

Fiscal Year Ended December 31, 2013

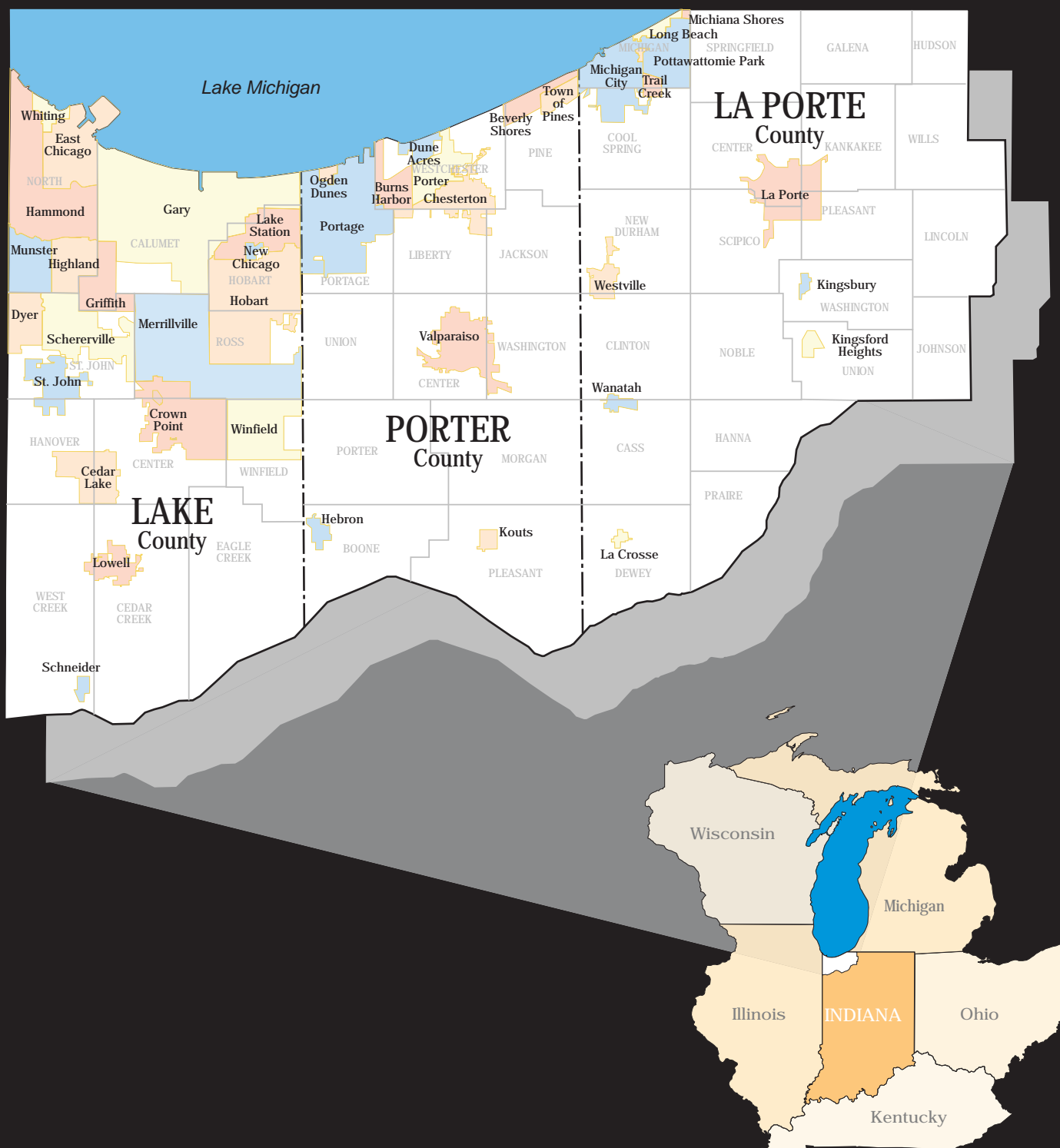
Comprehensive Annual Financial Report



Northwestern Indiana Regional Planning Commission
Portage, Indiana

Northwestern Indiana Regional Planning Commission

Council of Governments District



COMPREHENSIVE ANNUAL FINANCIAL REPORT

NORTHWESTERN INDIANA REGIONAL PLANNING COMMISSION



For the Fiscal Year Ended December 31, 2013

Prepared by the Office of Finance and Administration
Angie Hayes, Director

On the Front, Back Cover and Section Dividers.

Location: Coffee Creek Watershed Preserve / Park
Chesterton, Indiana

Photo taken by: Stephan Sostaric, Commission Staff

NORTHWESTERN INDIANA REGIONAL PLANNING COMMISSION
 Comprehensive Annual Financial Report
 For the Fiscal Year Ended December 31, 2013

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Introductory

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June 4, 2014

Honorable Members
Northwestern Indiana Regional Planning Commission

Dear Commissioners:

Formal Transmittal

We are pleased to respectfully submit the Comprehensive Annual Financial Report (CAFR) of the Northwestern Indiana Regional Planning Commission (Commission) for the fiscal year ended December 31, 2013.

This financial report has been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) by the Commission's management and staff that are responsible for and affirm the adequacy of the material presented in this report based upon a comprehensive framework of internal control that has been established for this purpose. Since the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. We believe the Commission's internal controls adequately safeguard assets and provide reasonable assurance of the proper recording of financial transactions.

To the best of our knowledge and belief, the information as presented herein is accurate in all material respects. The information is presented in a manner designed to set forth fairly the financial position and results of operations of the Commission as measured by the financial activity of the various funds. All disclosures necessary to enable the reader to gain the maximum understanding of the Commission's financial affairs have been included.

The Commission's financial statements have been audited by the Indiana State Board of Accounts as established by Indiana General Assembly to review and perform the external audit of units of governments in Indiana. The goal of the independent audit is to provide reasonable assurance that the financial statements presented here for the fiscal year ended December 31, 2013, are free of material misstatement. In addition, the Commission is required to undergo a Single Audit of Federal programs conducted under the provisions of OMB Circular A-133. The Commission has been issued an unqualified opinion. The independent auditor's report is located at the front of the financial section of this report.

GAAP also requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements. The efforts to establish this narrative are presented in the form of Management's Discussion and Analysis (MD&A) which can be found immediately following the independent auditor's report.

Profile of the Government

The Commission is nestled in the northwest corner of Indiana between the metropolitan influences of Chicago and Indianapolis. Northwest Indiana, shaped by sand and steel, draws on a rich history of economic accomplishment and unmatched natural beauty.

The Commission was originally called the Lake-Porter County Regional Transportation and Planning Commission and was created by state statute in 1965 defined as a multi-purpose, area-wide planning agency. A 1973 amendment provided the Commission with its current name and gave LaPorte County the option to join the Commission. In 1975, Indiana Governor Otis T. Bowen re-designated the Commission as the Metropolitan Planning Organization (MPO) for the two-county region. Then in 1979 LaPorte County exercised their option to join which made the Commission a three county region.

In 2003, significant and major changes were made to the Commission's functions and appointing authorities in a law passed by the Indiana General Assembly and signed by the Governor. The new legislation defined the Commission as a council of governments (COG) and designated regional planning responsibilities in the areas of economic development, environmental resources, and transportation. Reorganizing the Commission as a council of governments increased the size of the membership from 39 to 51. The new seats included representation from all 41 cities and towns from within the three-county region, the county surveyor from each county, one county council member and county commissioner from each member county, and one member appointed by the Governor. The legislation also specified that only elected officials could be appointed to serve on the Commission. In 2007, the legislation was amended to add trustees of a township with a population over 8,000 which do not contain a municipality. This amendment added two more voting members, making the total Commissioner Board 53. The Indiana Department of Transportation (INDOT) and a public transit operator representative selected by the operators continue to participate in vital roles on the Commission Board as non-voting members.

The Commission is responsible for its annual budget. The budget for governmental funds is adopted on a basis consistent with accounting principles generally accepted in the United States of America. These funds include the Commission's general fund, its special revenue funds, and its one capital projects fund. A proposed budget for the ensuing year is submitted to the Commission by the Executive Director. This usually occurs at the fourth quarterly meeting of the Commission which is typically held in October. The Commission may vote to adopt the budget at this meeting, or may call a special meeting to take action on the budget.

The budget as adopted by the Commission is organized by object class categories. Major object class categories represent the legal level of control. Amendments to the adopted budget may be made only by the Commission at any regular meeting of the Commission or at any special meeting of the Commission called to consider the budget. The Commission has established a Finance and Personnel Committee composed exclusively of Commission members appointed by the Chair. This Committee exercises financial oversight over Commission operations and establishes more detailed accounts. Amounts presented in the financial statements are the final budget amounts for the year, as legally amended.

The Commission's planning area is comprised of the participating counties of Lake, Porter and LaPorte in Indiana. This area has a population of 771,815 as of the 2010 Census, covers 1520 square miles in area, and includes forty-one municipalities and forty-four townships. The Commission has received numerous designations from state and federal agencies for programs which encourage or require area-wide planning in such fields as economic development, transportation, environmental protection and comprehensive planning.

Metropolitan Planning Organization Functions

The Commission also functions as the Metropolitan Planning Organization (MPO) for northwest Indiana. Planning is carried out in accordance with the federal transportation planning requirements of the Moving Ahead for Progress in the 21st Century Act (MAP-21), the Clean Air Act Amendments of 1990, Title VI of the Civil Rights Act of 1964, and their predecessor acts. The Commission works with federal and state

transportation departments and local transit operators to prioritize and fund regional projects, making the region well-positioned to capitalize on some of the most strategic and critical links in our nation's transportation system. This is accomplished through the Transportation Improvement Program (TIP), a short-term (four-year) list of federally funded surface transportation investment projects. Surface transportation projects include those for public transit, local and state highways and bicycle/pedestrian projects. The Commission adopts a new TIP every other year. In between those years, revisions are made to the TIP by way of amendments which are presented to the Transportation Policy Committee for approval and ultimately acted upon by the Commission.

The first three-county comprehensive regional plan was adopted by the Commission in June 2011 after an intensive 30-month planning process. The process included an extensive public participation effort beginning with a regional forum that attracted over 500 participants from the three-county area. It was the most demographically balanced function of its kind ever held in the region. The forum was followed by over 30 workshops and meetings in 2009 and 2010 which produced the Plan's vision statement, goals and objectives; regional public policy recommendations; and implementation strategies.

The 2040 Comprehensive Regional Plan (CRP) places the Commission in a new role in the region with respect to planning and implementation. The Commission is being called upon to assist local governments and regional stakeholders to develop integrated land use and transportation strategies, support economic development efforts, to help realize land conservation and a protected green infrastructure, and to do so in a manner that recognizes and supports social equity and environmental justice. The breadth of the CRP planning initiatives suggests a broader role for the Commission in realizing the future aspirations of northwest Indiana. The 2040 CRP lays the foundation and establishes the program for how the Commission will assist northwest Indiana in realizing its vision. Today, we have the advantage to present a unique challenge in an unpredictable world – to shape our own future and to sustain a diverse quality of life.

Following adoption of the 2040 CRP, the Commission created an implementation and monitoring process. It includes committees of stakeholders who will help identify implementation actions, monitor progress, and recommend changes or new policies. This is an innovative approach for a Commission planning initiative and will make the regional decision-making process more transparent and accessible.

The 2040 CRP took the top honor in receiving the prestigious 2013 Daniel Burnham Award for a Comprehensive Plan from the American Planning Association (APA). The Daniel Burnham Award recognizes a comprehensive plan that advances the science and art of planning. The award honors America's most famous planner, Daniel Burnham, for his contributions to the planning profession and to a greater awareness of the benefits of good planning. This award is an exceptional national honor, representing the best in category among nationwide submittals.

This national recognition follows the National Association of Regional Councils' Outstanding Achievement and the Indiana Chapter of the American Planning Association's Outstanding Plan awards which the Commission's 2040 CRP received previously.

In 2014, the Commission launched its "Creating Livable Centers" program, implementing key goals of the CRP to enhance the vitality and viability of the region's communities. The innovative nature of this program was recognized with a 2014 award from the Indiana Chapter of the American Planning Association.

