

**TRI-COUNTY REGIONAL PLANNING COMMISSION
LANSING, MICHIGAN**

**REPORT ON FINANCIAL STATEMENTS
(with required and other supplementary information)**

YEAR ENDED SEPTEMBER 30, 2020

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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, 2020, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

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, 2020, 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 January 15, 2021, 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.

Maney Costeiran PC

January 15, 2021

**TRI-COUNTY REGIONAL PLANNING COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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, 2020. Please read it in conjunction with the attached financial statements.

Financial Highlights

Our FY 2020 financial status decreased from the prior year. Net position increased by \$44,902 compared to 2019 decrease of \$6,803. Total Net Position is now \$592,528 of which \$6,637 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 2020	Fiscal Year 2019
Current and other assets	\$ 1,160,703	\$ 1,156,358
Capital assets, net	6,637	10,701
Total assets	1,167,340	1,167,059
Current liabilities	574,812	619,433
Investment in capital assets	6,637	10,701
Unrestricted	585,891	536,925
Total net position	\$ 592,528	\$ 547,626

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

	2020	2019
Net position, October 1	\$ 547,626	\$ 554,428
Results of operations	39,376	(2,784)
Prior period adjustments	5,526	(4,018)
Total changes in net position	44,902	(6,802)
Net position, September 30	\$ 592,528	\$ 547,626

For 2020 and 2019, overall revenues were \$1,512,673 and \$1,625,974, respectively, and overall expenses were \$1,473,297 and \$1,628,758 respectively, as reported in the statements of activities.

**TRI-COUNTY REGIONAL PLANNING COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Table 3
Summarized Statements of Activity
Governmental Activities**

	Fiscal Year 2020	Fiscal Year 2019
Revenues		
Federal, state, and local funding	\$ 1,132,610	\$ 1,261,063
Local dues	363,334	363,334
Interest	1,100	1,141
Miscellaneous	15,629	436
Total revenues	1,512,673	1,625,974
Expenses	1,473,297	1,628,758
Change in net position	\$ 39,376	\$ (2,784)

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.

**TRI-COUNTY REGIONAL PLANNING COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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.

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, 2020, by \$39,376. Total unrestricted net position was \$592,528 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 \$44,621. This was due to decreases in accounts payable and unearned revenue.

Financial Analysis of the Commission's Fund

Amendments to our budget for the year ended September 30, 2020, 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, state source revenue, and local source revenue were \$188,669, \$180,987, and \$9,527 lower than anticipated, respectively. The final expenditure budget increased from the original budget; the final budget was \$405,195 greater than actual expenditures.

Capital Assets

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

	Fiscal Year 2020	Fiscal Year 2019
Furniture and equipment	\$ 196,220	\$ 196,220
Less accumulated depreciation	<u>(189,583)</u>	<u>(185,519)</u>
Net capital assets	<u><u>\$ 6,637</u></u>	<u><u>\$ 10,701</u></u>

**TRI-COUNTY REGIONAL PLANNING COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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 4 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, 2020**

ASSETS	
Current assets	
Cash	\$ 837,981
Accounts receivable	3,308
Due from other governmental units	155,959
Prepaid expenses	<u>13,455</u>
Total current assets	1,010,703
Noncurrent assets	
Investments	150,000
Capital assets, net	<u>6,637</u>
Total noncurrent assets	<u>156,637</u>
TOTAL ASSETS	1,167,340
LIABILITIES	
Current liabilities	
Accounts payable	4,557
Accrued wages and related items	43,986
Compensated absences	46,313
Unearned revenue	<u>479,956</u>
Total current liabilities	<u>574,812</u>
NET POSITION	
Investment in capital assets	6,637
Unrestricted	<u>585,891</u>
TOTAL NET POSITION	<u><u>\$ 592,528</u></u>

See accompanying notes to financial statements.

**TRI-COUNTY REGIONAL PLANNING COMMISSION
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2020**

Functions/Programs	Expenses	Program Revenues Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental activities			
Planning programs	\$ 1,473,297	\$ 1,132,610	\$ (340,687)
General revenues			
Member allocations			363,334
Investment earnings			1,100
Miscellaneous			15,629
Total general revenues			380,063
Change in net position			39,376
Restated net position, beginning of the year			553,152
Net position, end of the year			\$ 592,528

See accompanying notes to financial statements.

**TRI-COUNTY REGIONAL PLANNING COMMISSION
GOVERNMENTAL FUND
BALANCE SHEET
SEPTEMBER 30, 2020**

	General
ASSETS	
Cash	\$ 837,981
Investment	150,000
Account receivable	3,308
Due from other governmental units	155,959
Prepays	13,455
TOTAL ASSETS	\$ 1,160,703
LIABILITIES	
Accounts payable	\$ 4,557
Accrued wages and related items	90,299
Unearned revenue	479,956
TOTAL LIABILITIES	574,812
FUND BALANCE	
Nonspendable - prepaids	13,455
Unassigned	572,436
TOTAL FUND BALANCE	585,891
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,160,703

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, 2020**

Total fund balance - governmental fund \$ 585,891

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>(189,583)</u>	
Capital assets, net		<u>6,637</u>
Net position of governmental activities		<u><u>\$ 592,528</u></u>

**TRI-COUNTY REGIONAL PLANNING COMMISSION
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
YEAR ENDED SEPTEMBER 30, 2020**

	General
REVENUES	
Federal sources	\$ 670,863
State sources	97,265
Local sources	364,482
Member allocations	363,334
Interest	1,100
Other	15,629
TOTAL REVENUES	1,512,673
EXPENDITURES	
Current	
Community and economic development Planning programs	1,469,233
NET CHANGE IN FUND BALANCE	43,440
Restated fund balance, beginning of year	542,451
Fund balance, end of year	\$ 585,891

See accompanying notes to financial statements.

