



**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

JUNE 30, 2020

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**THREE RIVERS REGIONAL COMMISSION
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JUNE 30, 2020**

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

The Council Members
Three Rivers Regional Commission

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Three Rivers Regional Commission (the Commission), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Commission, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof 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 and budgetary comparison information on pages B-4 through B-10 and B-32 through B-36, respectively, be presented to supplement the basic financial statements. Such information, although not 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The combining and individual nonmajor fund financial statements, and state compliance section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated December 28, 2020, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control financial reporting and compliance.

Warren Averett, LLC

Atlanta, Georgia
December 28, 2020

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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**THREE RIVERS REGIONAL COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020 AND 2019**

Three Rivers Regional Commission (the Commission) is pleased to provide our discussion and analysis on our financial activities for the fiscal year ended June 30, 2020. As management of TRRC we offer readers a narrative overview and analysis of the financial activities in conjunction with Financial Statements.

Financial Highlights The assets of the Commission exceeded its liabilities at the close of the most recent fiscal year by \$3,173,692 (net position). Of this amount, \$1,912,942 (unrestricted net assets) may be used to meet the Commission's ongoing obligations to the member local governments and creditors.

The Commission's total net assets increased by \$60,859 during this fiscal year. As of June 30, 2020, total net assets consisted of \$460,164 invested in capital assets, net of related debt, \$40,370 restricted for debt service, \$729,883 assigned to the transit program, \$30,333 assigned to the CCSP program and \$1,912,942 unrestricted.

General Fund revenues for the year were \$528,160. Of this amount, \$303,943 was transferred to other funds to cover matching requirements and unfunded expenses. The General Fund's fund balance increased by \$97,013.

The Commission refers to all remaining funds as Special Revenue Funds. The Special Revenue Funds fund balance decreased by \$36,151.

At the end of the fiscal year, unassigned fund balance for the general fund was \$1,762,365 or 13% of total governmental fund expenditures. The Commission has \$40,370 restricted for debt service (buildings) residing in the Internal Service Fund.

This discussion and analysis is intended to serve as an introduction to the Commission's basic financial statements. The Commission's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the Commission's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Commission's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating.

The statement of activities presents information showing how the Commission's net position changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Therefore, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. earned but unused vacation leave).

**THREE RIVERS REGIONAL COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020 AND 2019**

The Commission has no business-types activities; therefore, both of the government-wide financial statements reflect only governmental activities that are generally financed through dues, intergovernmental revenues, grants and other non-exchange transactions. The governmental activities of the Commission include general government; all grant funded activities, and one internal service fund. The internal service fund is used to account for pooled costs, which are allocated to various grants and contracts as determined by the Commission's cost allocation plan. The government-wide financial statements can be found on pages B-11 through B-12 of this report.

The Commission has no component units.

Fund Financial Statements. A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Commission, like other similar governmental entities, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the Commission are primarily governmental funds with one proprietary fund, which is the internal service fund. The emphasis of fund financial statements is on the major funds. All remaining funds are aggregated and reported as non-major funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements.

The Commission had approximately 40 governmental funds for FY 2020. Four (4) of these funds are considered major; General Fund, Transit Program, FY20 Dislocated Worker (DW) Transfer to Adult Program, and DHS-DAS Cluster. All other funds are combined; and reported as non-major funds in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance.

The Commission adopts an annual budget for its funds. Budgetary comparison statements have been provided within the Commission's financial statements to demonstrate compliance with this budget. The Commission's financial statements can be found on pages B-32 through B-36 of this report.

Proprietary Fund. The Commission has one proprietary fund. The Commission's internal service fund is an accounting device used to accumulate and allocate costs to grants and contracts in accordance with the Commission's cost allocation plan. Because these costs are allocated to and benefit governmental functions, they are included within governmental activities in the government-wide financial statements.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found after the fund financial statements of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Commission. This information is supplied to meet certain state requirements and to provide individual grantors information pertaining to their grant/contract.

**THREE RIVERS REGIONAL COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020 AND 2019**

Government-wide Financial Analysis. Net position may over time serve as a useful indicator of a government's financial position. Comparative information is provided for two (2) years. As of June 30, 2020, the Commission's assets exceeded liabilities by \$3,173,692. Approximately 15% or \$460,164 of the Commission's net assets reflects its investment in capital assets net of accumulated depreciation and related debt. The Commission uses these capital assets to operate and to provide services; consequently, these assets are not available for future spending.

There is an outstanding debt of \$40,370 for the addition to the Franklin office location which, when paid off, may be purchased for ten dollars. For more information, please see Note 8, Long-Term Liabilities.

The following table reflects the condensed Statement of Net Position as of June 30, 2020 and 2019.

ASSETS		
	June 30, 2020	June 30, 2019
Current and other assets	\$ 5,722,595	\$ 5,294,101
Capital assets, net	500,534	534,757
TOTAL ASSETS	\$ 6,223,129	\$ 5,828,858
LIABILITIES AND NET POSITION		
	June 30, 2020	June 30, 2019
Current Liabilities	\$ 3,027,526	\$ 2,669,084
Noncurrent Liabilities	21,911	46,941
TOTAL LIABILITIES	\$ 3,049,437	\$ 2,716,025
NET POSITION		
Net investment in capital assets	\$ 460,164	\$ 449,668
Restricted for debt service	40,370	48,280
Assigned for transportation programs	729,883	796,370
Assigned for CCSP Program	30,333	-
Unrestricted	1,912,942	1,818,515
TOTAL NET POSITION	\$ 3,173,692	\$ 3,112,833

The balance of unrestricted net position of \$1,912,942 may be used to meet the Commission's ongoing obligations.

At the end of the current fiscal year, the Commission is able to report a positive balance in all categories of net position.

**THREE RIVERS REGIONAL COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020 AND 2019**

Governmental Activities. The Commission has no business type activities; therefore, the Commission's increased net position of \$60,859 are completely from governmental activities.

The following table illustrates the key elements of this increase for the years ended June 30, 2020 and 2019.

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
PROGRAM REVENUES		
Operating grants	\$ 13,872,730	\$ 13,748,413
General revenues		
Regional appropriations	521,005	515,881
Interest income	5,156	4,943
Miscellaneous income	1,999	850
TOTAL REVENUES	<u>14,400,890</u>	<u>14,270,087</u>
PROGRAM EXPENSES		
General government	127,204	97,205
Aging programs	5,998,124	5,893,526
Transportation programs	3,383,697	3,273,349
Workforce programs	4,410,665	4,378,394
Economic development	122,143	153,872
Planning development	236,170	318,747
Community service	58,076	30,968
Historic preservation	3,952	5,258
TOTAL EXPENSES	<u>14,340,031</u>	<u>14,151,319</u>
Change in net position	60,859	118,768
NET POSITION AT:		
BEGINNING OF YEAR	<u>3,112,833</u>	<u>2,994,065</u>
END OF YEAR	<u>\$ 3,173,692</u>	<u>\$ 3,112,833</u>

The Commission operates primarily from grant revenues; therefore, expenses closely parallel grant funding for services.

Financial Analysis of the Government's Funds. As noted earlier, the Commission uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

**THREE RIVERS REGIONAL COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020 AND 2019**

Governmental Funds. The focus of the Commission's governmental funds is to provide information on near term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Commission's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Commission's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Commission's governmental funds reported and ending fund balance of \$2,562,951 an increase of \$60,859 for the current year.

The Commission experienced an increase in its General Fund's fund balance of \$97,013. This increase is attributable to a decrease in overall expenditures.

During the current fiscal year, the Commission also experienced a decrease in the Special Revenue Funds' fund balance of \$36,151. When added to the previous year's fund balance, total fund balance in the special revenue fund for the year ending June 30, 2020 was \$760,216. This amount is attributable to the Commission's transportation programs. There is \$729,883 assigned for transit programs and \$30,333 assigned for the CCSP program that will remain within the fund.

Proprietary Funds. As stated previously, the Commission only maintains one proprietary fund, the Internal Service Fund. The Internal Service Fund is used to accumulate and allocate costs that benefit two or more programs. The expenses are allocated to the special revenue funds' programs based on an indirect cost allocation plan approved by our cognizant agency, U.S. Department of Commerce. Indirect costs are allocated on the basis of direct salaries plus fringe benefits.

The Internal Service Fund had \$610,741 in net position at June 30, 2020.

Budgetary Highlights. The Commission is mandated, by state law, to adopt its next year's budget before the end of the current year. Due to contracts and grants not being finalized or due to amendments during the year, the Commission's Council adopts the original budget using known and best available information. During the fiscal year the Council adopts revisions to incorporate new grants entered into during the year and delete contracts/grants that never materialized.

For the General Fund, no significant variances existed between budgeted and actual amounts.

A review of the Transit Program Fund shows a difference between budgeted and actual expenditures. Expenditures were under budget by \$60,598; revenue of \$294,686 under budget was earned resulting in a decrease in fund balance of \$36,151.

A review of the FY20 DW Transfer to Adult Program shows a difference between budgeted and actual expenditures. Expenditures and revenue were under budget by \$119,717.

A review of the DHS-DAS Cluster Program fund shows a difference between budgeted and actual expenditures. Expenditures were under budget by \$1,102,349 as well as revenue by \$187,941.

**THREE RIVERS REGIONAL COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020 AND 2019**

Capital Assets. The Commission's investment in capital assets for its governmental type activities as of June 30, 2020, amounts to \$500,534 (net of accumulated depreciation). This investment in capital assets includes equipment and building.

Capital assets of the Commission as of June 30, 2020 and 2019:

	June 30, 2020			
	Building – Griffin	Building – Franklin	Equipment	Total
Capital assets	\$ 600,000	\$ 781,029	\$ 195,076	\$ 1,576,105
Less accumulated depreciation	(345,000)	(553,076)	(177,495)	(1,075,571)
NET CAPITAL ASSETS	\$ 255,000	\$ 227,953	\$ 17,581	\$ 500,534
	June 30, 2019			
	Building – Griffin	Building – Franklin	Equipment	Total
Capital assets	\$ 600,000	\$ 781,029	\$ 184,721	\$ 1,565,750
Less accumulated depreciation	(330,000)	(528,588)	(172,405)	(1,030,993)
NET CAPITAL ASSETS	\$ 270,000	\$ 252,441	\$ 12,316	\$ 534,757

For more information, you may refer to Note 6, Changes in Capital Assets.

Long-Term Liabilities and Compensated Absences At the end of the current fiscal year, the Commission had long-term liabilities and compensated absences outstanding of \$209,983. Of this amount, \$40,370 is owed to the Heard County Development Authority (using Regions Bank) for renovations and building addition to the Franklin office. This is a 12-year loan agreement with a 6% interest rate. When the final loan payment is made, the building may be purchased for ten dollars.

The remaining \$169,613 is owed to pay employees accrued annual leave. During the year the capital leases decreased by \$44,719 and compensated absences increased by \$26,048 due mainly to turnover in staff.

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

	June 30, 2020	June 30, 2019
Capital leases	\$ 40,370	\$ 85,089
Compensated absences	169,613	143,565
TOTAL	\$ 209,983	\$ 228,654

**THREE RIVERS REGIONAL COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020 AND 2019**

Compensated Absences accounted for 81% of the total long-term liabilities and capital leases made up 19%. For more information, you may refer to Note 8, Long-Term Liabilities.

