

**CAPITAL REGION TRANSPORTATION
PLANNING AGENCY**

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended
September 30, 2011**



PREPARED BY:

**Department of Management and Administration
Accounting Services Division
City of Tallahassee, Florida**

**CAPITAL REGION
TRANSPORTATION PLANNING AGENCY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2011**

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**CAPITAL REGION
TRANSPORTATION PLANNING AGENCY**

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INTRODUCTORY SECTION

Letter of Transmittal

Organizational Chart

List of CRTPA Members

List of Accounting Services Division Staff



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March 14, 2012

To the Chair and Members of the Board of the
Capital Region Transportation Planning Agency

The Comprehensive Annual Financial Report of the Capital Region Transportation Planning Agency (CRTPA) for the fiscal year ended September 30, 2011, is hereby submitted pursuant to Florida Statutes, Chapter 11, Section 45, and Chapters 10.550 and 10.600 of the Rules of the Auditor General of the State of Florida.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The certified public accounting firm of Carr, Riggs, & Ingram, LLC has issued an unqualified opinion on the CRTPA's financial statements for the year ended September 30, 2011. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD & A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD & A and should be read in conjunction with it.

PROFILE OF THE AGENCY

The CRTPA was created pursuant to Section 163.01(7) and Section 339.175, Florida Statutes, by the Florida Department of Transportation; the Counties of Leon, Gadsden, and Wakulla; the Cities of Midway, Quincy, and Tallahassee; the Town of Havana; and the Leon County School Board. The CRTPA was created in order for the involved governments to cooperatively participate in the development of transportation plans and programs. The governing board consists of voting representatives from the Counties of Leon, Gadsden, and Wakulla; the Cities of Midway, Quincy, and Tallahassee; the Town of Havana; and the Leon County School Board, and three nonvoting representatives from the Florida Department of Transportation, the Florida Highway Administration, and StarMetro (City of Tallahassee Transit System). The CRTPA is required to adopt a final budget prior to the close of the fiscal year. This annual budget serves as the foundation for the CRTPA's financial planning and control.

FACTORS AFFECTING FINANCIAL CONDITION

The economy of the three-county area is strongly influenced by governmental and educational activities. The presence of the State Capital and two major universities help to shape the area's population as relatively young, well educated, and affluent.

The level of governmental employment has a stabilizing effect on the economy and helps to minimize unemployment. As of September 2011, unemployment was 8.6% in the three-county area as compared to the State's unemployment rate of 10.6%.

Population growth trends for the three-county area are presented in the following table:


POPULATION GROWTH

<u>Year</u>	<u>Population</u>
1950	93,905
1960	121,471
1970	148,539
1980	201,216
1990	247,811
2000	307,402
2010	352,652
2011 estimated	355,342
2020 projected	383,466
2030 projected	414,344

ACKNOWLEDGMENTS

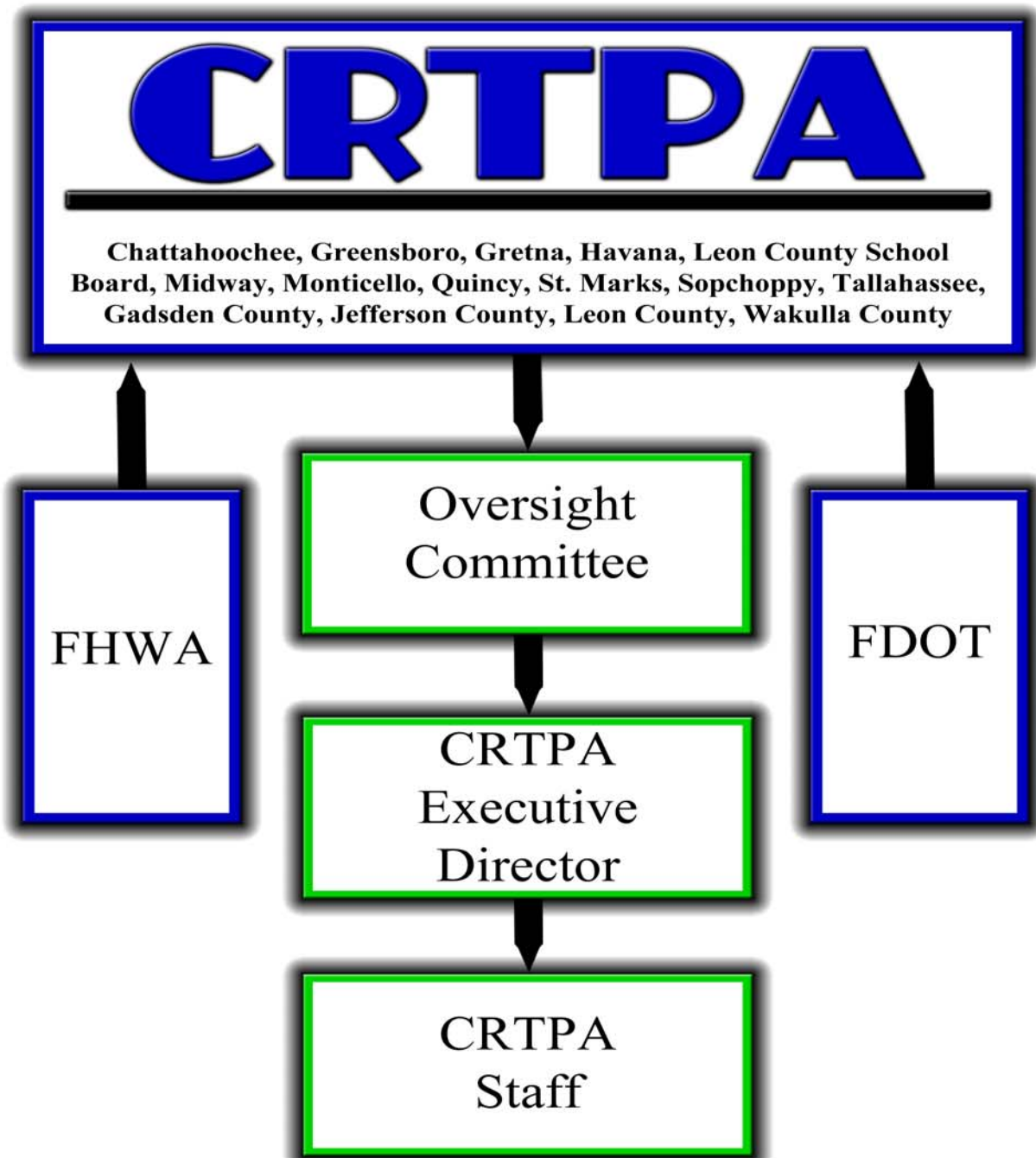
The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the staff of the City of Tallahassee's Accounting Services Division, who compiled this report. We would also like to thank the members of the CRTPA for their interest and support in planning and conducting the financial operations of the CRTPA in a responsible and progressive manner.