**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, 2020**

Net change in fund balance - governmental fund	\$	43,440
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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:

Depreciation expense		<u>(4,064)</u>
Change in net position of governmental activities	\$	<u>39,376</u>

**TRI-COUNTY REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - 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.

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.

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.

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.

TRI-COUNTY REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

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.

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 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.

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.

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 estimated acquisition value on the date received.

**TRI-COUNTY REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)**

Capital Assets (continued)

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:

Furniture and equipment	3-10 years
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Cash and Investments

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

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.

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

- a. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- b. 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.
- c. Commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase.
- d. The United States government or Federal agency obligations repurchase agreements.
- e. Bankers' acceptances of United States banks.
- f. Mutual funds composed of investment vehicles, which are legal for direct investment by local units of government in Michigan.

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.

**TRI-COUNTY REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)**

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.

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.

Fund Balance Classification

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.

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.

**TRI-COUNTY REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)**

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.

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 2 - DEPOSITS AND INVESTMENTS

As of September 30, 2020, the Commission had deposits and investments subject to the following risk:

Custodial Credit Risk - 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, 2020, \$477,282 of the Commission's bank balance of \$1,027,535 was exposed to custodial credit risk because it was uninsured and uncollateralized. The Commission's deposits had a carrying amount of \$987,831 as of September 30, 2020. The cash caption on the primary government's financial statements includes \$150 of petty cash.

Custodial Credit Risk - Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the Commission will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The Commission will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer, by; limiting investments to the types of securities allowed by law; and pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the Commission will do business. As of September 30, 2020, the Commission did not hold any investments that were subject to custodial credit risk.

**TRI-COUNTY REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 - DEPOSITS AND INVESTMENTS

Interest Rate Risk

In accordance with its investment policy, 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.

Credit Risk

State law limits investments in commercial paper and corporate bonds to a prime or better rating issued by nationally recognized statistical rating organizations (NRSROs). Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality. As of September 30, 2020, the Commission did not hold any investments that were subject to rating.

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.

Foreign Currency Risk

The Commission is not authorized for investments which have this type of risk.

The following summarizes the categorization of these amounts as of September 30, 2020:

Cash	\$ 837,981
Investments	<u>150,000</u>
	<u>\$ 987,981</u>

**TRI-COUNTY REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS**

NOTE 3 - DUE FROM OTHER GOVERNMENTAL UNITS

Due from other governmental units at September 30, 2020, by grant type are as follows:

Federal		
FHWA PL Funds 2018-0011/Z3	\$	124,498
STP funds 2018-0011/Z5		7,355
Michigan Department of Transportation		
Regional Transportation Contract 2018-0011/Z1		6,340
State Planning and Research MDOT/FHWA 2018-0022/Z8		4,037
MDOT Grant: MDOT CONTRACT NO. 2018-0022/Z9/R1		8,711
Mid-Michigan Water Authority		526
Other Local Units		4,492
		<u>4,492</u>
	<u>\$</u>	<u>155,959</u>

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2020, was as follows:

	<u>Balance Oct. 1, 2019</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance Sept. 30, 2020</u>
Capital assets being depreciated				
Furniture and equipment	\$ 196,220	\$ -	\$ -	\$ 196,220
Less accumulated depreciation for:				
Furniture and equipment	<u>(185,519)</u>	<u>(4,064)</u>	<u>-</u>	<u>(189,583)</u>
Net capital assets	<u>\$ 10,701</u>	<u>\$ (4,064)</u>	<u>\$ -</u>	<u>\$ 6,637</u>

NOTE 5 - 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, 2020.

	<u>Balance Oct. 1, 2019</u>	<u>Earned</u>	<u>Used</u>	<u>Balance Sept. 30, 2020</u>	<u>Amount Due Within One Year</u>
Compensated absences	<u>\$ 38,865</u>	<u>\$ 112,410</u>	<u>\$ (104,962)</u>	<u>\$ 46,313</u>	<u>\$ 46,313</u>

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.

**TRI-COUNTY REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS**

NOTE 6 - 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.

<u>Years of Service</u>	<u>Vesting Percentage</u>
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 \$66,918, covered payroll was \$742,325, and total payroll was \$743,532 during the fiscal year. Contributions to the plan during the fiscal year were \$66,918.

NOTE 7 - 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 8 - 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.

NOTE 9 - 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, 2020, was \$56,600. Future minimum payments are as follows:

<u>Year Ending September 30,</u>	
2021	\$ 57,628
2022	<u>19,324</u>
	<u><u>\$ 76,952</u></u>

**TRI-COUNTY REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS**

NOTE 10 - 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. 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 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 fiscal years.

NOTE 11 - 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 net position/fund balance. The effect on operations and other affected balances for the current year are as follows:

	Governmental Activities	General Fund
Beginning net position/fund balance	\$ 547,626	\$ 536,925
Overstated accounts receivable	(2,555)	(2,555)
Overstated deferred compensation	2,428	2,428
Overstated accrued liabilities	2,778	2,778
Overstated accounts payable	2,875	2,875
Restated beginning net position/fund balance	\$ 553,152	\$ 542,451

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 \$5,526, respectively.

NOTE 12 - UPCOMING ACCOUNTING PRONOUNCEMENTS

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 2021-2022 fiscal year.

**TRI-COUNTY REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS**

NOTE 12 - UPCOMING ACCOUNTING PRONOUNCEMENTS (continued)

In May 2020, GASB issued Statement No. 96, *Subscription-based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The Commission is currently evaluating the impact this standard will have on the financial statements when adopted during the 2022-2023 fiscal year.

