

FILED
07/14/2017



Construction of Southlake Mall



Construction of Twin Towers

Northwestern Indiana Regional Planning Commission

Comprehensive Annual Financial Report



Construction of Lakes of the Four Seasons

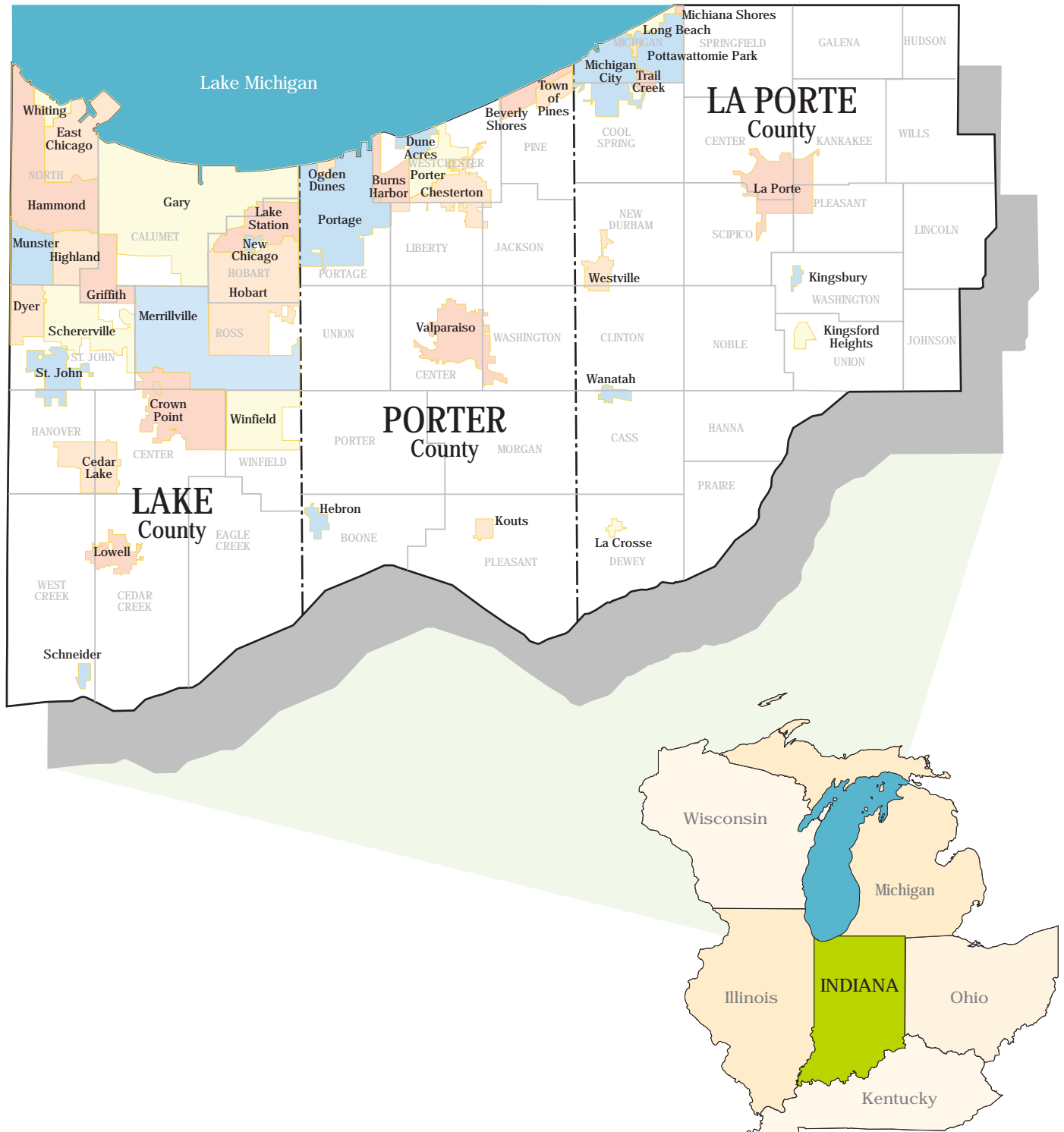


Trail Creek Marina

Fiscal Year Ended
December 31, 2016

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, 2016

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

On the Front Cover:

