

**Tri-County Regional Planning Commission
Lansing, Michigan**

FINANCIAL STATEMENTS

September 30, 2017

Tri-County Regional Planning Commission

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Tri-County Regional Planning Commission
Lansing, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of Tri-County Regional Planning Commission (the Commission), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Managements 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.

Auditor's 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 the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 and the major fund of the Tri-County Regional Planning Commission as of September 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 accompanying other supplementary information, as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying other supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2017, 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 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 Commission's internal control over financial reporting and compliance.

Stevens Kirinovic & Tucker, P.C.

STEVENS, KIRINOVIC & TUCKER, P.C.
Certified Public Accountants

December 5, 2017

Tri-County Regional Planning Commission
MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended September 30, 2017

This is part of the Tri-County Regional Planning Commission (TCRPC) annual financial report. It presents discussion and analysis of the Commission's financial performance during the fiscal year that ended September 30, 2017. Please read it in conjunction with the attached financial statements.

Financial Highlights

Our FY 2017 financial status improved from the prior year. Net position increased by \$63,223 compared to 2016 decrease of \$18,590 and 2015 increase of \$3,722. Total Net Position is now \$606,248 of which \$19,310 represents capital assets. This net position will be used for operating cash-flow, match for federal funding that was not spent this year, future program shortfalls and capital asset purchases. See tables 1 and 2 below.

**Table 1
Summarized Statements of Net Position
Governmental Activities**

	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015
Current assets	\$ 955,657	\$ 801,135	\$ 1,071,410
Capital assets, net	19,310	27,263	25,530
Noncurrent assets	150,000	150,000	-
Total assets	1,124,967	978,398	1,096,940
Current liabilities	518,716	435,373	535,325
Net investment in capital assets	19,310	27,263	25,530
Unrestricted	586,941	515,762	536,085
Total net position	\$ 606,251	\$ 543,025	\$ 561,615

**Table 2
Changes in Net Position
Governmental Activities**

	2017	2016	2015
Net position, October 1	\$ 543,025	\$ 561,615	\$ 557,893
Results of operations	49,289	(22,177)	3,722
Prior period adjustments	13,937	3,587	-
Total changes in net position	63,226	(18,590)	3,722
Net position, September 30	\$ 606,251	\$ 543,025	\$ 561,615

For 2017, 2016, and 2015 overall revenues were \$1,624,940, \$1,847,233, and \$1,836,652 respectively and overall expenses were \$1,575,651, \$1,869,410, and \$1,832,930, respectively, as reported in the statements of activities.

Tri-County Regional Planning Commission
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended September 30, 2017

Table 3
Summarized Statements of Activity
Governmental Activities

	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015
Revenues			
Federal, state, and local funding	\$ 1,239,937	\$ 1,460,686	\$ 1,457,734
Local dues	383,517	383,517	377,850
Interest	1,024	860	942
Miscellaneous	462	2,170	126
Total Revenues	1,624,940	1,847,233	1,836,652
Expenses	1,575,651	1,869,410	1,832,930
Change in Net Position	<u>\$ 49,289</u>	<u>\$ (22,177)</u>	<u>\$ 3,722</u>

Overview of the Financial Statements

This annual report consists of three parts: the management discussion and analysis, the basic financial statements and the required supplementary information. The basic financial statements include two different kinds of statements that present different views of the Commission.

The first two statements are government wide financial statements and provide both long and short-term information about our overall financial status. These statements present government activities.

The remaining statements are fund financial statements. They focus on the detail of each of the Commission's fund accounts. The notes to the financial statements explain information in the statements and provide a more detailed explanation.

Required supplementary information further explains and supports the financial statement information with budgetary comparisons.

Government Wide Statements

The government wide statements report information about the Commission as a whole, using accounting methods and terms normally used by private companies. The statement of net position includes all the Commission's assets and liabilities. The statement of activities records all of the current year revenues and expenses regardless of when received or paid.

The two government wide statements report net position and how it has changed. Net position is the difference between the Commission's assets and deferred outflows of resources, and its liabilities and deferred inflows of resources, which is one method to measure the Commission's financial health. Over time, increases or decreases in the Commission's net position is an indicator of whether the Commission's financial position is improving or deteriorating.

Fund Financial Statements

The fund financial statements provide more detailed information about the Commission's fund. Funds are established to account for funding and spending of specific financial resources and to show proper expenditures of those resources. Tri-County Regional Planning Commission has the following Governmental fund:

General Operating Fund - The Commission's activities are accounted for in the general fund.

Tri-County Regional Planning Commission
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended September 30, 2017

This fund is presented on the modified accrual basis, which is designed to show short-term financial information. You will note that differences between the government wide statements and the fund statements are disclosed in the reconciling financial statements to explain the differences between them.

Financial Analysis of the Commission as a Whole

Net Position - The Commission's net position increased during the year ended September 30, 2017, by \$49,289. Total unrestricted net position was \$586,941 at year end. The unrestricted net position will be used for operating cash-flow, future program shortfalls, and capital asset purchases.

Liabilities - The Commission's liabilities decreased by \$83,343. This was due to increases in accounts payable and unearned revenues.

Financial Analysis of the Commission's Fund

Amendments to our budget for the year ended September 30, 2017, were to add projects and cover changes in certain operational expenditures.

General Fund Budgetary Highlights

The Commission adopts an annual budget for the General Fund. A budgetary comparison statement has been provided as required supplementary information to demonstrate compliance with this budget.

Federal source revenue was \$36,727 higher than anticipated and state source revenue and local source revenue were \$155,047 and 33,070 lower than anticipated, respectively. The final expenditure budget decreased from the original budget, the final budget was \$226,688 greater than actual expenditures.

Capital Assets

The following is a summary of capital assets and the associated accumulated depreciation:

	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015
Furniture and equipment	\$ 196,220	\$ 196,220	\$ 191,055
Less: Accumulated depreciation	(176,910)	(168,957)	(165,525)
Net capital assets	\$ 19,310	\$ 27,263	\$ 25,530

The capital assets of the Commission consist exclusively of office furniture and equipment. The Commission has implemented a capitalization policy consistent with MDOT and federal funding that require all items, other than buildings, building improvements and land improvements, purchased having a useful life in excess of one year and an individual cost of more than \$5,000 be capitalized and depreciated. The capitalization threshold for buildings and building improvements is \$50,000 and \$25,000 for land improvements. Note D to the financial statements provides additional information regarding capital assets.

Contacting Commission Management

This financial report is designed to provide a general overview of the Commission's finances and to demonstrate the Commission's accountability for the revenues it receives. If you have any questions concerning the report, please contact the Commission's office.

BASIC FINANCIAL STATEMENTS

Tri-County Regional Planning Commission

STATEMENT OF NET POSITION

September 30, 2017

ASSETS

Current assets

Cash	\$ 696,278
Due from other governmental units	236,839
Prepaid expenses	<u>22,540</u>

Total current assets 955,657

Noncurrent assets

Investments	150,000
Capital assets, net	<u>19,310</u>

Total noncurrent assets 169,310

TOTAL ASSETS 1,124,967

LIABILITIES

Current liabilities

Accounts payable	81,048
Accrued wages and related items	34,794
Compensated absences	32,800
Unearned revenue	<u>370,074</u>

Total current liabilities 518,716

NET POSITION

Investment in capital assets	19,310
Unrestricted	<u>586,941</u>

TOTAL NET POSITION \$ 606,251

Tri-County Regional Planning Commission

STATEMENT OF ACTIVITIES

Year Ended September 30, 2017

Functions/Programs	Expenses	Program Revenues Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental activities			
Planning programs	<u>\$ 1,575,651</u>	<u>\$ 1,239,937</u>	\$ (335,714)
General revenues			
Member allocations			383,517
Investment earnings			1,024
Miscellaneous			<u>462</u>
Total general revenues			<u>385,003</u>
Change in net position			49,289
Restated net position, beginning of the year			<u>556,962</u>
Net position, end of the year			<u>\$ 606,251</u>

See accompanying notes to financial statements.