Economic Factors and Next Year's Budget Mandatory funding by the ten member counties and their municipalities and prior approval by the Georgia General Assembly before a county may withdraw from the Commission helps to support and maintain the Commission's funding.

The Commission's dues for its member governments are \$1.00 per capita based on the most current Census estimates. The Council has the sole authority to increase this amount if such circumstances warrant it.

The Commission is constantly changing and both programmatic and financial requirements for state and federal programs being updated or replaced. Therefore, the Commission staff has to stay informed and meet the challenge to always be in compliance. As more of the aging programs focus on helping the elderly stay in their homes, and the workforce grants focus on helping people to train and/or find new jobs, staff must work together and within the appropriate guidelines to help our member governments meet the need of the population they serve. Planning staff must remain up-to-date on regulations or requirements of our local governments to help them plan for the present and future generations for housing, zoning, infrastructure and transportation needs.

Accounting staff must continue to work within the budget limits of grants and contracts to ensure that local government needs for services are met.

Requests for Information This financial report is designed to provide a general overview of the Commission's finances for all those with an interest in the Commission's operations. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director, Three Rivers Regional Commission, 120 North Hill Street, P. O. Box 818, Griffin, Georgia 30224.

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BASIC FINANCIAL STATEMENTS

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**THREE RIVERS REGIONAL COMMISSION
STATEMENT OF NET POSITION
JUNE 30, 2020**

	Governmental Activities
ASSETS	
Current assets	
Cash and cash equivalents	\$ 1,975,181
Due from other governments	3,691,265
Prepaid expenses	56,149
	5,722,595
Total current assets	5,722,595
Noncurrent assets	
Capital assets, net	500,534
	500,534
TOTAL ASSETS	\$ 6,223,129
LIABILITIES	
Current liabilities	
Accounts payable	\$ 2,526,679
Accrued liabilities	71,923
Unearned revenue	240,852
Compensated absences	147,702
Capital lease payable, current portion	40,370
	3,027,526
Total current liabilities	3,027,526
Noncurrent liabilities	
Compensated absences	21,911
	21,911
Total noncurrent liabilities	21,911
TOTAL LIABILITIES	3,049,437
NET POSITION	
Net investment in capital assets	460,164
Restricted for debt service	40,370
Assigned for transportation programs	729,883
Assigned for CCSP Programs	30,333
Unrestricted	1,912,942
	3,173,692
TOTAL NET POSITION	3,173,692
TOTAL LIABILITIES AND NET POSITION	\$ 6,223,129

See notes to the financial statements.

**THREE RIVERS REGIONAL COMMISSION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Total Governmental Activities</u>
		<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>	
FUNCTIONS/PROGRAMS				
PRIMARY GOVERNMENT				
Governmental activities				
General government	\$ 127,204	\$ -	\$ -	\$ (127,204)
Aging programs	5,998,124	-	5,840,470	(157,654)
Transportation programs	3,383,697	-	3,283,746	(99,951)
Workforce Investment Act	4,410,665	-	4,410,558	(107)
Economic development	122,143	-	79,068	(43,075)
Planning development	236,170	-	210,519	(25,651)
Community service	58,076	-	44,417	(13,659)
Historic preservation	3,952	-	3,952	-
TOTAL PRIMARY GOVERNMENT	<u>\$ 14,340,031</u>	<u>\$ -</u>	<u>\$ 13,872,730</u>	<u>(467,301)</u>
GENERAL REVENUES				
Regional appropriations				521,005
Interest income				5,156
Miscellaneous income				1,999
				<u>60,859</u>
CHANGE IN NET ASSETS				
NET POSITION, BEGINNING OF YEAR				
				<u>3,112,833</u>
NET POSITION, END OF YEAR				
				<u>\$ 3,173,692</u>

See notes to the financial statements.

**THREE RIVERS REGIONAL COMMISSION
BALANCE SHEET –
GOVERNMENTAL FUNDS
JUNE 30, 2020**

	Major Funds				Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Transit Program	FY20 Adult Program Transfer DW	DHS – DAS Cluster		
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	217	242,983	569,283	1,279,126	1,599,656	3,691,265
Prepaid expenses	-	-	-	-	-	-
Due from other funds	2,122,803	471,356	-	205,333	69,887	2,869,379
TOTAL ASSETS	\$ 2,123,020	\$ 714,339	\$ 569,283	\$ 1,484,459	\$ 1,669,543	\$ 6,560,644
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 7,828	\$ 171	\$ -	\$ -	\$ -	\$ 7,999
Accrued liabilities	-	-	-	-	69,324	69,324
Unearned revenue	-	-	-	240,852	-	240,852
Due to other funds	312,457	-	569,283	1,243,607	1,554,171	3,679,518
TOTAL LIABILITIES	320,285	171	569,283	1,484,459	1,623,495	3,997,693
FUND BALANCES						
Restricted for debt service	40,370	-	-	-	-	40,370
Assigned for transportation programs	-	714,168	-	-	15,715	729,883
Assigned for CCSP program	-	-	-	-	30,333	30,333
Unassigned	1,762,365	-	-	-	-	1,762,365
TOTAL FUND BALANCES	1,802,735	714,168	-	-	46,048	2,562,951
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,123,020	\$ 714,339	\$ 569,283	\$ 1,484,459	\$ 1,669,543	\$ 6,560,644
Reconciliation of fund balance as reported in the balance sheet – governmental funds with net position – governmental activities:						
Fund balances as reported in the balance sheet – governmental funds						\$ 2,562,951
Assets and liabilities of the Internal Service Fund used by management to account for indirect costs which are those that are incurred for a common or joint purpose are included in governmental activities in the statement of net position						610,741
NET POSITION, GOVERNMENTAL ACTIVITIES						\$ 3,173,692

See notes to the financial statements.

**THREE RIVERS REGIONAL COMMISSION
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	Major Funds				Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Transit Program	FY20 DW Transfer to Adult	DHS – DAS Cluster		
REVENUES						
Local governmental dues	\$ 521,005	\$ -	\$ -	\$ -	\$ -	\$ 521,005
Grant contracts						
Federal	-	1,281,771	800,000	2,770,294	4,869,228	9,721,293
State	-	173,865	-	1,725,515	164,552	2,063,932
Local grants	-	895,981	-	-	115,575	1,011,556
Program income	-	42,845	-	207,611	3,760	254,216
Other revenues						
Purchase of service revenue	-	821,733	-	-	-	821,733
Interest income	5,156	-	-	-	-	5,156
Miscellaneous	1,999	-	-	-	-	1,999
TOTAL REVENUES	528,160	3,216,195	800,000	4,703,420	5,153,115	14,400,890
EXPENDITURES						
Current						
Direct						
General government	117,603	-	-	-	-	117,603
Transportation programs	-	3,194,610	-	-	91,547	3,286,157
Aging programs	-	-	-	4,389,535	896,429	5,285,964
Workforce Investment Act	-	-	800,000	-	3,610,666	4,410,666
Economic development	-	-	-	-	84,769	84,769
Planning development	-	-	-	-	160,422	160,422
Community service	-	-	-	-	40,241	40,241
Historic preservation	-	-	-	-	2,672	2,672
Indirect						
Cost allocation plan	9,601	57,736	-	464,241	419,959	951,537
TOTAL EXPENDITURES	127,204	3,252,346	800,000	4,853,776	5,306,705	14,340,031
Excess (deficiency) of revenues over (under) expenditures	400,956	(36,151)	-	(150,356)	(153,590)	60,859
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	150,356	153,587	303,943
Transfers out	(303,943)	-	-	-	-	(303,943)
TOTAL OTHER FINANCING SOURCES (USES)	(303,943)	-	-	150,356	153,587	-
Net change in fund balances	97,013	(36,151)	-	-	(3)	60,859
FUND BALANCES, BEGINNING OF YEAR	1,705,722	750,319	-	-	46,051	2,502,092
FUND BALANCES, END OF YEAR	\$ 1,802,735	\$ 714,168	\$ -	\$ -	\$ 46,048	\$ 2,562,951

See notes to the financial statements.

THREE RIVERS REGIONAL COMMISSION
STATEMENT OF NET POSITION – PROPRIETARY FUND – INTERNAL SERVICE FUND
JUNE 30, 2020

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 1,975,181
Interfund receivable	867,689
Prepaid expenses	<u>56,132</u>
Total current assets	<u>2,899,002</u>
NONCURRENT ASSETS	
Capital assets	
Building	1,381,029
Equipment	195,076
Less accumulated depreciation	<u>(1,075,571)</u>
Capital assets, net	<u>500,534</u>
TOTAL ASSETS	<u><u>\$ 3,399,536</u></u>
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable, operating	\$ 2,518,680
Accrued liabilities	2,582
Compensated absences, current portion	147,702
Current maturities of capital leases payable	40,370
Interfund payable	<u>57,550</u>
Total current liabilities	<u>2,766,884</u>
NONCURRENT LIABILITIES	
Compensated absences	<u>21,911</u>
Total noncurrent liabilities	<u>21,911</u>
TOTAL LIABILITIES	<u>2,788,795</u>
NET POSITION	
Net investment in capital assets	460,164
Unrestricted	<u>150,577</u>
TOTAL NET POSITION	<u>610,741</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 3,399,536</u></u>

See notes to the financial statements.

**THREE RIVERS REGIONAL COMMISSION
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION – PROPRIETARY FUND –
INTERNAL SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2020**

OPERATING REVENUES	
Indirect cost recovery	\$ 2,101,361
OPERATING EXPENSES	
Indirect cost pool	
Personnel costs	610,756
Travel	1,994
Per diem and fees	41,999
Telecommunications	6,606
Car Allowance	9,000
Computer charges	111,870
Rentals	4,007
Repairs and maintenance	18,195
Supplies and materials	12,969
Utilities	26,740
Depreciation	24,154
Insurance and bonding	67,343
Other	15,904
	<hr/>
Total indirect cost pool	951,537
FRINGE BENEFIT COST POOL	<hr/> 1,149,824
Total operating expenses	<hr/> 2,101,361
CHANGE IN FUND NET POSITION	-
TOTAL NET POSITION AT BEGINNING OF YEAR	<hr/> 610,741
TOTAL NET POSITION AT END OF YEAR	<hr/> <hr/> \$ 610,741

See notes to the financial statements.

**THREE RIVERS REGIONAL COMMISSION
STATEMENTS OF CASH FLOWS – PROPRIETARY FUND – INTERNAL SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2020**

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from interfund services provided	\$ 2,714,571
Cash payments to employees for services	(1,760,580)
Cash payments to other suppliers of goods or services	(126,433)
	<u>827,558</u>
Net cash provided by operating activities	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	(10,355)
Principal reduction on capital lease	(44,719)
	<u>(55,074)</u>
Net cash used in capital and related financing activities	
NET INCREASE IN CASH AND CASH EQUIVALENTS	
	<u>772,484</u>
CASH AND CASH EQUIVALENTS AT:	
BEGINNING OF YEAR	<u>1,202,695</u>
END OF YEAR	<u><u>\$ 1,975,179</u></u>
RECONCILIATION OF REVENUE IN EXCESS OF EXPENSES TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Adjustments to reconcile revenue in excess of expense to net cash used in operating activities:	
Depreciation – direct expense to aging program	\$ 20,424
Depreciation – allocated through indirect cost pool	24,154
Changes in assets and liabilities:	
Prepaid expenses	25,806
Interfund receivable	264,390
Interfund payable	-
Compensated absences	26,048
Accrued liabilities	(48,714)
Accounts payable	515,450
	<u>827,558</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	
	<u><u>\$ 827,558</u></u>

See notes to the financial statements.

