

Financial Statements and  
Independent Auditors' Report



120 North Hill Street  
Griffin, Georgia 30224

June 30, 2012



*Certified Public Accountants*

December 28, 2012

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, 2011 through June 30, 2012. The audit was conducted by Metcalf Davis.

Schedule of City/County Dues and Assessments for the period July 1, 2011 through June 30, 2012 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,



Lanier E. Boatwright  
Executive Director


LEB/pht

Enclosures as stated

*July 1, 2012*

**POLITICAL ACTIVITY STATEMENT**

In accordance with the requirements of Section 3(4) of Act 1359, as amended, the Three Rivers Regional Commission's policies require that all staff members of the Three Rivers RC, while serving in that capacity, refrain from political activities, including endorsement of any political candidate or party, use of machinery, equipment, postage, stationary, or personnel on behalf of any candidate or any question of public policy subject to a referendum, or display of political posters, stickers, or other printed materials.

  
Lanier E. Boatwright  
Executive Director

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT**

**THREE RIVERS REGIONAL COMMISSION**

**June 30, 2012**

# 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 – Proprietary Fund – Governmental Activities Internal Service Fund .....	B-14
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Fund – Governmental Activities – Internal Service Fund .....	B-15
Statement of Cash Flows – Proprietary Fund – Governmental Activities – 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-33
<b>Supplementary Information</b>	
<b>Nonmajor Governmental Funds</b>	
Combining Balance Sheet – Nonmajor Governmental Funds .....	B-36
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds .....	B-41

**C O N T E N T S - Continued**

	<b><u>Page</u></b>
<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**

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*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, 2012, 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, 2012, 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 13, 2012, 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-33 through B-35 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 financial statements as a whole. 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 also not a required part of the financial statements. 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

*Metcalf Davis*

Atlanta, Georgia  
December 13, 2012

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

## Management's Discussion and Analysis

As mandated by Georgia 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, 2012. 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 \$1,894,037 (net assets). Of this amount, \$1,486,932 (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 \$78,984 during this fiscal year. As of June 30, 2012, total net assets consisted of \$407,105 invested in capital assets, net of related debt and \$1,486,932 unrestricted.

General Fund revenues for the year were \$547,875. Of this amount, \$253,553 was transferred to other funds to cover matching requirements and unfunded expenses. The General Fund's unreserved fund balance increased by \$52,339.

The Special Revenue Fund's unreserved fund balance increased by \$26,645.

At the end of the fiscal year, unassigned fund balance for the General Fund was \$790,035 or seven percent of total governmental fund expenditures. The Commission has \$59,803 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 nonmajor 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 fiscal year 2012. Three of these funds are considered major: General Fund, DHS Transportation Program Fund, and the Community Care Services Program Fund. All other funds are combined and reported as nonmajor 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 budgetary comparison statements can be found on pages B-33 through B-35 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, 2012, the Commission's assets exceeded liabilities by \$1,894,037. Approximately 21 percent, or \$407,105, 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 \$150,000 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 \$330,114 for the recent addition to the Franklin office location, which when paid off, may be purchased for ten dollars. For more information, you may refer to Note 10 Long-Term Liabilities, A Capital Leases.

The following table reflects the condensed Statement of Net Assets for the years ended June 30, 2012 and 2011:

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Current and other assets	\$ 2,967,739	\$ 2,715,367
Capital assets, net	<u>887,219</u>	<u>948,884</u>
Total Assets	<u>3,854,958</u>	<u>3,664,251</u>
Current Liabilities	1,540,610	1,369,663
Noncurrent Liabilities	<u>420,311</u>	<u>479,535</u>
Total Liabilities	<u>1,960,921</u>	<u>1,849,198</u>
Net Assets:		
Invested in capital assets net of related debt	407,105	411,277
Restricted for transportation programs	-	40,066
Unrestricted	<u>1,486,932</u>	<u>1,363,710</u>
Total Net Assets	<u>\$ 1,894,037</u>	<u>\$ 1,815,053</u>

The balance of unrestricted net assets of \$1,486,932 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 increase in net assets of \$78,984 is completely from governmental activities and more specifically come from positive changes in fund balance in the Commission's General Fund and Transportation Program Fund.

The following table illustrates the key elements of this increase for the years ended June 30, 2012 and 2011:

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Program revenues		
Operating grants	\$ 9,006,383	\$ 8,422,092
General revenues		
Regional appropriations	485,293	491,449
Interest income	4,747	10,060
Miscellaneous income	<u>57,835</u>	<u>15,597</u>
Total revenues	<u>9,554,258</u>	<u>8,939,198</u>
Program expenses		
General government	241,983	192,221
Transportation programs	2,773,186	2,671,926
Aging programs	5,573,777	5,385,105
Economic development	185,314	283,959
Environmental planning	453,308	38,889
Planning development	194,672	204,252
Community service	48,170	45,429
Historic preservation	<u>4,864</u>	<u>13,100</u>
Total expenses	<u>9,475,274</u>	<u>8,834,881</u>
Change in net assets	78,984	104,317
Net assets - Beginning of year	<u>1,815,053</u>	<u>1,710,736</u>
Net assets - End of year	<u>\$ 1,894,037</u>	<u>\$ 1,815,053</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 \$1,283,296 an increase \$78,984 for the current year.

The Commission experienced an increase in its General Fund's fund balance of \$52,339. This increase is attributable to the collection of miscellaneous revenue and cost recoveries from grants written off prior to the merger.

During the current fiscal year, the Commission also experienced an increase in the Special Revenue Fund's fund balance of \$26,645. When added to the previous year's fund balance, total fund balance in the Special Revenue Fund for the year ending June 30, 2012 was \$433,458. This amount is attributable to the Commission's transportation program. The total balance of \$443,458 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) based 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, 2012.

### **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 available information. 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 \$17,625 more in revenue than was budgeted for other revenue due to the recovery of some receivables that had previously been written off. The General Fund expenditures were under budget by \$31,673 but this was offset by operating transfers going over budget by \$40,413 due mainly to an increase in match amount to grants.

A review of the Transportation program fund shows a difference between budgeted and actual expenditures. Expenditures were over by \$67,988. 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 \$64,633, which resulting in an increase in fund balance of \$26,645.

### **Capital Asset Administration**

**Capital Assets** The Commission's investment in capital assets for its governmental type activities as of June 30, 2012, amounts to \$887,219 (net of accumulated depreciation). This investment in capital assets includes equipment and buildings.

Capital assets of the Commission as of June 30, 2012 and 2011:

	June 30, 2012			
	Building- Griffin	Building - Franklin	Equipment	Total
Capital assets	\$ 600,000	\$ 781,029	\$ 171,939	\$ 1,552,968
Less accumulated depreciation	<u>(225,000)</u>	<u>(307,673)</u>	<u>(133,076)</u>	<u>(665,749)</u>
Net capital assets	<u>\$ 375,000</u>	<u>\$ 473,356</u>	<u>\$ 38,863</u>	<u>\$ 887,219</u>

	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>

For more information, you may refer to Note 8, Changes in Capital Assets on page B-29.

**Long-Term Liabilities and Compensated Absences**

At the end of the current fiscal year, the Commission had a total long-term liabilities and compensated absences outstanding of \$578,985. The majority of this amount, \$330,114, 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 \$150,000 for the lease/purchase of the Griffin Office with five 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 \$1.00. 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 \$98,871 is owed to pay employees accrued annual leave. During the year the capital leases decreased by \$57,493.

The Commission has no authority to issue bonds or collect taxes; therefore, payments of debts are made from the revenues generated by the dues, grants, and unreserved fund balances.

	June 30, 2012	June 30, 2011
Capital Leases	\$ 480,114	\$ 537,607
Compensated Absences	<u>98,871</u>	<u>100,835</u>
Total	<u>\$ 578,985</u>	<u>\$ 638,442</u>

Compensated Absences accounted for 17 percent of the total long-term liabilities and capital leases made up 83 percent. For more information, you may refer to Note 10, Long-Term Liabilities on page B-30.



### **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's 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.

The Commission faces many challenges for the future. 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. As more and more federal agencies limit the percentage of indirect costs that are allowed, different methodologies for the allocation of these costs will need to be considered.