NOTE 13 - UNCERTAINTIES

The extent of the impact of COVID-19 on the Commission's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on services, employees, and vendors all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the financial condition and results of operations is uncertain.

REQUIRED SUPPLEMENTARY INFORMATION

**TRI-COUNTY REGIONAL PLANNING COMMISSION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
REVENUES				
Federal sources	\$ 859,532	\$ 859,532	\$ 670,863	\$ (188,669)
State sources	277,552	277,552	97,265	(180,287)
Local sources	349,278	374,009	364,482	(9,527)
Member allocations	363,335	363,335	363,334	(1)
Interest	-	-	1,100	1,100
Other	-	-	15,629	15,629
	1,849,697	1,874,428	1,512,673	(361,755)
TOTAL REVENUES				
EXPENDITURES				
Current				
Community and economic development				
Salaries	824,643	824,643	750,109	74,534
Fringe benefits	330,107	330,107	279,435	50,672
Discretionary fund	5,000	5,000	-	5,000
Audit	10,000	10,000	10,000	-
Telephone	6,250	6,250	8,576	(2,326)
Postage	2,300	1,000	587	413
Printing and copying	9,650	9,650	2,344	7,306
Office supplies	15,000	15,000	8,815	6,185
Travel - in region	22,000	22,000	9,383	12,617
Travel - out region	30,000	14,817	6,099	8,718
Training	4,000	4,000	1,828	2,172
Commission meeting expenses	4,000	4,000	1,611	2,389
Commission travel	1,000	1,000	-	1,000
Rent - meeting facility	2,050	2,050	-	2,050
Rent - office	74,100	74,100	68,246	5,854
Equipment maintenance	2,500	2,500	-	2,500
Computer services	33,000	33,000	30,962	2,038
Computer software	40,000	47,000	38,458	8,542
Insurance	6,600	6,083	6,093	(10)
Bank service charges	1,500	1,500	1,335	165
Subscriptions	1,050	1,050	397	653
Advertising	4,100	4,100	2,941	1,159
Membership dues	11,000	11,000	6,215	4,785

**TRI-COUNTY REGIONAL PLANNING COMMISSION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE (continued)
YEAR ENDED SEPTEMBER 30, 2020**

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Positive (Negative)
EXPENDITURES (continued)				
Current (continued)				
Community and economic development (continued)				
Special projects	\$ 17,500	\$ 27,500	\$ 18,739	\$ 8,761
Consultant fee/contractual services	64,342	89,073	7,500	81,573
Furniture/equipment purchases	15,000	15,000	7,968	7,032
Pass-through	313,005	313,005	201,592	111,413
TOTAL EXPENDITURES	<u>1,849,697</u>	<u>1,874,428</u>	<u>1,469,233</u>	<u>405,195</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	43,440	43,440
OTHER FINANCING SOURCES (USES)				
Operating transfers for local match	244,301	244,301	192,707	(51,594)
Transfer for local match	<u>(244,301)</u>	<u>(244,301)</u>	<u>(192,707)</u>	<u>51,594</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	43,440	43,440
Restated fund balance, beginning of year	<u>542,451</u>	<u>542,451</u>	<u>542,451</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 542,451</u></u>	<u><u>\$ 542,451</u></u>	<u><u>\$ 585,891</u></u>	<u><u>\$ 43,440</u></u>

OTHER SUPPLEMENTARY INFORMATION

TRI-COUNTY REGIONAL PLANNING COMMISSION
SCHEDULE OF COMMISSION REVENUES AND EXPENDITURES (UNAUDITED)
YEAR ENDED SEPTEMBER 30, 2020

	Operating	Special Projects			Eliminations	Total
		Indirect	Direct	Total		
REVENUES						
Federal sources	\$ -	\$ -	\$ 670,863	\$ 670,863	\$ -	\$ 670,863
State sources	-	-	97,265	97,265	-	97,265
Local sources	-	-	364,482	364,482	-	364,482
Member allocations	363,334	-	-	-	-	363,334
Interest	1,100	-	-	-	-	1,100
Operating transfers in local match	-	-	192,707	192,707	(192,707)	-
Other	19,693	-	-	-	(4,064)	15,629
TOTAL REVENUES	384,127	-	1,325,317	1,325,317	(196,771)	1,512,673
EXPENDITURES						
Direct costs						
Salaries and wages	60,633	147,737	541,739	689,476	-	750,109
Fringe benefits	32,923	52,821	193,691	246,512	-	279,435
Telephone	71	8,310	195	8,505	-	8,576
Postage	-	587	-	587	-	587
Printing and copying	432	250	1,662	1,912	-	2,344
Office supplies	-	8,614	201	8,815	-	8,815
Travel - in region	555	2,041	6,787	8,828	-	9,383
Travel - out region	-	709	5,390	6,099	-	6,099
Training	-	1,733	95	1,828	-	1,828
Commission meeting expenses	1,611	-	-	-	-	1,611
Rent - office	-	68,246	-	68,246	-	68,246
Computer services	-	27,766	3,196	30,962	-	30,962
Computer software	-	17,910	20,548	38,458	-	38,458
Insurance	-	6,093	-	6,093	-	6,093
Bank service charges	1,335	-	-	-	-	1,335
Subscriptions/publications	-	397	-	397	-	397
Advertising	2,072	563	306	869	-	2,941
Depreciation	-	4,064	-	4,064	(4,064)	-
Membership dues	-	3,361	2,854	6,215	-	6,215
Special projects	4,974	659	13,106	13,765	-	18,739
Consultant fee/contractual services	-	-	7,500	7,500	-	7,500
Equipment	5,448	-	2,520	2,520	-	7,968
Audit	-	10,000	-	10,000	-	10,000
Pass-through	-	-	201,592	201,592	-	201,592
Transfer for match	192,707	-	-	-	(192,707)	-
Indirect costs	37,926	(361,861)	323,935	(37,926)	-	-
TOTAL EXPENDITURES	340,687	-	1,325,317	1,325,317	(196,771)	1,469,233
NET REVENUES OVER EXPENDITURES	\$ 43,440	\$ -	\$ -	\$ -	\$ -	\$ 43,440

