

Financial Statements and Report of  
Independent Certified Public Accountants



120 North Hill Street  
Griffin, Georgia 30224

June 30, 2011



*Certified Public Accountants*



TIM LASSETTER, Chairman  
LANIER E. BOATWRIGHT, Executive Director

[www.threeriversrc.com](http://www.threeriversrc.com)

COUNTIES SERVED: Butts, Carroll, Coweta, Heard, Lamar, Meriwether, Pike, Spalding, Troup, and Upson

A handwritten signature in blue ink, appearing to read "Sally", is written in the upper right corner of the page.

December 16, 2011

RECEIVED

DEC 27 2011

Mr. Mike Beatty, Commissioner  
Georgia Department of Community Affairs  
60 Executive Park Drive South, NE  
Atlanta, GA 30329

Dear Mr. Beatty:

In accordance with the terms of the contract between your Department and this Commission, and in compliance with regulations of Act 1359, please find enclosed the following:

One copy of the Audited Financial Statements and Report of Independent Certified Public Accountants covering the period July 1, 2010 through June 30, 2011. The audit was conducted by Metcalf Davis.

Schedule of City/County Dues and Assessments for the period July 1, 2010 through June 30, 2011 is contained in the audit report in Section B, Page B-48; and

Signed statement attesting that this RC will refrain from engaging in political activities.

If you have any questions or need any additional information, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink, reading "Lanier E. Boatwright", is written below the word "Sincerely,".

Lanier E. Boatwright  
Executive Director

LEB/pht

Enclosures as stated

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT**

**THREE RIVERS REGIONAL COMMISSION**

**June 30, 2011**

*(This page left blank intentionally)*

# CONTENTS

	<u>Page</u>
<b>Financial Section</b>	
Independent Auditors' Report.....	B-1
Management's Discussion and Analysis .....	B-3
<b>Basic Financial Statements</b>	
Statement of Net Assets .....	B-10
Statement of Activities .....	B-11
Balance Sheet – Governmental Funds.....	B-12
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds .....	B-13
Statement of Fund Net Assets – Internal Service Fund .....	B-14
Statement of Revenues, Expenses and Changes in Fund Net Assets – Internal Service Fund .....	B-15
Statement of Cash Flows – Internal Service Fund .....	B-16
Notes to Financial Statements.....	B-17
<b>Required Supplementary Information</b>	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund, Transportation Program Fund and Community Care Services Program Fund .....	B-34
<b>Supplementary Information</b>	
<b>Nonmajor Governmental Funds</b>	
Combining Balance Sheet – Nonmajor Governmental Funds – June 30, 2011 .....	B-37
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Funds Governmental Funds .....	B-42

## CONTENTS - Continued

	<u>Page</u>
<b>State Compliance Section</b>	
Schedule of Employee Benefit Cost Pool – Provisional and Actual Rates .....	B-46
Schedule of Indirect Cost Pool – Provisional and Actual Rates .....	B-47
Schedule of City/County Dues and Assessments.....	B-48
Schedule of Revenues Earned and Matching Funds Applied .....	B-49
Schedule of State Contractual Assistance.....	B-51
 <b>OMB Circular A-133 Section</b>	
Independent Auditors’ Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	B-52
Independent Auditors’ Report on Compliance with Requirements that Could have a Direct and Material Effect on a Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133 .....	B-54
Schedule of Expenditures of Federal Awards .....	B-56
Note to Schedule of Expenditures of Federal Awards .....	B-58
Schedule of Findings and Questioned Costs .....	B-59



## **Financial Section**

*(This page left blank intentionally)*



TOWER PLACE, SUITE 2600  
3340 PEACHTREE ROAD, NE  
ATLANTA, GEORGIA 30326

404.264.1700  
FAX 404.264.9968

WWW.METCALF-DAVIS.COM



*Certified Public Accountants*

## Independent Auditors' Report

The Council Members  
Three Rivers Regional Commission

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Three Rivers Regional Commission (the "Commission"), as of and for the year ended June 30, 2011, which collectively comprise the Commission's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the aggregate remaining fund information of Three Rivers Regional Commission as of June 30, 2011, and the respective changes in financial position and, where applicable, cash flows thereof 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 a report dated December 8, 2011, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages B-3 through B-9 and B-34 through B-36 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Government 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 historic context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying financial information listed under the heading "state compliance section" in the accompanying table of contents, as well as the accompanying schedule of expenditures of federal awards as required by *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-profit Organizations*, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Commission. The combining nonmajor fund financial statements, state compliance section and the schedule of expenditures of federal awards 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 basic financial statements taken as a whole.

*Metcalf Davis*

Atlanta, Georgia  
December 8, 2011



## **Management's Discussion and Analysis**

*(This page left blank intentionally)*

## Management's Discussion and Analysis

As mandated by House Bill 1216, Three Rivers Regional Commission (the "Commission") was formed from the merger of Chattahoochee Flint and McIntosh Trail Regional Development Centers. The Commission brings together the experience and knowledge of both former organizations to enable us to better serve the needs of those within our ten county region. As management of the Commission, we offer readers of the Commission's financial statements this narrative overview and analysis of the financial activities of the Commission's year of operation, fiscal year ended June 30, 2011. This law further changed the make-up of our governing entity from a Board of Directors to a Council. The Council's member governments are Butts, Carroll, Coweta, Heard, Lamar, Meriwether, Pike, Spalding, Troup and Upson Counties.

### Financial Highlights

The assets of the Commission exceeded its liabilities at the close of the most recent fiscal year by \$1,815,053 (net assets). Of this amount, \$1,363,710 (unrestricted net assets) may be used to meet the Commission's ongoing obligations to the member local governments and creditors.

The Commission's total net assets were increased by \$104,317 during this fiscal year. As of June 30, 2011, total net assets consisted of \$411,277 invested in capital assets, net of related debt, \$40,066 restricted for transportation programs and \$1,363,710 unrestricted.

General Fund revenues for the year were \$517,106. Of this amount, \$277,233 was transferred to other funds to cover matching requirements and unfunded expenses; increasing the General Fund's unreserved balance by \$47,652.

The Special Revenue Fund's unreserved fund balance was increased by \$56,665.

At the end of the fiscal year, unassigned fund balance for the general fund was \$739,427 or 8.37 percent of total governmental fund expenditures. The Commission has \$58,072 restricted for debt service (buildings) residing in the internal service fund.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Commission's basic financial statements. The Commission's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide Financial Statements** The government-wide financial statements are designed to provide readers with a broad overview of the Commission's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the Commission's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating.

The statement of activities presents information showing how the Commission's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. earned but unused vacation leave).

The Commission has no business-types activities; therefore both of the government-wide financial statements reflect only governmental activities that are generally financed through dues, intergovernmental revenues, grants and other non-exchange transactions. The governmental activities of the Commission include general government; all grant funded activities, and one internal service fund. The internal service fund is used to account for pooled costs, which are allocated to various grants and contracts as determined by the Commission's cost allocation plan. The government-wide financial statements can be found on pages B-10 and B-11 of this report.

The Commission has no component units.

**Fund Financial Statements** A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Commission, like other similar governmental entities, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the Commission are primarily governmental funds with one proprietary fund which is the internal service fund. The emphasis of fund financial statements is on major funds, general fund, Georgia Department of Human Services ("DHS") Transportation Program fund and the Community Care Services Program fund. All remaining funds are aggregated and reported as non-major funds.

**Governmental Funds** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements.

The Commission had approximately 70 governmental funds for FY 2011. Three of these funds are considered major, general fund, DHS Transportation fund, and the Community Care Services Program fund, all other funds are combined and reported as non-major funds in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance.

The Commission adopts an annual budget for its funds. Budgetary comparison statements have been provided within the Commission's financial statements to demonstrate compliance with this budget. The Commission's financial statements can be found on pages B-34 through B-36 of this report.

**Proprietary Funds** The Commission has one proprietary fund. The Commission's internal service fund is an accounting device used to accumulate and allocate costs to grants and contracts in accordance with the Commission's cost allocation plan. Because these costs are allocated to and benefit governmental functions, they are included within governmental activities in the government-wide financial statements.

**Notes to the Financial Statements** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found after the fund financial statements of this report.

**Other Information** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Commission. This information is supplied to meet certain state requirements and to provide individual grantors information pertaining to their grant/contract.

## Government-wide Financial Analysis

Net assets may over time serve as a useful indicator of a government's financial position. Comparative information is provided for two years. As of June 30, 2011, the Commission's assets exceeded liabilities by \$1,815,053. Twenty-three percent, or \$411,277, of the Commission's net assets reflects its investment in capital assets net of accumulated depreciation and related debt. The Commission uses these capital assets to operate and to provide services; consequently, these assets are not available for future spending.

There is an outstanding debt of \$180,000 remaining on the capital lease of the Griffin location building, which when paid off, the building may be purchased for one dollar. Additionally, there is an outstanding debt of \$357,607 for the recent addition to the Franklin office location, which when paid off, may be purchased for ten dollars. Two percent, or \$40,066, of the net assets is restricted to be used for and in the transportation program. This money is set aside to help meet matching requirements for new vans, repair, supplement fare box fees, buy extra trips, etc. For more information, you may refer to Note 10.

The following table reflects the condensed Statement of Net Assets for the years ended June 30, 2011 and 2010:

	<u>June 30, 2011</u>	<u>June 30, 2010</u>
Current and other assets	\$ 2,715,367	\$ 2,600,449
Capital assets, net	<u>948,884</u>	<u>1,020,813</u>
Total Assets	<u>3,664,251</u>	<u>3,621,262</u>
Current Liabilities	1,369,663	1,373,432
Noncurrent Liabilities	<u>479,535</u>	<u>537,094</u>
Total Liabilities	<u>1,849,198</u>	<u>1,910,526</u>
Net Assets:		
Invested in capital assets net of related debt	411,277	427,278
Restricted for transportation programs	40,066	40,066
Unrestricted	<u>1,363,710</u>	<u>1,243,392</u>
Total Net Assets	<u>\$ 1,815,053</u>	<u>\$ 1,710,736</u>

The balance of unrestricted net assets of \$1,363,710 may be used to meet the Commission's ongoing obligations.

At the end of the current fiscal year, the Commission is able to report a positive balance in all categories of net assets.

**Governmental Activities** The Commission has no business type activities; therefore the Commission's increased net assets of \$104,317 are completely from governmental activities.

The following table illustrates the key elements of this increase for the years ended June 30, 2011 and 2010.

	<u>June 30, 2011</u>	<u>June 30, 2010</u>
Program revenues		
Operating grants	\$ 8,422,092	\$ 8,114,734
General revenues		
Regional appropriations	491,449	478,995
Interest income	10,060	9,611
Miscellaneous income	<u>15,597</u>	<u>4,316</u>
 Total revenues	 <u>8,939,198</u>	 <u>8,607,656</u>
 Program expenses		
General government	192,221	126,989
Aging programs	5,385,105	5,056,189
Transportation programs	2,671,926	2,516,838
Economic development	283,959	280,020
Environmental planning	38,889	70,178
Regional planning / GIS programs	204,252	363,139
Historic preservation	13,100	24,094
Community service	<u>45,429</u>	<u>59,584</u>
 Total expenses	 <u>8,834,881</u>	 <u>8,497,031</u>
 Change in net assets	 104,317	 110,625
 Net assets - Beginning of year	 <u>1,710,736</u>	 <u>1,600,111</u>
 Net assets - End of year	 <u>\$ 1,815,053</u>	 <u>\$ 1,710,736</u>

The Commission operates primarily from grant revenues; therefore, expenses closely parallel grant funding for services.

### **Financial Analysis of the Government's Funds**

As noted earlier, the Commission uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

**Governmental Funds** The focus of the Commission's governmental funds is to provide information on near term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Commission's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Commission's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Commission's governmental funds reported an ending fund balance of \$1,204,312 an increase of \$104,317 for the current year.



The Commission experienced an increase in its general fund's fund balance of \$47,652. This increase is attributable to an increase in overall population which led to an increase in the amount of dues received.

During the current fiscal year, the Commission also experienced an increase in the special revenue fund's fund balance of \$56,665. When added to the previous year's fund balance, total fund balance in the special revenue fund for the year ending June 30, 2011 was \$406,813. This amount is attributable to the Commission's transportation program. Of this amount, ten percent or \$40,066 is designated for use in the transportation program. The remaining \$366,747 is assigned for transportation programs that will remain within the fund, but may be used at the Commission's discretion.

