

**SOUTHWEST MICHIGAN PLANNING COMMISSION**

**FINANCIAL REPORT**

**December 31, 2013**

## 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	7-12
INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION	13
ADDITIONAL INFORMATION	
Statement of Financial Position - Designated	14
Statement of Activities - Designated	15
Statement of Financial Position:	
FHWA Programs	16
FTA Programs	17
Statement of Activities:	
FHWA Programs	18
FTA Programs	19
Analysis of Local Activities	20



## 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, 2013 and 2012, 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, 2013 and 2012, 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  
October 21, 2014

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, 2013 and 2012**

<b>Assets</b>	<u>2013</u>	<u>2012</u>
<b>Current Assets</b>		
Cash and cash equivalents	\$ 26,161	\$ 74,518
Due from grantors	369,011	390,593
Prepaid expenses	15,168	6,651
<b>Total Current Assets</b>	<u>\$ 410,340</u>	<u>\$ 471,762</u>
<b>Fixed Assets</b>		
less accumulated depreciation of \$128,482 for 2013 and \$127,212 for 2012	\$ 5,653	\$ 6,103
<b>Total Assets</b>	<u>\$ 415,993</u>	<u>\$ 477,865</u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 58,272	\$ 85,831
Provision for accrued leave	37,797	30,839
Accrued payroll taxes	1,971	1,053
Escrow accounts	37,507	37,507
Deferred revenue	48,993	104,192
<b>Total Current Liabilities</b>	<u>\$ 184,540</u>	<u>\$ 259,422</u>
<b>Net Assets</b>		
Unrestricted and undesignated	\$ 231,453	\$ 218,443
<b>Total Liabilities and Net Assets</b>	<u>\$ 415,993</u>	<u>\$ 477,865</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, 2013 and 2012**

	<u>2013</u>	<u>2012*</u>
<b>Support and Revenues</b>		
<b>Support</b>		
Federal	\$ 434,164	\$ 406,389
State	116,035	174,935
County	59,925	59,925
Local	405,330	260,322
<b>Total Support</b>	<u>\$ 1,015,454</u>	<u>\$ 901,571</u>
<b>Revenue</b>		
Local revenues	\$ 23,512	\$ 22,110
Interest	93	170
<b>Total Revenues</b>	<u>\$ 23,605</u>	<u>\$ 22,280</u>
<b>Total Support and Revenues</b>	<u>\$ 1,039,059</u>	<u>\$ 923,851</u>
<b>Expenses</b>		
<b>Grants and Projects</b>		
FHWA	\$ 247,177	\$ 257,486
FTA	124,499	97,267
BRPPWS Monitor	36,627	31,760
MDOT	57,588	62,893
GLCPPRWS	141,612	45,633
US 12 Heritage Route Plan	10,372	19,701
Rideshare	33,354	33,615
CED/EDA	91,101	37,643
Galien Watershed	-	45,418
Berrien Wellness	35,000	-
Asset Management	35,941	24,029
Paw Paw Lake Foundation	-	1,820
Black River Watershed	-	252
Green Infrastructure	-	512
SJRWS Wetland	14,621	-
FTA Mobility Management	66,156	60,013
Berrien Consolidated Transit	30,051	80,242
Local Planning	48,209	64,132
<b>Total Grants and Projects</b>	<u>\$ 972,308</u>	<u>\$ 862,416</u>
Local projects and services	53,741	42,859
<b>Total Expenses</b>	<u>\$ 1,026,049</u>	<u>\$ 905,275</u>
<b>Change in Net Assets</b>	\$ 13,010	\$ 18,576
<b>Net Assets, Beginning of Year</b>	<u>218,443</u>	<u>199,867</u>
<b>Net Assets, End of Year</b>	<u><u>\$ 231,453</u></u>	<u><u>\$ 218,443</u></u>

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

*\*Certain amounts have been reclassified to conform to current year classifications.*

**SOUTHWEST MICHIGAN PLANNING COMMISSION**  
**STATEMENTS OF CASH FLOWS**  
**For the years ended December 31, 2013 and 2012**