**TRI-COUNTY REGIONAL PLANNING COMMISSION
COMBINING SCHEDULE OF PROJECT REVENUES AND EXPENDITURES (UNAUDITED)
YEAR ENDED SEPTEMBER 30, 2020**

	DEWITT PERMIT ASSISTANCE (30110)	GREATER LANSING REGIONAL COMMITTEE (GLRC) 2020 (30310)	GREATER LANSING REGIONAL COMMITTEE (GLRC) 2019 (30300)	GROUNDWATER MANAGEMENT BOARD (GMB) 2020 (30400)
REVENUES				
Federal sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Local sources	197	66,956	24,937	97,609
TOTAL REVENUES	197	66,956	24,937	97,609
OTHER FINANCING SOURCES				
Operating transfers in local match	-	-	-	-
TOTAL REVENUES AND OTHER FINANCING SOURCES	197	66,956	24,937	97,609
EXPENDITURES				
Direct costs				
Salaries and wages	102	32,048	9,836	48,002
Fringe benefits	37	11,458	3,517	17,163
Telephone	-	-	-	15
Postage	-	-	-	-
Printing and copying	-	212	111	112
Office supplies	-	-	27	-
Travel - in region	-	197	297	301
Travel - out region	-	199	-	-
Training	-	-	-	-
Computer services	-	70	19	500
Computer software	-	-	-	-
Advertising	-	-	-	-
Membership dues	-	77	285	224
Special projects	-	4,180	5,070	3,551
Consultant fee/contractual services	-	-	-	-
Equipment	-	-	-	-
Pass Thru	-	-	-	-
Indirect costs	58	18,515	5,775	27,741
TOTAL EXPENDITURES	197	66,956	24,937	97,609
NET REVENUES OVER (UNDER) EXPENDITURES	\$ -	\$ -	\$ -	\$ -

REGIONAL PROSPERITY GRANT 2018 (31340)	REGIONAL PROSPERITY GRANT 2019 (31350)	MID-MICHIGAN WATER AUTHORITY 2018 (30700)	MID-MICHIGAN WATER AUTHORITY 2019 (30800)	WELLHEAD PROTECTION GRANT (30500)
\$ -	\$ -	\$ -	\$ -	\$ -
-	26,074	-	-	-
-	-	697	526	45,000
-	26,074	697	526	45,000
-	-	-	-	-
-	26,074	697	526	45,000
-	-	363	269	-
-	-	129	96	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	6	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	26,074	-	-	45,000
-	-	205	155	-
-	26,074	697	526	45,000
\$ -	\$ -	\$ -	\$ -	\$ -

TRI-COUNTY REGIONAL PLANNING COMMISSION
COMBINING SCHEDULE OF PROJECT REVENUES AND EXPENDITURES (UNAUDITED) (continued)
YEAR ENDED SEPTEMBER 30, 2020

	AERIAL ORTHOIMAGERY (31200)	EDA CARES GRANT	EDA PLANNING GRANT (31500)	FHWA PL FUNDS (32100)
REVENUES				
Federal sources	\$ -	\$ -	\$ 61,066	\$ 565,719
State sources	-	-	-	-
Local sources	128,560	-	-	-
TOTAL REVENUES	128,560	-	61,066	565,719
OTHER FINANCING SOURCES				
Operating transfers in local match	-	-	61,066	125,447
TOTAL REVENUES AND OTHER FINANCING SOURCES	128,560	-	122,132	691,166
EXPENDITURES				
Direct costs				
Salaries and wages	-	-	61,666	331,341
Fringe benefits	-	-	22,048	118,466
Telephone	-	-	110	70
Postage	-	-	-	-
Printing and copying	-	-	124	1,103
Office supplies	-	-	45	-
Travel - in region	-	-	994	1,516
Travel - out region	-	-	819	4,317
Training	-	-	-	95
Computer services	-	-	-	2,446
Computer software	-	-	-	18,345
Advertising	-	-	-	306
Membership dues	-	-	-	2,247
Special projects	-	-	305	-
Consultant fee/contractual services	-	-	-	7,500
Equipment	-	-	-	2,520
Pass Thru	128,560	-	-	-
Indirect costs	-	-	36,021	200,894
TOTAL EXPENDITURES	128,560	-	122,132	691,166
NET REVENUES OVER (UNDER) EXPENDITURES	\$ -	\$ -	\$ -	\$ -

MDOT GRANT: ASSET MANAGEMENT (32300)	REGIONAL TRANSPORTATION CONTRACT (32400)	SURFACE TRANSPORTATI ON PROGRAM GRANT (32800)	STATE PLANNING AND RESEARCH (34000)	TOTAL
\$ -	\$ -	\$ 27,932	\$ 16,146	\$ 670,863
27,054	40,100	-	4,037	97,265
-	-	-	-	364,482
27,054	40,100	27,932	20,183	1,132,610
-	-	6,194	-	192,707
27,054	40,100	34,126	20,183	1,325,317
10,857	20,828	15,945	10,482	541,739
3,882	7,446	5,701	3,748	193,691
-	-	-	-	195
-	-	-	-	-
-	-	-	-	1,662
129	-	-	-	201
3,446	-	30	-	6,787
55	-	-	-	5,390
-	-	-	-	95
-	-	161	-	3,196
-	-	2,203	-	20,548
-	-	-	-	306
-	-	21	-	2,854
-	-	-	-	13,106
-	-	-	-	7,500
-	-	-	-	2,520
1,958	-	-	-	201,592
6,727	11,826	10,065	5,953	323,935
27,054	40,100	34,126	20,183	1,325,317
\$ -	\$ -	\$ -	\$ -	\$ -

