

APALACHEE REGIONAL PLANNING COUNCIL

Financial Statements

September 30, 2010

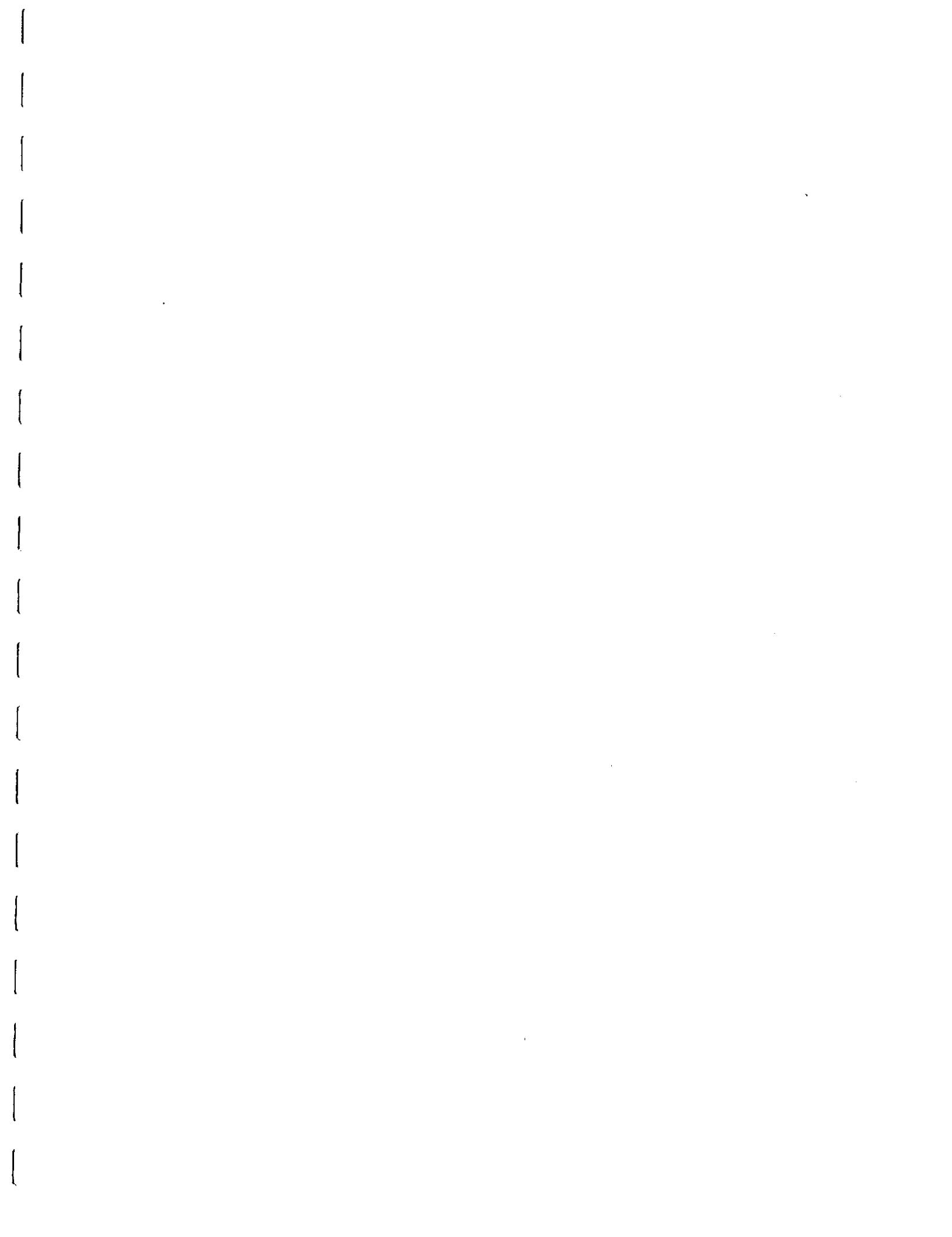
(With Independent Auditor's Report)

**. Frank (Bud) Guilford, Jr.
Certified Public Accountant
Blountstown, Florida**

APALACHEE REGIONAL PLANNING COUNCIL
Financial Statements
(With Independent Auditor's Reports)
September 30, 2010

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Apalachee Regional Planning Council

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Apalachee Regional Planning Council as of and for the year ended September 30, 2010, which collectively comprise the Council's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Apalachee Regional Planning Council's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards accepted in the United State 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 I 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. I believe that my audit provides a reasonable basis for my opinion.

In my 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 Apalachee Regional Planning Council, as of September 30, 2010, 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*, I have also issued my report dated January 20, 2011 on my consideration of the Apalachee Regional Planning Council's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

Board of Directors
Apalachee Regional Planning Council

INDEPENDENT AUDITOR'S REPORT, continued

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 6 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. I 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 I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Apalachee Regional Planning Council's basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance, as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State of Florida Office of the Auditor General Rule 10.550, and the schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly presented, in all material respects, in relation to the basic financial statements taken as a whole.

Frank Gulford

January 20, 2011

APALACHEE REGIONAL PLANNING COUNCIL
Management's Discussion and Analysis
For the year ended September 30, 2010

Our discussion and analysis of the Apalachee Regional Planning Council's financial performance provides an overview of the Council's financial activities for the year ended September 30, 2010. Please read it in conjunction with the Council's financial statements, which begin on page 7.

