

# **CAPITAL REGION TRANSPORTATION PLANNING AGENCY**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended  
September 30, 2013**



**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, 2013**

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# CAPITAL REGION TRANSPORTATION PLANNING AGENCY

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# **INTRODUCTORY SECTION**

Letter of Transmittal

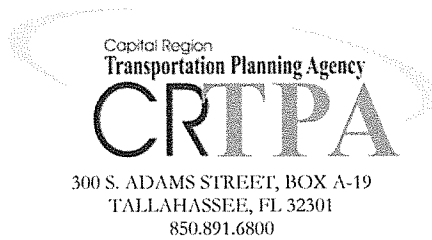
Organizational Chart

List of CRTPA Members

List of Accounting Services Division Staff



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May 14, 2014

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, 2013, 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 firms of Law, Redd, Crona, & Munroe, P.A. and Thomas Howell Ferguson P.A. have issued an unmodified opinion on the CRTPA's financial statements for the year ended September 30, 2013. The independent auditors' 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, Jefferson and Wakulla; the Cities of Chattahoochee, Gretna, Midway, Monticello, Quincy, St. Marks, Sopchoppy, Tallahassee, Towns of Greensboro, 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, Jefferson and Wakulla; the Cities of Chattahoochee, Gretna, Midway, Quincy and Tallahassee; the Towns of Greensboro and Havana; and 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 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 four-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 2013, unemployment was 5.8% in the four-county area as compared to the State's unemployment rate of 7.1%.

Population growth trends for the four-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
2013 estimated	371,388
2020 projected	396,908
2030 projected	428,590

