

Financial Statements and
Independent Auditors' Report



120 North Hill Street
Griffin, Georgia 30224

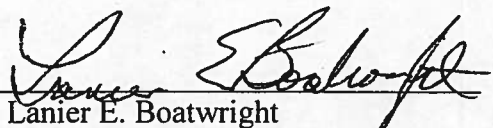
June 30, 2013



July 1, 2013

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

rec'd 1/3/13

HAYS ARNOLD, Chairman
LANIER E. BOATWRIGHT, Executive Director



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

December 30, 2013

Ms. Gretchen Corbin, Commissioner
Georgia Department of Community Affairs
60 Executive Park Drive South, NE
Atlanta, GA 30329

Dear Commissioner Corbin:

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, 2012 through June 30, 2013. The audit was conducted by Metcalf Davis.

Schedule of City/County Dues and Assessments for the period July 1, 2012 through June 30, 2013 is contained in the audit report in Section B, Page B-49; and

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

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

Sincerely,

A handwritten signature in black ink that reads "Lanier E. Boatwright". The signature is written in a cursive style with a large initial "L".

Lanier E. Boatwright
Executive Director

LEB/pht

Enclosures as stated

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

THREE RIVERS REGIONAL COMMISSION

June 30, 2013

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Financial Section

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Independent Auditors' Report

The Council Members
Three Rivers Regional Commission

Report on the Financial Statements

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, 2013, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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 performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that

are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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, 2013, 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.

Other Matters

Required Supplementary Information

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-4 through B-10 and B-35 through B-37, respectively, 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 historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying financial information listed under the heading "state compliance section" in the accompanying table of contents, as well as the accompanying schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*, are presented for purposes of additional analysis, and are also not a required part of the basic 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 directly from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, state compliance section and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated December 12, 2013, 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.

Metcalf Davis

Atlanta, Georgia
December 12, 2013

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Management's Discussion and Analysis

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Management's Discussion and Analysis

As management of Three Rivers Regional Commission (the "Commission"), we offer readers of the Commission's financial statements this narrative overview and analysis of the financial activities of the Commission's fiscal year ended June 30, 2013.

Financial Highlights

The assets of the Commission exceeded its liabilities at the close of the most recent fiscal year by \$1,962,104 (net position). Of this amount, \$1,551,210 (unrestricted net position) may be used to meet the Commission's ongoing obligations to the member local governments and creditors.

The Commission's total net position was increased by \$68,067 during this fiscal year. As of June 30, 2013, total net position consisted of \$410,894 invested in capital assets, net of related debt and \$1,551,210 unrestricted.

General Fund revenues for the year were \$490,912. Of this amount, \$305,143 was transferred to other funds to cover matching requirements and unfunded expenses. The General Fund's unreserved fund balance increased by \$59,940.

The Special Revenue Fund's unreserved fund balance increased by \$8,127.

At the end of the fiscal year, unassigned fund balance for the General Fund was \$848,136 or nine percent of total governmental fund expenditures. The Commission has \$61,642 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 position presents information on all of the Commission's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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-11 and B-12 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 2013. 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-35 through B-37 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 position 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, 2013, the Commission’s assets exceeded liabilities by \$1,962,104. Approximately 21 percent, or \$410,894, of the Commission’s net position 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 \$120,000 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 \$300,915 for the addition to the Franklin office location, which when paid off, may be purchased for 10 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 position for the years ended June 30, 2013 and 2012:

	<u>June 30, 2013</u>	<u>June 30, 2012</u>
Current and other assets	\$ 3,078,758	\$ 2,967,739
Capital assets, net	<u>831,809</u>	<u>887,219</u>
Total Assets	<u>3,910,567</u>	<u>3,854,958</u>
Current Liabilities	1,589,190	1,540,610
Noncurrent Liabilities	<u>359,273</u>	<u>420,311</u>
Total Liabilities	<u>1,948,463</u>	<u>1,960,921</u>
Net Position:		
Invested in capital assets net of related debt	410,894	407,105
Unrestricted	<u>1,551,210</u>	<u>1,486,932</u>
Total Net Position	<u>\$ 1,962,104</u>	<u>\$ 1,894,037</u>

The balance of unrestricted net position of \$1,551,210 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 position.

Governmental Activities - The Commission has no business type activities; therefore, the Commission’s increase in net position of \$68,067 is completely from governmental activities.

The following table illustrates the key elements of this increase for the years ended June 30, 2013 and 2012:

	<u>June 30, 2013</u>	<u>June 30, 2012</u>
Program revenues		
Operating grants	\$ 8,723,509	\$ 9,006,383
General revenues		
Regional appropriations	486,434	485,293
Interest income	3,473	4,747
Miscellaneous income	<u>1,005</u>	<u>57,835</u>
 Total revenues	 <u>9,214,421</u>	 <u>9,554,258</u>
 Program expenses		
General government	125,829	241,983
Transportation programs	2,797,427	2,773,186
Aging programs	5,626,765	5,573,777
Economic development	235,341	185,314
Environmental planning	79,051	453,308
Planning development	245,313	194,672
Community service	31,505	48,170
Historic preservation	<u>5,123</u>	<u>4,864</u>
 Total expenses	 <u>9,146,354</u>	 <u>9,475,274</u>
 Change in net position	 68,067	 78,984
 Net position - Beginning of year	 <u>1,894,037</u>	 <u>1,815,053</u>
 Net position - End of year	 <u>\$ 1,962,104</u>	 <u>\$ 1,894,037</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 \$1,351,363, an increase \$68,067 for the current year.

The Commission experienced an increase in its General Fund's fund balance of \$59,940. This increase is attributable to more expenditures being charged to specific special revenue grants.

During the current fiscal year, the Commission also experienced an increase in the Special Revenue Fund's fund balance of \$8,127. When added to the previous year's fund balance, total fund balance in the Special Revenue Fund for the year ending June 30, 2013 was \$441,585. The majority of the total balance is attributable to the Commission's transportation program. The amount assigned for the transportation programs is \$439,502 and 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 position at June 30, 2013.

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 \$428 more in revenue than was budgeted. The General Fund expenditures were under budget by \$17,192 but this was offset by operating transfers going over budget by \$36,939 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 under by \$18,790. However, the revenues for this program were also under the budgeted amount by \$14,690, which resulting in an increase in fund balance of \$6,044.

Capital Asset Administration

Capital Assets - The Commission's investment in capital assets for its governmental type activities as of June 30, 2013, amounts to \$831,809 (net of accumulated depreciation). This investment in capital assets includes equipment and buildings.

Capital assets of the Commission as of June 30, 2013 and 2012:

	June 30, 2013			
	Building- Griffin	Building - Franklin	Equipment	Total
Capital assets	\$ 600,000	\$ 781,029	\$ 178,371	\$ 1,559,400
Less accumulated depreciation	<u>(240,000)</u>	<u>(341,869)</u>	<u>(145,722)</u>	<u>(727,591)</u>
Net capital assets	<u>\$ 360,000</u>	<u>\$ 439,160</u>	<u>\$ 32,649</u>	<u>\$ 831,809</u>

	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>

For more information, you may refer to Note 8, Changes in Capital Assets.

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 \$520,824. The majority of this amount, \$300,915, 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 \$120,000 for the lease/purchase of the Griffin Office with four 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 one dollar. 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 \$99,909 is owed to pay employees accrued annual leave. During the year the capital leases decreased by \$59,199.

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, 2013	June 30, 2012
Capital Leases	\$ 420,915	\$ 480,114
Compensated Absences	<u>99,909</u>	<u>98,871</u>
Total	<u>\$ 520,824</u>	<u>\$ 578,985</u>

Compensated Absences accounted for 19 percent of the total long-term liabilities and capital leases made up 81 percent. For more information, you may refer to Note 10, Long-Term Liabilities, C Changes in Long-term Liabilities and Compensated Absences.

Economic Factors and Next Year's Budget

Mandatory funding by the 10 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 one dollar 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 steady increases in the amount of match needed to accept the grant. Also, our member governments face cuts in their budgets and layoffs of personnel which could result in grant reductions. Because of this, 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 likely 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.

The Commission, although facing cuts among its regular programs, i.e. Aging and Transportation, will be gaining a multi-million dollar program. The Commission has been named grant recipient and fiscal agent for the Governor's Workforce Development program. This program will help benefit adults, dislocated workers and disadvantage youth. Another component will be the Rapid Response grant which will help employees of businesses that are closing.

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.