**Proprietary Funds** As stated previously, the Commission only maintains one proprietary fund, the Internal Service Fund. The Internal Service Fund is used to accumulate and allocate costs that benefit two or more programs. The expenses are allocated to the special revenue fund's programs (minus income received from office rent) base on an indirect cost allocation plan approved by our cognizant agency, U. S. Department of Commerce. Indirect costs are allocated on the basis of direct salaries plus fringe benefits.

The Internal Service Fund had \$610,741 in net assets at June 30, 2011.

### **Budgetary Highlights**

The Commission is mandated by state law to adopt its next year's budget before the end of the current year. Due to contracts and grants not being finalized or due to amendments during the year, the Commission's Council adopts the original budget using known and best "guess estimates". During the fiscal year the Council adopts revisions to incorporate new grants entered into during the year, and delete contracts/grants that never materialized.

The General Fund received \$14,557 more in revenue than was budgeted. This increase in revenue can be attributed to interest earned and miscellaneous income.

A review of the Transportation Program fund shows a difference between budgeted and actual expenditures. Expenditures were over by \$20,551. Contractual expenses were more than budgeted, due mostly to higher rate trips being performed. However the revenue for this program also exceeded the budgeted amount by \$27,175, which resulting in an increase in fund balance of \$56,665.

The review of the other major fund Community Care Service Program fund shows a difference between budgeted and actual expenditures. Expenditures were under by \$179. This decrease resulted from a decrease in travel expense.

### **Capital Asset Administration**

**Capital Assets** The Commission's investment in capital assets for its governmental type activities as of June 30, 2011, amounts to \$948,884 (net of accumulated depreciation). This investment in capital assets includes equipment and buildings.

Capital assets of the Commission as of June 30, 2011 and 2010, were as follows:

	June 30, 2011			
	Building- Griffin	Building - Franklin	Equipment	Total
Capital assets	\$ 600,000	\$ 781,029	\$ 169,421	\$ 1,550,450
Less accumulated depreciation	<u>(210,000)</u>	<u>(271,950)</u>	<u>(119,616)</u>	<u>(601,566)</u>
Net capital assets	<u>\$ 390,000</u>	<u>\$ 509,079</u>	<u>\$ 49,805</u>	<u>\$ 948,884</u>

  

	June 30, 2010			
	Building- Griffin	Building - Franklin	Equipment	Total
Capital assets	\$ 600,000	\$ 781,029	\$ 169,421	\$ 1,550,450
Less accumulated depreciation	<u>(195,000)</u>	<u>(232,840)</u>	<u>(101,797)</u>	<u>(529,637)</u>
Net capital assets	<u>\$ 405,000</u>	<u>\$ 548,189</u>	<u>\$ 67,624</u>	<u>\$ 1,020,813</u>

For more information, you may refer to Note 8, Changes in Capital Assets on page B-30.

### Long-Term Administration

**Long-Term Debt** At the end of the current fiscal year, the Commission had a total debt outstanding of \$638,442. The majority of this amount, \$357,607, is owed to the Heard County Development Authority (using Regions Bank) for renovations and a building addition at the Franklin office. This is a 12 year loan agreement with a six percent interest rate. When the final loan payment is made, the building may be purchased for ten dollars.

The City of Griffin is owed \$180,000 for the lease/purchase of the Griffin Office with seven years remaining under the original agreement. Under the terms of the agreement with the City of Griffin, when the final lease payment is made, the building may be purchased for \$1. Under the terms of the agreement, if the Commission for some reason needed or wanted to break the lease; the Commission is obligated for payments of rent for one calendar year from the date written notice of intent to surrender the premises.

The remaining \$100,835 is owed to pay employees accrued annual leave.

	June 30, 2011	June 30, 2010
Capital Leases	\$ 537,607	\$ 593,535
Compensated Absences	<u>100,835</u>	<u>95,672</u>
Total	<u>\$ 638,442</u>	<u>\$ 689,207</u>

Compensated Absences accounted for 16 percent of the total debt and capital leases made up 84 percent. During the year the capital leases were decreased by \$55,928. The Commission has no authority to issue bonds or collect taxes; therefore, payment of debts are made from the revenues generated by the dues, grants, and unreserved fund balances.

For more information, you may refer to Note 10, Long-Term Debt on page B-31.

### **Economic Factors and Next Year's Budget**

Mandatory funding by the ten member counties and their municipalities and prior approval by the Georgia General Assembly before a county may withdraw from the Commission helps to support and maintain the Commission funding.

The Commission's dues for its member governments are \$1.00 per capita based on the most current Census estimates. There are no plans to increase this amount in the near future unless unforeseen circumstances regarding grants/contracts appear. The Council has the sole authority to increase this amount if such circumstances warrant it.

Going into the third year as a combined entity will have many challenges. Grants from the current fiscal year that required no matching resources will in the future require a steady increase in the amount of match needed to accept the grant. Also, grants can't be counted on and as our member governments face cuts in their budgets and layoffs of their own personnel, there could be more need for our assistance or a trickle-down effect to cut benefits and personnel from the Commission. In the future certain grants will be combined and will probably show a decrease in the total amounts granted.

Due to economic conditions, the President's National Commission on Fiscal Responsibility and Reform draft report, among many other recommendations, recommends elimination of Economic Development Authority, some U.S. Department of Agriculture programs and the Appalachian Regional Commission. If the report is taken as a starting point for the administration's 2012 budget, it could impact Commission's contracts with the entities involved.

### **Requests for Information**

This financial report is designed to provide a general overview of the Commission's finances for all those with an interest in the Commission's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director, Three Rivers Regional Commission, 120 North Hill Street, P. O. Box 818, Griffin, GA 30224.

*(This page intentionally left blank)*



## **Basic Financial Statements**

*(This page left blank intentionally)*

Three Rivers Regional Commission

**STATEMENT OF NET ASSETS**

June 30, 2011

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 984,456
Due from other governments, net	1,718,002
Prepaid expenses	<u>12,909</u>
Total current assets	2,715,367
Noncurrent assets:	
Capital assets, net	<u>948,884</u>
Total assets	<u>\$ 3,664,251</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 986,062
Accrued liabilities	20,276
Deferred revenue	204,418
Compensated absences	100,835
Capital lease payable, current portion	<u>58,072</u>
Total current liabilities	1,369,663
Noncurrent liabilities:	
Capital lease payable	<u>479,535</u>
Total liabilities	<u>1,849,198</u>
<b>NET ASSETS</b>	
Invested in capital assets net of related debt	411,277
Restricted for transportation programs	40,066
Unrestricted	<u>1,363,710</u>
Total net assets	<u>1,815,053</u>
Total liabilities and net assets	<u>\$ 3,664,251</u>

The accompanying notes are an integral part of this statement.

Three Rivers Regional Commission

**STATEMENT OF ACTIVITIES**

For the year ended June 30, 2011

	Program Revenues			Total governmental activities
	Expenses	Charges for service	Operating grants and contributions	
<b>Functions/Programs</b>				
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 192,221	\$ -	\$ -	\$ -
Transportation programs	2,671,926	-	2,704,433	-
Aging programs	5,385,105	-	5,265,806	-
Economic development	283,959	-	169,708	-
Environmental planning	38,889	-	56,662	-
Planning development	204,252	-	188,110	-
Community service	45,429	-	37,373	-
Historic preservation	13,100	-	-	-
Total governmental activities	<u>\$ 8,834,881</u>	<u>\$ -</u>	<u>\$ 8,422,092</u>	<u>\$ -</u>
General revenues:				
Regional appropriations				491,449
Interest income				10,060
Miscellaneous income				<u>15,597</u>
Change in net assets				104,317
Net assets, beginning of year				<u>1,710,736</u>
Net assets, end of year				<u>\$ 1,815,053</u>

The accompanying notes are an integral part of this statement.



Three Rivers Regional Commission

**BALANCE SHEET**  
**Governmental Funds**

June 30, 2011

	Major Funds			Nonmajor governmental funds	Total governmental funds
	General fund	Transportation program fund	Community care services program fund		
<b>ASSETS</b>					
Cash and cash equivalents	\$ 225,486	\$ -	\$ -	\$ -	\$ 225,486
Due from other governments	-	413,673	123,378	1,180,951	1,718,002
Due from other funds	<u>572,385</u>	<u>61,195</u>	<u>-</u>	<u>-</u>	<u>633,580</u>
Total assets	<u>\$ 797,871</u>	<u>\$ 474,868</u>	<u>\$ 123,378</u>	<u>\$ 1,180,951</u>	<u>\$ 2,577,068</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ -	\$ 171	\$ -	\$ -	\$ 171
Accrued liabilities	322	-	-	14,197	14,519
Deferred revenue	50	67,884	-	136,484	204,418
Due to other funds	<u>-</u>	<u>-</u>	<u>123,378</u>	<u>1,030,270</u>	<u>1,153,648</u>
Total liabilities	<u>372</u>	<u>68,055</u>	<u>123,378</u>	<u>1,180,951</u>	<u>1,372,756</u>
Fund balances:					
Restricted for transportation programs	-	40,066	-	-	40,066
Restricted for debt service	58,072	-	-	-	58,072
Assigned for transportation programs	-	366,747	-	-	366,747
Unassigned	<u>739,427</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>739,427</u>
	<u>797,499</u>	<u>406,813</u>	<u>-</u>	<u>-</u>	<u>1,204,312</u>
Total liabilities and fund balances	<u>\$ 797,871</u>	<u>\$ 474,868</u>	<u>\$ 123,378</u>	<u>\$ 1,180,951</u>	<u>\$ 2,577,068</u>
Reconciliation of fund balance as reported in the balance sheet - governmental funds with net assets - governmental activities:					
Fund balances as reported in the balance sheet - governmental funds					\$ 1,204,312
Assets and liabilities of the internal service fund used by management to account for indirect costs which are those that are incurred for a common or joint purpose are included in governmental activities in the statement of net assets					<u>610,741</u>
Net assets - governmental activities					<u>\$ 1,815,053</u>

The accompanying notes are an integral part of this statement.

Three Rivers Regional Commission

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

For the year ended June 30, 2011

	Major funds				Total governmental funds
	General fund	Transportation program fund	Community care services program fund	Nonmajor governmental funds	
<b>REVENUES</b>					
Local governmental dues	\$ 491,449	\$ -	\$ -	\$ -	\$ 491,449
Grant contracts					
Federal	-	1,221,880	508,803	3,154,046	4,884,729
State	-	1,169,771	508,803	1,376,720	3,055,294
Local grants	-	-	-	206,972	206,972
Program income	-	34,409	-	-	34,409
Other revenues					
Interest income	10,060	-	-	-	10,060
Miscellaneous	15,597	-	-	240,688	256,285
Total revenues	<u>517,106</u>	<u>2,426,060</u>	<u>1,017,606</u>	<u>4,978,426</u>	<u>8,939,198</u>
<b>EXPENDITURES</b>					
Current					
Direct					
General government	163,745	-	-	-	163,745
Transportation programs	-	2,357,283	-	215,873	2,573,156
Aging programs	-	-	1,007,995	3,988,500	4,996,495
Economic development	-	-	-	204,544	204,544
Environmental planning	-	-	-	27,397	27,397
Planning development	-	-	-	143,401	143,401
Community service	-	-	-	31,930	31,930
Historic preservation	-	-	-	9,216	9,216
Indirect					
Cost allocation plan	28,476	12,112	9,611	634,798	684,997
Total expenditures	<u>192,221</u>	<u>2,369,395</u>	<u>1,017,606</u>	<u>5,255,659</u>	<u>8,834,881</u>
Excess (deficiency) of revenues over (under) expenditures	<u>324,885</u>	<u>56,665</u>	<u>-</u>	<u>(277,233)</u>	<u>104,317</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	277,233	277,233
Transfers (out)	(277,233)	-	-	-	(277,233)
Total other financing sources and uses	<u>(277,233)</u>	<u>-</u>	<u>-</u>	<u>277,233</u>	<u>-</u>
Net change in fund balances	47,652	56,665	-	-	104,317
Fund balances, beginning of year	749,847	350,148	-	-	1,099,995
Fund balances, end of year	<u>\$ 797,499</u>	<u>\$ 406,813</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,204,312</u>

The accompanying notes are an integral part of this statement.