The Commission provides several support services to governmental bodies within northwestern Indiana. These services are provided through the combined efforts and utilization of financial resources obtained directly through the appropriations made by participating counties.

Provided Services

Federal Transit Administration

Since 1975, the Commission has acted as the designated direct recipient for Federal Transit Administration (FTA) funding. The Urban Mass Transportation Administration of the U.S. Department of Transportation (UMTA), the forerunner of FTA made federal funds available to human service providers who were acting as the public transportation providers in areas where no government supported public transit existed. Since there were many small agencies applying for small grants, UMTA/FTA approached the Commission to become the direct recipient on behalf of these small operators.

As required by FTA, the Commission provides oversight and technical assistance for seven subrecipients: City of East Chicago, City of LaPorte, City of Valparaiso, North Township Dial-a-Ride, Opportunity Enterprises, Porter County Aging and Community Services, and South Lake County Community Services. These subrecipients operate various services such as fixed route and demand response service within portions of northwest Indiana, as well as commuter service to Chicago.

The Commission has a dual role purpose in the FTA grant process. The first role is that of the MPO that requires the Commission to include all grant monies necessary for transit operations including equipment to be included in the TIP. This process is done through an operators' round table meeting, from which the results are then included in the TIP and taken to the Transportation Policy Committee for action and subsequently submitted to the Commission for approval.

The second role is that of grant management. The Commission is responsible for meeting grant responsibilities and reporting requirements as mandated by FTA. In administering FTA funded projects, the Commission must monitor grant-supported activities to ensure compliance with applicable Federal requirements. This includes the administration and management of the grant in compliance with the Federal regulations, Grant Agreement, and applicable FTA circulars. The Commission is also responsible for funds that "pass through" to the subrecipients.

Every three years, FTA performs a triennial review to examine the Commission's performance and adherence to current FTA requirements and policies. The review process currently examines 17 areas of compliance. In addition to helping evaluate the Commission, the review gives FTA an opportunity to provide technical assistance on the latest FTA requirements and aids FTA in reporting to the Secretary of the U.S. Department of Transportation, Congress, other oversight agencies, and the transit community. The most recent triennial review of the Commission was conducted by FTA in 2011. The next triennial for the Commission is scheduled for September, 2014.

Revolving Loan Fund Program

Another service the Commission provides is administration of the LaPorte Revolving Loan Fund. The revolving loan fund program is one of several tools of the U.S. Department of Commerce, Economic Development Administration (EDA), available to assist areas with high unemployment. A revolving loan fund is a pool of money used by an eligible recipient for the purpose of making loans to achieve certain economic benefits. As the loans are repaid by borrowers, the money is returned to the fund to make new loans. In that manner, the fund becomes an ongoing or revolving financial tool. Due to the high unemployment rate in the region in the mid 1980's, the Commission was chosen to administer the revolving loan fund given its neutrality in the Region and its capacity to run the program. In 1987, the Commission established the LaPorte Revolving Loan fund to account for the financial resources used for the revolving loan fund program in LaPorte County.

In 2014, the Commission procured the professional services of the Regional Development Company to assist in marketing, all aspects of the loan process, meet with LaPorte County Economic Development staff, and update the management plan with the desired outcome of making new loans.

Other Programs

The Commission provides staff services on a continuing basis, via contractual relationships, to several governmental organizations serving northwestern Indiana. These include the Kankakee River Basin Commission and the Lake Michigan Marina and Shoreline Development Commission. Each of these organizations is an independent governmental unit. In addition to providing services to these agencies, the Commission also provides services on a contractual basis to other governmental units (such as cities and towns) within the region. Most of these other arrangements are for the undertaking of specific projects or programs, such as the preparation of a plan or study of some aspect of the community's development.

Other services are provided utilizing revenues received through specific federal and state grants, contracts or agreements. These services usually involve the provision of specific types of services, often in the form of studies or demonstration projects, which benefit local governments in the region. Often these programs require a matching share of resources from the Commission. This matching share is usually derived from the county appropriations. Still other types of services are provided for through contractual or other arrangements with specific local governmental bodies.

Information Useful in Assessing the Commission's Economic Condition

Northwest Indiana is noted for its heavy industry. Gary, Portage, Burns Harbor and East Chicago are home to major steel mills, including the largest North American facilities for both U.S. Steel (Gary Works) and ArcelorMittal (Indiana Harbor). Whiting and Hammond are home to the largest oil refinery in the Midwestern U.S., operated by BP. Other industrial outputs include fabricated metals, transportation equipment, and food products.

The steel industry is still the Region's biggest economic producer, while health care and social services are the Region's largest industry employer. Although the steel industry has seen dramatic improvement in productivity resulting in less jobs, those jobs still pay higher wages than those in other industries. According to the 2010 IMPLAN, one steelworker job creates approximately four other jobs as those steelworkers and their families spend their earnings. The combination of an improving job market (unemployment rate of 6.4% January, 2014), pent-up consumer demand; less drag from U.S. Government policies and a brighter global outlook boosting optimism from the business community for the rest of 2014.

As noted on the Region Indicator Scorecard below, the Commission's region has seen significant progress in recovering from the 2008 recession. The gross regional product has seen a 13% increase from the third quarter of 2011 to the first quarter of 2013. Other promising signs of recovery are the increase in overall asessed value, increase in the per capita personal income and an increase in private sector sales. These increases mean more people are investing in the Region.

REGION INDICATOR SCORECARD

<u>INDICATOR</u>	<u>Nov-11</u>	<u>Apr-13</u>
Gross Regional Product	\$29.3 B	\$33.2 B
Private Sector Sales	41 B	43 B
Household Earnings	17.3 B	19.2 B
Tax Base - Assessed Value	\$33.3 B	\$39.5 B
Per Capita Personal Income	34,139	35,836
Employment	358,411	351,652
Per Employee Earnings	43,233	53,416
Average Compensation per Job	48,226	48,276
Labor Force Participation	56.8%	56.0%

Source: The Northwest Indiana Forum Regional
Economic Trends & Opportunities April 29, 2013

Formation of the EDD

To assist the three county region in developing and implementing economic development programs, the Commission and the Northwest Indiana Forum (Forum) came together to create the Northwest Indiana Economic Development District (EDD) as a Not-For-Profit Corporation in 2009. The EDD allows the three county region to be eligible to receive federal grants from the Economic Development Administration (EDA). The EDD is a federally designated organization charged with the maintenance and implementation of the Comprehensive Economic Development Strategy (CEDS) plan. The CEDS represents the confluence of local public and private interests and is intended to be a roadmap to a bright future in northwest Indiana. The deliberation and forethought incorporated in this CEDS will help create jobs, foster a more stable and diversified economy, and improve quality of life. It provides a mechanism to coordinate the efforts of individuals, organizations, local governments, and private industry concerned with economic development. In 2014, the EDD is perusing the designation of district status that meets the EDA requirements noted in 13 CFR part 304 in order to receive grant funds to implement the CEDS projects.

The Commission

The Commission is funded primarily by federal grant dollars either directly or passed through state agencies. A continuing funding concern is the availability of federal funds for planning activities.

The required federal grant local match comes primarily from the mandated county contribution amount which is based on population according to most recent decennial census. The Commission does not generate its own source revenue.

The 2013 fiscal year continued to be another challenging year, and yet there were significant accomplishments made by the Commission as indicated in the Management's Discussion and Analysis highlights. The Commission continues to find additional sources of revenue while trying to minimize expenditures. The Commission is poised to address its future in the midst of these challenges.

Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a **Certificate of Achievement for Excellence in Financial Reporting** to the **Northwestern Indiana Regional Planning Commission** for its comprehensive annual financial report for the fiscal year ended December 31, 2012. In order to be awarded a Certificate of Achievement, a government must publish an

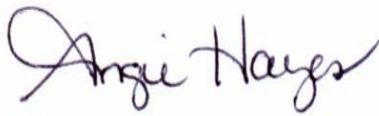
easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable program requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. The Commission believes its current report continues to meet the Certificate of Achievement Program requirements, and it is being submitted to GFOA to determine its eligibility for another certificate.


The preparation of this report could not have been accomplished without the persevering service of the following individuals: Allen Hammond, John Smith, Melissa Deutscher, Kevin Garcia, and Don Koliboski. Special thanks go to Chief Accountant Kelly Wenger, whose assistance made this report possible.

The Commission would like to thank Indiana State Board of Accounts and especially Cynthia David, for the timely and thorough completion of the independent audit report and for her special effort in the development of the second Commission CAFR.

Sincerely,

A handwritten signature in cursive script that reads "Angie Hayes".

Angie Hayes
Director of Finance and Administration

A handwritten signature in cursive script that reads "Ty Warner".

Ty Warner
Executive Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

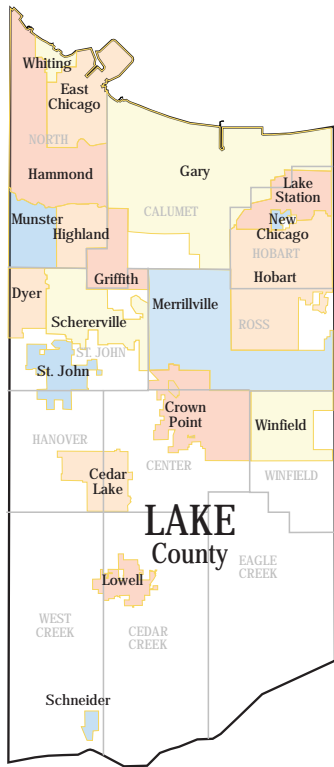
Presented to

**Northwestern Indiana
Regional Planning Commission**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

Executive Director/CEO



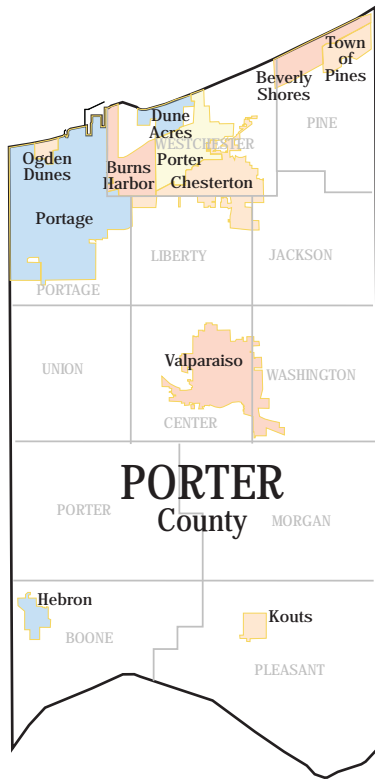
2013
COMMISSION BOARD
FROM
**Lake
County**

APPOINTING AUTHORITY

Lake County Commissioners
 Lake County Council
 Lake County Surveyor
 Mayor of Crown Point
 Mayor of East Chicago
 Mayor of Gary
 Mayor of Hammond
 Mayor of Hobart
 Mayor of Lake Station
 Mayor of Whiting
 Merrillville Town Council
 Munster Town Council
 Griffith Town Council
 Highland Town Council
 Schererville Town Council
 Dyer Town Council
 Cedar Lake Town Council
 Lowell Town Council
 Winfield Town Council
 New Chicago Town Council
 St. John Town Council
 Schneider Town Council

MEMBER

Roosevelt Allen, Jr., Executive Board
 Christine Cid
 George Van Til
 David Uran, Chairman
 Anthony Copeland, Executive Board
 Karen Freeman-Wilson
 Thomas M. McDermott, Jr.
 Brain Snedecor, Vice-Chairman
 Keith Soderquist
 Joseph M. Stahura
 Shawn M. Pettit
 David F. Shafer
 Stanley Dobosz
 Michael Griffin
 Tom Schmitt
 Jeff Dekker
 Robert Camahan
 Donald Parker
 James Simmons
 Pamela Richard
 Michael Forbes
 Richard Ludlow