**THREE RIVERS REGIONAL COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Three Rivers Regional Commission (the Commission) was formed on July 1, 2009 from the merger of McIntosh Trail Regional Development Center and Chattahoochee-Flint Regional Development Center as provided in House Bill 1216. The Commission is one of 12 Regional Commissions (RCs) in Georgia. The responsibilities and authority of the Commission are contained in Sections 50-8-30 through 50-8-67 of the Official Code of Georgia Annotated (OCGA).

Under Georgia law, cities and counties located in the ten-county west central Georgia region are members of the Commission. Membership in an RC is required by OCGA Section 50-8-34 which provides for the organizational structure of RCs in Georgia. The RC Council membership includes an elected official of each county and municipality of the area and private sector individuals. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC beyond its resources.

The Commission's offices located in Griffin, Georgia serve the west central Georgia region comprised of Butts, Carroll, Coweta, Heard, Lamar, Meriwether, Pike, Spalding, Troup and Upson counties. Municipalities located within the ten-county region, which are members include Jackson, Carrollton, Franklin, Manchester, LaGrange, Newnan, Barnesville, Zebulon, Griffin and Thomaston.

The Commission's primary mission is to offer community and economic development planning, mapping assistance, and requested services to local county and municipal governments. The Commission also acts as an interface between local, regional and state agencies for planning and public information initiatives like the U.S. Census. The Commission administers the spending of various federal, state and local grants in the ten-county region comprising its membership. Additionally, the Commission is designated by the Ga. Department of Human Services, (DHS), as an Area Agency on Aging, (AAA). The AAA is funded primarily through a contract with DHS with funding through the Older Americans Act. The AAA screens clients for services based on need for meals, homemakers service, limited legal assistance and helps provide congregate meals to senior centers located throughout the 10-county region. A portion of the AAA funding is through a contract with the Ga. Department of Community Health, which provides services to help clients stay in their homes and out of nursing facilities.

The accounting policies and financial reporting practices of the Commission conform in all material respects to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units issued by the Governmental Accounting Standards Board (GASB).

Reporting Entity

GASB requires the financial statements of the Commission to include its primary government and any component units. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. In addition, a component unit can be another organization for which the nature and significance of its relationship with a primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Commission is not a component unit of any other primary government. Additionally, no component units have been identified, which should be included in the reporting entity.

**THREE RIVERS REGIONAL COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Government-Wide and Fund Financial Statements

The government-wide financial statements (statement of net position and statement of activities) report information on all nonfiduciary activities of the primary government. Governmental activities, which normally are supported by regional appropriations and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Commission has no business-type activities. The Commission had no significant transactions that resulted in deferred inflows or outflows.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segments and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and the Internal Service Fund. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the internal service fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted first, then unrestricted resources as they are needed.

**THREE RIVERS REGIONAL COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Commission considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However; debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the obligations become due and payable.

Interest associated with the current fiscal period is considered susceptible to accrual and as such has been recognized as revenue of the current fiscal period. All other revenues are considered to be measurable and available only when cash is received by the government.

The Internal Service Fund's operating revenues and expenses generally result from providing services in connection with the Internal Service Fund's principal ongoing operations. The principal operating revenues of the Commission's Internal Service Fund are charges for the allocation of indirect costs. Operating expenses for Internal Service Funds include personnel and pooled costs. All revenues and expenses not meeting this definition would be reported as nonoperating.

The fund financial statements provide more detailed information about the government's most significant funds, not the government as a whole. The activities of the government are organized on the basis of funds and accounts, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The government reports the following major governmental funds:

General Fund – The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Transit Fund – A Special Revenue Fund was established to account for federal and state grants used to support the Commission's transportation programs.

FY20 DW Transfer to Adult – A Special Revenue Fund was established to account for federal grants used to support the Workforce Adult Services Program. The Adult program services individuals 18 years of age and older to assist with training, job skills, on the job training and soft skills.

The DHS-DAS Cluster was established to account for federal and state revenue used to support the Three Rivers Area Agency on Aging. The Area Agency on Aging plans, coordinates, and administers programs to provide services for older adults, caregivers, persons with disabilities, and grandparents raising grandchildren within the Three Rivers 10-County region.

**THREE RIVERS REGIONAL COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Additionally, the government reports the following fund type:

Internal Service Fund – The Internal Service Fund is used to account for the financing of goods and services provided by one organizational unit to other organizational units of the Commission on a cost reimbursement basis. The expenses are allocated to the various programs based on an indirect cost allocation plan. The plan allocates these costs on the basis of direct salaries plus fringe benefits.

Deposits and Investments

The Commission's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of one year or less from the date of acquisition.

The Commission pools its unrestricted cash resources from several funds to facilitate disbursements and investments and to maximize investment income.

When interest earned as a result of pooling cash and cash equivalents is material, it is distributed to the appropriate funds utilizing a formula based on the average monthly balance of cash and investments of each fund.

Inventories

Materials (supplies) purchased are shown as expenditures/expenses when acquired and are not inventoried at year end as the balance is immaterial.

Receivables

Receivables and due from other governments represent funds to be received from other local governments, state grant-in-aid, state contracts, or federal funds. No allowance is deemed necessary for these receivables.

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" or "advances to/from other funds." All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Unearned Revenues

Unearned revenues consist of advances received from the U.S. Department of Health & Human Services (DHS) Aging grant.

**THREE RIVERS REGIONAL COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Capital Assets and Long-Term Liabilities

Capital assets include property and equipment. Such assets, which are accounted for in the Internal Service Fund, are used in the provision of services to other funds of the Commission. The government defines capital assets as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

Donated capital assets are recorded at estimated acquisition value at the date of donation. No public domain or infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are owned by the Commission.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed. There was no interest incurred by the Commission during the current fiscal year. No interest expense was applicable to construction of capital assets.

Depreciation is computed using the straight-line method over the estimated useful life of each type of asset. Depreciation is recognized in the indirect cost allocation plan as an allowable cost. The cost of depreciation is recovered as a reimbursable cost from grants, contracts, and local projects in the Commission's Internal Service Fund. Capital assets are reported in the Commission's basic financial statements net of accumulated depreciation.

Property and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

Building	40 years
Equipment	3 - 15 years

Land is not subject to depreciation.

In-kind Services and Other Donations

In-kind services and other donations used in federal programs are accounted for as revenues and expenditures and are valued in accordance with Office of Management and Budget (OMB) Uniform Guidance. In-kind services for the Commission consist entirely of services contributed by the Commission's subcontractors for transportation, aging-directed services provided to participants and advertising.

**THREE RIVERS REGIONAL COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Budgets

An annual operating budget is prepared for the General and Special Revenue Funds. Legal provisions govern the budgetary process. The Commission follows these procedures in establishing the budgetary data reflected in the financial statements:

- The Executive Director submits to the Council Members a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them. The budget is formally adopted on an agency-wide, functional expense level, which is the legal level of the Commission's budgetary controls.
- The budget so adopted may be revised during the year only by formal action of the Council in a regular meeting. The Commission's Finance Director does not have authority to revise the budget without Council approval. The Council will make any changes necessary to adopt the budget.
- Budgets for the funds are adopted on a basis consistent with GAAP.
- Budgeted amounts, as presented in the accompanying financial statements, are as originally adopted or as amended by the Council. Unobligated appropriations in the annual operating budget lapsed at fiscal year-end.
- There are no differences between budgetary basis and GAAP basis expenditures; therefore, no reconciliation is necessary.
- Internal Service Fund budgets are prepared and utilized as a management tool to assess the operations of the Internal Service Fund.

Indirect Cost Rates

Commission-wide central support costs are recorded in the Internal Service Fund as indirect costs in the Commission's accounting system and recovered using either the indirect cost rate or employee benefit rate (described in Note 1, Employee Benefits and Compensated Absences). Costs are defined by U.S. OMB Uniform Guidance, Attachment A, as follows: "costs are (a) incurred for a common or joint purpose benefiting more than one cost objective, and (b) not readily assignable to the cost objectives specifically benefited, without effort disproportionate to the results achieved." Pursuant to Uniform Guidance, the U.S. Department of Commerce is designated as the cognizant agency for the federal government with responsibility for negotiation, approval and audit of the Commission's central support services cost allocation plan.

The indirect cost rate is computed as a ratio of indirect costs (including indirect salaries and fringe benefits related to those indirect salaries) to total direct salaries and fringe benefits related to those direct salaries. The percentage determined is then applied to the direct salaries and fringe benefits within the General Fund and each Special Revenue Fund to determine indirect cost recovery for each fund. Additional details regarding the indirect expenses that are available for allocation and how the indirect cost rate is calculated are available in the Schedule of Indirect Cost Pool – Provisional and Actual Rates in the State Compliance Section.

**THREE RIVERS REGIONAL COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

During the year, a provisional indirect cost rate is used which is negotiated with the Commission's federal cognizant agency based upon a cost allocation plan. At the end of each month, adjustments were made to allocate the difference between the provisional and actual employee benefits to the General Fund and Special Revenue Funds.

The actual indirect cost allocation rate for the fiscal year ended June 30, 2020 was 48.44%.

Employee Benefits and Compensated Absences

The Commission charges employee benefits and compensated absences in accordance with its employee benefit rate, as an allowable reimbursable cost. The compensated absences and employee benefits are recorded in the Internal Service Fund and are pooled and allocated to the governmental funds based upon a predetermined provisional rate approved by the Commission's designated cognizant agency. Recoveries of these costs are transferred to the Internal Service Fund and recognized as an operating revenue. The Commission's provisional rate for its employee benefit rate for the year ended June 30, 2020 was 46.62%. Total compensated absences and employee benefits incurred by the Commission for the year ended June 30, 2020 totaled \$1,149,824.

Using total chargeable salaries of \$2,300,868 as the allocation base, the actual employee benefit rate for the year ended June 30, 2020 was 49.97%. Total chargeable salaries equal the total salaries less the amount of released time incurred by the Commission. Additional details regarding the employee benefits that are available for allocation and how the employee benefit rate is calculated are available on the Schedule of Employee Benefit Cost Pool – Provisional and Actual Rates in the State Compliance Section. At the end of each month, adjustments were made to allocate the difference between provisional and actual employee benefits to the Special Revenue Funds.

The Commission provides compensated absences and employee benefits as follows:

- *Vacation Leave* – Each employee with fewer than three years of service may earn annual leave at a rate of 10 days per year. Employees earn an additional day per year for each additional year of service up to 15 years of service. Employees may earn a maximum of 25 working days of annual leave per year after 15 years. At the end of each fiscal year, employees may accrue a maximum of and maintain 30 days. Per GASB Summary of Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, the entire amount of compensated absences is considered to be a current liability at June 30, 2020.
- *Sick Leave* – Employees are awarded 15 days per year of sick leave and may accumulate up to 60 days. The cost of sick leave is recognized as the employee takes it. It is not expected that any unrecorded sick leave benefits will exceed a normal year's accumulation. Employees are not reimbursed for sick leave upon separation.
- *Holidays* – Employees are awarded ten days per year as holidays. The cost of holiday leave is recorded when it is taken by the employee.
- *Insurance* – The Commission maintains a contributory group health insurance plan as well as workers compensation coverage for all employees.