**TRI-COUNTY REGIONAL PLANNING COMMISSION
SCHEDULE OF PROJECT REVENUES AND EXPENDITURES (UNAUDITED)
DEWITT TOWNSHIP PERMIT ASSISTANCE
PROJECT PERIOD MARCH 15, 2019 TO SEPTEMBER 30, 2020**

DEWITT TOWNSHIP - CASH (30110)

	MARCH 15, 2019 THROUGH SEPTEMBER 30, 2019	OCTOBER 1, 2019 THROUGH SEPTEMBER 30, 2020	MARCH 15, 2019 THROUGH SEPTEMBER 30, 2020
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Local			
Cash Received	\$ 2,455	\$ -	\$ 2,455
Accounts Receivable	<u>1,864</u>	<u>197</u>	<u>2,061</u>
TOTAL REVENUES	<u>\$ 4,319</u>	<u>\$ 197</u>	<u>\$ 4,516</u>
EXPENDITURES			
Salaries	\$ 2,204	\$ 102	\$ 2,306
Fringe Benefits	922	37	959
Travel In-Region	28	-	28
Indirect Costs	<u>1,165</u>	<u>58</u>	<u>1,223</u>
TOTAL EXPENDITURES	<u>\$ 4,319</u>	<u>\$ 197</u>	<u>\$ 4,516</u>

**TRI-COUNTY REGIONAL PLANNING COMMISSION
SCHEDULE OF PROJECT REVENUES AND EXPENDITURES (UNAUDITED)
GREATER LANSING REGIONAL COMMITTEE (GLRC) 2020
PROJECT PERIOD JANUARY 1, 2020 TO SEPTEMBER 30, 2020**

VARIOUS MUNICIPALITIES - Cash (30310)

	<u>JANUARY 1, 2020 THROUGH SEPTEMBER 30, 2020</u>
REVENUES	
Local	
Cash Received	\$ 132,875
Unearned revenue - current year	<u>(65,919)</u>
 TOTAL REVENUES	 <u>\$ 66,956</u>
 EXPENDITURES	
Salaries	\$ 32,048
Fringe Benefits	11,458
Printing and Copying	212
Travel In-Region	197
Travel Out-Region	199
Computer Services	70
Membership Dues	77
Special Projects	4,180
Indirect Costs	<u>18,515</u>
 TOTAL EXPENDITURES	 <u>\$ 66,956</u>

**TRI-COUNTY REGIONAL PLANNING COMMISSION
SCHEDULE OF PROJECT REVENUES AND EXPENDITURES (UNAUDITED)
GREATER LANSNG REGIONAL COMMITTEE (GLRC) 2019
PROJECT PERIOD JANUARY 1, 2019 TO DECEMBER 31, 2019**

VARIOUS MUNICIPALITIES - Cash (30300)

	JANUARY 1, 2019 THROUGH SEPTEMBER 30, 2019	OCTOBER 1, 2019 THROUGH DECEMBER 31, 2019	JANUARY 1, 2019 THROUGH DECEMBER 31, 2019
REVENUES			
Local			
Cash Received	\$ 148,561	\$ 111,000	\$ 259,561
Unearned Revenue - prior year	(55,338)	47,961	(7,377)
Unearned Revenue - current year	-	(134,024)	(134,024)
	<u> </u>	<u> </u>	<u> </u>
TOTAL REVENUES	<u>\$ 93,223</u>	<u>\$ 24,937</u>	<u>\$ 118,160</u>
EXPENDITURES			
Salaries	\$ 41,831	\$ 9,836	\$ 51,667
Fringe Benefits	16,039	3,517	19,556
Postage	179	-	179
Printing and Copying	75	111	186
Office Supplies	801	27	828
Travel In-Region	879	297	1,176
Travel Out-Region	75	-	75
Computer Services	-	19	19
Membership Dues	-	285	285
Special Projects	9,797	5,070	14,867
Indirect Costs	23,547	5,775	29,322
	<u> </u>	<u> </u>	<u> </u>
TOTAL EXPENDITURES	<u>\$ 93,223</u>	<u>\$ 24,937</u>	<u>\$ 118,160</u>

**TRI-COUNTY REGIONAL PLANNING COMMISSION
SCHEDULE OF PROJECT REVENUES AND EXPENDITURES (UNAUDITED)
GROUNDWATER MANAGEMENT BOARD (GMB) 2020
PROJECT PERIOD OCTOBER 1, 2019 TO SEPTEMBER 30, 2020**

VARIOUS MUNICIPALITIES - Cash (30400)

REVENUES

Local

Cash Received	\$	96,300
Unearned Revenue - prior year		166,919
Unearned Revenue - current year		<u>(165,610)</u>

TOTAL REVENUES	\$	<u>97,609</u>
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EXPENDITURES

Salaries	\$	48,002
Fringe Benefits		17,163
Telephone		15
Printing and Copying		112
Travel In-Region		301
Computer Services		500
Membership Dues		224
Special Projects		3,551
Indirect Costs		<u>27,741</u>

TOTAL EXPENDITURES	\$	<u>97,609</u>
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**TRI-COUNTY REGIONAL PLANNING COMMISSION
SCHEDULE OF PROJECT REVENUES AND EXPENDITURES (UNAUDITED)
REGIONAL PROSPERITY GRANT FY 2018
PROJECT PERIOD MARCH 1, 2018 THROUGH FEBRUARY 28, 2020**

