

**SOUTHWEST MICHIGAN PLANNING COMMISSION**

**FINANCIAL REPORT**

**December 31, 2014**

## CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position	2
Statements of Activities	3
Statements of Cash Flows	4
Statements of Functional Expenses	5-6
Notes to Financial Statements	7-13
INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION	14
ADDITIONAL INFORMATION	
Statement of Financial Position - Designated	15
Statement of Activities - Designated	16
Statement of Financial Position:	
FHWA Programs	17
FTA Programs	18
Statement of Activities:	
FHWA Programs	19
FTA Programs	20
Analysis of Local Activities	21



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Southwest Michigan Planning Commission

We have audited the accompanying financial statements of Southwest Michigan Planning Commission (a nonprofit organization), which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### Management's 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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 opinion.

### Opinion

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of Southwestern Michigan Planning Commission as of December 31, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads "Schaffer &amp; Layher".

Schaffer & Layher, PLLC  
St. Joseph, Michigan  
July 6, 2015

David Schaffer, CPA  
Michael Layher, CPA  
*Founding Partners:*  
Morris McMurray, CPA  
Raymond Marks, CPA  
Jeff Edmunds, CPA

**SOUTHWEST MICHIGAN PLANNING COMMISSION**  
**STATEMENTS OF FINANCIAL POSITION**  
**December 31, 2014 and 2013**

<b>Assets</b>	<u>2014</u>	<u>2013</u>
<b>Current Assets</b>		
Cash and cash equivalents	\$ 42,249	\$ 26,161
Investments	4,565	-
Due from grantors	472,579	369,011
Prepaid expenses	27,604	15,168
<b>Total Current Assets</b>	<u>\$ 546,997</u>	<u>\$ 410,340</u>
<b>Fixed Assets</b>		
less accumulated depreciation of \$134,929 for 2014 and \$128,482 for 2013	\$ 20,433	\$ 5,653
<b>Total Assets</b>	<u>\$ 567,430</u>	<u>\$ 415,993</u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 39,920	\$ 58,272
Provision for accrued leave	47,607	37,797
Accrued payroll taxes	1,011	1,971
Escrow accounts	37,507	37,507
Deferred revenue (Note 12)	209,932	48,993
<b>Total Current Liabilities</b>	<u>\$ 335,977</u>	<u>\$ 184,540</u>
<b>Net Assets</b>		
Unrestricted and undesignated	\$ 231,453	\$ 231,453
<b>Total Liabilities and Net Assets</b>	<u>\$ 567,430</u>	<u>\$ 415,993</u>

*The accompanying notes are an integral part of these financial statements.*

**SOUTHWEST MICHIGAN PLANNING COMMISSION**  
**STATEMENTS OF ACTIVITIES**  
**For the years ended December 31, 2014 and 2013**

	<b>2014</b>	<b>2013</b>
<b>Support and Revenues</b>		
<b>Support</b>		
Federal	\$ 415,577	\$ 434,164
State	248,515	116,035
County	59,925	59,925
Local	360,096	405,330
<b>Total Support</b>	<b>\$ 1,084,113</b>	<b>\$ 1,015,454</b>
<b>Revenue</b>		
Local revenues	\$ 29,203	\$ 23,512
Interest	140	93
<b>Total Revenues</b>	<b>\$ 29,343</b>	<b>\$ 23,605</b>
<b>Total Support and Revenues</b>	<b>\$ 1,113,456</b>	<b>\$ 1,039,059</b>
<b>Expenses</b>		
<b>Grants and Projects</b>		
FHWA	\$ 284,559	\$ 247,177
FTA	77,981	124,499
BRPPWS Monitor	2,023	36,627
MDOT	59,565	57,588
GLCPPRWS	155,093	141,612
US 12 Heritage Route Plan	16,692	10,372
Rideshare	25,765	33,354
CED/EDA	115,620	91,101
RPI	104,316	-
Berrien Wellness	2,482	35,000
Asset Management	36,548	35,941
SJRWS Wetland	11,503	14,621
FTA Mobility Management	70,804	66,156
Berrien Consolidated Transit	40,223	30,051
Local Planning	37,793	48,209
<b>Total Grants and Projects</b>	<b>\$ 1,040,967</b>	<b>\$ 972,308</b>
Local projects and services	72,489	53,741
<b>Total Expenses</b>	<b>\$ 1,113,456</b>	<b>\$ 1,026,049</b>
<b>Change in Net Assets</b>	\$ -	\$ 13,010
<b>Net Assets, Beginning of Year</b>	231,453	218,443
<b>Net Assets, End of Year</b>	<b>\$ 231,453</b>	<b>\$ 231,453</b>

