

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

FINANCIAL STATEMENTS EXAMINATION REPORT  
OF

REGION III-A ECONOMIC DEVELOPMENT  
DISTRICT AND REGIONAL PLANNING COMMISSION  
HUNTINGTON, LAGRANGE, NOBLE, STEUBEN,  
AND WHITLEY COUNTIES, INDIANA

January 1, 2011 to December 31, 2015



**FILED**  
07/29/2016



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Independent Accountant's Report.....	3
Financial Statements and Accompanying Notes:	
Statements of Receipts, Disbursements, and Cash and Investment	
Balances - Regulatory Basis .....	7-9
Notes to Financial Statement .....	10-13
Other Information - Unexamined:	
Combining Schedules of Receipts, Disbursements, and Cash and	
Investment Balances - Regulatory Basis .....	16-20
Schedule of Payables and Receivables .....	21
Schedule of Capital Assets.....	23
Other Reports.....	24

### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Executive Director	David Koenig	01-01-11 to 11-16-11
	Jim Atz	11-17-11 to 06-21-12
	(Vacant)	06-22-12 to 08-14-12
	Loren Kravig	08-15-12 to 03-31-14
	(Vacant)	04-01-14 to 08-20-14
Office Manager	Jessica L. Grossman	08-21-14 to 12-31-16
	Marjorie Keller	01-01-11 to 08-21-14
	(Vacant)	08-22-14 to 09-09-14
	Sandra Tamez	09-10-14 to 12-31-16
President of the Regional Planning Commission Board	John Price	01-01-11 to 08-20-15
	(Vacant)	08-21-15 to 12-31-15
	Thomas Wall	01-01-16 to 12-31-16



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE REGION III-A ECONOMIC DEVELOPMENT DISTRICT AND REGIONAL PLANNING COMMISSION, HUNTINGTON, LAGRANGE, NOBLE, STEUBEN, AND WHITLEY COUNTIES, INDIANA

We have examined the accompanying financial statements of the Region III-A Economic Development District and Regional Planning Commission (Regional Planning Commission), for the period of January 1, 2011 to December 31, 2015. The financial statements are the responsibility of the Regional Planning Commission's management. Our responsibility is to express an opinion on the financial statements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial statements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the Regional Planning Commission prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. The basis noted above is a different basis than that used in the prior period.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the Regional Planning Commission for the period of January 1, 2011 to December 31, 2015.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Regional Planning Commission for the period of January 1, 2011 to December 31, 2015, on the basis of accounting described in Note 1.

Our examination was conducted for the purpose of forming an opinion on the Regional Planning Commission's financial statements. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis, Schedule of Payables and Receivables, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statements. They have not been subjected to the examination procedures applied to the financial statements and, accordingly, we express no opinion on them.

*Paul D. Joyce*  
Paul D. Joyce, CPA  
State Examiner

April 19, 2016

(This page intentionally left blank.)

## FINANCIAL STATEMENTS AND ACCOMPANYING NOTES

The financial statements and accompanying notes were approved by management of the Regional Planning Commission. The financial statements and notes are presented as intended by the Regional Planning Commission.

(This page intentionally left blank.)

REGION III-A ECONOMIC DEVELOPMENT DISTRICT AND REGIONAL PLANNING COMMISSION  
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended December 31, 2011

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
General	<u>\$ 171,831</u>	<u>\$ 596,483</u>	<u>\$ 573,015</u>	<u>\$ 195,299</u>

The notes to the financial statements are an integral part of this statement.

REGION III-A ECONOMIC DEVELOPMENT DISTRICT AND REGIONAL PLANNING COMMISSION  
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Years Ended December 31, 2012 and 2013

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12	Receipts	Disbursements	Cash and Investments 12-31-13
General	\$ 195,299	\$ 431,120	\$ 446,943	\$ 179,476	\$ 694,246	\$ 619,972	\$ 253,750

The notes to the financial statements are an integral part of this statement.

REGION III-A ECONOMIC DEVELOPMENT DISTRICT AND REGIONAL PLANNING COMMISSION  
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Years Ended December 31, 2014 and 2015

Fund	Cash and Investments 01-01-14	Receipts	Disbursements	Cash and Investments 12-31-14	Receipts	Disbursements	Cash and Investments 12-31-15
General	<u>\$ 253,750</u>	<u>\$ 528,718</u>	<u>\$ 602,194</u>	<u>\$ 180,274</u>	<u>\$ 796,407</u>	<u>\$ 831,853</u>	<u>\$ 144,828</u>

The notes to the financial statements are an integral part of this statement.

REGION III-A ECONOMIC DEVELOPMENT DISTRICT AND  
REGIONAL PLANNING COMMISSION  
NOTES TO FINANCIAL STATEMENTS

**Note 1. Summary of Significant Accounting Policies**

*A. Reporting Entity*

The Region III-A Economic Development District and Regional Planning Commission (Regional Planning Commission) was established under the laws of the State of Indiana. The Regional Planning Commission operates under an appointed governing board.

The accompanying financial statements present the financial information for the Regional Planning Commission.

*B. Basis of Accounting*

The financial statements are reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

*C. Cash and Investments*

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

*D. Receipts*

Receipts are presented in the aggregate on the face of the financial statements. The aggregate receipts may include the following sources:

Intergovernmental receipts, which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of these types of receipts include, but are not limited to the following: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distributions received from the state, local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services, which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

REGION III-A ECONOMIC DEVELOPMENT DISTRICT AND  
REGIONAL PLANNING COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Other receipts, which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution, or court order; internal service receipts; and fiduciary receipts.

