T.A.	\$ 85,500	4,660	5,804	7%	-10%
DRI	\$ 52,000	2,027	4,890	9%	-8%
TD	\$ 115,067	11,313	22,169	19%	2%
CEDS	\$ 53,000	1,141	1,141	2%	-15%
EDA Sub-Cluster Grant	\$ 250,000	-	49,921	20%	3%
Regional Leadership	\$ 4,000	-	-	0%	-17%
Visioning Fundraising by RCI	\$ 25,000	369	766	3%	-14%
Revenue Needed to Fund Visioning	\$ 209,112	-	-	0%	-17%
Other Revenue	\$ -	1,059	3,266	0%	0%
TOTAL REVENUES	\$ 793,679	\$ 20,568	\$ 87,957	11%	
Expenses					
Salaries/Fringe	\$ 277,596	10,190	20,283	7%	-10%
Direct	\$ 264,808	805	51,466	19%	2%
Common/Indirect	\$ 251,275	9,728	16,867	7%	-10%
TOTAL EXPENSES	\$ 793,679	\$ 20,723	\$ 88,616	11%	
Net Income (loss)	\$ -	\$ (155)	\$ (659)		

Emergency Preparedness	Adopted Budget 11/12	November, 2011	YTD	Represents 17% of Fiscal Year	Budget Variance
Revenues					
Emergency Preparedness Local T.A.	\$ 161,138	13,002	26,880	17%	0%
Hurricane Study	\$ 590,000	-	-	0%	-17%
DCA LEPC	\$ 40,909	3,087	6,589	16%	-1%
HMEP	\$ 30,000	436	711	2%	-15%
SQG	\$ 5,000	-	-	0%	-17%
SHSGP Terrorism Planner	\$ 75,000	24	29	0%	-17%
State Interoperable Communication Exercises	\$ 960,000	82,124	133,134	14%	-3%
State Interoperable Communication Training	\$ 500,000	10,307	17,945	4%	-13%
State Exercise Evaluation	\$ 50,000	-	-	0%	-17%
State Planning Technical Assistance	\$ 125,000	-	-	0%	-17%
DEM Technical Assistance	\$ 195,000	-	-	0%	-17%
Infrastructure Assessment	\$ 160,000	-	-	0%	-17%
UASI Programs	\$ 50,000	2,094	3,074	6%	-11%
Training Exercise Planning Workshop	\$ 75,000	-	-	0%	-17%
Other Revenue	\$ -	27,782	35,948	0%	0%
TOTAL REVENUES	\$ 3,017,047	\$ 138,857	\$ 224,309	7%	
Expenses					
Salaries/Fringe	\$ 350,356	32,394	68,818	20%	3%
Direct	\$ 2,279,797	61,113	71,435	3%	-14%
Common/Indirect	\$ 386,894	45,350	84,057	22%	5%
TOTAL EXPENSES	\$ 3,017,047	\$ 138,857	\$ 224,309	7%	
Net Income (loss)	\$ -	\$ -	\$ -		

	FY 10/11	FY 11/12
	November 2010	November 2011
ASSETS		
Cash*	1,254,946	1,012,703
Accounts Receivable	441,297	719,027
Prepaid Insurance	12,890	3,338
Closing Cost	7,583	6,583
Total Current Assets	1,716,717	1,741,651
Property and Equipment:		
Office Furniture and Equipment	687,555	711,247
Software	115,200	115,200
Land	271,910	271,910
Building	1,928,090	1,928,090
Building Improvements	936,445	948,286
Less Accumulated Depreciation	1,333,191	1,480,750
Total Property and Equipment, net	2,606,008	2,493,983
Total Assets	4,322,725	4,235,635
LIABILITIES		
Accounts Payable	11,929	12,219
Accrued Salaries and Leave	107,931	104,374
Deferred Revenue	257,315	270,727
Tenant Deposits	1,354	2,970
Notes Payable	1,793,455	1,720,008
Total Liabilities	2,171,983	2,110,298
EQUITY		
Equity and Other Credits:		
Retained Earnings	2,150,742	2,125,336
Total Equity and Other Credits	2,150,742	2,125,336
Total Liabilities, Equity and Other Credits	4,322,725	4,235,635

* Cash includes advance funding for various contracts and remaining proceeds from the building note refinance that have not been expensed to date.

YTD Comparison

10/11

11/12


AGENCYWIDE

October	\$	2,515	\$	1,070
November	\$	(38)	\$	286
December	\$	2,717		
January	\$	(7,156)		
February	\$	(5,279)		
March	\$	(2,667)		
April	\$	(9,401)		
May	\$	(25,355)		
June	\$	(55,432)		
July	\$	(60,750)		
August	\$	(47,603)		
September	\$	(25,730)		

MEMORANDUM

DATE: December 28, 2011

TO: Northeast Florida Regional Council

Thru: Brian Teeple, Chief Executive Officer 

FROM: Donna Starling, Chief Financial Officer ^{DS}

RE: November Investment Report

Bank Account Interest

	<u>FY 10/11</u>	<u>FY 11/12</u>
November Interest	\$ 171	\$ 53
Year to Date Interest	\$ 349	\$ 163

Florida Local Government Investment Trust

	<u>FY 10/11</u>	<u>FY 11/12</u>
Current Balance	\$15,698	\$15,843

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Bringing Communities Together

Baker • Clay • Duval • Flagler • Nassau • Putnam • St. Johns

MEMORANDUM

DATE: December 28, 2011

TO: Northeast Florida Regional Council

THRU: Larry Williams, Personnel, Budget & Finance Committee Chair

FROM: Donna Starling, ^{DS} Chief Financial Officer

RE: Fiscal Year 2010/2011 Audit

Enclosed is the audit for fiscal year 2010/2011 for your review. The audit will be presented at the January 2012 board meeting by our auditors, Magers & Associates.

If you have any questions, please feel free to contact me. Thank you.

Northeast Florida Regional Council

Financial Statements, Supporting Schedules
And Other Reports

Year Ended September 30, 2011

Northeast Florida Regional Council
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Northeast Florida Regional Council
Jacksonville, Florida

We have audited the accompanying financial statements of the governmental activities of Northeast Florida Regional Council (the Council), as of and for the year ended September 30, 2011, as listed in the table of contents. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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 opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Council, as of September 30, 2011, and the respective changes in financial position, 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 December 16, 2011, on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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.

The management's discussion and analysis and the required supplementary information on pages 3 through 11 and page 29 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States. 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 financial statements that collectively comprise the Council's basic financial statements. 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 accompanying financial statement of revenues, expenditures, and changes in fund balance – budget and actual – general fund 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 statement of revenues, expenditures, and changes in fund balance – budget and actual – general fund are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare 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.

Magers & Associates, LLC

Magers & Associates, LLC

Orange Park, Florida

December 16, 2011

Management's Discussion and Analysis

As management of the Northeast Florida Regional Council (Council), we offer readers of the Council's financial statements this narrative overview and analysis of the financial activities of the Council for the fiscal year 2010-2011. We encourage readers to read the information presented here in conjunction with additional information we have furnished in the Council's financial statements, which follow this narrative.

