

**Washington State Auditor's Office**  
**Financial Statements and Federal Single Audit Report**

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**Thurston Regional Planning Council**  
**Thurston County**

Audit Period  
**January 1, 2013 through December 31, 2013**

**Report No. 1012232**

Issue Date  
**July 21, 2014**



**Washington State Auditor**  
**Troy Kelley**

Independence • Respect • Integrity



## Washington State Auditor Troy Kelley

July 21, 2014

Council  
Thurston Regional Planning Council  
Olympia, Washington

### ***Report on Financial Statements and Federal Single Audit***

Please find attached our report on the Thurston Regional Planning Council's financial statements and compliance with federal laws and regulations.

We are issuing this report in order to provide information on the Council's financial condition.

Sincerely,

A handwritten signature in black ink that reads "Troy X. Kelley". The signature is written in a cursive style.

**TROY KELLEY**  
STATE AUDITOR

# Table of Contents

**Thurston Regional Planning Council  
Thurston County  
January 1, 2013 through December 31, 2013**

Federal Summary .....	1
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	3
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.....	5
Independent Auditor's Report on Financial Statements .....	8
Financial Section.....	11

# Federal Summary

## Thurston Regional Planning Council Thurston County January 1, 2013 through December 31, 2013

The results of our audit of the Thurston Regional Planning Council are summarized below in accordance with U.S. Office of Management and Budget Circular A-133.

### ***FINANCIAL STATEMENTS***

An unmodified opinion was issued on the financial statements.

#### ***Internal Control Over Financial Reporting:***

- ***Significant Deficiencies:*** We reported no deficiencies in the design or operation of internal control over financial reporting that we consider to be significant deficiencies.
- ***Material Weaknesses:*** We identified no deficiencies that we consider to be material weaknesses.

We noted no instances of noncompliance that were material to the financial statements of the Council.

### ***FEDERAL AWARDS***

#### ***Internal Control Over Major Programs:***

- ***Significant Deficiencies:*** We reported no deficiencies in the design or operation of internal control over major federal programs that we consider to be significant deficiencies.
- ***Material Weaknesses:*** We identified no deficiencies that we consider to be material weaknesses.

We issued an unmodified opinion on the Council's compliance with requirements applicable to each of its major federal programs.

We reported no findings that are required to be disclosed under section 510(a) of OMB Circular A-133.

***Identification of Major Programs:***

The following were major programs during the period under audit:

<u>CFDA No.</u>	<u>Program Title</u>
14.704	Community Challenge Planning Grants and the Department of Transportation's Tiger II Planning Grant
20.205	Highway Planning and Construction Cluster - Highway Planning and Construction
81.128	ARRA Energy Efficiency and Conservation Block Grant Program (EECBG)

The dollar threshold used to distinguish between Type A and Type B programs, as prescribed by OMB Circular A-133, was \$300,000.

The Council qualified as a low-risk auditee under OMB Circular A-133.

# **Independent Auditor's 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***

**Thurston Regional Planning Council  
Thurston County  
January 1, 2013 through December 31, 2013**

Council  
Thurston Regional Planning Council  
Olympia, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Thurston Regional Planning Council, Thurston County, Washington, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Council's financial statements, and have issued our report thereon dated July 10, 2014.

We issued an unmodified opinion on the fair presentation of the Council's financial statements in accordance with its regulatory basis of accounting. We issued an adverse opinion on the fair presentation with regard to accounting principles generally accepted in the United States of America (GAAP) because the financial statements are prepared by the Council using accounting practices prescribed or permitted by Washington State statutes and the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) manual described in Note 1, which is a basis of accounting other than GAAP. The effects on the financial statements of the variances between the basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

## ***INTERNAL CONTROL OVER FINANCIAL REPORTING***

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

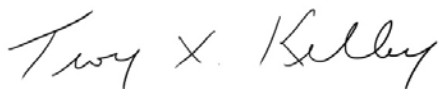
## ***COMPLIANCE AND OTHER MATTERS***

As part of obtaining reasonable assurance about whether the Council's financial statements are free from material misstatement, we performed tests of the Council's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## ***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 Council'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 Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.



