

METROPOLITAN AREA PLANNING COUNCIL

REPORTS ON FEDERAL AWARD PROGRAMS

YEAR ENDED JUNE 30, 2015

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

Independent Auditor's Report

To the Executive Committee
Metropolitan Area Planning Council

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 business-type activities and each major fund of the Metropolitan Area Planning Council, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Metropolitan Area Planning Council's basic financial statements, and have issued our report thereon dated March 3, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Metropolitan Area Planning Council's (MAPC) internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the effectiveness of the MAPC's internal control. Accordingly, we do not express an opinion on the effectiveness of the MAPC'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the 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 MAPC's financial statements are free of material misstatement, we performed test of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Powers + Juliani, LLC

March 3, 2016



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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY OMB CIRCULAR A-133**

Independent Auditor's Report

To the Executive Committee
Metropolitan Area Planning Council

Report on Compliance for Each Major Federal Program

We have audited the Metropolitan Area Planning Council's compliance with the types of compliance requirements described in *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Metropolitan Area Planning Council's major federal programs for the year ended June 30, 2015. The Metropolitan Area Planning Council's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Metropolitan Area Planning Council's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Metropolitan Area Planning Council'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 Metropolitan Area Planning Council's compliance.

Opinion on Each Major Federal Program

In our opinion, the Metropolitan Area Planning Council's 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, 2015.

Report on Internal Control Over Compliance

Management of the Metropolitan Area Planning Council 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 Metropolitan Area Planning Council's internal control over compliance with requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in or the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Metropolitan Area Planning Council'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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Report on Schedule of Expenditures of Federal Awards Required by OMB A-133

We have audited the financial statements of the business-type activities and each major fund of the Metropolitan Area Planning Council, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Metropolitan Area Planning Council's basic financial statements. We issued our report thereon dated March 3, 2016, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



March 3, 2016

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal Project Number	Expenditures
U.S. DEPARTMENT OF COMMERCE			
<u>Direct Program:</u>			
Economic Development - Support for Planning Organizations.....	11.302	Not Applicable	\$ 107,768
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<u>Passed through PlaceMatters, Inc.:</u>			
Capacity Building for Sustainable Communities.....	14.705	Not Applicable	90,984
U.S. DEPARTMENT OF TRANSPORTATION			
<u>Passed through State Highway Department:</u>			
Highway Planning and Construction.....	20.205	INTF00X0201440079027	205,666
Highway Planning and Construction.....	20.205	INTF00X02015H0085212	494,265
Highway Planning and Construction.....	20.205	INTF00X0201440079021	104,591
Highway Planning and Construction.....	20.205	INTF00X02015H0084180	253,393
Highway Planning and Construction.....	20.205	INTF00X02014M0081334	288,778
Highway Planning and Construction.....	20.205	INTF00X02015H0086842	97,262
Highway Planning and Construction.....	20.205	INTF00X02014H0078890	830,199
Highway Planning and Construction.....	20.205	INTF00X02015H0084053	2,160,618
Highway Planning and Construction.....	20.205	INTF00X0201440078922	426,206
Highway Planning and Construction.....	20.205	INTF00X0214H0078924	137,764
Highway Planning and Construction.....	20.205	INTF00X0215H0084080	659,145
Highway Planning and Construction.....	20.205	INTF00X02012H0074392	3,764
Highway Planning and Construction.....	20.205	INTF00X02012H0076798	9,016
Highway Planning and Construction.....	20.205	INTF00X02014H0079777	2,649
Highway Planning and Construction.....	20.205	INTF00X02014H0080559	23,862
Highway Planning and Construction.....	20.205	INTF00X02014H0081320	8,539
Highway Planning and Construction.....	20.205	INTF00X02014H0081312	204,192
Highway Planning and Construction.....	20.205	INTF00X02015H0083955	130,082
Highway Planning and Construction.....	20.205	INTF00X02015H0083894	125,576
Highway Planning and Construction.....	20.205	INTF00X02015H0087990	3,924
TOTAL U.S. DEPARTMENT OF TRANSPORTATION.....			6,169,491
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<u>Passed through the State Health Department:</u>			
Community Transformation Grants Small Communities Program.....	93.737	INTF4120M04100217030	343,634
U.S. DEPARTMENT OF HOMELAND SECURITY:			
<u>Passed through the Massachusetts Executive Office of Public Safety and Security:</u>			
Homeland Security Grant Program.....	97.067	80004692	7,549,474
TOTAL.....			\$ 14,261,351

See notes to schedule of expenditures of federal awards.

Note 1 - Definition of Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the Metropolitan Area Planning Council. All federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other governmental agencies is included on the schedule.

Note 2 - Significant Accounting Policies

The accounting and reporting policies of the Metropolitan Area Planning Council are set forth below:

(a) Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards is presented on the accrual basis of accounting. Accordingly, grant revenues are recognized when earned and expenditures when incurred.

Note 3 - Program Clusters

In accordance with Subpart A §.105 of OMB Circular No. A-133, Audits of States, Local Governments and Non Profit Organizations, certain programs have been clustered in determining major programs. The following represents the clustered programs:

<u>Name of Cluster/Program</u>	<u>CFDA Number</u>
Highway Planning and Construction Cluster	
Highway Planning and Construction	20.205
Recreational Trails Program	20.219
Appalachian Development Highway System	23.003
Homeland Security Cluster	
Homeland Security Grant Program	97.067
State Domestic Preparedness Equipment Support Program	97.004

The MAPC does not participate in the Recreational Trails Program, the Appalachian Development Highway System Program, or the State Domestic Preparedness Equipment Support Program.

A. Summary of Auditor’s Results

1. The auditor’s report expresses an unmodified opinion on the financial statements of the Metropolitan Area Planning Council.
2. No reportable conditions relating to the audit of the financial statements are reported in the 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*.
3. No instances of noncompliance material to the financial statements of the Metropolitan Area Planning Council were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award programs is reported in the Report on Compliance for each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133.
5. The auditor’s report on compliance for the major federal award programs for the Metropolitan Area Planning Council expresses an unmodified opinion.
6. There were no audit findings relative to the major federal award programs for the Metropolitan Area Planning Council.
7. The programs tested as major grants include:

<u>Program Title</u>	<u>CFDA Number</u>
Homeland Security Grant Program	97.067

8. The threshold for distinguishing Types A and B programs was \$427,841.
9. The Metropolitan Area Planning Council was determined to be a low-risk auditee.

B. Findings - Financial Statements Audit

None

C. Findings and Questioned Costs - Major Federal Award Program Audit

None

D. Prior Year Audit Findings and Questioned Costs

None