Construction of Southlake Mall, Hobart, Indiana. Provided by NIRPC Photo Collection

Construction of Twin Towers, Merrillville, Indiana. Provided by NIRPC Photo Collection

Construction of Lakes of the Four Seasons. Provided by NIRPC Photo Collection

Trail Creek Marina, Michigan City, Indiana. Provided by NIRPC Photo Collection

On the Back Cover:

Southlake Mall, Hobart, Indiana. Photo by: Google

Twin Towers, Merrillville, Indiana. Photo by: Stephen Sostaric

Lakes of the Four Seasons. Photo by: Google

Trail Creek Marina, Michigan City, Indiana. Photo by: Google

NORTHWESTERN INDIANA REGIONAL PLANNING COMMISSION
 Comprehensive Annual Financial Report
 For the Fiscal Year Ended December 31, 2016

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Introductory

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May 30, 2017

Honorable Members
Northwestern Indiana Regional Planning Commission

Dear Commissioners:

Formal Transmittal

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the Northwestern Indiana Regional Planning Commission (Commission) for the fiscal year ended December 31, 2016.

This financial report has been prepared in accordance with generally accepted accounting principles 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, 2016, 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 Circulars A-133 and 2 CFR Part 200. 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 agency.

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 state enabling 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 thirty-nine (39) to fifty-one (51) at that time. The new seats included representation from all forty-one (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 fifty-three (53) in number. The Indiana Department of Transportation (INDOT) and a public transit operator representative selected by the operators have the opportunity 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 Fixing America's Surface Transportation Act (FAST Act), the Clean Air Act Amendments of 1990, Title VI of the Civil Rights Act of 1964, and their predecessor acts. The major products of the metropolitan area transportation planning process are a Unified Planning Work Program, a long range plan and a short range plan program of projects. The Commission works with federal and state transportation departments, local municipalities and local transit operators to prioritize and fund regional projects, making the region well-positioned to capitalize on some 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 Technical Planning Committee for approval and ultimately acted upon by the Commission. Projects in the TIP have to support the implementation of the long range transportation element of the comprehensive plan.

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 and unprecedented public participation effort beginning with a regional forum in December, 2008 that attracted over 500 participants from the three-county area. It was the most demographically balanced function of its kind ever held in the three-county 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* placed the Commission in a new role in the region with respect to planning and implementation. The Commission is called upon to assist local governments and regional stakeholders to develop integrated land use and transportation strategies, support economic development efforts, 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 *2040 Plan* planning initiatives suggests a broader role for the Commission in realizing the future aspirations of northwest Indiana. The *2040 Plan* lays the foundation and establishes the program for how the Commission will assist northwest Indiana in realizing its vision.

The *2040 Plan* 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 is named for 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 recognition is accompanied by the National Association of Regional Councils' 2010 and 2012 Outstanding Achievement Awards for the planning process and for the plan respectively; the 2009 Indiana Metropolitan Planning Organization award for Outstanding Public Involvement; and the Indiana Chapter of the APA's awards - in 2010 for Outstanding Community Initiative, in 2012 for Outstanding Plan, and in 2014 for Outstanding Best Practice for the Plan's implementation strategy.

In late 2014, the Commission began the process of preparing an update to the *2040 Plan* called the *2040 Comprehensive Regional Plan Update Companion*. The Commission conducted a series of focused listening sessions throughout the region in the fall of 2014. These sessions included several areas of interest, primarily including public transportation, the environment and freight. The Update Companion was adopted by the Commission in May, 2015. This document provides a snapshot of major planning initiatives undertaken, and changes in regional demographics since the release of the *2040 Plan* in 2011. The Update Companion did not represent a significant overhaul of the planning processes that led to the creation of the *2040 Plan*. The goals, objectives and implementation strategies from the *Plan* remain consistent with the regional vision, and thus no additional work was necessary to revise these. The Update Companion recognized a few new projects that will be included in an updated TIP, including having been analyzed for air quality conformity with clean air standards. Every four years, the MPO planning process undergoes a planning certification review by the Federal Highway Administration and the Federal Transit Administration to assure compliance with federal metropolitan area transportation planning regulations. The Commission's next review is scheduled for July, 2017.