**THREE RIVERS REGIONAL COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

- *Defined Contribution Plan* – The Commission maintains a defined contribution retirement plan (the Plan) administered by a Trustee (a member of the Commission's management) that is appointed by the Commission's Council Members. All full-time employees are eligible to join the Plan upon completion of six months continuous service. Further defined under Note 7.
- *Payroll Taxes* – The Commission's employees are covered under the federal social security system. Payroll tax payments are made to the Internal Revenue Service (IRS) in accordance with IRS regulations.

Long-Term Obligations

The Commission has acquired property under capital lease agreements. The capital lease obligations are recorded in the government-wide and Internal Service Fund financial statements. The debt service requirements for long-term obligations are appropriated annually.

Fund Balance and Net Position

Net position in government-wide and Internal Service Fund financial statements are classified as net investment in capital assets, restricted and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

The Commission presents governmental fund balances in the financial statements based on classifications that comprise a hierarchy that is based primarily on the extent to which the Commission is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in governmental fund financial statements are as follows:

- *Nonspendable* – This classification includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) are legally or contractually required to be maintained intact.
- *Restricted* – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

The Commission has classified amounts for the debt service as being restricted. Debt service resources are restricted by federal statute to be used for lease maturities in the 2020 year.

- *Committed* – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Commission. These amounts cannot be used for any other purpose unless the Commission removes or changes the specified use by taking the same type of action (ordinance) that was employed when the funds were initially committed.

**THREE RIVERS REGIONAL COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Commission did not have any committed resources as of June 30, 2020.

- *Assigned* – This classification includes amounts that are constrained by the Commission’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Commission or through the Commission’s budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The Commission has assigned funds for the transportation programs in the amount of the remaining positive fund balance at June 30, 2020.
- *Unassigned* – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

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

Use of Estimates

In preparing financial statements in conformity with GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Risk Management

The Commission is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; and natural disasters for which the Commission carries insurance. The Commission is a member of the Georgia Interlock Risk Management Agency (GIRMA). This agency functions as an unincorporated nonprofit instrumentality of its members and is administered by the Georgia Municipal Association. The purpose of GIRMA is to establish and administer one or more group self-insurance funds; to establish and administer a risk management service; and to prevent or lessen the incidence or severity of casualty and property losses. Each member pays an annual contribution established by the Board of GIRMA. For the fiscal year ended June 30, 2020, the Commission's total contribution was \$37,300. GIRMA may develop and issue such self-insurance coverage descriptions, as it deems necessary. The current coverage provides a \$1,000,000 general liability limit with a \$1,000 per occurrence deductible.

**THREE RIVERS REGIONAL COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

2. DEPOSITS

Custodial Credit Risk – Demand Deposits and Certificates of Deposits

The custodial credit risk of deposits is the risk that in the event of the failure of a bank, the government will not be able to recover deposits. The Commission's bank balances of deposits as of June 30, 2020 are entirely insured or collateralized with securities held by the Commission's agent in the Commission's name. Georgia Code requires banks holding public funds to secure these funds with insurance from the Federal Deposit Insurance Corporation (FDIC), securities pledged at par value, and surety bonds at face value in combined aggregate totaling not less than 110% of the public funds held. At June 30, 2020, the Commission had approximately \$1,922,945 in deposits with local banks. Of the bank balances, \$250,000 was insured by the FDIC and the remaining \$1,672,945 was collateralized with securities (at fair value) held by the financial institution's Trust Department or agent in the name of the Commission.

3. DUE FROM OTHER GOVERNMENTS

Revenues from grant contracts are recognized when the qualifying expenditures have been incurred and all other grant requirements have been met. Amounts shown on the balance sheet represent the unpaid portion of amounts that have been requested but not yet received.

4. CONTINGENCIES

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

5. INTER-FUND RECEIVABLES AND PAYABLES

Generally, outstanding balances between funds reported as due to/from other funds include outstanding charges by one fund to another for services or goods, subsidy commitments outstanding, and other miscellaneous receivables and payables between funds.

**THREE RIVERS REGIONAL COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

5. INTER-FUND RECEIVABLES AND PAYABLES – CONTINUED

The composition of inter-fund balances as of June 30, 2020 is as follows:

Receivable Fund	Payable Fund		
General Fund	Nonmajor Governmental Fund	\$	252,363
	Internal Service Fund		57,550
	FY20 Adult Program Transfer DW		569,283
	DHS - DAS Cluster		1,243,607
DHS - DAS Cluster	Nonmajor Governmental Fund		205,333
Transit Program	Nonmajor Governmental Fund		471,356
Nonmajor Governmental Fund	Nonmajor Governmental Fund		69,887
Internal Service Fund	General Fund		312,457
	Nonmajor Governmental Fund		555,232
			<u>555,232</u>
		<u>\$</u>	<u>3,737,068</u>

Transfers and payments within the reporting entity are substantially for the purposes of subsidizing operating functions, funding capital projects and asset acquisitions, or maintaining debt service. Resources are accumulated in a fund to support and simplify the administration of various projects or programs. The government-wide statement of activities eliminates transfers as reported within the segregated fund statements.

6. CHANGES IN CAPITAL ASSETS

Capital asset activity for the government for the fiscal year ended June 30, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, being depreciated:				
Building	\$ 1,381,029	\$ -	\$ -	\$ 1,381,029
Equipment	184,721	10,355	-	195,076
Total capital assets being depreciated	1,565,750	10,355	-	1,576,105
Less accumulated depreciation:				
Building	(858,588)	(39,488)	-	(898,076)
Equipment	(172,405)	(5,090)	-	(177,495)
Total accumulated depreciation	(1,030,993)	(44,578)	-	(1,075,571)
Governmental activities capital assets, net	<u>\$ 534,757</u>	<u>\$ (34,223)</u>	<u>\$ -</u>	<u>\$ 500,534</u>

Depreciation expense of \$20,424 is charged to the Aging program as the related building is used exclusively for aging services. The remaining \$24,154 of depreciation expense is allocated to every function as part of the Commission's indirect cost pool.

**THREE RIVERS REGIONAL COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

7. RETIREMENT PLAN

Money Purchase Pension Plan

The Commission maintains a defined contribution retirement plan (the Plan) administered by a Trustee (a member of the Commission's management) that is appointed by the Commission's Council Members. All full-time employees are eligible to join the Plan upon completion of six months continuous service.

The Plan was formed under the authority of the Commission's Council Members, and the Council has the authority to amend and/or terminate the Plan at any time. Employer contributions to the Plan are based on 6% of the employee's annual salary as of June 30, 2020. Employee contributions are not allowed. Normal retirement age is considered to be 65 years of age.

The Trustee maintains contributions to the Plan in individual accounts for each participating employee. For the year ended June 30, 2020, the Commission contributed \$152,842 to the Plan. Total covered payroll for the year ended June 30, 2020, was \$2,628,489 with a total organization payroll of \$2,755,480. The vesting schedule is as follows:

One year	10%
Two years	20%
Three years	40%
Four years	60%
Five years	80%
Six or more years	100%

Deferred Compensation Plan (457(a) Plan)

The Commission provides employees the opportunity to defer current compensation under a 457(a) Plan. Employees are eligible to participate in the Plan as of their first day of employment, and participants may elect to defer 100% of their compensation not to exceed the annual 457(a) contribution limits set by the IRS. The Commission does not match employee contributions. Normal retirement age is considered to be 65 years of age.

8. LONG-TERM LIABILITIES AND COMPENSATED ABSENCES

In 2008, the Commission (formerly Chattahoochee-Flint Regional Development Center) and the Development Authority of Heard County entered into a capital lease for office space located at 13273 Georgia Highway 34 E, Franklin, Georgia. The lease calls for 144 monthly payments of \$4,059. At the end of the lease, the Commission may purchase the building for \$10. The asset value under this capital lease (net of accumulated depreciation of \$554,239) at June 30, 2020 was \$252,582. Current year amortization of capital lease assets, included in depreciation expense, was \$20,846. This lease carries an interest rate of 6%. Related interest expense for the year ended June 30, 2020 was \$3,984.

The Commission has reported \$40,370 of the governmental fund balance as restricted for debt service to cover the fiscal year 2020 lease payments.

**THREE RIVERS REGIONAL COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

8. LONG-TERM LIABILITIES AND COMPENSATED ABSENCES – CONTINUED

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

<u>For the Year Ending June 30,</u>	
2021	\$ 41,414
Less: Amount representing interest	<u>(1,044)</u>
Present value of capital lease	<u><u>\$ 40,370</u></u>

Changes in Long-term Liabilities and Compensated Absences

Long-term liability and compensated absences activity for the fiscal year ended June 30, 2020, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Compensated absences	\$ 143,565	\$ 173,953	\$ (147,905)	\$ 169,613	\$ 147,702
Capital lease – buildings	<u>85,089</u>	<u>-</u>	<u>(44,719)</u>	<u>40,370</u>	<u>40,370</u>
Total long-term liabilities and compensated absences	<u><u>\$ 200,198</u></u>	<u><u>\$ 173,953</u></u>	<u><u>\$ (192,624)</u></u>	<u><u>\$ 181,527</u></u>	<u><u>\$ 188,072</u></u>

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

9. CONTINGENT LIABILITIES

In November 2019, a breach of contract lawsuit was filed against the Commission by a third-party operator of the Rural Transit Program. The Commission's position is that the third-party operator invoiced more than the contract maximum including ineligible or unsupported expenses resulting in an overpayment of \$372,136 which the Commission, under FTA regulations, has a duty to recover. No damages were specified in the lawsuit, but earlier communications indicated up to \$333,465 in damages were incurred by the third-party operator. It is anticipated that a counterclaim will be made by the Commission. The outcome of this matter is currently not determinable, and management is closely monitoring the situation. No definitive estimate can be made of any potential liability.

**THREE RIVERS REGIONAL COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

10. CONCENTRATION OF RISK

The Commission received approximately 66% and 32% of its federal funding from the U.S. Department of Health and Human Services and the Georgia Department of Transportation relating to their Transit and aging programs and the Technical College System of Georgia relating to their Workforce Investment Act (WIA) programs in 2020. A significant reduction in the level of funding, if this were to occur, may have an effect on the Commission's programs and activities.

11. COMMITMENTS

Operating Leases

During FY18, the Commission entered into a lease agreement with an information technology company to provide IT services and cloud-based desktop solutions. This was a 60-month lease at a fee of \$12,088 per month.

The Commission has also entered into several operating leases for office equipment. Lease expense during the year ended June 30, 2020 was \$151,016. Future obligations under these operating leases are as follows:

<u>For the Year Ending June 30,</u>	
2021	\$ 147,859
2022	2,160
2023	2,160
2024	<u>1,620</u>
Total minimum payments	<u><u>\$ 153,799</u></u>

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REQUIRED SUPPLEMENTARY INFORMATION

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**THREE RIVERS REGIONAL COMMISSION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020**

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Local sources	\$ 515,881	\$ 521,002	\$ 521,005	\$ -
Interest income	4,500	4,500	5,156	658
Miscellaneous	800	1,734	1,999	270
TOTAL REVENUES	<u>521,181</u>	<u>527,236</u>	<u>528,160</u>	<u>928</u>
EXPENDITURES				
Current				
General government				
Personnel services	122,014	17,823	19,820	(1,997)
Operating expenditures	138,680	125,071	97,783	27,288
Total current expenditures	260,694	142,894	117,603	25,291
Indirect expenditures	57,614	8,769	9,601	(832)
TOTAL EXPENDITURES	<u>318,308</u>	<u>151,663</u>	<u>127,204</u>	<u>24,459</u>
Excess of revenues over expenditures	202,873	375,573	400,956	25,387
OTHER FINANCING USES				
Transfers out	(161,832)	(72,096)	(303,943)	(231,852)
TOTAL OTHER FINANCING USES	<u>(161,832)</u>	<u>(72,096)</u>	<u>(303,943)</u>	<u>(231,852)</u>
NET CHANGE IN FUND BALANCES	<u>\$ 41,041</u>	<u>\$ 303,477</u>	<u>97,013</u>	<u>\$ (206,465)</u>
FUND BALANCE AT BEGINNING			1,705,722	
FUND BALANCE AT END			<u>\$ 1,802,735</u>	

See notes to required supplementary information.