Financial Highlights

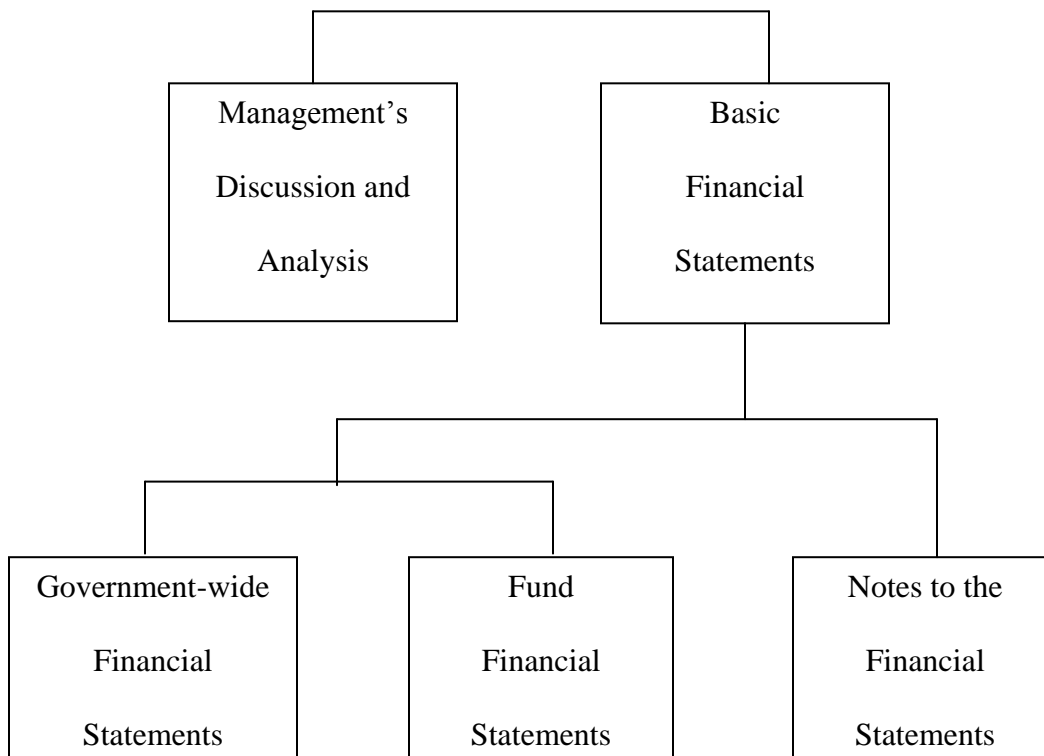
- The assets of the Council exceeded its liabilities at the close of the fiscal year by \$2,125,050.
- The Council's net assets decreased by \$25,730.
- The Council's total assets decreased by \$153,625, resulting from a decrease in cash for payment of accounts payable. There was an increase in accounts receivable as the Council awaits payment from the State of Florida for contract expenditures. Also, capital assets decreased due to the recognition of depreciation of assets, net of additions.
- The Council's total liabilities decreased by \$127,895. The decrease is mainly attributed to decreases in accounts payable and accrued salaries for the fiscal year. There was also a decrease in long-term liabilities due to a reduction in the principal balance of the building note.
- Activities to develop a Regional Vision, to perform the required update to the Strategic Regional Policy Plan (SRPP) have been largely funded from the Council's General Fund, contributing to the modest loss realized by the Council this year.
- County dues for fiscal year 2010-2011 remained at \$623,091 for the third consecutive year.
- The Council's planning grant for \$220,591 with the Department of Community Affairs (DCA) was not renewed in July 2011.
- The Council was designated as an Economic Development District by the United States Department of Commerce Economic Development Administration (EDA).
- The Council maintained its contract with the Florida Commission for the Transportation Disadvantaged to act as the Designated Official Planning Agency for six of the Region's seven counties. Total revenue from this program is \$114,915.
- The Council provided technical assistance to many of our local governments totaling \$341,198 in funding for this year.
- The Council received over \$1.3 million in funding from the State of Florida to perform various Interoperable Communication activities including training and exercises, the development of a course curriculum and the production of a training video.
- The Council entered into a contract with the Florida Department of Law Enforcement for \$67,500 to support the Fusion Investigation Center.
- Through a \$75,000 contract with the State of Florida, the Council in coordination with the Federal Bureau of Investigation (FBI) and other state and local law enforcement agencies conducted a Large Vehicle Bomb Post Blast training course.
- The Council received a \$50,000 contract to create a Field Operation Guide for the State of Florida.

Management's Discussion and Analysis (continued)

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 consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two different views of the Council through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information to enhance the reader's understanding of the financial condition of the Council.

**Required Components of Annual Financial Report
Figure 1**



Management's Discussion and Analysis (continued)

Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Council's finances. Similar in format to financial statements of a private-sector business, the government-wide statements provide short and long-term information about the Council's financial status as a whole.

The statement of net assets (Page 13) 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 the Council's financial position.

The statement of activities (Page 14) presents information showing how the Council's net assets changed during the most recent fiscal year. All changes in net assets are reported using the accrual basis of accounting. Therefore, all current year's revenues and expenses are taken into account regardless of when the cash is received or expenses are paid.

Fund Financial Statements

The fund financial statements (Pages 15 - 17) provide a more detailed look at the Council's most significant activities. A fund is a grouping of related accounts used to maintain control over resources established for the purpose of carrying on activities or attaining objectives in accordance with specific regulations, restrictions or limitations. For financial statement presentation, funds with similar characteristics are grouped into generic fund types as required by generally accepted accounting principles (GAAP). The Council's funds are classified into one category: governmental.

Government Funds – The Council's activities are accounted for in a government fund. This fund focuses on how assets can readily be converted into cash and what monies are left at year-end that will be available for spending in the next year. As of the close of the current fiscal year, the Council's governmental funds reported an unassigned fund balance of \$1.3 million, an increase of \$10,553 in comparison with prior year. Government funds financial statements give the reader a detailed short-term view to help them determine if there are more or less financial resources available to finance the Council's programs.

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 are on pages 18 - 27 of the report.

Government-Wide Financial Analysis – For fiscal year 2010-2011, the Council was compliant with the Government Accounting Standard Board (GASB) Statement 34 reporting model.