Three Rivers Regional Commission

**STATEMENT OF FUND NET ASSETS**  
**PROPRIETARY FUND**  
**Governmental Activities - Internal Service Fund**

June 30, 2011

**ASSETS**

Current assets

Cash and cash equivalents	\$ 758,970
Interfund receivable	577,618
Prepaid expenses	<u>12,909</u>
Total current assets	1,349,497

Noncurrent assets

Capital assets

Building	1,381,029
Equipment	169,421
Less accumulated depreciation	<u>(601,566)</u>

Capital assets, net 948,884

Total noncurrent assets 948,884

Total assets \$ 2,298,381

**LIABILITIES**

Current liabilities

Current maturities of capital leases payable	\$ 58,072
Accounts payable, operating	985,891
Accrued liabilities	5,757
Interfund payable	<u>57,550</u>
Total current liabilities	1,107,270

Noncurrent liabilities

Compensated absences	100,835
Capital leases payable	<u>479,535</u>
Total noncurrent liabilities	<u>580,370</u>

Total liabilities 1,687,640

**NET ASSETS**

Invested in capital assets net of related debt	411,277
Unrestricted	<u>199,464</u>
	<u>610,741</u>

Total liabilities and net assets \$ 2,298,381

The accompanying notes are an integral part of this statement.

Three Rivers Regional Commission

**STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS  
PROPRIETARY FUND  
Governmental Activities - Internal Service Fund**

For the year ended June 30, 2011

Operating revenues	
Rental income	\$ 12,000
Indirect cost recovery	<u>1,345,305</u>
Total operating revenues	1,357,305
Operating expenses	
Indirect cost pool	
Personnel costs	466,152
Travel	11,987
Per diem and fees	27,235
Telecommunications	33,496
Office repairs and maintenance	7,169
Membership and subscription	1,592
Supplies and materials	27,347
Utilities	24,969
Depreciation	52,863
Insurance and bonding	16,916
Other	<u>27,267</u>
	696,993
Fringe benefit cost pool	<u>660,312</u>
Total operating expenses	<u>1,357,305</u>
Operating income	<u>-</u>
Change in fund net assets	-
Total net assets, beginning of year	<u>610,741</u>
Total net assets, end of year	<u>\$ 610,741</u>

The accompanying notes are an integral part of this statement.

Three Rivers Regional Commission

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
Governmental Activities - Internal Service Fund**

For the year ended June 30, 2011

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash received from interfund services provided	\$ 1,345,305
Cash received from customers	12,000
Cash payments to employees for services	(1,126,464)
Cash payments to other suppliers of goods or services	<u>(234,855)</u>
Net cash used in operating activities	(4,014)

**CASH FLOWS FROM CAPITAL AND RELATED  
FINANCING ACTIVITY**

Principal reduction on capital lease	<u>(55,928)</u>
Net decrease in cash	(59,942)
Cash and cash equivalents - beginning	<u>818,912</u>
Cash and cash equivalents - ending	<u>\$ 758,970</u>

**Reconciliation of excess of expenses over revenues  
to net cash used by operating activities**

Adjustments to reconcile excess of expenses over revenues  
to net cash provided by operating activities:

Depreciation - allocated through indirect cost pool (note 8)	\$ 52,863
Depreciation - direct expense to Aging program (note 8)	19,066
Changes in assets and liabilities:	
Prepaid expenses	(3,858)
Interfund receivable	6,779
Compensated absences	5,163
Accrued liabilities	1,223
Accounts payable	<u>(85,250)</u>
Net cash used in operating activities	<u>\$ (4,014)</u>

The accompanying notes are an integral part of this statement.

Three Rivers Regional Commission

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2011

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Three Rivers Regional Commission (the "Commission") was formed on July 1, 2009 from the merger of McIntosh Trail Regional Development Center and Chattahoochee-Flint Regional Development Center as provided in House Bill 1216. The Commission is one of 12 Regional Commissions ("RCs") in Georgia. The responsibilities and authority of the Commission is contained in Sections 50-8-30 through 50-8-67 of the Official Code of Georgia Annotated ("OCGA").

The Commission's offices located in Griffin, Georgia serves the west central Georgia region comprised of Butts, Carroll, Coweta, Heard, Lamar, Meriwether, Pike, Spalding, Troup and Upson counties. Municipalities located within the 10 county region, which are members, include Flovilla, Villa Rica, Newnan, Ephesus, Barnesville, Woodbury, Zebulon, Griffin, Hogansville and Thomaston.

The Commission's primary mission is to offer community and economic development planning, mapping assistance, and requested services to local county and municipal governments. The Commission also acts as an interface between local, regional and state agencies for planning and public information initiatives like the U.S. Census. The Commission administers the spending of various federal, state and local grants in the 10 county region comprising its membership.

The accounting policies and financial reporting practices of the Commission conform in all material respects to accounting principles generally accepted in the United States of America as applicable to governmental units of government issued by the Government Accounting Standards Board ("GASB").

*A. Reporting Entity*

GASB No. 14, "*The Financial Reporting Entity*" requires the financial statements of the reporting entity to include the primary government and any component units. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. In addition, a component unit can be another organization for which the nature and significance of its relationship with a primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Commission is not a component unit of any other primary government. Additionally, no component units have been identified, which should be included in the reporting entity.

*B. Government-Wide and Fund Financial Statements*

The government-wide financial statements (statement of net assets and statement of changes in net assets) report information on all nonfiduciary activities of the primary government. Governmental activities, which normally are supported by regional appropriations and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Commission has no business-type activities.

Three Rivers Regional Commission

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2011

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segments and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and the internal service fund. Major individual governmental funds are reported as separate columns in the fund financial statements.

*C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation*

Government-wide financial statements. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as is the internal fund financial statement. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The financial statements of the Commission are prepared in accordance with generally accepted accounting principles ("GAAP"). In December 2010, the GASB issued its statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 Financial Accounting Standards Board ("FASB") and American Institute of Certified Public Accountants ("AICPA") pronouncements. The Statement incorporates the guidance that previously could only be found in certain FASB and AICPA pronouncements into GASB literature. This guidance has been implemented by the Commission in the current year. There was no impact on the financial statements as a result of this implementation.

The effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted first, then unrestricted resources as they are needed.

Three Rivers Regional Commission

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2011

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

Fund financial statements. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Commission considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the obligations are expected to be liquidated with expendable available financial resources.

Interest associated with the current fiscal period is considered susceptible to accrual and so has been recognized as revenue of the current fiscal period. All other revenues are considered to be measurable and available only when cash is received by the government.

The internal service fund consists of only operating items. Operating revenues and expenses generally result from providing services in connection with the internal service fund's principal ongoing operations. The principal operating revenues of the Commission's internal service fund are charges for the allocation of indirect costs. Operating expenses for internal service funds include personnel and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating.

The fund financial statements provide more detailed information about the government's most significant funds, not the government as a whole. The activities of the government are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The government reports the following major governmental funds:

General fund – The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Transportation program fund – A special revenue fund was established to account for federal and state grants used to support the Commission's transportation programs.

Community care services program fund – A special revenue fund was established to account for federal and state grants used to provide a variety of services to functionally impaired individuals in order to enable them to continue living in their own homes, as an alternative to nursing homes.



Three Rivers Regional Commission  
**NOTES TO FINANCIAL STATEMENTS**

June 30, 2011

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

Additionally, the government reports the following fund type:

Internal service fund - The internal service fund is used to account for the financing of goods and services provided by one organizational unit to other organizational units of the Commission on a cost reimbursement basis. The expenses are allocated to the various programs based on an indirect cost allocation plan. The plan allocates these costs on the basis of direct salaries plus fringe benefits.

*D. Deposits and Investments*

The Commission's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The Commission pools its unrestricted cash resources from several funds to facilitate disbursement and investment and to maximize investment income.

When interest earned as a result of pooling cash and cash equivalents is material, it is distributed to the appropriate funds utilizing a formula based on the average monthly balance of cash and investments of each fund.

*E. Inventories*

Materials (supplies) purchased are shown as expenditures/expenses when acquired and are not inventoried at year end due to a lack of materiality.

*F. Receivables*

Receivables and due from other governments represent funds to be received from other local governments, state grant-in-aid, state contracts, or federal funds. No allowance is deemed necessary for these receivables.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" or "advances to/from other funds." All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

*G. Prepaid Items*

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Three Rivers Regional Commission  
**NOTES TO FINANCIAL STATEMENTS**

June 30, 2011

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*H. Capital Assets and Long-Term Liabilities*

Capital assets include property and equipment. Such assets, which are accounted for in the internal service fund, are used in the provision of services to other funds of the Commission. The government defines capital assets as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. No public domain or infrastructure assets (e.g. roads, bridges, sidewalks and similar items) are owned by the Commission.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed. There was no interest incurred by the Commission during the current fiscal year. No interest expense was applicable to construction of capital assets.

Depreciation is computed using the straight-line method over the estimated useful life of each type of asset. The depreciation is recognized in the indirect cost allocation plan as an allowable cost. The cost of depreciation is recovered as a reimbursable cost from grants, contracts, and local projects in the Commission's internal service fund. Capital assets are reported in the Commission's basic financial statements net of accumulated depreciation.

Property and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

Building	40 years
Equipment	3 – 15 years

Land is not subject to depreciation.

*I. Long Lived Assets*

The Commission reviews the carrying value of long lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Measurement of any impairment loss is based on the fair value of the asset. No loss for impairment of long lived assets was recorded during 2011.

Three Rivers Regional Commission

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2011

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*J. In-kind Services and Costs*

In-kind services and costs are accounted for as revenues and expenditures and are valued in accordance with Federal Management Circular A-102 (i.e. cost). In-kind services for the Commission consist entirely of services contributed by the Commission's subcontractors for transportation and aging-directed services provided to participants.

*K. Budgets*

An annual operating budget is prepared for the general and special revenue funds. Legal provisions govern the budgetary process. The Commission follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Executive Director submits to the Council Members a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them. The budget is formally adopted on an agency-wide, functional expense level, which is the legal level of the Commission's budgetary controls.
2. The budget so adopted may be revised during the year only by formal action of the Council in a regular meeting. The Commission Finance Director does not have authority to revise the budget without Council approval. The Council will make any changes necessary to adopt the budget.
3. Budgets for the funds are adopted on a basis consistent with GAAP.
4. Budgeted amounts, as presented in the accompanying financial statements, are as originally adopted or as amended by the Council. Unobligated appropriations in the annual operating budget lapse at fiscal year end.
5. There are no differences between Budgetary basis and GAAP basis expenditures, therefore, no reconciliation is necessary.
6. Internal service fund budgets are prepared and utilized as a management tool to assess the operations of the internal service fund.

*L. Employee Benefits and Compensated Absences*

The Commission charges employee benefits and compensated absences in accordance with its cost allocation plan, as an allowable reimbursable cost. The compensated absences and employee benefits are recorded in the internal service fund, and are pooled and allocated to the special revenue funds based upon a predetermined provisional rate approved by its designated cognizant agency. Recoveries of these costs are transferred to the internal service fund and recognized as an other financing source. The Commission's provisional rate for the year ended June 30, 2011 was 49.16 percent.

Total compensated absences and employee benefits incurred by the Commission for the year ended June 30, 2011 totaled \$660,312.

Three Rivers Regional Commission

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

Using total chargeable salaries of \$1,599,073 as the allocation base, the actual employee benefit rate for the year ended June 30, 2011 was 48.79 percent. At the end of each month, adjustments were made to allocate the difference between provisional and actual employee benefits to the special revenue funds.

The Commission provides compensated absences and employee benefits as follows:

*Vacation Leave* - Each employee with fewer than three years of service shall earn annual leave at a rate of 10 days per year. Employees earn an additional day per year for each additional year of service up to 15 years of service. Employees may accrue and maintain a maximum of 25 working days of annual leave per year after 15 years. At the end of each fiscal year, employees may accrue a maximum of 30 days. Accumulated leave at June 30, 2011, for which employees could be reimbursed, amounted to \$100,835. Vested or accumulated vacation leave that is expected to be liquidated with available financial resources is reported as an expenditure and a fund liability of the governmental fund.

*Sick Leave* - Employees are awarded 15 days per year of sick leave and may accumulate up to 60 days. The cost of sick leave is recognized as the employee takes it. It is not expected that any unrecorded sick leave benefits will exceed a normal year's accumulation. Employees are not reimbursed for sick leave upon separation.

*Holidays* - Employees are awarded 10 days per year as holidays. The cost of holiday leave is recorded when it is taken by the employee.

*Insurance* - The Commission maintains a contributory group health insurance plan as well as workers compensation coverage for all employees.

*Defined Contribution Plan* - The Commission maintains a defined contribution retirement plan (the "Plan") administered by a Trustee (a member of the Commission's management) that is appointed by the Commission's Council Members. All full-time employees are eligible to join the Plan upon completion of six months continuous service.