*The accompanying notes are an integral part of these financial statements.*

**SOUTHWEST MICHIGAN PLANNING COMMISSION**  
**STATEMENTS OF CASH FLOWS**  
**For the years ended December 31, 2014 and 2013**

	<b>2014</b>	<b>2013</b>
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ -	\$ 13,010
Adjustment to reconcile change in net assets to net cash from operating activities:		
Depreciation	6,447	1,270
Changes in operating assets and liabilities which provided (used) cash:		
Due from grantors	(103,568)	21,582
Prepaid expenses	(12,436)	(8,517)
Accounts payable	(18,352)	(27,559)
Provision for accrued leave	9,810	6,958
Accrued payroll taxes	(960)	918
Escrow accounts	-	-
Deferred revenue	160,939	(55,199)
	<b>\$ 41,880</b>	<b>\$ (47,537)</b>
 <b>Cash Flows From Investing Activities</b>		
Purchase of equipment	\$ (21,227)	\$ (820)
Purchase of investments	(4,565)	-
	<b>\$ (25,792)</b>	<b>\$ (820)</b>
 <b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>\$ 16,088</b>	<b>\$ (48,357)</b>
<b>Cash and Cash Equivalents - Beginning of Year</b>	<b>26,161</b>	<b>74,518</b>
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ 42,249</b>	<b>\$ 26,161</b>

*The accompanying notes are an integral part of these financial statements.*

**SOUTHWEST MICHIGAN PLANNING COMMISSION  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<b>FHWA</b>	<b>FTA</b>	<b>BRPPWS Monitor</b>	<b>MDOT</b>	<b>GLC PPRWS</b>	<b>US 12 Heritage Route Plan</b>	<b>Rideshare</b>	<b>CED/EDA</b>	<b>RPI</b>	<b>Berrien Wellness</b>	<b>Asset Management</b>	<b>SJRWS Wetland</b>	<b>FTA Mobility Management</b>	<b>Berrien Consolidated Transit</b>	<b>Local Planning</b>	<b>Totals</b>
<b>Expenses</b>																
Salaries	\$ 101,488	\$ 22,008	\$ 831	\$ 17,443	\$ 2,365	\$ 3,728	\$ 7,779	\$ 44,945	\$ 13,270	\$ 660	\$ 10,493	\$ 4,205	\$ 9,441	\$ 190	\$ 14,621	\$ 253,467
Fringe benefits	45,785	14,171	317	9,303	902	1,588	3,617	17,143	5,062	252	4,499	1,604	4,896	74	5,578	114,791
Travel	7,401	1,449	-	2,364	338	-	1,762	2,453	1,913	-	1,563	1,230	2,420	-	1,549	24,442
Telephone	268	105	-	139	14	9	85	193	-	-	34	5	-	-	78	930
Printing and postage	4,342	3,550	2	200	2	58	143	690	-	-	21	10	380	23	47	9,468
Dues and subscriptions	4	100	-	50	-	-	113	-	-	-	-	-	-	2	-	269
Supplies and materials	8,097	(766)	-	1,675	-	139	1,412	597	6,367	881	911	32	1,581	-	482	21,408
Computer services	808	1,462	-	4,365	-	2,387	731	-	-	-	768	-	759	-	-	11,280
Advertising	1,824	115	-	585	-	-	1,100	175	-	-	-	-	-	-	-	3,799
Conferences and training	1,092	290	-	70	-	-	200	1,207	-	-	40	-	1,120	-	50	4,069
Contractual - direct	283	-	-	737	-	-	-	-	-	-	-	-	39,225	-	-	40,245
Contractual	-	-	-	-	148,982	4,735	-	-	63,716	-	1,621	-	-	39,756	-	258,810
Local cash in-kind	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Direct equipment	4,144	3,507	-	2,334	-	-	122	887	-	-	5,257	-	122	-	-	16,373
Pass thru	-	5,001	-	-	-	-	-	-	-	-	-	-	-	-	-	5,001
Indirect cost pool	109,023	26,989	873	20,300	2,490	4,048	8,701	47,330	13,988	689	11,341	4,417	10,860	178	15,388	276,615
<b>Total Expenses</b>	<b>\$ 284,559</b>	<b>\$ 77,981</b>	<b>\$ 2,023</b>	<b>\$ 59,565</b>	<b>\$ 155,093</b>	<b>\$ 16,692</b>	<b>\$ 25,765</b>	<b>\$ 115,620</b>	<b>\$ 104,316</b>	<b>\$ 2,482</b>	<b>\$ 36,548</b>	<b>\$ 11,503</b>	<b>\$ 70,804</b>	<b>\$ 40,223</b>	<b>\$ 37,793</b>	<b>\$ 1,040,967</b>