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Basic Financial Statements

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Three Rivers Regional Commission

STATEMENT OF NET POSITION

June 30, 2013

	<u>Governmental Activities</u>
ASSETS	
Current assets	
Cash and cash equivalents	\$ 1,438,339
Due from other governments	1,624,032
Prepaid expenses	<u>16,387</u>
Total current assets	3,078,758
Noncurrent assets	
Capital assets, net	<u>831,809</u>
Total assets	<u>\$ 3,910,567</u>
LIABILITIES	
Current liabilities	
Accounts payable	\$ 1,102,156
Accrued liabilities	33,044
Deferred revenue	292,439
Compensated absences	99,909
Capital lease payable, current portion	<u>61,642</u>
Total current liabilities	1,589,190
Noncurrent liabilities	
Capital lease payable	<u>359,273</u>
Total liabilities	<u>1,948,463</u>
NET POSITION	
Invested in capital assets net of related debt	410,894
Unrestricted	<u>1,551,210</u>
Total net position	<u>1,962,104</u>
Total liabilities and net position	<u>\$ 3,910,567</u>

The accompanying notes are an integral part of this statement.

Three Rivers Regional Commission

STATEMENT OF ACTIVITIES

For the year ended June 30, 2013

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Total Governmental Activities</u>
		<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>	
<u>Functions/Programs</u>				
Primary Government				
Governmental Activities:				
General government	\$ 125,829	\$ -	\$ -	\$ (125,829)
Transportation programs	2,797,427	-	2,781,676	(15,751)
Aging programs	5,626,765	-	5,548,508	(78,257)
Economic development	235,341	-	120,232	(115,109)
Environmental planning	79,051	-	65,878	(13,173)
Planning development	245,313	-	175,366	(69,947)
Community service	31,505	-	27,758	(3,747)
Historic preservation	5,123	-	4,091	(1,032)
Total primary government	<u>\$ 9,146,354</u>	<u>\$ -</u>	<u>\$ 8,723,509</u>	<u>(422,845)</u>
General Revenues:				
Regional appropriations				486,434
Interest income				3,473
Miscellaneous income				<u>1,005</u>
Change in net position				68,067
Net position, beginning of year				<u>1,894,037</u>
Net position, end of year				<u>\$ 1,962,104</u>

The accompanying notes are an integral part of this statement.

Three Rivers Regional Commission

BALANCE SHEET
Governmental Funds

June 30, 2013

	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Transportation Program Fund	Community Care Services Program Fund		
ASSETS					
Cash and cash equivalents	\$ 565,684	\$ -	\$ -	\$ -	\$ 565,684
Due from other governments	33,546	406,328	199,869	984,289	1,624,032
Due from other funds	310,548	179,718	-	-	490,266
Total assets	\$ 909,778	\$ 586,046	\$ 199,869	\$ 984,289	\$ 2,679,982
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ -	\$ 171	\$ -	\$ -	\$ 171
Accrued liabilities	-	-	-	25,675	25,675
Deferred revenue	-	146,373	-	146,066	292,439
Due to other funds	-	-	199,869	810,465	1,010,334
Total liabilities	-	146,544	199,869	982,206	1,328,619
Fund balances					
Restricted for debt service	61,642	-	-	-	61,642
Assigned for transportation programs	-	439,502	-	2,083	441,585
Unassigned	848,136	-	-	-	848,136
	<u>909,778</u>	<u>439,502</u>	<u>-</u>	<u>2,083</u>	<u>1,351,363</u>
Total liabilities and fund balances	\$ 909,778	\$ 586,046	\$ 199,869	\$ 984,289	\$ 2,679,982
Reconciliation of fund balance as reported in the balance sheet - governmental funds with net position - governmental activities:					
Fund balances as reported in the balance sheet - governmental funds					\$ 1,351,363
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 position					<u>610,741</u>
Net position - governmental activities					<u>\$ 1,962,104</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, 2013

	Major funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Transportation Program Fund	Community Care Services Program Fund		
REVENUES					
Local governmental dues	\$ 486,434	\$ -	\$ -	\$ -	\$ 486,434
Grant contracts					
Federal	-	1,388,708	584,355	3,152,904	5,125,967
State	-	1,136,043	584,355	1,510,838	3,231,236
Local grants	-	-	-	98,386	98,386
Program income	-	34,490	-	-	34,490
Other revenues					
Interest income	3,473	-	-	-	3,473
Miscellaneous	1,005	-	-	233,430	234,435
Total revenues	<u>490,912</u>	<u>2,559,241</u>	<u>1,168,710</u>	<u>4,995,558</u>	<u>9,214,421</u>
EXPENDITURES					
Current					
Direct					
General government	110,211	-	-	-	110,211
Transportation programs	-	2,525,869	-	178,342	2,704,211
Aging programs	-	-	1,139,371	4,028,824	5,168,195
Economic development	-	-	-	165,178	165,178
Environmental planning	-	-	-	76,290	76,290
Planning development	-	-	-	168,174	168,174
Community service	-	-	-	21,584	21,584
Historic preservation	-	-	-	3,709	3,709
Indirect					
Cost allocation plan	15,618	27,328	29,339	656,517	728,802
Total expenditures	<u>125,829</u>	<u>2,553,197</u>	<u>1,168,710</u>	<u>5,298,618</u>	<u>9,146,354</u>
Excess (deficiency) of revenues over (under) expenditures	<u>365,083</u>	<u>6,044</u>	<u>-</u>	<u>(303,060)</u>	<u>68,067</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	305,143	305,143
Transfers out	(305,143)	-	-	-	(305,143)
Total other financing sources (uses)	<u>(305,143)</u>	<u>-</u>	<u>-</u>	<u>305,143</u>	<u>-</u>
Net change in fund balances	59,940	6,044	-	2,083	68,067
Fund balances, beginning of year	<u>849,838</u>	<u>433,458</u>	<u>-</u>	<u>-</u>	<u>1,283,296</u>
Fund balances, end of year	<u>\$ 909,778</u>	<u>\$ 439,502</u>	<u>\$ -</u>	<u>\$ 2,083</u>	<u>\$ 1,351,363</u>

The accompanying notes are an integral part of this statement.

Three Rivers Regional Commission

STATEMENT OF NET POSITION - PROPRIETARY FUND
Governmental Activities - Internal Service Fund

June 30, 2013

ASSETS

Current assets

Cash and cash equivalents	\$ 872,655
Interfund receivable	577,618
Prepaid expenses	<u>16,387</u>
Total current assets	1,466,660

Noncurrent assets

Capital assets	
Building	1,381,029
Equipment	178,371
Less accumulated depreciation	<u>(727,591)</u>
Capital assets, net	<u>831,809</u>

Total assets	<u>\$ 2,298,469</u>
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LIABILITIES

Current liabilities

Accounts payable, operating	\$ 1,101,985
Accrued liabilities	7,369
Compensated absences	99,909
Current maturities of capital leases payable	61,642
Interfund payable	<u>57,550</u>
Total current liabilities	1,328,455

Noncurrent liabilities

Capital leases payable	<u>359,273</u>
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Total liabilities	1,687,728
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NET POSITION

Invested in capital assets net of related debt	410,894
Unrestricted	<u>199,847</u>
	<u>610,741</u>

Total liabilities and net position	<u>\$ 2,298,469</u>
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The accompanying notes are an integral part of this statement.

Three Rivers Regional Commission

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

For the year ended June 30, 2013

Operating revenues	
Rental income	\$ 4,490
Indirect cost recovery	<u>1,419,289</u>
Total operating revenues	1,423,779
Operating expenses	
Indirect cost pool	
Personnel costs	501,333
Travel	14,225
Per diem and fees	29,252
Telecommunications	36,974
Office repairs and maintenance	14,026
Membership and subscription	2,972
Supplies and materials	22,848
Utilities	23,469
Depreciation	41,992
Insurance and bonding	20,411
Other	<u>25,790</u>
	733,292
Fringe benefit cost pool	<u>690,487</u>
Total operating expenses	<u>1,423,779</u>
Operating income	<u>-</u>
Change in fund net position	-
Total net position, beginning of year	<u>610,741</u>
Total net position, 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, 2013

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from interfund services provided	\$ 1,419,289
Cash received from customers	4,490
Cash payments to employees for services	(1,191,820)
Cash payments to other suppliers of goods or services	<u>(198,320)</u>
Net cash provided by operating activities	33,639

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Purchase of fixed assets	(7,481)
Principal reduction on capital lease	<u>(59,199)</u>
Net cash used in capital and related financing activities	<u>(66,680)</u>

Net decrease in cash and cash equivalents (33,041)

Cash and cash equivalents - beginning 905,696

Cash and cash equivalents - ending \$ 872,655

Reconciliation of revenues in excess of expenses to net cash provided by operating activities

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

Depreciation - direct expense to Aging program (Note 8)	\$ 20,565
Depreciation - allocated through indirect cost pool (Note 8)	41,992
Loss on disposal of fixed assets	334
Changes in assets and liabilities:	
Prepaid expenses	(911)
Interfund receivable	(651)
Compensated absences	1,038
Accrued liabilities	(13,149)
Accounts payable	<u>(15,579)</u>

Net cash provided by operating activities \$ 33,639

The accompanying notes are an integral part of this statement.

