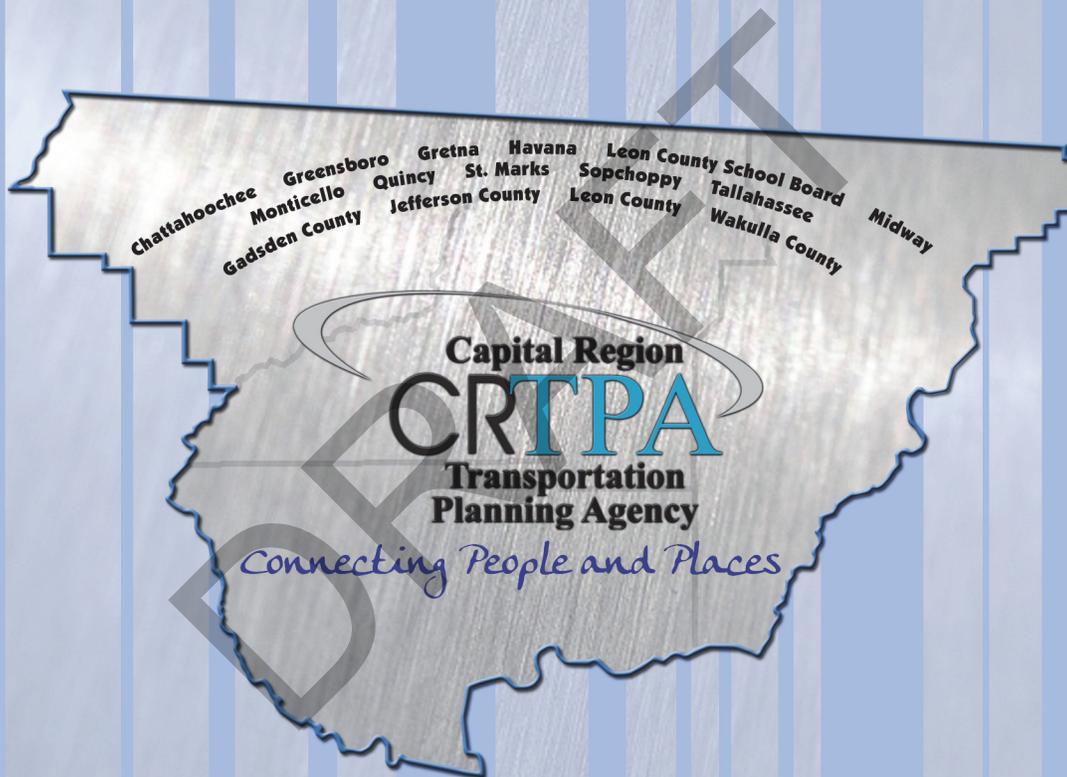


CRTPA

FINANCIAL

STATEMENTS



For the Fiscal Year Ended
September 30, 2014

Prepared by:
Department of Management and Administration
Accounting Services Division
City of Tallahassee, Florida

Financial Statements

Capital Region
Transportation Planning Agency

*Fiscal Year Ended September 30, 2014
with Independent Auditors' Report*

DRAFT

Capital Region
Transportation Planning Agency

Financial Statements

Fiscal Year Ended September 30, 2014

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Capital Region
Transportation Planning Agency

Financial Statements

Fiscal Year Ended September 30, 2014

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FINANCIAL SECTION

THIS SECTION CONTAINS THE FOLLOWING SUBSECTIONS:

Independent Auditors' Report
Management's Discussion and Analysis
Basic Financial Statements
Required Supplementary Information

Independent Auditors' Report

Members of the Board
Capital Region Transportation Planning Agency

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities of the Capital Region Transportation Planning Agency (CRTPA) as of September 30, 2014 and for the year then ended, and the related notes to the financial statements, which collectively comprise CRTPA'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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the Capital Region Transportation Planning Agency, as of September 30, 2014, and the respective changes in financial position for the year then ended in accordance 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 on pages 4 through 8 and the budgetary comparison schedule on page 26 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise CRTPA's basic financial statements. The schedule of expenditures of federal awards and state financial assistance, schedule of findings and questioned costs, and schedule of prior audit findings as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Chapter 10.550, *Rules of the Auditor General*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary schedule is the responsibility of management and was derived from and relates 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 supplementary schedules 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 our report dated NEED DATE, on our consideration of CRTPA’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CRTPA’s internal control over financial reporting and compliance.

Thomas Howell Ferguson P.A.

Tallahassee, Florida
NEED DATE

Law, Redd, Crona & Munroe, P.A.

Tallahassee, Florida

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**MANAGEMENT'S
DISCUSSION & ANALYSIS**

**CAPITAL REGION
TRANSPORTATION PLANNING AGENCY**

Management’s Discussion and Analysis

This section of CRTPA’s annual financial report is designed to provide the reader with a better understanding of the financial activity for the fiscal year that ended September 30, 2014. Notes mentioned below are Notes to the Financial Statements, which follow the statements.

FINANCIAL HIGHLIGHTS

- Total assets of \$884,346 increased by approximately \$53,000 and total liabilities of \$759,049 increased by approximately \$19,000 as compared to the prior year due primarily to reimbursable costs under grant contracts that have been billed and received.
- Net position increased by approximately \$34,000 during the fiscal year.
- Revenues of \$1,843,176, primarily operating grants, were received during the fiscal year, as compared to approximately \$1,669,000 in the prior year. Expenses of \$1,810,795, primarily personnel expenses and contractual services, were incurred during the fiscal year, as compared to approximately \$1,651,000 in the prior year.