*The accompanying notes are an integral part of these financial statements.*

**SOUTHWEST MICHIGAN PLANNING COMMISSION  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<b>FHWA</b>	<b>FTA</b>	<b>BRPPWS Monitor</b>	<b>MDOT</b>	<b>GLC PPRWS</b>	<b>US 12 Heritage Route Plan</b>	<b>Rideshare</b>	<b>CED/EDA</b>	<b>Berrien Wellness</b>	<b>Asset Management</b>	<b>SJRWS Wetland</b>	<b>FTA Mobility Management</b>	<b>Berrien Consolidated Transit</b>	<b>Local Planning</b>	<b>Totals</b>
<b>Expenditures</b>															
Salaries	\$ 97,817	\$ 49,610	\$ 2,453	\$ 20,642	\$ 1,535	\$ 3,950	\$ 12,359	\$ 35,750	\$ 3,575	\$ 13,400	\$ 4,051	\$ 11,464	\$ 67	\$ 18,459	\$ 275,132
Fringe benefits	40,549	20,524	1,014	8,540	635	1,634	5,112	14,789	1,479	5,543	1,676	4,742	27	7,638	113,902
Travel	6,281	778	106	5,048	72	355	700	3,416	-	884	751	3,317	-	2,074	23,782
Telephone	479	139	(20)	57	5	28	43	217	-	41	6	-	-	82	1,077
Printing and postage	995	92	(40)	96	6	169	538	295	-	48	9	117	34	45	2,404
Dues and subscriptions	548	506	-	-	-	-	-	324	-	-	-	-	-	-	1,378
Supplies and materials	9,111	3,179	94	3,411	-	76	2,218	1,718	152	607	700	656	-	4,350	26,272
Computer services	2,298	672	-	775	-	-	-	812	-	812	-	122	-	-	5,491
Advertising	2,634	133	-	49	-	-	40	75	-	-	-	-	-	-	2,931
Conferences and training	1,208	371	-	65	-	863	550	2,466	-	70	25	970	-	105	6,693
Contractual - direct	-	-	-	-	-	-	-	-	-	-	-	34,520	-	-	34,520
Contractual	1,430	1,430	7,600	630	138,076	16	1,500	-	26,824	3,408	-	-	29,866	-	210,780
Local cash in-kind	-	-	23,377	-	-	-	-	-	-	-	4,000	-	-	-	27,377
Direct equipment	1,600	-	-	1,000	-	-	-	1,600	-	-	-	614	-	-	4,814
Pass thru	-	5,767	-	-	-	-	-	-	-	-	-	-	-	-	5,767
Indirect cost pool	82,227	41,298	2,043	17,275	1,283	3,281	10,294	29,639	2,970	11,128	3,403	9,634	57	15,456	229,988
<b>Total Expenditures</b>	<b>\$ 247,177</b>	<b>\$ 124,499</b>	<b>\$ 36,627</b>	<b>\$ 57,588</b>	<b>\$ 141,612</b>	<b>\$ 10,372</b>	<b>\$ 33,354</b>	<b>\$ 91,101</b>	<b>\$ 35,000</b>	<b>\$ 35,941</b>	<b>\$ 14,621</b>	<b>\$ 66,156</b>	<b>\$ 30,051</b>	<b>\$ 48,209</b>	<b>\$ 972,308</b>

*The accompanying notes are an integral part of these financial statements.*



**SOUTHWEST MICHIGAN PLANNING COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2014 and 2013**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- A. General** - The Southwest Michigan Planning Commission (the “Commission”), one of fourteen Michigan regional planning and development agencies, serves Berrien, Cass, and Van Buren Counties. Through the Commission, local units of government coordinate their efforts to maintain and improve the physical, economic and social well being of the area. The Commission has been determined to be a not-for-profit agency for financial reporting purposes.

Commission funding is obtained from county per capita contributions and federal, state and other contracts for specified projects designed to further the Commission’s goals and objectives.

- B. Accounting Method** - The financial statements of the Commission are prepared on the accrual basis.

**Financial Statement Presentation** - The Commission follows the provisions of Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 958-210, “*Financial Statements of Not-for-Profit Organizations.*” FASB ASC 958-210 requires the Commission to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Commission is required to present a statement of cash flows.

**Contributions** - The Commission also follows FASB ASC 958-605, “*Accounting for Contributions Received and Contributions Made.*” In compliance with FASB ASC 958-605, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Pledged contributions are required to be reported as temporarily restricted support and are then reclassified to unrestricted net assets as received.

The three net asset groups used for financial reporting purposes are as follows:

*Unrestricted Net Assets* - Reflect assets which have not been restricted as to use by donors.