Due to economic conditions, the President's National Commission on Fiscal Responsibility and Reform draft report, among many other recommendations, recommends elimination of the 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 2013 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 interested parties. 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.



## **Basic Financial Statements**

Three Rivers Regional Commission

**STATEMENT OF NET ASSETS**

June 30, 2012

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets	
Cash and cash equivalents	\$ 1,087,292
Due from other governments	1,864,972
Prepaid expenses	<u>15,475</u>
Total current assets	2,967,739
Noncurrent assets	
Capital assets, net	<u>887,219</u>
Total assets	<u>\$ 3,854,958</u>
<b>LIABILITIES</b>	
Current liabilities	
Accounts payable	\$ 1,117,734
Accrued liabilities	53,285
Deferred revenue	210,917
Compensated absences	98,871
Capital lease payable, current portion	<u>59,803</u>
Total current liabilities	1,540,610
Noncurrent liabilities	
Capital lease payable	<u>420,311</u>
Total liabilities	<u>1,960,921</u>
<b>NET ASSETS</b>	
Invested in capital assets net of related debt	407,105
Unrestricted	<u>1,486,932</u>
Total net assets	<u>1,894,037</u>
Total liabilities and net assets	<u>\$ 3,854,958</u>

The accompanying notes are an integral part of this statement.

Three Rivers Regional Commission

**STATEMENT OF ACTIVITIES**

For the year ended June 30, 2012

	Program Revenues			Total Governmental Activities	
	Expenses	Charges for Service	Operating Grants and Contributions		Capital Grants and Contributions
<b>Functions/Programs</b>					
<b>Primary Government</b>					
<b>Governmental Activities:</b>					
General government	\$ 241,983	\$ -	\$ -	\$ -	\$ (241,983)
Transportation programs	2,773,186	-	2,785,503	-	12,317
Aging programs	5,573,777	-	5,448,771	-	(125,006)
Economic development	185,314	-	106,027	-	(79,287)
Environmental planning	453,308	-	437,843	-	(15,465)
Planning development	194,672	-	175,205	-	(19,467)
Community service	48,170	-	48,170	-	-
Historic preservation	4,864	-	4,864	-	-
<b>Total primary government</b>	<b>\$ 9,475,274</b>	<b>\$ -</b>	<b>\$ 9,006,383</b>	<b>\$ -</b>	<b>(468,891)</b>
<b>General Revenues:</b>					
Regional appropriations					485,293
Interest income					4,747
Miscellaneous income					57,835
Change in net assets					78,984
Net assets, beginning of year					<u>1,815,053</u>
Net assets, end of year					<u>\$ 1,894,037</u>

The accompanying notes are an integral part of this statement.

Three Rivers Regional Commission

**BALANCE SHEET  
Governmental Funds**

June 30, 2012

	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	\$ 181,596	\$ -	\$ -	\$ -	\$ 181,596
Due from other governments	6,333	443,711	192,844	1,222,084	1,864,972
Due from other funds	<u>666,114</u>	<u>57,801</u>	<u>-</u>	<u>-</u>	<u>723,915</u>
Total assets	<u>\$ 854,043</u>	<u>\$ 501,512</u>	<u>\$ 192,844</u>	<u>\$ 1,222,084</u>	<u>\$ 2,770,483</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts payable	\$ -	\$ 170	\$ -	\$ -	\$ 170
Accrued liabilities	4,205	-	-	28,563	32,768
Deferred revenue	-	67,884	-	143,033	210,917
Due to other funds	<u>-</u>	<u>-</u>	<u>192,844</u>	<u>1,050,488</u>	<u>1,243,332</u>
Total liabilities	<u>4,205</u>	<u>68,054</u>	<u>192,844</u>	<u>1,222,084</u>	<u>1,487,187</u>
Fund balances					
Restricted for debt service	59,803	-	-	-	59,803
Assigned for transportation programs	-	433,458	-	-	433,458
Unassigned	<u>790,035</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>790,035</u>
	<u>849,838</u>	<u>433,458</u>	<u>-</u>	<u>-</u>	<u>1,283,296</u>
Total liabilities and fund balances	<u>\$ 854,043</u>	<u>\$ 501,512</u>	<u>\$ 192,844</u>	<u>\$ 1,222,084</u>	<u>\$ 2,770,483</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					\$ 1,283,296
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>\$ 1,894,037</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, 2012

	Major funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Transportation Program Fund	Community Care Services Program Fund		
<b>REVENUES</b>					
Local governmental dues	\$ 485,293	\$ -	\$ -	\$ -	\$ 485,293
Grant contracts					
Federal	-	1,377,000	563,405	3,280,480	5,220,885
State	-	1,088,521	563,405	1,504,208	3,156,134
Local grants	-	-	-	320,007	320,007
Program income	-	40,590	-	-	40,590
Other revenues					
Interest income	4,747	-	-	-	4,747
Miscellaneous	57,835	-	-	268,767	326,602
Total revenues	<u>547,875</u>	<u>2,506,111</u>	<u>1,126,810</u>	<u>5,373,462</u>	<u>9,554,258</u>
<b>EXPENDITURES</b>					
Current					
Direct					
General government	202,035	-	-	-	202,035
Transportation programs	-	2,463,240	-	220,185	2,683,425
Aging programs	-	-	1,107,791	4,047,419	5,155,210
Economic development	-	-	-	135,396	135,396
Environmental planning	-	-	-	437,708	437,708
Planning development	-	-	-	136,856	136,856
Community service	-	-	-	33,837	33,837
Historic preservation	-	-	-	3,615	3,615
Indirect					
Cost allocation plan	39,948	16,226	19,019	611,999	687,192
Total expenditures	<u>241,983</u>	<u>2,479,466</u>	<u>1,126,810</u>	<u>5,627,015</u>	<u>9,475,274</u>
Excess (deficiency) of revenues over (under) expenditures	<u>305,892</u>	<u>26,645</u>	<u>-</u>	<u>(253,553)</u>	<u>78,984</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	253,553	253,553
Transfers out	(253,553)	-	-	-	(253,553)
Total other financing sources (uses)	<u>(253,553)</u>	<u>-</u>	<u>-</u>	<u>253,553</u>	<u>-</u>
Net change in fund balances	52,339	26,645	-	-	78,984
Fund balances, beginning of year	<u>797,499</u>	<u>406,813</u>	<u>-</u>	<u>-</u>	<u>1,204,312</u>
Fund balances, end of year	<u>\$ 849,838</u>	<u>\$ 433,458</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,283,296</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, 2012

**ASSETS**

Current assets

Cash and cash equivalents	\$ 905,696
Interfund receivable	576,967
Prepaid expenses	<u>15,476</u>
Total current assets	1,498,139

Noncurrent assets

Capital assets

Building	1,381,029
Equipment	171,939
Less accumulated depreciation	<u>(665,749)</u>
Capital assets, net	<u>887,219</u>

Total assets \$ 2,385,358

**LIABILITIES**

Current liabilities

Current maturities of capital leases payable	\$ 59,803
Accounts payable, operating	1,117,564
Accrued liabilities	20,518
Compensated absences	98,871
Interfund payable	<u>57,550</u>
Total current liabilities	1,354,306

Noncurrent liabilities

Capital leases payable	<u>420,311</u>
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Total liabilities 1,774,617

**NET ASSETS**

Invested in capital assets net of related debt	407,105
Unrestricted	<u>203,636</u>
	<u>610,741</u>

Total liabilities and net assets \$ 2,385,358

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, 2012

Operating revenues	
Rental income	\$ 12,000
Indirect cost recovery	<u>1,321,602</u>
Total operating revenues	1,333,602
Operating expenses	
Indirect cost pool	
Personnel costs	472,896
Travel	16,272
Per diem and fecs	27,944
Telecommunications	37,514
Office repairs and maintenance	10,410
Membership and subscription	2,294
Supplies and materials	20,250
Utilities	24,911
Depreciation	43,618
Insurance and bonding	16,550
Other	<u>26,532</u>
	699,191
Fringe benefit cost pool	<u>634,411</u>
Total operating expenses	<u>1,333,602</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, 2012

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash received from interfund services provided	\$ 1,321,602
Cash received from customers	12,000
Cash payments to employees for services	(1,107,307)
Cash payments to other suppliers of goods or services	<u>(19,558)</u>
Net cash provided by operating activities	206,737

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

Purchase of fixed assets	(2,518)
Principal reduction on capital lease	<u>(57,493)</u>
Net cash used in capital and related financing activities	<u>(60,011)</u>

Net increase in cash	146,726
Cash and cash equivalents - beginning	<u>758,970</u>
Cash and cash equivalents - ending	<u>\$ 905,696</u>

**Reconciliation of excess of expenses over revenues  
to net cash provided 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)	\$ 43,618
Depreciation - direct expense to Aging program (Note 8)	20,565
Changes in assets and liabilities:	
Prepaid expenses	(2,567)
Interfund receivable	651
Compensated absences	(1,964)
Accrued liabilities	14,761
Accounts payable	<u>131,673</u>
Net cash provided by operating activities	<u>\$ 206,737</u>

The accompanying notes are an integral part of this statement.