Tri-County Regional Planning Commission

Governmental Fund

BALANCE SHEET

September 30, 2017

	<u>General</u>
ASSETS	
Cash	\$ 696,278
Investment	150,000
Due from other governmental units	236,839
Prepays	<u>22,540</u>
TOTAL ASSETS	<u><u>\$ 1,105,657</u></u>
LIABILITIES	
Accounts payable	\$ 81,048
Accrued wages and related items	67,594
Unearned revenue	<u>370,074</u>
TOTAL LIABILITIES	518,716
FUND BALANCE	
Nonspendable - prepays	22,540
Unassigned	<u>564,401</u>
TOTAL FUND BALANCE	<u>586,941</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 1,105,657</u></u>

See accompanying notes to financial statements.

Tri-County Regional Planning Commission

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION

September 30, 2017

Total fund balance - governmental fund \$ 586,941

Amounts reported for the governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental fund.

The cost of capital assets is	\$ 196,220	
Accumulated depreciation is	<u>(176,910)</u>	
Capital assets, net		<u>19,310</u>
Net position of governmental activities		<u><u>\$ 606,251</u></u>

Tri-County Regional Planning Commission
 STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE

Year Ended September 30, 2017

	General
REVENUES	
Federal sources	\$ 697,410
State sources	384,285
Local sources	158,242
Member allocations	383,517
Interest	1,024
Other	462
TOTAL REVENUES	1,624,940
EXPENDITURES	
Current	
Community and economic development Planning programs	1,567,698
NET CHANGE IN FUND BALANCE	57,242
Restated fund balance, beginning of year	529,699
Fund balance, end of year	\$ 586,941

Tri-County Regional Planning Commission

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES

Year Ended September 30, 2017

Net change in fund balance - governmental fund \$ 57,242

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported as expenditures in the governmental fund. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Excess of capital outlay over depreciation expense (7,953)

Change in net position of governmental activities \$ 49,289

Tri-County Regional Planning Commission

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

NOTE A: DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Tri-County Regional Planning Commission (the Commission) is a governmental unit established July 18, 1956, under the authority of Act 281 of Michigan Public Acts of 1945. The Commission is a voluntary organization joining Clinton, Eaton, and Ingham Counties and the City of Lansing to foster a cooperative effort in identifying and resolving various community planning issues in the Tri-County area. Primary financing is provided through various agreements with state and federal agencies and local appropriations.

1. Reporting Entity

All funds (primary government) under direct control of the Commission are included in this report. These funds are those which meet the criteria established by the Governmental Accounting Standards Board (GASB). The Commission is considered a special purpose governmental unit operating governmental activities and account for those activities in a single governmental fund.

2. Basis of Presentation

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities (the government-wide financial statements) present information for the Commission as a whole.

The statement of activities presents the direct functional expenses of the Commission and the program revenues that support them. Direct expenses are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues are associated with specific functions and include charges to recipients of goods or services and grants and contributions that are restricted to meeting the operational or capital requirements of that function. Revenues that are not required to be presented as program revenues are general revenues. This includes all member allocations, interest, and other general revenues and shows how governmental functions are either self-financing or supported by the general revenues of the Commission.

FUND FINANCIAL STATEMENTS

The fund financial statements present the Commission's only fund. The General Fund is the Commission's operating fund. It is used to account for all financial resources of the Commission. General Fund activities are financed by revenue from governmental grants, member allocations, and other sources.

3. Measurement Focus

The government-wide financial statements are presented using the economic resources measurement focus, similar to that used by business enterprises or not-for-profit organizations. Because another measurement focus is used in the governmental fund financial statements, reconciliations to the government-wide financial statements are provided that explain the differences in detail.

All governmental funds are presented using the current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in fund balance.

4. Basis of Accounting

Basis of accounting refers to the timing under which transactions are recognized for financial reporting purposes. Governmental fund financial statements use the modified accrual basis of accounting. The government-wide financial statements are prepared using the accrual basis of accounting.

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

NOTE A: DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

4. Basis of Accounting - continued

Under the accrual basis of accounting, revenue is recorded in the period in which it is earned and expenses are recorded when incurred, regardless of the timing of related cash flows. Revenues for grants, entitlements, and donations are recognized when all eligibility requirements imposed by the provider have been met. Unearned revenue is recorded when resources are received by the Commission before it has legal claim to them, such as when grant monies are received prior to the incurrence of qualified expenses.

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The length of time used to define "available" for purposes of revenue recognition in the governmental fund financial statements is sixty (60) days. Revenues susceptible to accrual include property taxes, state aid, and interest revenue. Other revenues are not susceptible to accrual because generally they are not measurable until received in cash. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt which are recorded when due.

Resources are considered available if they are collected during the current fiscal year or soon enough afterward to be used in payment of current year liabilities. Unavailable revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unavailable revenues also arise when the Commission receives resources before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met, the liability for unavailable revenue is removed from the balance sheet and revenue is recognized.

If/when both restricted and unrestricted resources are available for use, it is the Commission's practice to use restricted resources first, then unrestricted resources as they are needed.

5. Budgets and Budgetary Accounting

The overall budget is based upon individual projects and the general operating fund budgets. Budgeted amounts are as originally adopted, and may be amended by the Commission. Net individual budget amendments were not material in relation to the originally approved amounts. Budgets lapse at the end of the fiscal year.

6. Capital Assets

Capital assets are recorded (net of accumulated depreciation, if applicable) and are those assets with an initial individual cost of \$50,000 for buildings and building improvements, \$25,000 for land improvements, and \$5,000 for all other assets and an estimated useful life of more than one year. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their acquisition value on the date received.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Depreciation is computed using the straight-line method over the following useful lives:

Infrastructure	20-100 years
Buildings and building improvements	20-50 years
Vehicles	4-15 years
Furniture and equipment	5-7 years

7. Cash and Investments

Cash consists of the Commission's checking and savings accounts.

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

NOTE A: DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

7. Cash and Investments - continued

Investments consist of a certificate of deposit with an original maturity of greater than 90 days. Certificates of deposit are recorded at cost, which approximates fair market value.

8. Indirect Cost Allocations

Indirect costs are allocated to all projects equally. Allocated indirect costs in excess of amounts that can be funded by a contract or grant are absorbed by the Commission through indirect credits. The indirect cost rate percentage is applied only against allowable direct costs in each project.

9. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and the balance sheet, when applicable, will report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position/fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time.

In addition to liabilities, the statement of net position and the balance sheet, when applicable, will report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position/fund balance that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

Currently, the Commission does not report any deferred outflows of resources or deferred inflows of resources.

10. Compensated Absences

Accumulated unpaid vacation benefit obligations are accrued when incurred; as such obligations are expected to be paid within the ensuing year.

For governmental funds, the cost of accumulated vacation along with the related payroll taxes expected to be paid with current expendable resources is recorded as a fund liability.

11. Comparative Data

Comparative data for the prior year has not been presented in the accompanying financial statements since their inclusion would make the statements unduly complex and difficult to read.

NOTE B: CASH AND INVESTMENTS

In accordance with Michigan Compiled Laws, the Commission is authorized to invest in the following investment vehicles:

1. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
2. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank which is a member of the Federal Deposit Insurance Corporation (FDIC) or a savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation (FSLIC) or a credit union which is insured by the National Credit Union Administration, but only if the bank, savings and loan association, or credit union is eligible to be a depository of surplus funds belonging to the State under Section 5 or 6 of Act No. 105 of the Public Acts of 1855, as amended, being Section 21.145 and 21.146 of the Michigan Compiled Laws.