*E. Disbursements*

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements may include the following uses:

Personal services, which include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies, which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges, which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Capital outlay, which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Other disbursements, which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

*F. Interfund Transfers*

The Regional Planning Commission may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

*G. Fund Accounting*

Separate funds are established, maintained, and reported by the Regional Planning Commission. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the Regional Planning Commission. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the Regional Planning Commission in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and, therefore, the funds cannot be used for any expenditures of the unit itself.

REGION III-A ECONOMIC DEVELOPMENT DISTRICT AND  
REGIONAL PLANNING COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

**Note 2. Budgets**

The operating budget is initially prepared and approved at the local level. The fiscal officer of the Regional Planning Commission submits a proposed operating budget to the governing board for the following calendar year.

**Note 3. Deposits and Investments**

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana, at year end, should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the Regional Planning Commission to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

**Note 4. Risk Management**

The Regional Planning Commission may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third-party. The establishment of a self-insurance fund allows the Regional Planning Commission to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

**Note 5. Pension Plan**

*Public Employees' Retirement Fund*

*Plan Description*

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the Regional Planning Commission authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

REGION III-A ECONOMIC DEVELOPMENT DISTRICT AND  
REGIONAL PLANNING COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

INPRS administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System  
One North Capitol, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

*Funding Policy and Annual Pension Cost*

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

(This page intentionally left blank.)

#### OTHER INFORMATION - UNEXAMINED

The Regional Planning Commission's Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statements contained in this report and the financial information presented in the Annual Reports of the Regional Planning Commission which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

The other information presented was approved by management of the Regional Planning Commission. It is presented as intended by the Regional Planning Commission.

REGION III-A ECONOMIC DEVELOPMENT DISTRICT AND  
REGIONAL PLANNING COMMISSION  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2011

	General
Cash and investments - beginning	\$ 171,831
Receipts:	
Intergovernmental	178,186
Charges for services	416,549
Other receipts	1,748
Total receipts	596,483
Disbursements:	
Personal services	412,577
Supplies	6,733
Other services and charges	152,535
Capital outlay	1,170
Total disbursements	573,015
Excess of receipts over disbursements	23,468
Cash and investments - ending	\$ 195,299

REGION III-A ECONOMIC DEVELOPMENT DISTRICT AND  
REGIONAL PLANNING COMMISSION  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2012

	General
Cash and investments - beginning	\$ 195,299
Receipts:	
Intergovernmental	182,649
Charges for services	196,470
Other receipts	52,001
Total receipts	431,120
Disbursements:	
Personal services	301,596
Supplies	10,436
Other services and charges	45,437
Other disbursements	89,474
Total disbursements	446,943
Deficiency of receipts over disbursements	(15,823)
Cash and investments - ending	\$ 179,476

REGION III-A ECONOMIC DEVELOPMENT DISTRICT AND  
 REGIONAL PLANNING COMMISSION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013

	General
Cash and investments - beginning	\$ 179,476
Receipts:	
Intergovernmental	335,395
Charges for services	335,320
Other receipts	23,531
Total receipts	694,246
Disbursements:	
Personal services	322,254
Supplies	5,275
Other services and charges	3,415
Capital outlay	2,500
Other disbursements	286,528
Total disbursements	619,972
Excess of receipts over disbursements	74,274
Cash and investments - ending	\$ 253,750

REGION III-A ECONOMIC DEVELOPMENT DISTRICT AND  
 REGIONAL PLANNING COMMISSION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2014

	General
Cash and investments - beginning	\$ <u>253,750</u>
Receipts:	
Intergovernmental	316,414
Charges for services	<u>212,304</u>
Total receipts	<u>528,718</u>
Disbursements:	
Personal services	350,173
Supplies	4,541
Other services and charges	40,232
Other disbursements	<u>207,248</u>
Total disbursements	<u>602,194</u>
Deficiency of receipts over disbursements	<u>(73,476)</u>
Cash and investments - ending	<u>\$ <u>180,274</u></u>

REGION III-A ECONOMIC DEVELOPMENT DISTRICT AND  
 REGIONAL PLANNING COMMISSION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015

	General
Cash and investments - beginning	\$ 180,274
Receipts:	
Intergovernmental	235,861
Charges for services	560,451
Other receipts	95
Total receipts	796,407
Disbursements:	
Personal services	340,747
Other services and charges	491,106
Total disbursements	831,853
Deficiency of receipts over disbursements	(35,446)
Cash and investments - ending	\$ 144,828

REGION III-A ECONOMIC DEVELOPMENT DISTRICT AND  
 REGIONAL PLANNING COMMISSION  
 SCHEDULE OF PAYABLES AND RECEIVABLES  
 December 31, 2015

Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental activities	\$ -	\$ 74,670
	\$ -	\$ 74,670

(This page intentionally left blank.)

REGION III-A ECONOMIC DEVELOPMENT DISTRICT AND  
 REGIONAL PLANNING COMMISSION  
 SCHEDULE OF CAPITAL ASSETS  
 December 31, 2015

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	Ending Balance
Governmental activities:	
Buildings	\$ 168,658
Machinery, equipment, and vehicles	61,192
Total capital assets	\$ 229,850

#### OTHER REPORTS

In addition to this report, other reports may have been issued for the Regional Planning Commission. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.