Management's Discussion and Analysis (continued)

**Northeast Florida Regional Council's Net Assets
Figure 2**

	<u>Government-wide Activities</u>		<u>Variance Positive (Negative)</u>
	<u>2010-2011</u>	<u>2009-2010</u>	
Current and other assets	\$ 1,741,322	\$ 1,785,809	\$ (44,487)
Capital assets (net of accumulated depreciation)	<u>2,519,094</u>	<u>2,628,232</u>	<u>(109,138)</u>
Total assets	<u>4,260,416</u>	<u>4,414,041</u>	<u>(153,625)</u>
Current liabilities	402,925	457,831	(54,906)
Long term liabilities	<u>1,732,441</u>	<u>1,805,430</u>	<u>(72,989)</u>
Total liabilities	<u>2,135,366</u>	<u>2,263,261</u>	<u>(127,895)</u>
Net assets:			
Investment in capital assets, net of related debt	786,653	822,802	(36,149)
Unrestricted and restricted	<u>1,338,397</u>	<u>1,327,978</u>	<u>10,419</u>
Total net assets	<u>\$ 2,125,050</u>	<u>\$ 2,150,780</u>	<u>\$ (25,730)</u>

As shown in Figure 2, net assets may serve over time as a useful indicator of a government's financial condition. The assets of the Council exceeded liabilities by \$2,125,050 in fiscal year 2010-2011. Also in fiscal year 2010-2011, the Council's net assets decreased by \$25,730. The decrease is primary due to the following:

- A decrease in cash due to payment of accounts payable.
- An increase in accounts receivable primarily due to outstanding State invoices for Interoperable Communication contracts. The funds will be received in fiscal year 2011-2012.
- Accrued salaries decreased as a result of a reduction in staff with the loss of the Department of Community Affairs' planning grant in July 2011.
- A decrease in capital assets is due to recognition of depreciation in fiscal year 2010-2011, net of additions.
- A decrease in long-term liabilities by \$72,989. The decrease is attributed to payment of the current portion of principal balance of the building note.

Government-Wide Activities – Government-wide activities decreased the Council's net unrestricted assets by \$25,730, as shown in Figure 3. Factors that attributed to the decrease are as follows:

- Federal revenues decreased in large part due to the completion of the Hurricane Evacuation Study in September 2010. However, the decrease was offset somewhat by Interoperable Communication contracts to provide training and exercises for the State of Florida.

Management's Discussion and Analysis (continued)

- State revenues decreased with the loss of the Department of Community Affairs' planning grant in July 2011.
- Local government revenue decreased from last year with the completion of the Critical Infrastructure Assessment grant in September 2010. DRI revenue decreased as a result of the current economic environment.
- Tenant Revenue decreased with the loss of a tenant, Project SOS, in October 2010 as a result of a loss of Federal funding.
- Personnel service expenditures decreased from fiscal year 2009-2010 primarily resulting from staff downsizing with the loss of the Department of Community Affairs' planning grant in July 2011.
- Direct charges decreased in large part as a result of a reduction in contractual obligations with the completion of the Hurricane Evacuation Study in September 2010.

Regional Council's Changes in Net Assets Figure 3

	Government-Wide Activities		Positive (Negative)
	2010-2011	2009-2010	
Revenues			
County assessments	\$ 623,091	\$ 623,091	\$ -
Federal grants	2,189,831	2,455,491	(265,660)
State grants	338,144	430,473	(92,329)
Local government technical assistance and DRI fees	401,999	664,525	(262,526)
North Florida Procurement Association	15,688	15,090	598
Regional Leadership Academy	4,090	3,525	565
Regional Community Institute	14,419	26,601	(12,182)
Tenant revenue	9,206	85,843	(76,637)
Other	75,002	75,833	(831)
Total revenues	3,671,470	4,380,472	(709,002)
Expenditures			
Personnel service	1,121,410	1,251,258	(129,848)
Direct charges	1,778,020	2,339,119	(561,099)
Common/Indirect	797,770	804,241	(6,471)
Total expenditures	3,697,200	4,394,618	(697,418)
Excess revenues over expenditures	(25,730)	(14,146)	(11,584)
Net assets, beginning of year	2,150,780	2,164,926	(14,146)
Net assets, end of year	\$ 2,125,050	\$ 2,150,780	\$ (25,730)

Management's Discussion and Analysis (continued)

Financial Analysis of Council Funds

The Council uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Council has one governmental fund, the General Fund.

Government Funds – The Council's basic activities are accounted for in government funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Government funds financial statements give the reader a detailed short-term view to help him or her determine if there are more or less financial resources available to finance the Council's programs.

Budgetary Highlight – During the fiscal year, the Council amended the budget once, in July 2011. Given the budget must be adopted by July 1 of each year, but is not operational until October 1 of each year, there are often significant changes in revenues and expenditures. The variances in revenue between the original budget and the final budget reflect adjustments for contract funding changes and additional contract funding that were acquired during the fiscal year 2010-2011, but were not available for inclusion at the time the original budget was prepared. For budgeting purposes, common/indirect excludes salaries and fringe benefits. Those costs are included in personnel services.

The variance between the final budget and actual revenues and expenses (Figure 4) is primarily attributable to funding not spent in this fiscal year for Federal grants through the State of Florida for Interoperable Communication and technical assistance as well as Urban Area Initiative grants that were not received in this fiscal year.

**Northeast Florida Regional Council
Budget to Actual – Fiscal Year 2010-2011
Figure 4**

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Revenues				
County assessments	\$ 623,091	\$ 623,091	\$ 623,091	\$ -
Federal grants	2,863,000	2,396,998	2,189,831	(207,167)
State grants	392,868	340,077	338,144	(1,933)
Local government and DRI fees	652,750	490,474	401,999	(88,475)
North Florida Procurement Association	12,000	13,000	15,688	2,688
Regional Leadership Academy	4,000	4,000	4,090	90
Regional Community Institute	25,000	50,000	14,419	(35,581)
Tenant Revenue	34,000	6,354	9,206	2,852
Other	149,574	92,721	75,002	(17,719)
Total revenues	4,756,283	4,016,715	3,671,470	(345,245)
Expenses				
Personnel service	1,733,930	1,526,428	1,547,209	20,781
Direct charges	2,626,730	2,113,367	1,778,020	(335,347)
Common/Indirect	395,623	376,920	371,971	(4,949)
Total expenses	4,756,283	4,016,715	3,697,200	(319,515)
Excess of revenues over expenses	\$ -	\$ -	\$ (25,730)	\$ (25,730)

Management's Discussion and Analysis (continued)

NEFRC Financial Analysis

Total assets decreased due to a decrease in cash due to the payment of accounts payable. There was an increase in accounts receivable as the Council awaits payment from the State for contract expenditures. Capital assets decreased due to the recognition of depreciation on assets, net of additions and deletions. Total liabilities decreased mainly due to a reduction in accrued salaries and long-term liabilities. The decrease in accrued salaries is the product of staff downsizing. Long-term liabilities decreased as a result of a reduction in the principal balance of the building note.