Tri-County Regional Planning Commission

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

NOTE B: CASH AND INVESTMENTS - CONTINUED

3. Commercial paper rated at the time of purchase within the three (3) highest classifications established by not less than two (2) standard rating services and which matures not more than 270 days after the date of purchase.
4. The United States government or Federal agency obligations repurchase agreements.
5. Bankers' acceptances of United States banks.
6. Mutual funds composed of investment vehicles, which are legal for direct investment by local units of government in Michigan.

Deposits

There is a custodial risk as it relates to deposits. In the case of deposits, this is the risk that in the event of a bank failure, the Commission's deposits may not be returned to it. As of September 30, 2017, the carrying amounts and bank balances for the accounts were as follows:

<u>Account Type</u>	<u>Carrying Amount</u>	<u>Bank Balance</u>
Checking	\$ 78,808	\$ 99,440
Savings	617,320	617,320
Certificate of Deposit	150,000	150,000
	<u>\$ 846,128</u>	<u>\$ 866,760</u>

Deposits of the Commission are at federally insured banks located in the State of Michigan with all accounts maintained in the name of the Commission. The bank balances as of September 30, 2017, were federally insured for \$599,440 and the amount of \$267,320 was uninsured and uncollateralized. The cash caption on the financial statements includes \$150 of imprest cash.

Credit Risk

State law limits investments in certain types of investments to a prime or better rating issued by nationally recognized statistical rating organizations (NRSRO's). As of September 30, 2017, the Commission did not have any investments that would be subject to rating.

Custodial Credit Risk

The Commission will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer by diversifying its investments by security type and institution to ensure that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio, by limiting the investment types to savings accounts and certificates of deposit, and by pre-qualifying the financial institutions, brokers/dealers, intermediaries and advisers.

Concentration of Credit Risk

The Commission will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the Commission's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.

Tri-County Regional Planning Commission

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

NOTE B: CASH AND INVESTMENTS - CONTINUED

Interest Rate Risk

The Commission will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in the market interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools and limiting the average maturity of the portfolio in accordance with this policy.

NOTE C: DUE FROM OTHER GOVERNMENTAL UNITS

Due from other governmental units at September 30, 2017, by grant type are as follows:

Federal		
FHWA PL Funds 2015-0011/Z17	\$	109,389
University Region - Road and Trail Bicycling Guide 2015-0011/Z8		10,922
STP funds 2015-0011/Z11/R1		16,374
Transit Demand and Economic Prosperity Grant 2015-0011/Z16		27,397
Michigan Department of Transportation		
Regional Transportation Contract 2015-0011/Z6		11,571
State Planning and Research MDOT/FHWA 2015-0011/Z10		4,948
Lansing Bike Sharing Project 2015-0011/Z12		15,217
University Region - Road and Trail Bicycling Guide 2015-0011/Z8		2,731
Mid-Michigan Water Authority		1,153
Other Local Units		37,137
		<u>37,137</u>
	\$	<u>236,839</u>

NOTE D: CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2017, was as follows:

	Balance Oct. 1, 2016	Additions	Disposals	Balance Sept. 30, 2017
Capital assets being depreciated				
Furniture and equipment	\$ 196,220	\$ -	\$ -	\$ 196,220
Less accumulated depreciation for:				
Furniture and equipment	<u>(168,957)</u>	<u>(7,953)</u>	<u>-</u>	<u>(176,910)</u>
Net capital assets	<u>\$ 27,263</u>	<u>\$ (7,953)</u>	<u>\$ -0-</u>	<u>\$ 19,310</u>

Tri-County Regional Planning Commission

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

NOTE E: LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations (including current portion) of the Commission for the year ended September 30, 2017.

	Balance Oct. 1, 2016	Earned	Used	Balance Sept. 30, 2017	Amount Due Within One Year
Compensated absences	\$ 33,747	\$ 103,297	\$ (104,244)	\$ 32,800	\$ 32,800

Vacation leave is earned in varying amounts depending on the number of years of service of an employee and is made available on the anniversary date of the employee.

Upon termination, an employee receives payment for the balance of unused vacation leave, which is credited to an employee each month.

NOTE F: RETIREMENT PLAN

The Commission provides pension benefits for all non-temporary employees through a defined contribution plan, which was established by the Board of Commissioners and may be amended from time to time by the Board. This plan is administered by the Michigan Municipal Employees Retirement System. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The Commission's contributions are vested at a graded rate based on year of service.

Years of Service	Vesting Percentage
1	0%
2	20
3	40
4	60
5	80
6	100

The employer is required to contribute 9% of all covered payroll. Required contributions to the plan were \$56,990, covered payroll was \$632,636, and total payroll was \$633,217 during the fiscal year. Contributions to the plan during the fiscal year were \$56,990.

NOTE G: CONTINGENT LIABILITIES

Under the terms of various Federal and State grants, periodic compliance audits are required and certain costs may be questioned, allowed, or disallowed, which could result in funds being returned and/or received from grantor agencies.

NOTE H: ECONOMIC DEPENDENCY

The Commission receives substantially all of its support from federal, state, and local governments. A significant reduction in the level of this support, if this were to occur, could have an effect on the Commission's activities.

Tri-County Regional Planning Commission

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

NOTE I: LEASE COMMITMENTS

The Commission leases office space. The original lease term began November 1, 2011, and was for 123 months. Rental expense for the year ended September 30, 2017, was \$53,721. Future minimum payments are as follows:

<u>Year Ending</u> <u>September 30,</u>		
2018	\$	54,548
2019		55,576
2020		56,600
2021		57,628
2022		19,324
		<u>\$ 243,676</u>

NOTE J: RISK MANAGEMENT

The Commission participates in the Michigan Township Participating Plan (the Plan), with other municipalities for property, liability, auto, crime, public official wrongful acts, boiler and machinery, inland marina, and EDP losses. The Plan is organized under Public Act 138 of 1982, as amended. The Plan, while it operates under the Michigan Legislation of Public Act 138, does not operate as a risk pool due to the transfer of risk to U.S. Specialty Insurance Company ("USSIC") backing the Michigan Township Participating Plan under a master policy for the period July 1, 2011 to July 1, 2019. Due to the Master Policy purchase, there is no pooling of risk between members, but is instead considered commercial insurance. Settled claims relating to this insurance have not exceeded the amount of insurance coverage in any of the past three (3) years.

The Commission carries commercial insurance for the risk of loss due to workers' compensation claims. Settled claims relating to commercial insurance have not exceeded the amount of insurance coverage in any of the past three (3) fiscal years.

NOTE K: DETAILS OF FUND BALANCE CLASSIFICATIONS

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The following are the five classifications of fund balance under this standard:

Nonspendable - assets that are not available in a spendable form such as inventory, prepaid expenditures, and long-term receivables not expected to be converted to cash in the near term. It also includes funds that are legally or contractually required to be maintained intact such as the corpus of a permanent fund or foundation.

Restricted - amounts that are required by external parties to be used for a specific purpose. Constraints are externally imposed by creditors, grantors, contributors or laws, regulations or enabling legislation.

Committed - amounts constrained on use imposed by formal action of the government's highest level of decision making authority (i.e., Board, Council, etc.).

Assigned - amounts intended to be used for specific purposes. This is determined by the governing body, the budget or finance committee or a delegated municipality official.

Tri-County Regional Planning Commission

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

NOTE K: DETAILS OF FUND BALANCE CLASSIFICATIONS - CONTINUED

Unassigned - all other resources; the remaining fund balance after nonspendable, restrictions, commitments, and assignments. This class only occurs in the General Fund, except for cases of negative fund balances. Negative fund balances are always reported as unassigned, no matter which fund the deficit occurs in.

Fund Balance Classification Policies and Procedures

For committed fund balance, the Commission's highest level of decision-making authority is the Board of Commissioners. The formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution by the Board of Commissioners.

For assigned fund balance, the Commission has not approved a policy indicating who is authorized to assign amounts to a specific purpose. As a result, this authority is retained with the Board of Commissioners.