*Temporarily Restricted Net Assets* - Reflect contributed assets whose use by the Commission has been limited by donors for a specific time period or purpose.

*Permanently Restricted Net Assets* - Reflect contributions with donor-imposed restrictions which do not expire and which allow, in certain cases, only the income earned thereon to be expended by the Commission.

**SOUTHWEST MICHIGAN PLANNING COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2014 and 2013**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONCLUDED**

- C. Investments** - Investments are carried at fair value, which is determined based on quoted market prices.
- D. Project and Salary Expenses** - The costs of goods and services which are identifiable for specific projects are directly charged to those projects at the time costs are incurred. Indirect costs are allocated to projects as described in Note 3.

Salary expenses for Commission employees are direct charges to the appropriate projects, with the exception of management and administrative time, which is charged to the indirect cost pool. Fringe benefits are accumulated in cost pools and distributed to projects in proportion to their direct chargeable salaries. For the years ended December 31, 2014 and 2013, the total fringe benefit rate was 45.46% and 43.02%, respectively.

- E. Fixed Assets** - Fixed assets are valued at historical cost. Depreciation has been provided over the estimated useful lives using the straight-line method. When a grantor has designated funds to be used for an equipment purchase as part of a specific grant to the Commission, the equipment is immediately expensed.
- F. Income Tax Status** - The Commission has been determined to be a governmental unit for income tax purposes and is therefore exempt from taxation.
- G. Statement of Cash Flows** - For the purpose of the statement of cash flows, the Commission considers all highly liquid instruments purchased with an original maturity of three months or less to be cash and cash equivalents.
- H. Deferred Revenue** - The deferred revenue represents amounts received, but not yet earned, from various granting and local agencies.
- I. Estimates** - The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of management estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses.

**SOUTHWEST MICHIGAN PLANNING COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2014 and 2013**

**NOTE 2. FISCAL PERIODS**

The grants/programs listed below are awarded on a December 31 year-end basis. Expenses and revenues relating to these grants/programs have been included in their entirety in these financial statements.

Grants/Program

Economic Development Administration (EDA) - Community Economic Development  
Public Education Program Phase II (PEP)

The grants/programs listed below are awarded on a September 30 year-end basis. Only those expenses and related revenues applicable to the activities occurring during the Commission's fiscal years ended December 31, 2014 and 2013, are included in the accompanying financial statements.

Grants/Programs

Twin Cities Area Transportation Study – Federal Highway Administration (TCATS – FHWA)  
Twin Cities Area Transportation Study – Federal Transit Administration (TCATS-FTA)  
Twin Cities Area Transportation Authority – Mobility Management (TCATA - M/M)  
Niles Area Transportation Study – Federal Highway Administration (NATS - FHWA)  
Niles Area Transportation Study – Federal Transit Administration (NATS - FTA)  
Michigan Department of Transportation Regional Transportation Planning (MDOT)  
US-12 Heritage Route Planning  
Asset Management  
Berrien Consolidated Transit

The Rideshare grant/program is awarded on a June 30 year-end basis. Only those expenses and related revenues applicable to the activities occurring during the Commission's fiscal years ended December 31, 2014 and 2013, are included in the accompanying financial statements.

The remaining grants/programs are entered based on a project specific contractual agreement that varies depending on the project. Only those expenses and related revenues applicable to the activities occurring during the Commission's fiscal years ended December 31, 2014 and 2013, are included in the accompanying financial statements.

**SOUTHWEST MICHIGAN PLANNING COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2014 and 2013**

**NOTE 3.      INDIRECT COSTS**

Indirect costs which support all on-premises projects are allocated based on the ratio of the individual project's salaries, fringe benefits and contract services on-site. Occasionally the Commission will take on projects with a maximum allowable indirect rate predetermined by contract. One such project, the Mobility Management project, which is a contractual project with the Twin Cities Area Transportation Authority (TCATA), has a contracted indirect rate of 20%.

The Commission's bookkeeping necessitates that projects with contractually fixed maximum allowable indirect rates must be segregated from the overall indirect rate calculation for the Commission. The resulting indirect cost rate for the years ended December 31, 2014 and 2013 was 75% and 59%, respectively.

The following are the total indirect costs allocated to projects:

	<u>2014</u>	<u>2013</u>
Salaries (chargeable)	\$ 139,918	\$ 116,063
Benefits	61,217	54,553
Travel	1,109	-
Printing and advertising	55	40
Rent	64,333	39,339
Telephone	1,476	1,125
Postage	848	151
Dues and subscriptions	989	805
Office supplies	4,490	4,432
Conferences	724	-
Equipment depreciation	6,447	1,270
Equipment maintenance	961	1,419
Computer services	12,855	21,344
	<u>\$ 295,422</u>	<u>\$ 240,541</u>

**NOTE 4.      INVESTMENTS**

Investments are stated at fair value and consist of common stock. The fair value is determined through quoted prices as listed on active market exchanges.