2013
COMMISSION BOARD
FROM

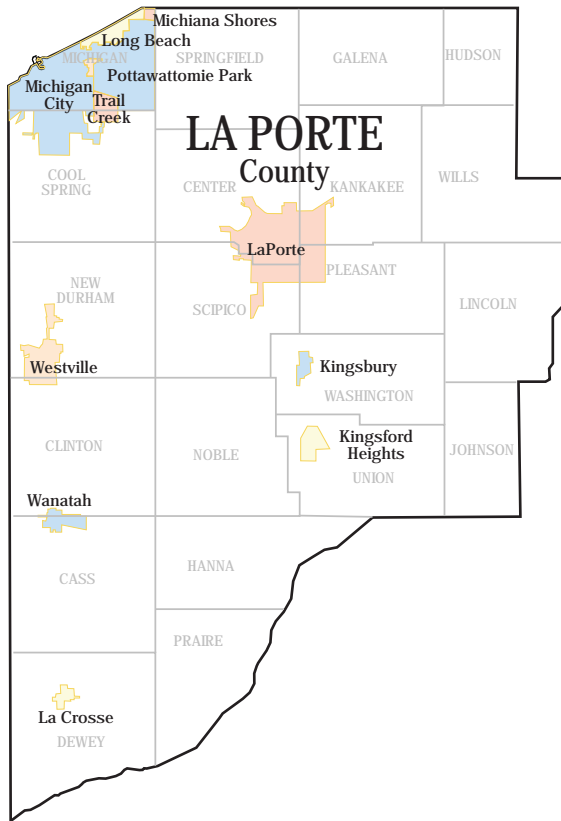
Porter County

APPOINTING AUTHORITY

Porter County Commissioners
 Porter County Council
 Porter County Surveyor
 Mayor of Portage
 Mayor of Valparaiso
 Chesterton Town Council
 Hebron Town Council
 Porter Town Council
 Kouts Town Council
 Ogden Dunes Town Council
 Burns Harbor Council
 Beverly Shores Town Council
 Dune Acres Council
 Pines Town Council
 Porter Township Trustee
 Union Township Trustee

MEMBER

Nancy Adams, Executive Board
 Jim Polarek
 Kevin Breitzke
 James Snyder
 H. Jonathan Costas
 Jim Ton, Secretary
 Don Ensign, Executive Board
 Greg Stinson
 James Murphy
 Tom Clouser
 Jeff Freeze
 Geof Benson
 John Sullivan
 George Adey
 Edward Morales
 Anthony Pampalone



2013
COMMISSION BOARD
FROM
**LaPorte
County**

APPOINTING AUTHORITY

MEMBER

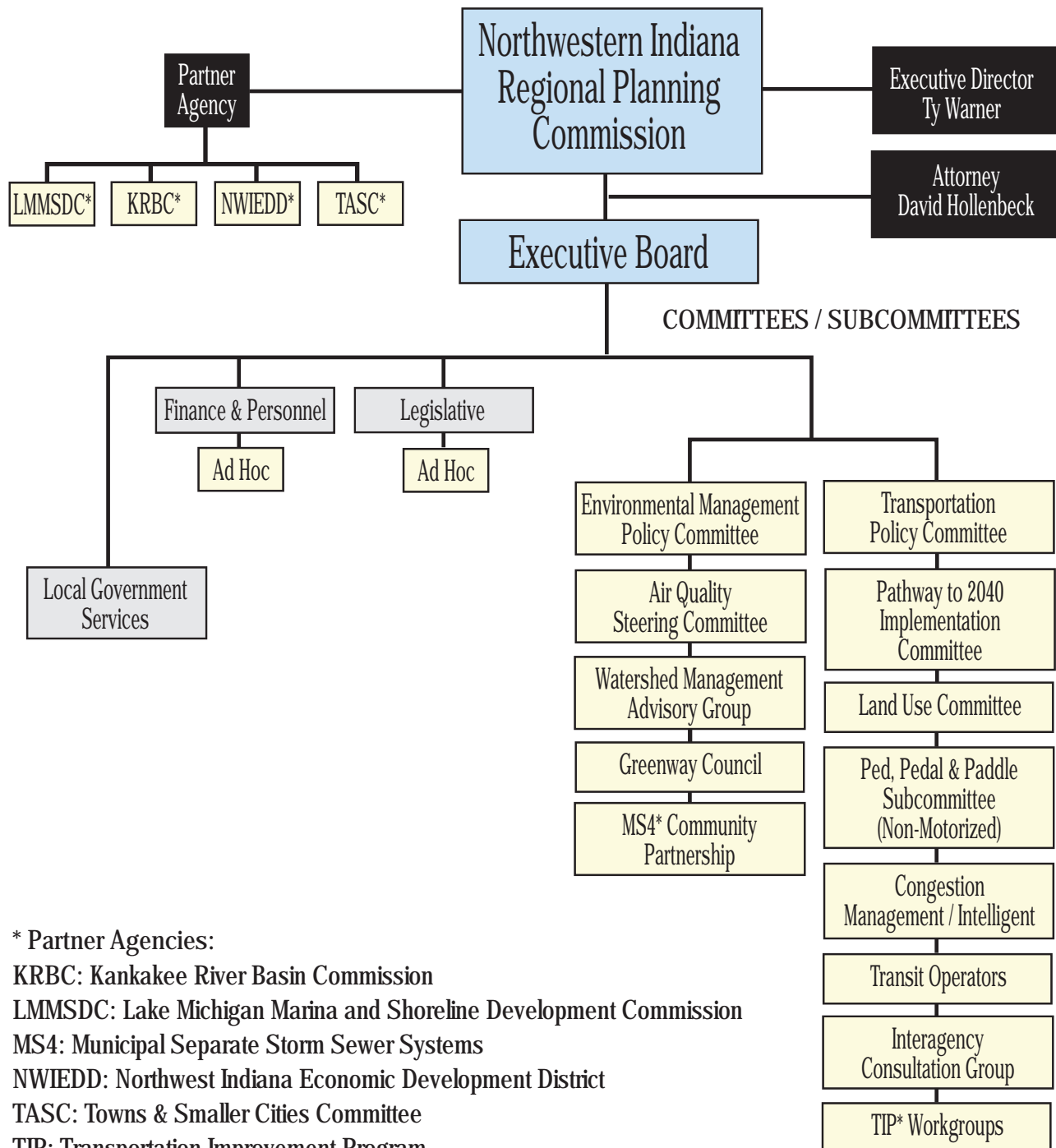
LaPorte County Commissioners
LaPorte County Council
LaPorte County Surveyor
Mayor of Michigan City
Mayor of LaPorte
Long Beach Town Council
Kingsford Heights Town Council
Michiana Shores Town Council
Trail Creek Town Council
Wanatah Town Council
Kingsbury Council
LaCrosse Town Council
Pottawattomie Town Council
Westville Town Council

Dave Decker, Executive Board
Rich Mrozinski
Anthony Hendricks
Richard Murphy
Blair Milo, Treasury
Bob Schaefer, Executive Board
Rosalie Jacobs
Patrick Margraf
John Bayler
Diane Noll
Mark Ritter
Vacant
Vacant
Vacant

Governor of Indiana Appointee

Ed Soliday, Executive Board

COMMISSION ORGANIZATIONAL CHART



* Partner Agencies:

KRBC: Kankakee River Basin Commission

LMMSDC: Lake Michigan Marina and Shoreline Development Commission

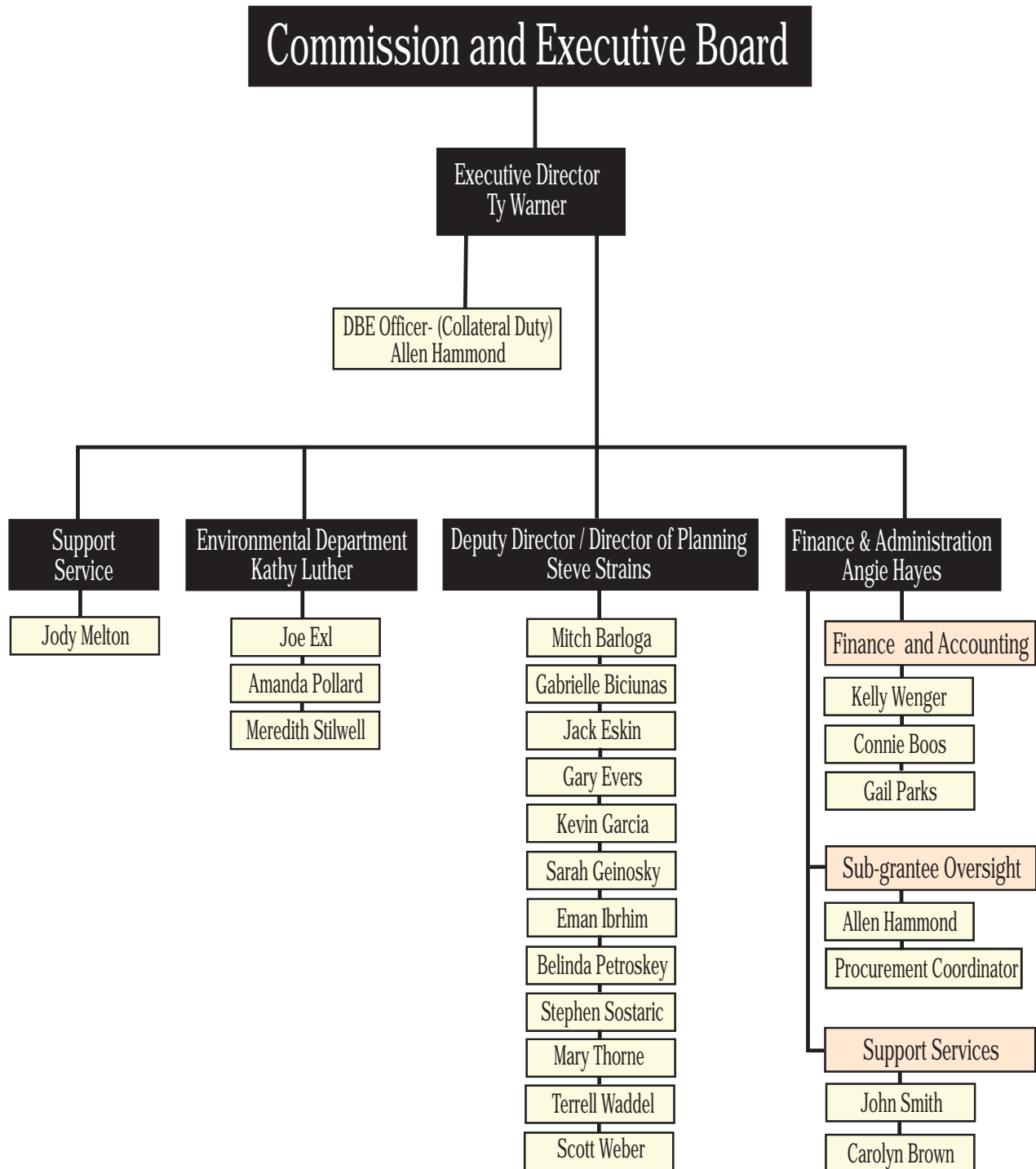
MS4: Municipal Separate Storm Sewer Systems

NWIEDD: Northwest Indiana Economic Development District

TASC: Towns & Smaller Cities Committee

TIP: Transportation Improvement Program

COMMISSION STAFF ORGANIZATIONAL CHART



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Financial

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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

INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE NORTHWESTERN INDIANA REGIONAL PLANNING COMMISSION,
LAKE, PORTER, AND LAPORTE COUNTIES, INDIANA

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Northwestern Indiana Regional Planning Commission (Commission), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the Table of Contents.

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 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 of 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 Commission's internal control. Accordingly, we express no such opinion. An audit 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 our audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Opinions

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Commission, as of December 31, 2013, and the respective changes in financial position, thereof and 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, Schedules of Funding Progress, and Budgetary Comparison Schedules, as listed 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 Budgetary Comparison Schedule – Transit Capital is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Budgetary Comparison Schedule – Transit Capital is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Budgetary Comparison Schedule – Transit Capital is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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 Schedule of Expenditures of Federal Awards, as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations (Circular A-133), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

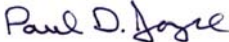
INDEPENDENT AUDITOR'S REPORT
(Continued)

The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditure of Federal Awards is fairly stated, in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have 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 June 4, 2014, 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 Commission's internal control over financial reporting and compliance.