Three Rivers Regional Commission

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2012

**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 are contained in Sections 50-8-30 through 50-8-67 of the Official Code of Georgia Annotated ("OCGA").

Under Georgia law, cities and counties located in the 10 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.

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 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.

Three Rivers Regional Commission

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2012

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

*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.

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"). The Commission has adopted GASB 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. 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, 2012

**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 out of the general fund.

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 would be 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, 2012

**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.

Activities 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, 2012

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 2012.

Three Rivers Regional Commission

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2012

**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. In-kind services for the Commission consist entirely of services contributed by the Commission's subcontractors for transportation, aging-directed services provided to participants and advertising.

*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's 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 governmental 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, 2012 was 46.22 percent.

Total compensated absences and employee benefits incurred by the Commission for the year ended June 30, 2012 totaled \$634,411.

Three Rivers Regional Commission

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

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

Using total chargeable salaries of \$1,635,858 as the allocation base, the actual employee benefit rate for the year ended June 30, 2012 was 44.95 percent. At the end of each month, adjustments were made to allocate the difference between provisional and actual employee benefits to the Special Revenue Fund.

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 earn 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 and maintain of 30 days. Accumulated leave at June 30, 2012, for which employees could be reimbursed, amounted to \$98,871. 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's 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 OMB 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, 2012

**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 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, 2012 was 43.69 percent.

*N. Encumbrances*

The Commission does not use encumbrance accounting; therefore, 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 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.

The Commission has adopted GASB Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definition.*" In accordance with this professional standard, the Commission presents governmental fund balances in the financial statements 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, 2012.

Three Rivers Regional Commission

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

- 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.

The Commission has classified amounts for the debt service as being restricted. Debt service resources are restricted by federal statute to be used for lease maturities in the 2012-2013 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, 2012.
- 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, 2012.
- 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.

The Commission uses restricted amounts to be spent first when both restricted and unrestricted fund balances are available, unless there are legal documents/contracts that prohibit the use of restricted fund balance, such as grant agreements that require a dollar match. Additionally, the Commission would then use committed, assigned and lastly unassigned amounts from the unrestricted fund balance when expending funds.

*Q. Use of Estimates*

In preparing financial statements in conformity with GAAP, 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, 2012

**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, 2012, the Commission's total contribution was \$10,993. 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.

**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	\$ 67,988
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Three Rivers Regional Commission  
**NOTES TO FINANCIAL STATEMENTS**

June 30, 2012

**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, 2012 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.

*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, 2012 as follows:

General Fund	\$ 6,333
Transportation Program Fund	443,711
Community Care Services Program Fund	192,844
Nonmajor Governmental Funds	<u>1,222,084</u>
Due from other governments	<u>\$ 1,864,972</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.

Three Rivers Regional Commission

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2012

**NOTE 6 – FRINGE BENEFIT COSTS**

Fringe benefit costs are recorded in the Internal Service Fund and recovered in part from the Special Revenue Fund based upon a fringe benefits allocation rate as determined by a ratio of fringe benefits to total salary costs.

**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, 2012 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	
General Fund	Community Care Services Program Fund	\$ 192,844
	Nonmajor Governmental Fund	415,720
	Internal Service Fund	57,550
Transportation Program Fund	Nonmajor Governmental Fund	57,801
Internal Service Fund	Nonmajor Governmental Fund	<u>576,967</u>
		<u>\$ 1,300,882</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, 2012 is as follows:

	<u>Transfer in:</u>
	Nonmajor
	Governmental
	<u>Fund</u>
Transfer out:	
General Fund	<u>\$ 253,553</u>

Three Rivers Regional Commission

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE 8 – CHANGES IN CAPITAL ASSETS

Capital asset activity for the government for the fiscal year ended June 30, 2012 was as follows:

	Beginning balance	Additions	Deletions	Ending balance
<b>Governmental activities:</b>				
Capital assets, being depreciated:				
Building	\$ 1,381,029	\$ -	\$ -	\$ 1,381,029
Equipment	<u>169,421</u>	<u>2,518</u>	<u>-</u>	<u>171,939</u>
Total capital assets being depreciated	1,550,450	2,518	-	1,552,968
Less accumulated depreciation for:				
Building	(481,950)	(50,723)	-	(532,673)
Equipment	<u>(119,616)</u>	<u>(13,460)</u>	<u>-</u>	<u>(133,076)</u>
Total accumulated depreciation	<u>(601,566)</u>	<u>(64,183)</u>	<u>-</u>	<u>(665,749)</u>
Governmental activities capital assets, net	<u>\$ 948,884</u>	<u>\$ (61,665)</u>	<u>\$ -</u>	<u>\$ 887,219</u>

Depreciation expense of \$20,565 is charged to the aging program as the related building is used exclusively for aging services. The remaining \$43,618 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, 2012

**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, 2012, the Commission contributed \$73,332 to the Plan. Total covered payroll for the year ended June 30, 2012, was \$1,365,809 with a total organization payroll of \$1,635,858. 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 LIABILITIES AND COMPENSATED ABSENCES**

*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, 2012 was \$375,000. 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, 2012 was \$473,356. This lease carries an interest rate of six percent. Related interest expense for the year ended June 30, 2012 was \$21,211.

The Commission has reported \$59,803 of the governmental fund balance as restricted for debt service to cover the fiscal year 2013 lease payments.

Three Rivers Regional Commission

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE 10 – LONG-TERM LIABILITIES AND COMPENSATED ABSENCES - Continued

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

<u>Year ending June 30,</u>	
2013	\$ 78,703
2014	78,703
2015	78,703
2016	78,703
2017	78,703
2018 - 2021	<u>178,578</u>
Total minimum payments	572,093
Less: Amount representing interest	<u>(91,979)</u>
Present value of capital lease	<u>\$ 480,114</u>

*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. All remaining funds of \$40,066 were utilized in the current year.

*C. Operating Leases*

The Commission has entered into several operating leases for office equipment. Lease expense during the year ended June 30, 2012 was \$12,949. Future obligations under these operating leases are as follows:

<u>Year ending June 30,</u>	
2013	\$ 7,693
2014	7,153
2015	<u>4,180</u>
Total minimum payments	<u>\$ 19,026</u>



Three Rivers Regional Commission

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2012

**NOTE 10 – LONG-TERM LIABILITIES AND COMPENSATED ABSENCES - Continued**

*D. Changes in Long-term Liabilities and Compensated Absences*

Long-term liability and compensated absences activity for the fiscal year ended June 30, 2012, 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	\$ 537,607	\$ -	\$ (57,493)	\$ 480,114	\$ 59,803
Compensated absences	<u>100,835</u>	<u>107,013</u>	<u>(108,977)</u>	<u>98,871</u>	<u>98,871</u>
Total long-term liabilities and compensated absences	<u>\$ 638,442</u>	<u>\$ 107,013</u>	<u>\$ (166,470)</u>	<u>\$ 578,985</u>	<u>\$ 158,674</u>

For the governmental activities, compensated absences are generally liquidated in the Internal Service Fund.