Investment holdings are as follows as of December 31, 2014:

	<u>Cost</u>	<u>Market</u>	<u>Unrealized Gain/(Losses)</u>
Common Stock	\$ 4,565	\$ 4,565	\$ -

**SOUTHWEST MICHIGAN PLANNING COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2014 and 2013**

**NOTE 5. DEFINED CONTRIBUTION PENSION PLAN**

The Commission has established an insured, money purchase contributory pension plan which covers substantially all full time employees. Pension expense for the years ended December 31, 2014 and 2013 amounted to \$27,319 and \$25,059, respectively, and represented 6.5% of eligible employees' compensation for both 2014 and 2013.

**NOTE 6. 457 DEFERRED COMPENSATION PLAN**

The 457 Deferred Compensation Plan is offered on a voluntary basis to all employees. These funds are withheld from the employee's wages or salary on a pretax basis as allowed by the Internal Revenue Service.

**NOTE 7. LEASE COMMITMENT**

The Commission entered into a new 10 - year lease at a new location effective January 1, 2014. Monthly rent is \$5,610 under this new lease. Future minimum rent payments are as follows:

2015	\$	67,320
2016		67,320
2017		67,320
2018		67,320
2019		67,320
Thereafter		269,280
		\$ 605,880
		605,880

**SOUTHWEST MICHIGAN PLANNING COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2014 and 2013**

**NOTE 8. EXPLANATION OF ACRONYMS**

FHWA	Federal Highway Administration (U.S. Department of Transportation)
FTA	Federal Transit Administration (U.S. Department of Transportation)
TCATA	Twin City Area Transportation Authority
MDOT	Michigan Department of Transportation
CED/EDA	Community Economic Development - Economic Development Administration (U.S. Department of Commerce)
Local Planning	Local Technical Assistance, Local Recreational Planning and Local Planning Assistance
BRPPWS Monitor	Black River and Paw Paw Watershed Monitoring
GLCPPRWS	Great Lakes Commission Paw Paw River Watershed
SJRWS Wetland	St. Joseph River Watershed Wetland
RPI	Regional Prosperity Initiative

**NOTE 9. FIXED ASSETS**

Fixed assets are summarized as follows as of December 31:

	<u>2014</u>	<u>2013</u>
Furniture and equipment	\$ 155,362	\$134,135
Less accumulated depreciation	<u>(134,929)</u>	<u>(128,482)</u>
	<u>\$ 20,433</u>	<u>\$ 5,653</u>

**SOUTHWEST MICHIGAN PLANNING COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2014 and 2013**

**NOTE 10. CONCENTRATION OF CREDIT RISK**

The Commission maintains its cash balances in one financial institution. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2014 and 2013 all deposits were insured.

**NOTE 11. DONATED SERVICES**

The Commission has received contributed services from various organizations. These services are valued based on the actual wages and actual time spent by the organizations for the Commission. The contributed services are reflected in the financial statements as contributed services and contractual or salary expense. For the year ended December 31, 2014 and 2013, total contributed services were \$3,751 and \$1,250.

**NOTE 12. DEFERRED REVENUES**

	2014	2013
FHWA - Niles	\$ 5,824	\$ 8,128
FTA - Niles	6,464	3,229
FHWA - TCATS	9,277	23,597
FTA - TCATS	5,880	517
US 12	3,284	374
New Buffalo Master	2,139	-
NOAA Watervliet	795	1,551
GLC PPRWS	5,288	-
Paw Paw Lake Foundation	1,080	-
SJRW Wetland	15,176	-
Rideshare	4,222	4,611
RPI	145,684	-
Lake MI WS Academy	4,819	3,019
Berrien Consolidated Transit	-	3,817
Niles Recreation	-	150
	\$ 209,932	\$ 48,993

**NOTE 13. SUBSEQUENT EVENTS**

Subsequent events have been evaluated through July 6, 2015 which is the date the financial statements were ready to be issued.

## **SUPPLEMENTARY INFORMATION**





## INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors of  
Southwest Michigan Planning Commission

We have audited the financial statements of Southwest Michigan Planning Commission as of and for the years ended December 31, 2014 and 2013, and have issued our report thereon dated July 6, 2015, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole.

The supplementary information, as described in the table of contents, is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in cursive script that reads "Schaffer &amp; Layher".