FINANCIAL HIGHLIGHTS

- * The assets of the Council exceeded its liabilities at the close of the fiscal year by \$1,486,628.
- * The Council's total net assets increased by \$471,823 for the fiscal year.
- * The Council's total revenues for the fiscal year were \$1,782,332.
- * At the end of the current fiscal year, unreserved fund balance for the General Fund was \$463,112 which is an increase of \$124,864 for the year.
- * The revolving loan program had an increase in fund balance of \$342,811.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 7 & 8) provide information about the activities of the Council as a whole and present a longer-term view of the Council's finances. Fund financial statements start on page 9. These statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Council's operations in more detail than the government-wide statement by providing information about the Council's most financially significant funds.

Government-wide Financial Statements

Our analysis of the Council as a whole begins on page 7. The Statement of Net Assets and the Statement of Activities report information about the Council as a whole and about its activities in a way that helps explain if the Council as a whole is better off or worse as a result of the year's activities. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

APALACHEE REGIONAL PLANNING COUNCIL
Management's Discussion and Analysis

These two statements report the Council's net assets and changes in them. The Council's net assets, the difference between assets and the Council's liabilities is one way to measure the Council's financial health. Increases in the Council's net assets is an indicator that the Council's financial position is improving and decreases in the Council's net assets is and indicator that the Council's financial position is deteriorating.

Fund Financial Statements

The analysis of the Council's major funds begins on page 9. The fund financial statements begin on page 9 and provide detailed information about the most significant funds-not the Council as a whole. Some funds are required to be established by State or Federal law. However, the Council establishes many other funds to help control and manage money for particular purposes. The Council only has governmental funds.

Governmental Funds: The Council's services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial asset that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Council's operations and the services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future 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 governmental-wide and fund financial statements. The notes to the financial statements can be found beginning on page 12 of this report.

Other information: In addition to the basic financial statements and accompanying notes, this report also contains additional elements that are required Governmental Auditing Standards, The Office of Management and Budget, and the Rules of the Auditor General of the State of Florida.

APALACHEE REGIONAL PLANNING COUNCIL
Management's Discussion and Analysis

Reporting the Council as a Whole

Statement of Net Assets:

Net assets over a period of time may serve as a useful indicator of a government's financial position. The Council's assets exceeded liabilities by \$1,486,628 at the close of the fiscal year ended September 30, 2010. A summary of Statement of Net Assets is as follows:

	<u>2009</u>	<u>2010</u>	<u>Increase (Decrease)</u>
Current Assets	\$1,555,784	\$1,585,609	\$ 29,825
Capital Assets, Net	<u>9,959</u>	<u>14,107</u>	<u>4,148</u>
Total Assets	<u>1,565,743</u>	<u>1,599,716</u>	<u>33,973</u>
Current Liabilities	204,640	113,088	(91,552)
Long-term Liabilities	<u>346,298</u>	<u>-</u>	<u>(346,298)</u>
Total Liabilities	<u>550,938</u>	<u>113,088</u>	<u>(437,850)</u>
Net Assets:			
Investment in Capital Assets	9,959	14,107	4,148
Restricted	666,598	1,009,409	342,811
Unrestricted	<u>338,248</u>	<u>463,112</u>	<u>124,864</u>
Total Net Assets	<u>\$1,014,805</u>	<u>\$1,486,628</u>	<u>\$ 471,823</u>

APALACHEE REGIONAL PLANNING COUNCIL
Management's Discussion and Analysis

Changes in Net Assets:

A summary of the Changes in Net Assets is as follows:

	2009	2010	Increase (Decrease)
Program Revenues:			
Charges for services	\$ 100,322	\$172,170	71,848
Operating grants and contributions	1,082,360	1,556,499	474,139
General revenues:			
Member dues	44,875	44,625	(250)
Investment earnings	170	3,130	2,960
Miscellaneous	565	5,908	5,343
Total Revenues	<u>1,228,292</u>	<u>1,782,332</u>	<u>554,040</u>
Functions/Program Expenses:			
General government	232,107	208,339	(23,768)
Transportation	214,705	224,640	9,935
Human services	-	-	-
Physical environment	544,447	642,485	98,038
Economic environment	116,812	113,910	(2,902)
Planning and development	101,339	121,135	19,796
Total functions/program expenses	<u>1,209,410</u>	<u>1,310,509</u>	<u>101,099</u>
Change in Net Assets	18,882	471,823	452,941
Net Assets-Beginning	<u>995,923</u>	<u>1,014,805</u>	<u>18,882</u>
Net Assets-Ending	<u>\$1,014,805</u>	<u>\$1,486,628</u>	<u>\$ 471,823</u>

Request For Information

This financial report is designed to provide a general overview of the Council's finances for all those with an interest in the Council's finances. Questions concerning any of the information provide in this report or requests for additional financial information should be addressed to:

Charles D. Blume, Executive Director
 Apalachee Regional Planning Council
 20776 Central Avenue East Suite #1
 Blountstown, Florida 32424