Revenues decreased in large part due to the completion of the Hurricane Evacuation Study in September 2010. However, the decrease was offset somewhat by Interoperable Communication contracts to provide training and exercises for the State of Florida. State revenues decreased with the loss of the Department of Community Affairs's planning grant in July 2011. Local government revenue decreased from last year as a result of the completion of the Critical Infrastructure Assessment grant in September 2010. Tenant Revenue decreased as a result of a loss of one of our tenants, Project SOS, in October 2010. DRI Revenue decreased as a product of the current economic environment. Personnel service expenditures decreased due to staff downsizing. Direct charges decreased in large part resulting from a reduction in contractual obligations as a result of the completion of the Hurricane Evacuation Study in September 2010.

NEFRC Capital Assets

The Council's investment in capital assets for fiscal year 2010-2011 is \$2,519,094 (Figure 5), net of accumulated depreciation of \$1,455,639.

Capital Assets
Figure 5

	<u>2010-2011</u>	<u>2009-2010</u>
Equipment, furniture, and software	\$ 826,447	\$ 800,799
Land	271,910	271,910
Building and improvements	<u>2,876,376</u>	<u>2,864,535</u>
Total property, plant and equipment	3,974,733	3,937,244
Accumulated depreciation	<u>(1,455,639)</u>	<u>(1,309,012)</u>
Property, plant and equipment, net	<u>\$ 2,519,094</u>	<u>\$ 2,628,232</u>

Additional information on the Council's capital assets can be found in Notes A and C of the basic financial statements.

Management's Discussion and Analysis (continued)

NEFRC Long-Term Debt

As of September 30, 2011, the Council's long-term obligations consisted of notes payable for \$1.96 million for the purchase of the building in 2001. The Council refinanced the building note in June 2008 at a fixed interest rate of 3.75% with a 10 year maturity, amortization over 20 years. The Council received proceeds from the refinance of \$474,102, which was used in fiscal year 2009 for the building roof replacement. Additional information regarding the Council's long-term debt can be found in Note E of the basic financial statements.

NEFRC Economic Factors and Fiscal Year 2011-2012 Budget

Fiscal Year 2011-2012 will continue to be a challenging budgetary year, as in years past, due to the uncertain economy and the adverse effects it may have on the Council's funding by federal, state, and local governments. Management is actively working to reduce expenditures as well as pursuing expanded and new programmatic opportunities in order to supplement, to the extent possible, any budget cuts received.

Development of Regional Impact (DRI) fees are affected by economic growth in northeast Florida. The downturn in the housing market seems to have caused a slowdown in DRI activity, which is anticipated to continue over the next few years. The Council has yet to see any indication that DRI activity will improve in the foreseeable future.

State revenues are expected to decrease with the elimination of the Council's Department of Community Affairs planning contract in July 2011. As a result, the Council is undergoing an organizational realignment and matrix management structure to utilize current Council resources and staff more efficiently.

Local government funding is uncertain as the local governments face tough budgetary constraints that will mostly likely effect the Council's local government technical assistance contracts.

NEFRC Budget Forecast for Fiscal Year Ending 2011-2012

Revenues for Emergency Preparedness programs are expected to remain relatively constant as the Council is anticipating receiving contracts from the State of Florida to conduct Interoperable Communication training and exercises through 2013. The Statewide Hurricane Evacuation Program is expected to receive funding for updates that may be available to the Council.

With the Council's designation as a Comprehensive Economic Development District, the Council expects to receive \$63,000 annually for the next two years.

Funds for the Transportation Disadvantaged are anticipated to remain relatively constant for fiscal year 2011-2012 and the State Housing Initiative Partnership Grant (SHIP) was funded by the Legislature for fiscal year 2011-2012.

Management's Discussion and Analysis (continued)

Request for Information

This report is designed to provide an overview of the Council's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Chief Executive Officer, Northeast Florida Regional Council, 6850 Belfort Oaks Place, Jacksonville, FL 32216.

Basic Financial Statements

Northeast Florida Regional Council

Year Ended September 30, 2011

Northeast Florida Regional Council
Statement of Net Assets
September 30, 2011

Assets

Cash and cash equivalents	\$	1,053,753
Accounts receivable		649,731
Restricted assets:		
Cash and cash equivalents		31,088
Capital assets (net of accumulated depreciation):		
Property, plant and equipment		2,519,094
Other assets:		
Closing costs, net of amortization		6,750
		<u>6,750</u>
Total Assets	\$	4,260,416
		<u><u>4,260,416</u></u>

Liabilities

Accounts payable		108,205
Accrued salaries and leave		82,034
Deferred revenues		209,716
Tenant deposits		2,970
Long-term liabilities:		
Due within one year		75,774
Due after one year		1,656,667
		<u>1,656,667</u>
Total Liabilities	\$	2,135,366
		<u><u>2,135,366</u></u>

Net Assets

Invested in capital assets, net of related debt		786,653
Restricted net assets		31,088
Unrestricted net assets		1,307,309
		<u>1,307,309</u>
Total Net Assets	\$	2,125,050
		<u><u>2,125,050</u></u>

See accompanying notes to financial statements.

Northeast Florida Regional Council
Statement of Activities
For the Year Ended September 30, 2011

	<u>Expenses</u>	<u>Indirect Expenses Allocation</u>	<u>Program Revenues</u>		<u>Total</u>
<u>Functions/Programs</u>			<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Primary government:					
Governmental activities:					
General government:					
Financial and administration	\$ 535,294	\$ 116,711	\$ -	\$ -	\$ (652,005)
Planning and growth management	381,820	235,226	266,128	342,808	(8,110)
Emergency preparedness	1,948,482	368,516	170,301	2,185,166	38,469
North Florida Procurement	12,916	2,772	15,688	-	-
Regional Leadership Academy	11,740	7,924	4,090	-	(15,574)
Regional Community Institute	9,179	5,240	14,419	-	-
Debt service - interest	-	61,380	-	-	(61,380)
Total governmental activities	<u>2,899,431</u>	<u>797,769</u>	<u>470,626</u>	<u>2,527,974</u>	<u>(698,600)</u>
General revenues:					
Miscellaneous					39,074
Membership dues					623,091
Interest income					1,499
Tenant revenue					9,206
Total general revenues					<u>672,870</u>
Change in net assets					(25,730)
Net assets - beginning					<u>2,150,780</u>
Net assets - ending					<u><u>\$ 2,125,050</u></u>

See accompanying notes to financial statements.

Northeast Florida Regional Council
Balance Sheet
Governmental Fund
September 30, 2011

Assets

Cash and cash equivalents	\$ 1,053,753
Accounts receivable	649,731
Restricted assets:	
Cash and cash equivalents	31,088
Other assets:	
Closing costs	6,750
Total Assets	\$ 1,741,322

Liabilities and Fund Balance

Liabilities:

Accounts payable	\$ 108,205
Accrued salaries and leave	82,034
Deferred revenues	209,716
Tenant deposits	2,970
Total Liabilities	\$ 402,925

Fund balance:

Nonspendable	\$ 6,750
Restricted	31,088
Unassigned	1,300,559
Total fund balance	1,338,397

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund.	2,519,094
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund.	(1,732,441)
	886,653

Net assets of governmental activities	\$ 2,125,050
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See accompanying notes to financial statements.