	MARCH 1, 2018 THROUGH SEPTEMBER 30, 2019	OCTOBER 1, 2019 THROUGH FEBRUARY 28, 2020	MARCH 1, 2018 THROUGH FEBRUARY 28, 2020
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
State of Michigan			
Cash Received	\$ 180,897	\$ -	\$ 180,897
Unearned Revenue - prior year	<u>(95,873)</u>	<u>-</u>	<u>(95,873)</u>
TOTAL REVENUES	<u>\$ 85,024</u>	<u>\$ -</u>	<u>\$ 85,024</u>
EXPENDITURES			
Pass Thru	<u>\$ 85,024</u>	<u>\$ -</u>	<u>\$ 85,024</u>
TOTAL EXPENDITURES	<u>\$ 85,024</u>	<u>\$ -</u>	<u>\$ 85,024</u>

**TRI-COUNTY REGIONAL PLANNING COMMISSION
SCHEDULE OF PROJECT REVENUES AND EXPENDITURES (UNAUDITED)
REGIONAL PROSPERITY GRANT FY 2019
PROJECT PERIOD MARCH 1, 2019 THROUGH FEBRUARY 28, 2021**

	MARCH 1, 2019 THROUGH SEPTEMBER 30, 2019	OCTOBER 1, 2019 THROUGH SEPTEMBER 30, 2020	MARCH 1, 2019 THROUGH FEBRUARY 28, 2021
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
State of Michigan			
Cash Received	\$ 306,810	\$ -	\$ 306,810
Unearned Revenue - prior year	(146,073)	146,073	-
Unearned Revenue - current year	<u>-</u>	<u>(119,999)</u>	<u>(119,999)</u>
TOTAL REVENUES	<u><u>\$ 160,737</u></u>	<u><u>\$ 26,074</u></u>	<u><u>\$ 186,811</u></u>
EXPENDITURES			
Salaries	\$ 960	\$ -	\$ 960
Fringe Benefits	368	-	368
Travel In-Region	22	-	22
Pass Thru	158,857	26,074	184,931
Indirect Costs	<u>530</u>	<u>-</u>	<u>530</u>
TOTAL EXPENDITURES	<u><u>\$ 160,737</u></u>	<u><u>\$ 26,074</u></u>	<u><u>\$ 186,811</u></u>

**TRI-COUNTY REGIONAL PLANNING COMMISSION
SCHEDULE OF PROJECT REVENUES AND EXPENDITURES (UNAUDITED)
MID-MICHIGAN WATER AUTHORITY 2019
PROJECT PERIOD JANUARY 1, 2019 THROUGH DECEMBER 31, 2019**

VARIOUS MUNICIPALITIES - Cash (30700)

	JANUARY 1, 2019 THROUGH SEPTEMBER 30, 2019	OCTOBER 1, 2019 THROUGH DECEMBER 31, 2019	JANUARY 1, 2019 THROUGH DECEMBER 31, 2019
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Local			
Cash Received	\$ -	\$ 1,588	\$ 1,588
Accounts Receivable	891	(891)	-
	<u>891</u>	<u>(891)</u>	<u>-</u>
TOTAL REVENUES	<u>\$ 891</u>	<u>\$ 697</u>	<u>\$ 1,588</u>
 EXPENDITURES			
Salaries	\$ 462	\$ 363	\$ 825
Fringe Benefits	177	129	306
Indirect Costs	252	205	457
	<u>891</u>	<u>697</u>	<u>457</u>
TOTAL EXPENDITURES	<u>\$ 891</u>	<u>\$ 697</u>	<u>\$ 1,588</u>

**TRI-COUNTY REGIONAL PLANNING COMMISSION
SCHEDULE OF PROJECT REVENUES AND EXPENDITURES (UNAUDITED)
MID-MICHIGAN WATER AUTHORITY 2020
PROJECT PERIOD JANUARY 1, 2020 THROUGH SEPTEMBER 30, 2020**

VARIOUS MUNICIPALITIES - Cash (30800)

	JANUARY 1, 2020 THROUGH SEPTEMBER 30, 2020 <hr/>
REVENUES	
Local	
Accounts Receivable	<hr/> \$ 526 <hr/>
EXPENDITURES	
Salaries	\$ 269
Fringe Benefits	96
Travel In-Region	6
Indirect Costs	155 <hr/>
TOTAL EXPENDITURES	<hr/> \$ 526 <hr/>

**TRI-COUNTY REGIONAL PLANNING COMMISSION
 SCHEDULE OF PROJECT REVENUES AND EXPENDITURES (UNAUDITED)
 WELLHEAD PROTECTION GRANT
 PROJECT PERIOD OCTOBER 1, 2019 THROUGH SEPTEMBER 30, 2020**

VARIOUS MUNICIPALITIES - Cash (30500)

	OCTOBER 1, 2019 THROUGH SEPTEMBER 30, <u>2020</u>
REVENUES	
Local	
Cash Received	<u>\$ 45,000</u>
EXPENDITURES	
Pass Thru	<u>\$ 45,000</u>

**TRI-COUNTY REGIONAL PLANNING COMMISSION
SCHEDULE OF PROJECT REVENUES AND EXPENDITURES (UNAUDITED)
AERIAL ORTHOIMAGERY
PROJECT PERIOD JULY 1, 2020 THROUGH FEBRUARY 28, 2021**

VARIOUS MUNICIPALITIES - Cash (31200)

	JULY 1, 2020 THROUGH SEPTEMBER 30, 2020
REVENUES	
Local	
Cash Received	\$ 158,489
Unearned revenue	(29,929)
TOTAL REVENUES	\$ 128,560
EXPENDITURES	
Pass Thru	\$ 128,560