An Overview of the Financial Statements

Required Components of CRTPA’s Annual Financial Report

Management’s Discussion and Analysis

Basic Financial Statements

Government-wide Financial Statements	Fund Financial Statements
Notes to the Financial Statements	

Required Supplementary Information

The focus of the financial statements is on both CRTPA's overall financial status and the major individual funds. The following briefly describes the component parts.

GOVERNMENT-WIDE STATEMENTS

The government-wide financial statements are designed to report information about CRTPA as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position combines all of CRTPA's current financial resources with capital assets and long-term obligations. Net position, the difference between CRTPA's assets and liabilities, is one way to measure its financial health.

CRTPA is considered a single-function government with all activities classified as governmental rather than business-type. Consequently, the government-wide financial statements include only governmental activities. These are services that are financed primarily from Federal and State grants and contributions from member governments. Business-type activities by definition include services for which specific fees are charged, which are meant to cover the cost of providing those services.

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of CRTPA's funds are considered to be governmental funds. CRTPA maintains a general fund and a special revenue fund; both of which are considered major funds. The following chart describes the fund requirements:

Scope	Includes CRTPA's revenues, which are primarily from operating grants
Required financial statements	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances
Accounting basis and Measurement focus	Modified accrual accounting and current financial resources focus
Type of asset / liability information	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets are included
Type of inflow / outflow information	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The following table reflects the condensed Statement of Net Position compared to the prior year. CRTPA’s net position increased by approximately \$34,000 in fiscal year 2014. Total assets increased by approximately \$53,000 and total liabilities increased by approximately \$19,000.

**Table 1
Statement of Net Position
As of September 30
Governmental Activities
(in thousands)**

	<u>2014</u>	<u>2013</u>	<u>\$ Change</u>
Assets			
Current assets	\$ 876	\$ 822	\$ 54
Noncurrent assets	8	9	(1)
Total assets	<u>884</u>	<u>831</u>	<u>53</u>
Liabilities			
Current liabilities	715	703	12
Noncurrent liabilities	44	37	7
Total liabilities	<u>759</u>	<u>740</u>	<u>19</u>
Net position			
Net investment in capital assets	8	9	(1)
Unrestricted	117	82	35
Total net position	<u>\$ 125</u>	<u>\$ 91</u>	<u>\$ 34</u>

CHANGES IN NET POSITION

In 2014, CRTPA’s total revenues were \$1,843,176 and expenses were \$1,810,795, resulting in a increase in net position of approximately \$34,000. Revenues consisted primarily of operating grants and contributions; expenses consisted primarily of personnel costs and contractual services. The following table shows revenues and expenses by sources and programs and the resulting change in net position:

FUND Table 2
Changes in Net Position
For the year ended September 30
Governmental Activities
(in thousands)

FINANCIAL STATEMENTS

	<u>2014</u>	<u>2013</u>	<u>\$ Change</u>
Program revenues			
Operating grants and contributions	\$ 1,845	\$ 1,675	\$ 170
Miscellaneous	-	3	(3)
Decrease in FMV of investments	(2)	(9)	7
Total revenues	<u>1,843</u>	<u>1,669</u>	<u>174</u>
Expenses			
Transportation	1,810	1,650	160
Depreciation	1	1	-
Total expenses	<u>1,811</u>	<u>1,651</u>	<u>160</u>
Transfer	2	0	2
Increase (decrease) in net position	<u>\$ 34</u>	<u>\$ 18</u>	<u>\$ 16</u>

The following table reflects the sources and uses and the resulting change in fund balances for each fund:

Table 3
Governmental Funds
Financial Analysis
(in thousands)

<u>Fund</u>	<u>Fund Balances 9/30/13</u>	<u>Sources</u>	<u>Uses</u>	<u>Sources Over (Under) Uses</u>	<u>Fund Balances 9/30/14</u>
General	\$ 29	\$ 708	\$ 733	\$ (25)	\$ 4
Special revenue	115	1,137	1,066	71	186
Total	<u>\$ 144</u>	<u>\$ 1,845</u>	<u>\$ 1,799</u>	<u>\$ 46</u>	<u>\$ 190</u>

BUDGETARY HIGHLIGHTS

A schedule showing the original budget for CRTPA's General Fund and the final budget and comparing the final budget to the actual results is included in the required supplementary information to the financial statements. There were no changes made to the budget during the year.

ECONOMIC AND OTHER FACTORS THAT MAY IMPACT CRTPA'S FINANCIAL POSITION

Projected population increases continue to place pressure on the transportation infrastructure for the four-county area; therefore, there continues to be a need for coordinated planning of the transportation needs of the area. CRTPA's funding is influenced by its ability to obtain federal and state grants.

FISCAL YEAR 2015 BUDGET

CRTPA's General Fund Budget for fiscal year 2015 totaling \$815,727 consists primarily of personnel costs and contractual services; funding for these expenses continues to be primarily from federal and state operating grants.

FINANCIAL CONTACT

This financial report is designed to provide citizens, taxpayers, customers, and creditors with a general overview of CRTPA's finances and to demonstrate the CRTPA's accountability for the money it receives. If you have questions about the report or need additional financial information, contact the City of Tallahassee's Accounting Services Division, 300 South Adams Street, Box A 29, Tallahassee, Florida 32301-1731 or by calling 850-891-8048.