	<b>2013</b>	<b>2012</b>
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ 13,010	\$ 18,576
Adjustment to reconcile change in net assets to net cash from operating activities:		
Depreciation	1,270	1,750
Changes in operating assets and liabilities which provided (used) cash:		
Due from grantors	21,582	(59,227)
Prepaid expenses	(8,517)	8,459
Accounts payable	(27,559)	66,594
Provision for accrued leave	6,958	218
Accrued payroll taxes	918	(66)
Escrow accounts	-	(2,840)
Deferred revenue	(55,199)	(29,809)
	<u>\$ (47,537)</u>	<u>\$ 3,655</u>
 <b>Cash Flows From Investing Activities</b>		
Purchase of equipment	\$ (820)	\$ (1,666)
 <b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	\$ (48,357)	\$ 1,989
<b>Cash and Cash Equivalents - Beginning of Year</b>	74,518	72,529
<b>Cash and Cash Equivalents - End of Year</b>	\$ 26,161	\$ 74,518

*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  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<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>Galien Watershed</b>	<b>Asset Management</b>	<b>Paw Paw Lake Foundation</b>	<b>Black River Watershed</b>	<b>Green Infrastructure</b>	<b>FTA Mobility Management</b>	<b>Berrien Consolidated Transit</b>	<b>Local Planning</b>	<b>Totals</b>
<b>Expenditures</b>																	
Salaries	\$ 109,675	\$ 39,501	\$ 2,903	\$ 22,940	\$ 1,983	\$ 7,540	\$ 12,405	\$ 15,628	\$ 12,357	\$ 9,480	\$ 667	\$ -	\$ 237	\$ 18,152	\$ 2,693	\$ 26,860	\$ 283,021
Fringe benefits	48,108	16,498	1,263	9,582	817	3,149	5,181	6,527	5,161	3,959	279	-	99	4,028	1,110	11,145	116,906
Travel	6,741	2,958	129	3,152	238	2,250	1,220	715	316	1,076	-	-	-	295	-	1,875	20,965
Telephone	461	171	16	61	18	42	66	191	76	46	-	-	-	-	15	184	1,347
Printing and postage	2,154	285	39	748	1,015	75	215	667	34	59	-	-	-	263	18	1,872	7,444
Dues and subscriptions	641	607	-	-	-	-	450	268	-	-	-	-	-	-	-	1	1,967
Supplies and materials	3,319	563	51	2,119	-	956	2,215	613	-	206	-	-	-	1,813	311	1,368	13,534
Computer services	12	(466)	-	3,127	-	-	1,998	-	3,187	-	-	-	-	650	-	-	8,508
Advertising	2,046	-	-	-	1,456	-	480	-	75	-	-	-	-	-	-	-	4,057
Conferences and training	1,430	36	-	190	-	30	-	445	-	-	-	-	-	97	-	-	2,228
Commission expense	-	-	-	2,110	-	-	-	-	84	75	-	-	-	-	-	-	2,269
Contractual - direct	-	-	-	-	-	-	-	-	-	-	-	-	-	22,362	-	100	22,462
Contractual	622	787	23,686	-	38,550	118	225	15	15,100	-	-	-	-	1,488	74,503	1,149	156,243
Local cash in-kind	-	-	1,508	-	-	-	-	-	-	-	-	-	-	-	-	-	1,508
Direct equipment	(66)	(744)	-	1,800	-	-	-	1,134	-	2,200	-	-	-	1,998	-	10	6,332
Pass thru	-	7,870	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,870
Indirect cost pool	82,343	29,201	2,165	17,064	1,556	5,541	9,160	11,440	9,028	6,928	874	252	176	8,867	1,592	19,568	205,755
<b>Total Expenditures</b>	<b>\$ 257,486</b>	<b>\$ 97,267</b>	<b>\$ 31,760</b>	<b>\$ 62,893</b>	<b>\$ 45,633</b>	<b>\$ 19,701</b>	<b>\$ 33,615</b>	<b>\$ 37,643</b>	<b>\$ 45,418</b>	<b>\$ 24,029</b>	<b>\$ 1,820</b>	<b>\$ 252</b>	<b>\$ 512</b>	<b>\$ 60,013</b>	<b>\$ 80,242</b>	<b>\$ 64,132</b>	<b>\$ 862,416</b>

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



**SOUTHWEST MICHIGAN PLANNING COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2013 and 2012**

**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, 2013 and 2012**

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

- C. 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 2013 and 2012, the total fringe benefit rate was 43.02% and 42.35%, respectively.