Paul D. Joyce, CPA
State Examiner

June 4, 2014



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 OFFICIALS OF THE NORTHWESTERN INDIANA REGIONAL PLANNING COMMISSION,
LAKE, PORTER, AND LAPORTE COUNTIES, INDIANA

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 each major fund of the Northwestern Indiana Regional Planning Commission (Commission), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated June 4, 2014.

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 Commission'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. 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.


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*
(Continued)

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.


Paul D. Joyce, CPA
State Examiner

June 4, 2014

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MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

As management of the Northwestern Indiana Regional Planning Commission (Commission), we offer readers of the Commission's financial statements this narrative overview and analysis of the financial activities of the Commission for the fiscal year ended December 31, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our basic financial statements and notes to the financial statements to enhance their understanding of the Commission's financial performance.

Financial Highlights

- The assets of the Commission exceeded its liabilities at the close of the fiscal year by \$5,815,214 (net position). Of this amount, \$1,032,004 (unrestricted net position) may be used to meet the Commission's ongoing obligations to citizens and creditors.
- Approximately 99.8% of the Commission's general fund balance, \$1,303,028, constitutes an unassigned fund balance, which is available for spending at the Commission's discretion.
- The Commission continues to experience a positive cash flow and has not, therefore, had to execute the board approved line of credit.
- The Commission invests in capital assets for its governmental activities. All capital assets owned by the Commission are free of debt.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Commission's basic financial statements. The Commission's basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the Commission's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all the Commission's assets, liabilities, and deferred inflows/outflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating.

The *statement of activities* presents information showing how the Commission's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Commission that are principally supported by intergovernmental revenues (government activities). The Commission does not have business type activities.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities. The Commission, like other state and local governments,

uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Commission are governmental funds.

Governmental Funds

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

General Government Revenues

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Commission maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for all four funds.

The Commission adopts an annual budget for the four individual governmental funds. A budgetary comparison statement has been provided for all four funds to demonstrate compliance with the budget.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Commission's progress in funding its obligation to provide pension benefits to its employees.

Government-Wide Overall Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Commission, assets and deferred outflows of resources exceeded liabilities by \$5,815,214 at the year ending December 31, 2013.

The Commission's Net Position

The following table reflects a summary of Net Position compared to the prior year.

	2013	2012
Current and Other Assets	\$ 2,655,113	\$ 2,809,640
Capital Assets	<u>4,286,809</u>	<u>3,711,814</u>
Total Assets	\$ 6,941,922	\$ 6,521,454
Long-term Liabilities	264,633	215,839
Other Liabilities	<u>862,075</u>	<u>1,013,589</u>
Total Liabilities	\$ 1,126,708	\$ 1,229,428
Net Position:		
Investment in Capital Assets	4,286,809	3,711,814
Restricted	496,401	494,508
Unrestricted	<u>1,032,004</u>	<u>1,085,704</u>
Total Net Position	<u>\$ 5,815,214</u>	<u>\$ 5,292,026</u>

Summary of Changes in Net Position

The following table summarizes the changes in net position for the current and previous year.

Northwestern Indiana Regional Planning Commission Changes in Net Position

REVENUES	2013	2012
Program Revenues:		
Operating Grants and Contributions	\$ 5,331,919	\$ 6,636,745
Capital Grants and Contributions	1,699,524	534,323
General Revenues:		
County Contributions not restricted to specific purposes	540,271	540,271
Unrestricted Interest Income	<u>6,738</u>	<u>9,383</u>
Total Revenues	<u>\$ 7,578,452</u>	<u>\$ 7,720,722</u>
EXPENSES		
Planning and Development	2,978,453	3,227,570
Transit Operating	2,904,493	4,064,024
Transit Capital	<u>1,172,318</u>	<u>1,395,717</u>
Total Expenses	<u>\$ 7,055,264</u>	<u>\$ 8,687,311</u>
Changes in net position	523,188	(966,589)
Net Position - Beginning	<u>5,292,026</u>	<u>6,258,615</u>
Net Position - Ending	<u>\$ 5,815,214</u>	<u>\$ 5,292,026</u>

Analysis of Overall Financial Position and Results of Operations

Capital assets are used to provide services to citizens and they are not available for future spending. Approximately 74% of the Commission's net position reflects its investment in capital assets (e.g., machinery, equipment, and vehicles). The Commission does not own any real property or infrastructure. It should be noted that all investments owned by the Commission are free of debt and do not require additional resources.

Current and other assets consist mainly of cash, receivables from intergovernmental sources, and interest. Long-term liabilities consist of net pension obligation and compensated absences.

The Commission's net position increased by \$523,188 during the current fiscal year. There was an increase in capital assets of \$574,995 due to purchase of new equipment including the purchase of a new Motor Coach bus.

Financial Analysis of the Government's Funds

As noted earlier, the Commission uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Commission's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Commission's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year the Commission's governmental funds reported combined ending fund balances of \$1,799,429, a decrease of \$11,322 in comparison with the prior year. Approximately 73% of this total amount, \$1,303,028, constitutes unassigned fund balance which is available for spending at the government's discretion. The remainder of the fund balance is not available for spending because it has been committed for nonspendable prepaid insurance, \$2,534, and restricted for economic development, \$493,867.

The general fund is the chief operating fund of the Commission. The end of the current fiscal year the unassigned fund balance amount of \$1,303,028 is in the Commission's general fund. As a measure of the general funds' liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures.

The fund balance of the Commission's general fund decreased by \$11,322 during the current fiscal year. Key factors in this decline are as follows:

The cost allocation rate for other indirect costs was budgeted for 68% and the actual rate was 72% which was 3% higher than projected.

The Wildlife Habitat Council (WHC) was renting space from the Commission. When the WHC moved from the building in March 2013, the result was the loss of \$5,000 of local revenue.

The LaPorte revolving loan fund accounts for the revolving loan program activities. The balance has remained consistent from 2012 with no new funds added or delinquent loan write-offs in 2013. The U.S. Department of Commerce, Economic Development Administration, required the Commission to sequester funds as a result of holding excess funds during two or more consecutive reporting periods. The last revolving loan fund loan issued was to St. Andrew's

Products in 2010. The sequestered funds still belong to the Commission and can be used to make additional loans but need approval from the Commission's Revolving Loan Fund Administrator at the Economic Development Administration.

The transit operating fund is used to account for the reimbursement of operation expenses for subrecipient providing public transit. The Commission itself does not operate public transit but is the direct recipient for these funds. As expected this fund balance has remained consistent with the 2012 balance.

The transit capital fund is used to account for the purchase of capital equipment and facilities used for public transit. The funding for these purchases is provided by both Federal Transit Administration and the subrecipient operating the capital equipment. The Commission does not cover any costs associated with the purchase of the capital equipment in this fund. In order for the Commission to safeguard the federal interest, the Commission retains title to all federally funded capital equipment. As expected this fund balance has remained consistent with the 2012 balance.

General Fund Budgetary Highlights

During the year there was a \$64,425 increase between the original and final amended budget. The main component of the increase was in the capital outlays for equipment and furniture due the addition of grant funds for computers. The 2013 actual expenditures were 87.5% of the total final amended budget for the year.

Capital Assets

The Commission's investment in capital assets for its governmental activities as of December 31, 2013 amounts to \$4,286,809 (net of accumulated depreciation). This investment in capital assets includes vehicles, machinery, office equipment, and computer equipment. The Commission does not own land, buildings, or infrastructure assets.

The total increase in the Commission's assets for the current fiscal year was \$574,995. A detailed note of these capital assets can be found in the Notes to the Financial Statements (Note III E).

Major capital asset events during the current fiscal year included the following:

- There was no disposition of outdated and unused machinery and office equipment in 2013.
- In September, 2013, one additional Motor Coach bus was purchased for City of Valparaiso's ChicaGo Dash costing \$627,417. Other Commission public transit subrecipients also added and deleted new vehicles and equipment to the capital fund.

Capital Assets
(net of depreciation)

	<u>2013</u>	<u>2012</u>
Vehicle	\$ 3,952,619	\$ 3,517,086
Transit machinery	280,068	153,013
Office and computer equipment	<u>54,122</u>	<u>41,715</u>
Totals	<u>\$ 4,286,809</u>	<u>\$ 3,711,814</u>

Long-term Debt

The Commission carries no long term debt.

Economic Factors and Next Year's Budget

All these factors were considered in preparing the Commission's budget for the 2014 fiscal year.

- There was an overall reduction in salaries and personnel services fringe benefit expenditures. This was primarily due to attrition, as staff retired or resigned and were not replaced or replaced at lower salaries.
- Effective January 1, 2014, the Indiana Public Retirement System (INPRS) Board of Trustees approved an employer pension contribution rate increased one percent for a total contribution rate of 11.2% of full time employee salaries. The Commission continued to pay 1.5% of the employee mandatory contribution for those employees who are members of the Indiana Public Employees' Retirement Fund.
- Determining the employee and employer costs of health care for 2014 was a challenge. There were many unknowns due to the startup of the Affordable Care Act. Since per employee rates were not available, the budget was based on the total monthly premium as presented by the Commission's insurance representative. The rates were set by coverage type (i.e. single or employee and spouse etc.) Once the actual per employee rates were received, it was noticed that the monthly premium was set based on the employees' age and the age of all employees' dependents. The annual employer contribution rate to the Health Saving Accounts were flat lined this year; \$2,500 for single and \$5,000 for the remaining insurance types.
- The Commission has been in its present location since 1993. A request for proposals was published with the intent of securing a new lease and possible new location. A committee of Commissioners went through a competitive process and determined the Commission should stay at its present location with a new lease to be negotiated with the landlord. Since the lease had not been negotiated for budgeting purposes, the proposal amount rounded from the Portage Redevelopment Commission was used in place of a signed lease.
- For 2014, the Commission anticipates to experience a \$280,000 cut in the PL funding for the 2015 work plan. Some of this revenue reduction will be sublimated with Surface Transportation Programming (STP) planning funding of \$110,000. The environmental department has also added six new grants which include the Burns Waterway Initiative 319, Rooftop Solar Challenge II, Brownfields, Donnelly Foundation, Marina Shoreline, and Lawn to Lakes.

- The Overall 2014 budget has decreased 4.2% from 2013.

Requests for Information

This financial report is designed to provide a general overview of the Northwestern Indiana Regional Planning Commission's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Director of Finance, 6100 Southport Road, Portage, IN 46368 or by email at www.nirpc.org.

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BASIC FINANCIAL STATEMENTS



GOVERNMENT-WIDE FINANCIAL STATEMENTS

**NORTHWESTERN INDIANA REGIONAL PLANNING COMMISSION
STATEMENT OF NET POSITION
DECEMBER 31, 2013**

	GOVERNMENTAL ACTIVITIES
ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents	\$ 818,999
Accounts receivable	587,995
RESTRICTED ASSETS:	
Cash and cash equivalents	1,029,200
Accounts receivable	48,293
Loan receivable	168,092
PREPAID INSURANCE	2,534
CAPITAL ASSETS (net of depreciation)	
Machinery and Equipment	4,286,809
TOTAL ASSETS	6,941,922
LIABILITIES	
ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES	
Payable from restricted assets	49,500
Payable from nonrestricted assets	107,146
UNEARNED REVENUES	699,038
NONCURRENT LIABILITIES	
Amounts due within one year:	
Compensated absences	6,391
Amounts due beyond one year:	
Compensated absences	57,519
Net pension obligation	207,114
TOTAL LIABILITIES	1,126,708
NET POSITION	
INVESTMENT IN CAPITAL ASSETS	4,286,809
RESTRICTED:	
Prepaid Insurance	2,534
Economic Development	493,867
UNRESTRICTED	1,032,004
TOTAL NET POSITION	\$ 5,815,214

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

**NORTHWESTERN INDIANA REGIONAL PLANNING COMMISSION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental Activities				
Planning and Development	\$ 2,978,453	\$ 2,427,426	\$ -	\$ (551,027)
Transit Operating	2,904,493	2,904,493	-	-
Transit Capital	<u>1,172,318</u>	<u>-</u>	<u>1,699,524</u>	<u>527,206</u>
Total Governmental Activities	<u>\$ 7,055,264</u>	<u>\$ 5,331,919</u>	<u>\$ 1,699,524</u>	(23,821)
		General Revenues		
				540,271
				<u>6,738</u>
		Total Revenues		<u>547,009</u>
				523,188
				<u>5,292,026</u>
				<u>\$ 5,815,214</u>