BASIC FINANCIAL STATEMENTS

These basic financial statements provide a summary overview of the financial position as well as the operating results of the Capital Region Transportation Planning Agency. They also serve as an introduction to the more detailed statements and schedules that follow in subsequent sections:

Government-wide Financial Statements
Capital Region Transportation Planning Agency Fund Financial Statements
Notes to Financial Statements

Capital Region
Transportation Planning Agency

Statement of Net Position

September 30, 2014

Assets

Due from other governments	\$ 876,542
Capital assets, net of accumulated depreciation	7,804
Total assets	<u>\$ 884,346</u>

Liabilities and net position

Current liabilities:

Accounts payable	\$ 203,060
Salaries payable	14,849
Due to other governments	468,309
Compensated absences	28,454
Total current liabilities	<u>714,672</u>

Noncurrent liabilities:

Other post-employment benefit obligations	14,206
Compensated absences	30,171
Total noncurrent liabilities	<u>44,377</u>

Total liabilities	<u>759,049</u>
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Net position

Net investment in capital assets	7,804
Unrestricted	117,493
Total net position	<u>125,297</u>

Total liabilities and net position	<u>\$ 884,346</u>
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The notes to the financial statements are an integral part of these financial statements.

Capital Region
Transportation Planning Agency

Statement of Activities

Year ended September 30, 2014

Function/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities
Primary government:					
Transportation	\$ 1,809,936	\$ -	\$ 1,844,845	\$ -	\$ 34,909
Depreciation	859	-	-	-	(859)
Total primary government	\$ 1,810,795	\$ -	\$ 1,844,845	\$ -	\$ 34,050
General revenues:					
Decrease in FMV of investments					(1,669)
Net transfers:					1,916
Change in net position					34,297
Net position - October 1, 2013					91,000
Net position - September 30, 2014					<u>\$ 125,297</u>

The notes to the financial statements are an integral part of these financial statements.

Capital Region
Transportation Planning Agency

Balance Sheet
Governmental Funds

September 30, 2014

	<u>General</u>	<u>Special Revenue</u>	<u>Total Governmental Funds</u>
Assets			
Cash, cash equivalents, and investments	\$ -	\$ -	\$ -
Due from other governments	489,100	387,442	876,542
Total assets	<u>\$ 489,100</u>	<u>\$ 387,442</u>	<u>\$ 876,542</u>
Liabilities and fund balance			
Accounts payable	\$ 2,050	\$ 201,010	\$ 203,060
Salaries payable	14,849	-	14,849
Due to other governments	468,309	-	468,309
Total liabilities	<u>485,208</u>	<u>201,010</u>	<u>686,218</u>
Fund balance			
Committed	<u>3,892</u>	<u>186,432</u>	<u>190,324</u>
Total fund balance	<u>3,892</u>	<u>186,432</u>	<u>190,324</u>
Total liabilities and fund balance	<u>\$ 489,100</u>	<u>\$ 387,442</u>	<u>\$ 876,542</u>

The notes to the financial statements are an integral part of these financial statements.

Capital Region
Transportation Planning Agency

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position

September 30, 2014

Total fund balance per the governmental fund financial statements	\$ 190,324
Amounts reported for governmental activities in the statement of net position are different because:	
Other post-employment benefits are not due and payable in the current period and therefore, are not reported in the governmental funds.	(14,206)
Compensated absences are not due and payable in the current period and therefore, are not reported in the governmental funds.	(58,625)
Capital assets used in governmental activities are not current financial resources and therefore not are reported in the governmental funds	<u>7,804</u>
Total net position per the government-wide statement of net position	<u><u>\$ 125,297</u></u>

The notes to the financial statements are an integral part of these financial statements.

Capital Region
Transportation Planning Agency

Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Governmental Funds

Year ended September 30, 2014

	<u>General</u>	<u>Special Revenue</u>	<u>Total Governmental Funds</u>
Revenues by source:			
Intergovernmental:			
Federal	\$ 719,062	\$ -	\$ 719,062
State	-	1,016,933	1,016,933
Local	-	120,000	120,000
CRTPA Members	(11,150)	-	(11,150)
Miscellaneous	-	-	-
Net (decrease) increase in fair value of investments	(1,669)	-	(1,669)
Total revenues	<u>706,243</u>	<u>1,136,933</u>	<u>1,843,176</u>
Expenditures by major accounts:			
Current:			
Transportation:			
Personnel services	566,498	-	566,498
Operating expenses	117,989	1,065,501	1,183,490
Allocated accounts	48,780	-	48,780
Total expenditures	<u>733,267</u>	<u>1,065,501</u>	<u>1,798,768</u>
Excess (deficiency of revenues over expenditures)	<u>(27,024)</u>	<u>71,432</u>	<u>44,408</u>
Other financing sources (uses):			
Transfers in	1,916	-	1,916
Net change in fund balance	(25,108)	71,432	46,324
Fund balances - October 1	<u>29,000</u>	<u>115,000</u>	<u>144,000</u>
Fund balances - September 30	<u>\$ 3,892</u>	<u>\$ 186,432</u>	<u>\$ 190,324</u>

The notes to the financial statements are an integral part of these financial statements.

Capital Region
Transportation Planning Agency

Reconciliation of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities

Year ended September 30, 2014

Net changes in fund balance per the governmental fund financial statements	\$ 46,324
Amounts reported for governmental activities in the statement of activities are different because:	
The net change in compensated absences, which is reported in the statement of activities, does not require the use of current financial resources and therefore, is not reported as an expenditure in governmental funds.	(11,168)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	<u>(859)</u>
Change in net position per the government-wide statement of activities	<u>\$ 34,297</u>

The notes to the financial statements are an integral part of these financial statements.