**THREE RIVERS REGIONAL COMMISSION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Transit Program</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
REVENUES				
Federal sources	\$ 1,207,871	\$ 1,265,157	\$ 1,305,453	\$ 40,296
State Sources	172,602	220,658	173,865	(46,793)
Local sources	1,918,792	1,940,541	895,981	(1,044,560)
Other sources	40,345	84,525	840,896	756,371
TOTAL REVENUES	<u>3,339,610</u>	<u>3,510,881</u>	<u>3,216,195</u>	<u>(294,686)</u>
EXPENDITURES				
Current				
Transit Program				
Personnel services	82,046	120,260	119,196	1,064
Operating expenditures	<u>2,556,545</u>	<u>3,133,516</u>	<u>3,075,414</u>	<u>58,102</u>
Total current expenditures	2,638,591	3,253,776	3,194,610	59,166
Indirect expenditures	<u>38,741</u>	<u>59,168</u>	<u>57,736</u>	<u>1,432</u>
TOTAL EXPENDITURES	<u>2,677,332</u>	<u>3,312,944</u>	<u>3,252,346</u>	<u>60,598</u>
Excess of revenues over expenditures	662,278	197,937	(36,151)	(234,088)
OTHER FINANCING SOURCES				
Transfers out	<u>662,278</u>	<u>(931,692)</u>	-	<u>931,692</u>
TOTAL OTHER FINANCING SOURCES	662,278	(931,692)	-	
NET CHANGES IN FUND BALANCES	<u>\$ -</u>	<u>\$ (733,755)</u>	(36,151)	<u>\$ (697,604)</u>
FUND BALANCE AT BEGINNING			<u>750,319</u>	
FUND BALANCE AT END			<u>\$ 714,168</u>	

See notes to required supplementary information.

**THREE RIVERS REGIONAL COMMISSION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	FY20 ADULT PROGRAM TRANSFER DW			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Federal sources	\$ -	\$ 680,283	\$ 800,000	\$ 119,717
TOTAL REVENUES	<u>-</u>	<u>680,283</u>	<u>800,000</u>	<u>119,717</u>
EXPENDITURES				
Current				
Workforce Investment Act				
Personnel services	-	119,543	229,872	(110,329)
Operating expenditures	-	560,740	570,128	(9,388)
Total current expenditures	-	680,283	800,000	(119,717)
Indirect expenditures	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>680,283</u>	<u>800,000</u>	<u>(119,717)</u>
Excess of revenues over expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCE AT BEGINNING			-	
FUND BALANCE AT END			<u>\$ -</u>	

See notes to required supplementary information.

**THREE RIVERS REGIONAL COMMISSION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	DHS-DAS Cluster			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Federal sources	\$ 2,872,173	\$ 2,943,632	\$ 2,770,294	\$ (173,338)
State Sources	1,721,169	1,718,608	1,725,515	6,907
Program income	229,664	229,121	207,611	(21,510)
TOTAL REVENUES	<u>4,823,006</u>	<u>4,891,361</u>	<u>4,703,420</u>	<u>(187,941)</u>
EXPENDITURES				
Current				
Aging Program				
Personnel services	938,996	933,173	959,183	(26,010)
Operating expenditures	4,494,818	4,564,996	3,431,519	1,133,477
Total current expenditures	5,433,814	5,498,169	4,389,535	1,107,467
Indirect expenditures	443,391	459,123	464,241	(5,118)
TOTAL EXPENDITURES	<u>5,877,205</u>	<u>5,957,292</u>	<u>4,853,776</u>	<u>1,102,349</u>
Excess of revenues over expenditures	1,054,199	1,065,931	(150,356)	(1,216,287)
OTHER FINANCING SOURCES (USES)				
Transfers in	115,202	132,756	150,356	17,600
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>115,202</u>	<u>132,756</u>	<u>150,356</u>	<u>17,600</u>
NET CHANGES IN FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCE AT BEGINNING			<u>-</u>	
FUND BALANCE AT END			<u>\$ -</u>	

See notes to required supplementary information.

**THREE RIVERS REGIONAL COMMISSION
REQUIRED NOTES TO SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

BUDGETS AND BUDGETARY ACCOUNTING

Budget Process

The Executive Director submits annual budgets to the Council for the General and Special Revenue Funds. Legal provisions govern the budgetary process. These budgets are formally adopted on an agency-wide level, which is the legal level of budgetary control. The Council amends the budget once annually. The Council Members approve budget amendments if total expenditures exceed budgeted expenditures at the individual grant funded program level.

All expenditures in excess of budgeted amounts are the responsibility of the Commission through local funds. Unobligated appropriations in the annual operating budget lapse at fiscal year-end.

Budget to GAAP Reconciliation

All budgets are adopted on a basis consistent with GAAP. No reconciliation of budget basis to GAAP basis is necessary.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Commission.

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SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

**THREE RIVERS REGIONAL COMMISSION
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020**

	DOT Planning Grant Ended 9/19	Map 21 Program	Coweta 5311 Administration	DOT Planning Grant Ended 6/20	GDOT JARC Mobility
ASSETS					
Due from other governments	\$ 24,785	\$ 58,190	\$ (7,513)	\$ 6,450	\$ 16,038
Prepaid expenses	-	-	-	-	-
Due from other funds	-	-	-	-	-
TOTAL ASSETS	<u>\$ 24,785</u>	<u>\$ 58,190</u>	<u>\$ (7,513)</u>	<u>\$ 6,450</u>	<u>\$ 16,038</u>
LIABILITIES					
Accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned revenue	-	-	-	-	-
Due to other funds	24,785	58,190	(7,513)	6,450	16,038
TOTAL LIABILITIES	<u>24,785</u>	<u>58,190</u>	<u>(7,513)</u>	<u>6,450</u>	<u>16,038</u>
FUND BALANCE					
Assigned for transportation programs	-	-	-	-	-
TOTAL FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 24,785</u>	<u>\$ 58,190</u>	<u>\$ (7,513)</u>	<u>\$ 6,450</u>	<u>\$ 16,038</u>

<u>DCH – CCSP</u>	<u>DHR SOWEGA Title V</u>	<u>Dementia Friendly Grant</u>	<u>Contributions for Elderly</u>	<u>DHS MIPPA</u>	<u>Community Options Counseling</u>	<u>DHS MIPPA</u>
\$ 248,218	\$ 8,124	\$ (1,820)	\$ (24,005)	\$ 99,413	\$ 2,084	\$ (2,083)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 248,218</u>	<u>\$ 8,124</u>	<u>\$ (1,820)</u>	<u>\$ (24,005)</u>	<u>\$ 99,413</u>	<u>\$ 2,084</u>	<u>\$ (2,083)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
217,885	8,124	(1,820)	(24,005)	99,413	2,084	(2,083)
<u>217,885</u>	<u>8,124</u>	<u>(1,820)</u>	<u>(24,005)</u>	<u>99,413</u>	<u>2,084</u>	<u>(2,083)</u>
30,333	-	-	-	-	-	-
<u>30,333</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 248,218</u>	<u>\$ 8,124</u>	<u>\$ (1,820)</u>	<u>\$ (24,005)</u>	<u>\$ 99,413</u>	<u>\$ 2,084</u>	<u>\$ (2,083)</u>

**THREE RIVERS REGIONAL COMMISSION
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS – CONTINUED
JUNE 30, 2020**

	<u>DHS Elder Community Living (FFCRA)</u>	<u>Money Follows the Person Direct</u>	<u>PCHPGA</u>	<u>PY18 Youth</u>	<u>PY19 Dislocated Worker Trans to Adult</u>
ASSETS					
Due from other governments	\$ 127,429	\$ 40,500	\$ 3,760	\$ 6,369	\$ 14,812
Prepaid expenses	-	-	-	-	-
Due from other funds	-	-	-	-	-
TOTAL ASSETS	<u>\$ 127,429</u>	<u>\$ 40,500</u>	<u>\$ 3,760</u>	<u>\$ 6,369</u>	<u>\$ 14,812</u>
LIABILITIES					
Accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned revenue	-	-	-	-	-
Due to other funds	127,429	40,500	3,760	6,369	14,812
TOTAL LIABILITIES	<u>127,429</u>	<u>40,500</u>	<u>3,760</u>	<u>6,369</u>	<u>14,812</u>
FUND BALANCE					
Assigned for transportation programs	-	-	-	-	-
TOTAL FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 127,429</u>	<u>\$ 40,500</u>	<u>\$ 3,760</u>	<u>\$ 6,369</u>	<u>\$ 14,812</u>

<u>PY19 Youth</u>	<u>FY20 Adult</u>	<u>FY20 Dislocated Worker</u>	<u>PY18 AFR Adult</u>	<u>DW AFR Dislocated Worker</u>	<u>EDA 20</u>	<u>ARC FY20</u>
\$ 304,191	\$ 16,061	\$ 295,374	\$ 157,254	\$ 131,382	\$ 15,155	\$ 4,852
-	-	-	-	-	-	-
-	-	-	-	-	560	-
<u>\$ 304,191</u>	<u>\$ 16,061</u>	<u>\$ 295,374</u>	<u>\$ 157,254</u>	<u>\$ 131,382</u>	<u>\$ 15,715</u>	<u>\$ 4,852</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
304,191	16,061	295,374	157,254	131,382	-	4,852
<u>304,191</u>	<u>16,061</u>	<u>295,374</u>	<u>157,254</u>	<u>131,382</u>	<u>-</u>	<u>4,852</u>
-	-	-	-	-	15,715	-
-	-	-	-	-	15,715	-
<u>\$ 304,191</u>	<u>\$ 16,061</u>	<u>\$ 295,374</u>	<u>\$ 157,254</u>	<u>\$ 131,382</u>	<u>\$ 15,715</u>	<u>\$ 4,852</u>

**THREE RIVERS REGIONAL COMMISSION
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS – CONTINUED
JUNE 30, 2020**

	<u>Spalding CSBG 19/20</u>	<u>Department of Community Affairs</u>	<u>Lamar PDM</u>	<u>Spalding Co. CSBG 20/21</u>	<u>DNR Historic Preservation</u>
ASSETS					
Due from other governments	\$ (5,652)	\$ 40,383	\$ 14,469	\$ 6,492	\$ 1,729
Prepaid expenses	-	-	-	-	-
Due from other funds	-	-	-	-	-
TOTAL ASSETS	<u>\$ (5,652)</u>	<u>\$ 40,383</u>	<u>\$ 14,469</u>	<u>\$ 6,492</u>	<u>\$ 1,729</u>
LIABILITIES					
Accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned revenue	-	-	-	-	-
Due to other funds	(5,652)	40,383	14,469	6,492	1,729
TOTAL LIABILITIES	<u>(5,652)</u>	<u>40,383</u>	<u>14,469</u>	<u>6,492</u>	<u>1,729</u>
FUND BALANCE					
Assigned for transportation programs	-	-	-	-	-
TOTAL FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ (5,652)</u>	<u>\$ 40,383</u>	<u>\$ 14,469</u>	<u>\$ 6,492</u>	<u>\$ 1,729</u>