APALACHEE REGIONAL PLANNING COUNCIL
Statement of Net Assets
September 30, 2010

	<u>Primary Government and Governmental Activities</u>
Assets	
Current assets	
Cash	\$ 36,975
Cash equivalents	577,949
Notes receivable	317,791
Due from other funds	-
Due from other governments	652,894
Total current assets	<u>1,585,609</u>
Noncurrent assets	
Furniture and equipment	96,770
Less allowance for depreciation	<u>(82,663)</u>
Total noncurrent assets	<u>14,107</u>
Total assets	<u>1,599,716</u>
Liabilities	
Current liabilities	
Accounts payable and accrued expenses	\$ 3,014
Deferred revenue	54,814
Accrued compensated absences	<u>55,260</u>
Total current liabilities	<u>113,088</u>
Noncurrent liabilities	
Accrued compensated absences	-
Deferred revenue	<u>-</u>
Total noncurrent liabilities	<u>-</u>
Total liabilities	<u>113,088</u>
Net assets	
Invested in capital assets	14,107
Restricted for:	
Revolving loan fund	1,009,409
Unrestricted	<u>463,112</u>
Total net assets	<u>\$ 1,486,628</u>

See accompanying notes to financial statements.

APALACHEE REGIONAL PLANNING COUNCIL
Statement of Activities
Year Ended September 30, 2010

Program Activities	Program Revenues			Net(Expense) Revenue and Changes in Net Assets
	Direct Expenses	Indirect Expenses Allocation	Charges for Services	
Primary government:				
General government	\$ 128,360	79,979	-	-
Transportation	140,317	84,323	-	208,339
Human Services	-	-	-	232,427
Physical environment	495,161	147,324	-	-
Economic environment	73,596	40,314	-	678,552
Planning and development	80,200	40,935	172,170	437,181
Total governmental activities	\$ 917,634	392,875	172,170	1,556,499
General revenues				
Member dues				44,625
Investment earnings				3,130
Miscellaneous				5,908
Total general revenues and transfers				53,663
Change in net assets				471,823
Net assets, beginning				1,014,805
Net assets, ending				\$ 1,486,628

See accompanying notes to financial statements.

APALACHEE REGIONAL PLANNING COUNCIL
Balance Sheet
Governmental Funds
September 30, 2010

	<u>General Fund</u>
Assets	
Cash	36,975
Cash equivalents	577,949
Notes receivable	317,791
Due from other funds	-
Due from other governments	-
Total assets	<u>652,894</u>
	<u>\$ 1,585,609</u>
Liabilities	
Accounts payable	3,014
Accrued employee benefits	55,260
Due to other funds	-
Due to other governments	-
Deferred revenues	54,814
Total liabilities	<u>113,088</u>
Fund Equity	
Fund balances:	
Reserved for revolving loan fund	1,009,409
Unreserved:	
Undesignated	463,112
Total fund equity	<u>1,472,521</u>
Total liabilities and fund equity	<u>\$ 1,585,609</u>
Total fund balance reported above	\$ 1,472,521
Amount 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 funds.	14,107
Net assets of governmental activities	<u>\$ 1,486,628</u>

See accompanying notes to financial statements.

APALACHEE REGIONAL PLANNING COUNCIL
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Governmental Funds
Year Ended September 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues:				
EDA Planning Grant	\$ 53,000	91,995	64,396	(27,599)
State Contract	220,045	258,045	290,819	32,774
Member Dues	45,000	45,000	44,625	(375)
Revolving Loan Funds	50,000	50,000	375,530	325,530
Grants Administration	370,000	370,000	54,273	(315,727)
Transportation Disadvantaged	140,256	145,256	144,737	(519)
DOT Rural Planning	60,000	80,550	87,691	7,141
DRI Activity	50,000	50,000	2,500	(47,500)
Interest and Miscellaneous Earnings	6,900	6,900	6,293	(607)
Consulting Assistance	375,000	392,455	711,468	319,013
Total Revenues	<u>1,370,201</u>	<u>1,490,201</u>	<u>1,782,332</u>	<u>292,131</u>
Expenditures:				
Current operating:				
Salaries	629,116	749,116	759,068	(9,952)
Fringe Benefits	257,920	257,920	209,014	48,906
Capital Outlay	52,000	52,000	9,310	42,690
Other Direct and Indirect Costs	431,165	431,165	337,265	93,900
Total expenditures	<u>1,370,201</u>	<u>1,490,201</u>	<u>1,314,657</u>	<u>175,544</u>
Excess of revenues over (under) expenditures	<u>\$ -</u>	<u>-</u>	467,675	<u>467,675</u>
Fund balance, beginning of year			<u>1,004,846</u>	
Fund balance, end of year			<u>1,472,521</u>	

See accompanying notes to financial statements

APALACHEE REGIONAL PLANNING COUNCIL
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
Year ended September 30, 2010

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

Net change in fund balances - total governmental funds	\$ 467,675
<p>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 reported as depreciation expense.</p>	
Expenditures for capital assets	9,310
Less current year depreciation	<u>(5,162)</u>
Change in net assets of governmental activities	<u>\$ 471,823</u>

Apalachee Regional Planning Council
Notes to Financial Statements
September 30, 2010

Note 1 – Summary of significant accounting policies

The financial statements of the Apalachee Regional Planning Council (the Council) have been designed to conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant accounting policies.

A – Reporting entity

The Council is a tax-exempt association of local counties organized August 23, 1977 under the authority of Chapter 163 of the Florida Statutes. The Council began operating under Chapter 160 of the Florida Statutes during the Fiscal year ended September 30, 1981. The council serves local governments as a regional clearinghouse and comprehensive planning agency with the power, duty and responsibility for carrying out regional planning. The Council is governed by an executive board of directors represented by each of the member counties. The Council's membership consisted of nine counties in Northwest Florida at September 30, 2010.