In 2014, the Commission launched its "Creating Livable Centers" program, implementing key goals of the *2040 Plan* 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.

Approved in 2015 and implemented in 2016, the Commission updated its committee structure. Since the Commission is both an MPO and a COG, the new committee structure is defined according to the requirements of these roles. Three committees provide assistance to the Commission under overall function of the COG: the Legislative Committee, the Finance & Personnel Committee and the Local Government Advisory Committee. Under the MPO role, projects will originate in the Transportation Resource & Oversight Committee and then flow to the six topical committees: Environmental Management Policy Committee; Ped, Pedal & Paddle Committee; Land Use Committee; Rail Vision/Freight; Transit Operators Roundtable and the Surface Transportation Committee for recommendation to the Technical Planning Committee (reformulated from the Transportation Policy Committee and Pathway to 2040 Implementation Committee) for final recommendation to the Commission for adoption. The Outreach Committee is born of the Public Participation Plan and works alongside the process of the MPO committees to ensure accountability and transparency.

Inherent within this new structure, the Commission has created an implementation and monitoring process to ensure goals of the *2040 Plan* are inculcated throughout NIRPC's activities and processes. NIRPC's committees include a range of stakeholders who are able to contribute within NIRPC's primary topical areas. This is an innovative structure for a regional planning agency and helps ensure the Commission's decision-making process more transparent and accessible.

The Commission provides several support services to governmental bodies within northwest 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 with complementary paratransit 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 Technical Planning Committee for recommendation 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 September, 2014. The next triennial for the Commission is scheduled for June, 2017.

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-1980s, LaPorte County was awarded the federal revolving loan grant to help stimulate job retention and creation. 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 2015, the loan committee updated the management plan which the Commission adopted by Resolution No. 16-19 in 2016. The Commission funded two new loans in 2015, the first since 2010. With approval from EDA, the Commission funded a third loan in 2016 and a fourth in 2017.

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.

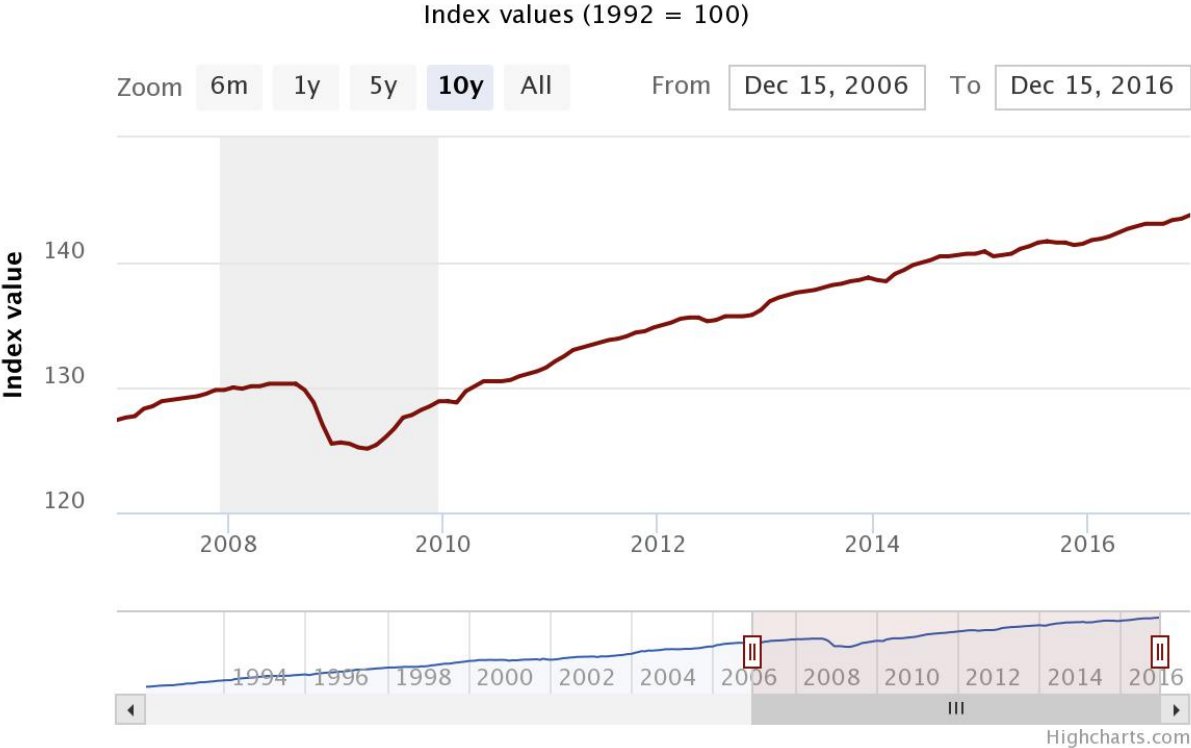
Information Useful in Assessing the Commission's Economic Condition