<u>Other</u>	<u>Total</u>
\$ (2,785)	\$ 1,599,656
17	17
<u>69,327</u>	<u>69,887</u>
<u>\$ 66,559</u>	<u>\$ 1,669,560</u>
\$ 69,341	\$ 69,341
	-
<u>(2,782)</u>	<u>1,554,171</u>
<u>66,559</u>	<u>1,623,512</u>
<u>-</u>	<u>46,048</u>
<u>-</u>	<u>46,048</u>
<u>\$ 66,559</u>	<u>\$ 1,669,560</u>

**THREE RIVERS REGIONAL COMMISSION
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	DOT Planning Grant Ended 9/19	MAP 21 Program	DOT RPTP	Cowetta 5311 Admin	DOT Planning Grant Ended 6/20
REVENUES					
Federal	\$ 2,035	\$ -	\$ 30,483	\$ -	\$ 8,306
State		-	3,810	-	-
Local	-	59,250	-	6,329	-
Miscellaneous	-	-	-	-	-
TOTAL REVENUES	2,035	59,250	34,293	6,329	8,306
EXPENDITURES					
Personal services	-	-	-	-	-
Direct salaries	1,078	37,783	16,813	2,843	5,150
Fringe benefits	539	18,881	8,402	1,421	2,573
Total personal services	1,617	56,664	25,215	4,264	7,723
Operating expenditures	178	788	674	-	20
Other	-	-	-	-	-
Indirect cost	784	27,447	12,214	2,065	3,740
Cost allocation plan	-	-	-	-	-
TOTAL EXPENDITURES	2,579	84,899	38,103	6,329	11,483
Deficiency of revenues under expenditures	(544)	(25,649)	(3,810)	-	(3,177)
OTHER FINANCING SOURCES					
Transfers	544	25,649	3,810	-	3,177
NET CHANGE IN FUND BALANCE	-	-	-	-	-
FUND BALANCES AT:					
BEGINNING OF YEAR	-	-	-	-	-
END OF YEAR	\$ -	\$ -	\$ -	\$ -	\$ -

GDOT JARC Mobility	DCH – CCSP	ADSSP Benjamin Rise Instit.	Dementia Friendly Grant	Contributions for Elderly	DHS Mippa	Community Options Counseling
\$ 14,744	\$ 764,218	\$ 1,946	\$ -	\$ -	\$ 94,974	\$ -
1,843	-	1,593	-	-	-	2,084
-	-	-	180	1,899	-	-
-	-	-	-	-	-	-
<u>16,587</u>	<u>764,218</u>	<u>3,539</u>	<u>180</u>	<u>1,899</u>	<u>94,974</u>	<u>2,084</u>
-	-	-	-	-	-	-
7,375	286,704	-	-	-	32,073	513
<u>3,686</u>	<u>143,277</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,028</u>	<u>256</u>
11,061	429,981	-	-	-	48,101	769
2,012	125,897	3,539	180	1,899	26,372	942
-	1,157	-	-	-	-	-
5,357	208,275	-	-	-	23,300	373
-	-	-	-	-	-	-
<u>18,430</u>	<u>765,310</u>	<u>3,539</u>	<u>180</u>	<u>1,899</u>	<u>97,773</u>	<u>2,084</u>
(1,843)	(1,092)	-	-	-	(2,799)	-
<u>1,843</u>	<u>1,092</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,799</u>	<u>-</u>
-	-	-	-	-	-	-
-	30,333	-	-	-	-	-
<u>\$ -</u>	<u>\$ 30,333</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**HREE RIVERS REGIONAL COMMISSION
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS – CONTINUED
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	DHS Mippa	DHS Elder Community Living (FFCRA)	Money Follows the Person Direct	PCHPGA Insurance Program	PY18 Adult
REVENUES					
Federal	\$ 46,533	\$ 127,429	\$ 92,434	\$ -	\$ 16
State	-	-	-	-	-
Local	-	-	-	-	-
Miscellaneous	-	-	-	3,760	-
TOTAL REVENUES	46,533	127,429	92,434	3,760	16
EXPENDITURES					
Personal services	-	-	-	-	-
Direct salaries	20,431	-	-	1,557	-
Fringe benefits	10,210	-	-	778	-
Total personal services	30,641	-	-	2,335	-
Operating expenditures	2,760	127,429	92,434	294	16
Other	1,700	-	-	-	-
Indirect cost	14,842	-	-	1,131	-
Cost allocation plan	-	-	-	-	-
TOTAL EXPENDITURES	49,943	127,429	92,434	3,760	16
Deficiency of revenues under expenditures	(3,410)	-	-	-	-
OTHER FINANCING SOURCES					
Transfers	3,410	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	-	-	-
FUND BALANCES AT:					
BEGINNING OF YEAR	-	-	-	-	-
END OF YEAR	\$ -	\$ -	\$ -	\$ -	\$ -

**THREE RIVERS REGIONAL COMMISSION
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS – CONTINUED
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	FY20 Dislocated Worker	PY19 Adult	PY19 Dislocated Worker	PY18 AFR Adult	FY20 AFR DW
REVENUES					
Federal	\$ 439,070	\$ 141,785	\$ 266,019	\$ 157,254	\$ 131,383
State	-	-	-	-	-
Local	-	-	-	-	-
Miscellaneous	-	-	-	-	-
TOTAL REVENUES	439,070	141,785	266,019	157,254	131,383
EXPENDITURES					
Personal services	-	-	-	-	-
Direct salaries	74,485	23,819	100,427	-	-
Fringe benefits	37,223	11,904	50,187	-	-
Total personal services	111,708	35,723	150,614	-	-
Operating expenditures	327,146	106,057	115,251	157,254	131,383
Other	216	5	154	-	3
Indirect cost	-	-	-	-	-
Cost allocation plan	-	-	-	-	-
TOTAL EXPENDITURES	439,070	141,785	266,019	157,254	131,386
Deficiency of revenues under expenditures	-	-	-	-	(3)
OTHER FINANCING SOURCES					
Transfers	-	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	-	-	(3)
FUND BALANCES AT:					
BEGINNING OF YEAR	-	-	-	-	3
END OF YEAR	\$ -	\$ -	\$ -	\$ -	\$ -

<u>ARC PY19</u>	<u>ARC FY20</u>	<u>EDA</u>	<u>Spalding CSBG 19/20</u>	<u>EDA 20</u>	<u>Department of Community Affairs</u>	<u>Two Rivers RC&D SWP</u>
\$ 14,612	\$ 14,116	\$ 14,185	\$ -	\$ 32,655	\$ -	\$ -
-	-	-	-	-	151,270	-
-	-	-	5,054	-	-	3,500
-	-	-	-	-	-	-
<u>14,612</u>	<u>14,116</u>	<u>14,185</u>	<u>5,054</u>	<u>32,655</u>	<u>151,270</u>	<u>3,500</u>
13,633	8,871	28,943	4,831	21,532	66,489	2,678
<u>6,813</u>	<u>4,433</u>	<u>14,464</u>	<u>2,414</u>	<u>10,760</u>	<u>33,227</u>	<u>1,338</u>
20,446	13,304	43,407	7,245	32,292	99,716	4,016
1,797	417	3,848	1,959	1,436	3,254	-
-	-	1,550	40	5,055	-	-
9,904	6,444	21,025	3,509	15,642	48,300	1,945
-	-	-	-	-	-	-
<u>32,147</u>	<u>20,165</u>	<u>69,830</u>	<u>12,753</u>	<u>54,425</u>	<u>151,270</u>	<u>5,961</u>
(17,535)	(6,049)	(55,645)	(7,699)	(21,770)	-	(2,461)
<u>17,535</u>	<u>6,049</u>	<u>55,645</u>	<u>7,699</u>	<u>21,770</u>	<u>-</u>	<u>2,461</u>
-	-	-	-	-	-	-
-	-	-	-	15,715	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,715</u>	<u>\$ -</u>	<u>\$ -</u>

**THREE RIVERS REGIONAL COMMISSION
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS – CONTINUED
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Lamar PDM	Spalding Co. CSBG 20/21	DNR Historic Preservation	Total
REVENUES				
Federal	\$ -	\$ -	\$ -	\$ 4,869,228
State	-	-	3,952	164,552
Local	14,469	24,894	-	115,575
Miscellaneous	-	-	-	3,760
TOTAL REVENUES	14,469	24,894	3,952	5,153,115
EXPENDITURES				
Personal services	-	-	-	-
Direct salaries	6,409	10,634	1,764	1,107,581
Fringe benefits	3,203	5,314	882	552,160
Total personal services	9,612	15,948	2,646	1,659,741
Operating expenditures	201	1,220	26	3,216,588
Other	-	-	-	10,417
Indirect cost	4,656	7,726	1,280	419,959
Cost allocation plan	-	-	-	-
TOTAL EXPENDITURES	14,469	24,894	3,952	5,306,705
Deficiency of revenues under expenditures	-	-	-	(153,590)
OTHER FINANCING SOURCES				
Transfers	-	-	-	153,587
NET CHANGE IN FUND BALANCE	-	-	-	(3)
FUND BALANCES AT:				
BEGINNING OF YEAR	-	-	-	46,051
END OF YEAR	\$ -	\$ -	\$ -	\$ 46,048

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STATE COMPLIANCE SECTION

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**THREE RIVERS REGIONAL COMMISSION
SCHEDULE OF EMPLOYEE BENEFIT COST POOL –
PROVISIONAL AND ACTUAL RATES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Provisional</u>	<u>Actual</u>
Release time	\$ 370,688	\$ 400,732
Fringe benefits		
Retirement benefits	153,085	153,836
Retirement administration	5,100	7,545
Payroll taxes	206,690	203,782
Unemployment		
Group insurance and workers compensation	<u>351,184</u>	<u>383,929</u>
Total fringe benefits	<u>716,059</u>	<u>749,092</u>
Employee benefits available for allocation	<u>\$ 1,086,747</u>	<u>\$ 1,149,824</u>

COMPUTATION OF EMPLOYEE BENEFIT RATES

Gross salaries	<u>\$ 2,331,136</u>	<u>\$ 2,300,868</u>
Allocation base – chargeable salaries	<u>\$ 2,331,136</u>	<u>\$ 2,300,868</u>
Employee benefit rates	<u>46.62%</u>	<u>49.97%</u>

**THREE RIVERS REGIONAL COMMISSION
SCHEDULE OF INDIRECT COST POOL –
PROVISIONAL AND ACTUAL RATES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Provisional</u>	<u>Actual</u>
Salaries and wages	\$ 408,525	\$ 407,243
Released time and fringe benefits	190,449	203,513
Travel	2,000	1,994
Per diem and fees	42,500	41,999
Utilities	27,000	26,740
Telecommunications	7,425	6,606
Computer charges	111,850	111,870
Insurance and bonding	72,000	67,343
Car allowance	9,000	9,000
Repairs and maintenance	15,500	18,195
Supplies and materials	12,000	12,969
Rentals	4,250	4,007
Depreciation	25,404	24,154
Other	15,740	15,904
Total indirect expenses	<u>943,643</u>	<u>951,537</u>
Indirect expenses available for allocation	<u>\$ 943,643</u>	<u>\$ 951,537</u>