### 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.

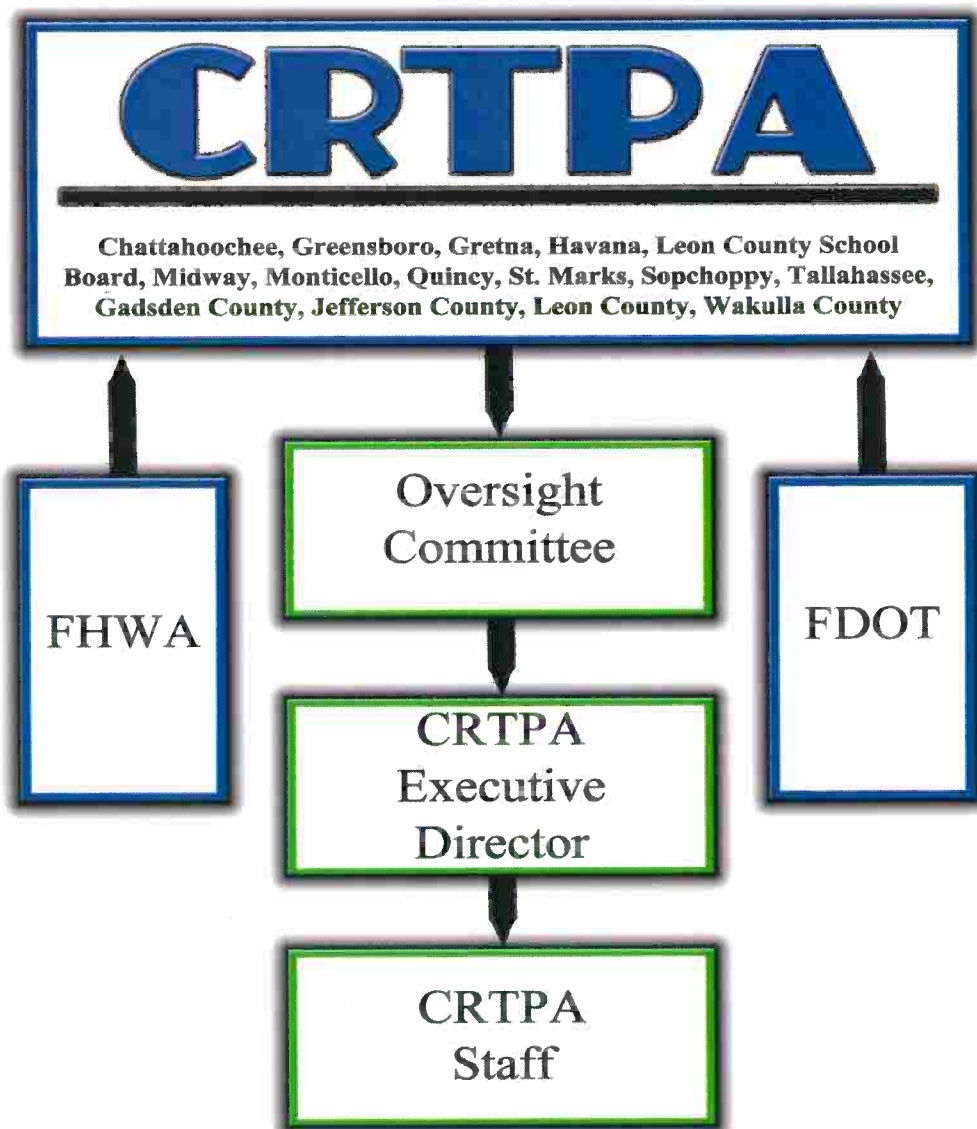
Respectfully submitted,



Harry D. Reed III, AICP  
Executive Director



# **CRTPA ORGANIZATIONAL CHART**



# **CAPITAL REGION TRANSPORTATION PLANNING AGENCY**

## **LISTING OF MEMBER GOVERNMENTS**

Randy Merritt, Chair

Kristin Dozier, Vice-Chair

Gadsden County  
Leon County  
Wakulla County  
Jefferson County

City of Chattahoochee  
City of Gretna  
City of Midway  
City of Monticello  
City of Quincy  
City of St. Marks  
City of Sopchoppy  
City of Tallahassee  
Town of Greensboro  
Town of Havana

Leon County School Board

Executive Director	Harry Reed, III, A.I.C.P.
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Planners	Lynn Barr, A.I.C.P. Greg Burke, A.I.C.P. Jack Kostrzewa Colleen Roland, A.I.C.P.
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Administrative Assistant	Yulonda Mitchell
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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, Department of Management and Administration of the City of Tallahassee. 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, CGMA, Manager**

**Financial and Systems Analyst  
Patrick A. Twyman**

<b>Patsy Capps, CPA*</b>	<b>Mazie Crumbie</b>	<b>Ben Halvorsen, CPA*</b>
<b>Roy Jeter, CPA</b>	<b>Latrenda Johnson</b>	<b>Kereen Jones</b>
<b>Vernessa McMillon</b>	<b>Julie Paniucki</b>	<b>Lajja Patel</b>
<b>George Robbins, CPA</b>	<b>Angela Roberts</b>	<b>Reginald Rodney</b>
	<b>Rita Stevens, CPA</b>	

**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

Board of Directors  
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 (the Agency) as of September 30, 2013 and for the year then ended, and the related notes to the financial statements, which collectively comprise the Agency'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.

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

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Capital Region Transportation Planning Agency, as of September 30, 2013, 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 15-18 and the budgetary comparison schedule on pages 41-42 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 the Agency's basic financial statements. The introductory section and statistical section are presented for the purpose of additional analysis and are not a required part of the 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*



The supplementary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying 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 an opinion or provide any assurance on them.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 14, 2014 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 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 the Agency's internal control over financial reporting and compliance.

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

Thomas Howell Ferguson P.A.