Respectfully submitted,



Harry D. Reed III, AICP
Executive Director

C RTPA ORGANIZATIONAL CHART



CAPITAL REGION TRANSPORTATION PLANNING AGENCY

LISTING OF MEMBER GOVERNMENTS

Douglas Corley, Chair

Jane Sauls, Vice-Chair

Gadsden County

Leon County

Wakulla County

Town of Havana

City of Midway

City of Quincy

City of Tallahassee

Leon County School Board

Executive Director

Harry Reed, A.I.C.P.

Planners

Lynn Barr, A.I.C.P.

Greg Burke, A.I.C.P.

Jack Kostrzewa

Colleen Roland, A.I.C.P.

Administrative Assistant

Yulonda Mitchell

The Comprehensive Annual Financial Report for the Capital Region Transportation Planning Agency was produced by the combined efforts of the staff of the Accounting Services Division of the City of Tallahassee Department of Management and Administration. The following staff had primary responsibility for preparing and assuring the accuracy of this report:

**Department of Management and Administration
Raoul A. Lavin, Director**

**Accounting Services Division
Richard G. Feldman, CPA, Manager**

**Financial and Systems Analyst
Patrick Twyman**

Patsy Capps, CPA *	Tracy Forrester, CPA	Ben Halvorsen, CPA*
Roy Jeter, CPA	Latrenda Johnson	Kereen Jones
Vernessa McMillion	Lajja Patel	Angela Roberts
Reginald Rodney	Mayank Shah	Rita Stevens, CPA

**Financial and Systems Analyst (Fixed Assets)
Rebecca Scarano**

***Tallahassee Regional Airport Staff**

**Cover photo and design by Jack Kostrzewa
Manager - Special Project Planning**



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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



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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities and each major fund of the Capital Region Transportation Planning Agency (the Agency), as of and for the year ended September 30, 2011, which collectively comprise the Agency's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Agency's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the Agency, as of September 30, 2011, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2012 on our consideration of the Agency'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as listed in the table of contents, 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The introductory section and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. The schedule of expenditures of federal awards and state financial assistance is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express opinion or provide any assurance on it.

Carr, Riggs & Ingram, LLC

Tallahassee, Florida
March 14, 2012

**MANAGEMENT'S
DISCUSSION & ANALYSIS**

CAPITAL REGION TRANSPORTATION PLANNING AGENCY

Management's Discussion and Analysis

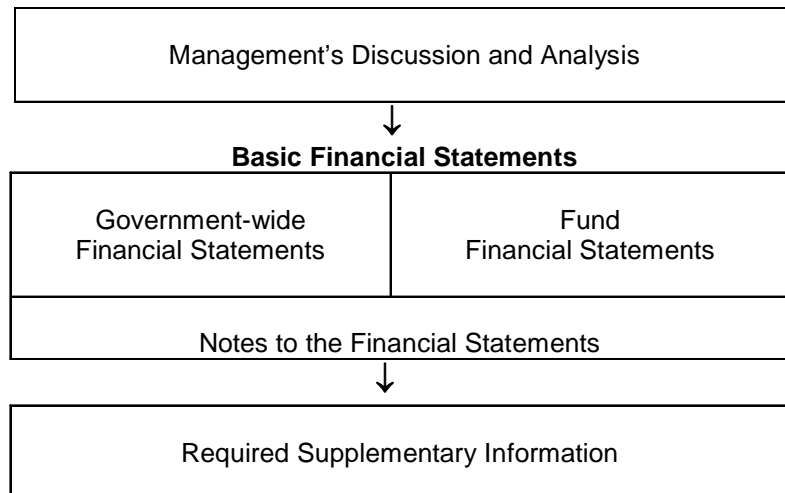
This section of CRTPA's annual financial report is designed to provide the reader a better understanding of the financial activity for the fiscal year that ended September 30, 2011. It should be read in conjunction with the Transmittal Letter at the front of this report and the financial statements, which follow this section. Notes mentioned below are Notes to the Financial Statements, which follow the statements.