COMPUTATION OF INDIRECT COST RATES

Direct chargeable salaries	\$ 1,308,132	\$ 1,309,852
Direct fringe and release time	<u>609,835</u>	<u>654,579</u>
Allocation base – direct personnel costs	<u>\$ 1,917,967</u>	<u>\$ 1,964,431</u>
Indirect cost rates	<u>49.20%</u>	<u>48.44%</u>

**THREE RIVERS REGIONAL COMMISSION
SCHEDULE OF CITY/COUNTY DUES AND ASSESSMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Balance due June 30, 2019</u>	<u>FY' 20 Dues Amount</u>	<u>Total Billed for FY' 20</u>	<u>Amount Collected for FY' 20</u>	<u>Balance due June 30, 2020</u>
Government					
Butts County	\$ -	\$ 18,081	\$ 18,081	\$ 18,081	\$ -
Jackson	-	5,083	5,083	5,083	-
Jenkinsburg	-	372	372	372	-
Flovilla	-	658	658	658	-
Carroll County	-	118,121	118,121	118,121	-
Coweta County	-	97,112	97,112	97,112	-
Grantville	-	3,269	3,269	3,269	-
Haralson	-	193	193	193	-
Moreland	-	449	449	449	-
Newnan	-	39,784	39,784	39,784	-
Senoia	-	4,347	4,347	4,347	-
Sharpsburg	-	363	363	363	-
Turin	-	347	347	347	-
Heard County	-	10,106	10,106	10,106	-
Centralhatchee	-	402	402	402	-
Ephesus	-	447	447	447	-
Franklin	-	924	924	924	-
Lamar County	-	11,537	11,537	11,537	-
Aldora	-	109	109	109	-
Barnesville	-	6,711	6,711	6,711	-
Milner	-	643	643	643	-
Meriwether County	-	13,942	13,942	13,942	-
Gay	-	83	83	83	-
Greenville	-	841	841	841	-
Lone Oak	-	89	89	89	-
Luthersville	-	827	827	827	-
Manchester	-	3,987	3,987	3,987	-
Warm Springs	-	404	404	404	-
Woodbury	-	895	895	895	-
Pike County	-	18,634	18,634	18,634	-
Spalding County	-	43,222	43,222	43,222	-
Griffin	-	22,878	22,878	22,878	-
Troup County	(2)	32,793	32,793	32,791	-
Hogansville	-	3,103	3,103	3,103	-
LaGrange	-	30,291	30,291	30,291	-
West Point	-	3,743	3,743	3,743	-
Upson County	-	17,475	17,475	17,475	-
Thomaston	-	8,740	8,740	8,740	-
	<u>\$ (2)</u>	<u>\$ 521,005</u>	<u>\$ 521,005</u>	<u>\$ 521,003</u>	<u>\$ -</u>

**THREE RIVERS REGIONAL COMMISSION
SCHEDULE OF REVENUES EARNED AND MATCHING FUNDS APPLIED
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Prior Year Unearned Revenue</u>	<u>Current Year Grant Awards</u>	<u>Total Funds Available</u>	<u>Matching Percent</u>	<u>Total Program Costs Current Year</u>	<u>Revenue Earned</u>	<u>Required Match Applied</u>	<u>Other</u>	<u>Unearned Revenue June 30, 2020</u>
ARC PY19	\$ 14,612	\$ -	\$ 14,612	30%	\$ 32,147	\$ 14,612	\$ 6,262	\$ 11,273	\$ -
ARC FY20	-	18,000	18,000	30%	20,165	14,116	6,049	-	3,884
EDA Planning	14,185	-	14,185	40%	69,830	14,185	9,456	46,189	-
EDA 20	-	210,000	210,000	40%	54,425	32,655	21,770	-	177,345
DOT Planning Grant	9,626	-	9,626	20%	2,580	2,035	545	-	7,591
DOT Planning Grant	-	17,200	17,200	20%	11,483	8,306	3,177	-	8,894
DOT RPTP	-	34,709	34,709	10%	38,103	34,293	3,810	-	416
DOT 5311 (Transit Program)	-	1,953,244	1,953,244	-	1,586,013	729,664	698,660	157,688	1,223,580
GDOTJARC Mobility	-	121,500	121,500	10%	18,430	16,587	1,843	-	104,913
DHS - DAS Cluster	-	4,733,532	4,733,532	varies	4,853,776	4,703,420	87,934	62,422	30,112
DCH-CCSP	-	764,218	764,218	-	765,310	764,218	-	1,092	-
DHS MIPPA	-	95,938	95,938	-	97,773	94,974	-	2,799	964
DHS MIPPA	-	66,218	66,218	-	49,943	46,533	-	3,410	19,685
DHS Elderly Community Living (FFRCA)	-	393,474	393,474	-	127,429	127,429	-	-	266,045
DHR Transportation (Transit Program)	-	2,070,382	2,070,382	-	1,666,334	1,664,799	-	1,535	405,583
Coweta 5311 Administration	-	12,000	12,000	-	6,329	6,329	-	-	5,671
Department of Community Affairs	-	157,704	157,704	-	151,270	151,270	-	-	6,434
DNR Historic Preservation	-	4,091	4,091	-	3,952	3,952	-	-	139
PY18 Dislocated Worker	-	366,669	366,669	-	-	-	-	-	366,669
PY19 Adult	17,645	-	17,645	-	17,649	17,645	-	4	-
PY19 Dislocated Worker	3,370	-	3,370	-	3,370	3,370	-	-	-
FY20 Adult Program Transfer	-	800,000	800,000	-	800,000	800,000	-	-	-
PY19 DW Transfer to Adult	591,956	-	591,956	-	592,002	591,956	-	46	-
PY18 Youth	712,746	-	712,746	-	682,293	682,239	-	54	30,507
PY18 Adult	16	-	16	-	16	16	-	-	-
PY18 Dislocated Worker	171	-	171	-	170	170	-	-	-
FY 20 Adult	-	755,870	755,870	-	738,716	738,716	-	-	17,154
FY20 Dislocated Worker	-	662,155	662,155	-	439,070	439,070	-	-	223,085
PY19 Adult	-	141,785	141,785	-	141,785	141,785	-	-	-
PY19 DW	-	266,019	266,019	-	266,019	266,019	-	-	-
PY19 Youth	-	920,248	920,248	-	440,935	440,935	-	-	479,312
PY18 AFR Adult	-	157,254	157,254	-	157,254	157,254	-	-	-
FY20 DW Covid	-	264,600	264,600	-	-	-	-	-	264,600
FY20 AFR Dislocated Worker	-	500,000	500,000	-	131,386	131,383	-	-	368,618

**THREE RIVERS REGIONAL COMMISSION
SCHEDULE OF REVENUES EARNED AND MATCHING FUNDS APPLIED – CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Prior Year Unearned Revenue</u>	<u>Current Year Grant Awards</u>	<u>Total Funds Available</u>	<u>Matching Percent</u>	<u>Total Program Costs Current Year</u>	<u>Revenue Earned</u>	<u>Required Match Applied</u>	<u>Other</u>	<u>Unearned Revenue June 30, 2020</u>
Local									
Dementia Friendly Grant	\$ -	\$ 2,000	\$ 2,000	-	\$ 180	\$ 180	\$ -	\$ -	\$ 1,820
Two Rivers RC&D SWP	-	3,500	3,500	-	5,961	3,500	-	2,461	-
Lamar PDM	-	22,000	22,000	-	14,469	14,469	-	-	7,531
Map 21 Program	-	59,250	59,250	-	84,899	59,250	-	25,651	-
Spalding CSBG 20/21	-	29,379	29,379	-	24,894	24,894	-	-	4,485
Spalding CSBG 19/20	14,185	-	14,185	-	12,753	5,054	-	7,699	913
	<u>\$ 1,378,512</u>	<u>\$ 15,602,939</u>	<u>\$ 16,981,451</u>		<u>\$ 14,109,113</u>	<u>\$ 12,947,282</u>	<u>\$ 839,506</u>	<u>\$ 322,323</u>	<u>\$ 4,025,950</u>
MFP Direct Reimbursement					92,434	92,434			
					<u>\$ 14,201,544</u>	<u>\$ 13,039,713</u>			

**THREE RIVERS REGIONAL COMMISSION
SCHEDULE OF STATE CONTRACTUAL ASSISTANCE
(INCLUDING FEDERAL PASS THROUGH ASSISTANCE)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<u>Program</u>	<u>Contract Number</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Amount Due from State June 30,2020</u>
Department of Community Affairs	N/A	\$ 151,270	\$ 151,270	\$ 40,382
DOT 5311 (Transit Program)	T006385	1,551,397	1,586,013	198,328
DOT Planning Grant	PI #0015861	2,035	2,579	(92)
DOIT Planning Grant	PI #0016547	8,306	11,483	6,450
DOT RTP	T0060686	34,293	38,103	24,876
DHS-DAS Cluster	42700-373-0000083414	4,703,420	4,853,776	1,219,124
DCH-CCSP	2017003	764,218	765,310	248,219
DHS MIPPA	42700-373-0000090449	94,974	97,773	99,413
DHS MIPPA	42700-373-0000083842	46,533	49,943	2,083
DHS Elder Community Living (FFCRA)	42700-373-0000093839	127,429	127,429	127,429
DHR Transportation (Transit Program)	42700-362-000008369	1,664,799	1,666,334	37,775
GDOT JARC Mobility	T006385	16,587	18,430	16,038
DNR Historic Preservation	46200-341-200067	3,952	3,952	1,729
Governor's Office of Workforce Development				
PY19 Adult	11-19-19-04-008	141,785	141,785	-
PY19 Youth	15-19-19-04-008	440,935	440,935	304,191
PY19 Dislocated Worker (DW)	31-19-19-04-008	266,019	266,019	-
FY20 Adult	11-19-20-04-008	738,716	738,716	16,060
FY20 Dislocated Worker	31-19-20-04-008	439,070	439,070	295,373
FY20 Dislocated Worker Transfer to Adult	36-19-20-04-008	800,000	800,000	569,283
PY19 Adult	11-18-19-04-008	17,645	17,649	1,531
PY19 Dislocated Worker	31-18-19-04-008	3,370	3,370	-
PY19 Dislocated Worker Transfer to Adult	36-18-19-04-008	591,956	592,002	14,812
PY18 Youth	15-18-18-04-008	682,239	682,293	6,369
PY18 Adult	11-18-18-04-008	16	16	-
PY18 Dislocated Worker	31-18-18-04-008	170	170	-
PY18 AFR Adult	AFR1-11-17-18-04-007	157,254	157,254	157,254
FY20 Dislocated Worker AFR	AFR31-19-20-04-008	131,383	131,386	131,382

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UNIFORM GUIDANCE SECTION

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Council Members
Three Rivers Regional Commission

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Three Rivers Regional Commission (the Commission) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated December 28, 2020.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.

The Commission's Response to Finding

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Warren Averett, LLC". The signature is written in a cursive, flowing style.

Atlanta, Georgia
December 28, 2020

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY UNIFORM GUIDANCE**

The Council Members
Three Rivers Regional Commission

Report on Compliance for Each Major Federal Program

We have audited Three Rivers Regional Commission's (the Commission) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Commission's major federal programs for the year ended June 30, 2020. The Commission's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Commission's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Commission's compliance.