**NOTES TO THE
FINANCIAL STATEMENTS**

NOTE I – Summary of Significant Accounting Policies

NOTE II – Stewardship, Compliance, and Accountability

NOTE III – Detailed Notes

NOTE IV – Other Information

Capital Region
Transportation Planning Agency

Notes to Financial Statements

September 30, 2014

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies is presented to assist the reader in interpreting the financial statements of the Capital Region Transportation Planning Agency (CRTPA). These policies are considered essential and should be read in conjunction with the accompanying financial statements. The accounting policies of the CRTPA conform to Generally Accepted Accounting Principles (GAAP) as applicable to governmental units. This report, the accounting system of the CRTPA, and the classification of accounts, conform to standards of the Governmental Accounting Standard Board (GASB).

A. REPORTING ENTITY

In December 2004, the CRTPA was created through an inter-local agreement between the Florida Department of Transportation; the Counties of Leon, Gadsden, Jefferson and Wakulla; the Cities of Chattahoochee, Gretna, Midway, Monticello, Quincy, St. Marks, Sopchoppy and Tallahassee; the Towns of Greensboro, Havana and the Leon County School Board as authorized by Section 163.01 Florida Statutes. CRTPA was established in order for the members to participate cooperatively in the development of transportation related plans and programs. The governing board consists of voting representatives from the Counties of Leon, Gadsden, Jefferson and Wakulla; the Cities of Midway, Quincy, Tallahassee, Chattahoochee and Gretna; the Towns of Greensboro and Havana, the Leon County School Board, and three nonvoting representatives from the Florida Department of Transportation, the Federal Highway Administration, and StarMetro (City of Tallahassee Transit system). The CRTPA is not a component unit of any of the entities listed or any other entity. In addition, the CRTPA has not identified any other entities for which the CRTPA has operational or financial relationships that would require them to be included as component units of the CRTPA.

On November 17, 2007, CRTPA members voted to expand the boundaries of the planning area to include all of Gadsden County, Jefferson County, Leon County, and Wakulla County and to make the necessary changes to the Interlocal Agreement to reflect this change. On January 12, 2009, CRTPA members approved the Apportionment Plan, which is the initial step in recognizing new representatives from the expanded boundaries. CRTPA staff contacted each of the counties and municipalities to obtain a formal resolution from each governing body stating they wished to participate as a member of the CRTPA. An approved apportionment plan and all the resolutions obtained were sent to the Florida Department of Transportation on August 12, 2010 for review and were approved by the Governor's Office on March 17, 2011.

The CRTPA receives federal and state transportation planning funds for the performance of its transportation planning and programming activities. If operating expenses exceed the external funding obtained, the deficit is funded by the members of the CRTPA in proportion to their weighted votes.

Capital Region
Transportation Planning Agency

Notes to Financial Statements (continued)

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements report information on all the activities of the CRTPA. The effect of interfund activity has been eliminated from these government-wide statements. These statements include the Statement of Net Position and the Statement of 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 expenses that are clearly identifiable with a specific function or segment. Program revenues are revenues that derive directly from the program itself or from parties outside the reporting government's taxpayers or citizenry. Program revenues reduce the net cost of the function to be financed from the government's other revenues. Program revenues in the current year consisted of grant revenues from the Florida Department of Transportation.

Separate fund financial statements are also provided for the individual governmental funds of the CRTPA. The CRTPA has no other types of funds. All funds are treated as major funds and are therefore presented in separate columns in the fund financial statements. The fund financial statements include the Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Basis of accounting refers to when revenues, expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and 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 CRTPA 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.

Capital Region
Transportation Planning Agency

Notes to Financial Statements (continued)

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

When an expense or expenditure is incurred for purposes for which both restricted and unrestricted net assets are available, it is the CRTPA's policy to use restricted resources first, and then unrestricted resources as they are needed.

The CRTPA reports the following major governmental funds:

- The General Fund is the CRTPA's primary operating fund. It accounts for all financial resources of the CRTPA, except those required to be accounted for in the Special Revenue Fund.
- The Special Revenue Fund accounts for federal and state grant revenues which are to be used for particular functions of the CRTPA and are not to be diverted to other uses.

D. ASSETS, LIABILITIES, AND NET POSITION

CASH AND CASH EQUIVALENTS/INVESTMENTS - The CRTPA considers cash on hand and demand deposits with an original maturity of 90 days or less to be cash and cash equivalents.

CAPITAL ASSETS - Capital assets are defined as assets with a cost of \$1,000 or more and an estimated useful life greater than one year.

Capital assets are recorded at historical cost when purchased. Equipment is depreciated using the straight-line method over an estimated useful life of 5 to 10 years. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

COMPENSATED ABSENCES – CRTPA employees have the choice of selecting either the City of Tallahassee's benefit options or those of Leon County. Currently, all staff members have selected to participate in the City of Tallahassee's compensated absences policy. Permanent employees earn vacation and sick leave starting with the first day of employment. Accumulated current and long-term vacation and sick leave amounts are accrued when earned in the government-wide financial statements. A liability for the accumulated vacation and sick leave is reported in the governmental funds only if it is expected to be paid as a result of employee resignation or retirement as of September 30, 2014.