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

Tallahassee, Florida  
May 14, 2014

# **MANAGEMENT'S DISCUSSION & ANALYSIS**

# CAPITAL REGION TRANSPORTATION PLANNING AGENCY

## Management's Discussion and Analysis

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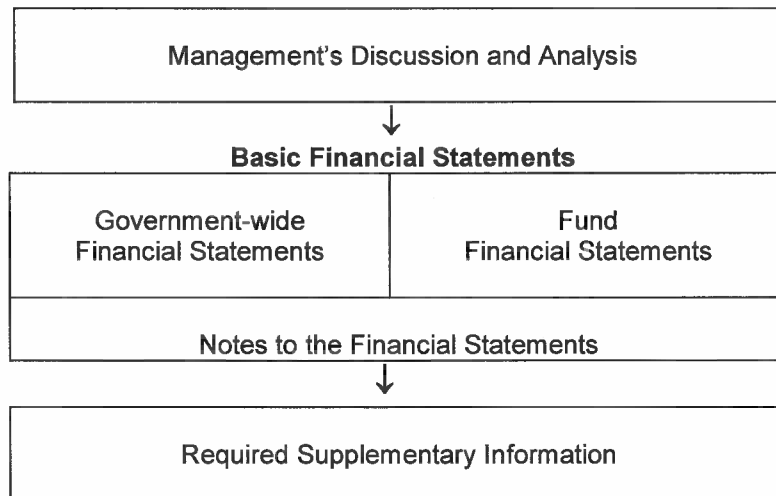
This section of CRTPA's annual financial report is designed to provide the reader a better understanding of the financial activity for the fiscal year that ended September 30, 2013. It should be read in conjunction with the Transmittal Letter at the front of this report and the financial statements, which follow this section. Notes mentioned below are Notes to the Financial Statements, which follow the statements.

### FINANCIAL HIGHLIGHTS

- Total assets of \$831,000 decreased by \$922,000 and total liabilities of \$740,000 decreased by \$940,000 as compared to the prior year due primarily to reimbursable costs under grant contracts that have been billed and received.
- Net position increased by \$18,000 during the fiscal year.
- Revenues of \$1,669,000, primarily operating grants, were received during the fiscal year, as compared to \$1,579,000 in the prior year. Expenses of \$1,651,000, primarily personnel expenses and contractual services, were incurred during the fiscal year, as compared to \$1,710,000 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 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.

<b>Scope</b>	Includes CRTPA's revenues, which are primarily from operating grants
<b>Required financial statements</b>	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances
<b>Accounting basis and Measurement focus</b>	Modified accrual accounting and current financial resources focus
<b>Type of asset / liability information</b>	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets are included
<b>Type of inflow / outflow information</b>	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 \$18,000 in fiscal year 2013. Total assets decreased by \$922,000 and total liabilities decreased by \$940,000.

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

	2013	2012	\$ Change
<b>Assets</b>			
Current assets	\$ 822	\$ 1,744	\$ (922)
Noncurrent assets	9	9	--
<b>Total Assets</b>	<u>831</u>	<u>1,753</u>	<u>(922)</u>
<b>Liabilities</b>			
Current liabilities	703	1,654	(951)
Noncurrent liabilities	37	26	11
<b>Total Liabilities</b>	<u>740</u>	<u>1,680</u>	<u>(940)</u>
<b>Net Position</b>			
Invested in Capital Assets	9	9	--
Unrestricted	82	64	18
<b>Total Net Position</b>	<u>\$ 91</u>	<u>\$ 73</u>	<u>\$ 18</u>

### CHANGES IN NET POSITION

In 2013, CRTPA's total revenues were \$1,669,000 and expenses were \$1,651,000, resulting in a increase in net position of \$18,000. 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.

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

	2013	2012	\$ Change
<b>Program Revenues</b>			
Operating Grants and Contributions	\$ 1,675	\$ 1,579	\$ 96
Miscellaneous	3	--	3
Decrease in FMV of Investments	(9)	--	(9)
<b>Total Revenues</b>	<u>1,669</u>	<u>1,579</u>	<u>90</u>
<b>Expenses</b>			
Transportation	1,650	1,709	59
Depreciation	1	1	--
<b>Total Expenses</b>	<u>1,651</u>	<u>1,710</u>	<u>59</u>
<b>Increase (Decrease) in Net Position</b>	<u>\$ 18</u>	<u>\$ (131)</u>	<u>\$ 149</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)**