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



FUND FINANCIAL STATEMENTS

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**NORTHWESTERN INDIANA REGIONAL PLANNING COMMISSION
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2013**

	General	LaPorte RLF	Transit Operating	Transit Capital	Total Governmental Funds
ASSETS					
CURRENT ASSETS:					
Cash and cash equivalents	\$ 818,999	\$ -	\$ -	\$ -	\$ 818,999
Accounts receivable	587,995	-	-	-	587,995
RESTRICTED ASSETS:					
Cash and cash equivalents	96,058	330,162	-	602,980	1,029,200
Accounts receivable	48,293	-	-	-	48,293
Loan receivable	-	168,092	-	-	168,092
PREPAID INSURANCE	2,534	-	-	-	2,534
INTERFUND SERVICES PROVIDED RECEIVABLE	3,180	-	-	-	3,180
TOTAL ASSETS	\$ 1,557,059	\$ 498,254	\$ -	\$ 602,980	\$ 2,658,293
LIABILITIES					
ACCOUNTS PAYABLE					
Payable from restricted assets	\$ 48,293	\$ 1,207	\$ -	\$ -	\$ 49,500
Payable from nonrestricted assets	61,959	-	-	-	61,959
PAYROLL AND WITHHOLDINGS PAYABLE	45,187	-	-	-	45,187
INTERFUND SERVICES USED PAYABLE	-	3,180	-	-	3,180
UNEARNED REVENUES	96,058	-	-	602,980	699,038
TOTAL LIABILITIES	251,497	4,387	-	602,980	858,864
FUND BALANCES					
Nonspendable:					
Prepaid Insurance	2,534	-	-	-	2,534
Restricted for:					
Economic Development	-	493,867	-	-	493,867
Unassigned	1,303,028	-	-	-	1,303,028
TOTAL FUND BALANCES	1,305,562	493,867	-	-	1,799,429
TOTAL LIABILITIES & FUND BALANCES	\$ 1,557,059	\$ 498,254	\$ -	\$ 602,980	

Amounts reported for 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 in the funds.	4,286,809
Compensated absences, a form of liability, are not due and payable in the current period and therefore are not reported in the funds.	(63,910)
Net pension obligation, a form of liability, are not due and payable in the current period and therefore are not reported in the funds.	(207,114)

Net position of governmental activities	\$ 5,815,214
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The notes to the financial statements are an integral part of this statement.

**NORTHWESTERN INDIANA REGIONAL PLANNING COMMISSION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	General	LaPorte RLF	Transit Operating	Transit Capital	Total Governmental Funds
REVENUES					
INTERGOVERNMENTAL - COUNTY APPROPRIATIONS	\$ 540,271	\$ -	\$ -	\$ -	\$ 540,271
INTERGOVERNMENTAL - FEDERAL AGENCIES	349,625	-	2,048,109	1,374,096	3,771,830
INTERGOVERNMENTAL - STATE AGENCIES	1,799,925	-	856,384	-	2,656,309
INTERGOVERNMENTAL - LOCAL AGENCIES	224,849	-	-	325,428	550,277
NON-GOVERNMENTAL	57,457	-	-	-	57,457
INTEREST INCOME	2,308	4,430	-	-	6,738
TOTAL REVENUES	2,974,435	4,430	2,904,493	1,699,524	7,582,882
EXPENDITURES					
CURRENT - PLANNING & DEVELOPMENT					
PERSONNEL SERVICES - SALARIES	1,441,682	-	-	-	1,441,682
PERSONNEL SERVICES - FRINGE BENEFITS	603,923	-	-	-	603,923
OTHER SERVICES AND CHARGES	892,363	4,430	2,904,493	-	3,801,286
CAPITAL OUTLAYS	47,789	-	-	1,699,524	1,747,313
TOTAL EXPENDITURES	2,985,757	4,430	2,904,493	1,699,524	7,594,204
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(11,322)	-	-	-	(11,322)
FUND BALANCE - BEGINNING	1,316,884	493,867	-	-	1,810,751
FUND BALANCE - ENDING	\$ 1,305,562	\$ 493,867	\$ -	\$ -	\$ 1,799,429

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

Net change in fund balances - total governmental funds (Statement of Revenues, Expenditures and Changes in Fund Balance) (11,322)

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Expenditures for capital assets	1,690,071	
Less current year depreciation expense	(1,084,266)	
Less reduction in accumulated depreciation related to disposal of assets	(30,810)	574,995

Some expenses reported in the Statement of Activities do not require the use of current financial resources and are therefore not reported as expenditures in governmental funds. This is the amount by which compensated absences decreased in the current period. 11,086

Some expenses reported in the Statement of Activities do not require the use of current financial resources and are therefore not reported as expenditures in governmental funds. This is the amount by which net pension obligation increased in the current period. (51,571)

Change in net position of governmental activities (Statement of Activities): \$ 523,188

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

NORTHWESTERN INDIANA REGIONAL PLANNING COMMISSION
Notes to the Financial Statements
December 31, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Northwestern Indiana Regional Planning Commission have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. A summary of the Commission's more significant accounting policies which have been consistently applied in the preparation of the accompanying financial statements is presented as follows:

A. ORGANIZATION OF THE REPORTING ENTITY

The Northwestern Indiana Regional Planning Commission (Commission) operates as a separate legal entity under provisions of the Indiana Code (Title 36, Article VII, Chapter 7.6). Its primary mission is planning and development coordination in northwestern Indiana, which includes Lake, Porter, and LaPorte Counties. Legislation enacted into law during 2007 changed the composition of the Commission. The governing body of the Commission currently consists of fifty-three members. Members are appointed by the counties, cities and towns within northwestern Indiana according to the provisions of the enabling legislation. Each county makes three appointments; each city and town appoints one member. All members must be elected officials. Members serve until replaced by the appointing authorities, which are typically the chief elected executive officials of the individual cities and towns and specified county officials. The Commission itself cannot remove a member for any reason.

According to state legislation, each of the three counties must make a mandatory appropriation to the Commission in an amount equal to seventy cents per capita. Counties voluntarily may make contributions in excess of this amount. The Commission selects and employs its Executive Director, controls the hiring of its employees and is responsible for its overall fiscal management. No other entity is responsible for the legal obligations of the Commission.

The enabling legislation under which the Commission was established provides for an appointing and funding process that is sufficient to support the conclusion that the Commission is not accountable to any other single unit of government. The Commission is a primary unit; it has no component units.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the Commission. For the most part, the effect of interfund activity has been removed from these statements. Under governmental accounting standards, governmental activities, which normally are supported by taxes and intergovernmental revenues are reported separately from business-type activities which rely to a significant extent of fees and charges for support. The Commission does not have what are normally considered business-type activities.

The Statement of Activities demonstrates the degree to which direct expenses of a given function or segments are offset by program revenues. Direct expenses are clearly identifiable with a specific function or segment. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

The Commission has only governmental type funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Revenues from cost reimbursable grants, contracts or similar agreements are recognized when expenditures are made or as soon as all eligibility requirements imposed by the provider have been met. The Commission occasionally reports unearned revenues that arise when resources are received by the Commission before it has a legal claim to them, such as when grant or contract monies are received prior to the incurrence of qualifying expenditures. In subsequent periods or when the Commission has a legal claim to the resources, the liability for unearned revenues is removed from the combined balance sheet and revenue is recognized.

Governmental fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Federal grants are the major source of revenue and considered available once grant agreements are executed. Revenues are considered to be available when they are collectible in the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Commission considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting.

The Commission has established the following major governmental funds:

General Fund: The general fund is the general operating fund of the Commission. It is used to account for all financial resources not accounted for and reported in another fund. The revenues received support the Commission's general operation as well as specific programs relating to the Commission's primary mission of planning and development coordination.

Special Revenue Funds: Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Special revenue funds are designed to help determine and demonstrate that resources that must be used for a specified purpose are, in fact, used for that purpose. At the core of each special revenue fund must be resources derived from one or more specific revenue sources. The Commission has two special revenue funds:

LaPorte Revolving Loan Fund: This special revenue fund is used to account for the restricted financial resources that are used in conjunction with a revolving loan program which is regulated by the Economic Development Administration. The purpose of the revolving loan program is to foster economic growth and development by providing below market loans to businesses and industries locating or expanding operations within LaPorte County. This special revenue fund is used to issue loans and receipt in the principal and interest payments from those loans. Payments received are distributed as identified in the mandated management plan for the program.

Transit Operating Fund: This special revenue fund is used to account for financial resources that are received from other governmental units and are provided to entities which operate public transportation service within northwestern Indiana.

Capital Projects Fund: Capital project funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital project funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

Transit Capital Fund: This capital projects fund is a governmental type fund which is used to account for the financial resources that are used in the acquisition or purchase of capital equipment

and facilities used for public transit. The acquisition or purchase of operating equipment is accounted for in the general fund.

D. ASSETS, LIABILITIES AND NET POSITION

1. Deposits and Investments

The Commission's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statute (IC 5-13-9) authorizes the 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 government units.

2. Interfund Transactions and Balances

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "interfund receivables/payables (i.e., the current and non-current portion of interfund loans). All other outstanding balances between funds are reported as "interfund services provided/used."

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of the prepaid items is recorded as expenditures/expense when consumed rather than when purchased. The Commission uses the consumption method to recognize the prepaid items.

4. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks and similar items), are reported in the applicable governmental type activities column in the government-wide statements. The Commission does not own real property or infrastructure assets.

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. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the useful life of an asset are not capitalized.

The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) used by the Commission is \$5,000 (amount not rounded) and an estimated useful life in excess of one year. An exception is made with regard to computer and similar equipment where individual components have a lesser value but the combined cost of an operational network is in excess of the capitalization threshold.

The Commission's equipment is depreciated using the straight line method of depreciation based on the following estimated useful lives:

Vehicles	4-12 Years
Office Equipment	4-6 Years
Computer Equipment	3 Years

5. Compensated Absences

It is the Commission's policy to permit employees to accumulate earned but not used vacation and personal leave time. There is no liability for unpaid accumulated personal leave since the Commission does not have a policy to pay any amounts when employees separate from service with the Commission. Vacation pay is accrued when incurred in the government-wide financial statements. Vacation time is earned at the rate of 9-18 days per year based on the number of years of service. A maximum of 30 days may be accrued at the end of any annual reporting period.

6. Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The classifications should depict the nature of the net resources that are reported in a governmental fund. The fund balance classifications are reported as follows: restricted, committed, assigned, nonspendable, and unassigned.

- i. The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- ii. The committed fund balance category includes amounts that can be spent only for the specific purposes determined by a formal action of the Commission's Board.
- iii. The assigned fund balance category includes amounts that are constrained by the Commission's intent to be used for a specific purpose, but are neither restricted nor committed.
- iv. The nonspendable fund balance category includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The not in spendable form criterion includes items that are not expected to be converted to cash for example as inventories and prepaid amounts.
- v. The unassigned fund balance category is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

The Commission has the following fund classifications: restricted, nonspendable, and unassigned.

The Commission considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Commission's policy is to spend the restricted balances first before spending any unrestricted funds. Likewise, committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

For the government-wide financial statements, net position is reported in three separate categories: investment in capital assets, net position—restricted, and net position—unrestricted. The financial statements report \$1,245,585 of restricted assets, of which \$0 is restricted by enabling legislation.

In the Commission's financial statements, restricted assets of \$1,245,585 do not agree with the reported restricted net position of \$493,867. The difference is due to liabilities payable from restricted assets and unearned revenues totaling \$748,538 with a balance of \$3,180 which is the amount of the transfer between funds.

7. Allocated Costs

Under provisions of the U.S. Office of Management and Budget (OMB) Circular A-87, Attachment A, the Commission allocates to each program activity those costs which are “(a) incurred for a common or joint purpose benefiting more than one cost objective, and (b) not readily assignable to the cost objectives specifically benefited, without effort disproportionate to the results achieved”.