FINANCIAL HIGHLIGHTS

- Total assets of \$1,269,000 increased by \$555,000 and total liabilities of \$1,065,000 increased by \$433,000 as compared to the prior year due primarily to an overall increase in transportation and planning activity in 2011 as compared to 2010 which led to more reimbursable costs under grant contracts.
- Net assets increased by \$122,000 during the fiscal year.
- Revenues of \$1,872,000, primarily operating grants, were received during the fiscal year, as compared to \$1,433,000 in the prior year. Expenses of \$1,750,000, primarily personnel expenses and contractual services, were incurred during the fiscal year, as compared to \$1,565,000 in the prior year.

An Overview of the Financial Statements

Required Components of CRTPA's Annual Financial Report



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 Assets combines all of CRTPA's current financial resources with capital assets and long-term obligations. Net assets, the difference between CRTPA's assets and liabilities, are 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 Assets compared to the prior year. CRTPA's net assets increased by \$122,000 in fiscal year 2011. Total assets increased by \$555,000 and total liabilities increased by \$433,000.

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

	2011	2010	\$ Change
Assets			
Current assets	\$ 1,259	\$ 709	\$ 550
Noncurrent assets	10	5	5
Total Assets	<u>1,269</u>	<u>714</u>	<u>555</u>
Liabilities			
Current liabilities	1,044	613	431
Noncurrent liabilities	21	19	2
Total Liabilities	<u>1,065</u>	<u>632</u>	<u>433</u>
Net assets			
Invested in Capital Assets	10	5	5
Unrestricted	194	77	117
Total Net Assets	<u>\$ 204</u>	<u>\$ 82</u>	<u>\$ 122</u>

CHANGES IN NET ASSETS

In 2011, CRTPA's total revenues were \$1,872,000 and expenses were \$1,750,000, resulting in a increase in net assets of \$122,000. 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 assets.

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

	2011	2010	\$ Change
Program Revenues			
Operating Grants and Contributions	\$ 1,872	\$ 1,433	\$ 439
Total Revenues	<u>1,872</u>	<u>1,433</u>	<u>439</u>
Expenses			
Transportation	1,749	1,563	186
Depreciation	1	2	(1)
Total Expenses	<u>1,750</u>	<u>1,565</u>	<u>185</u>
Increase (Decrease) in Net Assets	<u>\$ 122</u>	<u>\$ (132)</u>	<u>\$ 254</u>

FUND FINANCIAL STATEMENTS

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)**

Fund	Fund Balances 9/30/2010	Sources	Uses	Sources Over(Under) Uses	Fund Balances 9/30/2011
General	\$ 23	\$ 720	\$ 716	\$ 4	\$ 27
Special Revenue	96	1,145	1,029	116	212
Total	<u>\$ 119</u>	<u>\$ 1,865</u>	<u>\$ 1,745</u>	<u>\$ 120</u>	<u>\$ 239</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 three-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 2012 BUDGET

CRTPA’s General Fund Budget for fiscal year 2012 totaling \$742,842 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 850-891-8520.



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BASIC FINANCIAL STATEMENTS

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

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

CAPITAL REGION TRANSPORTATION PLANNING AGENCY
STATEMENT OF NET ASSETS
September 30, 2011
(in thousands)

ASSETS

	Governmental Activities
Current Assets	
Cash and Cash Equivalents/Investments.....	\$ 28
Due from Other Governments.....	1,231
Total Current Assets.....	1,259
Noncurrent Assets	
Capital Assets, Net of Accumulated Depreciation.....	10
Total Noncurrent Assets.....	10
Total Assets.....	\$ 1,269

LIABILITIES AND NET ASSETS

LIABILITIES

Current Liabilities	
Accounts Payable.....	\$ 165
Salaries Payable.....	4
Due to Other Governments.....	851
Compensated Absences.....	24
Total Current Liabilities.....	1,044
Noncurrent Liabilities	
Compensated Absences.....	21
Total Noncurrent Liabilites.....	21
Total Liabilities.....	1,065
NET ASSETS	
Invested in Capital Assets.....	10
Unrestricted.....	194
Total Net Assets.....	204
Total Liabilities and Net Assets.....	\$ 1,269

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

CAPITAL REGION TRANSPORTATION PLANNING AGENCY
STATEMENT OF ACTIVITIES
For the year ended September 30, 2011
(in thousands)

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses)</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Revenue and Changes in Net Assets</u>
					<u>Primary Government</u>
					<u>Governmental Activities</u>
Primary government:					
Transportation.....	\$ 1,749	\$ --	\$ 1,865	\$ --	116
Depreciation.....	1	--	--	--	(1)
Total Primary Government.....	<u>\$ 1,750</u>	<u>\$ --</u>	<u>\$ 1,865</u>	<u>\$ --</u>	<u>115</u>
		General Revenues:			
					--
					7
					122
					82
					<u>\$ 204</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, 2011
(in thousands)