B – 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 (the Council). These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental activities of the Council. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transaction.

The statement of activities presents a comparison between direct expenses and program revenues of each function of the Council's governmental activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

Apalachee Regional Planning Council
Notes to Financial Statements
September 30, 2010

Fund Financial Statement: The fund financial statements provide information about the Council's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

Measurement 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.

Amounts reported as program revenues include 1) charges to customers or applicants for good, services, or privileges provided, and 2) operating grants and contributions.

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. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the Council funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the Council's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

All governmental activities of the Council follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and

Apalachee Regional Planning Council
Notes to Financial Statements
September 30, 2010

Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

C – Budgetary Data

An annual budget is adopted by the Council on a government wide basis. Amendments are made to the budget as necessary. The budget is prepared and controlled at the project activity level.

D – Assets, Liabilities and Fund Equity

Furniture and equipment:

Furniture and equipment are recorded at historical cost when purchased.

Depreciation is provided on the straight-line basis over the estimated useful life of 5 years.

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

Accrued compensated absences:

The Council recognizes vacation and sick pay on the accrual basis. Provision is made for all vacation time earned whereas only 50% of sick time is accrued in the financial statements, since the unpaid amount is to be liquidated with expendable available financial resources. Full time permanent employees of the Council are granted annual leave to be accumulated at the rate of four hours per two-week pay period. Annual leave may not exceed 240 working hours.

Full time permanent employees shall be entitled to sick leave to be accumulated at a rate of four hours per two-week pay period. Sick leave is limited to 240 working hours. No sick leave benefits are granted upon termination of employment.

Net Assets/Fund Balances

Net Assets

Net assets in government-wide financial statements are classified as invested in capital assets, net of related debt, restricted, and unrestricted. Restricted net assets represent constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

Apalachee Regional Planning Council
Notes to Financial Statements
September 30, 2010

Fund Balances

In the governmental fund financial statements, restricted fund balance is restricted for the purpose of operations of the Council's revolving loan fund activities. The unrestricted fund balance is uncommitted and available for any legal purpose.

Accounting Estimates

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

New Pronouncements

The Council has implemented GASB Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. This new standard provides for significant changes in terminology and presentation and for the inclusion of Management's Discussion and Analysis as required supplementary information.

In addition, the Council adopted GASB Statement No. 37, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus, which amended GASB Statements No. 21 and 34. Finally, the Council adopted GASB Statement No. 38, Certain Financial Statement Disclosures, which modified disclosure requirements related to significant accounting policies, actions taken to address violations of significant finance-related legal and contractual provisions, debt and lease obligations, short term debt, disaggregating of receivable and payable balances and interfund balances and transfers.

Note 2 – Cash and Cash Equivalents

All of the Council's cash deposits are held in the Council's name in financial institutions certified by the State of Florida as qualified public depositories under Chapter 280 Florida Statutes. Florida Statutes require that all depositories holding public funds collateralize deposits in excess of F.D.I.C. insurance with the State Treasurer.

Apalachee Regional Planning Council
Notes to Financial Statements
September 30, 2010

All cash equivalents are deposited in the State Board of Administration's Local Government Surplus Fund. The State Board of Administration is a three-member board made up of the State elected officials of Governor, Treasurer and Comptroller. They are empowered by Florida law to invest funds at the request of local governments. The Local Government Surplus Funds Trust Fund is governed by Chapter 19-7 of the Florida Administrative Code, which identifies the Rules of the State Board of Administration. These rules provide guidance and establish the general operating procedures for the administration of the Local Government Surplus Funds Trust Fund. Additionally, the Office of the Auditor General performs the operational audit of the activities and investments of the State Board of Administration. (See note 9)

Note 3 – Notes receivable

The Council contracted with the Economic Development Administration for an Economic Adjustment Assistance Grant of \$1,000,000 under Title IX, Section 903 of the Public Works and Economic Development Act of 1965, as amended. The Council also contracted with the Farmers Home Administration for an Industrial Development Grant to fund an Economic Development Revolving Loan Fund. A revolving loan fund (RLF) was created to assist local private enterprises in employment opportunities.

All principal repayments on RLF loans must be returned to the fund for relending. Interest earned on loans must either be returned to the RLF for relending or may be used for administrative costs of the RLF.

Notes receivable consists of several loans made to small business entities that meet the RLF funding requirements. The loans are due in monthly installments at the rate of 6% to 8% over a period of three to ten years. The loans are secured by various types of collateral and are recorded at their net realizable value as of the financial statement date.

Note 3 – Furniture and Equipment

Furniture and equipment activity for the year ended September 30, 2010 was as follows:

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
Furniture and equipment	\$ 87,460	9,310	-	\$ 96,770
Less accumulated depreciation	<u>77,501</u>	<u>5,162</u>	-	<u>82,663</u>
Furniture and equipment, net	\$ <u>9,959</u>	<u>4,148</u>	<u>-</u>	\$ <u>14,107</u>

Apalachee Regional Planning Council
Notes to Financial Statements
September 30, 2010

Total depreciation of \$5,162 was charged to the General Government function of the Council.

Note 4 – General Long-Term Debt

The Council had no general long-term debt at September 30, 2010.