**TROY KELLEY**  
STATE AUDITOR

July 10, 2014

# **Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance in Accordance with OMB Circular A-133**

**Thurston Regional Planning Council  
Thurston County  
January 1, 2013 through December 31, 2013**

Council  
Thurston Regional Planning Council  
Olympia, Washington

## ***REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM***

We have audited the compliance of the Thurston Regional Planning Council, Thurston County, Washington, with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013. The Council's major federal programs are identified in the accompanying Federal Summary.

### ***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 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 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. Our audit does not provide a legal determination on the Council's compliance.



### ***Opinion on Each Major Federal Program***

In our opinion, the Council 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 December 31, 2013.

### ***REPORT ON INTERNAL CONTROL OVER COMPLIANCE***

Management of the 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 Council's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program in order 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 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 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 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.

### ***PURPOSE OF THIS REPORT***

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. However, this report is a matter of public record and its distribution is not limited. It

also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

A handwritten signature in cursive script that reads "Troy X. Kelley".

**TROY KELLEY**  
STATE AUDITOR

July 10, 2014

# **Independent Auditor's Report on Financial Statements**

## **Thurston Regional Planning Council Thurston County January 1, 2013 through December 31, 2013**

Council  
Thurston Regional Planning Council  
Olympia, Washington

### ***REPORT ON THE FINANCIAL STATEMENTS***

We have audited the accompanying financial statements of the Thurston Regional Planning Council, Thurston County, Washington, for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Council's financial statements, as listed on page 11.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Washington State statutes and the *Budgeting, Accounting and Reporting System* (BARS) manual prescribed by the State Auditor described in Note 1. This includes determining that the basis of accounting is acceptable for the presentation of the financial statements in the circumstances. Management is also responsible for 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.

#### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Council'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 Council'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.

### ***Unmodified Opinion on Regulatory Basis of Accounting (BARS Manual)***

As described in Note 1, the Thurston Regional Planning Council has prepared these financial statements using accounting practices prescribed or permitted by Washington State statutes and the *Budgeting, Accounting and Reporting System* (BARS) manual. Those accounting practices differ from accounting principles generally accepted in the United States of America (GAAP). The differences in these accounting practices are also described in Note 1.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Thurston Regional Planning Council, for the year ended December 31, 2013, on the basis of accounting described in Note 1.

### ***Basis for Adverse Opinion on U.S. GAAP***

Auditing standards issued by the American Institute of Certified Public Accountants (AICPA) require auditors to formally acknowledge when governments do not prepare their financial statements, intended for general use, in accordance with GAAP. The effects on the financial statements of the variances between GAAP and the accounting practices the Council used, as described in Note 1, although not reasonably determinable, are presumed to be material. As a result, we are required to issue an adverse opinion on whether the financial statements are presented fairly, in all material respects, in accordance with GAAP.

### ***Adverse Opinion on U.S. GAAP***

The financial statements referred to above were not intended to, and in our opinion they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Thurston Regional Planning Council, as of December 31, 2013, or the changes in financial position or cash flows for the year then ended, due to the significance of the matter discussed in the above “Basis for Adverse Opinion on U.S. GAAP” paragraph.

### ***Other Matters***

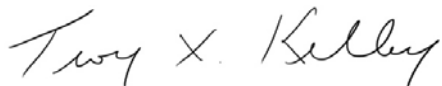
#### ***Supplementary and Other Information***

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The accompanying Schedule of Liabilities is also presented for purposes of additional analysis as required by the prescribed BARS manual. These schedules are not a required part of the 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 financial statements. The

information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

### ***OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 10, 2014 on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.



**TROY KELLEY**  
STATE AUDITOR

July 10, 2014

## **Financial Section**

**Thurston Regional Planning Council  
Thurston County  
January 1, 2013 through December 31, 2013**

### ***FINANCIAL STATEMENTS***

Fund Resources and Uses Arising from Cash Transactions – 2013  
Notes to the Financial Statements – 2013

### ***SUPPLEMENTARY AND OTHER INFORMATION***

Schedule of Liabilities – 2013  
Schedule of Expenditures of Federal Awards – 2013  
Notes to the Schedules of Expenditures of Federal Awards – 2013

## FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2013

BARS Code		001 General
<b>Beginning Cash and Investments</b>		
30810	Beg Fund Bal-Reserved	0
30880	Beg Fund Bal-Unreserved	748,696
38800/58800	Prior Period Adjustments, net	0
<b>Operating Revenues</b>		
330	Intergovernmental Revenues	3,473,921
340	Charges for Goods and Services	38
350	Fines & Penalties	0
360	Miscellaneous Revenues	838,968
Total Operating Revenues:		4,312,927
<b>Operating Expenditures</b>		
540	Transportation	0
550	Natural and Economic Environment	4,203,473
598	Intergovernmental Payments	0
Total Operating Expenditures:		4,203,473
Net Operating Increase (Decrease):		109,454
<b>Nonoperating Revenues</b>		
370, 380, 395, 398	Other Financing Sources	13
391-393	Debt Proceeds	0
Total Nonoperating Revenues:		13
<b>Nonoperating Expenditures</b>		
580, 596, 599	Other Financing Uses	13
591-593	Debt Service	0
594-595	Capital Expenditures	0
Total Nonoperating Expenditures:		13
Increase (Decrease) in Cash and Investments		109,454
<b>Ending Cash and Investments</b>		
50810	End Fund Bal-Reserved	0
50880	End Fund Balance-Unreserved	858,150

The accompanying notes are an integral part of this Statement.

# **THURSTON REGIONAL PLANNING COUNCIL**

## **Notes to the Financial Statements January 1, 2013 through December 31, 2013**

### **Note 1 - Summary of Significant Accounting Policies**

The Thurston Regional Planning Council reports financial activity using the revenue and expenditure classifications, statements, and schedules contained in the *Cash Basis Budgeting, Accounting and Reporting System* (BARS) manual. This basis of accounting and reporting is another comprehensive basis of accounting (OCBOA) that is prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW.

The Thurston Regional Planning Council was incorporated on November 21, 1967 and operates under the laws of the state of Washington applicable to a Regional Planning Council. The Council is a special purpose government and provides county-wide land use, transportation, and environmental planning. The Council uses single-entry, cash basis accounting which is a departure from generally accepted accounting principles (GAAP).

#### **A. Fund Accounting**

The accounts of the Council are organized on the basis of a single fund. This fund is accounted for with a separate set of single-entry accounts that comprises its cash, investments, revenues and expenditures, as appropriate. The Council's resources are allocated to and accounted for in this fund. The following are the fund types used by the Council:

##### **GOVERNMENTAL FUND TYPES:**

##### **General (Current Expense) Fund**

This fund is the primary operating fund of the Council. It accounts for all financial resources except those required or elected to be accounted for in another fund.

#### **B. Basis of Accounting**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Revenues are recognized only when cash is received and expenditures are recognized when paid, including those properly chargeable against the report year(s) budget appropriations as required by state law.

In accordance with state law the Council also recognizes expenditures paid during twenty days after the close of the fiscal year for claims incurred during the previous period.

Purchases of capital assets are expensed during the year of acquisition. There is no capitalization of capital assets, nor allocation of depreciation expense. Inventory is expensed when purchased.

The basis of accounting described above represents a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

#### **C. Budgets**

The Council adopts annual appropriated budgets for its fund. This budget is appropriated at the



fund level (except the general (current expense) fund, where budget is adopted at the department level). The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

The annual appropriated budget is adopted on the same basis of accounting as used for financial reporting.

The appropriated and actual expenditures for the legally adopted budget were as follows:

Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
General Fund:			
6490 Department	\$5,265,972	\$4,203,486.03	\$1,062,485.97
Total General Fund	\$5,265,972	\$4,203,486.03	\$1,062,485.97

Budgeted amounts are authorized to be transferred between object classes within departments; however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the Council.

D. Cash

It is the Council's policy to invest all temporary cash surpluses (See Note 2). The amount is included in the cash and investments shown on the statements of fund resources and uses arising from cash transactions.

E. Deposits

The Council's deposits and certificates of deposit are covered by the Federal Deposit Insurance Corporation (FDIC) and/or the Washington Public Deposit Protection Commission (PDPC).

F. Investments

See Note 2, *Investments*.

G. Capital Assets

Capital assets are assets with an initial individual cost of more than \$200 and an estimated useful life in excess of 3 years. The capital assets of the Council are recorded as expenditures when purchased.

H. Compensated Absences

Traditional Annual Leave may be accumulated up to 45 days, of which 240 hours maximum is payable upon separation or retirement. Alternative Annual Leave may be accumulated to a maximum of 185 days, of which 240 hours maximum is payable upon separation or retirement.