*Payroll Taxes* - The Commission employees are covered under the federal social security system. Payroll tax payments are made to the Internal Revenue Service ("IRS") in accordance with IRS regulations.

*M. Indirect Cost Rates*

Commission-wide central support costs are recorded in the internal service fund as indirect costs in the Commission's accounting system and recovered. Costs are defined by U.S. Office of Management and Budget Circular A-87, Attachment A, as costs "(a) incurred for a common or joint purpose benefiting more than one cost objective, and (b) not readily assignable to the cost objectives specifically benefited, without effort disproportionate to the results achieved." Pursuant to OMB Circular A-87, the U.S. Department of Commerce is designated as the cognizant agency for the federal government with responsibility for negotiation, approval and audit of the Commission's central support services cost allocation plan.

Three Rivers Regional Commission

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2011

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

The indirect cost rate is computed as a ratio of indirect costs (including indirect salaries and fringe benefits related to those indirect salaries) to total direct salaries and fringe benefits related to those direct salaries. The percentage thus determined is then applied to the direct salaries and fringe benefits within the general fund and each special revenue fund to determine indirect cost recovery for each fund.

During the year, a provisional indirect cost rate is used which is negotiated with the Commission's federal cognizant agency based upon a cost allocation plan. At the end of each month, adjustments were made to allocate the difference between the provisional and actual employee benefits to the general fund and special revenue funds.

The actual indirect cost allocation rate for the fiscal year ended June 30, 2011 was 44.26 percent.

*N. Encumbrances*

The Commission does not use encumbrance accounting; thus, Budget to GAAP basis reconciliations are not required.

*O. Long-Term Obligations*

The Commission has acquired property under a capital lease agreement. The capital lease agreement is recorded in the applicable column of the government-wide and internal service fund financial statements. The debt service requirements for long-term debt obligations are appropriated annually.

*P. Fund Balance and Net Assets*

Net assets in government-wide and internal service fund financial statements are classified as 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. In accordance with professional standards adopted during the year ended June 30, 2011, the Commission presents governmental fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Commission is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in governmental fund financial statements are as follows:

- Nonspendable - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The Commission has not designated any amounts to be nonspendable as of June 30, 2011.
- Restricted - This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Three Rivers Regional Commission

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2011

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

The Commission has classified amounts for the transportation programs and debt service as being restricted. Transportation program funds are restricted because they were received from a granting authority for vehicle repairs in a prior year and not expended. Debt service resources are restricted by federal statute to be used for lease maturities in the 2011-2012 year.

- Committed - This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Commission. These amounts cannot be used for any other purpose unless the Commission removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Commission did not have any committed resources as of June 30, 2011.
- Assigned - This classification includes amounts that are constrained by the Commission's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Commission or through the Commission's budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The Commission has assigned funds for the transportation programs in the amount of the remaining positive fund balance at June 30, 2011.
- Unassigned - This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

Beginning fund balances for the Commission's governmental funds have been restated to reflect the above reclassifications.

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

*Q. Use of Estimates*

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

Three Rivers Regional Commission

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2011

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*R. Risk Management*

The Commission is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; and natural disasters for which the Commission carries insurance. The Commission is a member of the Georgia Interlock Risk Management Agency (“GIRMA”). This agency functions as an unincorporated nonprofit instrumentality of its members and is administered by the Georgia Municipal Association. The purpose of GIRMA is to establish and administer one or more group self-insurance funds; to establish and administer a risk management service; and to prevent or lessen the incidence or severity of casualty and property losses.

Each member pays an annual contribution established by the Board of GIRMA. For the fiscal year ended June 30, 2011, the Commission's total contribution was \$8,019. GIRMA may develop and issue such self-insurance coverage descriptions, as it deems necessary. The current coverage provides a \$1,000,000 general liability limit with a \$1,000 per occurrence deductible.

*S. New Accounting Pronouncements*

The Commission adopted GASB Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definition” during the fiscal year ended June 30, 2011. GASB No. 54 became effective for fiscal years beginning after June 15, 2010. The new standard requires governmental entities to make changes in the terminology used to report the various categories of fund balance in governmental funds at the fund level. Instead of fund balance being reported as reserved, unreserved and designated, GASB No. 54 requires that it be reported as nonspendable, restricted, committed, assigned and unassigned.

As noted in the Measurement Focus, Basis of Accounting, and Financial Statement Presentation footnote above, the Commission also adopted GASB Statement No. 62, “Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements”.

Three Rivers Regional Commission

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2011

**NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING**

*A. Budget Process*

The Executive Director submits annual budgets to the Council for the general and special revenue fund. Legal provisions govern the budgetary process. These budgets are formally adopted on an individual grant-funded program level, which is the legal level of budgetary control. The Council amends the budget once annually. The Council Members approve budget amendments if total expenditures exceed budgeted expenditures at the individual grant funded program level.

All expenditures in excess of budgeted amounts are the responsibility of the Commission through local funds. Unobligated appropriations in the annual operating budget lapse at fiscal year-end.

*B. Budget to GAAP Reconciliation*

All budgets are adopted on a basis consistent with GAAP. No reconciliation of budget basis to GAAP basis is necessary.

*C. Encumbrances*

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Commission.

*D. Excess of Expenditures Over Appropriations in Individual Funds*

Excess of actual expenditures over budget for the major special revenue funds are as follows:

Transportation Program Fund	\$ 20,551
-----------------------------	-----------

**NOTE 3 – DEPOSITS**

*A. Custodial Credit Risk - Deposits*

The custodial credit risk of deposits is the risk that in the event of the failure of a bank, the government will not be able to recover deposits. The Commission's bank balances of deposits as of June 30, 2011 are entirely insured or collateralized with securities held by the Commission's agent in the Commission's name. State statutes require banks holding public funds to secure these funds by the Federal Deposit Insurance Corporation ("FDIC") insurance, securities pledged at par value, and surety bonds at face value in combined aggregate totaling not less than 110 percent of the public funds held.



Three Rivers Regional Commission

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2011

**NOTE 3 – DEPOSITS - Continued**

*B. Demand Deposits and Certificates of Deposits*

The Georgia Code requires that public funds be collateralized by depository institutions. Depositories of public funds may secure deposits by the insurance of the FDIC, pledged securities, or a combination of these methods. The market value of pledged securities shall be equal to or not less than 110 percent of the deposited public funds.

**NOTE 4 – DUE FROM OTHER GOVERNMENTS**

Revenues from grant contracts are recognized when the qualifying expenditures have been incurred and all other grant requirements have been met. Amounts shown on the balance sheet represent the unpaid portion of amounts that have been requested but not yet received.

The detail of accounts receivable for contracts are due to the following funds at June 30, 2011 as follows:

Transportation program fund	\$ 413,673
Community care services program fund	123,378
Nonmajor governmental funds	<u>1,180,951</u>
Due from other governments	<u>\$ 1,718,002</u>

**NOTE 5 – CONTINGENCIES**

Uses of federal and state grant funds is subject to review and audit by grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based upon prior experience and audit results, management believes that the Commission will not incur significant losses on possible grant disallowances.

**NOTE 6 – FRINGE BENEFIT COSTS**

Fringe benefit costs are recorded in the internal service fund and recovered in part from the special revenue funds based upon a fringe benefits allocation rate as determined by a ratio of fringe benefits to total salary costs.

Three Rivers Regional Commission

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2011

**NOTE 7 – INTER-FUND RECEIVABLES AND PAYABLES**

Generally, outstanding balances between funds reported as due to/from other funds include outstanding charges by one fund to another for services or goods, subsidy commitments outstanding, and other miscellaneous receivables and payables between funds.

The composition of inter-fund balances as of June 30, 2011 is as follows:

<u>Receivable fund</u>	<u>Payable fund</u>	
General fund	Community care services program fund	\$ 123,378
	Nonmajor governmental fund	391,457
	Internal service fund	57,550
Transportation program fund	Nonmajor governmental fund	61,195
Internal service fund	Nonmajor governmental fund	<u>577,618</u>
		<u>\$ 1,211,198</u>

Transfers and payments within the reporting entity are substantially for the purposes of subsidizing operating functions, funding capital projects and asset acquisitions, or maintaining debt service. Resources are accumulated in a fund to support and simplify the administration of various projects or programs. The government-wide statement of activities eliminates transfers as reported within the segregated fund statements.

A reconciliation of transfers for the year ended June 30, 2011 is as follows:

	<u>Transfer in:</u>
	Nonmajor governmental fund
	<u>                    </u>
Transfer out:	
General fund	<u>\$ 277,233</u>

Three Rivers Regional Commission

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

**NOTE 8 – CHANGES IN CAPITAL ASSETS**

Capital asset activity for the government for the fiscal year ended June 30, 2011 was as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending balance</u>
<b>Governmental activities:</b>				
Capital assets, being depreciated:				
Building	\$ 1,381,029	\$ -	\$ -	\$ 1,381,029
Equipment	<u>169,421</u>	<u>-</u>	<u>-</u>	<u>169,421</u>
Total capital assets being depreciated	1,550,450	-	-	1,550,450
Less accumulated depreciation for:				
Building	(427,840)	(54,110)	-	(481,950)
Equipment	<u>(101,797)</u>	<u>(17,819)</u>	<u>-</u>	<u>(119,616)</u>
Total accumulated depreciation	<u>(529,637)</u>	<u>(71,929)</u>	<u>-</u>	<u>(601,566)</u>
Governmental activities capital assets, net	<u>\$ 1,020,813</u>	<u>\$ (71,929)</u>	<u>\$ -</u>	<u>\$ 948,884</u>

Depreciation expense of \$19,066 is charged to the aging program as the related building is used exclusively for aging services. The remaining \$52,863 of depreciation expense is allocated to every function as part of the Commission's indirect cost pool.

**NOTE 9 – RETIREMENT PLAN**

The Commission maintains a defined contribution retirement plan (the "Plan") administered by a Trustee (a member of the Commission's management) that is appointed by the Commission's Council Members. All full-time employees are eligible to join the Plan upon completion of six months continuous service.

The Plan was formed under the authority of the Commission's Council Members, and the Council has the authority to amend and/or terminate the plan at any time. Employer contributions to the Plan are based on six percent of the employee's annual salary as of June 30 of the current year. Employee contributions are not allowed. Normal retirement age is considered to be 65 years of age.

Three Rivers Regional Commission

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

**NOTE 9 – RETIREMENT PLAN - Continued**

The Trustee maintains contributions to the Plan in individual accounts for each eligible and participating employee. For the year ended June 30, 2011, the Commission contributed \$79,001 to the retirement plan. Total covered payroll for the year ended June 30, 2011, was \$1,580,989 with a total organization payroll of \$1,599,073. The vesting schedule is as follows:

One year	10%
Two years	20%
Three years	40%
Four years	60%
Five years	80%
Six or more years	100%

**NOTE 10 – LONG-TERM DEBT**

*A. Capital Leases*

In July 1996, the Commission (formerly McIntosh Trail) and the City of Griffin entered into a 20-year capital lease for office space located at 120 North Hill Street, Griffin, Georgia. An amendment modified the terms of the 120 North Hill Street lease to be: 20 year term beginning July 1, 1997, with payments of \$7,500 per month due quarterly. The Commission may purchase the building for the sum of \$1 upon completion of the lease. The asset value under this capital lease (net of accumulated depreciation) at June 30, 2011 was \$390,000. This lease is not subject to imputed interest.

On July 30, 2008, the Commission (formerly Chattahoochee-Flint) and the Development Authority of Heard County entered into a capital lease for office space located at 13273 Georgia Highway 34 E, Franklin, Georgia. The lease calls for 144 monthly payments of \$4,059. At the end of the lease, the Commission may purchase the building for \$10. The asset value under this capital lease (net of accumulated depreciation) at June 30, 2011 was \$511,653. This lease carries an interest rate of six percent. Related interest expense for the year ended June 30, 2011 was \$22,775.

The Commission has reported \$58,072 of the governmental fund balance as restricted for debt service to cover the fiscal year 2011 lease payments for 2011.

The present values of future maturities under these capital leases are as follows:

<u>Year ending June 30,</u>	
2012	\$ 78,703
2013	78,703
2014	78,703
2015	78,703
2016	78,703
2017 - 2021	<u>257,282</u>
Total minimum payments	650,797
Less: Amount representing interest	<u>(113,190)</u>
Present value of capital lease	<u>\$ 537,607</u>

Three Rivers Regional Commission

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2011

**NOTE 10 – LONG-TERM DEBT - Continued**

*B. Restricted Net Assets*

In January 2002, the Department of Human Resources made a grant to the Commission in the amount of \$100,000 for the use of repairing or helping to purchase vans in the 5311 program. The Commission utilized \$59,934 of the funds in previous years. The remaining \$40,066 will be used in future years.