Note 5 – Pension Plan

All regular Council employees are participants in the Florida Retirement System (The System). The System is a cost-sharing multiple-employer defined benefit plan, which is controlled by the State Legislature and administered by the State of Florida, Department of Administration, Division of Retirement. Benefit provisions are established under Chapter 121, Florida Statutes, which may be amended by the Florida Legislature. For regular class employees, the System provides for vesting of benefits after 6 years of creditable service. Normal retirement benefits are available to regular class employees who retire at or after age 62 with 6 or more years of service or who retire after 30 years of creditable service regardless of age. For senior management class employees, the System provides for vesting of benefits after 6 years of creditable service.

Normal retirement benefits are available to senior management class employees who retire at or after age 62 with 6 years of creditable service or who retire after 30 years of creditable service regardless of age. Early retirement is available any time after vesting with a 5% reduction of benefits for each year prior to the normal retirement age. Retirement benefits are based upon age, average compensation and years-of-service credit where average compensation is computed as the average of an individual's five highest years of earnings. Certain disability and survivor benefits are also available from the System.

There are no required contributions from individual plan members. The System funding policy provides for monthly participating employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll adequate to accumulate sufficient assets to pay benefits when due. Level percentage of payroll employer contribution rates, established by state law, is determined using the entry-age actuarial funding method. Future plan benefit changes, assumption changes, and methodology changes are amortized within 30 years, using level dollar amounts. Except for gains reserved for rate stabilization, future actuarial gains and losses are amortized on a rolling 10% basis, as a level dollar amount.

Apalachee Regional Planning Council
Notes to Financial Statements
September 30, 2010

Total payroll for the Council employees covered by the System was \$736,298 and the retirements contributions paid to the System was \$83,384 for the year ended September 30, 2010.

The Council has no responsibility to the System other than to make the periodic payments required by state statutes.

Historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's Comprehensive Annual Financial Report, which may be obtained by writing State of Florida, Division of Retirement, 2639 North Monroe Street, Building C, Tallahassee, Florida 32399-1560 or calling 850-488-5706.

There were no significant changes in actuarial assumptions, benefits provisions, actuarial funding methods or any other significant factors that affected the Council's contributions during the fiscal year ended September 30, 2010 other than noted above.

Note 6 – Operating Leases

The Council has entered into operating lease agreements for office space at its office in Blountstown, Florida and Tallahassee, Florida. The total rental expense for the operating leases for the year ended September 30, 2010 was \$49,391.

Note 7 – Cost Allocation Method

The Council follows the procedure of allocating the costs of fringe benefits and indirect costs to the various projects. The percentages for such allocations are determined by the Council's allowable costs and have been applied as a percentage of total permanent salaries and of total direct salaries, respectively, for all grants.

Note 8 – Contingency

Expenditures incurred by the Council associated with the execution of various grants are subject to audit and possible disallowances by the grantor agency. Management believes that if audited, any adjustment for disallowed expenditures would be immaterial.

Apalachee Regional Planning Council
Notes to Financial Statements
September 30, 2010

Note 9 – Cash Equivalents

The Council's cash equivalents include amounts placed with the State Board of Administration (SBA) A Local Government Surplus Funds Trust Fund Investments Pool (LGIP), which effective July 1, 2009, is known as Florida PRIME. The funds are placed with SBA for participation in Florida PRIME and the Fund B Surplus Funds Trust Fund (Fund B) investment pools created by Sections 218.405 and 218.417, Florida Statutes. These investment pools operate under investment guidelines established by; Section 214.47, Florida Statutes.

Section 218.415(17), Florida Statues, authorizes the Council to invest in the State Board of Administration (SBA) Florida PRIME, any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in Section 163.01, Florida Statues; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; interest-bearing time deposits or savings accounts in qualified public depositories, as defined in Section 280.02, Florida Statues; and direct obligations of the United States Treasury.

Funds with a fair value of \$571,253 at September 30, 2010, are in the SBA Florida PRIME with a weighted average days to maturity (WAM) of 33 days. A portfolio's WAM reflects the average maturity 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. The Council's investment in Florida Prime is rated AAAM by Standard & Poor's. The Council's investments in Florida PRIME, which SBA indicates is a Securities and Exchange Commission Rule 2a7-like external investment pool, as of September 30, 2010, 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.

The Council's investments in Fund B with a fair value of \$6,696 at September 30, 2010 are accounted for as a fluctuating net asset value pool, with a fair value factor of 0.54915069. Investments in Fund B are unrated and are not subject to participant withdrawal requests. Distributions from Fund B, as determined by SBA, are effected by transferring eligible cash or securities to Florida PRIME, consistent with the pro rata allocation of pool shareholders of record at the creation date of Fund B. One hundred percent of such distributions from Fund B are available as liquid balance within Florida PRIME.