<b>Fund</b>	<b>Fund Balances 9/30/2012</b>	<b>Sources</b>	<b>Uses</b>	<b>Sources Over(Under) Uses</b>	<b>Fund Balances 9/30/2013</b>
<b>General</b>	\$ 29	\$ 721	\$ 721	\$ --	\$ 29
<b>Special Revenue</b>	86	948	919	29	115
<b>Total</b>	<u>\$ 115</u>	<u>\$ 1,669</u>	<u>\$ 1,640</u>	<u>\$ 29</u>	<u>\$ 144</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 2014 BUDGET

CRTPA's General Fund Budget for fiscal year 2014 totaling \$911,974 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 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 POSITION**  
**September 30, 2013**  
**(in thousands)**

**ASSETS**

	<b>Governmental Activities</b>
<b>Assets</b>	
Due From Other Governments.....	\$ 822
Capital Assets, Net of Accumulated Depreciation.....	9
<b>Total Assets</b> .....	<b>\$ 831</b>

**LIABILITIES AND NET POSITION**

<b>Liabilities</b>	
Accounts Payable.....	\$ 174
Salaries Payable.....	13
Due to Other Governments.....	491
Compensated Absences.....	25
<b>Total Current Liabilities</b> .....	<b>703</b>
<b>Noncurrent Liabilities</b>	
Compensated Absences.....	37
<b>Total Noncurrent Liabilities</b> .....	<b>37</b>
<b>Total Liabilities</b> .....	<b>740</b>
<b>Net Position</b>	
Net Investment in Capital Assets.....	9
Unrestricted.....	82
<b>Total Net Position</b> .....	<b>91</b>
<b>Total Liabilities and Net Position</b> .....	<b>\$ 831</b>

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, 2013  
(in thousands)

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net Revenue (Expenses) and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Government</u>
<b>Primary government:</b>					<b>Governmental Activities</b>
Transportation.....	\$ 1,650	\$ -	\$ 1,675	\$ -	\$ 25
Depreciation.....	1	-	-	-	(1)
Total Primary Government.....	<u>\$ 1,651</u>	<u>\$ -</u>	<u>\$ 1,675</u>	<u>\$ -</u>	<u>24</u>
General Revenues:					
Miscellaneous.....					3
Decrease in FMV of Investments.....					(9)
Change in Net Position.....					18
Net Position - October 1, 2012.....					73
Net Position - September 30, 2013.....					<u>\$ 91</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, 2013**  
**(in thousands)**

ASSETS	General	Special Revenue	Total Governmental Funds
Cash and Cash Equivalents/Investments.....	\$       --	\$       --	\$       --
Due from Other Governments.....	447	375	822
<b>Total Assets.....</b>	<b><u>\$       447</u></b>	<b><u>\$       375</u></b>	<b><u>\$       822</u></b>
 <b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts Payable.....	\$       11	\$       163	\$       174
Salaries Payable.....	13	--	13
Due to Other Governments.....	394	97	491
<b>Total Liabilities.....</b>	<b><u>418</u></b>	<b><u>260</u></b>	<b><u>678</u></b>
<b>Fund Balances</b>			
Committed.....	29	115	144
<b>Total Fund Balances.....</b>	<b><u>29</u></b>	<b><u>115</u></b>	<b><u>144</u></b>
<b>Total Liabilities and Fund Balances.....</b>	<b><u>\$       447</u></b>	<b><u>\$       375</u></b>	<b><u>\$       822</u></b>

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 POSITION  
For the year ended September 30, 2013  
(in thousands)**

<b>Total Fund Balances per the Governmental Fund Financial Statements</b>	<b>\$</b>	<b>144</b>
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Compensated absences payable is not due and payable in the current period and therefore is not reported in the funds.		(62)
---	--	------

Capital Assets used in governmental activities are not current financial resources and therefore not reported in the funds.		9
		9