Sick leave may be accumulated up to 960 hours. Upon separation or retirement employees do not receive payment for sick leave, however upon retirement employees do receive payment for 50% of unused sick leave up to a maximum of 360 hours. Employees, if eligible, on the Alternative

Annual Leave program are paid up to a maximum of 360 hours from their sick leave bank at retirement.

The Council does not record accumulated unused vacation and sick leave in its governmental fund. For governmental funds, the cost of unused vacation and sick leave as of December 31, 2013 was \$237,237.07.

I. Long-Term Debt

See Note 4, *Debt Service Requirements*.

J. Risk Management

Thurston Regional Planning Council is a member of the Washington Cities Insurance Authority (WCIA).

Utilizing Chapter 48.62 RCW (self-insurance regulation) and Chapter 39.34 RCW (Interlocal Cooperation Act), nine cities originally formed WCIA on January 1, 1981. WCIA was created for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and / or jointly contracting for risk management services. WCIA has a total of 162 Members.

New members initially contract for a three-year term, and thereafter automatically renew on an annual basis. A one-year withdrawal notice is required before membership can be terminated. Termination does not relieve a former member from its unresolved loss history incurred during membership.

Liability coverage is written on an occurrence basis, without deductibles. Coverage includes general, automobile, police, public officials' errors or omissions, stop gap, and employee benefits liability. Limits are \$4 million per occurrence self-insured layer, and \$16 million per occurrence in the re-insured excess layer. The excess layer is insured by the purchase of reinsurance and insurance and is subject to aggregate limits. Total limits are \$20 million per occurrence subject to aggregate sublimits in the excess layers. The Board of Directors determines the limits and terms of coverage annually.

Insurance coverage for property, automobile physical damage, fidelity, inland marine, and boiler and machinery are purchased on a group basis. Various deductibles apply by type of coverage. Property insurance and auto physical damage are self-funded from the members' deductible to \$750,000, for all perils other than flood and earthquake, and insured above that amount by the purchase of insurance.

In-house services include risk management consultation, loss control field services, claims and litigation administration, and loss analyses. WCIA contracts for the claims investigation consultants for personnel issues and land use problems, insurance brokerage, and lobbyist services.

WCIA is fully funded by its members, who make annual assessments on a prospectively rated basis, as determined by an outside, independent actuary. The assessment covers loss, loss adjustment, and administrative expenses. As outlined in the interlocal, WCIA retains the right to additionally assess the membership for any funding shortfall.

An investment committee, using investment brokers, produces additional revenue by investment

of WCIA's assets in financial instruments which comply with all State guidelines.

A Board of Directors governs WCIA, which is comprised of one designated representative from each member. The Board elects an Executive Committee and appoints a Treasurer to provide general policy direction for the organization. The WCIA Executive Director reports to the Executive Committee and is responsible for conducting the day to day operations of WCIA.

## **Note 2 - Investments**

The Council's investments are either insured, registered, or held by the Council or its agent in the Council's name.

Investments are presented bi-annually at Thurston Regional Planning Council meetings.

Investments by type at December 31, 2013 are as follows:

Type of Investment	Council's Own Investments	Investments held by Council as an agent for other local governments, individuals, or private organizations	Total
Thurston County Investment Pool (TCIP)	\$858,149.77	\$0	\$858,149.77

## **Note 3 – Debt Service Requirements**

None.

## **Note 4 - Pension Plans**

Substantially all of the Council's full-time and qualifying part-time employees participate in PERS administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement plans. Actuarial information is on a system-wide basis and is not considered pertinent to the Council's financial statements. Contributions to the systems by both employee and employer are based upon gross wages covered by plan benefits.

Historical trend or other information regarding each plan is presented in the Washington State Department of Retirement Systems annual financial report. A copy of this report may be obtained by writing to:

Department of Retirement Systems  
Communications Unit  
PO Box 48380  
Olympia, WA 98504-8380

Schedule of Liabilities

For the year ended December 31, 2013

Debt Type	ID. No.	Description	Maturity/Payment Due Date	Beginning Balance January 1, 2013	Additions	Reductions	Ending Balance December 31, 2013
General Obligations							
	259.11	Compensated Absences		225,346	11,891		237,237
		Total General Obligations:		225,346	11,891		237,237
		Total Liabilities:		225,346	11,891		237,237