*C. Operating Leases*

The Commission has entered into several operating leases for office equipment. Lease expense during the year ended June 30, 2011 was \$10,499. Future obligations under these operating leases are as follows:

<u>Year ending June 30,</u>	
2012	\$ 9,000
2013	7,020
2014	6,480
2015	<u>3,675</u>
Total minimum payments	<u>\$ 26,175</u>

*D. Changes in Long-term Liabilities*

Long-term liability activity for the fiscal year ended June 30, 2011, was as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending balance</u>	<u>Due within one year</u>
<b>Governmental activities:</b>					
Capital lease - buildings	\$ 593,535	\$ -	\$ (55,928)	\$ 537,607	\$ 58,072
Compensated absences	<u>95,672</u>	<u>93,284</u>	<u>(88,121)</u>	<u>100,835</u>	<u>100,835</u>
Governmental activities long-term liabilities	<u>\$ 689,207</u>	<u>\$ 93,284</u>	<u>\$ (144,049)</u>	<u>\$ 638,442</u>	<u>\$ 158,907</u>

For the governmental activities, compensated absences are generally liquidated in the internal service fund.

Three Rivers Regional Commission

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2011

**NOTE 11 – LITIGATION**

The Commission is involved in five pending claims which have arisen in the ordinary course of its business and have not been fully adjudicated. In the opinion of management, these claims and legal actions are covered by insurance and the ultimate resolution of these matters will not have a material effect on the Commission's financial position or change in net assets/fund balance.

**NOTE 12 – JOINT VENTURE**

Under Georgia law, cities and counties located in the ten county west central Georgia region are members of the Commission. Membership in a RC is required by OCGA Section 50-8-34 which provides for the organizational structure of RC's in Georgia. The RC Council membership includes an elected official of each county and municipality of the area and private sector individuals. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC beyond its resources.

**NOTE 13 – CONCENTRATION OF RISK**

The Commission receives approximately 91 percent of its federal funding from the U.S. Department of Health & Human Services relating to their transportation and aging programs in 2011. A significant reduction in the level of funding, if this were to occur, may have an effect on the Commission's programs and activities.



**Required Supplementary Information**

*(This page left blank intentionally)*



Three Rivers Regional Commission

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND,  
TRANSPORTATION PROGRAM FUND AND COMMUNITY CARE  
SERVICES PROGRAM FUND**

For the year ended June 30, 2011

	General Fund			Variance with final budget positive (negative)
	Original budget	Final budget	Actual	
<b>REVENUES</b>				
Local sources	\$ 478,995	\$ 491,449	\$ 491,449	\$ -
Interest income	7,900	8,500	10,060	1,560
Other income	2,600	2,600	15,597	12,997
Total revenues	<u>489,495</u>	<u>502,549</u>	<u>517,106</u>	<u>14,557</u>
<b>EXPENDITURES</b>				
Current:				
Personnel services	41,257	62,192	64,547	(2,355)
Operating expenditures	100,812	98,360	99,198	(838)
Indirect expenditures	<u>17,928</u>	<u>27,356</u>	<u>28,476</u>	<u>(1,120)</u>
Total expenditures	<u>159,997</u>	<u>187,908</u>	<u>192,221</u>	<u>(4,313)</u>
Excess of revenues over expenditures	329,498	314,641	324,885	10,244
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(265,286)</u>	<u>(258,009)</u>	<u>(277,233)</u>	<u>(19,224)</u>
Total other financing sources and uses	<u>(265,286)</u>	<u>(258,009)</u>	<u>(277,233)</u>	<u>(19,224)</u>
Net change in fund balances	<u>\$ 64,212</u>	<u>\$ 56,632</u>	47,652	<u>\$ (8,980)</u>
Fund balance - beginning			<u>749,847</u>	
Fund balance - ending			<u>\$ 797,499</u>	

Three Rivers Regional Commission

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND,  
TRANSPORTATION PROGRAM FUND AND COMMUNITY CARE  
SERVICES PROGRAM FUND - Continued**

For the year ended June 30, 2011

	Transportation Program Fund			Variance with final budget positive (negative)
	Original budget	Final budget	Actual	
<b>REVENUES</b>				
Federal sources	\$ 2,093,979	\$ 1,190,215	\$ 1,221,880	\$ 31,665
State sources	229,857	1,174,261	1,169,771	(4,490)
Program income	34,409	34,409	34,409	-
Total revenues	<u>2,358,245</u>	<u>2,398,885</u>	<u>2,426,060</u>	<u>27,175</u>
<b>EXPENDITURES</b>				
Current:				
Personnel services	24,941	25,422	18,475	6,947
Operating expenditures	2,303,761	2,312,240	2,338,808	(26,568)
Indirect expenditures	<u>10,838</u>	<u>11,182</u>	<u>12,112</u>	<u>(930)</u>
Total expenditures	<u>2,339,540</u>	<u>2,348,844</u>	<u>2,369,395</u>	<u>(20,551)</u>
Excess of revenues over expenditures	<u>18,705</u>	<u>50,041</u>	<u>56,665</u>	<u>6,624</u>
Net change in fund balances	<u>\$ 18,705</u>	<u>\$ 50,041</u>	56,665	<u>\$ 6,624</u>
Fund balance - beginning			350,148	
Fund balance - ending			<u>\$ 406,813</u>	

Three Rivers Regional Commission

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND,  
TRANSPORTATION PROGRAM FUND AND COMMUNITY CARE  
SERVICES PROGRAM FUND - Continued**

For the year ended June 30, 2011

	Community Care Services Program Fund			Variance with final budget positive (negative)
	Original budget	Final budget	Actual	
<b>REVENUES</b>				
Federal sources	\$ 488,502	\$ 508,893	\$ 508,803	\$ (90)
State sources	488,501	508,892	508,803	(89)
Local sources	-	-	-	-
Program income	-	-	-	-
Total revenues	<u>977,003</u>	<u>1,017,785</u>	<u>1,017,606</u>	<u>(179)</u>
<b>EXPENDITURES</b>				
Current:				
Personnel services	22,188	21,866	14,660	7,206
Operating expenditures	945,174	986,301	993,335	(7,034)
Indirect expenditures	<u>9,641</u>	<u>9,618</u>	<u>9,611</u>	<u>7</u>
Total expenditures	<u>977,003</u>	<u>1,017,785</u>	<u>1,017,606</u>	<u>179</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance - beginning			<u>-</u>	
Fund balance - ending			<u>\$ -</u>	

*(This page left blank intentionally)*



## **Supplementary Information**

*(This page left blank intentionally)*



**Nonmajor Governmental Funds**

Three Rivers Regional Commission

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS**

June 30, 2011

	<u>ARC FY</u> 2011 - 2012	<u>ARC FY</u> 2010 - 2011	<u>DNR</u> <u>historic</u> <u>preservation</u>	<u>Economic</u> <u>development</u> <u>administration</u>	<u>DOT</u> <u>planning</u> <u>grant</u>	<u>DOT 5311</u> <u>public</u> <u>transpiration</u>
<b>ASSETS</b>						
Due from grant awards and contracts	\$ 12,586	\$ -	\$ -	\$ 18,819	\$ 32,573	\$ 14,663
Due from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total assets	 <u>\$ 12,586</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 18,819</u>	 <u>\$ 32,573</u>	 <u>\$ 14,663</u>
<b>LIABILITIES</b>						
Accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-	-	-
Due to other funds	<u>12,586</u>	<u>-</u>	<u>-</u>	<u>18,819</u>	<u>32,573</u>	<u>14,663</u>
Total liabilities	<u>12,586</u>	<u>-</u>	<u>-</u>	<u>18,819</u>	<u>32,573</u>	<u>14,663</u>
 Total liabilities and fund balance	 <u>\$ 12,586</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 18,819</u>	 <u>\$ 32,573</u>	 <u>\$ 14,663</u>



<u>DOT swipe card</u>	<u>DCA</u>	<u>TMDL 106</u>	<u>TMDL 319</u>	<u>TMDL 604</u>	<u>DHR Title III admin</u>	<u>DHR Title III B homemaker</u>	<u>DHR Title III B elderly assistant</u>	<u>DHR Title III B LTCO</u>
\$ -	\$ 62,841	\$ -	\$ 4,043	\$ 5,595	\$ 14,916	\$ 8,358	\$ 11,092	\$ 9,716
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ 62,841</u>	<u>\$ -</u>	<u>\$ 4,043</u>	<u>\$ 5,595</u>	<u>\$ 14,916</u>	<u>\$ 8,358</u>	<u>\$ 11,092</u>	<u>\$ 9,716</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	128,429	-	-	-
<u>-</u>	<u>62,841</u>	<u>-</u>	<u>4,043</u>	<u>5,595</u>	<u>(113,513)</u>	<u>8,358</u>	<u>11,092</u>	<u>9,716</u>
<u>-</u>	<u>62,841</u>	<u>-</u>	<u>4,043</u>	<u>5,595</u>	<u>14,916</u>	<u>8,358</u>	<u>11,092</u>	<u>9,716</u>
<u>\$ -</u>	<u>\$ 62,841</u>	<u>\$ -</u>	<u>\$ 4,043</u>	<u>\$ 5,595</u>	<u>\$ 14,916</u>	<u>\$ 8,358</u>	<u>\$ 11,092</u>	<u>\$ 9,716</u>

Three Rivers Regional Commission

**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS - Continued**

June 30, 2011

	<u>DHR Title III B advocacy</u>	<u>DHR Title III B coordination</u>	<u>DHR Title III B program development</u>	<u>DHR Title III B I &amp; A</u>	<u>DHR Title III B personal care</u>	<u>DHR Title III B adult day</u>
<b>ASSETS</b>						
Due from grant awards and contracts	\$ 11,728	\$ 9,890	\$ 5,688	\$ 76,286	\$ 13,959	\$ 1,080
Due from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 11,728</u>	<u>\$ 9,890</u>	<u>\$ 5,688</u>	<u>\$ 76,286</u>	<u>\$ 13,959</u>	<u>\$ 1,080</u>
<b>LIABILITIES</b>						
Accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-	-	-
Due to other funds	<u>11,728</u>	<u>9,890</u>	<u>5,688</u>	<u>76,286</u>	<u>13,959</u>	<u>1,080</u>
Total liabilities	<u>11,728</u>	<u>9,890</u>	<u>5,688</u>	<u>76,286</u>	<u>13,959</u>	<u>1,080</u>
Total liabilities and fund balance	<u>\$ 11,728</u>	<u>\$ 9,890</u>	<u>\$ 5,688</u>	<u>\$ 76,286</u>	<u>\$ 13,959</u>	<u>\$ 1,080</u>

<u>DHR Title III B transportation</u>	<u>Community service program gateway</u>	<u>DHR Title III C1 congregate meals</u>	<u>DHR Title III C2 home delivered meals</u>	<u>DHR SSBG congregate meals</u>	<u>DHR SSBG home delivered meals</u>	<u>DHR SSBG LTCO state supplement</u>	<u>DHR SSBG respite care</u>
\$ 6,030	\$ 47,461	\$ 109,699	\$ 32,309	\$ 354	\$ 5,096	\$ 10,448	\$ 17,292
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 6,030</u>	<u>\$ 47,461</u>	<u>\$ 109,699</u>	<u>\$ 32,309</u>	<u>\$ 354</u>	<u>\$ 5,096</u>	<u>\$ 10,448</u>	<u>\$ 17,292</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>6,030</u>	<u>47,461</u>	<u>109,699</u>	<u>32,309</u>	<u>354</u>	<u>5,096</u>	<u>10,448</u>	<u>17,292</u>
<u>6,030</u>	<u>47,461</u>	<u>109,699</u>	<u>32,309</u>	<u>354</u>	<u>5,096</u>	<u>10,448</u>	<u>17,292</u>
<u>\$ 6,030</u>	<u>\$ 47,461</u>	<u>\$ 109,699</u>	<u>\$ 32,309</u>	<u>\$ 354</u>	<u>\$ 5,096</u>	<u>\$ 10,448</u>	<u>\$ 17,292</u>