Northeast Florida Regional Council
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Fund
For the Year Ended September 30, 2011

Revenues

County assessments	\$ 623,091
Federal grants	2,189,831
State grants	338,144
Local government	401,999
North Florida Procurement	15,688
Regional Leadership Academy	4,090
Regional Community Institute	14,419
Tenant revenue	9,206
Interest income	1,499
Other	73,503
Total Revenues	3,671,470

Expenditures

Personnel service	1,121,410
Direct charges	1,778,020
Debt service:	
Principal	72,990
Interest	61,380
Capital outlay:	
Property, plant and equipment	53,388
Common/Indirect	573,729
Total Expenditures	3,660,917

Excess Revenues Over Expenditures 10,553

Net Change in Fund Balance 10,553

Fund Balance, beginning of year 1,327,844

Fund Balance, end of year \$ 1,338,397

See accompanying notes to financial statements.

Northeast Florida Regional Council
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance
of Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2011

Amounts reported for governmental activities in the statement of activities (page 14) are different because:

Net Change in fund balance - governmental funds (page 16)	10,553
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and is reported as depreciation expense.	53,388
Depreciation expense reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds.	(162,661)
Governmental funds do not show long-term debt on the balance sheet. However, the current principal payments and the current interest paid related to the debt are reported on the statement of revenues, expenditures and changes in fund balance. This is the amount by which the principal balance was reduced for current year.	<u>72,990</u>
Changes in net assets of governmental activities (page 14)	<u><u>\$ (25,730)</u></u>

See accompanying notes to financial statements.

Northeast Florida Regional Council
Notes to Financial Statements
Year Ended September 30, 2011

Note A – Summary of Significant Accounting Policies

The accounting policies of the Northeast Florida Regional Council (the Council) conform to generally accepted accounting principles (GAAP) as applicable to governments. The following is a summary of the more significant policies.

1. Financial Reporting Entity

The Council was organized pursuant to Chapter 186 of the Florida Statutes, as amended, and specifically created by an interlocal agreement pursuant to Chapter 163, Florida Statutes, in order to provide local governments with a means of conducting a regional planning process to ensure orderly and balanced growth and development within the Northeast Florida Region (including the counties of Baker, Clay, Duval, Flagler, Nassau, Putnam and St. Johns).

The Council has considered for inclusion all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the Council are such that exclusion would cause the Council's financial statements to be misleading or incomplete. In accordance with GASB 14, *The Financial Reporting Entity*, the GASB has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the Council to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Council. There are no other entities to consider for inclusion as a component unit within the Council's reporting entity.

2. Fund Structure

The Council's accounts are maintained in accordance with the principles of fund accounting to ensure compliance with limitations and restrictions placed on the use of resources available to it. Under fund accounting, individual funds are established for the purpose of carrying on activities or attaining objectives in accordance with specific regulations, restrictions or limitations. Each individual fund is a self-balancing set of accounts recording cash and other financing resources, together with liabilities and residual equities or balances, and changes therein. For financial statement presentation, funds with similar characteristics, including those component units referenced above, are grouped into generic fund types as required by GAAP. A brief description of these fund types, account groups, and categories into which they are grouped, follows.

Governmental Funds

Governmental funds financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Council considers revenues to be available if they are collected within 60 days of the fiscal year-end. Expenditures are recorded when the related fund liability is incurred.

Northeast Florida Regional Council
Notes to Financial Statements
Year Ended September 30, 2011

3. Basis of Presentation – Basis of Accounting

Basis of Presentation

Government-wide Statements: The statement of net assets and the statement of activities display information about the primary government. These statements include the financial activities of the overall government. These statements distinguish between the governmental activities of the Council. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

Fund Financial Statements: The fund financial statements provide information about the Council's funds. The emphasis of fund financial accounting is on major governmental funds, each displayed in a separate column.

Fund Types and Major Funds

Governmental Funds

The Council reports the following major governmental fund:

General Fund – reports as primary fund for the Council.

Measurements Focus, Basis of Accounting

Government-wide Financial Statements. The government-wide financial statements are reported using the economic resources measurement focus and are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Council gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds.

4. Cash and Cash Equivalents

The Council considers all highly liquid investments with original maturities of three months or less to be cash equivalents. The carrying amount reported in the statement of financial position for cash and cash equivalents approximates its fair value.

5. Investments

Investments are stated at fair value.

6. Receivables

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Northeast Florida Regional Council
Notes to Financial Statements
Year Ended September 30, 2011

7. Capital Assets

All purchased capital assets are recorded at cost where historical records are available and at estimated cost where no historical records exist and are reported in the government-wide financial statements. Donated fixed assets are valued at their estimated fair market value on the date received. Generally, capital assets costing more than \$500 and having a useful life of more than one year are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

The estimated useful lives for the major classes of depreciable fixed assets are as follows:

Office equipment	3-5 years
Other equipment	5-7 years
Software	5 years
Building	40 years
Improvements	20 years

8. Compensated Absences

Council employees may accumulate earned annual leave benefits (compensated absences) at various rates within limits specified in the personnel manual. For all funds, this liability reflects amounts attributable to employee services already rendered, cumulative, probable for payment, and reasonably estimated in conformity with Governmental Accounting Standards Board Statement No. 16, *Accounting for Compensated Absences*. At their option, employees may receive payment for accrued annual leave for hours in excess of 160. This payout option is allowed a maximum of twice a year.

All fund types report this liability as a fund liability as the benefits accrue to the employees. No liability is recorded for non-vesting, accumulated sick pay benefits. Compensated absences liability is determined based on current rates of pay.

9. Use of Estimates

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

10. Pension and Investment Plans

Substantially all permanent, full-time employees of the Council are covered under a defined benefit pension plan that is administered by the Florida Retirement System. Employer contributions are recorded as pension expenditures/expenses when the related payroll is accrued based on actuarially determined rates set by the Florida Retirement System. The pension plan expenditures/expenses are reported in accordance with Governmental Accounting Standards Board No. 27, *Accounting for Pensions by State and Local Governments*.

Northeast Florida Regional Council
Notes to Financial Statements
Year Ended September 30, 2011

11. Budgetary Data

An annual budget is adopted for the general fund by the Council by the July meeting preceding the fiscal year. All annual appropriations lapse at the fiscal year end. Mid-year and year-end amendments are made to the budget as necessary. The budget is prepared and controlled at the project activity level.

Note B – Cash and Investments

1. Cash on Deposit

At September 30, 2011, the Council's cash on deposit in its bank accounts was \$1,186,552 which is placed on deposit with financial institutions in the form of demand deposit accounts, time deposit accounts and certificates of deposit and is defined as public deposits. The Council's public deposits are held in qualified public depositories pursuant to State of Florida Statutes, Chapter 280, "Florida Security of Public Deposits Act", and covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the Act. Under the Act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits, times the depository's collateral pledging level.

The pledging level may range from 50% to 125% depending upon the depository's financial condition and establishment period. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default.