**TRI-COUNTY REGIONAL PLANNING COMMISSION
SCHEDULE OF PROJECT REVENUES AND EXPENDITURES (UNAUDITED)
EDA CARES GRANT
PROJECT PERIOD JULY 1, 2020 THROUGH JUNE 30, 2022**

EDA GRANT NO. 06-83-05565 (31500)
EDA \$400,000 Cash

	JULY 1, 2020 THROUGH SEPTEMBER 30, 2020
REVENUES	
Federal grant	
Cash Received	\$ 4,500
Unearned Revenue	(4,500)
TOTAL REVENUES	\$ -

**TRI-COUNTY REGIONAL PLANNING COMMISSION
SCHEDULE OF PROJECT REVENUES AND EXPENDITURES (UNAUDITED)
EDA PLANNING GRANT
PROJECT PERIOD JULY 1, 2019 THROUGH SEPTEMBER 30, 2022**

EDA GRANT NO. ED19CHI3020026 (31500)
EDA \$210,000 Cash
TCRPC \$210,000 Cash

	JULY 1, 2019 THROUGH SEPTEMBER 30, 2019	OCTOBER 1, 2019 THROUGH SEPTEMBER 30, 2020	JULY 1, 2019 THROUGH SEPTEMBER 30, 2020
REVENUES			
Federal grant			
Cash Received	\$ 17,500	\$ 59,503	\$ 77,003
Accounts Receivable	-	104	104
Unearned Revenue	(1,459)	1,459	-
	<u>16,041</u>	<u>61,066</u>	<u>77,107</u>
TOTAL REVENUES	16,041	61,066	77,107
OTHER FINANCING SOURCES			
Operating transfers in			
Local Match	16,035	61,066	77,101
	<u>16,035</u>	<u>61,066</u>	<u>77,101</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 32,076	\$ 122,132	\$ 154,208
EXPENDITURES			
Salaries	\$ 14,204	\$ 61,666	\$ 75,870
Fringe Benefits	5,446	22,048	27,494
Telephone	30	110	140
Printing and Copying	51	124	175
Office Supplies	173	45	218
Travel In-Region	132	994	1,126
Travel Out-Region	2,891	819	3,710
Membership Dues	95	-	95
Special Projects	-	305	305
Indirect Costs	9,054	36,021	45,075
	<u>9,054</u>	<u>36,021</u>	<u>45,075</u>
TOTAL EXPENDITURES	\$ 32,076	\$ 122,132	\$ 154,208

**TRI-COUNTY REGIONAL PLANNING COMMISSION
SCHEDULE OF PROJECT REVENUES AND EXPENDITURES (UNAUDITED)
FHWA PL FUNDS
PROJECT PERIOD OCTOBER 1, 2019 THROUGH SEPTEMBER 30, 2020**

FHWA CONTRACT NO. PL 2018-0011/Z3 (32100)

FHWA \$670,698 Cash

TCRPC \$147,576 Cash

REVENUES

Federal grant	
Cash Received	\$ 441,221
Accounts Receivable	124,498
	<hr/>
TOTAL REVENUES	565,719

OTHER FINANCING SOURCES

Operating transfers in	
Local Match	125,447
	<hr/>

TOTAL REVENUES AND OTHER FINANCING SOURCES	<u><u>\$ 691,166</u></u>
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EXPENDITURES

Salaries	\$ 331,341
Fringe Benefits	118,466
Telephone	70
Printing and Copying	1,103
Travel In-Region	1,516
Travel Out-Region	4,317
Training	95
Computer Services	2,446
Computer Software	18,345
Advertising	306
Membership Dues	2,247
Consultants	7,500
Equipment	2,520
Indirect Costs	200,894
	<hr/>

TOTAL EXPENDITURES	<u><u>\$ 691,166</u></u>
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**TRI-COUNTY REGIONAL PLANNING COMMISSION
SCHEDULE OF PROJECT REVENUES AND EXPENDITURES (UNAUDITED)
MDOT GRANT: ASSET MANAGEMENT
PROJECT PERIOD OCTOBER 1, 2019 THROUGH JUNE 30, 2021**

MDOT CONTRACT NO. 2018-0022/Z9/R1 (32300)
MDOT \$40,000 Cash

REVENUES

State of Michigan	
Cash Received	\$ 18,343
Accounts Receivable	8,711
	27,054
TOTAL REVENUES	\$ 27,054

EXPENDITURES

Salaries	\$ 10,857
Fringe Benefits	3,882
Office Supplies	129
Travel In-Region	3,446
Travel Out-Region	55
Pass Through	1,958
Indirect Costs	6,727
	27,054
TOTAL EXPENDITURES	\$ 27,054

**TRI-COUNTY REGIONAL PLANNING COMMISSION
SCHEDULE OF PROJECT REVENUES AND EXPENDITURES (UNAUDITED)
REGIONAL TRANSPORTATION CONTRACT
PROJECT PERIOD OCTOBER 1, 2019 THROUGH SEPTEMBER 30, 2020**

MDOT CONTRACT NO. 2018-0022/Z1 (32400)
MDOT \$40,100 Cash

REVENUES

State of Michigan	
Cash Received	\$ 33,760
Accounts Receivable	<u>6,340</u>
 TOTAL REVENUES	 <u><u>\$ 40,100</u></u>

EXPENDITURES

Salaries	\$ 20,828
Fringe Benefits	7,446
Indirect Costs	<u>11,826</u>
 TOTAL EXPENDITURES	 <u><u>\$ 40,100</u></u>

**TRI-COUNTY REGIONAL PLANNING COMMISSION
SCHEDULE OF PROJECT REVENUES AND EXPENDITURES (UNAUDITED)
SURFACE TRANSPORTATION PROGRAM GRANT
PROJECT PERIOD OCTOBER 1, 2019 THROUGH SEPTEMBER 30, 2020**