Three Rivers Regional Commission

**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS - Continued**

June 30, 2011

	DHR SSBG LTCO activity	DHR Title VII elder abuse prevention	DHR Title III D health promotion	DHR Title III D medication management	DHR Title V stimulus	DHR Title V senior emp. services
<b>ASSETS</b>						
Due from grant awards and contracts	\$ 5,500	\$ -	\$ 6,788	\$ 1,837	\$ -	\$ 107,781
Due from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 5,500</u>	<u>\$ -</u>	<u>\$ 6,788</u>	<u>\$ 1,837</u>	<u>\$ -</u>	<u>\$ 107,781</u>
<b>LIABILITIES</b>						
Accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-	-	-
Due to other funds	<u>5,500</u>	<u>-</u>	<u>6,788</u>	<u>1,837</u>	<u>-</u>	<u>107,781</u>
Total liabilities	<u>5,500</u>	<u>-</u>	<u>6,788</u>	<u>1,837</u>	<u>-</u>	<u>107,781</u>
Total liabilities and fund balance	<u>\$ 5,500</u>	<u>\$ -</u>	<u>\$ 6,788</u>	<u>\$ 1,837</u>	<u>\$ -</u>	<u>\$ 107,781</u>

<u>DHR Title III E caregiver</u>	<u>DHR Title III E administration</u>	<u>DHR Title III E respite care</u>	<u>DHR Title III E kinship care</u>	<u>DHR Title III E caregiver gateway</u>	<u>DHR CBS GA cares</u>	<u>DHR CBS case mgt.</u>	<u>DHR CBS Admin</u>
\$ 8,206	\$ 15,272	\$ 6,224	\$ 2,019	\$ 41,719	\$ 40,424	\$ 26,112	\$ 30,789
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 8,206</u>	<u>\$ 15,272</u>	<u>\$ 6,224</u>	<u>\$ 2,019</u>	<u>\$ 41,719</u>	<u>\$ 40,424</u>	<u>\$ 26,112</u>	<u>\$ 30,789</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>8,206</u>	<u>15,272</u>	<u>6,224</u>	<u>2,019</u>	<u>41,719</u>	<u>40,424</u>	<u>26,112</u>	<u>30,789</u>
<u>\$ 8,206</u>	<u>\$ 15,272</u>	<u>\$ 6,224</u>	<u>\$ 2,019</u>	<u>\$ 41,719</u>	<u>\$ 40,424</u>	<u>\$ 26,112</u>	<u>\$ 30,789</u>
<u>\$ 8,206</u>	<u>\$ 15,272</u>	<u>\$ 6,224</u>	<u>\$ 2,019</u>	<u>\$ 41,719</u>	<u>\$ 40,424</u>	<u>\$ 26,112</u>	<u>\$ 30,789</u>

Three Rivers Regional Commission

**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS - Continued**

June 30, 2011

	<u>DHR CBS gateway</u>	<u>DHR CBS nutrition wellness</u>	<u>DHR CBS respite care</u>	<u>DHR CBS LTCO</u>	<u>DHR CBS health promotion</u>	<u>DHR CBS adult day care</u>
<b>ASSETS</b>						
Due from grant awards and contracts	\$ 24,499	\$ 53,792	\$ 15,919	\$ 5,300	\$ 2,546	\$ 1,455
Due from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 24,499</u>	<u>\$ 53,792</u>	<u>\$ 15,919</u>	<u>\$ 5,300</u>	<u>\$ 2,546</u>	<u>\$ 1,455</u>
<b>LIABILITIES</b>						
Accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-	-	-
Due to other funds	<u>24,499</u>	<u>53,792</u>	<u>15,919</u>	<u>5,300</u>	<u>2,546</u>	<u>1,455</u>
Total liabilities	<u>24,499</u>	<u>53,792</u>	<u>15,919</u>	<u>5,300</u>	<u>2,546</u>	<u>1,455</u>
Total liabilities and fund balance	<u>\$ 24,499</u>	<u>\$ 53,792</u>	<u>\$ 15,919</u>	<u>\$ 5,300</u>	<u>\$ 2,546</u>	<u>\$ 1,455</u>

<u>DHR CBS homemaker</u>	<u>DHR CBS personal care</u>	<u>DHR CBS ELAP</u>	<u>DHR ADRC coordination</u>	<u>DHR income tax checkoff</u>	<u>DHR AOA</u>	<u>DHR MIPPA SHIP</u>
\$ 3,512	\$ 6,344	\$ 1,693	\$ 10,533	\$ 6,089	\$ 24,171	\$ 19,092
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 3,512</u>	<u>\$ 6,344</u>	<u>\$ 1,693</u>	<u>\$ 10,533</u>	<u>\$ 6,089</u>	<u>\$ 24,171</u>	<u>\$ 19,092</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>3,512</u>	<u>6,344</u>	<u>1,693</u>	<u>10,533</u>	<u>6,089</u>	<u>24,171</u>	<u>19,092</u>
<u>3,512</u>	<u>6,344</u>	<u>1,693</u>	<u>10,533</u>	<u>6,089</u>	<u>24,171</u>	<u>19,092</u>
<u>\$ 3,512</u>	<u>\$ 6,344</u>	<u>\$ 1,693</u>	<u>\$ 10,533</u>	<u>\$ 6,089</u>	<u>\$ 24,171</u>	<u>\$ 19,092</u>

Three Rivers Regional Commission

**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS - Continued**

June 30, 2011

	DHR MIPPA gateway	DHR MIPPA outreach	DHR Spalding Co. CSBG stimulus	Georgia Southwestern caregiver	Brookdale Foundation	DHR alzheimers
<b>ASSETS</b>						
Due from grant awards and contracts	\$ 38,841	\$ 18,557	\$ -	\$ 33,709	\$ -	\$ 19,783
Due from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 38,841</u>	<u>\$ 18,557</u>	<u>\$ -</u>	<u>\$ 33,709</u>	<u>\$ -</u>	<u>\$ 19,783</u>
<b>LIABILITIES</b>						
Accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-	2,696	-
Due to other funds	<u>38,841</u>	<u>18,557</u>	<u>-</u>	<u>33,709</u>	<u>(2,696)</u>	<u>19,783</u>
Total liabilities	<u>38,841</u>	<u>18,557</u>	<u>-</u>	<u>33,709</u>	<u>-</u>	<u>19,783</u>
Total liabilities and fund balance	<u>\$ 38,841</u>	<u>\$ 18,557</u>	<u>\$ -</u>	<u>\$ 33,709</u>	<u>\$ -</u>	<u>\$ 19,783</u>



<u>Upson EMA</u>	<u>Lamar EMA</u>	<u>Spalding EMA</u>	<u>Senior Medicaid program</u>	<u>Other</u>	<u>Total</u>
\$ -	\$ -	\$ 4,462	\$ 11,452	\$ 44,009	\$ 1,180,951
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,462</u>	<u>\$ 11,452</u>	<u>\$ 44,009</u>	<u>\$ 1,180,951</u>
\$ -	\$ -	\$ -	\$ -	\$ 14,197	\$ 14,197
-	-	-	-	5,359	136,484
<u>-</u>	<u>-</u>	<u>4,462</u>	<u>11,452</u>	<u>24,453</u>	<u>1,030,270</u>
<u>-</u>	<u>-</u>	<u>4,462</u>	<u>11,452</u>	<u>44,009</u>	<u>1,180,951</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,462</u>	<u>\$ 11,452</u>	<u>\$ 44,009</u>	<u>\$ 1,180,951</u>

Three Rivers Regional Commission

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

For the year ended June 30, 2011

	<u>ARC FY 2011 - 2012</u>	<u>ARC FY 2010 - 2011</u>	<u>DNR historic preservation</u>	<u>Economic development administration</u>	<u>DOT planning grant</u>	<u>DOT 5311 public transpiration</u>	<u>DOT swipe card</u>
<b>REVENUES</b>							
Federal	\$ 20,927	\$ 18,181	\$ 13,125	\$ 123,403	\$ 96,606	\$ 19,122	\$ -
State	-	-	-	-	-	-	-
Local	-	-	-	-	-	19,121	-
Other	-	-	-	-	-	-	-
Total revenues	<u>20,927</u>	<u>18,181</u>	<u>13,125</u>	<u>123,403</u>	<u>96,606</u>	<u>38,243</u>	<u>-</u>
<b>EXPENDITURES</b>							
Personnel services							
Direct salaries	18,626	15,036	5,924	84,338	54,589	12,806	-
Fringe benefits	<u>9,053</u>	<u>7,308</u>	<u>2,880</u>	<u>40,895</u>	<u>26,531</u>	<u>6,225</u>	<u>-</u>
Total personnel services	27,679	22,344	8,804	125,233	81,120	19,031	-
Operating expenditures	1,965	4,737	437	17,574	3,850	10,816	-
Indirect cost							
Cost allocation plan	<u>12,211</u>	<u>9,857</u>	<u>3,884</u>	<u>55,161</u>	<u>35,790</u>	<u>8,396</u>	<u>-</u>
Total expenditures	<u>41,855</u>	<u>36,938</u>	<u>13,125</u>	<u>197,968</u>	<u>120,760</u>	<u>38,243</u>	<u>-</u>
Deficiency of revenues under expenditures	(20,928)	(18,757)	-	(74,565)	(24,154)	-	-
<b>OTHER FINANCING SOURCES</b>							
Transfers	<u>20,928</u>	<u>18,757</u>	<u>-</u>	<u>74,565</u>	<u>24,154</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-	-	-	-
Fund balances - beginning	-	-	-	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



Three Rivers Regional Commission

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR FUNDS GOVERNMENTAL FUNDS - Continued**

For the year ended June 30, 2011

	DHR Title III B program development	DHR Title III B I & A	DHR Title III B personal care	DHR Title III B adult day	DHR Title III B transportation	Community service program gateway	DHR Title III C1 congregate meals
<b>REVENUES</b>							
Federal	\$ 35,656	\$ 209,123	\$ 63,543	\$ 4,991	\$ 5,950	\$ 107,483	\$ 555,146
State	2,097	12,301	3,739	294	350	107,483	32,656
Local	-	-	-	-	-	-	-
Other	-	-	7,475	587	-	-	65,883
Total revenues	<u>37,753</u>	<u>221,424</u>	<u>74,757</u>	<u>5,872</u>	<u>6,300</u>	<u>214,966</u>	<u>653,685</u>
<b>EXPENDITURES</b>							
Personnel services							
Direct salaries	17,179	69,469	-	-	-	91,126	-
Fringe benefits	8,350	33,766	-	-	-	44,292	-
Total personnel services	<u>25,529</u>	<u>103,235</u>	-	-	-	<u>135,418</u>	-
Operating expenditures	5,158	97,248	74,757	5,872	7,000	19,806	653,685
Indirect cost							
Cost allocation plan	<u>11,262</u>	<u>45,544</u>	-	-	-	<u>59,742</u>	-
Total expenditures	<u>41,949</u>	<u>246,027</u>	<u>74,757</u>	<u>5,872</u>	<u>7,000</u>	<u>214,966</u>	<u>653,685</u>
Deficiency of revenues under expenditures	(4,196)	(24,603)	-	-	(700)	-	-
<b>OTHER FINANCING SOURCES</b>							
Transfers	<u>4,196</u>	<u>24,603</u>	-	-	<u>700</u>	-	-
Net change in fund balances	-	-	-	-	-	-	-
Fund balances - beginning	-	-	-	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



Three Rivers Regional Commission

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR FUNDS GOVERNMENTAL FUNDS - Continued**

For the year ended June 30, 2011

	DHR Title V senior emp. services	DHR Title III E caregiver	DHR Title III E administration	DHR Title III E respite care	DHR Title III E kinship care	DHR Title III E caregiver gateway	DHR CBS GA cares	DHR CBS case mgt.
<b>REVENUES</b>								
Federal	\$ 458,733	\$ 43,230	\$ 54,228	\$ 43,016	\$ 21,499	\$ 55,274	\$ 82,647	\$ -
State	-	8,646	-	8,603	4,300	11,055	5,915	82,578
Local	-	-	-	-	-	-	-	-
Other	<u>51,019</u>	<u>5,764</u>	<u>-</u>	<u>5,735</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>509,752</u>	<u>57,640</u>	<u>54,228</u>	<u>57,354</u>	<u>25,799</u>	<u>66,329</u>	<u>88,562</u>	<u>82,578</u>
<b>EXPENDITURES</b>								
Personnel services								
Direct salaries	370,307	-	30,361	-	11,729	16,688	30,688	27,125
Fringe benefits	<u>17,529</u>	<u>-</u>	<u>14,757</u>	<u>-</u>	<u>5,701</u>	<u>8,111</u>	<u>14,916</u>	<u>13,184</u>
Total personnel services	387,836	-	45,118	-	17,430	24,799	45,604	40,309
Operating expenditures	98,272	57,640	7,283	57,354	3,546	37,958	22,838	24,486
Indirect cost								
Cost allocation plan	<u>23,644</u>	<u>-</u>	<u>19,904</u>	<u>-</u>	<u>7,690</u>	<u>10,941</u>	<u>20,120</u>	<u>17,783</u>
Total expenditures	<u>509,752</u>	<u>57,640</u>	<u>72,305</u>	<u>57,354</u>	<u>28,666</u>	<u>73,698</u>	<u>88,562</u>	<u>82,578</u>
Deficiency of revenues under expenditures	-	-	(18,077)	-	(2,867)	(7,369)	-	-
<b>OTHER FINANCING SOURCES</b>								
Transfers	<u>-</u>	<u>-</u>	<u>18,077</u>	<u>-</u>	<u>2,867</u>	<u>7,369</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-	-	-	-	-
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