ASSETS	<u>General</u>	<u>Special Revenue</u>	<u>Total Governmental Funds</u>
Cash and Cash Equivalents/Investments.....	\$ 28	\$ --	\$ 28
Due from Other Governments.....	289	942	1,231
Total Assets.....	<u>\$ 317</u>	<u>\$ 942</u>	<u>\$ 1,259</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable.....	\$ 2	\$ 163	\$ 165
Salaries Payable.....	4	--	4
Due to Other Governments.....	284	567	851
Total Liabilities.....	<u>290</u>	<u>730</u>	<u>1,020</u>
Fund Balances			
Restricted for Transportation.....	--	156	156
Committed for Transportaion.....	27	--	27
Assigned for Transportation.....	--	56	56
Total Fund Balances.....	<u>27</u>	<u>212</u>	<u>239</u>
Total Liabilities and Fund Balances.....	<u>\$ 317</u>	<u>\$ 942</u>	<u>\$ 1,259</u>

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

**CAPITAL REGION TRANSPORTATION PLANNING AGENCY
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
For the year ended September 30, 2011
(in thousands)**

Total Fund Balances per the Governmental Fund Financial Statements	\$	239
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Compensated absences payable is not due and payable in the current period and therefore is not reported in the funds.		(45)
Capital Assets used in governmental activities are not current financial resources and therefore not reported in the funds.		10
Total Net Assets per the Government-wide Statement of Net Assets	\$	<u>204</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 BALANCES
 Governmental Funds
 For the year ended September 30, 2011
 (in thousands)**

	General	Special Revenue	Total Governmental Funds
Revenues by Source:			
Federal.....	\$ 787	--	\$ 787
State.....	--	1,025	1,025
Local.....	--	120	120
CRTPA Members.....	(67)	--	(67)
Miscellaneous.....	--	--	--
Interest	--	--	--
Net Increase/Decrease in the Fair Value of Investments.....	--	--	--
Total Revenues.....	<u>720</u>	<u>1,145</u>	<u>1,865</u>
Expenditures by Major Accounts:			
Current:			
Personnel Services.....	541	--	541
Operating Expenses.....	123	1,029	1,152
Allocated Accounts.....	52	--	52
Total Expenditures.....	<u>716</u>	<u>1,029</u>	<u>1,745</u>
Excess of Revenues Over (Under) Expenditures.....	4	116	120
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses.....	4	116	120
Fund Balances - October 1.....	23	96	119
Fund Balances - September 30.....	<u>\$ 27</u>	<u>\$ 212</u>	<u>\$ 239</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
For the year ended September 30, 2011
(in thousands)**

Net changes in Fund Balance per the Governmental Fund Financial Statements 120

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

The net change is 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. (3)

Government Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expenses. This is the amount by which capital outlays exceeded depreciation in the current period. 5

Change in Net Assets per the Government-wide Statement of Activities 122

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



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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, 2011

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 and Wakulla; the Cities of Midway, Quincy and Tallahassee; the Town of 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 and Wakulla; the Cities of Midway, Quincy and Tallahassee; the Town of 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 next step is to develop the applicable interlocal agreements with member governments which is anticipated to occur in 2012.

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

September 30, 2011

NOTE I (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 Assets 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 and the Florida Commission for the Transportation Disadvantaged.

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, as under accrual accounting.

CAPITAL REGION TRANSPORTATION PLANNING AGENCY

NOTES TO FINANCIAL STATEMENTS

September 30, 2011

NOTE I (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 ASSETS

1. **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.
2. **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.

3. **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 pay amounts are accrued when the liability is incurred.

CAPITAL REGION TRANSPORTATION PLANNING AGENCY

NOTES TO FINANCIAL STATEMENTS

September 30, 2011

NOTE I (CONTINUED)

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

<u>Executive</u>		<u>Senior Management</u>		<u>General</u>	
<u>Creditable Service Hours</u>	<u>Leave earned per hour</u>	<u>Creditable Service Hours</u>	<u>Leave earned per hour</u>	<u>Creditable Service Hours</u>	<u>Leave earned per hour</u>
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.

6. NET ASSETS AND FUND BALANCE - In the government-wide financial statements, net assets represent amounts invested in capital assets (net of related debt), amounts restricted for debt service payments, and amounts restricted for capital projects as required by enabling legislation. 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

September 30, 2011

NOTE I (CONTINUED)

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

1. *Nonspendable*, such as fund balance 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 Agency Board (the Agency'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.

The Agency was created through an interlocal agreement authorized by Section 163.01(7) Florida Statutes and all money collected by the Agency is restricted in its use to funding the projects agreed to in the interlocal agreement, therefore, all fund balances of the Agency are classified as restricted.

CAPITAL REGION TRANSPORTATION PLANNING AGENCY

NOTES TO FINANCIAL STATEMENTS

September 30, 2011

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 reappropriated 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

September 30, 2011

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.

1. 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.

2. 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.

CAPITAL REGION TRANSPORTATION PLANNING AGENCY

NOTES TO FINANCIAL STATEMENTS

September 30, 2011

NOTE III (CONTINUED)

B. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2011 was as follows (in thousands):

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Depreciable Assets:				
Equipment	\$ 19	\$ --	\$ --	\$ 19
Total Depreciable Assets	<u>19</u>	<u>--</u>	<u>--</u>	<u>19</u>
Less Accumulated Depreciation for:				
Equipment	(14)	(1)	--	(15)
Total Capital Assets, net	<u>\$ 5</u>	<u>(1)</u>	<u>\$ --</u>	<u>\$ 4</u>

Depreciation expense of \$1,081 was charged to functions/programs of the CRTPA during the year ended September 30, 2011.