Three Rivers Regional Commission

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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 ("GAAP") as applicable to governmental units issued by the Government Accounting Standards Board ("GASB").

A. Reporting Entity

Governmental accounting standards require the financial statements of the Commission to include its 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.

During the year ended June 30, 2013 the Commission adopted GASB No. 61, "*The Financial Reporting Entity: Omnibus – an amendment of GASBs No. 14 and 34.*" This Standard modifies certain requirements for inclusion of component units in the financial reporting entity. The Commission identified no changes that need to be made to its reporting entity because of GASB No. 61.

Three Rivers Regional Commission

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Government-Wide and Fund Financial Statements

During the year ended June 30, 2013, the Commission implemented GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position." GASB No. 63 introduces the concept of deferred outflows of resources and deferred inflows of resources incorporating them into the required components of the residual measure. GASB No. 63 also renames the residual measure "net position," instead of "net assets."

Deferred Outflows of resources and Deferred Inflows of resources are the consumption or acquisition, respectively, of net assets that is applicable to a future reporting period.

The adoption of this standard resulted in changes to captions in the basic financial statements. The Commission had no transactions that resulted in deferred inflows or outflows as a result of GASB No. 63.

The government-wide financial statements (statement of net position and statement of changes in net position) 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 effect of interfund activity has been eliminated from the government-wide financial statements.

Three Rivers Regional Commission

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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.

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 nonoperating .

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.

Three Rivers Regional Commission

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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.

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.

Three Rivers Regional Commission

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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.

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.

Three Rivers Regional Commission

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

I. 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.

J. 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.

K. 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, 2013 was 51.56 percent.

Three Rivers Regional Commission

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Total compensated absences and employee benefits incurred by the Commission for the year ended June 30, 2013 totaled \$690,487.

Using total chargeable salaries of \$1,594,980 as the allocation base, the actual employee benefit rate for the year ended June 30, 2013 was 51.31 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 of and maintain 30 days. Accumulated leave at June 30, 2013, for which employees could be reimbursed, amounted to \$99,909. 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.

Three Rivers Regional Commission

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

L. 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.

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, 2013 was 47.48 percent.

M. 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.

N. Fund Balance and Net Position

Net position in government-wide and Internal Service Fund financial statements are classified as capital assets, net of related debt; restricted and unrestricted. Restricted net position 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.

Three Rivers Regional Commission

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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, 2013.
- 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 2013-2014 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, 2013.
- 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, 2013.
- 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.

Three Rivers Regional Commission

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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.

O. 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.

P. 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, 2013, the Commission's total contribution was \$14,463. 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.

Three Rivers Regional Commission

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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

For the fiscal year ended June 30, 2013, none of the major Special Revenue Funds had actual expenditures in excess of budgeted expenditures.

NOTE 3 – DEPOSITS

Custodial Credit Risk - Demand Deposits and Certificates of 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, 2013 are entirely insured or collateralized with securities held by the Commission's agent in the Commission's name. The Georgia Code requires 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. At June 30, 2013, the Commission had approximately \$1,508,000 in deposits with local banks. Of the bank balances, \$500,000 was insured by the FDIC and the remaining \$1,008,000 was collateralized.

Three Rivers Regional Commission

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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, 2013 as follows:

General Fund	\$ 33,546
Transportation Program Fund	406,328
Community Care Services Program Fund	199,869
Nonmajor Governmental Funds	<u>984,289</u>
Due from other governments	<u>\$ 1,624,032</u>

NOTE 5 – CONTINGENCIES

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

NOTE 6 – FRINGE BENEFIT COSTS

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

Three Rivers Regional Commission

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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, 2013 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	
General Fund	Community Care Services Program Fund	\$ 199,869
	Nonmajor Governmental Fund	53,129
	Internal Service Fund	57,550
Transportation Program Fund	Nonmajor Governmental Fund	179,718
Internal Service Fund	Nonmajor Governmental Fund	<u>577,618</u>
		<u>\$ 1,067,884</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, 2013 is as follows:

	<u>Transfer in:</u>
	Nonmajor
	Governmental
	<u>Fund</u>
Transfer out:	
General Fund	<u>\$ 305,143</u>

Three Rivers Regional Commission

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 8 – CHANGES IN CAPITAL ASSETS

Capital asset activity for the government for the fiscal year ended June 30, 2013 was as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending balance</u>
Governmental activities:				
Capital assets, being depreciated:				
Building	\$ 1,381,029	\$ -	\$ -	\$ 1,381,029
Equipment	<u>171,939</u>	<u>7,481</u>	<u>(1,049)</u>	<u>178,371</u>
Total capital assets being depreciated	1,552,968	7,481	(1,049)	1,559,400
Less accumulated depreciation for:				
Building	(532,673)	(49,196)	-	(581,869)
Equipment	<u>(133,076)</u>	<u>(13,361)</u>	<u>715</u>	<u>(145,722)</u>
Total accumulated depreciation	<u>(665,749)</u>	<u>(62,557)</u>	<u>715</u>	<u>(727,591)</u>
Governmental activities capital assets, net	<u>\$ 887,219</u>	<u>\$ (55,076)</u>	<u>\$ (334)</u>	<u>\$ 831,809</u>

Depreciation expense of \$20,565 is charged to the aging program as the related building is used exclusively for aging services. The remaining \$41,992 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, 2013

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, 2013, the Commission contributed \$89,706 to the Plan. Total covered payroll for the year ended June 30, 2013, was \$1,473,071 with a total organization payroll of \$1,594,980. 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 due quarterly. The Commission may purchase the building for the sum of one dollar upon completion of the lease. The asset value under this capital lease (net of accumulated depreciation) at June 30, 2013 was \$360,000. 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, 2013 was \$439,160. This lease carries an interest rate of six percent. Related interest expense for the year ended June 30, 2013 was \$19,504.

The Commission has reported \$61,642 of the governmental fund balance as restricted for debt service to cover the fiscal year 2014 lease payments.

Three Rivers Regional Commission

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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>	
2014	\$ 78,703
2015	78,703
2016	78,703
2017	78,703
2018	48,703
2019 - 2021	<u>129,876</u>
Total minimum payments	493,391
Less: Amount representing interest	<u>(72,476)</u>
Present value of capital lease	<u>\$ 420,915</u>

B. Operating Leases

The Commission has entered into several operating leases for office equipment. Lease expense during the year ended June 30, 2013 was \$13,054. Future obligations under these operating leases are as follows:

<u>Year ending June 30,</u>	
2014	\$ 7,153
2015	<u>3,843</u>
Total minimum payments	<u>\$ 10,996</u>

Three Rivers Regional Commission

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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

C. Changes in Long-term Liabilities and Compensated Absences

Long-term liability and compensated absences activity for the fiscal year ended June 30, 2013, was as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending balance</u>	<u>Due within one year</u>
Governmental Activities:					
Capital lease - buildings	\$ 480,114	\$ -	\$ (59,199)	\$ 420,915	\$ 61,642
Compensated absences	<u>98,871</u>	<u>105,151</u>	<u>(104,113)</u>	<u>99,909</u>	<u>99,909</u>
Total long-term liabilities and compensated absences	<u>\$ 578,985</u>	<u>\$ 105,151</u>	<u>\$ (163,312)</u>	<u>\$ 520,824</u>	<u>\$ 161,551</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 position/fund balance.