Schaffer & Layher, PLLC  
St. Joseph, Michigan  
July 6, 2015

David Schaffer, CPA  
Michael Layher, CPA  
*Founding Partners:*  
Morris McMurray, CPA  
Raymond Marks, CPA  
Jeff Edmunds, CPA

**SOUTHWEST MICHIGAN PLANNING COMMISSION  
STATEMENT OF FINANCIAL POSITION – DESIGNATED  
DECEMBER 31, 2014**

	FHWA	FTA	BRPPWS Monitor	St. Joseph Watershed	MDOT	GLC PPRWS	US 12 Heritage Route Plan	Rideshare	CED/EDA	RPI	Berrien Wellness	Asset Management	SJRWS Wetland	FTA Mobility Management	Berrien Consolidated Transit	Local Planning	Totals
<b>Assets</b>																	
<b>Current Assets</b>																	
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from grantors	167,275	46,820	12,027	-	19,924	63,661	5,350	7,874	57,233	-	2,482	23,075	-	36,707	2,877	27,274	472,579
Due from (to) other funds	(135,334)	(15,426)	(12,027)	1,208	(19,924)	(58,373)	(2,066)	(3,652)	(56,824)	145,684	(2,482)	(23,075)	15,176	(36,707)	(2,877)	(18,441)	(225,140)
<b>Total Current Assets</b>	<b>\$ 31,941</b>	<b>\$ 31,394</b>	<b>\$ -</b>	<b>\$ 1,208</b>	<b>\$ -</b>	<b>\$ 5,288</b>	<b>\$ 3,284</b>	<b>\$ 4,222</b>	<b>\$ 409</b>	<b>\$ 145,684</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 15,176</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,833</b>	<b>\$ 247,439</b>
<b>Liabilities and Net Assets</b>																	
<b>Current Liabilities</b>																	
Escrow accounts	\$ 16,840	\$ 19,050	\$ -	\$ 1,208	\$ -	\$ -	\$ -	\$ -	\$ 409	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,507
Deferred revenue	15,101	12,344	-	-	-	5,288	3,284	4,222	-	145,684	-	-	15,176	-	-	8,833	209,932
<b>Total Current Liabilities</b>	<b>\$ 31,941</b>	<b>\$ 31,394</b>	<b>\$ -</b>	<b>\$ 1,208</b>	<b>\$ -</b>	<b>\$ 5,288</b>	<b>\$ 3,284</b>	<b>\$ 4,222</b>	<b>\$ 409</b>	<b>\$ 145,684</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 15,176</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,833</b>	<b>\$ 247,439</b>
<b>Net Assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 31,941</b>	<b>\$ 31,394</b>	<b>\$ -</b>	<b>\$ 1,208</b>	<b>\$ -</b>	<b>\$ 5,288</b>	<b>\$ 3,284</b>	<b>\$ 4,222</b>	<b>\$ 409</b>	<b>\$ 145,684</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 15,176</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,833</b>	<b>\$ 247,439</b>