Capital Region
Transportation Planning Agency

Notes to Financial Statements (continued)

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Vacation leave is earned based on years of continuous and creditable service as follows:

Executive		Senior Management		General	
Creditable service hours	Leave earned per hour	Creditable service hours	Leave earned per hour	Creditable service hours	Leave earned per hour
0-2,079	0.057693	0-2,079	0.057693	0-10,400	0.057693
2,080-10,400	0.080770	2,080-10,400	0.069231	10,401-20,800	0.069231
10,401-20,800	0.092308	10,401-20,800	0.080770	20,801-41,600	0.080770
over 20,800	0.103847	20,801-41,600	0.092308	over 41,600	0.092308
		over 41,600	0.103847		

A maximum of 344 hours of vacation leave time may be carried over from one calendar year to the next for executive employees and a maximum of 264 hours for senior management and general employees. An employee who terminates employment with the CRTPA is paid for any unused vacation leave accumulated to the time of termination.

Sick leave is earned at the rate of .023077 hours for each hour of service with no maximum limit on the number of hours which may be accumulated.

An employee who terminates from the CRTPA for any reason other than termination for cause will be paid one-half of the total amount of sick leave (without regard to catastrophic illness leave) accumulated by him or her on the effective date of termination. If the employee dies, the sick leave amount will be paid to the employee's beneficiary or estate. Retiring employees can elect the option of using the accumulated sick leave amount to purchase single coverage health insurance in lieu of receiving payment for such accumulated sick leave.

NET POSITION AND FUND BALANCE - In the government-wide financial statements, net position is unrestricted with the exception of amounts invested in capital assets (net of related debt). For governmental fund financial statements, the Governmental Accounting Standards Board (GASB) issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement defines the different types of fund balances that a governmental entity must use for fund financial reporting purposes.

Capital Region
Transportation Planning Agency

Notes to Financial Statements (continued)

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below:

1. *Nonspendable*, fund balance category includes amounts associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned),
2. *Restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation,
3. *Committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the CRTPA Board (the CRTPA's highest level of decision-making authority),
4. *Assigned* fund balance classification is intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed, and
5. *Unassigned* fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

CRTPA's fund balance is all committed for transportation.

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

An annual budget is adopted on a budgetary basis for the General Fund. The CRTPA members must approve any revision that alters the total expenditures of the operating budget. There is no requirement to legally adopt a budget for the Special Revenue Fund.

Encumbrance accounting is used to reserve that portion of an applicable appropriation for which requisitions, purchase orders, contracts, and other commitments for the expenditures of resources have been issued. Any encumbrances outstanding at year-end are reported as reservations of fund balance, and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

B. COMPLIANCE WITH FINANCE-RELATED LEGAL AND CONTRACTUAL PROVISIONS

The CRTPA had no material violations of finance-related legal and contractual provisions.

Capital Region
Transportation Planning Agency

Notes to Financial Statements (continued)

NOTE III - DETAIL NOTES - ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The CRTPA has adopted the City of Tallahassee's (the City) investment policy and participates in the City's cash and investment pool. Each fund's portion of this pool is reported in "Cash and Cash Equivalents/ Investments." Interest earned by this pool is distributed to each fund monthly based on average daily balances.

DEPOSITS – The CRTPA's deposits are insured by the Federal Depository Insurance Corporation (FDIC) up to \$250,000. Additionally the State of Florida's Public Deposit Act insures the amount in excess of the FDIC coverage. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses, in excess of federal depository insurance and proceeds from the sale of the securities pledged by the defaulting depository, are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

INVESTMENTS – As discussed above, the CRTPA participates in the City's investment pool; therefore, the investment policies used by the CRTPA are the investment policies of the City. The City's policy specifies the investments that are authorized for purchase.

In addition to authorizing investment instruments, the City's policies also identify various portfolio parameters addressing issuer diversification, term to maturity and liquidity, and requirement of "purchase versus delivery" perfection for securities held by a third party on behalf of and in the name of the City.

The City of Tallahassee investment policy is described in more detail in the City's Comprehensive Annual Financial Report. This report may be obtained by writing to Accounting Services Division, 300 South Adams Street, Box A29, Tallahassee, Florida 32301 or by calling 850-891-8520.

Capital Region
Transportation Planning Agency

Notes to Financial Statements (continued)

NOTE III - DETAIL NOTES - ALL FUNDS (CONTINUED)

B. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Depreciable assets:				
Equipment	\$ 27,000	\$ -	\$ 333	\$ 26,667
Total depreciable assets	<u>\$ 27,000</u>	<u>\$ -</u>	<u>\$ 333</u>	<u>\$ 26,667</u>
Less accumulated depreciation for:				
Equipment	\$ (18,004)	\$ (859)	\$ -	\$ (18,863)
Total capital assets, net	<u>\$ 9,004</u>	<u>\$ (859)</u>	<u>\$ (333)</u>	<u>\$ 7,804</u>

There was \$859 of depreciation expense during the year ended September 30, 2014.

C. RELATED PARTY TRANSACTIONS

As written in Section F, paragraph 1 of the CRTPA's by-laws, "Each member government shall pay a proportional share of the operating costs of the CRTPA, over and above the amount annually provided by federal and state sources. Proportional costs are based on population and stipulated in the interlocal agreements forming the CRTPA." As of September 30, 2014 the amount due to the CRTPA members was approximately \$3,000.

Certain general and administrative functions and rental for office space are charged to the CRTPA by the City of Tallahassee. For the year ended September 30, 2014, the amount of these charges was approximately \$61,407. In addition, due to the reimbursement nature of the grants which primarily fund the CRTPA, the City of Tallahassee and Leon County provide up-front funding to the CRTPA; as of September 30, 2014, approximately \$225,000 was due to Leon County.