**NOTE 11 – LITIGATION**

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

**NOTE 12 – CONCENTRATION OF RISK**

The Commission receives approximately 92 percent of its federal funding from the U.S. Department of Health & Human Services relating to their transportation and aging programs in 2012. 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**

Three Rivers Regional Commission

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

For the year ended June 30, 2012

	General Fund			Variance with final budget positive (negative)
	Original budget	Final budget	Actual	
<b>REVENUES</b>				
Local sources	\$ 489,781	\$ 485,293	\$ 485,293	\$ -
Interest income	8,500	4,600	4,747	147
Other income	2,000	40,357	57,835	17,478
Total revenues	<u>500,281</u>	<u>530,250</u>	<u>547,875</u>	<u>17,625</u>
<b>EXPENDITURES</b>				
Current				
Personnel services	71,360	113,484	84,297	29,187
Operating expenditures	145,155	109,716	117,738	(8,022)
Indirect expenditures	<u>25,697</u>	<u>50,456</u>	<u>39,948</u>	<u>10,508</u>
Total expenditures	<u>242,212</u>	<u>273,656</u>	<u>241,983</u>	<u>31,673</u>
Excess of revenues over expenditures	258,069	256,594	305,892	49,298
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(255,098)</u>	<u>(213,140)</u>	<u>(253,553)</u>	<u>(40,413)</u>
Total other financing uses	<u>(255,098)</u>	<u>(213,140)</u>	<u>(253,553)</u>	<u>(40,413)</u>
Net change in fund balances	<u>\$ 2,971</u>	<u>\$ 43,454</u>	52,339	<u>\$ 8,885</u>
Fund balance - beginning			<u>797,499</u>	
Fund balance - ending			<u>\$ 849,838</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, 2012

	Transportation Program Fund			Variance with final budget positive (negative)
	Original budget	Final budget	Actual	
<b>REVENUES</b>				
Federal sources	\$ 1,190,215	\$ 1,542,998	\$ 1,377,000	\$ (165,998)
State sources	1,174,261	864,071	1,088,521	224,450
Program income	<u>34,409</u>	<u>34,409</u>	<u>40,590</u>	<u>6,181</u>
Total revenues	<u>2,398,885</u>	<u>2,441,478</u>	<u>2,506,111</u>	<u>64,633</u>
<b>EXPENDITURES</b>				
Current:				
Personnel services	64,656	37,816	25,624	12,192
Operating expenditures	2,310,947	2,356,849	2,437,616	(80,767)
Indirect expenditures	<u>23,282</u>	<u>16,813</u>	<u>16,226</u>	<u>587</u>
Total expenditures	<u>2,398,885</u>	<u>2,411,478</u>	<u>2,479,466</u>	<u>(67,988)</u>
Excess of revenues over expenditures	<u>-</u>	<u>30,000</u>	<u>26,645</u>	<u>(3,355)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 30,000</u>	26,645	<u>\$ (3,355)</u>
Fund balance - beginning			<u>406,813</u>	
Fund balance - ending			<u>\$ 433,458</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, 2012

	Community Care Services Program Fund			Variance with final budget positive (negative)
	Original budget	Final budget	Actual	
<b>REVENUES</b>				
Federal sources	\$ 508,893	\$ 563,405	\$ 563,405	\$ -
State sources	508,892	563,405	563,405	-
Total revenues	<u>1,017,785</u>	<u>1,126,810</u>	<u>1,126,810</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
Personnel services	52,105	42,505	30,036	12,469
Operating expenditures	946,917	1,065,407	1,077,755	(12,348)
Indirect expenditures	18,763	18,898	19,019	(121)
Total expenditures	<u>1,017,785</u>	<u>1,126,810</u>	<u>1,126,810</u>	<u>-</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	-	-	-
Total other financing sources	<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>	

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## **Supplementary Information**



**Nonmajor Governmental Funds**



Three Rivers Regional Commission

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS**

June 30, 2012

	<u>DOT planning grant</u>	<u>DOT 5311 public transpiration</u>	<u>DCA</u>	<u>TMDL 319</u>	<u>DHR Title III admin</u>	<u>DHR Title III B homemaker</u>
<b>ASSETS</b>						
Due from grant awards and contracts	\$ 12,196	\$ 16,707	\$ 87,459	\$ 114,710	\$ 22,866	\$ 8,589
Due from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 12,196</u>	<u>\$ 16,707</u>	<u>\$ 87,459</u>	<u>\$ 114,710</u>	<u>\$ 22,866</u>	<u>\$ 8,589</u>
<b>LIABILITIES</b>						
Accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-	137,424	-
Due to other funds	<u>12,196</u>	<u>16,707</u>	<u>87,459</u>	<u>114,710</u>	<u>(114,558)</u>	<u>8,589</u>
Total liabilities	<u>12,196</u>	<u>16,707</u>	<u>87,459</u>	<u>114,710</u>	<u>22,866</u>	<u>8,589</u>
Total liabilities and fund balance	<u>\$ 12,196</u>	<u>\$ 16,707</u>	<u>\$ 87,459</u>	<u>\$ 114,710</u>	<u>\$ 22,866</u>	<u>\$ 8,589</u>

<u>DHR Title III B elderly assistant</u>	<u>DHR Title III B LTCO</u>	<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>	<u>Georgia Southwestern RCI</u>
\$ 11,953	\$ 5,775	\$ 14,344	\$ 29,283	\$ 11,050	\$ 41,315	\$ 11,132	\$ 811	\$ 16,298
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 11,953</u>	<u>\$ 5,775</u>	<u>\$ 14,344</u>	<u>\$ 29,283</u>	<u>\$ 11,050</u>	<u>\$ 41,315</u>	<u>\$ 11,132</u>	<u>\$ 811</u>	<u>\$ 16,298</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>11,953</u>	<u>5,775</u>	<u>14,344</u>	<u>29,283</u>	<u>11,050</u>	<u>41,315</u>	<u>11,132</u>	<u>811</u>	<u>16,298</u>
<u>11,953</u>	<u>5,775</u>	<u>14,344</u>	<u>29,283</u>	<u>11,050</u>	<u>41,315</u>	<u>11,132</u>	<u>811</u>	<u>16,298</u>
<u>\$ 11,953</u>	<u>\$ 5,775</u>	<u>\$ 14,344</u>	<u>\$ 29,283</u>	<u>\$ 11,050</u>	<u>\$ 41,315</u>	<u>\$ 11,132</u>	<u>\$ 811</u>	<u>\$ 16,298</u>

Three Rivers Regional Commission

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

June 30, 2012

	Community service program gateway	DHR Title III C1 congregate meals	DHR Title III C2 home delivered meals	DHR SSBG congregate meals	DHR SSBG home delivered meals	DHR SSBG care transportation
<b>ASSETS</b>						
Due from grant awards and contracts	\$ 33,199	\$ 127,130	\$ 28,112	\$ 518	\$ 1,831	\$ 33,304
Due from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 33,199</u>	<u>\$ 127,130</u>	<u>\$ 28,112</u>	<u>\$ 518</u>	<u>\$ 1,831</u>	<u>\$ 33,304</u>
<b>LIABILITIES</b>						
Accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-	-	-
Due to other funds	<u>33,199</u>	<u>127,130</u>	<u>28,112</u>	<u>518</u>	<u>1,831</u>	<u>33,304</u>
Total liabilities	<u>33,199</u>	<u>127,130</u>	<u>28,112</u>	<u>518</u>	<u>1,831</u>	<u>33,304</u>
Total liabilities and fund balance	<u>\$ 33,199</u>	<u>\$ 127,130</u>	<u>\$ 28,112</u>	<u>\$ 518</u>	<u>\$ 1,831</u>	<u>\$ 33,304</u>