SUPPLEMENTAL INFORMATION

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APALACHEE REGIONAL PLANNING COUNCIL
Schedule of Revenues and Expenditures by Program
Year Ended September 30, 2010

	General Fund	State General Revenue	Transportation Disadvantaged	Emergency Management Response	Revolving Loan Fund	Other Miscellaneous Programs	Total Programs
Revenues:							
Intergovernmental	-	160,962	144,737	596,072	346,298	454,113	1,702,182
Charges for services	-	-	-	-	-	-	-
Member assessments	44,625	-	-	-	-	-	44,625
Interest earnings	3,130	-	-	-	26,487	-	29,617
Miscellaneous	5,908	-	-	-	-	-	5,908
Total Revenues	53,663	160,962	144,737	596,072	372,785	454,113	1,782,332
Expenditures:							
Current operating:							
General government	-	160,962	-	-	-	47,377	208,339
Transportation	-	-	144,737	-	-	79,903	224,640
Human Services	-	-	-	-	-	-	-
Physical environment	-	-	-	542,543	-	99,942	642,485
Economic environment	-	-	-	-	29,974	83,936	113,910
Planning and development	42,474	-	-	-	-	82,809	125,283
Other agencies	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	42,474	160,962	144,737	542,543	29,974	393,967	1,314,657
Excess of revenues over (under) expenditures	11,189	-	-	53,529	342,811	60,146	467,675
Other financing sources (uses):							
Operating transfers in	148,970	-	-	-	-	35,295	184,265
Operating transfers out	(35,295)	-	-	(53,529)	-	(95,441)	(184,265)
Excess of revenues and other financing sources over (under) expenditures and other financing uses	124,864	-	-	-	342,811	-	467,675
Fund balance, beginning of year	338,248	-	-	-	666,598	-	1,004,846
Fund balance, end of year	\$ 463,112	-	-	-	1,009,409	-	1,472,521

See accompanying notes to financial statements

APALACHEE REGIONAL PLANNING COUNCIL
Schedule of Federal and State Financial Assistance
For the Year Ended September 30, 2010

Program	Program Identification Number	Federal CFDA Number	Program Award Amount	Receipts	Disbursements/ Expenditures	(Payable) (Fund Balance) 10/1/2009	(Payable) (Fund Balance) 9/30/2010
<u>U.S. Department of Commerce</u>							
Economic Development Administration	04-83-0603102	11.303	53,000	53,000	64,396	2,270	13,666
Local matching requirement				27,598	27,598	-	-
Economic Development Administration-Revolving Loan Fund	04-19-000362	11.307	1,000,000	368,221	30,020	(504,782)	(842,983)
<u>Farmers Home Administration</u>							
Industrial Development Grant - Economic				448,819	122,014	(502,512)	(829,317)
Development Revolving Loan Fund			400,000	-	-	(18,959)	(18,959)
Industrial Development Grant - Economic	FmHA-FL-92-68	10.854	440,000	4,610	-	(142,857)	(147,467)
Development Revolving Loan Fund						(161,816)	(166,426)
Total Federal Assistance				453,429	122,014	(664,328)	(995,743)

APALACHEE REGIONAL PLANNING COUNCIL
Schedule of Federal and State Financial Assistance
For the Year Ended September 30, 2010

Program	Program Identification Number	Program Award Amount	Receivable (Payable) (Fund Balance) 10/1/2009	Receipts	Disbursements/ Expenditures	Receivable (Payable) (Fund Balance) 9/30/2010
<u>Florida Department of Community Affairs</u>						
Local Emergency Planning Committee	11CP-03-13-00-21-005	40,909	-	-	20,718	20,718
Local Emergency Planning Committee	10CP-07-13-00-21-013	40,909	14,250	40,909	26,659	-
Domestic State Homeland Security Grant	09DS-51-02-47-21-333	75,000	-	41,795	55,076	13,281
General Revenue	10-DR-BS-13-00-21-002	178,038	81,419	178,038	96,619 ✓	-
General Revenue	11-DR-CC-13-00-21-002	178,141	-	-	64,343 ✓	64,343
Hazardous Materials Hazards Analysis Update	A11969	13,946	-	13,946	13,946	-
Hazardous Materials Emergency Preparedness	10-DT-07-13-00-21-227	53,312	-	33,053	53,312	20,259
			<u>95,669</u>	<u>307,741</u>	<u>330,673</u>	<u>118,601</u>
<u>Transportation Disadvantaged Commission</u>						
Transportation Disadvantaged	APJ46	140,256	27,700	117,068	94,548	5,180
Transportation Disadvantaged	AQ061	140,245	-	-	50,189	50,189
			<u>27,700</u>	<u>117,068</u>	<u>144,737 ✓</u>	<u>55,369</u>
<u>Florida Department of Transportation</u>						
Level of Service Analysis	APH03	45,000	17,684	35,000	17,316	-
Level of Service Analysis	APW22	45,000	-	-	45,000	45,000
Joint Participation Agreement	AO532	109,000	18,339	29,000	10,661	-
			<u>36,023</u>	<u>64,000</u>	<u>72,977</u>	<u>45,000</u>
Total State Assistance			<u>159,392</u>	<u>488,809</u>	<u>548,387</u>	<u>218,970</u>

APALACHEE REGIONAL PLANNING COUNCIL
Notes to Schedule of Federal and State Financial Assistance
September 30, 2010

Note 1 – Summary of significant accounting policies

The accounting policies and presentation of the Single Audit Report of the Apalachee Regional Planning 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.

A – Reporting entity

The reporting entity consists of the Apalachee Regional Planning Council, which is a tax-exempt association of local counties organized under the authority of Chapter 163 of the Florida Statutes.

B – 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 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.