There are three categories of costs which are allocated. The first is leave costs which includes the employer's cost of providing vacation, sick, personal, holiday and other leave (jury duty, military and funeral). The second is fringe benefits which includes the employer's cost of providing various types of insurance, retirement benefits and social security taxes. The third is other indirect costs which includes those costs related to general management, finance and accounting, office operation and maintenance, and general clerical and printing functions. It also includes an aggregate amount of depreciation representing the expiration in the service life of capital assets of the general fund consisting primarily of office machines and furniture which is attributable to and charged as an expense during the reporting period.

The vehicle utilized to allocate costs is an indirect cost allocation plan which is prepared at the beginning of each year and establishes allocation rates based on prior experience and anticipated program effort. This plan is prepared by the Commission and is negotiated with the “cognizant federal agency for indirect costs” which for the past several years has been the Federal Highway Administration of the U.S. Department of Transportation working through the Indiana Department of Transportation. Provisional rates are established in this plan, which are used for billing purposes throughout the year. Upon the completion of an independent audit at the end of each year, final allocation rates are established based on actual costs. When actual costs are less than the amounts previously allocated, revenue is reduced and a liability is recognized.

During 2013, the Commission's provisional allocation rates were as follows:

Leave Costs	14% of direct salaries and wages
Fringe Benefits	42% of total direct salaries and wages
Other Indirect Costs	68% of total direct personnel

8. Non-Governmental Accounts

Occasionally the Commission provides contractual services to non-governmental entities primarily not-for-profit agencies. The most common example of this occurs when the Commission acquires transit vehicles for such agencies through its Transit Capital Fund. In this circumstance, as well as other cases where a non-governmental entity provides revenue, it is reported under the heading “non-governmental accounts”.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

Annual budgets for the governmental funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America. These funds include the Commission's general fund, its special revenue funds (the LaPorte Revolving Loan (RLF) Fund, and the Transit Operating Fund) and its one capital projects fund (the Transit Capital Fund). A proposed budget for the ensuing year is submitted to the Commission by the Executive Director. This usually occurs at the fourth quarterly meeting of the Commission which is typically held in October. The Commission may vote to adopt the budget at this meeting, or may call a special meeting to take action on the budget. The budget as adopted by the Commission is organized by object class categories. Major object class categories (which typically include salaries, fringe benefits, occupancy, equipment service and maintenance, departmental, contractual, and capital outlays) represent the legal level of control. Amendments to the adopted budget may be made only by the Commission at any regular meeting of the Commission or at any special meeting of the Commission

called to consider the budget. The Commission has established a Finance and Personnel Committee composed exclusively of Commission members appointed by the Chair. This Committee exercises financial oversight over Commission operations and establishes more detailed accounts. Amounts presented in the financial statements are the final budget amounts for the year, as legally amended. No supplemental budgetary appropriations were made during the year ended December 31, 2013. Encumbrance accounting, under which purchase orders, contracts or other commitments for the expenditure of resources are recorded in order to reserve that portion of a relevant appropriation, is employed as an extension of the Commission's formal budgeting process in the governmental funds. Encumbrances outstanding at year-end are reported as restricted fund balances since they do not constitute expenditures or liabilities. All appropriations lapse at year-end. Outstanding encumbrances at year-end are re-appropriated in the ensuing year. The Commission had no outstanding encumbrances at year-end.

III. DETAILED NOTES ON ALL FUNDS

A. DEPOSITS

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds; and has a principal office or branch that qualifies to receive public funds of the political subdivision. The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories. The Commission does not have a custodial credit risk policy, other than to follow the statutes.

At year end, the Commission's carrying amount of deposits was \$1,848,199.

As of December 31, 2013, the entire amount reported as cash and cash equivalents on the statement of net position and the balance sheet was in the form of demand deposits.

In 2013, the U.S. Department of Commerce, Economic Development Administration, required the Commission to sequester \$120,977.35 as a result of holding excess funds during two or more consecutive reporting periods for the LaPorte Revolving Loan Fund. These funds had to be deposited into a separate interest bearing account with the quarterly interest submitted to EDA. The new bank account was opened at Horizon Bank.

In 2014, the Commission received another request to sequester additional funds in the amount of \$68,128.39. The sequestered funds still belong to the Commission and can be used to make additional loans but approval from the Commission's RLF Administrator at the Economic Development Administration is needed.

B. INVESTMENTS

Authorization for investment activity is stated in Indiana Code 5-13. As of December 31, 2013, the Commission had no investments.

C. INTERFUND SERVICES PROVIDED AND USED

The Commission provides the administrative functions for the LaPorte Revolving Loan Fund (RLF) and in exchange the Commission's General Fund receives an annual interest payment from the revolving loan interest proceeds. The interfund services provided/used balance as of December 31, 2013 is \$3,180.

D. OPERATING LEASES

The Commission leases office facilities, postage equipment, and copier equipment under non-cancelable operating leases. Total costs for such leases were \$251,636 for the year ended December 31, 2013. The future minimum lease payments for these leases are as follows:

Year Ending				
December 31,	Office	Postage	Copiers	Total
2014	\$ 194,277	\$ 1,740	\$ 21,548	\$ 217,565
2015	199,134	1,740	20,760	221,634
2016	204,112	-	20,760	224,872
	<u>\$597,523</u>	<u>\$ 3,480</u>	<u>\$ 63,068</u>	<u>\$ 295,762</u>

E. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2013 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets being depreciated:				
Machinery and Equipment	\$ 7,936,068	\$ 1,690,071	\$ 476,638	\$ 9,149,501
Less accumulated depreciation for:				
Machinery and Equipment	<u>4,224,254</u>	<u>1,084,266</u>	<u>445,828</u>	<u>4,862,692</u>
Total governmental activity				
Capital assets, net	<u>\$ 3,711,814</u>	<u>\$ 605,805</u>	<u>\$ (30,810)</u>	<u>\$ 4,286,809</u>

Depreciation expense was charged to functions/programs of the Commission as follows:

Governmental activities:	
Planning and Development Activities	\$ 30,505
Transit Capital	<u>1,053,761</u>
Total depreciation expense	<u>\$1,084,266</u>

F. LONG-TERM LIABILITIES

Changes in long-term liabilities for the Commission for the year ended December 31, 2013 were as follows:

Changes in Long-Term Liabilities	Balance January 1	Increases	Decreases	Balance December 31	Amounts Due Within One Year	Amounts Due Thereafter
Government activities:						
Compensated absences	\$ 74,996	\$ 12,704	\$ (23,790)	\$ 63,910	\$ 6,391	\$ 57,519
Net pension obligation	<u>155,543</u>	<u>51,571</u>	<u>-</u>	<u>207,114</u>	<u>-</u>	<u>207,114</u>
	<u>\$ 230,539</u>	<u>\$ 64,275</u>	<u>\$ (23,790)</u>	<u>\$ 271,024</u>	<u>\$ 6,391</u>	<u>\$ 264,633</u>

Long term obligations of the Commission include net pension obligations for the Indiana Public Retirement System and compensated absence obligations. The General Fund typically has been used to liquidate any other long-term liabilities.

IV. OTHER INFORMATION

A. RISK MANAGEMENT

The Commission is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; job related illnesses or injuries to employees; medical benefits to employees and dependents, and natural disasters for which the Commission carries commercial insurance from independent third parties. There were no significant reductions in insurance coverage in the prior year. The amounts of settlements have not exceeded insurance coverage for any of the past three fiscal years.

B. CONTINGENT LIABILITIES

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the Commission expects such amounts, if any, to be immaterial.

C. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLAN

1. Plan Description

The Commission contributes to the Public Employees' Retirement Fund (PERF) a defined benefit pension plan, and administered by Indiana Public Retirement System (INPRS). PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. The Indiana Code, Title 5, Articles 10.2 and 10.3, amended only by the Indiana General Assembly, identifies the benefit provisions and establishes the authority under which members and employers are obligated to contribute to the Plan.

All full-time employees are eligible to participate in the defined benefit plan. State statutes (Indiana Code 5-10.2 and 5-10.3) provide the Commission authority to contribute to the plan and govern, through the INPRS Board, most requirements of the system. 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 member contributions, set by state statute at three percent of compensation, plus the interest credited to the member's account. Under state statute, the Commission may elect to make these contributions on behalf of the member. In 2013, the Commission elected to pay one and a half percent of the required employee member contribution.

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
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

2. Funding Policy and Annual Pension Cost

The contribution requirements for plan members of PERF are established and can be amended by the Board of Trustees of INPRS. Commission employees participating in the plan are required to contribute 1.5% of their annual covered salary with the Commission contributing the other 1.5% of employee's annual covered salary. The Commission is required to contribute at an actuarially determined rate; the rate which was contributed during calendar year 2013 was 10.00% of annual covered payroll.

The Commission's annual pension cost and changes in net pension obligation were provided by INPRS, as follows:

Annual Required Contribution	\$ 198,968
Interest on Net Pension Obligation	10,499
Adjustment to Annual Required Contribution	<u>(12,221)</u>
Annual Pension Cost	197,246
Contributions Made	<u>145,675</u>
Increase in Net Pension Obligation	51,571
Net Pension Obligation, 06/30/2012	<u>155,543</u>
Net Pension Obligation, 06/30/2013	<u>\$ 207,114</u>

The following is a summary of actuarial assumptions used by INPRS:

Actuarial Cost Method: Entry Age
 Amortization Method: Level Percentage of Projected Payroll; Closed
 Amortization Period: 30 Years from 07-01-97
 Asset Valuation Method: 4 Year; Smoothed; Market

Other Actuarial Assumptions:

Invested Rate of Return:	6.75%
Projected Future Salary Increases:	
Total	4.00%
Attributed to Inflation	3.00%
Attributed to Cost of Living Increases	1.00%

3. Trend Information

INPRS has provided the Commission with the following three-year trend information pertaining to annual pension costs which is presented on the basis of INPRS's fiscal years ended June 30th:

	<u>Three Year Trend Information</u>			
	<u>Year</u> <u>Ending</u>	<u>Annual</u> <u>Pension Cost</u> <u>(APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
INPRS	06-30-11	\$ 190,327	77%	\$ 111,238
INPRS	06-30-12	\$ 202,646	78%	\$ 155,543
INPRS	06-30-13	\$ 197,246	74%	\$ 207,114

4. Funded Status and Funding Progress

As of June 30, 2013, the most recent actuarial valuation date, the funded status of the plans was as follows:

Actuarial Accrued Liability (AAL)	\$ 2,698,421
Actuarial Value of Plan Assets	<u>\$ 1,203,440</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 1,494,981</u>
Funded Ratio (Actuarial Value of Plan Assets/AAL)	45%
Covered Payroll (Annual Payroll of Active Employees Covered By the Plan)	\$ 1,232,230
UAAL as a Percentage of Covered Payroll	121%

The schedule of funding status and funding progress, presented as RSI for the above plans following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

D. SUBSEQUENT EVENTS

The Commission has been in its present location since 1993. A request for proposals was published with the intent of securing a new lease and possible new location. A committee of Commissioners went through a competitive process and determined the Commission should stay at its present location with a new lease to be negotiated with the landlord. The Commission on April 17, 2014 approved the new lease. The new lease reduces the amount of space being leased which will have a cost savings of \$30,566 in rent with potential additional savings in utilities and building maintenance expenses.



REQUIRED SUPPLEMENTARY INFORMATION



BUDGETARY COMPARISON SCHEDULES

**NORTHWESTERN INDIANA REGIONAL PLANNING COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Grantor	\$ 2,756,145	\$ 2,815,895	\$ 2,418,447	\$ (397,448)
Local	547,271	547,271	540,271	(7,000)
Interest	2,500	2,500	2,308	(192)
Other	<u>41,500</u>	<u>46,175</u>	<u>13,409</u>	<u>(32,766)</u>
Total Revenues	<u>3,347,416</u>	<u>3,411,841</u>	<u>2,974,435</u>	<u>(437,406)</u>
Expenditures:				
Personnel - Salaries	1,505,250	1,495,203	1,441,682	53,521
Personnel - Fringe Benefits	650,123	650,123	603,923	46,200
Occupancy	265,843	265,843	265,334	509
Equipment Service/Maintenance	89,600	89,600	86,593	3,007
Departmental	235,000	256,425	178,830	77,595
Contractual	594,600	602,647	361,606	241,041
Capital Outlays - Equipment & Furniture	<u>7,000</u>	<u>52,000</u>	<u>47,789</u>	<u>4,211</u>
Total Expenditures	<u>3,347,416</u>	<u>3,411,841</u>	<u>2,985,757</u>	<u>426,084</u>
Net Change In Fund Balance	-	-	(11,322)	(11,322)
Fund Balances - Beginning	<u>1,316,884</u>	<u>1,316,884</u>	<u>1,316,884</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 1,316,884</u>	<u>\$ 1,316,884</u>	<u>\$ 1,305,562</u>	<u>\$ (11,322)</u>

The accompanying Note to the Required Supplementary Information is an integral part of the required supplementary information.