NOTE 12 – CONCENTRATION OF RISK

The Commission receives approximately 93 percent of its federal funding from the U.S. Department of Health & Human Services relating to their transportation and aging programs in 2013. 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

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Three Rivers Regional Commission

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

For the year ended June 30, 2013

	General Fund			Variance with final budget positive (negative)
	Original budget	Final budget	Actual	
REVENUES				
Local sources	\$ 485,293	\$ 486,434	\$ 486,434	\$ -
Interest income	4,600	3,250	3,473	223
Miscellaneous	5,000	800	1,005	205
Total revenues	<u>494,893</u>	<u>490,484</u>	<u>490,912</u>	<u>428</u>
EXPENDITURES				
Current				
Personnel services	72,218	42,483	41,254	1,229
Operating expenditures	87,255	80,256	68,957	11,299
Indirect expenditures	<u>32,670</u>	<u>20,282</u>	<u>15,618</u>	<u>4,664</u>
Total expenditures	<u>192,143</u>	<u>143,021</u>	<u>125,829</u>	<u>17,192</u>
Excess of revenues over expenditures	302,750	347,463	365,083	17,620
OTHER FINANCING USES				
Transfers out	<u>(199,285)</u>	<u>(268,204)</u>	<u>(305,143)</u>	<u>(36,939)</u>
Total other financing uses	<u>(199,285)</u>	<u>(268,204)</u>	<u>(305,143)</u>	<u>(36,939)</u>
Net change in fund balances	\$ <u>103,465</u>	\$ <u>79,259</u>	59,940	\$ <u>(19,319)</u>
Fund balance - beginning			<u>849,838</u>	
Fund balance - ending			<u>\$ 909,778</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, 2013

	Transportation Program Fund			Variance with final budget positive (negative)
	Original budget	Final budget	Actual	
REVENUES				
Federal sources	\$ 1,941,679	\$ 1,343,467	\$ 1,388,708	\$ 45,241
State sources	1,088,521	1,196,055	1,136,043	(60,012)
Program income	34,409	34,409	34,490	81
Total revenues	<u>3,064,609</u>	<u>2,573,931</u>	<u>2,559,241</u>	<u>(14,690)</u>
EXPENDITURES				
Current				
Personnel services	155,493	57,735	38,058	19,677
Operating expenditures	2,808,774	2,486,689	2,487,811	(1,122)
Indirect expenditures	<u>70,342</u>	<u>27,563</u>	<u>27,328</u>	<u>235</u>
Total expenditures	<u>3,034,609</u>	<u>2,571,987</u>	<u>2,553,197</u>	<u>18,790</u>
Excess of revenues over expenditures	<u>30,000</u>	<u>1,944</u>	<u>6,044</u>	<u>4,100</u>
Net change in fund balances	<u>\$ 30,000</u>	<u>\$ 1,944</u>	<u>6,044</u>	<u>\$ 4,100</u>
Fund balance - beginning			<u>433,458</u>	
Fund balance - ending			<u>\$ 439,502</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, 2013

	Community Care Services Program Fund			Variance with final budget positive (negative)
	Original budget	Final budget	Actual	
REVENUES				
Federal sources	\$ 563,405	\$ 584,355	\$ 584,355	\$ -
State sources	563,405	584,355	584,355	-
Total revenues	<u>1,126,810</u>	<u>1,168,710</u>	<u>1,168,710</u>	<u>-</u>
EXPENDITURES				
Current				
Personnel services	43,773	61,012	40,859	20,153
Operating expenditures	1,063,235	1,078,570	1,098,512	(19,942)
Indirect expenditures	19,802	29,128	29,339	(211)
Total expenditures	<u>1,126,810</u>	<u>1,168,710</u>	<u>1,168,710</u>	<u>-</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES				
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

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Nonmajor Governmental Funds

Three Rivers Regional Commission

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS**

June 30, 2013

	<u>ARC FY 2012 - 2013</u>	<u>ARC FY 2011 - 2012</u>	<u>DNR historic preservation</u>	<u>DOT planning grant</u>	<u>DOT 5311 public transpiration</u>	<u>DCA</u>
ASSETS						
Due from grant awards and contracts	\$ 35,283	\$ 2,430	\$ 4,091	\$ 14,378	\$ 492	\$ 43,556
Due from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 35,283</u>	<u>\$ 2,430</u>	<u>\$ 4,091</u>	<u>\$ 14,378</u>	<u>\$ 492</u>	<u>\$ 43,556</u>
LIABILITIES						
Accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-	-	-
Due to other funds	<u>35,283</u>	<u>2,430</u>	<u>4,091</u>	<u>14,378</u>	<u>492</u>	<u>43,556</u>
Total liabilities	<u>35,283</u>	<u>2,430</u>	<u>4,091</u>	<u>14,378</u>	<u>492</u>	<u>43,556</u>
FUND BALANCE						
Assigned for transportation programs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 35,283</u>	<u>\$ 2,430</u>	<u>\$ 4,091</u>	<u>\$ 14,378</u>	<u>\$ 492</u>	<u>\$ 43,556</u>

<u>DHR Title III admin</u>	<u>DHR Title III B homemaker</u>	<u>DHR Title III B elderly assistant</u>	<u>DHR Title III B LTCO</u>	<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 & A</u>	<u>DHR Title III B personal care</u>
\$ 13,697	\$ 15,648	\$ 11,643	\$ 9,314	\$ 5,850	\$ 3,020	\$ 1,118	\$ 215	\$ 21,845
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 13,697</u>	<u>\$ 15,648</u>	<u>\$ 11,643</u>	<u>\$ 9,314</u>	<u>\$ 5,850</u>	<u>\$ 3,020</u>	<u>\$ 1,118</u>	<u>\$ 215</u>	<u>\$ 21,845</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
140,264	-	-	-	-	-	-	-	-
<u>(126,567)</u>	<u>15,648</u>	<u>11,643</u>	<u>9,314</u>	<u>5,850</u>	<u>3,020</u>	<u>1,118</u>	<u>215</u>	<u>21,845</u>
<u>13,697</u>	<u>15,648</u>	<u>11,643</u>	<u>9,314</u>	<u>5,850</u>	<u>3,020</u>	<u>1,118</u>	<u>215</u>	<u>21,845</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 13,697</u>	<u>\$ 15,648</u>	<u>\$ 11,643</u>	<u>\$ 9,314</u>	<u>\$ 5,850</u>	<u>\$ 3,020</u>	<u>\$ 1,118</u>	<u>\$ 215</u>	<u>\$ 21,845</u>

Three Rivers Regional Commission

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - Continued

June 30, 2013

	DHR Title III B adult day	Georgia Southwestern RCI	Community service program gateway	DHR Title III C1 congregate meals	DHR Title III C2 home delivered meals	DHR SSBG congregate meals
ASSETS						
Due from grant awards and contracts	\$ 1,804	\$ 8,637	\$ 41,164	\$ 103,432	\$ 96,598	\$ 610
Due from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 1,804</u>	<u>\$ 8,637</u>	<u>\$ 41,164</u>	<u>\$ 103,432</u>	<u>\$ 96,598</u>	<u>\$ 610</u>
LIABILITIES						
Accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-	-	-
Due to other funds	<u>1,804</u>	<u>8,637</u>	<u>41,164</u>	<u>103,432</u>	<u>96,598</u>	<u>610</u>
Total liabilities	<u>1,804</u>	<u>8,637</u>	<u>41,164</u>	<u>103,432</u>	<u>96,598</u>	<u>610</u>
FUND BALANCE						
Assigned for transportation programs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 1,804</u>	<u>\$ 8,637</u>	<u>\$ 41,164</u>	<u>\$ 103,432</u>	<u>\$ 96,598</u>	<u>\$ 610</u>

<u>DHR SSBG home delivered meals</u>	<u>DHR SSBG care transportation</u>	<u>DHR SSBG LTCO state supplement</u>	<u>DHR SSBG respite care</u>	<u>DHR SSBG LTCO activity</u>	<u>DHR Title VII elder abuse prevention</u>	<u>DHR Title III D health related</u>	<u>DHR Title III D health promotion</u>
\$ 2,748	\$ 10,177	\$ 13,001	\$ 1,270	\$ 4,309	\$ 13,640	\$ 9,697	\$ 15,226
-	-	-	-	-	-	-	-
<u>\$ 2,748</u>	<u>\$ 10,177</u>	<u>\$ 13,001</u>	<u>\$ 1,270</u>	<u>\$ 4,309</u>	<u>\$ 13,640</u>	<u>\$ 9,697</u>	<u>\$ 15,226</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
<u>2,748</u>	<u>10,177</u>	<u>13,001</u>	<u>1,270</u>	<u>4,309</u>	<u>13,640</u>	<u>9,697</u>	<u>15,226</u>
<u>2,748</u>	<u>10,177</u>	<u>13,001</u>	<u>1,270</u>	<u>4,309</u>	<u>13,640</u>	<u>9,697</u>	<u>15,226</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 2,748</u>	<u>\$ 10,177</u>	<u>\$ 13,001</u>	<u>\$ 1,270</u>	<u>\$ 4,309</u>	<u>\$ 13,640</u>	<u>\$ 9,697</u>	<u>\$ 15,226</u>