<b>Total Net Position per the Government-Wide Statement of Net Position</b>	<b>\$</b>	<b>91</b>
---	-----------	-----------

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, 2013  
(in thousands)**

	General	Special Revenue	Total Governmental Funds
<b>Revenues:</b>			
Intergovernmental:			
Federal.....	\$ 703	\$ --	\$ 703
State.....	--	870	870
Local.....	--	87	87
CRTPA Members.....	15	--	15
Miscellaneous.....	3	--	3
Net (decrease) in the Fair Value of Investments.....	--	(9)	(9)
<b>Total Revenues.....</b>	<u>721</u>	<u>948</u>	<u>1,669</u>
<b>Expenditures:</b>			
Current:			
Transportation:			
Personnel Services.....	560	--	560
Operating Expenses.....	117	919	1,036
Allocated Accounts.....	44	--	44
<b>Total Expenditures.....</b>	<u>721</u>	<u>919</u>	<u>1,640</u>
<b>Excess of Revenues Over (Under) Expenditures.....</b>	--	29	29
Fund Balances - October 1.....	<u>29</u>	<u>86</u>	<u>115</u>
<b>Fund Balances - September 30.....</b>	<u>\$ 29</u>	<u>\$ 115</u>	<u>\$ 144</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, 2013  
(in thousands)**

<b>Net changes in Fund Balance per the Governmental Fund Financial Statements</b>	<b>\$</b>	<b>29</b>
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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)
--	--	------

<b>Change in Net Position per the Government-Wide Statement of Activities</b>	<b>\$</b>	<b><u>18</u></b>
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**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, 2013

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### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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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**

September 30, 2013

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#### **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 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**

September 30, 2013

---

#### **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 POSITION**

**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 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, 2013.

## CAPITAL REGION TRANSPORTATION PLANNING AGENCY

### NOTES TO FINANCIAL STATEMENTS

September 30, 2013

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#### 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</u> <u>Service Hours</u>	<u>Leave earned</u> <u>per hour</u>	<u>Creditable</u> <u>Service Hours</u>	<u>Leave earned</u> <u>per hour</u>	<u>Creditable</u> <u>Service Hours</u>	<u>Leave earned</u> <u>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.

**4. 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

September 30, 2013

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#### 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*, 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.

## **CAPITAL REGION TRANSPORTATION PLANNING AGENCY**

### **NOTES TO FINANCIAL STATEMENTS**

September 30, 2013

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#### **NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

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##### **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, 2013

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#### **NOTE III - DETAIL NOTES - ALL FUNDS**

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##### **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.

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

September 30, 2013

#### NOTE III (CONTINUED)

##### B. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2013 was as follows (in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Depreciable Assets:				
Equipment	\$ 26	\$ 1	\$ --	\$ 27
Total Depreciable Assets	26	1	--	27
Less Accumulated Depreciation for:				
Equipment	(17)	(1)	--	(18)
Total Capital Assets, net	\$ 9	\$ --	\$ --	\$ 9

Depreciation expense of \$859 was charged to functions/programs of the CRTPA during the year ended September 30, 2013.

##### 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, 2013 the amount due to the CRTPA members was approximately \$24,000.

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, 2013, the amount of these charges was approximately \$60,000. 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, 2013, \$223,000 was due to Leon County.

## **CAPITAL REGION TRANSPORTATION PLANNING AGENCY**

### **NOTES TO FINANCIAL STATEMENTS**

September 30, 2013

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#### **NOTE IV - OTHER INFORMATION**

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##### **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, 2013. 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.

Active employees are required to contribute 3% of their gross compensation to the plan rate. The CRTPA is required to contribute at an actuarially determined rate. The contributions required for the years ended September 30, 2013, 2012, and 2011 were \$9,000, \$8,000, 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. The employer contribution rate effective July 1, 2012 was 5.18%, and July 1, 2013 was 6.95%.