**SOUTHWEST MICHIGAN PLANNING COMMISSION  
STATEMENT OF ACTIVITIES – DESIGNATED  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	FHWA	FTA	BRPPWS Monitor	MDOT	GLC PPRWS	US 12 Heritage Route Plan	Rideshare	CED/EDA	RPI	Berrien Wellness	Asset Management	SJRWS Wetland	FTA Mobility Management	Berrien Consolidated Transit	Local Planning	Totals
<b>Support</b>																
Federal	\$ 237,001	\$ 56,530	\$ (10,004)	\$ 16,995	\$ -	\$ 12,397	\$ -	\$ 98,841	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,817	\$ -	\$ 415,577
State	-	-	-	42,570	-	4,295	25,765	-	104,316	-	35,163	-	-	36,406	-	248,515
County	-	-	-	-	-	-	-	16,779	-	-	-	-	-	-	-	16,779
Local	47,558	21,451	12,027	-	155,093	-	-	-	-	2,482	1,385	11,503	70,804	-	37,793	360,096
<b>Total Support</b>	<b>\$ 284,559</b>	<b>\$ 77,981</b>	<b>\$ 2,023</b>	<b>\$ 59,565</b>	<b>\$ 155,093</b>	<b>\$ 16,692</b>	<b>\$ 25,765</b>	<b>\$ 115,620</b>	<b>\$ 104,316</b>	<b>\$ 2,482</b>	<b>\$ 36,548</b>	<b>\$ 11,503</b>	<b>\$ 70,804</b>	<b>\$ 40,223</b>	<b>\$ 37,793</b>	<b>\$ 1,040,967</b>
<b>Expenses</b>																
Salaries	\$ 101,488	\$ 22,008	\$ 831	\$ 17,443	\$ 2,365	\$ 3,728	\$ 7,779	\$ 44,945	\$ 13,270	\$ 660	\$ 10,493	\$ 4,205	\$ 9,441	\$ 190	\$ 14,621	\$ 253,467
Fringe benefits	45,785	14,171	317	9,303	902	1,588	3,617	17,143	5,062	252	4,499	1,604	4,896	74	5,578	114,791
Travel	7,401	1,449	-	2,364	338	-	1,762	2,453	1,913	-	1,563	1,230	2,420	-	1,549	24,442
Telephone	268	105	-	139	14	9	85	193	-	-	34	5	-	-	78	930
Printing and postage	4,342	3,550	2	200	2	58	143	690	-	-	21	10	380	23	47	9,468
Dues and subscriptions	4	100	-	50	-	-	113	-	-	-	-	-	-	2	-	269
Supplies and materials	8,097	(766)	-	1,675	-	139	1,412	597	6,367	881	911	32	1,581	-	482	21,408
Computer services	808	1,462	-	4,365	-	2,387	731	-	-	-	768	-	759	-	-	11,280
Advertising	1,824	115	-	585	-	-	1,100	175	-	-	-	-	-	-	-	3,799
Conferences and training	1,092	290	-	70	-	-	200	1,207	-	-	40	-	1,120	-	50	4,069
Contractual - direct	283	-	-	737	-	-	-	-	-	-	-	-	39,225	-	-	40,245
Contractual - off site	-	-	-	-	148,982	4,735	-	-	63,716	-	1,621	-	-	39,756	-	258,810
Local cash in-kind	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Direct equipment	4,144	3,507	-	2,334	-	-	122	887	-	-	5,257	-	122	-	-	16,373
Pass thru	-	5,001	-	-	-	-	-	-	-	-	-	-	-	-	-	5,001
Indirect cost pool	109,023	26,989	873	20,300	2,490	4,048	8,701	47,330	13,988	689	11,341	4,417	10,860	178	15,388	276,615
<b>Total Expenses</b>	<b>\$ 284,559</b>	<b>\$ 77,981</b>	<b>\$ 2,023</b>	<b>\$ 59,565</b>	<b>\$ 155,093</b>	<b>\$ 16,692</b>	<b>\$ 25,765</b>	<b>\$ 115,620</b>	<b>\$ 104,316</b>	<b>\$ 2,482</b>	<b>\$ 36,548</b>	<b>\$ 11,503</b>	<b>\$ 70,804</b>	<b>\$ 40,223</b>	<b>\$ 37,793</b>	<b>\$ 1,040,967</b>
<b>Deficiency of Revenues under Expenses</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Transfer in Net Assets</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Change In Net Assets Net Assets - Beginning Of Year</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net Assets - End Of Year</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**SOUTHWEST MICHIGAN PLANNING COMMISSION**  
**STATEMENT OF FINANCIAL POSITION - FHWA PROGRAMS**  
**December 31, 2014**

	<u>FHWA Niles</u>	<u>FHWA Twin Cats</u>	<u>Total</u>
<b>Assets</b>			
<b>Current Assets</b>			
Due from grantors	\$ 62,982	\$ 104,293	\$ 167,275
Due from (to) other funds	(54,566)	(80,768)	(135,334)
<b>Total Current Assets</b>	<u>\$ 8,416</u>	<u>\$ 23,525</u>	<u>\$ 31,941</u>
<b>Liabilities and Net Assets</b>			
<b>Current Liabilities</b>			
Escrow accounts	\$ 2,592	\$ 14,248	\$ 16,840
Deferred revenue	5,824	9,277	15,101
<b>Total Current Liabilities</b>	<u>\$ 8,416</u>	<u>\$ 23,525</u>	<u>\$ 31,941</u>
<b>Net Assets</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 8,416</u>	<u>\$ 23,525</u>	<u>\$ 31,941</u>

**SOUTHWEST MICHIGAN PLANNING COMMISSION**  
**STATEMENT OF FINANCIAL POSITION - FTA PROGRAMS**  
**December 31, 2014**

	<u>FTA Niles</u>	<u>FTA Twin Cats</u>	<u>Total</u>
<b>Assets</b>			
<b>Current Assets</b>			
Due from grantors	\$ 16,288	\$ 30,532	\$ 46,820
Due from (to) other funds	4,077	(19,503)	(15,426)
<b>Total Current Assets</b>	<u>\$ 20,365</u>	<u>\$ 11,029</u>	<u>\$ 31,394</u>
<b>Liabilities and Net Assets</b>			
<b>Current Liabilities</b>			
Escrow accounts	\$ 13,901	\$ 5,149	\$ 19,050
Deferred revenue	6,464	5,880	12,344
<b>Total Current Liabilities</b>	<u>\$ 20,365</u>	<u>\$ 11,029</u>	<u>\$ 31,394</u>
<b>Net Assets</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 20,365</u>	<u>\$ 11,029</u>	<u>\$ 31,394</u>