Three Rivers Regional Commission

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - Continued

June 30, 2013

	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
ASSETS						
Due from grant awards and contracts	\$ 90,206	\$ 4,581	\$ 13,000	\$ 16,970	\$ 2,396	\$ 31,323
Due from other funds	-	-	-	-	-	-
Total assets	<u>\$ 90,206</u>	<u>\$ 4,581</u>	<u>\$ 13,000</u>	<u>\$ 16,970</u>	<u>\$ 2,396</u>	<u>\$ 31,323</u>
LIABILITIES						
Accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-	-	-
Due to other funds	<u>90,206</u>	<u>4,581</u>	<u>13,000</u>	<u>16,970</u>	<u>2,396</u>	<u>31,323</u>
Total liabilities	<u>90,206</u>	<u>4,581</u>	<u>13,000</u>	<u>16,970</u>	<u>2,396</u>	<u>31,323</u>
FUND BALANCE						
Assigned for transportation programs	-	-	-	-	-	-
Total fund balance	-	-	-	-	-	-
Total liabilities and fund balance	<u>\$ 90,206</u>	<u>\$ 4,581</u>	<u>\$ 13,000</u>	<u>\$ 16,970</u>	<u>\$ 2,396</u>	<u>\$ 31,323</u>

<u>DHR CBS GA cares</u>	<u>DHR CBS case mgt.</u>	<u>DHR CBS Admin</u>	<u>DHR CBS gateway</u>	<u>DHR CBS nutrition wellness</u>	<u>DHR CBS respite care</u>	<u>DHR CBS health promotion</u>	<u>DHR CBS adult day care</u>
\$ 13,343	\$ 18,617	\$ 12,377	\$ 70,097	\$ 642	\$ 15,147	\$ 269	\$ 4,093
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 13,343</u>	<u>\$ 18,617</u>	<u>\$ 12,377</u>	<u>\$ 70,097</u>	<u>\$ 642</u>	<u>\$ 15,147</u>	<u>\$ 269</u>	<u>\$ 4,093</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
<u>13,343</u>	<u>18,617</u>	<u>12,377</u>	<u>70,097</u>	<u>642</u>	<u>15,147</u>	<u>269</u>	<u>4,093</u>
<u>13,343</u>	<u>18,617</u>	<u>12,377</u>	<u>70,097</u>	<u>642</u>	<u>15,147</u>	<u>269</u>	<u>4,093</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 13,343</u>	<u>\$ 18,617</u>	<u>\$ 12,377</u>	<u>\$ 70,097</u>	<u>\$ 642</u>	<u>\$ 15,147</u>	<u>\$ 269</u>	<u>\$ 4,093</u>

Three Rivers Regional Commission

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - Continued

June 30, 2013

	DHR CBS ELAP	DHR ADRC coordination	DHR income tax checkoff	DHR AOA	DHR alzheimers	Upson EMA
ASSETS						
Due from grant awards and contracts	\$ 1,962	\$ 344	\$ 1,361	\$ 46,956	\$ 25,836	\$ 590
Due from other funds	-	-	-	-	-	-
Total assets	<u>\$ 1,962</u>	<u>\$ 344</u>	<u>\$ 1,361</u>	<u>\$ 46,956</u>	<u>\$ 25,836</u>	<u>\$ 590</u>
LIABILITIES						
Accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-	-	-
Due to other funds	<u>1,962</u>	<u>344</u>	<u>1,361</u>	<u>46,956</u>	<u>25,836</u>	<u>590</u>
Total liabilities	<u>1,962</u>	<u>344</u>	<u>1,361</u>	<u>46,956</u>	<u>25,836</u>	<u>590</u>
FUND BALANCE						
Assigned for transportation programs	-	-	-	-	-	-
Total fund balance	-	-	-	-	-	-
Total liabilities and fund balance	<u>\$ 1,962</u>	<u>\$ 344</u>	<u>\$ 1,361</u>	<u>\$ 46,956</u>	<u>\$ 25,836</u>	<u>\$ 590</u>

<u>Lamar EMA</u>	<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>	<u>GDOT JARC</u>
\$ 1,898	\$ 11,100	\$ 40,865	\$ 1,448	\$ 543	\$ 6,609	\$ 4,019	\$ 11,594
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 1,898</u>	<u>\$ 11,100</u>	<u>\$ 40,865</u>	<u>\$ 1,448</u>	<u>\$ 543</u>	<u>\$ 6,609</u>	<u>\$ 4,019</u>	<u>\$ 11,594</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
<u>1,898</u>	<u>11,100</u>	<u>40,865</u>	<u>1,448</u>	<u>543</u>	<u>6,609</u>	<u>4,019</u>	<u>11,594</u>
<u>1,898</u>	<u>11,100</u>	<u>40,865</u>	<u>1,448</u>	<u>543</u>	<u>6,609</u>	<u>4,019</u>	<u>11,594</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 1,898</u>	<u>\$ 11,100</u>	<u>\$ 40,865</u>	<u>\$ 1,448</u>	<u>\$ 543</u>	<u>\$ 6,609</u>	<u>\$ 4,019</u>	<u>\$ 11,594</u>

Three Rivers Regional Commission

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - Continued

June 30, 2013

	<u>CDSMP</u>	<u>SIG CDSMP</u>	<u>Powerful Tools</u>	<u>Other</u>	<u>Total</u>
ASSETS					
Due from grant awards and contracts	\$ 12,741	\$ 2,000	\$ 8,770	\$ 7,699	\$ 984,289
Due from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 12,741</u>	<u>\$ 2,000</u>	<u>\$ 8,770</u>	<u>\$ 7,699</u>	<u>\$ 984,289</u>
LIABILITIES					
Accrued liabilities	\$ -	\$ -	\$ -	\$ 25,675	\$ 25,675
Deferred revenue	-	-	-	5,802	146,066
Due to other funds	<u>12,741</u>	<u>2,000</u>	<u>8,770</u>	<u>(25,861)</u>	<u>810,465</u>
Total liabilities	<u>12,741</u>	<u>2,000</u>	<u>8,770</u>	<u>5,616</u>	<u>982,206</u>
FUND BALANCE					
Assigned for transportation programs	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,083</u>	<u>2,083</u>
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,083</u>	<u>2,083</u>
Total liabilities and fund balance	<u>\$ 12,741</u>	<u>\$ 2,000</u>	<u>\$ 8,770</u>	<u>\$ 7,699</u>	<u>\$ 984,289</u>

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Three Rivers Regional Commission

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

For the year ended June 30, 2013

	ARC FY 2012 - 2013	ARC FY 2011 - 2012	ARC FY 2010 - 2011	DNR historic preservation	DOT planning grant	DOT 5311 public transpiration	DCA
REVENUES							
Federal	\$ 84,973	\$ 10,476	\$ 19,658	\$ 4,091	\$ 46,630	\$ 29,455	\$ -
State	-	-	-	-	-	-	175,366
Local	-	-	-	-	-	29,018	-
Miscellaneous	-	-	-	-	-	-	-
Total revenues	<u>84,973</u>	<u>10,476</u>	<u>19,658</u>	<u>4,091</u>	<u>46,630</u>	<u>58,473</u>	<u>175,366</u>
EXPENDITURES							
Personnel services							
Direct salaries	69,404	8,944	17,168	1,970	25,954	12,056	107,427
Fringe benefits	<u>35,594</u>	<u>4,587</u>	<u>8,805</u>	<u>1,010</u>	<u>13,311</u>	<u>6,183</u>	<u>55,095</u>
Total personnel services	104,998	13,531	25,973	2,980	39,265	18,239	162,522
Operating expenditures	15,114	999	1,015	729	387	31,577	5,652
Indirect cost							
Cost allocation plan	<u>49,835</u>	<u>6,422</u>	<u>12,328</u>	<u>1,414</u>	<u>18,636</u>	<u>8,657</u>	<u>77,139</u>
Total expenditures	<u>169,947</u>	<u>20,952</u>	<u>39,316</u>	<u>5,123</u>	<u>58,288</u>	<u>58,473</u>	<u>245,313</u>
Deficiency of revenues under expenditures	(84,974)	(10,476)	(19,658)	(1,032)	(11,658)	-	(69,947)
OTHER FINANCING SOURCES							
Transfers	<u>84,974</u>	<u>10,476</u>	<u>19,658</u>	<u>1,032</u>	<u>11,658</u>	-	<u>69,947</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, 2013