Three Rivers Regional Commission

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR FUNDS GOVERNMENTAL FUNDS - Continued**

For the year ended June 30, 2011

	DHR income tax checkoff	DHR AOA	DHR MIPPA SHIP	DHR MIPPA gateway	DHR MIPPA outreach	DHR Spalding Co. CSBG stimulus	Georgia Southwestern caregiver	Brookdale Foundation
<b>REVENUES</b>								
Federal	\$ -	\$ 112,775	\$ 24,514	\$ 41,798	\$ 25,287	\$ 445	\$ 113,125	\$ -
State	6,089	-	-	-	-	-	-	-
Local	-	-	-	-	-	-	-	5,518
Other	-	-	-	-	-	-	35,194	200
Total revenues	<u>6,089</u>	<u>112,775</u>	<u>24,514</u>	<u>41,798</u>	<u>25,287</u>	<u>445</u>	<u>148,319</u>	<u>5,718</u>
<b>EXPENDITURES</b>								
Personnel services								
Direct salaries	-	-	6,598	12,232	9,179	-	37,242	-
Fringe benefits	-	-	3,207	5,946	4,461	-	18,102	-
Total personnel services	-	-	9,805	18,178	13,640	-	55,344	-
Operating expenditures	6,089	112,775	10,383	15,600	5,629	445	78,447	5,718
Indirect cost								
Cost allocation plan	-	-	4,326	8,020	6,018	-	24,416	-
Total expenditures	<u>6,089</u>	<u>112,775</u>	<u>24,514</u>	<u>41,798</u>	<u>25,287</u>	<u>445</u>	<u>158,207</u>	<u>5,718</u>
Deficiency of revenues under expenditures	-	-	-	-	-	-	(9,888)	-
<b>OTHER FINANCING SOURCES</b>								
Transfers	-	-	-	-	-	-	9,888	-
Net change in fund balances	-	-	-	-	-	-	-	-
Fund balances - beginning	-	-	-	-	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>





*(This page left blank intentionally)*



## **State Compliance Section**

*(This page left blank intentionally)*

Three Rivers Regional Commission

**SCHEDULE OF EMPLOYEE BENEFIT COST POOL -  
PROVISIONAL AND ACTUAL RATES**

For the year ended June 30, 2011

	<u>Provisional</u>	<u>Actual</u>
Released time		
Annual leave	\$ 94,872	\$ 98,446
Sick leave	72,545	71,948
Holiday pay	61,076	61,294
Other leave	<u>13,846</u>	<u>14,025</u>
Total released time	<u>242,339</u>	<u>245,713</u>
Fringe benefits		
Retirement benefits	86,263	79,001
Payroll taxes	122,443	119,999
Group insurance and workers compensation	<u>216,592</u>	<u>215,599</u>
Total fringe benefits	<u>425,298</u>	<u>414,599</u>
Employee benefits available for allocation	<u>\$ 667,637</u>	<u>\$ 660,312</u>

**COMPUTATION OF EMPLOYEE BENEFIT RATES**

Gross salaries	\$ 1,600,561	\$ 1,599,073
Less: released time	<u>(242,339)</u>	<u>(245,713)</u>
Allocation base - chargeable salaries	<u>\$ 1,358,222</u>	<u>\$ 1,353,360</u>
Employee benefit rates	<u>49.16%</u>	<u>48.79%</u>

Three Rivers Regional Commission

**SCHEDULE OF INDIRECT COST POOL -  
PROVISIONAL AND ACTUAL RATES**

For the year ended June 30, 2011

	<u>Provisional</u>	<u>Actual</u>
Salaries and wages	\$ 311,838	\$ 313,685
Released time and fringe benefits	153,285	152,467
Travel	11,800	11,987
Per diem and fees	27,300	27,235
Utilities	25,200	24,969
Telecommunications	18,500	18,856
Postage and freight	10,441	10,470
Computer charges	15,000	14,640
Publications and printing	2,500	2,128
Insurance and bonding	17,180	16,916
Repairs and maintenance	7,339	7,169
Supplies and materials	18,000	16,877
Rentals	8,805	8,804
Unemployment benefits	8,580	8,580
Depreciation	52,863	52,863
Other	<u>9,876</u>	<u>9,351</u>
Total indirect expenses	698,507	696,997
Internal service fund revenue - rental income	<u>(12,000)</u>	<u>(12,000)</u>
 Indirect expenses available for allocation	 <u>\$ 686,507</u>	 <u>\$ 684,997</u>

**COMPUTATION OF INDIRECT COST RATES**

Direct chargeable salaries	\$ 1,046,383	\$ 1,039,675
Direct fringe and release time	<u>514,353</u>	<u>507,845</u>
 Allocation base - direct personnel costs	 <u>\$ 1,560,736</u>	 <u>\$ 1,547,520</u>
 Indirect cost rates	 <u>43.99%</u>	 <u>44.26%</u>

Three Rivers Regional Commission

**SCHEDULE OF CITY/COUNTY DUES AND ASSESSMENTS**

For the year ended June 30, 2011

	Balance due June 30, 2010	FY' 11 dues amount	Total billed for FY' 11	Amount collected for FY' 11	Balance due June 30, 2011
<b>GOVERNMENT</b>					
Butts County	\$ -	\$ 18,857	\$ 18,857	\$ 18,857	\$ -
Jackson	-	4,574	4,574	4,574	-
Jenkinsburg	-	259	259	259	-
Flovilla	-	702	702	702	-
Carroll County	-	114,778	114,778	114,778	-
Coweta County	-	87,704	87,704	87,704	-
Grantville	-	2,728	2,728	2,728	-
Haralson	-	165	165	165	-
Moreland	-	444	444	444	-
Newnan	-	31,587	31,587	31,587	-
Senoia	-	3,720	3,720	3,720	-
Sharpsburg	-	339	339	339	-
Turin	-	424	424	424	-
Heard County	-	9,812	9,812	9,812	-
Centralhatchee	-	387	387	387	-
Ephesus	-	387	387	387	-
Franklin	-	942	942	942	-
Lamar County	-	10,430	10,430	10,430	-
Aldora	-	91	91	91	-
Barnesville	-	6,351	6,351	6,351	-
Milner	-	678	678	678	-
Meriwether County	-	14,176	14,176	14,176	-
Gay	-	131	131	131	-
Greenville	-	918	918	918	-
Lone Oak	-	96	96	96	-
Luthersville	-	819	819	819	-
Manchester	-	3,769	3,769	3,769	-
Warm Springs	-	478	478	478	-
Woodbury	-	1,070	1,070	1,070	-
Pike County	-	17,721	17,721	17,721	-
Spalding County	-	40,821	40,821	40,821	-
Griffin	-	23,887	23,887	23,887	-
Troup County	-	29,808	29,808	29,808	-
Hogansville	-	2,921	2,921	2,921	-
LaGrange	-	28,437	28,437	28,437	-
West Point	-	3,487	3,487	3,487	-
Upson County	-	18,421	18,421	18,421	-
Thomaston	-	9,130	9,130	9,130	-
	<u>\$ -</u>	<u>\$ 491,449</u>	<u>\$ 491,449</u>	<u>\$ 491,449</u>	<u>\$ -</u>

Three Rivers Regional Commission

**SCHEDULE OF REVENUES EARNED AND MATCHING FUNDS APPLIED**

Year ended June 30, 2011

	Contract Balance as of July 1, 2010	Current year grant awards	Total funds available	Matching percent	Total program costs current year	Revenue earned	Required match applied	Other	Contract Balance as of June 30, 2011
ARC #GA-0701C-C39	\$ -	\$ 32,182	\$ 32,182	50%	\$ 41,855	\$ 20,927	\$ 20,928	\$ -	\$ 11,255
ARC #GA-0701H-I	18,181	-	18,181	50%	36,938	18,181	18,181	576	-
EDA Planning #04-89-05999	24,603	10,000	34,603	40%	59,307	34,602	23,068	1,636	-
EDA Planning #04-83-06119	88,801	-	88,801	30%	138,461	88,801	38,058	11,602	-
DOT Planning MT	-	116,640	116,640	20%	120,760	96,606	24,154	-	20,034
DOT 5311	-	51,366	51,366	50%	38,243	19,122	19,121	-	32,244
DNR EPD Water Management Practices	-	2,500	2,500	0%	2,044	2,044	-	(456)	-
DNR FFY 2010 Section 106 II	23,639	-	23,639	0%	24,603	21,139	-	3,464	2,500
DNR FFY 2011 Section 604(b)	-	27,500	27,500	0%	5,595	5,595	-	-	21,905
DNR FFY 2007 319(h)	289,557	-	289,557	40%	6,621	2,096	4,525	-	287,461
DHS Aging Contract	-	4,914,594	4,914,594	varies	5,206,030	4,899,334	306,696	-	15,260
DHS - Transportation	-	2,567,401	2,567,401	varies	2,369,394	2,391,651	34,409	(56,665)	175,751
GA Southwestern State University	42,477	144,034	186,511	25/35%	158,207	113,125	45,082	-	73,386
Coweta 5311 Grant Administration	-	12,000	12,000	0%	12,693	12,693	-	693	-
DCA State	-	188,952	188,952	5%	204,251	188,952	9,945	5,354	-
DNR Historic Preservation	-	14,818	14,818	0%	13,125	13,125	-	-	1,693
	<u>\$ 487,258</u>	<u>\$ 8,081,987</u>	<u>\$ 8,569,245</u>		<u>\$ 8,438,127</u>	<u>\$ 7,927,993</u>	<u>\$ 544,167</u>	<u>\$ (33,796)</u>	<u>\$ 641,489</u>

All amounts tied w/in immaterial amount w/in report



Three Rivers Regional Commission

**SCHEDULE OF REVENUES EARNED AND MATCHING FUNDS APPLIED - Continued**

Year ended June 30, 2011

	<u>Contract Balance as of July 1, 2010</u>	<u>Current year grant awards</u>	<u>Total funds available</u>	<u>Matching percent</u>	<u>Total program costs current year</u>	<u>Revenue earned</u>	<u>Required match applied</u>	<u>Other</u>	<u>Contract Balance as of June 30, 2011</u>
<b>Local</b>									
Upson Co. EIP Grant Admin.	14,283	-	14,283	0%	7,197	7,197	-	-	7,086
Thomaston TE Administration	18,022	-	18,022	0%	5,749	5,749	-	-	12,273
Coweta TE Administration	7,291	-	7,291	0%	3,613	3,613	-	-	3,678
Brookdale Foundation	3,965	4,000	7,965	0%	5,718	5,518	-	200	2,447
Elder Justice Grant	-	8,000	8,000	0%	8,000	8,000	-	-	-
Youth Dev. Program Troup Co. Health	-	3,500	3,500	0%	3,500	3,500	-	-	-
Grandparents Camp Troup Co.	-	2,500	2,500	0%	2,500	2,500	-	-	-
Thanks Mom and Pop	6,500	-	6,500	0%	1,141	1,141	-	-	5,359
Lamar Co. PDM Admin	6,254	-	6,254	0%	2,491	6,254	-	(3,763)	-
Upson Co. PDM Admin	5,156	-	5,156	0%	4,769	5,156	-	(387)	-
Spalding Co. PDM Admin	18,145	-	18,145	0%	13,254	13,254	-	-	4,891
Spalding CSBG Stimulus	-	445	445	100%	445	445	-	-	-
Spalding CSBG 09/10	3,256	-	3,256	0%	3,112	3,112	-	-	144
Spalding CSBG 10/11	9,814	-	9,814	0%	9,152	9,152	-	-	662
Spalding CSBG 11/12	-	18,553	18,553	0%	12,207	12,207	-	-	6,346
Spalding Transportation	-	135,868	135,868	0%	121,469	120,174	-	-	14,399
	<u>\$ 92,686</u>	<u>\$ 172,866</u>	<u>\$ 265,552</u>		<u>\$ 204,317</u>	<u>\$ 206,972</u>	<u>\$ -</u>	<u>\$ (3,950)</u>	<u>\$ 57,285</u>