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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

The Board of Directors
Apalachee Regional Planning Council

I have audited the financial statements of the Apalachee Regional Planning Council as of and for the year ended September 30, 2010, and have issued my report thereon dated January 20, 2011. I conducted my 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 my audit, I considered the Apalachee Regional Planning Council's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Apalachee Regional Planning Council's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Apalachee Regional Planning Council's internal control over financial reporting.

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

My 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. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

**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**

(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Apalachee Regional Planning Council's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

I noted certain matters that I reported to management of the Apalachee Regional Planning Council in a separate letter dated January 20, 2011.

This report is intended for the information of the audit committee, management, state and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Frank G. Mulford, Jr.

January 20, 2011

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Independent Auditor's Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and State Project and on Internal Control Over Compliance in Accordance With OMB Circular A-133 and Chapter 10.550 Rules of the Auditor General

The Board of Directors
Apalachee Regional Planning Council

Compliance

I have audited the compliance of the Apalachee Regional Planning Council with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the requirements described in the Department of Financial Services' State Projects Compliance Supplement that are applicable to each of its major federal programs and state projects for the year ended September 30, 2010. The Apalachee Regional Planning Council's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs and state projects is the responsibility of the Apalachee Regional Planning Council's management. My responsibility is to express an opinion on the Apalachee Regional Planning Council's compliance based on my audit.

I conducted my 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; and Chapter 10.550 Rules of the Auditor General. Those standards, OMB Circular A-133, and Chapter 10.550 Rules of the Auditor General require that I 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 or state projects occurred. An audit includes examining, on a test basis, evidence about the Apalachee Regional Planning Council's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a

**Independent Auditor's Report on Compliance With
Requirements That Could Have a Direct and Material
Effect on Each Major Program and State Project and on
Internal Control Over Compliance in Accordance With
OMB Circular A-133 and Chapter 10.550 Rules of the
Auditor General**

(Continued)

reasonable basis for my opinion. My audit does not provide a legal determination of the Apalachee Regional Planning Council's compliance with those requirements.

In my opinion, the Apalachee Regional Planning Council complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs and state projects for the year ended September 30, 2010.

Internal Control Over Compliance

The management of the Apalachee Regional Planning 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 and state projects. In planning and performing my audit, I considered the Apalachee Regional Planning Council's internal control over compliance with requirements that could have a direct and material effect on a major federal program or state projects in order to determine my auditing procedures for the purpose of expressing my 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, I do not express an opinion on the effectiveness of the Apalachee Regional Planning 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 or state project 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 or state project will not be prevented, or detected and corrected, on a timely basis.

My 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

**Independent Auditor's Report on Compliance With
Requirements That Could Have a Direct and Material
Effect on Each Major Program and State Project and on
Internal Control Over Compliance in Accordance With
OMB Circular A-133 and Chapter 10.550 Rules of the
Auditor General**

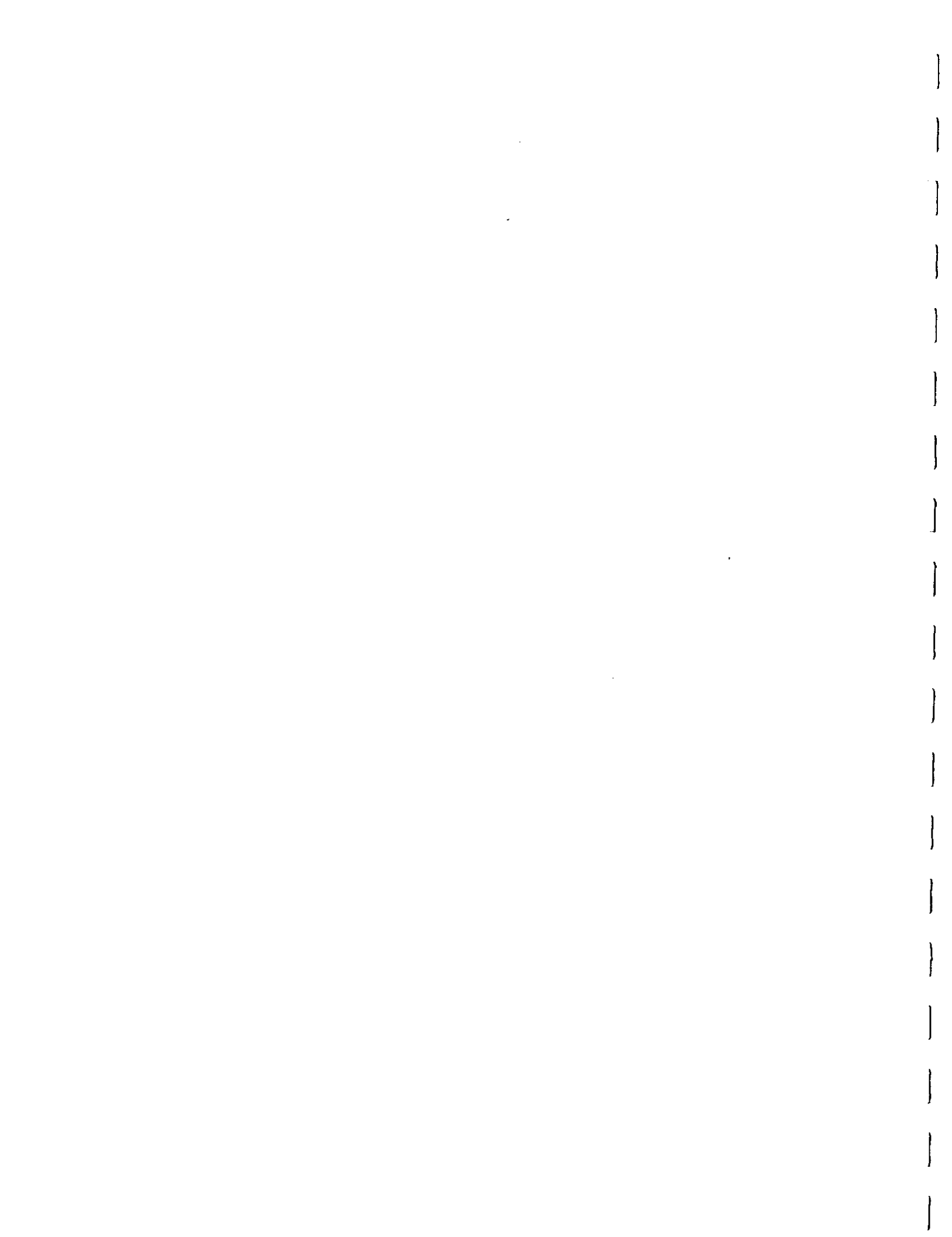
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control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