C. RELATED PARTY TRANSACTIONS

1. 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, 2011 the amount due to the CRTPA members was approximately \$66,000.

2. 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, 2011, the amount of these charges was approximately \$64,000. 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, 2011, \$246,000 was due to Leon County.

CAPITAL REGION TRANSPORTATION PLANNING AGENCY

NOTES TO FINANCIAL STATEMENTS

September 30, 2011

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, 2011. 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, disability or death benefits to retirees or their designated beneficiaries. 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 System is employee non-contributory. The CRTPA is required to contribute at an actuarially determined rate. The contributions required for the years ended September 30, 2011, 2010, and 2009 were \$16,000, \$16,000, and \$15,000, respectively, which is equal to 100% of the required contributions for each 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, 2010 was 10.77%, and July 1, 2011 was 7.91%.

CAPITAL REGION TRANSPORTATION PLANNING AGENCY

NOTES TO FINANCIAL STATEMENTS

September 30, 2011

NOTE IV (CONTINUED)

CITY OF TALLAHASSEE PENSION PLAN (PLAN) – The Plan is a single-employer plan established by Chapter 14 of the City Code of Ordinances and is administered by the City. Under the Plan, the City provides a single-employer defined benefit provision covering City general and CRTPA employees (Article II), police officers (Article III) and firefighters (Article IV), and a defined contribution provision (Article V – Matched Annuity Plan (MAP) covering City and CRTPA 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 provisions of the Plan are “qualified”. These parts provide detail descriptions of the various defined benefit provisions. These provisions include the type of employees covered, benefit provisions, vesting provisions, and employee eligibility requirements for normal or early retirement.

The contributions required to support the benefits under Articles II, III, and IV, other than pre-retirement death benefits, are determined based upon a level funding approach and consist of a normal contribution and an accrued liability contribution. The normal contribution is determined using the entry age actuarial cost method. Under this method, a calculation is made to determine the uniform and constant percentage rate of contribution, which if applied to the compensation of the average new member during the entire period of their anticipated covered service, would be required to meet the cost of all benefits payable on their behalf. The unfunded actuarial accrued liability contribution is funded when necessary using the entry age actuarial cost method with an amortization period of 12 years.

CRTPA contributions required for the years ended September 30, 2011, 2010, and 2009 were \$20,000, \$20,000, and \$19,000, respectively, which is equal to 100% of the required contributions for each year. The contribution amounts were actuarially determined as described above and were based upon an actuarial valuation prepared as of September 30, 2009. The significant actuarial assumptions used to compute the actuarially determine contribution requirements include (a) an interest rate of 7.75% per annum compounded annually, (b) projected salary increases for inflation and merit of 5% per annum compounded annually, (c) an inflation rate of 3%, and (d) post retirement benefit increases including a 3% cost-of-living supplement and a health care supplement.

DEFINED CONTRIBUTION PROVISION – Employees may elect to contribute a portion of their salary to 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 the contributions paid into his/her account, 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 employee’s contribution up to 5%) used by the participant by a factor of 50%. Employee contributions (including the CRTPA’s 5% contribution to each employee’s MAP account)

CAPITAL REGION TRANSPORTATION PLANNING AGENCY

NOTES TO FINANCIAL STATEMENTS

September 30, 2011

NOTE IV (CONTINUED)

plus accrued earnings thereon are 100% refundable if the employee elects to terminate his/her vesting rights or is not vested at the date of employment termination. Employer contributions required to support these benefits are determined following a level funding aggregate approach. The present value of prospective employer contributions is determined by subtracting the present value of prospective member contributions and present assets from the total present value of benefits expected to be paid from the Plan. Contributions during the year ended September 30, 2011, totaling \$30,000 (\$16,000 employer contributions representing 7.55% of covered payroll and \$14,000 voluntary employee contributions representing 6.66% of covered payroll) were made in accordance with contribution requirements determined through an actuarial valuation prepared as of September 30, 2009. Total covered payroll for fiscal year ended September 30, 2011 was \$215,000. Contributions are based on rates of covered payroll of 7.55% (5% employer contribution and 2.55% actuarial contribution) for the Agency.

The City of Tallahassee Pension Plan is described in more detail in the City's Comprehensive Annual 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.

C. OTHER POST EMPLOYMENT BENEFITS (OPEB)

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 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 employee's 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, 2011, 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

September 30, 2011

NOTE IV (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.....	\$ 5,000
Contributions made.....	<u>(5,000)</u>
Change in net OPEB obligation.....	--
Net OPEB obligation - October 1.....	--
Net OPEB obligation - September 30	<u>\$ --</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>
2008	\$ 20,000	40.75%	\$ 5,000
2009	\$ 20,000	40.75%	\$ 5,000
2010	\$ 12,000	100.00%	\$ --
2011	\$ 5,000	100.00%	\$ --

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 850-891-8520.