The Commission has not formally adopted a policy that determines when both restricted and unrestricted fund balances are available which should be used first, therefore restricted resources will be used first, then unrestricted resources if they are needed.

NOTE L: PRIOR PERIOD ADJUSTMENTS AND RESTATEMENT OF NET POSITION

The following prior period adjustments were made during the year to correct accounting errors. These adjustments were reported as changes to the beginning fund balance/net position. The effect on operations and other affected balances for the current year are as follows:

	<u>General Fund</u>	<u>Governmental Activities</u>
Beginning fund balance/net position	\$ 515,762	\$ 543,025
Understated accounts receivable	8,846	8,846
Overstated deferred revenue	<u>5,091</u>	<u>5,091</u>
Restated beginning fund balance/net position	<u>\$ 529,699</u>	<u>\$ 556,962</u>

The corrections of accounting errors reported in the funds resulted in a restatement of the beginning net position and fund balance for governmental activities and the general fund, respectively. The beginning net position/fund balance for both governmental activities and the general fund increased by \$13,937, respectively.

NOTE M: UPCOMING ACCOUNTING PRONOUNCEMENT

In June 2017, the GASB issued Statement No. 87, *Leases*. The Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provision of the contract. The Commission is currently evaluating the impact this standard will have on the financial statements when adopted during the 2020-2021 fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION

Tri-County Regional Planning Commission

General Fund

BUDGETARY COMPARISON SCHEDULE

Year Ended September 30, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
REVENUES				
Federal sources	\$ 689,331	\$ 660,684	\$ 697,410	\$ 36,726
State sources	527,344	539,332	384,285	(155,047)
Local sources	238,838	208,030	158,242	(49,788)
Member allocations	383,520	383,520	383,517	(3)
Interest	-	-	1,024	1,024
Other	9,000	9,000	462	(8,538)
TOTAL REVENUES	1,848,033	1,800,566	1,624,940	(175,626)
EXPENDITURES				
Current				
Community and economic development				
Salaries	690,500	646,000	632,636	13,364
Fringe benefits	317,630	297,930	293,114	4,816
Discretionary fund	5,000	8,000	8,111	(111)
Recognition awards	250	250	216	34
Telephone	3,000	3,000	1,778	1,222
Postage	2,200	2,200	1,557	643
Printing and copying	10,850	10,550	4,332	6,218
Office supplies	8,350	8,350	7,352	998
Graphics supplies	600	600	212	388
Travel - in region	17,000	14,500	13,577	923
Travel - out region	18,225	20,725	19,433	1,292
Training	8,000	8,000	2,267	5,733
Commission meeting expenses	2,000	2,000	1,957	43
Commission travel	500	900	884	16
Rent - meeting facility	1,300	1,300	679	621
Rent - office	67,850	67,750	65,378	2,372
Rent - equipment	750	750	-	750
Equipment maintenance	2,500	2,500	-	2,500
Computer services	47,000	41,000	39,744	1,256
Computer software	47,000	40,500	23,266	17,234
Insurance	6,400	6,000	5,907	93
Bank service charges	1,000	1,000	873	127
Subscriptions	550	550	389	161
Publications	200	500	349	151
Advertising	4,100	5,300	5,326	(26)
Membership dues	10,000	10,000	10,036	(36)

Tri-County Regional Planning Commission

General Fund

BUDGETARY COMPARISON SCHEDULE - CONTINUED

Year Ended September 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES - CONTINUED				
Current - continued				
Community and economic development - continued				
Special projects	\$ 99,350	\$ 96,782	\$ 29,626	\$ 67,156
Consultant fee	251,500	159,451	108,201	51,250
Contractual services	9,000	9,000	1,476	7,524
Furniture/equipment purchases	19,000	29,000	7,194	21,806
Audit	10,000	9,500	9,500	-0-
Pass-through	171,000	290,497	272,328	18,169
TOTAL EXPENDITURES	<u>1,832,605</u>	<u>1,794,385</u>	<u>1,567,698</u>	<u>226,687</u>
EXCESS OF REVENUES OVER EXPENDITURES	15,428	6,181	57,242	51,061
OTHER FINANCING SOURCES (USES)				
Transfer for local match	(190,367)	(184,014)	(173,803)	10,211
Operating transfers in local match	190,367	184,014	173,803	(10,211)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
NET CHANGE IN FUND BALANCE	15,428	6,181	57,242	51,061
Restated fund balance, beginning of year	<u>529,699</u>	<u>529,699</u>	<u>529,699</u>	<u>-0-</u>
Fund balance, end of year	<u>\$ 545,127</u>	<u>\$ 535,880</u>	<u>\$ 586,941</u>	<u>\$ 51,061</u>

OTHER SUPPLEMENTARY INFORMATION

Tri-County Regional Planning Commission

SCHEDULE OF COMMISSION REVENUES AND EXPENDITURES (UNAUDITED)

Year Ended September 30, 2017

	Operating	Special Projects		Total	Eliminations	Total
		Indirect	Direct			
REVENUES						
Federal sources	\$ -	\$ -	\$ 697,410	\$ 697,410	\$ -	\$ 697,410
State sources	-	-	384,285	384,285	-	384,285
Local sources	-	-	158,242	158,242	-	158,242
Member allocations	383,517	-	-	-0-	-	383,517
Interest	1,024	-	-	-0-	-	1,024
Operating transfers in local match	-	-	173,803	173,803	(173,803)	-0-
Other	8,414	-	-	-0-	(7,952)	462
TOTAL REVENUES	392,955	-0-	1,413,740	1,413,740	(181,755)	1,624,940
EXPENDITURES						
Direct costs						
Salaries and wages	77,440	127,250	427,946	555,196	-	632,636
Fringe benefits	33,097	59,595	200,422	260,017	-	293,114
Discretionary funds	8,091	20	-	20	-	8,111
Recognition awards	216	-	-	-0-	-	216
Telephone	-	1,718	60	1,778	-	1,778
Postage	129	1,223	205	1,428	-	1,557
Printing and copying	1,028	(308)	3,612	3,304	-	4,332
Office supplies	339	6,705	308	7,013	-	7,352
Graphic supplies	-	212	-	212	-	212
Travel - in region	390	1,888	11,299	13,187	-	13,577
Travel - out region	243	2,085	17,105	19,190	-	19,433
Training	-	1,011	1,256	2,267	-	2,267
Commission meeting expenses	1,957	-	-	-0-	-	1,957
Commission travel	884	-	-	-0-	-	884
Rent - meeting facility	679	-	-	-0-	-	679
Rent - office	-	65,378	-	65,378	-	65,378
Computer services	-	39,744	-	39,744	-	39,744
Computer software	-	5,716	17,550	23,266	-	23,266
Insurance	-	5,907	-	5,907	-	5,907
Bank service charges	773	100	-	100	-	873
Subscriptions	-	389	-	389	-	389
Publications	-	196	153	349	-	349
Advertising	-	5,273	53	5,326	-	5,326
Depreciation	-	7,952	-	7,952	(7,952)	-0-
Membership dues	220	8,916	900	9,816	-	10,036
Special projects	-	-	29,626	29,626	-	29,626
Consultant fee	-	-	108,201	108,201	-	108,201
Contractual services	-	1,476	-	1,476	-	1,476
Furniture/equipment purchases	7,194	-	-	-0-	-	7,194
Audit	-	9,500	-	9,500	-	9,500
Pass-through	-	-	272,328	272,328	-	272,328
Transfer for match	150,177	-	23,626	23,626	(173,803)	-0-
Indirect costs	52,866	(351,956)	299,090	(52,866)	-	-0-
TOTAL EXPENDITURES	335,723	(10)	1,413,740	1,413,730	(181,755)	1,567,698
NET REVENUES OVER (UNDER) EXPENDITURES	\$ 57,232	\$ 10	\$ -0-	\$ 10	\$ -0-	\$ 57,242

Tri-County Regional Planning Commission

COMBINING SCHEDULE OF PROJECT REVENUES AND EXPENDITURES (UNAUDITED)