Capital Region
Transportation Planning Agency

Notes to Financial Statements (continued)

NOTE IV - OTHER INFORMATION

A. RISK MANAGEMENT PROGRAM

The CRTPA is exposed to various risks of loss. The CRTPA participates in the City's Risk Management Program (the Program). This program provides coverage for worker's compensation by self-insuring primary losses up to \$1,000,000. Losses above that amount are insured through an excess policy. General liability, automobile and employment liability are self-insured. General and automobile liability losses are statutorily limited by sovereign immunity of \$100,000 per person and \$200,000 per accident. The Program also provides for Employment Practice Liability such as race, gender, and other discrimination or disparate treatment allegations. Liabilities for losses would be recorded when a loss occurs and the amount can be reasonably estimated. There were no such losses at September 30, 2014. In the past three years, there have been no claims.

B. PENSION PLAN OBLIGATIONS

As indicated previously, employees of the CRTPA have the option of participating in either the City of Tallahassee or the Leon County benefits program. Employees electing to participate in the Leon County program are eligible to participate in the Florida State Retirement System. Employees electing to participate in the City of Tallahassee (the City) program are eligible to participate in the City's Pension Plan. Details concerning each program follow:

FLORIDA STATE RETIREMENT SYSTEM (SYSTEM) – The System is a cost-sharing, multiple-employer, defined benefit plan administered by the State of Florida, Department of Administration, Division of Retirement. The System provides retirement, in-line-of-duty or regular disability and survivor benefits. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The System issues financial statements and required supplementary information for the System, which may be obtained by writing to the Florida Retirement System, 2639 North Monroe Street, Tallahassee, Florida 32399, or by calling 850-488-5706. The annual financial statements and required supplemental information of the System may also be obtained at www.dms.myflorida.com/human_resource_support/retirement/publications/system_information/annual_reports.

Capital Region
Transportation Planning Agency

Notes to Financial Statements (continued)

NOTE IV - OTHER INFORMATION (CONTINUED)

Active employees are required to contribute 3% of their gross compensation to the retirement plan. The CRTPA is required to contribute at an actuarially determined rate. The contributions required for the year ended September 30, 2014, was \$12,000 which is equal to 100% of the required contributions for the year. CRTPA participants in the System are members of the Regular Class with a normal retirement benefit at age 62 or at least 30 years of service; the benefit accumulates at 1.60% times average compensation (5 highest years) times years of creditable service; vesting occurs after 6 years of creditable service. Employer contribution rates effective July 1, 2013 was 6.95%, and July 1, 2014 was 7.37%.

CITY OF TALLAHASSEE PENSION PLAN (PLAN) – The Plan is a cost sharing multiple-employer plan established by Chapter 14 of the City Code of Ordinances. Changes to the Plan can only occur through a change in the law by the City Commission. The Plan is administered by the City of Tallahassee Treasurer-Clerk's Office, under guidance from the Plan's Board of Trustees, which is composed of the members of the City Commission and one City police officer or firefighter. Under the Plan, there is a defined benefit portion and a defined contribution portion.

Defined Benefit Provisions. The Plan's defined benefit provisions are described in Parts A, B, C and D of Article II; Parts A, B and C are closed to new participants while Part D provides coverage to all new employees. All members of the Plan are covered by one of these parts depending upon employment date. The Plan provides retirement, in-line-of-duty or regular disability, survivor benefits and health care supplements.

Defined Contribution Provisions. The Plan's defined contribution provisions are described in Article V. All employees may elect to contribute a portion of their salary to the defined contribution plan, also known as the Matched Annuity Plan (MAP). Employees can contribute up to, but not exceed, the maximum amount allowed by the Internal Revenue Service. The CRTPA contributes 5% to each employee's MAP account. Upon reaching normal retirement age or retiring, a participant shall be paid his contributions, together with accrued earnings. If an employee uses the contributions and accrued earnings to purchase an annuity contract, the Plan will increase the amount of funds (only on the CRTPA's 5%, employee flex matched contribution and employees' contribution up to the 5%) used by the participant by a factor of 50 percent.

Capital Region
Transportation Planning Agency

Notes to Financial Statements (continued)

NOTE IV - OTHER INFORMATION (CONTINUED)

For the defined benefit portion of the Plan, active employees are required to contribute 3.75% of their gross compensation to the Plan. The CRTPA is required to contribute at an actuarially determined rate. For FY2014, the CRTPA contributed 15.19% of payroll to the Plan for defined benefit contributions. This required contribution for the year ended September 30, 2014, was \$38,000, which is equal to 100% of the required contributions for the year. Employer contributions required to support the benefits under Article V (MAP Program) are actuarially determined. Contributions are based on rates of covered payroll of 7.14% (5% employer contribution and 2.14% actuarial contribution) for the CRTPA. The CRTPA contributed \$18,000 for the defined contribution portion of the plan on behalf of its employees.

The Defined Benefit and Defined Contribution provisions are combined and reported as one plan in the City of Tallahassee's financial statements. The City does not issue a stand-alone financial report on the Plan. The City's financial statements may be obtained by writing to the Accounting Services Division, 300 South Adams Street, Tallahassee, Florida 32301. The annual financial statements and required supplemental information of the System may also be obtained at www.talgov.com/dma/dma-accounting-annualrpts.aspx.

C. OTHER POST- EMPLOYMENT BENEFITS (OPEB)

As previously indicated, employees of the CRTPA have the option of participating in either the City of Tallahassee or the Leon County benefits program. Employees electing to participate in the Leon County program are eligible to receive other post-employment benefits based upon the Leon County Plan. Employees electing to participate in the City of Tallahassee program are eligible to participate in the City of Tallahassee's Plan.