**REQUIRED
SUPPLEMENTARY INFORMATION**

THIS SUBSECTION CONTAINS THE FOLLOWING:

Budgetary Comparison Schedule

CAPITAL REGION TRANSPORTATION PLANNING AGENCY
REQUIRED SUPPLEMENTARY INFORMATION
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended September 30, 2011
(in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
			<u>(Budgetary Basis)</u>	<u>Positive</u>
				<u>(Negative)</u>
Budgetary Fund Balance - October 1	\$ 1	\$ 1	\$ 1	\$ --
Resources				
Intergovernmental Revenues	851	851	721	(130)
Interest Earned	--	--	(7)	(7)
Amounts Available for Appropriations	<u>852</u>	<u>852</u>	<u>715</u>	<u>(137)</u>
Charges to Appropriations				
Transportation	731	718	713	5
Transfer to Other Funds	121	134	--	134
Total Charges to Appropriations	<u>852</u>	<u>852</u>	<u>713</u>	<u>139</u>
Budgetary Fund Balance, September 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 2</u>	<u>\$ 2</u>

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

CAPITAL REGION TRANSPORTATION PLANNING AGENCY
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
Budgetary Comparison Schedule
General Fund
For the Year Ended September 30, 2011
(in thousands)

**Note A - Explanation of Differences between Budgetary Inflows and Outflows
and GAAP Revenues/Transfers In and Expenditures/Transfers Out**

Inflows of Resources

Actual amounts (budgetary basis) available for appropriation from the budgetary comparison schedule. \$ 715

The increase in the fair market value of investments is an increase in revenue for financial reporting purposes but is not considered a budgetary inflow. --

Miscellaneous items treated as revenues for financial reporting purposes but not as budgetary inflows. 5

Total Revenues/Transfers In as reported on the statement of revenues, expenditures, and changes in fund balances. \$ 720

Outflows of Resources

Actual amounts (budgetary basis) total charges to appropriations from the budgetary comparison schedule. \$ 713

Miscellaneous items treated as budgetary outflows but not as expenditures for financial reporting purposes. 2

Miscellaneous items treated as expenditures for financial reporting purposes but not as budgetary outflows. 1

Total Expenditures/Transfers Out as reported on the statement of revenues, expenditures, and changes in fund balances. \$ 716

STATISTICAL SECTION

Net Assets

Changes in Net Assets

Fund Balances

Changes in Fund Balances

Demographic Statistics

Labor Force

Work Force

Population of Area

CAPITAL REGION TRANSPORTATION PLANNING AGENCY
NET ASSETS
Last Two Fiscal Years
(accrual basis of accounting)
(in thousands)

	<u>2011</u>	<u>2010</u>
Governmental Activities		
Invested in Capital Assets	\$ 10	\$ 5
Unrestricted	194	77
Total Governmental Activities Net Assets	<u>\$ 204</u>	<u>\$ 82</u>

CAPITAL REGION TRANSPORTATION PLANNING AGENCY
CHANGES IN NET ASSETS
Last Two Fiscal years
(accrual basis of accounting)
(in thousands)

	<u>2011</u>	<u>2010</u>
Expenses		
Transportation	\$ 1,749	\$ 1,563
Depreciation	1	2
Total Expenses	<u>1,750</u>	<u>1,565</u>
Revenues		
Program Revenues:		
Net Increase/(Decrease)		
in Fair Value of Investments	--	--
Interest	--	3
Miscellaneous	7	2
Operating Grants and Contributions	1,865	1,428
Total Revenues	<u>1,872</u>	<u>1,433</u>
Changes in Net Assets	<u>\$ 122</u>	<u>\$ (132)</u>

CAPITAL REGION TRANSPORTATION PLANNING AGENCY
FUND BALANCES
Last Two Fiscal years
(modified accrual basis of accounting)
(in thousands)

	2011	2010
General Fund		
Unreserved	\$ 27	\$ 23
Total Fund Balances	\$ 27	\$ 23

CAPITAL REGION TRANSPORTATION PLANNING AGENCY
CHANGES IN FUND BALANCES
Last Two Fiscal years
(modified accrual basis of accounting)
(in thousands)

	2011	2010
Revenues:		
Intergovernmental	\$ 1,865	\$ 1,433
Total Revenues	1,865	1,433
Expenditures:		
Transportation	1,745	1,584
Total Expenditures	1,745	1,584
Net Change in Fund Balances	\$ 120	\$ (151)

**CAPITAL REGION TRANSPORTATION PLANNING AGENCY
DEMOGRAPHIC STATISTICS**

Year	Number of Labor Force	Number of Employed	Number of Unemployed	Unemployment Rate
2002	165,266	157,723	7,543	4.56
2003	166,468	159,350	7,118	4.28
2004	166,896	160,279	6,617	3.96
2005	170,000	164,193	5,807	3.42
2006	177,279	172,089	5,190	2.93
2007	181,347	175,297	6,050	3.00
2008	182,659	172,707	9,952	5.00
2009	183,635	168,729	14,906	8.10
2010	196,819	179,858	16,961	8.60
2011	195,226	178,534	16,692	8.60