Year Ended September 30, 2017

	RAIN GARDEN DEMONSTRATION PROJECT (30100)	DEWITT PERMIT ASSISTANCE (30110)	GREATER LANSING AREA CLEAN CITIES (20600)	GREATER LANSING REGIONAL COMMITTEE (GLRC) 2017 (30310)
REVENUES				
Federal sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Local sources	1,392	695	34,879	54,516
TOTAL REVENUES	1,392	695	34,879	54,516
OTHER FINANCING SOURCES				
Operating transfers in local match	-	-	-	-
TOTAL REVENUES AND OTHER FINANCING SOURCES	1,392	695	34,879	54,516
EXPENDITURES				
Direct costs				
Salaries and wages	166	311	14,440	23,269
Fringe benefits	78	146	6,763	10,898
Telephone	-	-	-	-
Postage	-	-	-	-
Printing and copying	-	-	65	24
Office supplies	-	-	-	-
Travel - in region	11	26	1,741	839
Travel - out region	-	-	-	526
Training	-	-	-	-
Computer software	-	-	1,225	-
Publications	-	-	-	-
Advertising	-	-	-	-
Membership dues	-	-	-	80
Special projects	1,025	-	-	3,225
Consultants	-	-	-	-
Transfer for match	-	-	-	-
Pass-through	-	-	-	-
Indirect costs	112	212	10,645	15,655
TOTAL EXPENDITURES	1,392	695	34,879	54,516
NET REVENUES OVER (UNDER) EXPENDITURES	\$ -0-	\$ -0-	\$ -0-	\$ -0-

GREATER LANSING REGIONAL COMMITTEE (GLRC) 2016 (30300)	GROUNDWATER MANAGEMENT BOARD (GMB) 2017 (30400)	REGIONAL PROSPERITY GRANT 2015 (31300)	REGIONAL PROSPERITY GRANT 2016 (31300)	REGIONAL PROSPERITY GRANT 2017 (31300)	MID- MICHIGAN WATER AUTHORITY 2016 (30700)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	23,626	123,294	140,073	-
10,390	53,980	-	-	-	1,153
10,390	53,980	23,626	123,294	140,073	1,153
-	-	-	-	-	-
10,390	53,980	23,626	123,294	140,073	1,153
1,691	24,787	-	14,718	-	545
793	11,608	-	6,893	-	256
-	-	-	-	-	-
-	-	-	-	-	-
-	106	-	-	-	-
-	60	-	-	-	-
-	503	-	227	275	-
-	165	-	443	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
6,814	397	-	-	-	-
-	-	-	10,883	-	-
-	-	23,626	-	-	-
-	-	-	80,342	139,677	-
1,092	16,354	-	9,788	121	352
10,390	53,980	23,626	123,294	140,073	1,153
\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

Tri-County Regional Planning Commission

COMBINING SCHEDULE OF PROJECT REVENUES AND EXPENDITURES (UNAUDITED) - CONTINUED

Year Ended September 30, 2017

	MID-MICHIGAN WATER AUTHORITY 2017 (30800)	EDA PLANNING GRANT (31500)	FHWA PL FUNDS (32200)	MDOT GRANT: ASSET MANAGEMENT (32300)
REVENUES				
Federal sources	\$ -	\$ 35,187	\$ 451,069	\$ -
State sources	-	-	-	33,786
Local sources	1,237	-	-	-
TOTAL REVENUES	1,237	35,187	451,069	33,786
OTHER FINANCING SOURCES				
Operating transfers in local match	-	35,207	100,023	-
TOTAL REVENUES AND OTHER FINANCING SOURCES	1,237	70,394	551,092	33,786
EXPENDITURES				
Direct costs				
Salaries and wages	562	28,863	236,831	6,044
Fringe benefits	264	13,517	110,915	2,830
Telephone	-	30	26	-
Postage	-	-	178	-
Printing and copying	33	141	2,821	-
Office supplies	-	-	147	85
Travel - in region	-	385	6,126	140
Travel - out region	-	4,284	10,360	-
Training	-	-	1,252	-
Computer software	-	1,225	12,818	-
Publications	-	-	133	-
Advertising	-	-	46	-
Membership dues	-	465	309	-
Special projects	-	-	1,343	-
Consultants	-	-	-	-
Transfer for match	-	-	-	-
Pass-through	-	-	-	20,690
Indirect costs	378	21,484	167,787	3,997
TOTAL EXPENDITURES	1,237	70,394	551,092	33,786
NET REVENUES OVER (UNDER) EXPENDITURES	\$ -0-	\$ -0-	\$ -0-	\$ -0-

REGIONAL TRANSPORTATION CONTRACT (32400)	SURFACE TRANSPORTATION PROGRAM GRANT (32800)	STATE PLANNING AND RESEARCH (34000)	LANSING BIKE SHARING PROJECT (34400)	UNIVERSITY REGION - ROAD AND TRAIL BICYCLING GUIDE (34600)	TRANSIT DEMAND AND ECONOMIC PROSPERITY GRANT (34900)	TOTAL
\$ -	\$ 67,410	\$ -	\$ 31,619	\$ 17,622	\$ 94,503	\$ 697,410
40,100	-	19,000	-	4,406	-	384,285
-	-	-	-	-	-	158,242
40,100	67,410	19,000	31,619	22,028	94,503	1,239,937
-	14,948	-	-	-	23,625	173,803
40,100	82,358	19,000	31,619	22,028	118,128	1,413,740
18,970	35,526	8,989	-	2,522	9,712	427,946
8,884	16,638	4,210	-	1,181	4,548	200,422
-	4	-	-	-	-	60
-	27	-	-	-	-	205
-	422	-	-	-	-	3,612
-	16	-	-	-	-	308
7	817	3	-	-	199	11,299
-	1,327	-	-	-	-	17,105
-	4	-	-	-	-	1,256
-	2,282	-	-	-	-	17,550
-	20	-	-	-	-	153
-	7	-	-	-	-	53
-	46	-	-	-	-	900
-	124	-	-	16,698	-	29,626
-	-	-	-	-	97,318	108,201
-	-	-	-	-	-	23,626
-	-	-	31,619	-	-	272,328
12,239	25,098	5,798	-	1,627	6,351	299,090
40,100	82,358	19,000	31,619	22,028	118,128	1,413,740
\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

Tri-County Regional Planning Commission

SCHEDULE OF PROJECT REVENUES AND EXPENDITURES (UNAUDITED)

RAIN GARDEN DEMONSTRATION PROJECT

Project period October 1, 2015 to September 30, 2017

	OCTOBER 1, 2015 THROUGH SEPTEMBER 30, 2015	OCTOBER 1, 2016 THROUGH SEPTEMBER 30, 2017	OCTOBER 1, 2015 THROUGH SEPTEMBER 30, 2017
REVENUES			
Local			
Cash Received	\$ 4,000	\$ -	\$ 4,000
Deferred Revenue - prior year	(1,392)	-	(1,392)
Deferred Revenue - current year	-	1,392	1,392
TOTAL REVENUE	<u>\$ 2,608</u>	<u>\$ 1,392</u>	<u>\$ 4,000</u>
EXPENDITURES			
Salaries	\$ 686	\$ 166	\$ 852
Fringe Benefits	390	78	468
Travel In-Region	9	11	20
Special Projects	1,082	1,025	2,107
Indirect Costs	441	112	553
TOTAL EXPENDITURES	<u>\$ 2,608</u>	<u>\$ 1,392</u>	<u>\$ 4,000</u>

Tri-County Regional Planning Commission

SCHEDULE OF PROJECT REVENUES AND EXPENDITURES (UNAUDITED)

DEWITT TOWNSHIP PERMIT ASSISTANCE

Project period March 15, 2017 to March 14, 2018

DEWITT TOWNSHIP - CASH (30110)

REVENUES

Local

Accounts receivable - current year	\$ 695
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EXPENDITURES