The CRTPA, through Leon County or the City of Tallahassee, as applicable, provides health insurance and prescription drug coverage to certain active and retired employees. Pursuant to Section 112.0801, Florida Statutes, the CRTPA is required to permit participation in the health insurance program by retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. In addition, those employees electing the City of Tallahassee's benefits program also receive a partial subsidy to offset the cost of such health insurance. As of September 30, 2014, there were no retired employees of the CRTPA receiving benefits under the Leon County or the City of Tallahassee OPEB Plan.

The contribution required to support the OPEB Plan is calculated based on the annual required contribution (ARC), an amount determined in accordance with GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year, calculated using the entry-age actuarial cost method, and to amortize the unfunded actuarial liability over a period not to exceed thirty years.

Capital Region
Transportation Planning Agency

Notes to Financial Statements (continued)

NOTE IV - OTHER INFORMATION (CONTINUED)

The following table shows the components of the CRTPA's share of the annual OPEB cost for the year, the amount actually contributed, and the change in the Agency's net OPEB obligation:

Annual required contribution	\$ 24,217
Interest on net OPEB obligation	1,011
Adjustment to annual required contribution	<u>(694)</u>
Annual OPEB cost	24,534
Contribution made	<u>(10,328)</u>
Increase in net OPEB obligation	14,206
Net OPEB obligation - October 1	-
Net OPEB obligation - September 30	<u>\$ 14,206</u>

The CRTPA's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation as of September 30 follows:

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2012	\$ 5,000	100%	\$ -
2013	\$ 5,000	100%	\$ -
2014	\$ 10,328	42.2%	\$ 14,206

The City of Tallahassee Other Post Employment Benefit Plan is described in more detail in the City's Comprehensive Annual Financial Report. That report may be obtained by writing to Accounting Services Division 300 South Adams Street, Box A-29, Tallahassee, Florida 32301 or by calling 850-891-8048.

D. NON-CURRENT LIABILITIES

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Compensated absences	\$ 61,850	\$ -	\$ 3,225	\$ 58,625	\$ 28,455
OPEB liability	\$ -	\$ 14,206	\$ -	\$ 14,206	\$ -
Total governmental debt	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

E. EVALUATION OF SUBSEQUENT EVENTS

The CRTPA has evaluated subsequent events through NEED DATE, the date the financial statements were available to be issued.

**REQUIRED
SUPPLEMENTARY INFORMATION**

THIS SUBSECTION CONTAINS THE FOLLOWING:

Budgetary Comparison Schedule

Capital Region
Transportation Planning Agency

Required Supplementary Information

Budgetary Comparison Schedule
General Fund

Year ended September 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Budgetary fund balance - October 1	\$ -	\$ -	\$ -	\$ -
Resources				
Intergovernmental revenues	911,974	911,974	719,062	(192,912)
Interest earned	-	-	(1,669)	(1,669)
Miscellaneous	-	-	(11,150)	(11,150)
Amounts available for appropriations	911,974	911,974	706,243	(205,731)
Charges to appropriations				
Transportation	775,269	775,269	733,267	42,002
Transfer to other funds	-	-	-	-
Total expenditures	775,269	775,269	733,267	42,002
Budgetary fund balance - September 30	\$ 136,705	\$ 136,705	\$ (27,024)	\$ (163,729)

Note: There is no requirement to legally adopt a budget for the Special Revenue Fund

See independent auditors' report.

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*

Members of the Board
Capital Region Transportation Planning Agency
Tallahassee, Florida

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 of the Capital Region Transportation Planning Agency (the Agency), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated NEED DATE.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as Finding 2014-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as Finding 2014-001.

Capital Regional Transportation Planning Agency's Response to Finding

The Agency's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The Agency's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

We noted certain other matters pursuant to the *Rules of the Auditor General*, Chapter 10.550 that we have reported to the management of the Agency in a separate letter dated NEED DATE.

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 Agency'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 purpose.

Thomas Howell Ferguson P.A.

Law, Redd, Crona & Munroe, P.A.

Tallahassee, Florida
NEED DATE

Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133

Members of the Board
Capital Region Transportation Planning Agency
Tallahassee, Florida

Report on Compliance for Each Major Federal Program

We have audited the Capital Region Transportation Planning Agency's (the Agency) 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 Agency's major federal programs for the year ended September 30, 2014. The Agency'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 programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Agency'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 Agency'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 Agency's compliance.

Opinion on Each Major Federal Program

In our opinion, the Agency complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2014.

Report on Internal Control Over Compliance

Management of the Agency is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Agency's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 Agency'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. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as Finding 2014-001 to be a material weakness.

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.

The Agency'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 Agency's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Page Three

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.

Thomas Howell Ferguson P.A.

Law, Redd, Crona & Munroe, P.A.

Tallahassee, Florida
NEED DATE

DRAFT

**Capital Region Transportation Planning Agency
Schedule of Expenditure of Federal Awards
For the Year Ended September 30, 2014**

Federal / State Agency Pass-through Entity <u>Federal Program / State Project</u>	CFDA or CSFA <u>Number</u>	Grant Contract <u>Number</u>	<u>Expenditures</u>
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FEDERAL AWARDS

Federal Department of Transportation

Pass through Florida Department of Transportation

Highway Planning and Construction	20.205	FAP-0220 (048)M/APZ14	\$ 436,030
Highway Planning and Construction	20.205	FAP-0220 (049)M/ARJ23	121,290
Highway Planning and Construction	20.205	4162051-1-14-90	95,301
		42254431201/	
Highway Planning and Construction	20.205	42254421401/AR112	270,904
Highway Planning and Construction	20.205	430152-1-18-01/AQN46	53,607
Highway Planning and Construction	20.205	430153-1-28-01/AQO56	119,431
Highway Planning and Construction	20.205	430146-1-28-01/AQO57	350,943
State and Community Highway Safety	20.600	ARE44	47,231
Metropolitan Transportation Planning	20.505	421716214-23/AQD-64	72,816

Total Expenditures of Federal Awards

\$ 1,567,553

NOTES:

- (1) The Schedule of Expenditures of Federal Awards was prepared on the accrual basis of accounting.
- (2) There were no transfers to subrecipients during the fiscal year.
- (3) No federal assistance was expended in noncash assistance.