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2013

Federal Agency Name/Pass-Through Agency Name	Federal Program Name	CFDA Number	Other Award Number	Expenditures			Footnote Ref
				From Pass-Through Awards	From Direct Awards	Total Amount	
Dept. of Housing and Urban Development Office of Sustainable Housing and Community	Sustainable Communities Regional Planning Grant Program	14.703	WARIP0041-10		555,317	555,317	2, 3
Dept. of Housing and Urban Development Office of Sustainable Housing and Community	Community Challenge Planning Grants and the Department of Transportation's TIGER II Planning Grants	14.704	CCPWA0069-11		305,243	305,243	2, 3
Dept. of Transportation Federal Highway Administration (FHWA)/WA DOT	Highway Planning and Construction	20.205	LA 8254	7,747		7,747	2, 3
Dept. of Transportation Federal Highway Administration (FHWA)/WA DOT	Highway Planning and Construction	20.205	GCA 6788	283,549		283,549	2, 3
Dept. of Transportation Federal Highway Administration (FHWA)/WA DOT	Highway Planning and Construction	20.205	LA 6782	38,182		38,182	2, 3
Dept. of Transportation Federal Highway Administration (FHWA)/WA DOT	Highway Planning and Construction	20.205	LA 7742	857,878		857,878	2, 3
<b>Total CFDA 20.205</b>				<b>1,187,356</b>	<b>0</b>	<b>1,187,356</b>	
Dept. of Transportation Federal Transit Administration (FTA)/WA DOT	Metropolitan Transportation Planning	20.505	GCA 6788	66,636		66,636	2, 3
Dept. of Transportation Federal Transit Administration (FTA)/WA DOT	Formula Grants for Rural Areas	20.509	GCA 6853	176,998		176,998	2, 3
Dept. of Energy/	ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	DE-EE0003802		450,043	450,043	2, 3, 4
<b>Total Federal Awards Expended:</b>				<b>1,430,990</b>	<b>1,310,603</b>	<b>2,741,593</b>	

The accompanying notes to the Schedule of Expenditures are an integral part of this schedule

**THURSTON REGIONAL PLANNING COUNCIL, WASHINGTON**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**and State Financial Assistance**  
**For the Fiscal Year Ending December 31, 2013**

NOTE 1 - BASIS OF ACCOUNTING

The schedule is prepared on the same basis of accounting as the Thurston Regional Planning Council's financial statements. The Thurston Regional Planning Council uses the cash basis of accounting.

NOTE 2 - PROGRAM COSTS

The amounts shown as current year expenditures represent only the federal and state portions of the program costs. Entire program costs, including the Thurston Regional Planning Council's portion, are more than shown.

NOTE 3 - INDIRECT COST RATE

The amount expended includes \$540,157.35 claimed as an indirect cost recovery using an approved indirect cost rate of 60.3534 percent.

NOTE 4 - AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) of 2009

Expenditures for the Energy Efficiency & Conservation Community Block Grant awarded to Thurston Regional Planning Council by the U.S Department of Energy were funded by ARRA.

NOTE 5 - AMOUNTS AWARDED TO SUBRECIPIENTS

Included in the total amount expended for this program is \$1,212,023.84 that was passed through to a subrecipient that administered its own project.



## **ABOUT THE STATE AUDITOR'S OFFICE**

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The State Auditor's Office is established in the state's Constitution and is part of the executive branch of state government. The State Auditor is elected by the citizens of Washington and serves four-year terms.

We work with our audit clients and citizens as an advocate for government accountability. As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

The State Auditor's Office employees are located around the state to deliver services effectively and efficiently.

Our audits look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits of state agencies and local governments and fraud, whistleblower and citizen hotline investigations.

The results of our work are widely distributed through a variety of reports, which are available on our Web site and through our free, electronic subscription service.

We take our role as partners in accountability seriously. We provide training and technical assistance to governments and have an extensive quality assurance program.

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**Chief of Staff**  
**Director of Performance and State Audit**  
**Director of Local Audit**  
**Deputy Director of State Audit**  
**Deputy Director of Local Audit**  
**Deputy Director of Local Audit**  
**Deputy Director of Performance Audit**  
**Deputy Director of Quality Assurance**  
**Deputy Director of Communications**  
**Public Records Officer**  
**Main number**  
**Toll-free Citizen Hotline**

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**Doug Cochran**  
**Chuck Pfeil, CPA**  
**Kelly Collins, CPA**  
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