<u>DHR SSBG LTCO state supplement</u>	<u>DHR SSBG respite care</u>	<u>DHR SSBG LTCO activity</u>	<u>DHR Title III D health related</u>	<u>DHR Title III D nutrition counseling</u>	<u>DHR Title III D health promotion</u>	<u>DHR Title III D medication management</u>	<u>DHR Title V senior emp. services</u>
\$ 10,636	\$ 11,156	\$ 2,497	\$ 3,622	\$ 2,729	\$ 3,489	\$ 6,836	\$ 51,963
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 10,636</u>	<u>\$ 11,156</u>	<u>\$ 2,497</u>	<u>\$ 3,622</u>	<u>\$ 2,729</u>	<u>\$ 3,489</u>	<u>\$ 6,836</u>	<u>\$ 51,963</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>10,636</u>	<u>11,156</u>	<u>2,497</u>	<u>3,622</u>	<u>2,729</u>	<u>3,489</u>	<u>6,836</u>	<u>51,963</u>
<u>10,636</u>	<u>11,156</u>	<u>2,497</u>	<u>3,622</u>	<u>2,729</u>	<u>3,489</u>	<u>6,836</u>	<u>51,963</u>
<u>\$ 10,636</u>	<u>\$ 11,156</u>	<u>\$ 2,497</u>	<u>\$ 3,622</u>	<u>\$ 2,729</u>	<u>\$ 3,489</u>	<u>\$ 6,836</u>	<u>\$ 51,963</u>

Three Rivers Regional Commission

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

June 30, 2012

	<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 cars</u>
<b>ASSETS</b>						
Due from grant awards and contracts	\$ 3,018	\$ 18,264	\$ 11,521	\$ 9,303	\$ 21,264	\$ 12,554
Due from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 3,018</u>	<u>\$ 18,264</u>	<u>\$ 11,521</u>	<u>\$ 9,303</u>	<u>\$ 21,264</u>	<u>\$ 12,554</u>
<b>LIABILITIES</b>						
Accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-	-	-
Due to other funds	<u>3,018</u>	<u>18,264</u>	<u>11,521</u>	<u>9,303</u>	<u>21,264</u>	<u>12,554</u>
Total liabilities	<u>3,018</u>	<u>18,264</u>	<u>11,521</u>	<u>9,303</u>	<u>21,264</u>	<u>12,554</u>
Total liabilities and fund balance	<u>\$ 3,018</u>	<u>\$ 18,264</u>	<u>\$ 11,521</u>	<u>\$ 9,303</u>	<u>\$ 21,264</u>	<u>\$ 12,554</u>

DHR CBS case mgt.	DHR CBS Admin	DHR CBS gateway	DHR CBS nutrition wellness	DHR CBS respite care	DHR CBS LTCO	DHR CBS health promotion	DHR CBS adult day care
\$ 7,432	\$ 2,928	\$ 5,484	\$ 60,796	\$ 13,807	\$ 456	\$ -	\$ 104
-	-	-	-	-	-	-	-
<u>\$ 7,432</u>	<u>\$ 2,928</u>	<u>\$ 5,484</u>	<u>\$ 60,796</u>	<u>\$ 13,807</u>	<u>\$ 456</u>	<u>\$ -</u>	<u>\$ 104</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
<u>7,432</u>	<u>2,928</u>	<u>5,484</u>	<u>60,796</u>	<u>13,807</u>	<u>456</u>	<u>-</u>	<u>104</u>
<u>7,432</u>	<u>2,928</u>	<u>5,484</u>	<u>60,796</u>	<u>13,807</u>	<u>456</u>	<u>-</u>	<u>104</u>
<u>\$ 7,432</u>	<u>\$ 2,928</u>	<u>\$ 5,484</u>	<u>\$ 60,796</u>	<u>\$ 13,807</u>	<u>\$ 456</u>	<u>\$ -</u>	<u>\$ 104</u>

Three Rivers Regional Commission

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

June 30, 2012

	DHR CBS homemaker	DHR CBS personal care	DHR CBS ELAP	DHR ADRC coordination	DHR income tax checkoff	DHR AOA
<b>ASSETS</b>						
Due from grant awards and contracts	\$ 4,188	\$ 6,504	\$ 1,425	\$ 4,173	\$ 2,752	\$ 50,987
Due from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 4,188</u>	<u>\$ 6,504</u>	<u>\$ 1,425</u>	<u>\$ 4,173</u>	<u>\$ 2,752</u>	<u>\$ 50,987</u>
<b>LIABILITIES</b>						
Accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-	-	-
Due to other funds	<u>4,188</u>	<u>6,504</u>	<u>1,425</u>	<u>4,173</u>	<u>2,752</u>	<u>50,987</u>
Total liabilities	<u>4,188</u>	<u>6,504</u>	<u>1,425</u>	<u>4,173</u>	<u>2,752</u>	<u>50,987</u>
Total liabilities and fund balance	<u>\$ 4,188</u>	<u>\$ 6,504</u>	<u>\$ 1,425</u>	<u>\$ 4,173</u>	<u>\$ 2,752</u>	<u>\$ 50,987</u>

<u>DHR MIPPA SHIP</u>	<u>DHR MIPPA gateway</u>	<u>DHR MIPPA outreach</u>	<u>Georgia Southwestern caregiver</u>	<u>Brookdale Foundation</u>	<u>DHR alzheimers</u>	<u>Upson EMA</u>	<u>Lamar EMA</u>
\$ 28,514	\$ 28,353	\$ 29,662	\$ -	\$ -	\$ 18,158	\$ 4,880	\$ 1,358
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 28,514</u>	<u>\$ 28,353</u>	<u>\$ 29,662</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,158</u>	<u>\$ 4,880</u>	<u>\$ 1,358</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>28,514</u>	<u>28,353</u>	<u>29,662</u>	<u>-</u>	<u>-</u>	<u>18,158</u>	<u>4,880</u>	<u>1,358</u>
<u>28,514</u>	<u>28,353</u>	<u>29,662</u>	<u>-</u>	<u>-</u>	<u>18,158</u>	<u>4,880</u>	<u>1,358</u>
<u>\$ 28,514</u>	<u>\$ 28,353</u>	<u>\$ 29,662</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,158</u>	<u>\$ 4,880</u>	<u>\$ 1,358</u>



Three Rivers Regional Commission

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

June 30, 2012

	<u>MDSQ</u>	<u>Money follows the person</u>	<u>Butts Co. EIP</u>	<u>Hogansville TE</u>	<u>Recreation trails</u>	<u>SMP expansion grant</u>
<b>ASSETS</b>						
Due from grant awards and contracts	\$ 27,453	\$ 55,386	\$ 8,669	\$ 1,245	\$ 3,755	\$ 7,128
Due from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 27,453</u>	<u>\$ 55,386</u>	<u>\$ 8,669</u>	<u>\$ 1,245</u>	<u>\$ 3,755</u>	<u>\$ 7,128</u>
<b>LIABILITIES</b>						
Accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-	-	-
Due to other funds	<u>27,453</u>	<u>55,386</u>	<u>8,669</u>	<u>1,245</u>	<u>3,755</u>	<u>7,128</u>
Total liabilities	<u>27,453</u>	<u>55,386</u>	<u>8,669</u>	<u>1,245</u>	<u>3,755</u>	<u>7,128</u>
Total liabilities and fund balance	<u>\$ 27,453</u>	<u>\$ 55,386</u>	<u>\$ 8,669</u>	<u>\$ 1,245</u>	<u>\$ 3,755</u>	<u>\$ 7,128</u>

<u>GDOT JARC</u>	<u>Other</u>	<u>Total</u>
\$ 26,488	\$ 22,565	\$ 1,222,084
<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 26,488</u>	<u>\$ 22,565</u>	<u>\$ 1,222,084</u>
\$ -	\$ 28,563	\$ 28,563
-	5,609	143,033
<u>26,488</u>	<u>(11,607)</u>	<u>1,050,488</u>
<u>26,488</u>	<u>22,565</u>	<u>1,222,084</u>
<u>\$ 26,488</u>	<u>\$ 22,565</u>	<u>\$ 1,222,084</u>