Salaries	\$ 311
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Fringe Benefits	146
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Travel In-Region	26
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Indirect Costs	<u>212</u>
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TOTAL EXPENDITURES	<u>\$ 695</u>
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Tri-County Regional Planning Commission

SCHEDULE OF PROJECT REVENUES AND EXPENDITURES (UNAUDITED)

GREATER LANSING AREA CLEAN CITIES

Project period February 1, 2017 to September 30, 2017

REVENUES

Local

Accounts Receivable - current year	\$ 34,879
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EXPENDITURES

Salaries	\$ 14,440
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Fringe Benefits	6,763
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Printing and Copying	65
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Travel Out-Region	1,741
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Training	1,225
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Indirect Costs	<u>10,645</u>
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TOTAL EXPENDITURES	<u>\$ 34,879</u>
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Tri-County Regional Planning Commission

SCHEDULE OF PROJECT REVENUES AND EXPENDITURES (UNAUDITED)

GREATER LANSING REGIONAL COMMITTEE (GLRC) 2017

Project period January 1, 2017 through December 31, 2017

VARIOUS MUNICIPALITIES - Cash (30310)

REVENUES

Local

Cash received	\$ 138,100
Deferred revenue - current year	<u>(83,584)</u>

TOTAL REVENUES	<u><u>54,516</u></u>
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EXPENDITURES

Salaries	\$ 23,269
Fringe Benefits	10,898
Printing and Copying	24
Travel In-Region	839
Travel Out-Region	526
Membership Dues	80
Special Projects	3,225
Indirect Costs	<u>15,655</u>

TOTAL EXPENDITURES	<u><u>\$ 54,516</u></u>
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Tri-County Regional Planning Commission

SCHEDULE OF PROJECT REVENUES AND EXPENDITURES (UNAUDITED)

GREATER LANSING REGIONAL COMMITTEE (GLRC) 2016

Project period January 1, 2016 to December 31, 2016

VARIOUS MUNICIPALITIES - Cash (31300)

	JANUARY 1, 2016 THROUGH SEPTEMBER 30, 2016	OCTOBER 1, 2016 THROUGH DECEMBER 31, 2016	JANUARY 1, 2016 THROUGH DECEMBER 31, 2016
REVENUES			
Local			
Cash received	\$ 102,644	\$ -	\$ 102,644
Unearned Revenue - prior year	(27,108)	-	(27,108)
Unearned Revenue - current year	-	10,390	10,390
TOTAL REVENUES	75,536	10,390	85,926
OTHER FINANCING SOURCES			
Operating transfers in			
Local Support	16,718	-	16,718
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 92,254	\$ 10,390	\$ 102,644
EXPENDITURES			
Salaries	\$ 40,261	\$ 1,691	\$ 41,952
Fringe Benefits	22,942	793	23,735
Postage	12	-	12
Printing and Copying	215	-	215
Travel In-Region	833	-	833
Travel Out-Region	915	-	915
Membership Dues	70	-	70
Special Projects	450	6,814	7,264
Indirect Costs	26,556	1,092	27,648
TOTAL EXPENDITURES	\$ 92,254	\$ 10,390	\$ 102,644

Tri-County Regional Planning Commission

SCHEDULE OF PROJECT REVENUES AND EXPENDITURES (UNAUDITED)

GROUNDWATER MANAGEMENT BOARD (GMB) 2017

Project period October 1, 2016 to September 30, 2017

VARIOUS MUNICIPALITIES - Cash (30400)

REVENUES

Local

Cash received	\$	95,000
Unearned Revenue - prior year		24,558
Unearned Revenue - current year		<u>(65,578)</u>

TOTAL REVENUES \$ 53,980

EXPENDITURES

Salaries	\$	24,787
Fringe Benefits		11,608
Printing and Copying		106
Office Supplies		60
Travel In-Region		503
Travel Out-Region		165
Special Projects		397
Indirect Costs		<u>16,354</u>

TOTAL EXPENDITURES \$ 53,980

Tri-County Regional Planning Commission

SCHEDULE OF PROJECT REVENUES AND EXPENDITURES (UNAUDITED)

REGIONAL PROSPERITY GRANT FY 2015

Project period March 1, 2015 through December 31, 2017

	MARCH 1, 2015 THROUGH SEPTEMBER 30, 2016	OCTOBER 1, 2016 THROUGH SEPTEMBER 30, 2017	MARCH 1, 2015 THROUGH SEPTEMBER 30, 2017
REVENUES			
State of Michigan			
Cash received	\$ 228,750	\$ -	\$ 228,750
Unearned Revenue - prior year	(88,990)	88,990	-
Unearned Revenue - current year	-	(65,364)	(65,364)
TOTAL REVENUES	<u>\$ 139,760</u>	<u>\$ 23,626</u>	<u>\$ 163,386</u>
EXPENDITURES			
Salaries	\$ 15,149	\$ -	\$ 15,149
Fringe Benefits	8,481	-	8,481
Printing and Copying	14	-	14
Travel In-Region	121	-	121
Travel Out-Region	739	-	739
Special Projects	18,344	-	18,344
Transfer for Match	-	23,626	23,626
Pass Thru	85,803	-	85,803
Indirect Costs	11,109	-	11,109
TOTAL EXPENDITURES	<u>\$ 139,760</u>	<u>\$ 23,626</u>	<u>\$ 163,386</u>

Tri-County Regional Planning Commission

SCHEDULE OF PROJECT REVENUES AND EXPENDITURES (UNAUDITED)

REGIONAL PROSPERITY GRANT FY 2016

Project period March 1, 2016 through December 31, 2018

	MARCH 1, 2016 THROUGH SEPTEMBER 30, 2016	OCTOBER 1, 2016 THROUGH SEPTEMBER 30, 2017	MARCH 1, 2016 THROUGH SEPTEMBER 30, 2017
REVENUES			
State of Michigan			
Cash received	\$ 186,500	\$ -	\$ 186,500
Unearned Revenue - prior year	(158,878)	158,878	-
Unearned Revenue - current year	-	(35,584)	(35,584)
TOTAL REVENUES	\$ 27,622	\$ 123,294	\$ 150,916
EXPENDITURES			
Salaries	\$ 2,360	\$ 14,718	\$ 17,078
Fringe Benefits	1,344	6,893	8,237
Travel In-Region	313	227	540
Travel Out-Region	334	443	777
Consultant Fee	-	10,883	10,883
Pass Thru	21,500	80,342	101,842
Indirect Costs	1,771	9,788	11,559
TOTAL EXPENDITURES	\$ 27,622	\$ 123,294	\$ 150,916

Tri-County Regional Planning Commission

SCHEDULE OF PROJECT REVENUES AND EXPENDITURES (UNAUDITED)

REGIONAL PROSPERITY GRANT FY 2017

Project period March 1, 2017 through September 30, 2018

VARIOUS MUNICIPALITIES - Cash (31300)

REVENUES

Local

Cash received	\$ 180,897
Unearned Revenue - current year	<u>(40,824)</u>

TOTAL REVENUES	<u>\$ 140,073</u>
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EXPENDITURES

Travel In-Region	\$ 275
Pass Thru	139,677
Indirect Costs	<u>121</u>

TOTAL EXPENDITURES	<u>\$ 140,073</u>
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Tri-County Regional Planning Commission

SCHEDULE OF PROJECT REVENUES AND EXPENDITURES (UNAUDITED)

MID-MICHIGAN WATER AUTHORITY 2016

Project period January 1, 2016 through December 31, 2016

VARIOUS MUNICIPALITIES - Cash (30700)