## CAPITAL REGION TRANSPORTATION PLANNING AGENCY

### NOTES TO FINANCIAL STATEMENTS

September 30, 2013

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#### 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” under the Internal Revenue Service Code.

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, 2013, 2012, and 2011 were \$33,000, \$24,000, and \$20,000, 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, 2013. 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 3.5% per annum compounded annually, (c) an inflation rate of 4%, 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, 2013

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#### **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, 2013, totaling \$32,000 (\$18,000 employer contributions representing 7.38% of covered payroll and \$14,000 voluntary employee contributions representing 5.74% of covered payroll) were made in accordance with contribution requirements determined through an actuarial valuation prepared as of September 30, 2012. Total covered payroll for fiscal year ended September 30, 2013 was \$244,000. Contributions are based on rates of covered payroll of 7.15% (5% employer contribution and 2.14% actuarial contribution) for the Agency.

The City of Tallahassee Pension Plan 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.

#### **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 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, 2013, 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, 2013

#### 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.....	\$	10,328
Contributions made.....		10,328
Change in net OPEB obligation.....		--
Net OPEB obligation - October 1.....		--
Net OPEB obligation - September 30 .....	\$	--

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:

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2008	\$ 20,000	40.75%	\$ 5,000
2009	\$ 20,000	40.75%	\$ 5,000
2010	\$ 12,000	100.00%	\$ --
2011	\$ 5,000	100.00%	\$ --
2012	\$ 5,000	100.00%	\$ --
2013	\$ 10,328	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 850-891-8048.

#### D. NON-CURRENT LIABILITIES

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Compensated Absences.....	\$ 51	\$ 25	\$ 14	\$ 62	\$ 25
Total Governmental-Type Debt	\$ 51	\$ 25	\$ 14	\$ 62	\$ 25

#### E. EVALUATION OF SUBSEQUENT EVENTS

The CRTPA has evaluated subsequent events through May 14, 2014, the date the financial statements were available to be issued.

# **REQUIRED SUPPLEMENTARY INFORMATION**

THIS SUBSECTION CONTAINS THE FOLLOWING:

Budgetary Comparison Schedule  
Note to Required Supplementary Information

**CAPITAL REGION TRANSPORTATION PLANNING AGENCY**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended September 30, 2013**  
**(in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Budgetary Fund Balance - October 1</b>	\$ --	\$ --	\$ 2	\$ 2
<b>Resources</b>				
Intergovernmental Revenues	882	882	718	(164)
Interest Earned	--	--	(9)	(9)
Miscellaneous	--	--	3	3
Amounts Available for Appropriations	882	882	714	(168)
<b>Charges to Appropriations</b>				
Transportation	763	763	714	49
Transfer to Other Funds	119	119	--	119
Total Charges to Appropriations	882	882	714	168
<b>Budgetary Fund Balance, September 30</b>	\$ --	\$ --	\$ --	\$ --

**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, 2013**  
**(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.	\$ 714
--	--------

**Difference-budget to GAAP**

The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(2)
---	-----

Negative interest income reported as expense on fund statements.	9
--	---

Total Revenues/Transfers In as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances.	<hr/> <hr/> \$ 721
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**Outflows of Resources**

Actual amounts (budgetary basis) total charges to appropriations from the budgetary comparison schedule.	\$ 714
--	--------

**Difference-budget to GAAP**

Miscellaneous items treated as budgetary outflows but not as expenditures for financial reporting purposes.	9
---	---

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

Total Expenditures/Transfers Out as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances.	<hr/> <hr/> \$ 721
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# **STATISTICAL SECTION**

Net Position

Changes in Net Position

Fund Balances

Changes in Fund Balances

Demographic Statistics

Labor Force

Work Force

Population of Area

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

	<u>2013</u>	<u>2012</u>
<b>Governmental Activities</b>		
Invested in Capital Assets	\$ 9	\$ 9
Unrestricted	<u>82</u>	<u>64</u>
Total Governmental Activities Net Position	<u>\$ 91</u>	<u>\$ 73</u>