Three Rivers Regional Commission

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

For the year ended June 30, 2012

	<u>EDA planning</u>	<u>ARC FY 2011 - 2012</u>	<u>ARC FY 2010 - 2011</u>	<u>DNR historic preservation</u>	<u>DOT planning grant</u>	<u>DOT 5311 public transpiration</u>	<u>DCA</u>
<b>REVENUES</b>							
Federal	\$ 59,501	\$ 7,833	\$ 11,540	\$ 4,865	\$ 52,100	\$ 34,838	\$ -
State	-	-	-	-	-	-	175,205
Local	-	-	-	-	-	34,838	-
Other	-	-	-	-	-	-	-
Total revenues	<u>59,501</u>	<u>7,833</u>	<u>11,540</u>	<u>4,865</u>	<u>52,100</u>	<u>69,676</u>	<u>175,205</u>
<b>EXPENDITURES</b>							
Personnel services							
Direct salaries	48,437	7,100	10,572	1,972	29,749	13,323	91,304
Fringe benefits	<u>21,770</u>	<u>3,191</u>	<u>4,752</u>	<u>886</u>	<u>13,372</u>	<u>5,988</u>	<u>41,038</u>
Total personnel services	70,207	10,291	15,324	2,858	43,121	19,311	132,342
Operating expenditures	18,124	879	1,062	757	3,166	41,929	4,514
Indirect cost							
Cost allocation plan	<u>30,671</u>	<u>4,496</u>	<u>6,694</u>	<u>1,250</u>	<u>18,838</u>	<u>8,436</u>	<u>57,816</u>
Total expenditures	<u>119,002</u>	<u>15,666</u>	<u>23,080</u>	<u>4,865</u>	<u>65,125</u>	<u>69,676</u>	<u>194,672</u>
Deficiency of revenues under expenditures	(59,501)	(7,833)	(11,540)	-	(13,025)	-	(19,467)
<b>OTHER FINANCING SOURCES</b>							
Transfers	<u>59,501</u>	<u>7,833</u>	<u>11,540</u>	-	<u>13,025</u>	-	<u>19,467</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 GOVERNMENTAL FUNDS - Continued**

For the year ended June 30, 2012

	DHR Title III B personal care	DHR Title III B adult day	DHR Title III B transportation	Georgia Southwestern RCI	Community service program gateway	DHR Title III C1 congregate meals	DHR Title III C2 home delivered meals
<b>REVENUES</b>							
Federal	\$ 63,543	\$ 4,991	\$ 5,950	\$ 37,559	\$ 108,043	\$ 555,135	\$ 184,763
State	3,739	294	350	-	108,043	32,666	10,869
Local	-	-	-	-	-	-	-
Other	<u>7,475</u>	<u>587</u>	<u>-</u>	<u>57,044</u>	<u>-</u>	<u>61,745</u>	<u>21,737</u>
Total revenues	<u>74,757</u>	<u>5,872</u>	<u>6,300</u>	<u>94,603</u>	<u>216,086</u>	<u>649,546</u>	<u>217,369</u>
<b>EXPENDITURES</b>							
Personnel services							
Direct salaries	-	-	-	4,365	98,515	12,348	-
Fringe benefits	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,962</u>	<u>44,279</u>	<u>5,550</u>	<u>-</u>
Total personnel services	-	-	-	6,327	142,794	17,898	-
Operating expenditures	74,757	5,872	7,000	85,512	10,910	627,395	217,369
Indirect cost							
Cost allocation plan	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,764</u>	<u>62,382</u>	<u>7,819</u>	<u>-</u>
Total expenditures	<u>74,757</u>	<u>5,872</u>	<u>7,000</u>	<u>94,603</u>	<u>216,086</u>	<u>653,112</u>	<u>217,369</u>
Deficiency of revenues under expenditures	-	-	(700)	-	-	(3,566)	-
<b>OTHER FINANCING SOURCES</b>							
Transfers	<u>-</u>	<u>-</u>	<u>700</u>	<u>-</u>	<u>-</u>	<u>3,566</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>
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 GOVERNMENTAL FUNDS - Continued**

For the year ended June 30, 2012

	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	\$ 240,117	\$ 18,503	\$ 54,508	\$ 67,743	\$ 21,604	\$ 55,430	\$ 63,911	\$ -
State	-	3,700	-	13,549	4,321	11,086	5,891	82,918
Local	-	-	-	-	-	-	-	-
Other	<u>26,733</u>	<u>2,467</u>	<u>-</u>	<u>9,032</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>266,850</u>	<u>24,670</u>	<u>54,508</u>	<u>90,324</u>	<u>25,925</u>	<u>66,516</u>	<u>69,802</u>	<u>82,918</u>
<b>EXPENDITURES</b>								
Personnel services								
Direct salaries	197,052	-	25,955	-	13,124	32,674	28,277	32,524
Fringe benefits	<u>9,662</u>	<u>-</u>	<u>11,666</u>	<u>-</u>	<u>5,899</u>	<u>14,686</u>	<u>12,709</u>	<u>14,619</u>
Total personnel services	206,714	-	37,621	-	19,023	47,360	40,986	47,143
Operating expenditures	46,523	24,670	18,622	90,324	1,473	5,856	10,911	15,181
Indirect cost								
Cost allocation plan	<u>13,613</u>	<u>-</u>	<u>16,435</u>	<u>-</u>	<u>8,311</u>	<u>20,690</u>	<u>17,905</u>	<u>20,594</u>
Total expenditures	<u>266,850</u>	<u>24,670</u>	<u>72,678</u>	<u>90,324</u>	<u>28,807</u>	<u>73,906</u>	<u>69,802</u>	<u>82,918</u>
Deficiency of revenues under expenditures	-	-	(18,170)	-	(2,882)	(7,390)	-	-
<b>OTHER FINANCING SOURCES</b>								
Transfers	-	-	<u>18,170</u>	-	<u>2,882</u>	<u>7,390</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>	<u>\$ -</u>





Three Rivers Regional Commission

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

For the year ended June 30, 2012

	DHR income tax checkoff	DHR AOA	DHR MIPPA SHIP	DHR MIPPA gateway	DHR MIPPA outreach	Georgia Southwestern caregiver	Brookdale Foundation	DHR alzheimers
<b>REVENUES</b>								
Federal	\$ -	\$ 162,268	\$ 40,416	\$ 31,774	\$ 29,869	\$ 23,102	\$ -	\$ -
State	5,460	59,884	-	-	-	-	-	155,127
Local	-	-	-	-	-	-	2,446	-
Other	-	-	-	-	-	10,345	-	-
Total revenues	<u>5,460</u>	<u>222,152</u>	<u>40,416</u>	<u>31,774</u>	<u>29,869</u>	<u>33,447</u>	<u>2,446</u>	<u>155,127</u>
<b>EXPENDITURES</b>								
Personnel services								
Direct salaries	-	-	11,812	10,663	4,877	6,642	-	-
Fringe benefits	-	-	5,310	4,793	2,192	2,986	-	-
Total personnel services	-	-	17,122	15,456	7,069	9,628	-	-
Operating expenditures								
Indirect cost	5,460	222,152	15,813	9,567	19,711	21,705	2,446	155,127
Cost allocation plan	-	-	7,481	6,751	3,089	4,206	-	-
Total expenditures	<u>5,460</u>	<u>222,152</u>	<u>40,416</u>	<u>31,774</u>	<u>29,869</u>	<u>35,539</u>	<u>2,446</u>	<u>155,127</u>
Deficiency of revenues under expenditures	-	-	-	-	-	(2,092)	-	-
<b>OTHER FINANCING SOURCES</b>								
Transfers	-	-	-	-	-	2,092	-	-
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>



Three Rivers Regional Commission

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

For the year ended June 30, 2012

	<u>Other</u>	<u>Total</u>
<b>REVENUES</b>		
Federal	\$ -	\$ 3,280,480
State	-	1,504,208
Local	148,182	320,007
Other	<u>-</u>	<u>268,767</u>
Total revenues	<u>148,182</u>	<u>5,373,462</u>
<b>EXPENDITURES</b>		
Personnel services		
Direct salaries	67,291	1,206,592
Fringe benefits	<u>30,245</u>	<u>444,861</u>
Total personnel services	97,536	1,651,453
Operating expenditures		
Indirect cost	2,910	3,363,563
Cost allocation plan	<u>42,615</u>	<u>611,999</u>
Total expenditures	<u>143,061</u>	<u>5,627,015</u>
Deficiency of revenues under expenditures	5,121	(253,553)
<b>OTHER FINANCING SOURCES</b>		
Transfers	<u>(5,121)</u>	<u>253,553</u>
Net change in fund balances	-	-
Fund balances - beginning	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>