FHWA CONTRACTS 2018-0011/Z5 (32800)
FHWA \$102,313 Cash
TCRPC \$22,688 Cash

REVENUES

Federal grant	
Cash Received	\$ 20,577
Accounts Receivable	7,355
	<hr/>
TOTAL REVENUES	27,932

OTHER FINANCING SOURCES

Operating transfers in	
Local Match	6,194
	<hr/>

TOTAL REVENUES AND OTHER FINANCING SOURCES	<u><u>\$ 34,126</u></u>
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EXPENDITURES

Salaries	\$ 15,945
Fringe Benefits	5,701
Office Supplies	-
Travel In-Region	30
Travel Out-Region	-
Computer Services	161
Computer Software	2,203
Advertising	21
Consultants	-
Indirect Costs	10,065
	<hr/>

TOTAL EXPENDITURES	<u><u>\$ 34,126</u></u>
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**TRI-COUNTY REGIONAL PLANNING COMMISSION
SCHEDULE OF PROJECT REVENUES AND EXPENDITURES (UNAUDITED)
STATEWIDE PLANNING AND RESEARCH
PROJECT PERIOD OCTOBER 1, 2019 THROUGH SEPTEMBER 30, 2020**

MDOT CONTRACT NO. 2018-0022/Z8 (34000)
MDOT \$16,000 Cash

REVENUES

Federal grant		
Cash Received	\$	13,216
Accounts Receivable		2,930
State of Michigan		
Cash Received		2,930
Accounts Receivable		1,107
		1,107
TOTAL REVENUES	\$	20,183

EXPENDITURES

Salaries	\$	10,482
Fringe Benefits		3,748
Indirect Costs		5,953
		5,953
TOTAL EXPENDITURES	\$	20,183

**TRI-COUNTY REGIONAL PLANNING COMMISSION
ANALYSIS OF COMPLETED PROJECTS (UNAUDITED)
YEAR ENDED SEPTEMBER 30, 2020**

	DEWITT TOWNSHIP PERMIT ASSISTANCE (30110)	GREATER LANSING REGIONAL COMMITTEE (GLRC) 2019 (30300)	GROUNDWATER MANAGEMENT BOARD (GMB) 2020 (30400)	MID- MICHIGAN WATER AUTHORITY 2019 (30700)	REGIONAL PROSPERITY GRANT FY 2018 (31340)
Total expenditures	\$ 4,516	\$ 118,160	\$ 97,609	\$ 1,588	\$ 85,024
Less: locally funded expenditures	<u>4,516</u>	<u>118,160</u>	<u>97,609</u>	<u>1,588</u>	<u>85,024</u>
Allowable expenditures	-	-	-	-	-
Grantor participation	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>
Grant revenues	-	-	-	-	-
Grant receipts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Due from grantor	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

WELLHEAD PROTECTION GRANT (30500)	AERIAL ORTHOIMAGERY (31200)	FHWA PL FUNDS (32100)	REGIONAL TRANSPORTATION CONTRACT (32400)	STP GRANT (32800)	STATEWIDE PLANNING AND RESEARCH (34000)
\$ 45,000	\$ 128,560	\$ 691,166	\$ 40,100	\$ 34,126	\$ 20,183
45,000	128,560	125,447	-	6,194	-
-	-	565,719	40,100	27,932	20,183
0%	0%	82%	100%	82%	100%
-	-	565,719	40,100	27,932	20,183
-	-	441,221	33,760	20,577	16,146
\$ -	\$ -	\$ 124,498	\$ 6,340	\$ 7,355	\$ 4,037

**TRI-COUNTY REGIONAL PLANNING COMMISSION
ANALYSIS OF LOCAL MATCH (UNAUDITED)
YEAR ENDED SEPTEMBER 30, 2020**

	<u>Local Match Commission</u>
EDA PLANNING (31500)	\$ 61,066
FHWA PL Funds (32100)	125,447
STP (32800)	<u>6,194</u>
	<u><u>\$ 192,707</u></u>

**TRI-COUNTY REGIONAL PLANNING COMMISSION
ANALYSIS OF INDIRECT COST RATE (UNAUDITED)
YEAR ENDED SEPTEMBER 30, 2020**

	<u>Indirect Base</u>	<u>Indirect Costs</u>
Total expenditures	\$ -	\$ 1,661,940
Direct expenditures	1,300,079	(1,300,079)
Less:		
Special projects	(18,739)	-
Consultant fee/contractual services	(7,500)	-
Pension contributions - forfeitures	(11,246)	-
Furniture/equipment	(7,968)	-
Pass thru	(201,592)	-
Transfer for match	<u>(192,707)</u>	<u>-</u>
	<u>\$ 860,327</u>	<u>\$ 361,861</u>
Indirect cost rate (indirect costs as a part of indirect base)	42.06%	

**TRI-COUNTY REGIONAL PLANNING COMMISSION
SCHEDULE OF FRINGE BENEFITS (UNAUDITED)
YEAR ENDED SEPTEMBER 30, 2020**

Social Security and Medicare (FICA) Contributions	\$ 55,686
Unemployment Taxes	501
Pension Contributions	55,672
Health Insurance	131,344
Dental Insurance	12,278
Group Life Insurance	7,351
Employee Assistance Program	342
Workers Compensation Insurance	3,330
Fringe Benefits Miscellaneous	<u>1,685</u>
 Total Fringe Benefits	 <u><u>\$ 268,189</u></u>
 Salaries and wages for the year ended September 30, 2020	 <u><u>\$ 750,109</u></u>
 Fringe Benefit Rate - All Employees	 35.75%

**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, 2020, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated January 15, 2021.

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. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free 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*.

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.

Maney Costeiran PC

January 15, 2021