	JANUARY 1, 2016 THROUGH SEPTEMBER 30, 2016	OCTOBER 1, 2016 THROUGH DECEMBER 31, 2016	JANUARY 1, 2016 THROUGH DECEMBER 31, 2016
REVENUES			
Local			
Accounts receivable - current year	\$ -	\$ 1,153	\$ 1,153
Accounts receivable - prior year	2,478	-	2,478
TOTAL REVENUES	\$ 2,478	\$ 1,153	\$ 3,631
EXPENDITURES			
Salaries	\$ 1,105	\$ 545	\$ 1,650
Fringe Benefits	642	256	898
Printing and Copying	25	-	25
Indirect Costs	706	352	1,058
TOTAL EXPENDITURES	\$ 2,478	\$ 1,153	\$ 3,631

Tri-County Regional Planning Commission

SCHEDULE OF PROJECT REVENUES AND EXPENDITURES (UNAUDITED)

MID-MICHIGAN WATER AUTHORITY 2017

Project period January 1, 2017 through December 31, 2017

VARIOUS MUNICIPALITIES - Cash (30800)

REVENUES

Local

Cash	\$	1,623
Deferred Revenue		<u>(386)</u>

TOTAL REVENUES	\$	<u>1,237</u>
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EXPENDITURES

Salaries	\$	562
Fringe Benefits		264
Printing and Copying		33
Indirect Costs		<u>378</u>

TOTAL EXPENDITURES	\$	<u>1,237</u>
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Tri-County Regional Planning Commission

SCHEDULE OF PROJECT REVENUES AND EXPENDITURES (UNAUDITED)

EDA PLANNING GRANT

Project period July 1, 2016 through June 30, 2019

EDA GRANT NO. 06-83-05565 (31500)

EDA - \$ 169,095 Cash

TCRPC \$ 169,095 Cash

	JULY 1, 2016 THROUGH SEPTEMBER 30, 2015	OCTOBER 1, 2016 THROUGH SEPTEMBER 30, 2017	JULY 1, 2016 THROUGH SEPTEMBER 30, 2017
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Federal grant			
Cash received	\$ -	\$ 45,437	\$ 45,437
Accounts Receivable - prior year	7,191	-	7,191
Unearned revenue - current	-	(10,250)	(10,250)
	<u> </u>	<u> </u>	<u> </u>
TOTAL REVENUES	7,191	35,187	42,378
OTHER FINANCING SOURCES			
Operating transfers in			
Local Match	7,191	35,207	42,398
	<u> </u>	<u> </u>	<u> </u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 14,382</u>	<u>\$ 70,394</u>	<u>\$ 84,776</u>
EXPENDITURES			
Salaries	\$ 6,467	\$ 28,863	\$ 35,330
Fringe Benefits	3,685	13,517	17,202
Telephone	-	30	30
Postage	59	-	59
Printing and Copying	11	141	152
Travel In-Region	-	385	385
Travel Out-Region	-	4,284	4,284
Training	-	1,225	1,225
Membership Dues	-	465	465
Indirect Costs	4,160	21,484	25,644
	<u> </u>	<u> </u>	<u> </u>
TOTAL EXPENDITURES	<u>\$ 14,382</u>	<u>\$ 70,394</u>	<u>\$ 84,776</u>

Tri-County Regional Planning Commission

SCHEDULE OF PROJECT REVENUES AND EXPENDITURES (UNAUDITED)

FHWA PL FUNDS

Project period October 1, 2015 through September 30, 2016

FHWA CONTRACT NO. PL 2015-0011/Z17

FHWA - \$ 646,682 Cash

TCRPC \$ 143,482 Cash

REVENUES

Federal grant

Cash \$ 341,680

Accounts receivable 109,389

TOTAL REVENUES 451,069

OTHER FINANCING SOURCES

Operating transfers in

Local Match 100,023

TOTAL REVENUES AND
OTHER FINANCING SOURCES \$ 551,092

EXPENDITURES

Salaries \$ 236,831

Fringe Benefits 110,915

Telephone 26

Postage 178

Printing and Copying 2,821

Office Supplies 147

Travel In-Region 6,126

Travel Out-Region 10,360

Training 1,252

Computer Software 12,818

Publications 133

Advertising 46

Membership Dues 309

Special Projects 1,343

Indirect Costs 167,787

TOTAL EXPENDITURES \$ 551,092

Tri-County Regional Planning Commission

SCHEDULE OF PROJECT REVENUES AND EXPENDITURES (UNAUDITED)

MDOT GRANT: ASSET MANAGEMENT

Project period October 1, 2016 through September 30, 2017

MDOT CONTRACT NO. 2015-0011/Z19 (32300)

MDOT - \$ 33,786 - Cash

REVENUES

State of Michigan

Cash

\$ 33,786

EXPENDITURES

Salaries

\$ 6,044

Fringe Benefits

2,830

Office Supplies

85

Travel In Region

140

Pass Thru

20,690

Indirect Costs

3,997

TOTAL EXPENDITURES

\$ 33,786

Tri-County Regional Planning Commission

SCHEDULE OF PROJECT REVENUES AND EXPENDITURES (UNAUDITED)

REGIONAL TRANSPORTATION CONTRACT

Project period October 1, 2016 through September 30, 2017

MDOT CONTRACT NO. 2015-0011/Z6 (32400)

MDOT - \$ 40,100 - Cash

REVENUES

State of Michigan

Cash

\$ 28,529

Accounts receivable

11,571

TOTAL REVENUES

\$ 40,100

EXPENDITURES

Salaries

\$ 18,970

Fringe Benefits

8,884

Travel In-Region

7

Indirect Costs

12,239

TOTAL EXPENDITURES

\$ 40,100

Tri-County Regional Planning Commission

SCHEDULE OF PROJECT REVENUES AND EXPENDITURES (UNAUDITED)

SURFACE TRANSPORTATION PROGRAM GRANT

Project period October 1, 2016 through September 30, 2017

FHWA CONTRACTS 2015-0011/Z11/R1

FHWA - \$ 87,506 Cash

TCRPC \$ 19,589 Cash

REVENUES

Federal grant

Cash received \$ 51,036

Accounts receivable 16,374

TOTAL REVENUES 67,410

OTHER FINANCING SOURCES

Operating transfers in

Local Match 14,948

TOTAL REVENUES AND
OTHER FINANCING SOURCES \$ 82,358

EXPENDITURES

Salaries \$ 35,526

Fringe Benefits 16,638

Telephone 4

Postage 27

Printing and Copying 422

Office Supplies 16

Travel In-Region 817

Travel Out-Region 1,327

Training 4

Computer Software 2,282

Publications 20

Advertising 7

Membership Dues 46

Special Projects 124

Indirect Costs 25,098

TOTAL EXPENDITURES \$ 82,358

Tri-County Regional Planning Commission

SCHEDULE OF PROJECT REVENUES AND EXPENDITURES (UNAUDITED)

STATEWIDE PLANNING AND RESEARCH

Project period October 1, 2016 through September 30, 2017

MDOT CONTRACT NO. 2015-0011/Z10 (34000)

MDOT - \$ 19,000 Cash

REVENUES

State of Michigan

Cash Received

\$ 14,052

Accounts receivable - current year

4,948

TOTAL REVENUES

\$ 19,000

EXPENDITURES

Salaries

\$ 8,989

Fringe Benefits

4,210

Travel In-Region

3

Indirect Costs

5,798

TOTAL EXPENDITURES

\$ 19,000

Tri-County Regional Planning Commission

SCHEDULE OF PROJECT REVENUES AND EXPENDITURES (UNAUDITED)

LANSING BIKE SHARING PROJECT

Project period October 1, 2015 through September 30, 2017

FHWA CONTRACT NO. PL 2015-0011/Z12

FHWA - \$ 40,000 Cash

	OCTOBER 1, 2015 THROUGH SEPTEMBER 30, 2016	OCTOBER 1, 2016 THROUGH SEPTEMBER 30, 2017	OCTOBER 1, 2015 THROUGH SEPTEMBER 30, 2017
REVENUES			
Federal grant			
Cash	\$ 857	\$ 16,402	\$ 17,259
Accounts receivable - prior year	7,524	-	7,524
Accounts receivable - current year	-	15,217	15,217
	<u>8,381</u>	<u>31,619</u>	<u>40,000</u>
TOTAL REVENUES	<u>\$ 8,381</u>	<u>\$ 31,619</u>	<u>\$ 40,000</u>
EXPENDITURES			
Pass Thru	<u>\$ 8,381</u>	<u>\$ 31,619</u>	<u>\$ 40,000</u>