Source: Florida Research Economic Database

**CAPITAL REGION TRANSPORTATION PLANNING AGENCY
2000 - JOURNEY TO WORK
NUMBER OF LABOR FORCE**

		<u>County of Residence</u>				<u>Total</u>
		<u>Gadsden</u>	<u>Jefferson</u>	<u>Leon</u>	<u>Wakulla</u>	
County of Employment	Gadsden	8,686	39	1,937	101	10,763
	Jefferson	--	2,351	--	--	2,351
	Madison	--	163	--	--	163
	Leon	8,232	2,552	114,007	5,764	130,555
	Jackson	165	--	--	--	165
	Wakulla	--	47	782	4,043	4,872
	Franklin	--	--	--	153	153
	Decatur	154	--	--	--	154
	Liberty	110	--	--	--	110
	Taylor	--	81	--	--	81
	Thomas	--	109	--	--	109
	Other	396	103	3,293	414	4,206
	Total	<u>17,743</u>	<u>5,445</u>	<u>120,019</u>	<u>10,475</u>	<u>153,682</u>

**CAPITAL REGION TRANSPORTATION PLANNING AGENCY
PERCENTAGE OF WORK FORCE TRAVELING TO ANOTHER COUNTY FOR EMPLOYMENT**

		<u>County of Residence</u>			
		<u>Gadsden</u>	<u>Jefferson</u>	<u>Leon</u>	<u>Wakulla</u>
County of Employment	Gadsden	48.95%	0.72%	1.61%	0.96%
	Jefferson	0.00%	43.18%	0.00%	0.00%
	Madison	0.00%	2.99%	0.00%	0.00%
	Leon	46.40%	46.87%	94.99%	55.03%
	Jackson	0.93%	0.00%	0.00%	0.00%
	Wakulla	0.00%	0.86%	0.65%	38.60%
	Franklin	0.00%	0.00%	0.00%	1.46%
	Decatur	0.87%	0.00%	0.00%	0.00%
	Liberty	0.62%	0.00%	0.00%	0.00%
	Taylor	0.00%	1.49%	0.00%	0.00%
	Thomas	0.00%	2.00%	0.00%	0.00%
	Other	2.23%	1.89%	2.74%	3.95%
	Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

**CAPITAL REGION TRANSPORTATION PLANNING AGENCY
POPULATION OF AREA**

	PROJECTED											
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2020	2030
Wakulla County	24,217	24,938	25,505	26,867	28,393	29,417	30,717	31,791	30,776	30,877	36,223	41,834
Gadsden County	45,911	46,491	46,857	47,713	48,195	49,398	50,611	50,046	46,389	48,200	47,199	47,602
Leon County	248,039	255,500	263,896	271,111	272,497	272,896	274,892	274,803	275,487	276,278	300,044	324,908
Total Population Served	318,167	326,929	336,258	345,691	349,085	351,711	356,220	356,640	352,652	355,355	383,466	414,344

Source:
Florida Research & Economic Database
University of Florida Bureau of Economic and Business Research

SINGLE AUDIT

Additional Elements Required by the *Rules of the Auditor General*
and *The Single Audit Act of 1996*:

FOR THE ENTITY

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*

FOR THE FINANCIAL ASSISTANCE PROGRAMS

Independent Auditors' Report
on Compliance with Requirements that could have a Direct and Material Effect on each
Major Program and on Internal Control Over Compliance in Accordance with
OMB CIRCULAR A-133

Schedule of Expenditures of Federal Awards and State Financial Assistance

Schedule of Findings and Questioned Costs

Summary Schedule of Prior Audit Findings

OTHER

Management Letter



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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**

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

We have audited the financial statements of the governmental activities and each major fund of the Capital Region Transportation Planning Agency (the Agency) as of and for the year ended September 30, 2011, which collectively comprise the Agency's basic financial statements and have issued our report thereon dated March 14, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

Management of the Agency is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Agency's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency'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*.

This report is intended solely for the information and use of the Agency's Board of Directors, management, and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than those specified parties.

Carr, Riggs & Ingram, LLC

Tallahassee, Florida

March 14, 2012

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND
MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133**

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

Compliance

We have audited the compliance of Capital Region Transportation Planning Agency (the Agency) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2011. The Agency's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Agency's management. Our responsibility is to express an opinion on the Agency's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the 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. Our audit does not provide a legal determination of the Agency's compliance with those requirements.

In our opinion, the Agency complied, in all material respects, with the 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, 2011. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2011-1.

Internal Control Over Compliance

The management of the Agency is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Agency's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our 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 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as item 2011-2. 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 responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit The Agency's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, the Agency's Board of Directors, others within the entity, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, LLC

Tallahassee, Florida
March 14, 2012

CAPITAL REGION TRANSPORTATION PLANNING AGENCY
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended September 30, 2011

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>CFDA/CSFA Number</u>	<u>Contract/ Grant Number</u>	<u>Expenditures</u>
<u>FEDERAL AWARDS</u>			
<u>FEDERAL DEPARTMENT OF TRANSPORTATION</u>			
Pass through Florida Department of Transportation			
Highway Planning and Construction	20.205	FAP-0220(048)M	\$ 634,531
Federal Transit Metropolitan Planning Grants	20.505	421716114-19	129,299
Regional Mobility Planning	20.505	422544112-01	<u>35,610</u>
Total Federal Awards Expended			\$ <u>799,440</u>
<u>STATE FINANCIAL ASSISTANCE</u>			
<u>FLORIDA DEPARTMENT OF TRANSPORTATION</u>			
Direct Programs			
Commission for the Transportation Disadvantaged Planning Grant	55.002	AP660 22710621401	\$ 22,578
Transportation Regional Incentive Program	55.026	AP863 424009-1	<u>78,053</u>
Total State Financial Assistance Expended			\$ <u>100,631</u>
Total Federal Awards and State Financial Assistance Expended			\$ <u>900,071</u>

NOTES

The Schedule of Expenditures of Federal Awards and State Financial Assistance was prepared on the accrual basis of accounting. This method is consistent with the method used in the preparation of the Agency's financial statements. No federal or state financial assistance was expended in non-cash assistance.

