

METROPOLITAN AREA PLANNING COUNCIL

REPORTS ON FEDERAL AWARD PROGRAMS

FISCAL YEAR ENDED JUNE 30, 2013

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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, 2013, 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 January 31, 2014.

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 as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the MAPC's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the MAPC's internal control over financial reporting.

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

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered MAPC's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 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 Metropolitan Area Planning Council's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

A handwritten signature in black ink that reads "Powers + Johnson, LLC". The signature is written in a cursive, flowing style.

January 31, 2014



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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, 2013. 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, 2013.

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, 2013, 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 January 31, 2014, which contained an unmodified opinion on those financial statements. Our audit was performed 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.



January 31, 2014

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Project Number</u>	<u>Expenditures</u>
U.S. DEPARTMENT OF COMMERCE:			
<u>Direct Program:</u>			
Economic Development - Support for Planning Organizations	11.302	Not Applicable	\$ 110,107
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<u>Direct Program:</u>			
Sustainable Communities Regional Planning Grant	14.703	MARIP 001810	1,541,362
<u>Passed through Placematters, Inc.:</u>			
Capacity Building for Sustainable Communities	14.705	Not Applicable	40,716
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>1,582,078</u>
U.S. DEPARTMENT OF TRANSPORTATION:			
<u>Passed through State Highway Department:</u>			
Highway Planning and Construction	20.205	INTF11A0066105N002	180,134
Highway Planning and Construction	20.205	INTF00X02013H0073681	492,853
Highway Planning and Construction	20.205	INTF00X02011P0067437	317,050
Highway Planning and Construction	20.205	CT DOT MAPC SOCO CPRPLN 2010 00	39,437
Highway Planning and Construction	20.205	INTF00X02012H0072982	212,660
Highway Planning and Construction	20.205	MassDOT Contract 76960	84,510
Highway Planning and Construction	20.205	INTF00X02012H0069965	604,174
Highway Planning and Construction	20.205	MassDOT Contract 75086	1,896,478
Highway Planning and Construction	20.205	INTF00X02012H0070172	343,441
Highway Planning and Construction	20.205	INTF00X02012H0070174	138,821
Highway Planning and Construction	20.205	INTF00X02013H00785364	834,791
Highway Planning and Construction	20.205	INTF00X02012H0075366	125,065
Highway Planning and Construction	20.205	CT DOT MAPC SOCO CTPS 2010 00	46,921
Highway Planning and Construction	20.205	INTF00X02011J0068581	24,978
Highway Planning and Construction	20.205	INTF00X02012H0070181	8,091
Highway Planning and Construction	20.205	INTF00X02012M0070626	35,502
Highway Planning and Construction	20.205	INF00X02012H0074392	163,917
Highway Planning and Construction	20.205	INTF00X02012H0076027	26,317
Highway Planning and Construction	20.205	INTF00X02012H0076798	69,116
Highway Planning and Construction	20.205	INTF00X02012H0075070	124,694
<u>Passed through State Executive Office of Transportation:</u>			
Highway Planning and Construction	20.205	INTF00X02010A0062576	195,257
<u>Passed through Massachusetts Bay Transportation Authority:</u>			
Federal Transit - Capital Investment Grants	20.500	MBTA MA-04-0056	1,110,334
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			<u>7,074,541</u>
U.S. ENVIRONMENTAL PROTECTION AGENCY			
<u>Direct Program:</u>			
ARRA - Brownfields Assessment and Cleanup Cooperative Agreements	66.818	USEPA BF 96113201-0	321,798
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<u>Passed through the State Health Department:</u>			
Community Transformation Grants Small Communities Program	93.737	INTF4120M04100217006	296,405
Community Transformation Grants Small Communities Program	93.737	INTF4120M04100217021	345,749
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>642,154</u>
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	18,787,215
TOTAL			<u>\$ 28,517,893</u>

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
Federal Transit Cluster	
Federal Transit – Capital Investment Grants	20.500
Federal Transit – Formula Grants (Urbanized Area Formula Program)	20.507
State of Good Repair Grants	20.525
Bus and Bus Facilities Formula Grants	20.526
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, Federal Transit Formula Grants, State of Good Repair Grants, Bus and Bus Facilities Formula Grants 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>
Federal Transit – Capital Investment Grants	20.500
Homeland Security Program Grant	97.067

8. The threshold for distinguishing Types A and B programs was \$855,537.
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