Opinion on Each Major Federal Program

In our opinion, the Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

Management of the Commission 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 Commission's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2020-001 that we consider to be a significant deficiency.

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

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

Warren Averett, LLC

Atlanta, Georgia
December 28, 2020

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**THREE RIVERS REGIONAL COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	CFDA Number		Federal Expenditures	Subrecipient Expenditures
U.S. DEPARTMENT OF COMMERCE					
Economic Development Support for Planning Organizations	ED20ATL3020017	11.302	\$ 32,655	\$ -	\$ -
Economic Development Support for Planning Organizations	ED17ATL3020024	11.302	14,185		
TOTAL U.S. DEPARTMENT OF COMMERCE				46,840	-
DEPARTMENT OF LABOR					
Passed through State Department of Human Services:					
Senior Community Service Employment Program	42700-373-0000060373	17.235		367,529	-
Passed through the Governor's Office of Workforce Development:					
WIOA Adult Program	AFR1-11-17-18-04-008	17.258	** 157,254		
WIOA Adult Program	11-18-18-04-008	17.258	** 16		
WIOA Adult Program	36-16-17-04-008	17.258	** 591,956		
WIOA Adult Program	11-16-17-04-008	17.258	** 17,645		
WIOA Adult Program	11-19-19-04-008	17.258	** 141,785		
WIOA Adult Program	11-19-20-04-008	17.258	** 738,716		
WIOA Adult Program	36-19-20-04-008	17.258	** 800,000	2,447,372	-
WIOA Youth Activities	15-18-18-04-008	17.259	** 682,239		
WIOA Youth Activities	15-19-19-04-008	17.259	** 440,936	1,123,175	-
WIOA Dislocated Worker Formula Grants	31-18-18-04-008	17.278	** 171		
WIOA Dislocated Worker Formula Grants	31-16-17-04-008	17.278	** 3,370		
WIOA Dislocated Worker Formula Grants	31-19-19-04-008	17.278	** 266,019		
WIOA Dislocated Worker Formula Grants	31-19-20-04-008	17.278	** 439,070		
WIOA Dislocated Worker Formula Grants	AFR31-19-20-04-008	17.278	** 131,382	840,012	-
<i>Total Workforce Investment Act</i>				4,410,559	-
TOTAL U.S. DEPARTMENT OF LABOR				4,778,088	-
U.S. DEPARTMENT OF TRANSPORTATION					
Passed Through Georgia Department of Transportation:					
Highway Research and Development Program	PI 0015861	20.205	2,036		
Highway Research and Development Program	PI 0015579	20.205	8,306		
Job Access Reverse Commute	T006385	20.516	14,744		
Metropolitan Transportation Planning and State and Non-Metrop	T006064	20.505	30,483		
				55,569	
Passed Through Georgia Department of Transportation:					
Formula Grants for Rural Areas	T006295	20.509	698,660		
Formula Grants for Rural Areas	N/A	20.509	6,329		
				704,989	
Passed through State Department of Human Services:					
Enhanced Mobility of Senior and Individuals with Disabilities	42700-362-0000083692	20.513		87,764	-
TOTAL U.S. DEPARTMENT OF TRANSPORTATION				848,322	-

**THREE RIVERS REGIONAL COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Pass-Through Entity Identifying Number</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>	<u>Subrecipient Expenditures</u>
APPALACHIAN REGIONAL COMMISSION				
Appalachian Local Evelopment District Assistance	GA-701-H-C10-20	23.009	\$ 12,825	\$ -
Appalachian Local Evelopment District Assistance	GA-701-H-C9-19	23.009	<u>14,612</u>	-
TOTAL APPALACHIAN REGIONAL COMMISSION			27,437	-
U.S DEPARTMENT OF EDUCATION				
Passed through State Department of Human Services:				
Vocational Rehabilitation for Disable Veterans	42700-362-0000083692	84.126	<u>7,961</u>	-
TOTAL U.S. DEPARTMENT OF EDUCATION			7,961	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through State Department of Human Services:				
Special Programs for the Aging - Title III Part B	42700-373-0000083414	93.044	544,132	-
Special Programs for the Aging - Title III Part B	42700-362-0000083692	93.044	105,398	-
Special Programs for the Aging - Title III Part C, Nutrition Service	42700-373-0000083414	93.045	1,059,190	-
COVID-Family Caregiver Support (FFRCA)	42700-373-0000094629	93.045	127,429	-
Nutrition Services Incentive Program	42700-373-0000083414	93.053	<u>244,652</u>	-
<i>Total Aging</i>			2,080,801	-
Passed through State Department of Human Services:				
Special Programs for the Aging - Title III Part D	42700-373-0000083414	93.043	41,083	-
National Family Caregiver Support - Title III Part E	42700-373-0000083414	93.052	157,799	-
Passed through State Department of Human Services:				
Medicare Enrollment Assistance Program	42700-373-0000083842	93.071	46,533	-
Medicare Enrollment Assistance Program	42700-373-0000090449	93.071	45,975	-
Medicare Enrollment Assistance Program	42700-373-0000090449	93.324	48,999	-
Passed through State Department of Human Services:				
Temporary Assistance for Needy Families	42700-362-0000083692	93.558	4,424	-
Passed through State Department of Human Services:				
Social Services Block Grant	42700-373-0000083414	93.667	68,163	-
Social Services Block Grant	42700-362-0000083692	93.667	<u>346,560</u>	-
			414,723	-
Passed through State Department of Human Services:				
Money Follows the Person	42700-373-0000071614	93.791	287,746	-
Passed through Georgia Department of Community Health				
Medical Assistance Program	2017003	93.778	** 764,218	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>3,892,301</u>	-
			<u>\$ 9,600,949</u>	<u>\$ -</u>

** Denotes major program

**THREE RIVERS REGIONAL COMMISSION
NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2020**

**1. BASIS OF PRESENTATION AND SUMMARY OF
SIGNIFICANT ACCOUNTING POLICIES**

Basis of Presentation

The accompanying schedule of expenditures of federal awards presents the activity of all federal financial assistance programs of Three Rivers Regional Commission (the Commission) and is presented using the accrual basis of accounting. Expenditures of federal awards are recognized as incurred. The reporting entity is defined in Note 1 – Reporting Entity to the Commission’s basic financial statements. Federal financial assistance received directly from federal agencies and federal assistance passed through other government agencies are included on this schedule.

The information reported on this schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Commission, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Commission.

Indirect Cost Rate

The Commission has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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**THREE RIVERS REGIONAL COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020**

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of auditors’ report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness identified?	No
• Significant deficiency identified that is not considered to be a material weakness?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weakness identified?	No
• Significant deficiency identified that is not considered to be a material weakness?	Yes
Type of auditors’ report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	Yes

Identification of Major Programs

<u>CFDA Number</u>	<u>Name of Federal Program</u>
17.258, 17.259 and 17.278 93.778	WIOA Programs Medical Assistance Program
Dollar threshold used to distinguish between type A and type B programs:	\$ 750,000
Auditee qualified as low-risk auditee?	No

**THREE RIVERS REGIONAL COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020**

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters are reported as financial statement findings or questioned costs related to the financial statements reported in accordance with *Government Auditing Standards* for the year ended June 30, 2020.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

U.S. Department of Labor

Passed through the Governor's Office of Workforce Development
Program Name: Workforce Innovation and Opportunity Act (WIOA)
CFDA # 17.258, 17.259, 17.278

2020-001

Documentation of Income Eligibility for Participants

Criteria:

In accordance with Title 20 of the Code of Federal Regulations, Section 680.600, participants in WIOA must have required documentation for low-income eligibility.

Condition:

During the period under audit, we selected 40 participants in WIOA to determine if income was calculated properly for eligibility. Of the 40 participants selected for testing, we noted 20 instances in which the income documented did not tie to the support in the file nor was there any work shown to help with the recalculation. None of these instances caused the participant to be ineligible.

Cause:

The Commission did not have controls in place to ensure income calculations were properly documented.

Effect:

For the participants noted above, lack of clear income calculation could lead to noncompliance with federal regulations and disallowed costs.

Repeat Finding:

No

Recommendation:

We recommend the Commission require on the Family Income Verification form support to justify the calculation of the household income.

**THREE RIVERS REGIONAL COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020**

View of Responsible

Officials:

The Commission concurs with this finding. The Commission staff will revise its application and/or income collection forms to adequately collect income data and then provide training to its case managers, program assistants, and managers on income collection requirements and calculations. Staff will apply the revised income collection forms and process to the 20 files identified in the audit report. Staff will incorporate review of income collection into file monitoring process, and will update file monitoring forms, as adequate to satisfy continued review. Specific method for income calculation will be documented and incorporated into services manuals and trainings.

**THREE RIVERS REGIONAL COMMISSION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2020**

SECTION IV – STATUS OF PRIOR PERIOD FINDINGS AND QUESTIONED COSTS

FINANCIAL STATEMENT FINDINGS REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

2019-001 Recertification of Eligibility for Participants

Criteria: In accordance with Title 20 of the Code of Federal Regulations, Section 641.505, participants in the Senior Community Service Employment Program, (SCSEP) must have their eligibility verified through certification upon initial enrollment and then recertified once every 12 calendar months.

Condition: During the prior period, we selected five participants in SCSEP to determine if recertifications were completed within the required 12-month timeframe from initial certification or the most recent recertification. Of the five participants selected for testing, we noted one participant whose recertification was not completed within the required 12-month timeframe.

Context: The Commission did not have controls in place to properly ensure recertifications were completed at least once per 12 calendar months. For the participant noted above, recertification was completed nine months after the required 12-month timeframe. Upon completion of the recertification, the participant was determined to be eligible for the benefits received between the required recertification date and actual completion of the recertification.

Status: The Commission is monitoring each participant file to make sure all files are complete and in good standing



**Three Rivers Regional Commission Corrective Action Plan
Workforce Federal Awards Finding and Questioned Cost
Year Ended June 30, 2020**

The Three Rivers Regional Commission (TRRC) has received and reviewed the draft findings report. Three Rivers Regional Commission concurs with the finding, and this corrective action plan shall serve as our reply to address deficiencies that were identified in the report.

2020-001 Documentation of Income Eligibility for Participants

Requirement:

Income, particularly low-income status, is a federal reporting requirement, which impacts priority of service determinations for Adult program participants, and may impact eligibility determinations for Youth program participants. 20 CFR § 680.600, participants in WIOA must have required documentation for low income eligibility.

Income is the amount of all reportable income for each family member for the prior six (6) months. This amount multiplied by two (2) is the total annualized family income.

Family income means all includable income actually received from all sources by all members of the family during the income determination period. However, when computing family income, the income of a spouse and/or other family members shall only be counted for that portion of the income determination period that the person was actually a part of the family of the applicant. Family size for the determination period is the maximum size of the family during such period. All items not expressly excluded are includable income.

Applicants having low or no income should complete an applicant statement that describes their means of support in the last six months.

Corrective Action(s):

- Three Rivers Regional Commission staff will revise its application and/or income collection forms to adequately collect income data and then provide training to its case managers, program assistants, and managers on income collection requirements and calculations.
- Staff will apply the revised income collection forms and process to the 21 files identified in the audit report.
- Staff will incorporate review of income collection into file monitoring process, and will update file monitoring forms, as adequate to satisfy continued review.
- Specific method for income calculation will be documented and incorporated into services manuals and trainings.

Completion Date:

April 30, 2021