**NORTHWESTERN INDIANA REGIONAL PLANNING COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
LAPORTE RLF
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other New Loans	\$ 150,000	\$ 150,000	\$ -	\$ (150,000)
Total Revenues	<u>150,000</u>	<u>150,000</u>	<u>-</u>	<u>(150,000)</u>
Expenditures:				
Other Services and Charges - New Loans	<u>150,000</u>	<u>150,000</u>	<u>-</u>	<u>150,000</u>
Total Expenditures	<u>150,000</u>	<u>150,000</u>	<u>-</u>	<u>150,000</u>
Net Change In Fund Balance	-	-	-	-
Fund Balances - Beginning	<u>493,867</u>	<u>493,867</u>	<u>493,867</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 493,867</u>	<u>\$ 493,867</u>	<u>\$ 493,867</u>	<u>\$ -</u>

The accompanying Note to the Required Supplementary Information is an integral part of the required supplementary information.

**NORTHWESTERN INDIANA REGIONAL PLANNING COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
TRANSIT OPERATING
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Grantor	\$ 5,094,801	\$ 5,094,801	\$ 2,904,493	\$ (2,190,308)
Total Revenues	<u>5,094,801</u>	<u>5,094,801</u>	<u>2,904,493</u>	<u>(2,190,308)</u>
Expenditures:				
Other Services and Charges	<u>5,094,801</u>	<u>5,094,801</u>	<u>2,904,493</u>	<u>2,190,308</u>
Total Expenditures	<u>5,094,801</u>	<u>5,094,801</u>	<u>2,904,493</u>	<u>2,190,308</u>
Net Change In Fund Balance	-	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying Note to the Required Supplementary Information is an integral part of the required supplementary information.

**NORTHWESTERN INDIANA REGIONAL PLANNING COMMISSION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS
 DECEMBER 31, 2013**

Public Employees' Retirement Fund

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability - AAL	Excess of Assets Over (Unfunded) AAL	Funded Ratio	Covered Payroll	Excess/Unfunded AAL as a % of Covered Payroll
6/30/2011	\$ 920,655	\$ 2,465,933	\$(1,545,279)	37%	\$ 1,501,767	103%
6/30/2012	965,679	2,652,285	(1,686,606)	36%	1,347,047	125%
6/30/2013	1,203,440	2,698,421	1,494,981	45%	1,232,230	121%

**NORTHWESTERN INDIANA REGIONAL PLANNING COMMISSION
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2013**

Note 1. Budgets and Budgetary Accounting

The Commission follows these procedures in establishing the budgetary data reflected in the budgetary comparison schedules:

- A. The Commission's annual budget for the governmental funds is adopted on a basis consistent with accounting principles generally accepted in the United States of America.
- B. A proposed budget for the ensuing year is submitted to the Commission by the Executive Director. This usually occurs at the fourth quarterly meeting of the Commission which is typically held in October.
- C. The budget as adopted by the Commission is organized by object class categories. Major object class categories which typically include salaries, fringe benefits, occupancy, equipment service and maintenance, departmental, contractual, and capital outlays represent the legal level of control.
- D. Amendments to the adopted budget may be made only by the Commission at any regular meeting of the Commission or at any special meeting of the Commission called to consider the budget.
- E. The Commission has established a Finance and Personnel Committee composed exclusively of Commission members appointed by the Chair. This Committee exercises financial oversight over Commission operations and establishes more detailed accounts.
- F. Amounts presented in the financial statements are the final budget amounts for the year, as legally amended.

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SUPPLEMENTARY INFORMATION

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**NORTHWESTERN INDIANA REGIONAL PLANNING COMMISSION
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
TRANSIT CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Grantor	\$ 3,096,385	\$ 3,096,385	\$ 1,374,096	\$ (1,722,289)
Local	<u>581,250</u>	<u>581,250</u>	<u>325,428</u>	<u>(255,822)</u>
Total Revenues	<u>3,677,635</u>	<u>3,677,635</u>	<u>1,699,524</u>	<u>(1,978,111)</u>
Expenditures:				
Capital outlays - transit equipment	<u>3,677,635</u>	<u>3,677,635</u>	<u>1,699,524</u>	<u>1,978,111</u>
Total Expenditures	<u>3,677,635</u>	<u>3,677,635</u>	<u>1,699,524</u>	<u>1,978,111</u>
Net Change In Fund Balance	-	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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Statistical

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STATISTICAL SECTION
Table of Contents

This part of the Northwestern Indiana Regional Planning Commission comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents	Pages
Financial Trends	65 - 68
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	
Demographic and Economic Information	71 - 72
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	
Operating Information	75 - 76
<i>These schedules contain service and capital data to help the reader understand how the information in the government's financial report as it relates to the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive financial reports for the relevant year.



FINANCIAL TRENDS

Northwestern Indiana Regional Planning Commission
 Net Position by Component
 Last Ten Fiscal Years
 (accrual basis of accounting)

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental activities										
Net investment in capital assets	\$ 4,286,809	\$ 3,711,814	\$ 4,546,806	\$ 4,712,056	\$ 2,335,894	\$ 2,954,406	\$ 3,732,664	\$ 3,296,844	\$ 2,908,029	\$ 2,435,699
Restricted	496,401	494,508	520,783	-	-	-	-	-	-	-
Unrestricted	1,032,004	1,085,704	1,191,026	1,964,365	1,863,109	1,840,419	1,870,738	1,793,165	1,929,445	1,797,918
Total governmental activities net position	\$ 5,815,214	\$ 5,292,026	\$ 6,258,615	\$ 6,676,421	\$ 4,199,003	\$ 4,794,825	\$ 5,603,402	\$ 5,090,009	\$ 4,837,474	\$ 4,233,617

* Prior to 2011 restricted funds were not reported separately from unrestricted funds.

Northwestern Indiana Regional Planning Commission
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Expenses										
Governmental Activities:										
Planning and Development	\$ 2,978,453	\$ 3,227,570	\$ 3,424,211	\$ 3,318,143	\$ 2,758,597	\$ 3,218,449	\$ 3,445,558	\$ 3,057,184	\$ 2,358,668	\$ 2,284,896
Workforce Development	-	-	-	-	-	-	-	268,113	487,675	719,999
Transit Operating	2,904,493	4,064,024	5,151,766	4,318,720	3,234,228	3,070,455	3,433,634	1,974,463	2,056,515	2,126,408
Transit Capital	1,172,318	1,395,717	1,144,805	1,116,585	334,588	221,375	291,054	34,358	-	-
Total Expenses	<u>\$ 7,055,264</u>	<u>\$ 8,687,311</u>	<u>\$ 9,720,782</u>	<u>\$ 8,753,448</u>	<u>\$ 6,327,413</u>	<u>\$ 6,510,279</u>	<u>\$ 7,170,246</u>	<u>\$ 5,334,118</u>	<u>\$ 4,902,858</u>	<u>\$ 5,131,303</u>
Program Revenues										
Governmental Activities:										
Charges for Services:										
Planning and Development	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,750	\$ 32,494	\$ 32,520
Operating Grants and Contributions	5,331,919	6,636,745	7,887,671	7,271,126	4,913,156	4,964,960	5,627,451	3,898,678	3,660,720	3,952,613
Capital Grants and Contributions	1,699,524	534,323	950,587	3,430,368	282,980	186,228	1,481,473	1,091,499	1,198,555	-
Total Program Revenues	<u>\$ 7,031,443</u>	<u>\$ 7,171,068</u>	<u>\$ 8,838,258</u>	<u>\$ 10,701,494</u>	<u>\$ 5,196,136</u>	<u>\$ 5,151,188</u>	<u>\$ 7,108,924</u>	<u>\$ 5,002,927</u>	<u>\$ 4,891,769</u>	<u>\$ 3,985,133</u>
Net (Expense)/Revenue										
Governmental Activities:										
Total Net (Expense)/Revenue	<u>\$ (23,821)</u>	<u>\$ (1,516,243)</u>	<u>\$ (882,524)</u>	<u>\$ 1,948,046</u>	<u>\$ (1,131,277)</u>	<u>\$ (1,359,091)</u>	<u>\$ (61,322)</u>	<u>\$ (331,191)</u>	<u>\$ (11,089)</u>	<u>\$ (1,146,170)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Unassigned County Contributions	\$ 540,271	\$ 540,271	\$ 519,028	\$ 519,028	\$ 519,028	\$ 519,028	\$ 519,028	\$ 518,931	\$ 585,485	\$ 627,574
Unassigned Interest Income	6,738	9,383	9,653	7,551	14,410	28,445	53,428	61,001	26,485	12,106
Restricted Interest Income	-	-	2,783	2,793	2,017	3,041	2,259	3,794	2,976	-
Total Primary Government	<u>\$ 547,009</u>	<u>\$ 549,654</u>	<u>\$ 531,464</u>	<u>\$ 529,372</u>	<u>\$ 535,455</u>	<u>\$ 550,514</u>	<u>\$ 574,715</u>	<u>\$ 583,726</u>	<u>\$ 614,946</u>	<u>\$ 639,680</u>
Total Change in Net Position	<u>\$ 523,188</u>	<u>\$ (966,589)</u>	<u>\$ (351,060)</u>	<u>\$ 2,477,418</u>	<u>\$ (695,822)</u>	<u>\$ (808,577)</u>	<u>\$ 513,393</u>	<u>\$ 252,535</u>	<u>\$ 603,857</u>	<u>\$ (506,490)</u>

Northwestern Indiana Regional Planning Commission
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Fund										
Nonspendable	\$ 2,534	\$ 641	\$ 26,916	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned	1,303,028	1,316,243	1,373,654	1,558,248	1,460,769	1,402,679	1,352,164	1,267,930	1,352,745	1,220,303
Total General Fund	<u>\$ 1,305,562</u>	<u>\$ 1,316,884</u>	<u>\$ 1,400,570</u>	<u>\$ 1,558,248</u>	<u>\$ 1,460,769</u>	<u>\$ 1,402,679</u>	<u>\$ 1,352,164</u>	<u>\$ 1,267,930</u>	<u>\$ 1,352,745</u>	<u>\$ 1,220,303</u>
All other governmental funds										
Restricted	\$ 493,867	\$ 493,867	\$ 493,867	\$ -	\$ 505,504	\$ 505,504	\$ 583,744	\$ 583,744	\$ 648,356	\$ -
Unassigned	-	-	-	493,866	505,504	505,504	583,744	583,744	648,356	648,356
Total all other governmental funds	<u>\$ 493,867</u>	<u>\$ 493,867</u>	<u>\$ 493,867</u>	<u>\$ 493,866</u>	<u>\$ 505,504</u>	<u>\$ 505,504</u>	<u>\$ 583,744</u>	<u>\$ 583,744</u>	<u>\$ 648,356</u>	<u>\$ 648,356</u>