	DHR Title III B adult day	Georgia Southwestern RCI	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
REVENUES							
Federal	\$ 10,941	\$ 64,279	\$ 108,042	\$ 526,744	\$ 467,974	\$ 3,422	\$ 13,101
State	644	-	108,042	30,985	27,528	-	-
Local	-	-	-	-	-	-	-
Miscellaneous	1,287	30,347	-	61,563	55,056	466	1,787
Total revenues	<u>12,872</u>	<u>94,626</u>	<u>216,084</u>	<u>619,292</u>	<u>550,558</u>	<u>3,888</u>	<u>14,888</u>
EXPENDITURES							
Personnel services							
Direct salaries	-	12,788	93,030	-	-	-	-
Fringe benefits	-	6,559	47,711	-	-	-	-
Total personnel services	-	19,347	140,741	-	-	-	-
Operating expenditures	12,872	66,096	8,543	619,700	550,558	3,888	14,888
Indirect cost							
Cost allocation plan	-	9,183	66,800	-	-	-	-
Total expenditures	<u>12,872</u>	<u>94,626</u>	<u>216,084</u>	<u>619,700</u>	<u>550,558</u>	<u>3,888</u>	<u>14,888</u>
Deficiency of revenues under expenditures	-	-	-	(408)	-	-	-
OTHER FINANCING SOURCES							
Transfers	-	-	-	408	-	-	-
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, 2013

	<u>DHR Title III E administration</u>	<u>DHR Title III E respite care</u>	<u>DHR Title III E kinship care</u>	<u>DHR Title III E caregiver gateway</u>	<u>DHR CBS GA cares</u>	<u>DHR CBS case mgt.</u>	<u>DHR CBS Admin</u>	<u>DHR CBS gateway</u>
REVENUES								
Federal	\$ 47,770	\$ 67,743	\$ 21,607	\$ 49,440	\$ 64,027	\$ -	\$ -	\$ -
State	-	13,549	4,321	9,888	6,210	123,217	167,788	394,945
Local	-	-	-	-	-	-	-	-
Miscellaneous	-	9,032	-	-	-	-	-	-
Total revenues	<u>47,770</u>	<u>90,324</u>	<u>25,928</u>	<u>59,328</u>	<u>70,237</u>	<u>123,217</u>	<u>167,788</u>	<u>394,945</u>
EXPENDITURES								
Personnel services								
Direct salaries	27,514	-	-	-	29,267	53,612	74,198	171,093
Fringe benefits	<u>14,111</u>	-	-	-	<u>15,009</u>	<u>27,495</u>	<u>38,053</u>	<u>87,746</u>
Total personnel services	41,625	-	-	-	44,276	81,107	112,251	258,839
Operating expenditures								
Indirect cost	2,312	90,324	28,810	65,920	4,947	3,614	2,259	13,253
Cost allocation plan	<u>19,756</u>	-	-	-	<u>21,014</u>	<u>38,496</u>	<u>53,278</u>	<u>122,853</u>
Total expenditures	<u>63,693</u>	<u>90,324</u>	<u>28,810</u>	<u>65,920</u>	<u>70,237</u>	<u>123,217</u>	<u>167,788</u>	<u>394,945</u>
Deficiency of revenues under expenditures	(15,923)	-	(2,882)	(6,592)	-	-	-	-
OTHER FINANCING SOURCES								
Transfers	<u>15,923</u>	-	<u>2,882</u>	<u>6,592</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, 2013

	Upson EMA	Lamar EMA	MDSQ	Money follows the person	Butts Co. EIP	Hogansville TE	Recreation trails	SMP expansion grant
REVENUES								
Federal	\$ -	\$ -	\$ 63,376	\$ 186,075	\$ 5,125	\$ 7,735	\$ 4,891	\$ 9,496
State	-	-	-	-	-	-	-	-
Local	10,070	6,556	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	<u>10,070</u>	<u>6,556</u>	<u>63,376</u>	<u>186,075</u>	<u>5,125</u>	<u>7,735</u>	<u>4,891</u>	<u>9,496</u>
EXPENDITURES								
Personnel services								
Direct salaries	4,388	2,891	43,559	30,155	2,197	3,311	2,893	3,457
Fringe benefits	<u>2,250</u>	<u>1,483</u>	<u>9,410</u>	<u>9,405</u>	<u>1,127</u>	<u>1,698</u>	<u>1,483</u>	<u>1,773</u>
Total personnel services	6,638	4,374	52,969	39,560	3,324	5,009	4,376	5,230
Operating expenditures	281	106	10,407	146,515	223	349	211	1,784
Indirect cost								
Cost allocation plan	<u>3,151</u>	<u>2,076</u>	<u>-</u>	<u>-</u>	<u>1,578</u>	<u>2,377</u>	<u>2,077</u>	<u>2,482</u>
Total expenditures	<u>10,070</u>	<u>6,556</u>	<u>63,376</u>	<u>186,075</u>	<u>5,125</u>	<u>7,735</u>	<u>6,664</u>	<u>9,496</u>
Deficiency of revenues under expenditures	-	-	-	-	-	-	(1,773)	-
OTHER FINANCING SOURCES								
Transfers	-	-	-	-	-	-	1,773	-
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>

GDOT JARC	CDSMP	SIG CDSMP	Powerful Tools	Music Therapy	Other	Total
\$ 81,455	\$ 12,741	\$ 1,900	\$ 7,601	\$ -	\$ -	\$ 3,152,904
10,182	-	100	1,169	2,846	-	1,510,838
-	-	-	-	-	24,582	98,386
-	-	-	-	-	-	233,430
<u>91,637</u>	<u>12,741</u>	<u>2,000</u>	<u>8,770</u>	<u>2,846</u>	<u>24,582</u>	<u>4,995,558</u>
42,729	2,675	-	3,931	-	11,355	1,218,736
<u>21,914</u>	<u>1,372</u>	<u>-</u>	<u>2,016</u>	<u>-</u>	<u>5,823</u>	<u>487,722</u>
64,643	4,047	-	5,947	-	17,178	1,706,458
6,769	8,982	2,000	2,924	2,846	910	2,935,643
<u>30,682</u>	<u>1,921</u>	<u>-</u>	<u>2,823</u>	<u>-</u>	<u>8,153</u>	<u>656,517</u>
<u>102,094</u>	<u>14,950</u>	<u>2,000</u>	<u>11,694</u>	<u>2,846</u>	<u>26,241</u>	<u>5,298,618</u>
(10,457)	(2,209)	-	(2,924)	-	(1,659)	(303,060)
<u>10,457</u>	<u>2,209</u>	<u>-</u>	<u>2,924</u>	<u>-</u>	<u>3,742</u>	<u>305,143</u>
-	-	-	-	-	2,083	2,083
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,083</u>	<u>\$ 2,083</u>

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State Compliance Section

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Three Rivers Regional Commission

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

For the year ended June 30, 2013

	<u>Provisional</u>	<u>Actual</u>
Released time		
Annual leave	\$ 100,101	\$ 98,598
Sick leave	78,506	76,899
Holiday pay	60,705	60,705
Other leave	<u>12,174</u>	<u>13,028</u>
Total released time	<u>251,486</u>	<u>249,230</u>
Fringe benefits		
Retirement benefits	84,494	86,107
Payroll taxes	121,309	120,719
Group insurance and workers compensation	<u>234,429</u>	<u>234,431</u>
Total fringe benefits	<u>440,232</u>	<u>441,257</u>
Employee benefits available for allocation	<u>\$ 691,718</u>	<u>\$ 690,487</u>

COMPUTATION OF EMPLOYEE BENEFIT RATES

Gross salaries	\$ 1,592,997	\$ 1,594,980
Less: released time	<u>(251,486)</u>	<u>(249,230)</u>
Allocation base - chargeable salaries	<u>\$ 1,341,511</u>	<u>\$ 1,345,750</u>
Employee benefit rates	<u>51.56%</u>	<u>51.31%</u>