2. Investments and Investment Practices

The Council is authorized to invest in certificates of deposit, money market certificates, and obligations of the U.S. Treasury, its agencies and instrumentalities, repurchase agreements collateralized by U.S. securities, the Florida Counties Investment Trust, and the Local Government Surplus Funds Trust Fund. No derivative or similar investment transactions were used, held, or written by the Council during the fiscal year. As of September 30, 2011, the Council had investments with the Florida Local Government Investment TRUST of \$15,822. The carrying value equals the fair value at September 30, 2011.

Northeast Florida Regional Council
Notes to Financial Statements
Year Ended September 30, 2011

Note C – Property, Plant and Equipment

Activity for the Council’s capital assets is summarized below:

	Balance 9/30/10	Additions	Disposals	Balance 9/30/11
Governmental Activities:				
Capital assets, non-depreciable:				
Land	\$ 271,910	\$ -	\$ -	\$ 271,910
Total capital assets, non-depreciable	<u>271,910</u>	<u>-</u>	<u>-</u>	<u>271,910</u>
Capital Assets, depreciable:				
Office furniture	8,716	-	-	8,716
Other equipment	676,883	41,547	(15,898)	702,532
Software	115,200	-	-	115,200
Building	1,928,090	-	-	1,928,090
Improvements	936,445	11,841	-	948,286
Total capital assets, depreciable	<u>3,665,334</u>	<u>53,388</u>	<u>(15,898)</u>	<u>3,702,824</u>
Less accumulated depreciation	<u>(1,309,012)</u>	<u>(162,661)</u>	<u>16,033</u>	<u>(1,455,640)</u>
Total capital assets, depreciable, net	<u>2,356,322</u>	<u>(109,273)</u>	<u>135</u>	<u>2,247,184</u>
Governmental activities capital assets, net	<u>\$ 2,628,232</u>	<u>\$ (109,273)</u>	<u>\$ 135</u>	<u>\$ 2,519,094</u>

Government-wide depreciation expense for the year ended September 30, 2011 totaled \$162,661.

Note D – Deferred Revenue

The amount recorded as deferred revenue relates to projects for which funding was received prior to the performance of the service. The amounts will be recognized as revenue when the related service is performed. Deferred revenues, at September 30, 2011, were \$209,716.

Note E – Long-Term Obligations

Long-term obligation activity for the year ended September 30, 2011 is as follows:

Beginning Balance	\$ 1,805,431
Reductions	<u>(72,990)</u>
Ending Balance	<u>\$ 1,732,441</u>
Due Within One Year	\$ 75,774

Northeast Florida Regional Council
Notes to Financial Statements
Year Ended September 30, 2011

Note E – Long-Term Obligations (continued)

Notes Payable

Notes payable at September 30, 2011, consist of:

\$1,960,000 note dated June 3, 2008, payable in 120 monthly installments of \$11,621 including interest at 3.75% until June 3, 2018, at which time the Council will make a balloon payment in the amount of \$1,169,316. Pledged revenues collateralize this loan.	\$ 1,732,441
Less current portion	<u>(75,774)</u>
Long-term portion	<u>\$ 1,656,667</u>

The aggregate amounts of principal and interest payments due in each of the years subsequent to September 30, 2011, are:

<u>Fiscal Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 75,774	\$ 63,673	\$ 139,447
2013	78,665	60,782	139,447
2014	81,666	57,781	139,447
2015	84,782	54,665	139,447
2016	88,017	51,430	139,447
2017	91,381	48,066	139,447
2018	1,232,156	33,772	1,265,928
Total	<u>\$ 1,732,441</u>	<u>\$ 370,169</u>	<u>\$ 2,102,610</u>

Note F – Cost Allocation

The following is a summary of significant cost allocation policies and results used in the preparation of the financial statements.

Cost allocation operates in accordance with an Indirect Cost Proposal (the Proposal) developed annually. Although the Council receives direct federal funding, it does not rise to the dollar amount defining a “Cognizant Agency”; therefore, under the guidelines established by Circular A-87, approval of the Indirect Cost Proposal and Rate is not mandated. The Proposal identifies shared costs and the financial bases for cost sharing. It also identifies various non-financial bases for allocating certain joint or common costs as direct costs. The concepts in the Proposal are utilized in the accounting system and produced the following actual results shown below for the fiscal year.

Leave benefits consist of accrued annual leave and other types of leave granted (i.e., sick, holiday and administrative leave). Leave costs are accumulated in an organizational leave pool and distributed to activities based on year-to-date regular time salary costs. This results in all activities bearing an equitable share of leave costs and diminishes the circumstantial effects of timing associated with leave usage.

Northeast Florida Regional Council
Notes to Financial Statements
Year Ended September 30, 2011

Note F – Cost Allocation (continued)

Actual leave costs and the leave rate percentage for the year ended September 30, 2011, are shown below:

Annual leave taken	\$ 67,109
Sick leave taken	39,786
Holiday leave granted	49,986
Personal leave taken	3,743
Administrative leave granted	2,509
Net change in accrued leave liability	<u>(2,311)</u>
Total leave costs	<u>\$ 160,822</u>
Leave benefit costs	<u>\$ 160,822</u>
In-service salaries	<u>\$ 992,239</u>

Actual leave rates by employee classification (which reflect leave eligibility) are developed and applied to the year-to-date base of regular time salaries in each project to determine its share of leave costs. In the aggregate, \$160,822, accounting for 16.21% of in-service salaries, was charged among all programs operated during the fiscal year. Separate classifications are necessary because leave benefit eligibility differs among employees.

Employee fringe benefit costs are accumulated in an organization pool as they are incurred. Fringe benefit costs are prorated by employee's proportionate share of salaries to total year-to-date organizational salaries. The classification of costs conforms to the organization's Proposal for the year in which final rates of 34.11% were computed. The fringe benefit actual cost and final rates for the year ended September 30, 2011, are as follows:

FICA	\$ 86,257
FRS	123,167
Health Insurance	150,673
Life Insurance	2,404
Disability Insurance	6,729
Workers Compensation	2,966
Unemployment Compensation	<u>21,292</u>
Total Fringe Benefit Costs	<u>\$ 393,488</u>
Total Salaries	<u>\$ 1,153,721</u>
Total Rate	34.11%

Northeast Florida Regional Council
Notes to Financial Statements
Year Ended September 30, 2011

Note F – Cost Allocation (continued)

The final rate was applied to the year-to-date salaries base in each project to determine its share of fringe benefit costs. In the aggregate, \$393,488 was charged among all programs operated during the fiscal year. The use of the pool and year-to-date financial activity results in an equitable distribution among all activities regardless of individual contract periods or monthly expenditure levels.

Common costs consist of occupancy and other facility costs that support all programs, including central management and administration functions. Common costs are allocated among programs and the indirect cost pool on the basis of in-service hours. A portion of common costs is thereby allocated to indirect costs representing its share of common costs. The classification of common costs conforms to the organization's Proposal for the year in which a \$14.83 per hour common cost rate was used for budgeting purposes.