**State Compliance Section**

Three Rivers Regional Commission

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

For the year ended June 30, 2012

	<u>Provisional</u>	<u>Actual</u>
Released time		
Annual leave	\$ 99,584	\$ 100,836
Sick leave	59,014	57,904
Holiday pay	61,968	60,511
Other leave	<u>5,122</u>	<u>5,122</u>
Total released time	<u>225,688</u>	<u>224,373</u>
Fringe benefits		
Retirement benefits	83,090	73,332
Payroll taxes	125,204	121,373
Group insurance and workers compensation	<u>218,115</u>	<u>215,333</u>
Total fringe benefits	<u>426,409</u>	<u>410,038</u>
Employee benefits available for allocation	<u>\$ 652,097</u>	<u>\$ 634,411</u>

**COMPUTATION OF EMPLOYEE BENEFIT RATES**

Gross salaries	\$ 1,636,655	\$ 1,635,858
Less: released time	<u>(225,688)</u>	<u>(224,373)</u>
Allocation base - chargeable salaries	<u>\$ 1,410,967</u>	<u>\$ 1,411,485</u>
Employee benefit rates	<u>46.22%</u>	<u>44.95%</u>

Three Rivers Regional Commission

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

For the year ended June 30, 2012

	<u>Provisional</u>	<u>Actual</u>
Salaries and wages	\$ 328,776	\$ 326,256
Released time and fringe benefits	151,948	146,640
Travel	16,500	16,272
Per diem and fees	28,793	27,944
Utilities	27,100	24,911
Telecommunications	39,800	37,514
Publications and printing	2,200	2,180
Insurance and bonding	17,670	16,550
Repairs and maintenance	8,050	10,410
Supplies and materials	24,300	20,250
Rentals	9,910	9,810
Unemployment benefits	7,614	7,614
Depreciation	43,495	43,618
Other	<u>9,361</u>	<u>9,222</u>
Total indirect expenses	715,517	699,191
Internal service fund revenue - rental income	<u>(12,000)</u>	<u>(12,000)</u>
 Indirect expenses available for allocation	 <u>\$ 703,517</u>	 <u>\$ 687,191</u>

**COMPUTATION OF INDIRECT COST RATES**

Direct chargeable salaries	\$ 1,082,192	\$ 1,085,229
Direct fringe and release time	<u>500,149</u>	<u>487,772</u>
 Allocation base - direct personnel costs	 <u>\$ 1,582,341</u>	 <u>\$ 1,573,001</u>
 Indirect cost rates	 <u>44.46%</u>	 <u>43.69%</u>

Three Rivers Regional Commission

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

For the year ended June 30, 2012

	Balance due June 30, 2011	FY' 12 dues amount	Total billed for FY' 12	Amount collected for FY' 12	Balance due June 30, 2012
<b>GOVERNMENT</b>					
Butts County	\$ -	\$ 17,587	\$ 17,587	\$ 17,587	\$ -
Jackson	-	5,045	5,045	5,045	-
Jenkinsburg	-	370	370	370	-
Flovilla	-	653	653	653	-
Carroll County	-	110,527	110,527	110,527	-
Coweta County	-	82,262	82,262	82,262	-
Grantville	-	3,041	3,041	3,041	-
Haralson	-	166	166	166	-
Morcland	-	399	399	399	-
Newnan	-	33,039	33,039	33,039	-
Senoia	-	3,307	3,307	3,307	-
Sharpsburg	-	341	341	341	-
Turin	-	274	274	274	-
Hcard County	-	10,006	10,006	10,006	-
Centralhatchee	-	408	408	408	-
Ephesus	-	427	427	427	-
Franklin	-	993	993	993	-
Lamar County	-	10,849	10,849	10,849	-
Aldora	-	103	103	103	-
Barnesville	-	6,755	6,755	6,755	-
Milner	-	610	610	610	-
Meriwether County	-	14,478	14,478	14,478	-
Gay	-	89	89	89	-
Greenville	-	843	843	843	-
Lone Oak	-	92	92	92	-
Luthersville	-	874	874	874	-
Manchester	-	4,230	4,230	4,230	-
Warm Springs	-	425	425	425	-
Woodbury	-	961	961	961	-
Pike County	-	17,869	17,869	17,869	-
Spalding County	-	40,430	40,430	40,430	-
Griffin	-	23,643	23,643	23,643	-
Troup County	-	30,922	30,922	30,922	-
Hogansville	-	3,060	3,060	3,060	-
LaGrange	-	29,588	29,588	29,588	-
West Point	-	3,474	3,474	3,474	-
Upton County	-	17,983	17,983	17,983	-
Thomaston	-	9,170	9,170	9,170	-
	<u>\$ -</u>	<u>\$ 485,293</u>	<u>\$ 485,293</u>	<u>\$ 485,293</u>	<u>\$ -</u>

Three Rivers Regional Commission

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

Year ended June 30, 2012

	Contract Balance as of July 1, 2011	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, 2012
ARC #GA-0701C-C39	\$ 11,255	\$ 16,091	\$ 27,346	50%	\$ 15,666	\$ 7,833	\$ 7,833	\$ -	\$ 19,513
ARC #GA-0701H-I	-	32,184	32,184	50%	23,080	11,540	11,540	-	20,644
EDA Planning #04-89-05999	-	189,000	189,000	50%	119,002	59,501	59,501	-	129,499
DOT Planning MT	-	122,640	122,640	20%	65,125	52,100	13,025	-	70,540
DOT 5311	-	48,357	48,357	50%	69,676	34,838	34,838	-	13,519
JARC Mobility	-	118,125	118,125	10%	29,431	26,488	2,943	-	91,637
DNR FFY 2011 Section 604(b)	21,905	-	21,905	0%	15,249	14,871	-	378	7,034
DNR FFY 2007 319(h)	287,461	-	287,461	40%	438,059	249,743	175,224	13,092	37,718
DHS Aging Contract	-	5,100,104	5,100,104	varies	5,380,835	5,098,184	282,651	-	1,920
DHS - Transportation	-	3,030,200	3,030,200	varies	2,479,465	2,465,521	40,590	-	591,325
GA Southwestern State University	73,386	100,314	173,700	40%	130,142	60,661	37,476	32,004	113,038
Coweta 5311 Grant Administration	-	12,000	12,000	0%	6,219	10,519	-	-	5,781
DCA State	175,491	-	175,491	5%	194,672	175,205	19,467	-	286
DNR Historic Preservation	1,693	4,091	5,784	0%	4,865	4,865	-	-	919
	<u>\$571,191</u>	<u>\$ 8,773,106</u>	<u>\$ 9,344,297</u>		<u>\$ 8,971,486</u>	<u>\$ 8,271,869</u>	<u>\$ 685,088</u>	<u>\$ 45,474</u>	<u>\$ 1,103,373</u>



Three Rivers Regional Commission

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

Year ended June 30, 2012

	Contract Balance as of July 1, 2011	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, 2012
<u>Local</u>									
Upson Co. EIP Grant Admin.	7,086	-	7,086	0%	3,595	7,085	-	-	3,491
Coweta TE Administration	3,678	-	3,678	0%	6,338	3,678	-	2,660	-
Brookdale Foundation	2,446	-	2,446	0%	2,446	2,446	-	-	-
Thanks Mom and Pop	5,359	-	5,359	0%	-	-	-	-	5,359
Spalding CSBG 11/12	6,346	-	6,346	0%	6,180	6,346	-	-	166
Spalding CSBG 12/13	-	18,059	18,059	0%	17,391	17,391	-	-	668
Spalding Transportation	-	130,871	130,871	0%	107,864	107,864	-	-	23,007
Butts EIP Admin	-	6,300	6,300	0%	6,408	6,300	-	108	-
Villa Rica EIP Admin	-	18,000	18,000	0%	7,768	7,768	-	-	10,232
Heard RBEG	-	6,000	6,000	0%	9,794	6,000	-	3,794	-
Hogansville TE	-	15,000	15,000	0%	1,502	1,502	-	-	13,498
Moreland TE	-	18,000	18,000	0%	577	577	-	-	17,423
Hogansville Rec Trail	-	6,000	6,000	0%	3,413	3,413	-	-	2,587
Troup Co. Rec Trail	-	6,000	6,000	0%	3,575	3,575	-	-	2,425
Walk your Way to Fitness	-	4,995	4,995	0%	4,992	4,992	-	-	3
Troup Co. PDM Admin	-	20,000	20,000	0%	10,067	10,067	-	-	9,933
Coweta Co. PDM Admin	-	30,000	30,000	0%	14,531	14,531	-	-	15,469
	<u>\$ 24,915</u>	<u>\$ 279,225</u>	<u>\$ 304,140</u>		<u>\$ 206,441</u>	<u>\$ 203,535</u>	<u>\$ -</u>	<u>\$ 6,562</u>	<u>\$ 104,261</u>