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

	<u>2013</u>	<u>2012</u>
<b>Expenses</b>		
Transportation	\$ 1,650	\$ 1,709
Depreciation	<u>1</u>	<u>1</u>
Total Expenses	<u>1,651</u>	<u>1,710</u>
<b>Revenues</b>		
Program Revenues:		
Miscellaneous	3	1
Operating Grants and Contributions	<u>1,666</u>	<u>1,578</u>
Total Revenues	<u>1,669</u>	<u>1,579</u>
Changes in Net Position	<u>\$ 18</u>	<u>\$ (131)</u>



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

	<u>2013</u>	<u>2012</u>
<b>General Fund</b>		
Committed	\$ 29	\$ 29
Total Fund Balances	<u>\$ 29</u>	<u>\$ 29</u>
 <b>Special Revenue</b>		
Committed	\$ 115	\$ 86
Total Fund Balances	<u>\$ 115</u>	<u>\$ 86</u>

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

	<u>2013</u>	<u>2012</u>
<b>Revenues:</b>		
Intergovernmental	\$ 1,669	\$ 1,579
Total Revenues	<u>1,669</u>	<u>1,579</u>
 <b>Expenditures:</b>		
Transportation	1,640	1,703
Total Expenditures	<u>1,640</u>	<u>1,703</u>
 Net Change in Fund Balances	<u>\$ 29</u>	<u>\$ (124)</u>

**CAPITAL REGION TRANSPORTATION PLANNING AGENCY  
DEMOGRAPHIC STATISTICS**

<b>Year</b>	<b>Number of Labor Force</b>	<b>Number of Employed</b>	<b>Number of Unemployed</b>	<b>Unemployment Rate</b>
<b>2003</b>	166,468	159,350	7,118	4.28
<b>2004</b>	166,896	160,279	6,617	3.96
<b>2005</b>	170,000	164,193	5,807	3.42
<b>2006</b>	177,279	172,089	5,190	2.93
<b>2007</b>	181,347	175,297	6,050	3.00
<b>2008</b>	182,659	172,707	9,952	5.00
<b>2009</b>	183,635	168,729	14,906	8.10
<b>2010</b>	196,819	179,858	16,961	8.60
<b>2011</b>	195,226	178,534	16,692	8.60
<b>2012</b>	194,762	180,595	14,167	7.30
<b>2013</b>	188,041	174,065	13,976	7.10

Source: Florida Research Economic Database

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

	2003	2004	2005	2006	2007	2008	2009	2010	PROJECTED			
									2013	2015	2020	2030
Wakulla County	24,938	25,505	26,867	28,393	29,417	30,717	31,791	30,776	30,771	32,084	34,844	39,816
Gadsden County	46,491	46,857	47,713	48,195	49,398	50,611	50,046	46,389	47,506	47,609	48,453	49,919
Leon County	255,500	263,896	271,111	272,497	272,896	274,892	274,803	275,487	277,690	284,779	298,422	322,887
Jefferson County	--	--	--	--	--	--	--	--	14,478	14,691	15,189	15,968
<b>Total Population Served</b>	<b>326,929</b>	<b>336,258</b>	<b>345,691</b>	<b>349,085</b>	<b>351,711</b>	<b>356,220</b>	<b>356,640</b>	<b>352,652</b>	<b>370,445</b>	<b>379,163</b>	<b>396,908</b>	<b>428,590</b>

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



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# SINGLE AUDIT

Additional Elements Required  
*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 MAJOR PROGRAMS

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

Schedule of Expenditures of Federal Awards and State Financial Assistance

Schedule of Findings and Questioned Costs - Federal Awards

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, 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, 2013, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated May 14, 2014.

**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.

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

Page Two

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 May 14, 2014.