**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.

- D. Income Tax Status** - The Commission has been determined to be a governmental unit for income tax purposes and is therefore exempt from taxation.
- E. 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.
- F. Deferred Revenue** - The deferred revenue represents amounts received, but not yet earned, from various granting and local agencies.
- G. 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, 2013 and 2012**

**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, 2013 and 2012, 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, 2013 and 2012, 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, 2013 and 2012, are included in the accompanying financial statements.

**SOUTHWEST MICHIGAN PLANNING COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2013 and 2012**

**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, 2013 and 2012 was 59% and 52%, respectively.

The following are the total indirect costs allocated to projects:

	<b>2013</b>	<b>2012</b>
Salaries (chargeable)	\$ 116,063	\$ 102,032
Benefits	54,553	47,839
Printing and advertising	40	-
Rent	39,339	38,859
Telephone	1,125	474
Postage	151	197
Dues and subscriptions	805	286
Office supplies	4,432	3,428
Equipment depreciation	1,270	1,749
Equipment maintenance	1,419	1,419
Computer services	21,344	18,463
	\$ 240,541	\$ 214,746

**NOTE 4.      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 December 31, 2013 and 2012 amounted to \$25,059 and \$26,696, respectively, and represented 6.5% of eligible employees' compensation for both 2013 and 2012.

**NOTE 5.      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.

**SOUTHWEST MICHIGAN PLANNING COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2013 and 2012**

**NOTE 6. LEASE COMMITMENT**

Effective January 1, 2008 the Commission signed a six year lease with monthly rent for 2008 at \$2,917 per month. Rent for the remaining years of lease will vary between \$3,009 and \$3,194 per month. Upon expiration of this lease 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:

2014	\$	67,320
2015		67,320
2016		67,320
2017		67,320
2018		67,320
Thereafter		336,600
	\$	673,200

**NOTE 7. 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

**NOTE 8. FIXED ASSETS**

Fixed assets are summarized as follows as of December 31:

	<b>2013</b>	<b>2012</b>
Furniture and equipment	\$134,135	\$133,315
Less accumulated depreciation	(128,482)	(127,212)
	\$ 5,653	\$ 6,103

**SOUTHWEST MICHIGAN PLANNING COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS, CONCLUDED**  
**Year Ended December 31, 2013**

**NOTE 9. 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, 2013 and 2012 all deposits were insured.

**NOTE 10. 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, 2013 and 2012, total contributed services were \$1,250 and \$4,178.

**NOTE 11. SUBSEQUENT EVENTS**

Subsequent events have been evaluated through October 21, 2014 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 the  
Southwest Michigan Planning Commission

We have audited the financial statements of Southwest Michigan Planning Commission as of and for the years ended December 31, 2013 and 2012, and have issued our report thereon dated October 21, 2014, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements 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  
October 21, 2014