Three Rivers Regional Commission

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

For the year ended June 30, 2013

	<u>Provisional</u>	<u>Actual</u>
Salaries and wages	\$ 329,238	\$ 331,382
Released time and fringe benefits	169,764	169,951
Travel	14,500	14,225
Per diem and fees	31,750	29,252
Utilities	24,517	23,469
Telecommunications	39,800	36,974
Membership and subscription	2,500	2,972
Insurance and bonding	20,803	20,411
Repairs and maintenance	15,483	14,026
Supplies and materials	22,800	22,848
Rentals	9,910	9,332
Unemployment benefits	6,229	6,229
Depreciation	41,992	41,992
Other	<u>9,280</u>	<u>10,229</u>
Total indirect expenses	738,566	733,292
Internal service Revenue Fund - rental income	<u>(6,413)</u>	<u>(4,490)</u>
 Indirect expenses available for allocation	 <u>\$ 732,153</u>	 <u>\$ 728,802</u>

COMPUTATION OF INDIRECT COST RATES

Direct chargeable salaries	\$ 1,012,272	\$ 1,014,365
Direct fringe and release time	<u>521,955</u>	<u>520,539</u>
 Allocation base - direct personnel costs	 <u>\$ 1,534,227</u>	 <u>\$ 1,534,904</u>
 Indirect cost rates	 <u>47.72%</u>	 <u>47.48%</u>

Three Rivers Regional Commission

SCHEDULE OF CITY/COUNTY DUES AND ASSESSMENTS

For the year ended June 30, 2013

	Balance due June 30, 2012	FY' 13 dues amount	Total billed for FY' 13	Amount collected for FY' 13	Balance due June 30, 2013
GOVERNMENT					
Butts County	\$ -	\$ 17,476	\$ 17,476	\$ 17,476	\$ -
Jackson	-	5,013	5,013	5,013	-
Jenkinsburg	-	368	368	368	-
Flovilla	-	647	647	647	-
Carroll County	-	111,159	111,159	111,159	-
Coweta County	-	83,614	83,614	83,614	-
Grantville	-	3,096	3,096	3,096	-
Haralson	-	169	169	169	-
Moreland	-	407	407	407	-
Newnan	-	33,725	33,725	33,725	-
Senoia	-	3,366	3,366	3,366	-
Sharpsburg	-	348	348	348	-
Turin	-	279	279	279	-
Heard County	-	9,930	9,930	9,930	-
Centralhatchee	-	403	403	403	-
Ephesus	-	424	424	424	-
Franklin	-	987	987	987	-
Lamar County	-	10,888	10,888	10,888	-
Aldora	-	103	103	103	-
Barnesville	-	6,591	6,591	6,591	-
Milner	-	612	612	612	-
Meriwether County	-	12,846	12,846	12,846	-
Gay	-	88	88	88	-
Greenville	-	864	864	864	-
Lone Oak	-	91	91	91	-
Luthersville	-	859	859	859	-
Manchester	-	4,193	4,193	4,193	-
Warm Springs	-	418	418	418	-
Woodbury	-	945	945	945	-
Pike County	-	17,751	17,751	17,751	-
Spalding County	-	40,405	40,405	40,405	-
Griffin	-	23,628	23,628	23,628	-
Troup County	-	31,258	31,258	31,258	-
Hogansville	-	3,095	3,095	3,095	-
LaGrange	-	29,902	29,902	29,902	-
West Point	-	3,509	3,509	3,509	-
Upson County	-	17,865	17,865	17,865	-
Thomaston	-	9,112	9,112	9,112	-
	<u>\$ -</u>	<u>\$ 486,434</u>	<u>\$ 486,434</u>	<u>\$ 486,434</u>	<u>\$ -</u>

Three Rivers Regional Commission

SCHEDULE OF REVENUES EARNED AND MATCHING FUNDS APPLIED

Year ended June 30, 2013

	Contract Balance as of July 1, 2012	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, 2013
ARC #GA-0701C-C39	\$ -	\$ 16,092	\$ 16,092	50%	\$ 20,952	\$ 10,476	\$ 10,476	\$ -	\$ 5,616
ARC #GA-0701H-1	20,644	-	20,644	50%	39,316	19,658	19,658	-	986
EDA Planning #04-89-05999	129,499	-	129,499	50%	169,947	84,973	84,974	-	44,526
DOT Planning MT	-	118,640	118,640	20%	58,288	46,630	11,658	-	72,010
DOT 5311	-	30,445	30,445	50%	58,473	29,455	29,018	-	990
JARC Mobility	91,637	-	91,637	10%	102,094	91,637	10,209	248	-
DNR FFY 2007 319(h)	37,718	-	37,718	40%	79,051	37,718	31,621	9,712	-
DHS Aging Contract	-	5,107,478	5,107,478	varies	5,372,961	5,095,447	277,514	-	12,031
DHS - Transportation	-	2,767,023	2,767,023	varies	2,553,197	2,524,751	34,490	-	248,316
Crescent Village	-	66,500	66,500	5%	14,533	13,640	893	-	52,860
Powerful Tools	-	30,394	30,394	25%	11,694	8,770	2,924	-	21,624
Music Therapy Initiative	-	2,846	2,846	0%	2,846	2,846	-	-	-
GA Southwestern State University	62,755	14,900	77,655	45%	94,626	64,279	30,347	-	13,376
Coweta 5311 Grant Administration	-	12,000	12,000	0%	10,978	13,069	-	-	1,022
DCA State	-	175,366	175,366	10%	245,313	175,366	24,531	45,416	-
DNR Historic Preservation	-	4,091	4,091	0%	5,123	4,091	-	1,032	-
	<u>\$342,253</u>	<u>\$ 8,345,775</u>	<u>\$ 8,688,028</u>		<u>\$ 8,839,392</u>	<u>\$ 8,222,806</u>	<u>\$ 568,313</u>	<u>\$ 56,408</u>	<u>\$ 473,357</u>

Three Rivers Regional Commission

SCHEDULE OF REVENUES EARNED AND MATCHING FUNDS APPLIED - Continued

Year ended June 30, 2013

	Contract Balance as of July 1, 2012	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, 2013
<u>Local</u>									
Butts Co. EIP	\$ 10,232	-	\$ 10,232	0%	\$ 5,125	\$ 5,125	-	\$ -	\$ 5,107
Hogansville TE	13,498	-	13,498	0%	3,695	3,695	-	-	9,803
Moreland TE	17,423	-	17,423	0%	4,040	4,040	-	-	13,383
Hogansville Rec Trail	2,587	-	2,587	0%	2,466	2,466	-	-	121
Troup Co. Rec Trail	2,425	-	2,425	0%	4,198	2,425	-	1,773	-
Thanks Mom and Pop	5,359	574	5,933	0%	381	381	-	-	5,552
Troup Co. PDM Admin	9,934	-	9,934	0%	6,556	6,556	-	-	3,378
Coweta Co. PDM Admin	15,469	-	15,469	0%	10,070	10,070	-	-	5,399
Spalding CSBG 12/13	668	-	668	0%	4,416	668	-	3,748	-
Spalding CSBG 13/14	-	17,879	17,879	0%	10,464	-	-	-	7,415
	<u>\$ 77,595</u>	<u>\$ 18,453</u>	<u>\$ 96,048</u>		<u>\$ 51,411</u>	<u>\$ 35,426</u>	<u>\$ -</u>	<u>\$ 5,521</u>	<u>\$ 50,158</u>

Three Rivers Regional Commission

SCHEDULE OF STATE CONTRACTUAL ASSISTANCE

(Including Federal Pass Through Amounts)

For the year ended June 30, 2013

<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	\$ 175,366	\$ 245,313	\$ 43,556
DOT 5311	T004301	29,455	58,473	492
DOT Planning	PI 0010949	46,630	58,288	14,378
DHS Aging contract	42700-373-0000012667	5,095,447	5,372,961	988,380
DHS Village contract	42700-373-0000014552	14,533	14,533	13,640
DHS Powerful Tools	42700-373-0000014560	8,770	11,694	8,770
DHS Music Therapy	N/A	2,846	2,846	-
DHR Coordinated Transportation	42700-362-0000013137	2,559,241	2,553,197	406,328
JARC Mobility	T004174	91,637	102,094	11,594
DNR Section 319(h)	751-90099	37,718	79,051	-
DNR Historic Preservation	N/A	4,091	5,123	4,091
		<u>\$ 8,065,734</u>	<u>\$ 8,503,573</u>	<u>\$ 1,491,229</u>

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OMB Circular A-133 Section

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**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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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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Three Rivers Regional Commission (the "Commission") as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated December 12, 2013.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

Purpose of this Report

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

Metcalf Davis

Atlanta, Georgia
December 12, 2013

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
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 for
Each Major Program and on Internal Control Over
Compliance in Accordance with OMB Circular A-133

The Council Members
Three Rivers Regional Commission

Report on Compliance for Each Major Federal Program

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, 2013. The Commission's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Commission's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the Commission's compliance with those requirements.