Three Rivers Regional Commission

**SCHEDULE OF STATE CONTRACTUAL ASSISTANCE**

(Including Federal Pass Through Amounts)

For the year ended June 30, 2012

<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	\$ 175,205	\$ 194,672	\$ 87,459
DOT 5311 FY-2011	T-003847	34,838	69,676	5,729
DOT Planning MT	PI 0009326	52,100	65,125	12,196
DHS Aging contract	427-373-0000008250	5,098,184	5,380,835	1,057,904
DHR Coordinated Transportation	42700-362-0000008710	2,465,521	2,479,465	443,711
JARC Mobility	T004174	26,488	29,431	26,488
DNR Section 319(h)	751-90099	249,743	438,059	114,710
DNR FFY 2011 Section 604(b)	N/A	14,871	15,249	-
DNR Historic Preservation	N/A	<u>4,865</u>	<u>4,865</u>	<u>-</u>
		<u>\$ 8,121,815</u>	<u>\$ 8,677,377</u>	<u>\$ 1,748,197</u>



**OMB Circular A-133 Section**



**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***

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*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, 2012, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated December 13, 2012. 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

Management of the Commission is responsible for establishing and maintaining effective 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 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 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 13, 2012.

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 13, 2012

**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**

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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 **Three Rivers Regional Commission's** (the "Commission") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Commission's major federal programs for the year ended June 30, 2012. The Commission's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the 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, 2012.



### 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.

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 13, 2012

Three Rivers Regional Commission

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the year ended June 30, 2012

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	CFDA Number	Federal Expenditures
<b>U.S. Department of Commerce</b>			
Economic Development Support for Planning Organizations	04-83-06503	11.302	\$ 59,501
<b>U.S. Department of Agriculture</b>			
Rural Business Cooperative Services	N/A	10.769	6,004
<b>Federal Transit Administration</b>			
Passed through State Department of Transportation Federal Transit Capital Investment Grants	T003847	20.509	41,057
<b>Federal Highway Administration</b>			
Passed through State Department of Transportation Highway Planning and Construction Cluster			
Highway Research and Development Program	Project ID 0009326	20.205	\$ 52,100
Hogansville Recreational Trails Program	N/A	20.219	3,413
Troup County Recreational Trails Program	N/A	20.219	<u>3,575</u>
			59,088
<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	42700-362-0000008710	*** 20.516 **	129,047
Capital Assistance Program for Elderly Persons and Persons with Disabilities			
New Freedom Program	42700-362-0000008710	*** 20.513 **	141,576
	42700-362-0000008710	*** 20.521 **	<u>206,249</u>
			476,872
Vocational Rehabilitation for Disable Veterans			
Social Services Block Grant	42700-362-0000008710	*** 84.126 **	154,897
Temporary Assistance for Needy Families	42700-362-0000008710	* 93.667	470,063
	42700-362-0000008710	93.558 **	<u>203,027</u>
			827,987
Total Coordinated Transportation			1,304,859
Aging Services			
Aging Cluster			
Special Programs for the Aging - Title III Part B	42700-373-0000008250	93.044	684,734
Special Programs for the Aging - Title III Part C	42700-373-0000008250	93.045	847,811
Nutrition Services Incentive Program	42700-373-0000008250	93.053	<u>162,268</u>
			1,694,813
Medical Assistance Program	42700-373-0000008250	93.778 **	671,448
Social Services Block Grant	42700-373-0000008250	* 93.667	127,782
Special Programs for the Aging - Title VII	42700-373-0000008250	93.042	18,046
Special Programs for the Aging - Title III Part D	42700-373-0000008250	93.043	34,646
Senior Community Service Employment Program	42700-373-0000008250	*** 17.235	240,165
National Family Caregiver Support - Title III Part E	42700-373-0000008250	93.052	217,789
Centers for Medicare and Medicaid Services (CMS)			
Research, Demonstrations and Evaluations	42700-373-0000008250	93.779	86,417
Affordable Care Act - Medicare Improvements for Patients and Providers	42700-373-0000008250	93.518	90,056
Affordable Care Act - Grants for School Based Health Center Capital Expenditures	42700-373-0000008250	93.501	36,873
Money Follows the Person	42700-373-0000008250	93.791	<u>125,391</u>
			1,648,613
Total Aging Services			3,343,426

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, 2012

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	CFDA number	Federal expenditures
Contract through Georgia Southwestern University for Alzheimer's Disease Demonstration Grant	N/A	93.051	<u>23,100</u>
Total U.S. Department of Health and Human Services			4,671,385
<b>U.S. Environmental Protection Agency</b>			
Passed through State Department of Natural Resources			
Nonpoint Source Implementation Grants - Section 319(h)	751-90099	66.460	249,694
Water Quality Management Planning - Section 604(b)	751-90149	66.454	<u>14,868</u>
			264,562
<b>U.S. Department of Housing and Urban Development</b>			
Contract with Upson County and City of Thomaston for Community Development Block Grants ("CDBG") - Employee Incentive Programs ("EIP")	N/A	14.218	7,085
Contract with Butts County for CDBG - EIP	N/A	14.218	6,300
Contract with Villa Rica for CDBG - EIP	N/A	14.218	<u>9,142</u>
			22,527
<b>U.S. Department of Homeland Security</b>			
Contract with Coweta County for Pre-Disaster Mitigation Plan	N/A	97.047	14,531
Contract with Troup County for Pre-Disaster Mitigation Plan	N/A	97.047	<u>\$ 10,068</u>
			24,599
<b>Appalachian Regional Commission</b>			
Appalachian Local Evelopment District Assistance	GA-0701H-C1	23.009	<u>11,540</u>
			<u>\$ 5,160,263</u>

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

\*\* - denotes major program

\*\*\* - included in the coordinated transportation or aging services program as the funds were received from the State Department of Human Resources even though they originated from another federal 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, 2012

**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 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
20.513, 20.516 and 20.521	Transit Services Program Cluster	\$ 393,231
84.126	Coordinated Transportation	147,395
93.667	Coordinated Transportation	454,086
93.558	Coordinated Transportation	198,169
93.044	Coordinated Transportation	92,622
93.044, 93.045 and 93.053	Aging Cluster	926,127
93.778	Aging Services	524,819
93.667	Aging Services	87,407
93.042	Aging Services	16,242
93.052	Aging Services	77,621
93.791	Aging Services - Money Follows the Person	11,273
93.051	Contract through Georgia Southwestern University for Alzheimer's Disease Demonstration Grant	5,941
66.460	U.S. Environmental Protection Agency	204,464

C. Funding Sources

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 Social Services Block Grant are \$597,845.

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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

Three Rivers Regional Commission

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For the year ended June 30, 2012

**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?	No
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?	No

**Identification of Major Programs**

<u>CFDA Number</u>	<u>Name of Federal Program</u>	
20.513, 20.516 and 20.521	Transit Services Programs Cluster	
84.126	Vocational Rehabilitation for Disabled Veterans	
93.558	Temporary Assistance for Needy Families	
93.778	Medical Assistance Program	
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, 2012.

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

No matters are reported as federal award findings or questioned costs related to financial statements reported in accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* for the year ended June 30, 2012.

**SECTION IV – Status of Prior Year Findings and Questioned Costs**

**SA 11-01                      Internal Controls over and Maintenance of Audio Files of Sessions 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 prior year audit, we noted that 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.

**Status:**                              Resolved.