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, 2013**

	FHWA	FTA	BRPPWS Monitor	St. Joseph Watershed	MDOT	GLC PPRWS	US 12 Heritage Route Plan	Rideshare	CED/EDA	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	93,448	57,570	14,644	-	18,059	91,039	1,748	8,018	13,857	-	10,817	9,903	40,903	-	9,004	369,010
Due from (to) other funds	(44,883)	(34,774)	(14,644)	1,208	(18,059)	(91,039)	(1,374)	(3,407)	(13,448)	-	(10,817)	(9,903)	(40,903)	3,817	(4,284)	(282,510)
<b>Total Current Assets</b>	<b>\$ 48,565</b>	<b>\$ 22,796</b>	<b>\$ -</b>	<b>\$ 1,208</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 374</b>	<b>\$ 4,611</b>	<b>\$ 409</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,817</b>	<b>\$ 4,720</b>	<b>\$ 86,500</b>
<b>Liabilities and Net Assets</b>																
<b>Current Liabilities</b>																
Escrow accounts	\$ 16,840	\$ 19,050	\$ -	\$ 1,208	\$ -	\$ -	\$ -	\$ -	\$ 409	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,507
Deferred revenue	31,725	3,746	-	-	-	-	374	4,611	-	-	-	-	-	3,817	4,720	48,993
<b>Total Current Liabilities</b>	<b>\$ 48,565</b>	<b>\$ 22,796</b>	<b>\$ -</b>	<b>\$ 1,208</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 374</b>	<b>\$ 4,611</b>	<b>\$ 409</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,817</b>	<b>\$ 4,720</b>	<b>\$ 86,500</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>Total Liabilities and Net Assets</b>	<b>\$ 48,565</b>	<b>\$ 22,796</b>	<b>\$ -</b>	<b>\$ 1,208</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 374</b>	<b>\$ 4,611</b>	<b>\$ 409</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,817</b>	<b>\$ 4,720</b>	<b>\$ 86,500</b>

**SOUTHWEST MICHIGAN PLANNING COMMISSION  
STATEMENT OF ACTIVITIES – DESIGNATED  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	FHWA	FTA	BRPPWS Monitor	MDOT	GLC PPRWS	US 12 Heritage Route Plan	Rideshare	CED/EDA	Berrien Wellness	Asset Management	SJRWS Wetland	FTA Mobility Management	Berrien Consolidated Transit	Local Planning	Totals
<b>Support</b>															
Federal	\$ 198,206	\$ 104,788	\$ 13,250	\$ 18,863	\$ -	\$ 2,357	\$ -	\$ 69,322	\$ -	\$ -	\$ -	\$ -	\$ 27,378	\$ -	\$ 434,164
State	-	-	-	38,725	-	8,015	33,354	-	-	35,941	-	-	-	-	116,035
County	-	-	-	-	-	-	-	16,779	-	-	-	-	-	-	16,779
Local	48,971	19,711	23,377	-	141,612	-	-	5,000	35,000	-	14,621	66,156	2,673	48,209	405,330
<b>Total Support</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>
<b>Expenses</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 - off site	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 Expenses</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>
<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, 2013**

	<b>FHWA Niles</b>	<b>FHWA Twin Cats</b>	<b>Total</b>
<b>Assets</b>			
<b>Current Assets</b>			
Due from grantors	\$ 35,427	\$ 58,021	\$ 93,448
Due from (to) other funds	(24,707)	(20,176)	(44,883)
<b>Total Current Assets</b>	<b>\$ 10,720</b>	<b>\$ 37,845</b>	<b>\$ 48,565</b>
<b>Liabilities and Net Assets</b>			
<b>Current Liabilities</b>			
Escrow accounts	\$ 2,592	\$ 14,248	\$ 16,840
Deferred revenue	8,128	23,597	31,725
<b>Total Current Liabilities</b>	<b>\$ 10,720</b>	<b>\$ 37,845</b>	<b>\$ 48,565</b>
<b>Net Assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 10,720</b>	<b>\$ 37,845</b>	<b>\$ 48,565</b>

**SOUTHWEST MICHIGAN PLANNING COMMISSION  
STATEMENT OF FINANCIAL POSITION- FTA PROGRAMS  
December 31, 2013**

	<u>FTA Niles</u>	<u>FTA Twin Cats</u>	<u>Total</u>
<b>Assets</b>			
<b>Current Assets</b>			
Due from grantors	\$ 16,341	\$ 41,229	\$ 57,570
Due from (to) other funds	789	(35,563)	(34,774)
<b>Total Current Assets</b>	<u>\$ 17,130</u>	<u>\$ 5,666</u>	<u>\$ 22,796</u>
<b>Liabilities and Net Assets</b>			
<b>Current Liabilities</b>			
Escrow accounts	\$ 13,901	\$ 5,149	\$ 19,050
Deferred revenue	3,229	517	3,746
<b>Total Current Liabilities</b>	<u>\$ 17,130</u>	<u>\$ 5,666</u>	<u>\$ 22,796</u>
<b>Net Assets</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 17,130</u>	<u>\$ 5,666</u>	<u>\$ 22,796</u>