See independent auditors' report.

**Capital Region Transportation Planning Agency
Schedule of Findings and Questioned Costs
For the Year ended September 30, 2014**

Section I -- Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes

Significant deficiency(ies) identified not considered to be material weaknesses? No

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? Yes

Significant deficiency(ies) identified not considered to be material weaknesses? No

Type of auditors' report issued on compliance for major programs? Unmodified

Any audit findings disclosed that are required to be reported in accordance with
Circular A-133, Section .510(a)? Yes

Identification of major program:	<u>CFDA Number</u>	<u>Name of Federal Program</u>
	20.205	Federal Department of Transportation Pass-through Florida Department of Transportation Highway Planning and Construction

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? No

Section II -- Financial Statement Findings

See Finding 2014-001.

Section III -- Federal Award Findings and Questioned Costs

See Finding 2014-001.

See independent auditors' report.

**Capital Region Transportation Planning Agency
Schedule of Findings and Questioned Costs-Federal Awards
For the Year Ended September 30, 2014**

Findings and Questioned Costs – Major Federal Programs

Section III – Federal Awards Findings and Questioned Costs

We noted the following matters involving noncompliance that are required to be reported in accordance with OMB Circular A-133.

MATERIAL WEAKNESS

2014-001 – Schedule of Expenditures of Federal Awards

Criteria: Capital Region Transportation Planning Agency administers programs funded by federal awards and state financial assistance. For the year ended September 30, 2014, the Agency expended \$1.7 million of federal awards and state financial assistance for these programs. As a condition of receiving federal and state grant funding, the Agency must comply with federal and state laws and regulations, provisions of the grant agreements, and accounting and reporting requirements associated with the grants.

Condition: During audit procedures in the area of federal and state grants, several material errors were noted in accounting for federal and state grant expenditures which required correcting adjustments to programs and amounts reported in the Agency's Schedule of Expenditures of Federal Awards (the Schedule).

Effect: The risk of noncompliance with the laws, regulations, and accounting and compliance requirements associated with federal awards and state financial assistance programs is increased by the lack of a central grants administration review process. For the year ended September 30, 2014, adjustments in the amount of \$211,598 were required to correct the amount of federal and state expenditures reported on the Schedule.

Cause: The Agency's Accounting Services Division must work in tandem with program managers at the Agency to ensure that amounts are properly reported and accrued in preparation of the Schedule.

Recommendations: The City of Tallahassee should consider establishing a position of central responsibility for federal and state grant administration.

Views of responsible officials and planned corrective actions:

**Capital Region Transportation Planning Agency
Summary Schedule of Prior Audit Findings
For the Year Ended September 30, 2014**

Federal Program

There were no prior Federal Program audit findings.

DRAFT

Management Letter

Board of Directors
Capital Region Transportation Planning Agency

We have audited the financial statements of the Capital Region Transportation Planning Agency (the Agency), as of and for the fiscal year ended September 30, 2014 and have issued our report thereon dated **NEED DATE**.

We conducted our audit 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, *Rules of the Auditor General*. We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and on Internal Control over Compliance in Accordance with OMB Circular A-133 and Chapter 10.550 *Rules of the Auditor General*, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedules, which are dated **NEED DATE**, should be considered in conjunction with this management letter.

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

Rules of the Auditor General

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. No corrective actions needed.

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires our audit to include a review of the provisions of Section 218.415, *Florida Statutes*, regarding the investment of public funds. In connection with our audit, we determined that the Agency complied with Section 218.415, *Florida Statutes*.

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we noted the following recommendations:

14-01 Financial Reporting

The procedures used to prepare the financial statements and supporting documents could be improved. Reconciliations of amounts due to and due from participating governments should be performed on a monthly basis and reviewed by personnel independent of the review process. Additionally, training should be provided to accounting personnel charged with the preparation of the financial statements and related disclosures. Generally accepted accounting principles disclosure checklists should be used to determine that required disclosures are included and that financial statements formats are appropriate. Completed financial statements should be reviewed prior to submission to the auditors.

Management Response:

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)5., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Agency was established by an inter-local agreement.

Section 10.554(1)(i)6.a., *Rules of the Auditor General*, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), *Florida Statutes*, and identification of the specific condition(s) met. In connection with our audit, we determined that the Agency did not meet any of the conditions described in Section 218.503(1), *Florida Statutes*.

Section 10.554(1)(i)6.b., *Rules of the Auditor General*, requires that we determine whether the annual financial report for the Agency for the fiscal year ended September 30, 2013, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), *Florida Statutes*, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2013. In connection with our audit, we determined that these two reports were in agreement.

Pursuant to Sections 10.554(1)(i)6.c and 10.556(7), *Rules of the Auditor General*, we applied financial condition assessment procedures. It is management's responsibility to monitor the Agency's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the Board of Directors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Thomas Howell Ferguson P.A.

Law, Redd, Crona & Munroe, P.A.

Tallahassee, Florida

NEED DATE

DRAFT