**SOUTHWEST MICHIGAN PLANNING COMMISSION**  
**STATEMENT OF ACTIVITIES - FHWA PROGRAMS**  
**For the Year Ended December 31, 2014**

	<u>FHWA Niles</u>	<u>FHWA Twin Cats</u>	<u>Total</u>
<b>Support</b>			
Federal	\$ 77,517	\$ 159,484	\$ 237,001
Local	17,012	30,546	47,558
<b>Total Support</b>	<u>\$ 94,529</u>	<u>\$ 190,030</u>	<u>\$ 284,559</u>
<b>Expenses</b>			
Salaries	\$ 34,102	\$ 67,386	\$ 101,488
Fringe benefits	13,385	32,400	45,785
Travel	2,273	5,128	7,401
Telephone	107	161	268
Dues and subscriptions	-	4	4
Printing and postage	1,918	2,424	4,342
Supplies and materials	2,835	5,262	8,097
Conferences and training	460	632	1,092
Computer service	259	549	808
Advertising	909	915	1,824
Contractual - direct	283	-	283
Contractual - off site	-	-	-
Direct equipment	2,072	2,072	4,144
Indirect cost pool	35,926	73,097	109,023
<b>Total Expenses</b>	<u>\$ 94,529</u>	<u>\$ 190,030</u>	<u>\$ 284,559</u>
<b>Change In Net Assets</b>	\$ -	\$ -	\$ -
<b>Net Assets - Beginning of Year</b>	-	-	-
<b>Net Assets - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SOUTHWEST MICHIGAN PLANNING COMMISSION**  
**STATEMENT OF ACTIVITIES - FTA PROGRAMS**  
**For the Year Ended December 31, 2014**

	<b>FTA Niles</b>	<b>FTA Twin Cats</b>	<b>Total</b>
<b>Support</b>			
Federal	\$ 20,416	\$ 36,114	\$ 56,530
Local	11,426	10,025	21,451
<b>Total Support</b>	<b>\$ 31,842</b>	<b>\$ 46,139</b>	<b>\$ 77,981</b>
<b>Expenses</b>			
Salaries	\$ 8,417	\$ 13,591	\$ 22,008
Fringe benefits	5,056	9,115	14,171
Travel	784	665	1,449
Telephone	51	54	105
Dues and subscriptions	50	50	100
Printing and postage	1,626	1,924	3,550
Supplies and materials	(133)	(633)	(766)
Conferences and training	-	290	290
Computer service	746	716	1,462
Advertising	-	115	115
Contractual - direct	-	-	-
Contractual - off site	-	-	-
Direct equipment	-	3,507	3,507
Pass thru	5,001	-	5,001
Indirect cost pool	10,244	16,745	26,989
<b>Total Expenses</b>	<b>\$ 31,842</b>	<b>\$ 46,139</b>	<b>\$ 77,981</b>
<b>Change In Net Assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Assets - Beginning of Year</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Assets - End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**SOUTHWEST MICHIGAN PLANNING COMMISSION**  
**ANALYSIS OF LOCAL ACTIVITIES**  
**For the Years Ended December 31, 2014 and 2013**

<b>Support and Revenues</b>	<b>2014</b>	<b>2013</b>
<b>Support</b>		
County	\$ 43,146	\$ 43,146
<b>Total Support</b>	<u>\$ 43,146</u>	<u>\$ 43,146</u>
<b>Revenue</b>		
Local revenues	\$ 29,203	\$ 23,512
Interest	140	93
<b>Total Revenues</b>	<u>\$ 29,343</u>	<u>\$ 23,605</u>
<b>Total Support and Revenues</b>	<u>\$ 72,489</u>	<u>\$ 66,751</u>
<b>Expenses</b>		
Salaries	\$ 17,889	\$ 12,392
Fringe benefits	6,823	5,126
Travel	1,923	2,288
Printing and postage	251	763
Telephone	97	53
Supplies and materials	4,425	3,703
Computer services	1,793	-
Professional services	5,500	5,400
Commission expenses	14,981	13,463
Direct equipment	-	-
Indirect cost pool	18,807	10,553
<b>Total Expenses</b>	<u>\$ 72,489</u>	<u>\$ 53,741</u>
<b>Excess (Deficiency) of Revenues over (under)</b>		
<b>Expenses</b>	\$ -	\$ 13,010
<b>Net Assets, Beginning of Year</b>	<u>231,453</u>	<u>218,443</u>
<b>Net Assets, End of Year</b>	<u><u>\$ 231,453</u></u>	<u><u>\$ 231,453</u></u>