Common costs were accumulated in an organizational pool and distributed to activities/programs based on in-service hours in conformity with the organization's Proposal. Actual common costs and the final rate for the year ended September 30, 2011, are as follows:

Common cost rate (final)	<u>\$ 13.98</u>
Actual year-to-date common costs	<u>\$ 433,377</u>
Base (hours)	<u>30,998</u>

The final rate was applied to the year-to-date base in each project to determine its share of common costs. In the aggregate, actual costs of \$433,377 were charged among all programs operated during the fiscal year.

Indirect costs consist of salaries and fringe benefits of central organization personnel who perform management and administrative functions necessary and beneficial to all activities, non-salary support costs related to central management and administration functions, and a share of the organization's common costs. These categories of costs are developed individually and then are combined to compute a single rate. The classification of costs conforms to the organization's Indirect Cost Proposal for the year in which an \$18.57 per hour Provisional Indirect Cost Rate was used for budgeting purposes.

Indirect costs were accumulated in an organizational pool and distributed to activities/programs based on in-service hours in conformity with the organization's Indirect Cost Proposal. Actual indirect costs and the final rate for the year ended September 30, 2011, are as follows:

Indirect cost rate (final)	<u>\$ 17.97</u>
Actual year-to-date indirect costs	<u>\$ 444,300</u>
Base (hours)	<u>24,722</u>

Northeast Florida Regional Council
Notes to Financial Statements
Year Ended September 30, 2011

Note F – Cost Allocation (continued)

The final rate was applied to the year-to-date base in each project to determine its share of indirect costs. In the aggregate, actual costs of \$444,300 were charged among all programs operated during the fiscal year. The use of year-to-date financial information applies costs equitably regardless of individual contract periods or monthly expenditure levels.

Financial Report projects completed during the fiscal year may have reported interim costs to grantor agencies pending the determination of final costs at September 30, 2011. Interim reports may show higher or lower allocated costs which reflect changing rates after project termination. Final costs for completed projects can only be determined at the end of the organization's fiscal year.

Note G – Retirement Plan

1. Plan Description

The Northeast Florida Regional Council contributes to the Florida Retirement System (FRS), a cost-sharing, multiple-employer public employee retirement system (PERS) available to governmental units within the State. In accordance with Florida laws, the Council participates in the FRS that presently covers all qualified Council employees. The FRS was created by the Florida Legislature and is administered by the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Florida Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for FRS. That report may be obtained by writing the Florida Division of Retirement, P.O. Box 9000, Tallahassee, Florida 32315.

2. Funding Policy

The Council is required to contribute a fixed portion of their covered payroll as provided in various acts of the Florida Legislature. The required contribution rate for regular class employees was 10.77% from October 1, 2010 to June 30, 2011, and 7.91% from July 1, 2011 to September 30, 2011. The required contribution rate for the senior management was 14.57% from October 1, 2010 to June 30, 2011, and 9.27% from July 1, 2011 to September 30, 2011. Two employees of the Council are enrolled in the Deferred Retirement Option Program (DROP), the required contribution rate was 12.25% from October 1, 2010 to June 30, 2011, and 4.42% from July 1, 2011 to September 30, 2011. Effective July 1, 2011, covered employees are now required to make 3% salary contributions to the Florida Retirement System. The Council's contribution to Florida Retirement System for the years ended September 30, 2011, 2010, and 2009 were \$129,746, \$132,540, and \$162,621, respectively, equal to the required contributions for each year.

Northeast Florida Regional Council
Notes to Financial Statements
Year Ended September 30, 2011

Note H – Litigation, Contingencies and Commitments

The Council participates in various federal and state assisted grant programs that are subject to review and audit by the grantor agencies. Entitlement to these resources is generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal and state regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a federal or state audit may become a liability of the Council.

The Council is required to comply with various federal and state regulations issued by the U.S. Office of Management and Budget if such agency or department is a recipient of federal and state grants, contracts, or their sponsored agreements. Failure to comply may result in questions concerning the allocability of related direct and indirect charges pursuant to such agreements. It is believed that the ultimate disallowance pertaining to these regulations, if any, will be immaterial to the overall financial condition of the Council.

Note I – Insurance Proceeds

During the previous fiscal year, the Council experienced an internal flood that caused significant damage to its facility. The total cost of repairs for the damages as of September 30, 2011 was \$89,577. The Council has received a total of \$82,910 from insurance proceeds, of which \$31,419 was received in the current fiscal year.

Note J – Leases

The Council leases office space within its building that terminates August 31, 2014. Lease payments are due monthly, future minimum lease payments to be received as of September 30, 2011, are as follows:

<u>Year Ending</u>	<u>Minimum Lease Payments Receivable</u>
2012	\$ 17,822
2013	17,822
2014	16,337
Totals	<u>\$ 51,981</u>

Note K – Management’s Review

Subsequent events were evaluated through December 16, 2011, which is the date the financial statements were available to be issued.

Note L – Risk Management

The Council is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the Council purchases commercial insurance.

Required Supplementary Information

Northeast Florida Regional Council

Year Ended September 30, 2011

Northeast Florida Regional Council
Governmental Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2011

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues				
County assessments	\$ 623,091	\$ 623,091	\$ 623,091	\$ -
Federal grants	2,863,000	2,396,998	2,189,831	(207,167)
State grants	392,868	340,077	338,144	(1,933)
Local government and DRI fees	652,750	490,474	401,999	(88,475)
North Florida Procurement	12,000	13,000	15,688	2,688
Regional Leadership Academy	4,000	4,000	4,090	90
Regional Community Institute	25,000	50,000	14,419	(35,581)
Tenant revenue	34,000	6,354	9,206	2,852
Other	149,574	92,721	73,503	(19,218)
Total Revenues	<u>4,756,283</u>	<u>4,016,715</u>	<u>3,669,971</u>	<u>(346,744)</u>
Expenditures				
Personnel service	1,733,930	1,526,428	1,547,209	20,781
Direct charges	2,626,730	2,113,367	1,778,020	(335,347)
Common/Indirect	395,623	376,920	310,591	(66,329)
Total Expenditures	<u>4,756,283</u>	<u>4,016,715</u>	<u>3,635,820</u>	<u>(380,895)</u>
Excess Revenues over Expenditures	-	-	34,151	34,151
Other Financing Sources (Uses)				
Interest income	-	-	1,499	1,499
Interest expense	-	-	(61,380)	(61,380)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(59,881)</u>	<u>(59,881)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(25,730)	<u>\$ (25,730)</u>
Fund Balance, beginning of year			<u>2,150,780</u>	
Fund Balance, end of year			<u>\$2,125,050</u>	

Supplemental Financial Information

Northeast Florida Regional Council

Year Ended September 30, 2011

Northeast Florida Regional Council
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2011