Northwestern Indiana Regional Planning Commission
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Revenues										
Intergovernmental - County Appropriations	540,271	540,271	519,028	519,028	519,028	519,028	519,028	518,931	585,485	627,574
Intergovernmental - Federal Agencies	3,771,830	4,023,433	5,316,733	6,249,057	3,042,880	2,979,074	3,829,248	2,786,042	2,533,737	1,859,117
Intergovernmental - State Agencies	2,656,309	2,591,311	2,907,273	3,155,464	2,153,224	2,318,640	2,285,161	1,095,744	1,139,091	1,015,869
Intergovernmental - Local Agencies	550,277	464,747	436,951	1,094,581	543,738	585,498	766,448	963,244	1,021,733	977,120
Non-Governmental	57,457	99,103	182,721	209,560	108,662	48,828	234,176	168,153	325,700	141,183
Interest Income	6,738	9,383	12,436	13,728	16,427	31,486	55,687	64,795	29,461	12,106
Total Revenues	\$ 7,582,882	\$ 7,728,248	\$ 9,377,142	\$ 11,241,418	\$ 6,383,959	\$ 6,482,554	\$ 7,689,748	\$ 5,596,909	\$ 5,635,207	\$ 4,632,969
Expenditures										
Current - Planning & Development										
Personnel Services - Salaries	1,441,682	1,476,490	1,594,735	1,645,088	1,436,268	1,494,126	1,358,402	1,448,961	1,522,817	1,487,167
Personnel Services - Fringe Benefits	603,923	638,160	697,320	603,106	520,538	496,176	478,471	473,259	474,132	418,877
Other Services and Charges	3,801,286	5,136,559	6,263,209	5,403,306	4,034,475	4,298,602	4,273,034	2,686,402	2,307,261	2,514,393
Capital Outlays	1,747,313	560,725	979,555	3,504,077	334,588	221,375	1,495,607	1,137,714	1,198,555	1,990
Total Expenditures	\$ 7,594,204	\$ 7,811,934	\$ 9,534,819	\$ 11,155,577	\$ 6,325,869	\$ 6,510,279	\$ 7,605,514	\$ 5,746,336	\$ 5,502,765	\$ 4,422,427
Net Change in Fund Balances	\$ (11,322)	\$ (83,686)	\$ (157,677)	\$ 85,841	\$ 58,090	\$ (27,725)	\$ 84,234	\$ (149,427)	\$ 132,442	\$ 210,542



DEMOGRAPHIC AND ECONOMIC INFORMATION

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Northwestern Indiana Regional Planning Commission
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Median Age (2)	Per Capita Income (2)	Personal Income	Public School Enrollment (3)	Unemployment Rate (4)
2013						
Lake County	491,456	n/a	n/a	n/a	85,268	9.2
Porter County	166,557	n/a	n/a	n/a	28,090	7.4
LaPorte County	111,281	n/a	n/a	n/a	16,894	9.4
2012						
Lake County	493,618	37.7	\$37,460	\$ 18,490,930,280	78,794	9.4
Porter County	165,682	38.8	\$46,907	\$ 7,771,645,574	27,160	7.7
LaPorte County	111,246	39.9	\$33,399	\$ 3,715,505,154	17,492	9.9
2011						
Lake County	495,558	37.5	\$35,677	\$ 17,680,022,766	79,874	9.9
Porter County	165,537	38.4	\$44,746	\$ 7,407,118,602	27,090	7.9
LaPorte County	111,374	39.3	\$32,026	\$ 3,566,863,724	17,884	10.4
2010						
Lake County	495,981	37.2	\$33,966	\$ 16,846,490,646	82,143	11.0
Porter County	164,592	38.0	\$41,252	\$ 6,789,749,184	27,336	8.8
LaPorte County	111,465	39.7	\$30,120	\$ 3,357,325,800	17,662	11.9
2009						
Lake County	494,211	37.3	\$33,354	\$ 16,483,913,694	82,874	10.7
Porter County	163,598	38.4	\$40,162	\$ 6,570,422,876	27,645	9.4
LaPorte County	111,063	38.5	\$29,531	\$ 3,279,801,453	17,730	11.9
2008						
Lake County	493,800	37.3	\$34,377	\$ 16,975,362,600	83,712	6.2
Porter County	162,181	37.9	\$42,841	\$ 6,947,996,221	27,561	4.7
LaPorte County	110,888	38.6	\$30,936	\$ 3,430,431,168	17,879	6.2
2007						
Lake County	492,104	37.3	\$33,340	\$ 16,406,747,360	84,711	5.2
Porter County	160,578	37.9	\$40,996	\$ 6,583,055,688	27,580	3.9
LaPorte County	109,787	38.9	\$29,761	\$ 3,267,370,907	18,151	5.1
2006						
Lake County	494,202	37.1	\$32,042	\$ 15,835,220,484	85,214	5.8
Porter County	160,105	37.1	\$38,963	\$ 6,238,171,115	27,158	4.4
LaPorte County	110,479	38.5	\$28,861	\$ 3,188,534,419	18,149	5.7
2005						
Lake County	487,663	36.7	\$30,298	\$ 14,775,213,574	85,239	6.1
Porter County	154,188	36.7	\$36,455	\$ 5,620,923,540	26,795	4.7
LaPorte County	104,164	38.2	\$27,474	\$ 2,861,801,736	17,631	6.0
2004						
Lake County	485,994	n/a	\$29,208	\$ 14,194,912,752	n/a	6.3
Porter County	153,447	n/a	\$35,253	\$ 5,409,467,091	n/a	4.8
LaPorte County	108,590	n/a	\$26,985	\$ 2,930,301,150	n/a	6.1

- Sources:
1. U.S. Census Bureau, Population Estimates Program
 2. U.S. Census Bureau, American Community Survey 1-Year Estimates
 3. Indiana Department of Education
 4. Bureau of Labor Statistics, Annual Average Unemployment (not seasonally adjusted)

The sources for this information did not make available all information presented. Information unavailable is indicated above by n/a (not available).

Northwestern Indiana Regional Planning Commission
Employment by Industry
Current Year and Nine Years Ago

Industry	2012			2004		
	Employees	Rank	Percentage of Total Region Employment	Employees	Rank	Percentage of Total County/Region Employment
Agriculture, Forestry, Fishing and Hunting	185	19	0.06%	203	20	0.10%
Mining	102	20	0.04%	265	19	0.10%
Utilities	305	18	0.11%	1,577	17	0.50%
Construction	19,956	6	6.98%	18,564	5	6.40%
Manufacturing	41,896	2	14.66%	44,537	1	15.40%
Wholesale Trade	1,994	16	0.70%	8,638	11	3.00%
Retail Trade	36,149	3	12.65%	36,974	3	12.80%
Transportation & Warehousing	11,114	9	3.89%	8,109	12	2.80%
Information	2,665	15	0.93%	3,685	15	1.30%
Finance and Insurance	6,106	13	2.14%	7,283	14	2.50%
Real Estate and Rental and Leasing	3,218	14	1.13%	3,449	16	1.20%
Professional, Scientific, and Technical Services	7,619	12	2.67%	7,828	13	2.70%
Management of Companies and Enterprises	1,916	17	0.67%	1,407	18	0.50%
Admin. & Support & Waste Mgt. & Rem. Services	12,472	7	4.36%	13,729	7	4.80%
Educational Services	26,681	5	9.33%	12,863	8	4.50%
Health Care and Social Services	43,047	1	15.06%	39,685	2	13.70%
Arts, Entertainment, and Recreation	8,240	11	2.88%	10,247	10	3.50%
Accommodation and Food Services	26,696	4	9.34%	23,464	4	8.10%
Other Services (Except Public Administration)	10,604	10	3.71%	10,755	9	3.70%
Public Administration	12,318	8	4.31%	14,558	6	5.00%
Unallocated	0	21	0.00%	8	21	0.00%

Source: Bureau of Labor Statistics - Quarterly Census of Employment and Wages (Annual Average Employment by Industry)

The most current year of information currently available is 2012.



OPERATING INFORMATION

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**Northwestern Indiana Regional Planning Commission
Full-time Equivalent Employees by Function
Last Ten Fiscal Years**

	Full-time Equivalent Employees as of December 31									
Function	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Government	9	9	11	11	11	11	12	13	12	11
Planning	13	13	15	14	13	14	11	10	12	13
Environmental	4	4	4	4	3	3	3	2	3	3
Partner Agency	1	1	1	3	2	2	2	2	2	2
Total Employees	27	27	31	32	29	30	28	27	29	29

Source: Northwestern Indiana Regional Planning Commission, Department of Finance and Personnel

**Northwestern Indiana Regional Planning Commission
Capital Asset Statistics by Function
Last Ten Fiscal Years**

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Government:										
Office Equipment										
Computer Workstations	79	54	55	70	52	50	50	61	44	44
Network Servers	7	7	5	5	4	4	4	4	3	2
Traffic Counters	26	26	26	36	36	20	20	20	20	20
Transit Capital:										
Vehicles	81	77	81	81	68	90	90	95	86	83

Source: Northwestern Indiana Regional Planning Commission, Department of Finance and Personnel



Compliance

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM; ON INTERNAL CONTROL OVER COMPLIANCE;
AND ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE NORTHWESTERN INDIANA REGIONAL PLANNING COMMISSION,
LAKE, PORTER, AND LAPORTE COUNTIES, INDIANA

Report on Compliance for the Major Federal Program

We have audited the Northwestern Indiana Regional Planning Commission's (Commission) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended December 31, 2013. The Commission's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Commission's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Commission's compliance.

Opinion on the Major Federal Program

In our opinion, the Commission complied in all material respects with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2013.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM; ON INTERNAL CONTROL OVER COMPLIANCE;
AND ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY OMB CIRCULAR A-133
(Continued)

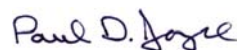
Report on Internal Control Over Compliance

Management of the Commission is responsible for establishing and maintaining effective internal control over compliance with types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Commission's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the Indiana State Board of Accounts and of the office examined.


Paul D. Joyce, CPA
State Examiner

June 4, 2014

**NORTHWESTERN INDIANA REGIONAL PLANNING COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2013**

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF COMMERCE</u>			
Pass-Through Indiana Department of Natural Resources			
Coastal Zone Management Administration Awards	11.419	16-14-61881	\$ 23
Pass-Through Northwest Indiana Regional Development Authority			
Coastal Zone Management Administration Awards	11.419	CZ225	\$ 27,359
Total for federal grantor agency			<u>27,382</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Direct Grant			
Federal Transit Cluster			
Federal Transit Formula Grants	20.507	IN-57-X010	216,847
		IN-90-X567	21,508
		IN-90-X594	50,570
		IN-90-X609	420,208
		IN-90-X633	213,126
		IN-90-X636	1,111,082
		IN-95-X024	124,301
		IN-95-X035	807,288
		IN90-X653	142,728
		IN-90-X546	<u>50,455</u>
Subtotal			<u>3,158,113</u>
ARRA - Federal Transit Formula Grants		IN-96-X017	507,796
		IN-96-X018	<u>105,921</u>
Subtotal			<u>613,717</u>
Total for cluster			<u>3,771,830</u>
Pass-Through Indiana Department of Transportation			
Highway Planning and Construction Cluster			
Highway Planning and Construction	20.205	PL-0012805561	731,539
		PL-0014805082	303,587
Surface Transportation Program		STP-0012805441	53,390
Congestion Mitigation and Air Quality (CMAQ)		CQ-0010807052	<u>395,629</u>
Total for cluster			<u>1,484,145</u>
Pass-Through Indiana Department of Transportation			
Metropolitan Transportation Planning	20.505	5303-0013803302	<u>315,757</u>
Total for federal grantor agency			<u>5,571,732</u>
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>			
Pass-Through University of Illinois			
Great Lakes Program	66.469	2010-07231-04	<u>11,343</u>
Pass-Through The Delta Institute			
Great Lakes Program	66.469	2012	<u>3,988</u>
Total for federal grantor agency			<u>15,331</u>
Total federal awards expended			<u>\$ 5,614,445</u>

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

**NORTHWESTERN INDIANA REGIONAL PLANNING COMMISSION
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 DECEMBER 31, 2013**

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Northwestern Indiana Regional Planning Commission (primary government) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of, the basic financial statements.

Note 2. Subrecipients

Of the federal expenditures presented in the schedule, the primary government provided federal awards to subrecipients as follows for the year ended December 31, 2013:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Federal Transit Formula Grants	20.507	<u>\$ 2,048,109</u>

NORTHWESTERN INDIANA REGIONAL PLANNING COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Noncompliance material to financial statements noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of <i>OMB Circular A-133</i> ?	no

Identification of Major Program:

_____ Name of Federal Program or Cluster _____

Federal Transit Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
Auditee qualified as low-risk auditee?	yes

Section II – Financial Statement Findings

No matters are reportable

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

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