### **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.

Tallahassee, Florida  
May 14, 2014



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



**Independent Auditors' Report on Compliance for Each Major Program and on  
Internal Control Over Compliance Required by OMB Circular A-133  
and Chapter 10.550, *Rules of the Auditor General***

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

**Report on Compliance for Each Major Federal Program and State Project**

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* and the requirements described in the *Florida Department of Financial Services State Projects Compliance Supplement* that could have a direct and material effect on each of the Agency's major federal programs and state projects for the year ended September 30, 2013. The Agency's major federal programs and state projects 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 and state projects.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the Agency's major federal programs and state projects 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and, Chapter 10.550, *Rules of the Auditor General*. Those standards, OMB Circular A-133, and Chapter 10.550, *Rules of the Auditor General* 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 or state project 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 and state project. However, our audit does not provide a legal determination of the Agency's compliance.

### **Opinion on Each Major Federal Program and State Project**

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 and state projects for the year ended September 30, 2013.

### **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 and state project 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 state project and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General*, 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 or state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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 and Chapter 10.550, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

Thomas Howell Ferguson P.A. Law, Redd, Crona & Munroe, P.A.

Thomas Howell Ferguson P.A.

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

Tallahassee, Florida  
May 14, 2014

**Capital Region Transportation Planning Agency**  
**Schedule of Expenditure of Federal Awards and State Financial Assistance**  
**For the Year Ended September 30, 2013**

<u>Federal / State Agency</u> <u>Pass-through Entity</u> <u>Federal Program / State Project</u>	<u>CFDA or</u> <u>CSFA</u> <u>Number</u>	<u>Grant</u> <u>Contract</u> <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	\$ 552
Highway Planning and Construction	20.205	FAP-0220 (049)M/APZ14	580,447
General Planning Consultant	20.205	4162051-1-14-90	525,906
General Planning Consultant-Safe Routes to School	20.205	430152-1-18-01	157,753
Federal Transit Metropolitan Planning Grant	20.505	421716214-22/AQD-64	87,319

**Total Expenditures of Federal Awards**

\$ 1,351,977

**STATE FINANCIAL ASSISTANCE**

**Florida Department of Transportation**

Direct Project			
Commission for the Transportation Disadvantaged Planning Gran	55.002	AQP42/22710621401	\$ 34,887
<b>Total Expenditures of State Financial Assistance</b>			<u><u>\$ 34,887</u></u>

**NOTES:**

- (1) The Schedule of Expenditures of Federal Awards and State Financial Assistance was prepared on the accrual basis of accounting.
- (2) There were no transfers to subrecipients during the fiscal year.
- (3) No federal or state financial 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, 2013**

**Section I -- Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified not considered to be material weaknesses? None

Noncompliance material to 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? None

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)? No

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

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**

We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

**Section III -- Federal Award Findings and Questioned Costs**

We noted no matters involving noncompliance that are required to be reported in accordance with U.S. Office of Management and Budget Circular A-133.

*See independent auditors' report.*

**Capital Region Transportation Planning Agency  
Schedule of Findings and Questioned Costs-Federal Awards  
For the Year Ended September 30, 2013**

**Findings and Questioned Costs – Major Federal Programs**

None.

**Capital Region Transportation Planning Agency  
Summary Schedule of Prior Audit Findings  
For the Year Ended September 30, 2013**

**Federal Program**

**FEDERAL DEPARTMENT OF TRANSPORTATION**

**Finding 2012-1**

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

*Significant Deficiency:* The Agency charged personnel costs to the grant without referencing those costs to source documents in the form of salary and wage time records. The program manager relies on amounts provided by an internal accountant for personnel costs to charge to the grant, but the program manager and the internal accountant do not compare those personnel costs to source documents. The lack of review process for grant reimbursement submissions increases the likelihood that errors may occur and not be detected.

*Current Status:* Upon review of timesheets and amounts invoiced for personnel costs, we noted no instances of personnel costs being billed that were not substantiated by salary and wage time records.



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## 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, 2013 and have issued our report thereon dated May 14, 2014.

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 May 14, 2014, 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 did not have any such recommendations.

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.

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  
May 14, 2014