This report is intended for the information of the management, others within the organization and state 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.

Frank Guellard, Jr.

January 20, 2011



APALACHEE REGIONAL PLANNING COUNCIL
Schedule of Findings and Questioned Costs-
Federal Awards Programs and State Projects
For the Year Ended September 30, 2010

Section I – Summary of Auditor’s Results

Financial Statements:

Type of auditor’s report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Reportable conditions identified not considered to be material weakness?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> None Reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Federal Awards and State Projects:

Internal control over major programs:	
Material weaknesses identified?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Reportable conditions identified not considered to be material weaknesses?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> None Reported

Type of auditor’s report issued on compliance for major programs:	Unqualified
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Any audit findings disclosed that are required to be reported in accordance with the Federal and Florida Single Audit Acts?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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Identification of Major Programs/Projects:

<u>Federal Programs</u>	<u>Federal CFDA Number</u>
U. S. Department of Commerce Economic Development Administration	11.307
<u>State Projects</u>	<u>State CSFA Number</u>
Florida Department of Community Affairs General Revenue	52.006
Transportation Disadvantage Commission	55.002

APALACHEE REGIONAL PLANNING COUNCIL
Schedule of Findings and Questioned Costs-
Federal Awards Programs and State Projects
For the Year Ended September 30, 2010

	<u>Federal</u>	<u>State</u>
Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$300,000</u>	<u>\$164,516</u>
Auditee qualified as low-risk auditee pursuant to OMB Circular A-133	<u>X</u> Yes	<u> </u> No

Section II – Financial Statement Findings

There are no reportable conditions, material weaknesses, or instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards.

Section III – Major Federal Award Findings and Questioned Costs

There are no reportable conditions, material weaknesses, or instances of noncompliance including questioned costs that are required to be reported in accordance with Circular A-133.

Section IV – Major State Projects Findings and Questioned Costs

There are no reportable conditions, material weaknesses, or instances of noncompliance including questioned costs that are required to be reported in accordance with the Florida Single Audit Act.

Other Issues

The Summary Schedule of Prior Audit Findings is not included in this report because there were no prior audit findings related to federal awards programs or state projects.

A corrective Action Plan is not required because there were no findings required to be reported under the Federal or Florida Single Audit Acts.

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INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Board of Directors
Apalachee Regional Planning Council

I have audited the basic financial statements of the Apalachee Regional Planning Council (the Council) as of and for the year ended September 30, 2010, and have issued my report thereon dated January 20, 2011.

I conducted my 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 of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. I have issued my Independent Auditor's report on Internal Control over Financial reporting and Compliance and Other Matters, Independent Auditor's Report on Compliance with Requirements Applicable to each Major Federal Program and State Project and on Internal Control over Compliance, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated January 20, 2011, should be considered in conjunction with this management letter.

Additionally, my audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's reports or schedule:

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

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

Section 10.554(1)(i)3., Rules of the Auditor General, requires that I address in the management letter any recommendations to improve financial management. In connection with my audit, I did not have any such recommendations.

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

Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) control deficiencies that are not significant deficiencies. In connection with my audit, I did not have any such findings.

Independent Auditor's Management Letter
Continued

Section 10.554(1)(i)6., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. See Note 1A in the Notes to Financial Statements for the related information. The Apalachee Regional Planning Council had no component units related to the entity.

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

Section 10.554(1)(i)7.b., Rules of the Auditor General, requires that I determine whether the annual financial report for the Apalachee Regional Planning Council for the fiscal year ended September 30, 2010, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2010. In connection with my audit, I determined that these two reports were in agreement.

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

Prior Year Recommendation Resolution

The Council as of September 30, 2009 had a note receivable due from the Gulf County Board of County Commissioners in the amount of \$ 346,298 which was originally due on February 1, 1999. On November 17, 2009 the Council received from GCBCC a down payment in the amount of \$ 215,000 on the balance due to the Council. The remaining balance of the note was paid off in monthly installments in the amount of \$ 2,000 amortized at an interest rate of 3% and a lump sum payment in the amount of \$ 115,859 which was received on September 28, 2010.

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



Frank (Bud) Guilford, Jr. CPA
January 20, 2011