Three Rivers Regional Commission

**SCHEDULE OF STATE CONTRACTUAL ASSISTANCE**  
 (Including Federal Pass Through Amounts)  
 For the year ended June 30, 2011

<u>Program</u>	<u>Contract number</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Amount due from state</u>
Department of Community Affairs	N/A	\$ 188,952	\$ 204,251	\$ 62,841
DOT 5311 FY-2011	T-003525	19,122	38,243	7,332
DOT Planning MT	N/A	96,606	120,760	32,573
DHS Aging contract	427-373-0000004802	4,899,334	5,206,030	1,071,027
DHR Coordinated Transportation	42700-362-0000005613	2,391,651	2,369,394	413,673
DNR Section 319(h) FY07 Grant	751-90099	2,096	6,621	4,043
DNR EPD Water Management Practices	N/A	2,044	2,044	-
DNR FFY 2010 Section 106 II	N/A	21,139	24,603	-
DNR FFY 2010I Section 604(b)	N/A	5,595	5,595	5,595
DNR Historic Preservation	N/A	<u>13,125</u>	<u>13,125</u>	<u>-</u>
		<u>\$ 7,639,664</u>	<u>\$ 7,990,666</u>	<u>\$ 1,597,084</u>

**OMB Circular A-133 Section**

*(This page left blank intentionally)*

**INDEPENDENT AUDITORS' 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***

*(This page left blank intentionally)*

TOWER PLACE, SUITE 2600  
3340 PEACHTREE ROAD, NE  
ATLANTA, GEORGIA 30326

404. 264.1700  
FAX 404. 264.9968

WWW.METCALF-DAVIS.COM



*Certified Public Accountants*

Independent Auditors' 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 Council Members  
Three Rivers Regional Commission

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of **Three Rivers Regional Commission** (the "Commission") as of and for the year ended June 30, 2011, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated December 8, 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 Commission's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Commission'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 Commission's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to management of the Commission in a separate letter dated December 8, 2011.

This report is intended solely for the information and use of the Council Members, management 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.

*Metcalf Davis*

Atlanta, Georgia  
December 8, 2011



**INDEPENDENT AUDITORS' 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**

*(This page left blank intentionally)*

TOWER PLACE, SUITE 2600  
3340 PEACHTREE ROAD, NE  
ATLANTA, GEORGIA 30326

404.264.1700  
FAX 404.264.9968

WWW.METCALF-DAVIS.COM



*Certified Public Accountants*

Independent Auditors' 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

The Council Members  
Three Rivers Regional Commission

Compliance

We have audited the compliance of **Three Rivers Regional Commission** (the "Commission") 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 Commission's major federal programs for the year ended June 30, 2011. The Commission's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Commission's management. Our responsibility is to express an opinion on the Commission'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 Commission'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 Commission's compliance with those requirements.

In our opinion, Three Rivers Regional Commission 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 June 30, 2011. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item SA 11-01.

## Internal Control Over Compliance

Management of the Commission 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 Commission'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 Commission'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. However, we identified a deficiency in internal control over compliance that we consider to be a significant deficiency as described in item SA 11-01 in the accompanying schedule of findings and questioned costs. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The Commission's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Commission's response and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of the Council Members, management, 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.

*Metcalf Davis*

Atlanta, Georgia  
December 8, 2011

Three Rivers Regional Commission

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the year ended June 30, 2011

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Grant number	CFDA number	Federal expenditures
<b>U.S. Department of Commerce</b>			
Economic Development Support for Planning Organizations	04-89-05999	11.302	\$ 34,602
Economic Development Support for Planning Organizations	04-83-06119	11.302	<u>88,801</u> \$ 123,403
<b>Federal Transit Administration</b>			
Passed through State Department of Transportation			
Federal Transit Capital Investment Grants	N/A	20.509	19,122
Contract Administration for Coweta County for			
Federal Transit Capital Investment Grants	N/A	20.509	<u>12,694</u> 31,816
<b>Federal Highway Administration</b>			
Passed through State Department of Transportation			
Highway Research and Development Program	Project ID 0006071	20.205	96,608
<b>U.S. Department of Health and Human Services</b>			
Passed through State Department of Human Resources			
Coordinated Transportation			
Transit Services Programs Cluster			
Job Access Reverse Commute	42700-362-0000005613	20.516	56,434
Capital Assistance Program for Elderly Persons and			
Persons with Disabilities	42700-362-0000005613	20.513	239,842
New Freedom Program	42700-362-0000005613	20.521	<u>30,018</u> 326,294
Vocational Rehabilitation for Disable Veterans	42700-362-0000005613	84.126	151,438
Special Programs for the Aging - Title III Part B	42700-362-0000005613	* 93.044	31,500
Social Services Block Grant	42700-362-0000005613	* 93.667 **	470,063
Temporary Assistance for Needy Families	42700-362-0000005613	93.558	<u>242,585</u> 895,586
Total Coordinated Transportation			1,221,880
Aging Services			
Aging Cluster			
Special Programs for the Aging - Title III Part B	42700-373-0000004802	* 93.044	587,490
Special Programs for the Aging - Title III Part C	42700-373-0000004802	93.045	847,990
Nutrition Services Incentive Program	42700-373-0000004802	93.053	<u>112,775</u> 1,548,255
Medical Assistance Program	42700-373-0000004802	93.778 **	616,287
Social Services Block Grant	42700-373-0000004802	* 93.667 **	127,992
Special Programs for the Aging - Title VII	42700-373-0000004802	93.042	18,046
Special Programs for the Aging - Title III Part D	42700-373-0000004802	93.043	30,294
Senior Community Service Employment Program	42700-373-0000004802	17.235	458,777
National Family Caregiver Support - Title III Part E	42700-373-0000004802	93.052	217,247
Centers for Medicare and Medicaid Services (CMS)			
Research, Demonstrations and Evaluations	42700-373-0000004802	93.779	94,103
Affordable Care Act - Medicare Improvements for			
Patients and Providers	42700-373-0000004802	93.518	<u>91,598</u> 1,654,344
Total Aging Services			3,202,599

The accompanying notes are an integral part of this schedule.

Three Rivers Regional Commission

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - Continued**

For the year ended June 30, 2011

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Grant number	CFDA number	Federal expenditures
Contract through Spalding County to Administer American Recovery and Reinvestment Act ("ARRA") - Community Services Block Grant	N/A	ARRA - 93.710	445
Contract through Georgia Southwestern University for Alzheimer's Disease Demonstration Grant	N/A	93.051 **	<u>113,125</u>
Total U.S. Department of Health and Human Services			4,538,049
<b><u>U.S. Environmental Protection Agency</u></b>			
Passed through State Department of Natural Resources Nonpoint Source Implementation Grants - Section 319(h)	751-90099	66.460	3,973
Water Quality Management Planning - Section 604(b)	751-90149	66.454	7,640
Water Pollution Control State, Interstate, and Tribal Program Support - Section 106	751-90139	66.419	<u>24,603</u> <u>36,216</u>
<b><u>U.S. Department of Housing and Urban Development</u></b>			
Contract with Upson County and City of Thomaston for Community Development Block Grants - Entitlement Grants	N/A	14.218	<u>7,198</u>
<b><u>U.S. Department of Homeland Security</u></b>			
Contract with Upson County for Pre-Disaster Mitigation Plan	N/A	97.047	4,769
Contract with Lamar County for Pre-Disaster Mitigation Plan	N/A	97.047	2,491
Contract with Spalding County for Pre-Disaster Mitigation Plan	N/A	97.047	<u>13,254</u> <u>20,514</u>
<b><u>Appalachian Regional Commission</u></b>			
Appalachian Local Development District Assistant	N/A	23.009	<u>39,397</u>
			<u>\$ 4,893,201</u>

\* - see footnote 1c in the Note to Schedule of Expenditures of Federal Awards

\*\* - denotes major program

The accompanying notes are an integral part of this schedule.

Three Rivers Regional Commission

**NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

June 30, 2011

**NOTE 1 – BASIS OF PRESENTATION AND SUMMARY OF  
SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Presentation**

The accompanying schedule of expenditures of federal awards presents the activity of all federal financial assistance programs of Three Rivers Regional Commission and is presented using the accrual basis of accounting. Expenditures of federal awards are recognized as incurred. The reporting entity is defined in note 1A to the Commission's basic financial statements. Federal financial assistance received directly from federal agencies and federal assistance passed through other government agencies are included on this schedule.

The information reported on this schedule is presented in accordance with the requirements of OMB Circular A-133. Therefore, some amounts presented in this schedule may differ from amounts present in, or used in the preparation of, the basic financial statements.

**B. Subrecipients**

Of the federal expenditures presented in the schedule, the Commission provides federal awards to subrecipients as follows:

CFDA Number	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Amount Awarded
11.302	Economic Development Administration	\$ 4,748
20.513, 20.516 and 20.521	Transit Services Program Cluster	296,680
84.126	Coordinated Transportation	146,650
93.667	Coordinated Transportation	448,051
93.558	Coordinated Transportation	237,361
93.044	Coordinated Transportation	30,735
93.044, 93.045 and 93.053	Aging Cluster	1,055,366
93.778	Aging Services	492,956
93.667	Aging Services	127,992
93.042	Aging Services	18,046
93.043	Aging Services	30,294
93.052	Aging Services	86,246
93.051	Contract through Georgia Southwestern University for Alzheimer's Disease Demonstration Grant	32,180

**C. Funding Sources**

Special Programs for the Aging - Title III Part B and the Social Services Block Grant within the Coordinated Transportation and Aging Services contracts were combined for major program determination. For major program determination, total expenditures for the Special Programs for the Aging - Title III Part B and the Social Services Block Grant are \$618,990 and \$598,055, respectively.

*(This page left blank intentionally)*



**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

*(This page left blank intentionally)*

Three Rivers Regional Commission

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For the year ended June 30, 2011

**SECTION I – 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 is not considered to be a material weakness?	No
• Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal control over major programs:	
• Material weakness identified?	No
• Significant deficiency identified that is not considered to be a material weakness?	Yes
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 OMB Circular A-133?	Yes

**Identification of Major Programs**

<u>CFDA Number</u>	<u>Name of Federal Program</u>	
93.667	Social Services Block Grant	
93.778	Medical Assistance Program	
93.051	Alzheimer's Disease Demonstration Grants	
Dollar threshold used to distinguish between type A and type B programs:		\$ 300,000
Auditee qualified as low-risk auditee?		Yes

**SECTION II – Financial Statement Findings**

No matters are reported as financial statement findings or questioned costs related to the financial statements reported in accordance with *Government Auditing Standards* for the year ended June 30, 2011.

**SECTION III – Federal Award Findings and Questioned Costs**

**SA 11-01                      Internal Controls over and Maintenance of Audio Files of Session with Participants**

**Criteria**                      In accordance with requirements of the Alzheimer’s Disease Demonstration Grant (“Alzheimer’s grant”), the Commission must maintain audio recordings of sessions with participants on a monthly basis. One recording from each counselor in the Alzheimer’s grant program must be submitted to the Commission’s grant representative each month.

**Condition**                      During the period under audit, we noted the Commission had two counselors participating in the Alzheimer’s grant program. Of the 12 required submissions from one counselor, the Commission was unable to locate 11 of the audio files. Additionally, it did not appear the files were ever submitted to the grant representative.

**Context**                      See condition as noted above.

**Effect**                      The Commission was unable to document that the audio files had been completed for the 11 instances noted above.

**Cause**                      Subsequent to year end, the Commission experienced turnover in the program’s lead counselor position. The new person in this position could not locate the 11 audio files noted above nor could they show documentation that the files had been submitted to the grant representative.

**Recommendation**                      We recommend the Commission evaluate current job descriptions and assignments to ensure that this critical function is performed and those individuals within the department be cross-trained to ensure compliance during times of staff turnover and heavy workload. All recordings should be saved in the Commission’s computer system prior to delivering a copy to the Alzheimer’s grant representative to ensure adequate documentation of sessions.

**Management Response**                      The Commission concurs with this finding. Based on review of the lead counselor’s job performance, prior to the audit finding, she was terminated and will be replaced. All requirements and procedures of the grant will be relayed to the new hire.