**Capital Region Transportation Planning Agency
 Schedule of Findings and Questioned Costs
 For the Year Ended September 30, 2011**

Section 1 – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued:	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weaknesses?	No
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weaknesses?	Yes
Type of auditors’ report issued on compliance for major federal program?	Unqualified
Any audit findings disclosed that are required to be reported in accordance with <i>OMB Circular A-133</i> ?	Yes

Identification of major federal program:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
20.205	Highway Planning and Construction

Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes

Section II – Findings – Financial Statement Audit

We noted no financial statement findings that are required to be reported in accordance with OMB Circular A-133.

Section III – Findings and Questioned Costs – Major Federal Awards Programs Audit

FEDERAL DEPARTMENT OF TRANSPORTATION

Questioned
Costs

Finding 2011-1

Highway Planning and Construction – CFDA 20.205
Grant FAP-0220(048)M

Condition: Certain costs were charged to the grant program twice.

Criteria: Eligible costs may only be charged to a federal grant once.

Cause: Errors occurred while preparing quarterly grant billing reports.

Context: A sample of 25 operating cost transactions charged to the grant were tested. The sample represents \$74,817 (45%) of a total of \$166,534 non-salary operating costs charged to the grant (salary costs were tested separately). Errors were found in 3 of the transactions tested.

\$12,113

Recommendation: Supervisory review of grant billing reports and supporting documentation would reduce the possibility of costs being charged to the program twice.

Views of Responsible Officials and Planned Corrective Actions: The Agency agrees with the finding and recommended procedures have been implemented.

Finding 2011-2

Highway Planning and Construction – CFDA 20.205
Grant FAP-0220(048)M

Significant Deficiency: As discussed in Finding 2011-1, certain operating costs were charged to this grant twice during the year ended September 30, 2011. We noted that the quarterly billing reports for this grant are prepared by an individual and submitted for reimbursement without review by supervisory personnel prior to submission. The lack of a review process for grant reimbursement submissions increases the likelihood that errors may occur and not be detected. We recommend that a review procedure be implemented to correct this deficiency.

Views of Responsible Officials and Planned Corrective Actions: The Agency agrees with the finding and recommended procedures have been implemented.

**Capital Region Transportation Planning Agency
Summary Schedule of Prior Audit Findings
For the Year Ended September 30, 2011**

Federal Programs – None
(2010)

**MANAGEMENT LETTER PURSUANT TO CHAPTER 10.550, RULES OF THE AUDITOR
GENERAL FOR LOCAL GOVERNMENTAL ENTITY AUDITS**

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

We have audited the financial statements of the governmental activities and each major fund of the Capital Region Transportation Planning Agency, as of and for the year ended September 30, 2011, which collectively comprise the Agency's basic financial statements and have issued our report thereon dated March 14, 2012.

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; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. We have issued our 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*, Independent Auditors' Report on Compliance With Requirements Applicable to Each Major Federal Program and On Internal Control Over Compliance in Accordance with OMB Circular A-133, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated March 14, 2012, should be considered in conjunction with this management letter.

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

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. The following summarizes the status of findings and recommendations made in the preceding annual financial audit report:

Administrative Agreement (Prior Year Reference 06-1)

In the 2006 audit, the auditors recommended that a written agreement should exist for ongoing services that the City of Tallahassee provides to CRTPA so that the nature, scope and terms of service and method of compensation can be documented. The written agreement was in process at the end of last year and the auditors recommended that it be finalized.

2011 Status: The written agreement was still being finalized as of September 30, 2011. This continues to be something that needs to be documented.

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*, require that we address in the management letter any findings and recommendations to improve financial management, accounting procedures, and internal controls. In connection with our audit, we have noted findings reported on the Schedule of Findings and Questioned Costs dated March 14, 2012.

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

Section 10.554(1)(i)5., *Rules of the Auditor General*, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) deficiencies in internal control that are not significant deficiencies. In connection with our audit, we noted the following deficiencies in internal control that were not considered to be significant deficiencies:

- During our testing of grant related expenditures we noted some minor differences in direct labor charges between the project code on the time sheet and the project that the direct labor charge was billed to. In addition, one grant was charged for holiday time which should have been coded to and included in fringe benefits. We recommend that all grant reimbursement requests be reviewed by someone other than the preparer before submission.

Section 10.554(1)(i)6., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter unless disclosed in the notes to the financial statements. This information was disclosed in Note 1 to the financial statements. There were no component units of the Agency.

We determined that Section 10.554(1)(i)7.a. through c, *Rules of the Auditor General*, are not applicable to the Agency since it is not a county, municipality or special district.

This management letter is intended solely for the information and use of the Agency's Board of Directors, management, the State of Florida Auditor General, and others within the Agency and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, LLC

Tallahassee, Florida

March 14, 2012