Tri-County Regional Planning Commission

SCHEDULE OF PROJECT REVENUES AND EXPENDITURES (UNAUDITED)

UNIVERSITY REGION - ROAD AND TRAIL BICYCLING GUIDE

Project period June 6, 2016 through September 30, 2017

MDOT CONTRACT NO. 2015-0011/Z8 (34600)

FEDERAL - \$ 35,069 CASH

STATE - \$ 8,767 CASH

	JUNE 6, 2016 THROUGH SEPTEMBER 30, 2016	OCTOBER 1, 2016 THROUGH SEPTEMBER 30, 2017	JUNE 6, 2016 THROUGH SEPTEMBER 30, 2017
REVENUES			
Federal grant			
Cash	\$ -	\$ 6,700	\$ 6,700
Accounts Receivable - Current	-	10,922	10,922
Accounts Receivable - Prior	17,446	-	17,446
State of Michigan			
Cash	-	1,675	1,675
Accounts Receivable - Current	-	2,731	2,731
Accounts Receivable - Prior	4,362	-	4,362
TOTAL REVENUES	<u>\$ 21,808</u>	<u>\$ 22,028</u>	<u>\$ 43,836</u>
EXPENDITURES			
Salaries	\$ 9,874	\$ 2,522	\$ 12,396
Fringe Benefits	5,626	1,181	6,807
Special Projects	-	16,698	16,698
Indirect Costs	6,308	1,627	7,935
TOTAL EXPENDITURES	<u>\$ 21,808</u>	<u>\$ 22,028</u>	<u>\$ 43,836</u>

Tri-County Regional Planning Commission

SCHEDULE OF PROJECT REVENUES AND EXPENDITURES (UNAUDITED)

TRANSIT DEMAND AND ECONOMIC PROSPERITY GRANT

Project period September 1, 2016 through December 31, 2017

MDOT CONTRACT NO. 2015-0011/Z16 (34900)

FEDERAL GRANT - \$ 150,000

TCRPC \$ 37500 REGIONAL PROSPERITY INITIATIVE GRANT (31310)

REVENUES

Federal - FTA

Cash	\$ 67,106
Accounts Receivable	27,397

TOTAL REVENUES	<u>\$ 94,503</u>
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OTHER FINANCING SOURCES

Operating transfers in

Local match	23,625
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TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 118,128</u>
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EXPENDITURES

Salaries	\$ 9,712
Fringe Benefits	4,548
Travel	199
Consultant	97,318
Indirect Costs	6,351

TOTAL EXPENDITURES	<u>\$ 118,128</u>
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Tri-County Regional Planning Commission

ANALYSIS OF COMPLETED PROJECTS (UNAUDITED)

Year Ended September 30, 2017

	RAIN GARDEN DEMONSTRATION PROJECT (30100)	GREATER LANSING AREA CLEAR CITIES (30600)	GROUNDWATER MANAGEMENT BOARD (GMB) 2017 (30400)	MID- MICHIGAN WATER AUTHORITY 2016 (30700)
Total expenditures	\$ 4,000	\$ 34,879	\$ 53,980	\$ 3,631
Less: locally funded expenditures	<u>4,000</u>	<u>34,879</u>	<u>53,980</u>	<u>3,631</u>
Allowable expenditures	-0-	-0-	-0-	-0-
Grantor participation	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>
Grant revenues	-	-	-	-
Grant receipts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Due from grantor	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

MDOT GRANT: ASSET MANAGEMENT (32300)	REGIONAL TRANSPORTATION CONTRACT (32400)	SURFACE TRANSPORT ATION PROGRAM GRANT (32800)	STATE PLANNING AND RESEARCH (34000)	LANSING BIKE SHARING PROJECT (34400)	UNIVERSITY REGION - ROAD AND TRAIL BICYCLING GUIDE (34600)
\$ 33,786	\$ 40,100	\$ 82,358	\$ 19,000	\$ 40,000	\$ 43,836
-	-	14,948	-	-	-
33,786	40,100	67,410	19,000	40,000	43,836
100%	100%	82%	100%	100%	100%
33,786	40,100	67,410	19,000	40,000	43,836
33,786	28,529	51,036	14,052	17,259	8,375
<u>\$ -0-</u>	<u>\$ 11,571</u>	<u>\$ 16,374</u>	<u>\$ 4,948</u>	<u>\$ 22,741</u>	<u>\$ 35,461</u>

Tri-County Regional Planning Commission
ANALYSIS OF LOCAL MATCH (UNAUDITED)

Year Ended September 30, 2017

	<u>Local Match Commission</u>
EDA PLANNING (31500)	\$ 35,207
FHWA PL Funds (32200)	100,023
STP (32800)	14,948
TRANSIT STUDY (34900)	<u>23,626</u>
	<u>\$ 173,804</u>

Tri-County Regional Planning Commission
 ANALYSIS OF INDIRECT COST RATE (UNAUDITED)

Year Ended September 30, 2017

	Indirect Base	Indirect Base
Total expenditures	\$ -	\$ 1,749,527
Direct expenditures	1,397,571	(1,397,571)
Less:		
Discretionary funds	(8,091)	-
Staff recognition	(216)	-
Special projects	(29,624)	-
Consultant fee	(108,202)	-
Furniture/equipment purchases	(7,194)	-
Pass-through	(272,328)	-
Match	(173,803)	-
	\$ 798,113	\$ 351,956
Indirect cost rate (indirect costs as a part of indirect base)	44.10%	

Tri-County Regional Planning Commission
SCHEDULE OF FRINGE BENEFITS (UNAUDITED)

Year Ended September 30, 2017

Social security	\$ 48,068
Unemployment taxes	7,331
Pension contributions	56,990
Health insurance	152,672
Dental insurance	15,902
Group life insurance	6,354
Employee assistance program	342
Workers compensation insurance	3,359
Fringe benefits miscellaneous	<u>2,096</u>
 Total fringe benefits	 <u><u>\$ 293,114</u></u>
 Salaries and wages for the year ended September 30, 2017	 <u><u>\$ 632,636</u></u>
 Fringe benefit rate - All employees	 46.33%



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*

To the Board of Commissioners
Tri-County Regional Planning Commission
Lansing, Michigan

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 and the major fund of Tri-County Regional Planning Commission (the Commission), as of and for the year ended September 30, 2017, 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 5, 2017.

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) 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 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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We consider the following deficiency described below to be significant deficiency:

2017-001 PAYROLL INTERNAL CONTROLS

Condition: We noted three (3) instances of forty-three (43) payroll disbursements selected for testing the effectivities of the Commissions internal controls where the Executive Director did not sign off on time sheets noting approval.

Criteria: Management is responsible for establishing, maintaining, and monitoring accounting procedures, including implementation of proper controls over the payroll process.

Cause: Unknown.

2017-001 PAYROLL INTERNAL CONTROLS - CONTINUED

Effect: Without this control in place there is an increased risk of fraud or possibility of employees being paid the incorrect amount.

Recommendation: We recommend that the Commission ensure all employee timesheets are approved by the appropriate level of management and that review should be formally documented.

Corrective Action Response: The Commission will review the process for submitting timesheets and make sure that all timesheets are approved by the appropriate person before processing payroll.

Compliance and Other Matters

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

Tri-County Regional Planning Commission's Responses to Findings

The Commission's responses to the findings identified in our audit are described above. The Commission's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 purpose.

Stevens Kirinovic & Tucker, P.C.

STEVENS, KIRINOVIC & TUCKER, P.C.
Certified Public Accountants

December 5, 2017