Opinion on Each Major Federal Program

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, 2013.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as items SA 13-01. Our opinion on each major federal program is not modified with respect to this matter.

The Commission's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Commission's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the Commission is responsible for establishing and maintaining effective internal control over compliance with the type of compliance requirements referred to above. In planning and performing our audit of compliance, 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal

program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we have identified a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item SA 13-01, that we consider to be significant deficiency.

The Commission's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Commission's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Metcalf Davis

Atlanta, Georgia
December 12, 2013

Three Rivers Regional Commission

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended June 30, 2013

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	CFDA Number	Federal Expenditures	
U.S. Department of Commerce				
Economic Development Support for Planning Organizations	04-83-06503	11.302	\$	84,973
Federal Transit Administration				
Passed through State Department of Transportation				
Federal Transit Capital Investment Grants	T004301	20.509	\$	29,455
Contract administration for Coweta County for				
Section 5311 Rural Transportation Program	N/A	20.509		10,978
JARC Mobility	PI T004174	20.516		81,455
Total Federal Transit Authority				121,888
Federal Highway Administration				
Highway Planning and Construction Cluster				
Passed through State Department of Transportation				
Highway Research and Development Program	PI 0010949	20.200		46,629
Hogansville Recreational Trails Program	N/A	20.219		2,466
Troup County Recreational Trails Program	N/A	20.219		4,198
Total Highway Planning and Construction Cluster				53,293
U.S. Department of Health and Human Services				
Passed through State Department of Human Resources				
Coordinated Transportation				
Transit Services Programs Cluster				
Job Access Reverse Commute	42700-362-0000008710	20.516		154,441
Capital Assistance Program for Elderly Persons and Persons with Disabilities	42700-362-0000008710	20.513		242,138
New Freedom Program	42700-362-0000008710	20.521		226,965
Vocational Rehabilitation for Disable Veterans	42700-362-0000008710	84.126		110,493
Social Services Block Grant	42700-362-0000008710	* 93.667		470,063
Special Programs for the Aging - Title III Part B	42700-362-0000008710	* 93.044	**	29,750
Temporary Assistance for Needy Families	42700-362-0000008710	93.558		146,076
Total Coordinated Transportation				1,379,926
Aging Services				
Aging Cluster				
Special Programs for the Aging - Title III Part B	42700-373-0000012667	* 93.044	**	376,409
Special Programs for the Aging - Title III Part C	42700-373-0000012667	93.045	**	1,057,341
Nutrition Services Incentive Program	42700-373-0000012667	93.053	**	180,155
Medical Assistance Program	42700-373-0000012667	93.778	**	692,398
Social Services Block Grant	42700-373-0000012667	* 93.667		86,608
Special Programs for the Aging - Title VII	42700-373-0000012667	93.042		17,996
Special Programs for the Aging - Title III Part D	42700-373-0000012667	93.043		34,691
Senior Community Service Employment Program	42700-373-0000012667	17.235	**	324,460
National Family Caregiver Support - Title III Part E	42700-373-0000012667	93.052		211,256

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, 2013

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	CFDA number	Federal expenditures
Centers for Medicare and Medicaid Services ("CMS") Research, Demonstrations and Evaluations	42700-373-0000012667	93.779	73,523
Affordable Care Act - Medicare Improvements for Patients and Providers	42700-373-0000012667	93.518	606
Spec. Prog. For Aging Title IV and Title II Discretionary Projects	42700-373-0000012667	93.048	21,241
Empowering Older Adults and Adults with Disabilities through Chronic Disease Self-Management Education Program	42700-373-0000012667	93.734	14,641
Money Follows the Person	42700-373-0000012667	93.791	<u>119,735</u>
Total Aging Services			<u>3,211,060</u>
Contract through Georgia Southwestern University for Alzheimer's Disease Demonstration Grant	N/A	93.051	<u>64,279</u>
Total U.S. Department of Health and Human Services			<u>4,655,265</u>
<u>U.S. Environmental Protection Agency</u>			
Passed through State Department of Natural Resources Nonpoint Source Implementation Grants - Section 319(h)	751-90099	66.460	37,718
<u>U.S. Department of Housing and Urban Development</u>			
Contract with Villa Rica for CDBG - EIP	N/A	14.218	5,125
<u>U.S. Department of Homeland Security</u>			
Contract with Coweta County for Pre-Disaster Mitigation Plan	N/A	97.047	10,070
Contract with Troup County for Pre-Disaster Mitigation Plan	N/A	97.047	<u>6,556</u>
<u>Appalachian Regional Commission</u>			
Appalachian Local Evelopment District Assistance	GA-0701H-C2	23.009	19,658
Appalachian Local Evelopment District Assistance	GA-0701H-C3	23.009	<u>10,476</u>
			<u>\$ 5,005,022</u>

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

** - denotes major program

The accompanying notes are an integral part of this schedule.

Three Rivers Regional Commission

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2013

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 (the “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	\$ 597,008
84.126	Coordinated Transportation	105,890
93.667	Coordinated Transportation	458,088
93.558	Coordinated Transportation	139,943
93.044	Coordinated Transportation	28,532
93.044, 93.045 and 93.053	Aging Cluster	1,440,812
93.778	Aging Services	536,418
93.667	Aging Services	86,608
93.042	Aging Services	17,996
93.052	Aging Services	120,455
93.791	Aging Services - Money Follows the Person	11,273
93.051	Contract through Georgia Southwestern University for Alzheimer's Disease Demonstration Grant	28,393
66.460	U.S. Environmental Protection Agency	37,718

C. Funding Sources

Special Programs for the Aging - Title III Part B and the Social Services Block Grant within the Coordinated Transportation and Aging Services contracts were combined for major program determination. For major program determination, total expenditures for the Special Programs for the Aging - Title III Part B and the Social Services Block Grant are \$406,159 and \$556,671, respectively.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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Three Rivers Regional Commission

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2013

SECTION I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness identified?	No
• Significant deficiency identified that is not considered to be a material weakness?	No
• Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weakness identified?	No
• Significant deficiency identified that is not considered to be a material weakness?	Yes
Type of auditors’ report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	Yes

Identification of Major Programs

<u>CFDA Number</u>	<u>Name of Federal Program</u>	
93.043, 93.044 and 93.045	Aging Cluster	
93.778	Medical Assistance Program	
17.235	Senior Community Service Employment Program	
Dollar threshold used to distinguish between type A and type B programs:		\$ 300,000
Auditee qualified as low-risk auditee?		Yes

Three Rivers Regional Commission

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2013

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, 2013.

SECTION III – Federal Award Findings and Questioned Costs

SA 13-01	Recertification of Eligibility for Participants Senior Community Service Employment Program CFDA 17.235
Criteria	In accordance with Title 20 of the Code of Federal Regulations, Section 641.505, participants in the Senior Community Service Employment Program, (“SCSEP”) must have their eligibility verified through certification upon initial enrollment and then recertified once every 12 calendar months.
Condition	During the period under audit, we selected eight participants in SCSEP to determine if recertifications were completed within the required 12 month timeframe from initial certification or the most recent recertification. Of the eight participants selected for testing, we noted two participants whose certifications were not completed within the required 12 month timeframe.
Effect	For the two participants noted above, recertifications were completed three and four days after the required 12 month timeframe, respectively. However, all participants were determined to be eligible for the benefits received between the required recertification date and actual completion of the recertification.
Cause	It appears that the Commission did not have controls in place to properly ensure all recertifications were completed at least once per 12 calendar months.
Recommendation	We recommend the Commission develop and implement a procedure to ensure all participants are recertified within the required 12 month period. Such a procedure could include completing recertifications for all participants on a certain day of the year whether they are a new or continuing participant.

Three Rivers Regional Commission

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2013

**Management
Response**

The Commission concurs with this finding. The Supervisor for the Title V Coordinator will create a tickler file to alert Title V Coordinator of recertification's due at least one month prior to the anniversary date of each participant. This new procedure will ensure all recertifications are completed at least once every 12 calendar months.

Three Rivers Regional Commission

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2013

No matters were 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.