**SOUTHWEST MICHIGAN PLANNING COMMISSION**  
**STATEMENT OF ACTIVITIES – FHWA PROGRAMS**  
**For the Year Ended December 31, 2013**

	<u>FHWA Niles</u>	<u>FHWA Twin Cats</u>	<u>Total</u>
<b>Support</b>			
Federal	\$ 76,075	\$ 122,131	\$ 198,206
Local	17,102	31,869	48,971
<b>Total Support</b>	<u>\$ 93,177</u>	<u>\$ 154,000</u>	<u>\$ 247,177</u>
<b>Expenses</b>			
Salaries	\$ 36,600	\$ 61,217	\$ 97,817
Fringe benefits	15,141	25,408	40,549
Travel	3,016	3,265	6,281
Telephone	208	271	479
Dues and subscriptions	274	274	548
Printing and postage	536	459	995
Supplies and materials	3,549	5,562	9,111
Conferences and training	364	844	1,208
Computer service	1,049	1,249	2,298
Advertising	1,283	1,351	2,634
Contractual - direct	-	-	-
Contractual - off site	715	715	1,430
Direct equipment	-	1,600	1,600
Indirect cost pool	30,442	51,785	82,227
<b>Total Expenses</b>	<u>\$ 93,177</u>	<u>\$ 154,000</u>	<u>\$ 247,177</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, 2013**

	<b>FTA Niles</b>	<b>FTA Twin Cats</b>	<b>Total</b>
<b>Support</b>			
Federal	\$ 23,259	\$ 81,529	\$ 104,788
Local	9,387	10,324	19,711
<b>Total Support</b>	<b>\$ 32,646</b>	<b>\$ 91,853</b>	<b>\$ 124,499</b>
<b>Expenses</b>			
Salaries	\$ 10,210	\$ 39,400	\$ 49,610
Fringe benefits	4,224	16,300	20,524
Travel	337	441	778
Telephone	44	95	139
Dues and subscriptions	253	253	506
Printing and postage	21	71	92
Supplies and materials	1,285	1,894	3,179
Conferences and training	182	189	371
Computer service	574	98	672
Advertising	-	133	133
Contractual - direct	-	-	-
Contractual - off site	715	715	1,430
Direct equipment	-	-	-
Pass thru	6,250	(483)	5,767
Indirect cost pool	8,551	32,747	41,298
<b>Total Expenses</b>	<b>\$ 32,646</b>	<b>\$ 91,853</b>	<b>\$ 124,499</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 Year Ended December 31, 2013**

<b>Support and Revenues</b>	<b>2013</b>	<b>2012</b>
	<u>                    </u>	<u>                    </u>
<b>Support</b>		
County	\$ 43,146	\$ 39,155
<b>Total Support</b>	<u>\$ 43,146</u>	<u>\$ 39,155</u>
 <b>Revenue</b>		
Local revenues	\$ 23,512	\$ 22,110
Interest	93	170
<b>Total Revenues</b>	<u>\$ 23,605</u>	<u>\$ 22,280</u>
<b>Total Support and Revenues</b>	<u>\$ 66,751</u>	<u>\$ 61,435</u>
 <b>Expenses</b>		
Salaries	\$ 12,392	\$ 13,243
Fringe benefits	5,126	5,531
Travel	2,288	1,051
Printing and postage	763	101
Telephone	53	69
Supplies and materials	3,703	56
Professional services	5,400	5,400
Contracted Services - Westrain	-	-
Commission expenses	13,463	8,717
Direct equipment	-	(300)
Indirect cost pool	10,553	8,991
<b>Total Expenses</b>	<u>\$ 53,741</u>	<u>\$ 42,859</u>
 <b>Excess (Deficiency) of Revenues over (under)</b>		
<b>Expenses</b>	\$ 13,010	\$ 18,576
<b>Net Assets, Beginning of Year</b>	<u>218,443</u>	<u>199,867</u>
<b>Net Assets, End of Year</b>	<u><u>\$ 231,453</u></u>	<u><u>\$ 218,443</u></u>