Federal/State Agency, Pass-through Entity	CFDA No.	Contract Grant No.	Grant Expenditures
<u>FEDERAL AWARDS</u>			
DEPARTMENT OF COMMERCE ECONOMIC DEVELOPMENT ADMINISTRATION			
Direct Program			
Economic Development Support for Planning Organizations - CEDS	11.302	04-83-06512	\$ 7,050
Economic Adjustment Assistance - Northeast Florida Key Sub-Clusters	11.307	04-69-06520	<u>49,921</u>
TOTAL DEPARTMENT OF COMMERCE ECONOMIC DEVELOPMENT ADMINISTRATION			<u>56,971</u>
DEPARTMENT OF HOMELAND SECURITY			
Indirect Programs			
Passed through the State of Florida Emergency Management			
Homeland Security Grant Program - Large Vehicle Bomb	97.067	12-DS-55-13-00-22-241	51,156
Homeland Security Grant Program - SHSGP 12	97.067	10-DS-39-13-00-21-389	53,661
Homeland Security Grant Program - SHSGP 13	97.067	11-DS-9Z-13-00-21-428	20,606
Homeland Security Grant Program - TEPW	97.067	11-DS-7Z-13-00-22-258	61,435
Homeland Security Grant Program - FOG Update	97.067	11-DS-66-13-00-21-338	50,330
Homeland Security Grant Program - DEM T.A. '09	97.067	09-DS-12-13-00-21-390	49,978
Homeland Security Grant Program - DEM T.A. '10/'11	97.067	11-DS-26-13-00-22-242	<u>47,944</u>
			<u>335,110</u>
Hazard Mitigation Grant - SRESP II	97.039	11-HM-3B-13-00-22-018	<u>302,393</u>
Interoperable Communications - IC Statewide Exercises	97.055	10-PR-57-13-00-22-419	2,749
Interoperable Communications - IC Statewide Exercises (C1)	97.055	11-PR-36-13-00-22-280	437,312
Interoperable Communications - IC Statewide Exercises (C2)	97.055	11-PR-39-13-00-22-268	270,573
Interoperable Communications - IC Statewide Exercises (C3)	97.055	11-PR-36-13-00-22-466	292,091
Interoperable Communications - IECGP Training	97.055	10-PR-45-12-00-22-090	89,496
Interoperable Communications - IECGP Training II	97.055	10-PR-45-12-00-22-326	169,401
Interoperable Communications - IECGP Curriculum	97.055	11-PR-36-13-00-22-348	11,609
Interoperable Communications - IECGP Training III	97.055	12-PR-39-13-00-22-166	5,981
Interoperable Communications - IO Video	97.055	12-PR-39-13-00-22-232	26,322
Interoperable Communications - I/O Summit	97.055	12-PR-36-13-00-22-153	43,018
Interoperable Communications - IECGP Exercise Pre-Plan	97.055	12-PR-39-13-00-22-165	<u>1,339</u>
			<u>1,349,891</u>
Emergency Management Performance Grant - State COG Template	97.042	10-PR-24-12-00-22-002	42,144
Emergency Management Performance Grant - SHEE 2011	97.042	11-PG-62-13-00-22-322	<u>35,826</u>
			<u>77,970</u>
TOTAL DEPARTMENT OF HOMELAND SECURITY			<u>2,065,364</u>
DEPARTMENT OF COMMERCE NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION			
Indirect Programs			
Passed through the State of Florida Emergency Management			
Public Safety Interoperable Communication Grant Program-TIC Plan	11.555	10-PR-31-13-00-22-019	<u>15,053</u>
TOTAL DEPARTMENT OF COMMERCE NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION			<u>15,053</u>
DEPARTMENT OF TRANSPORTATION			
Indirect Program			
Interagency Hazardous Materials Public Sector Training and Planning Grant-HMEP 09/10	20.703	11-DT-83-13-00-21-208	<u>52,445</u>
TOTAL DEPARTMENT OF TRANSPORTATION			<u>52,445</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 2,189,833</u>

See accompanying note to schedule.

Northeast Florida Regional Council
Notes to Schedule of Expenditures
of Federal Awards

Note A – Basis of Accounting

The accompanying schedule of expenditures of federal awards is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of Northeast Florida Regional Council, it is not intended to and does not present the financial position, changes in net assets, or cash flows. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note B – Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Additional Information

Northeast Florida Regional Council

Year Ended September 30, 2011



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 Board of Directors
of Northeast Florida Regional Council
Jacksonville, Florida

We have audited the financial statements of the governmental activities of Northeast Florida Regional Council (the Council), as of and for the year ended September 30, 2011, and have issued our report thereon dated December 16, 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 the Council's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control over financial reporting.

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

Board of Directors
of Northeast Florida Regional Council
Page Two

This report is intended solely for the information and use of the Board of Directors, management, others within the entity, and 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.

Magers & Associates, LLC
Magers & Associates, LLC
Orange Park, Florida
December 16, 2011



REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors
of Northeast Florida Regional Council
Jacksonville, Florida

Compliance

We have audited Northeast Florida Regional Council's (the Council) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Council's major federal programs for the year ended September 30, 2011. The Council's major federal programs are identified in the summary of auditors' 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2011.

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 to determine the 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 the Board of Directors, management, others within the entity, 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.

Magers & Associates, LLC
Magers & Associates, LLC
Orange Park, Florida
December 16, 2011

Northeast Florida Regional Council
Schedule of Findings and Questioned Costs
Federal Programs
For the Year Ended September 30, 2011

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:	Unqualified
Internal control over financial reporting:	
Material weakness identified?	No
Significant deficiency identified that are not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness identified?	No
Significant deficiency identified that are not considered to be material weaknesses	None Reported
Type of auditors' report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Section 510 (a) of Circular A-133?	No

Northeast Florida Regional Council
 Schedule of Findings and Questioned Costs
 Federal Awards
 For the Year Ended September 30, 2011
 -Continued-

Identification of major programs:

Federal Program	Federal CFDA No.
Department of Homeland Security	
Hazard Mitigation Grant	97.039
Homeland Security Grant Program	97.067
Dollar threshold used to distinguish between type A and type B programs:	
Federal Programs	\$ 300,000
Auditee qualified as low-risk auditee?	Yes
Prior findings and questioned costs relative to federal awards which require auditee to prepare a summary schedule of prior audit findings as discussed in Section 315(b) of OMB A-133?	None
B. FINANCIAL STATEMENT FINDINGS	None
FINDINGS AND QUESTIONED COSTS-	
MAJOR FEDERAL PROGRAMS	None

Northeast Florida Regional Council
Schedule of Findings and Questioned Costs
Federal Awards
For the Year Ended September 30, 2011
-Continued-

D. OTHER ISSUES

Management Letter	There are no findings to be reported; therefore, a Management letter is not required.
Summary of Prior Audit Findings	Not required because there were no prior year findings
Corrective Action Plan	Not required because there were no findings required to be reported under Federal Single Audit Acts