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 economic model, one steelworker job creates approximately four other jobs as those steelworkers and their families spend their earnings. According to IN Business, March 2016 edition, the Region has seen a decline in steel production, which calls for business leaders to take bold steps to diversify for future economic growth. The article suggests creating infrastructure such as public transit that would better connect northwest Indiana to the high-paying jobs in Chicago.

Indiana University Northwest School of Business and Economics department, led by Dr. Micah Pollak and Dr. Bala Arshanapalli, has published the Coincident Index. The index measures economic activity for northwest Indiana and provides a six month economic forecast. The index created by Indiana University Northwest is modeled after the State and National coincident indices published by the Federal Reserve Bank of Philadelphia. The index variables used to determine the index value are nonfarm payroll employment, average hours worked in manufacturing, the unemployment rate, and wage and salary disbursements deflated by the consumer price index. As indicated in the Coincident Index below the region has seen significant progress in recovering from the 2008 recession. The most current Coincident Index report is expecting moderate growth at a rate of 1% for the next six month period. The index can be found on the school’s website (<http://iun.edu/business/nwi/index.htm>).

Northwest Indiana Coincident Index



Source: Indiana University Northwest (<http://iun.edu/business/nwi/coincident.htm>)

Indiana University Northwest School of Business and Economics department has also published the Northwest Indiana Imputed Gross metropolitan product (GMP). The GMP is a measure of the value of all final goods and services produced within a metropolitan area during a year. GMP is similar to Gross

Domestic Product (GDP), which measures economic output and activity at the national level. In the fourth quarter of 2016, the annual estimate of Northwest Indiana's Gross Metropolitan Product (GMP) was equal to **\$29.59 billion**. This places the relative size of Northwest Indiana's Economy at **8.6%** of the State of Indiana's economy and **4.6%** of the economy of the Chicago Metropolitan Area. GMP per capita was equal to **\$41,683/person**. When adjusting for inflation, real GMP for Northwest Indiana fell by 0.5% and real GMP per capita fell by \$614 per person (-1.5%) compared to one year ago.

**Snapshot of 2016 Northwest Indiana
Nominal Gross Metropolitan Product**

	Level	12-month growth
Nominal GMP	\$29.44 billion	\$450 million (+1.55%)
GMP per capita	\$41,683/person	\$233 (+0.56%)

Source: Indiana University Northwest (<http://iun.edu/business/nwi/GMP.htm>)

Formation of the EDD

To assist the three county region of Lake, Porter, and LaPorte 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 (NWIEDD) as a Not-For-Profit Corporation in 2009. In 2014, the NWIEDD changed bylaws to become an autonomous self-appointing board. In December of 2015 the NWIEDD submitted its request for designation of district status that meets the Economic Development Administration (EDA) requirements noted in 13 CFR part 304 to the Economic Development Administration. District status would make the NWIEDD as well as applicants within the three county jurisdiction eligible to receive grant funds in order to implement the Comprehensive Economic Development Strategy (CEDS) projects. Currently the NWIEDD maintains and implements the 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 the CEDS is designed to 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.

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 2016 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, 2015. 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, Stephen Sostaric and Meredith Stilwell. 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 Sara Prybylla, Lauryn Alyea and Martha Harper, for the timely and thorough completion of the independent audit report and for their special effort in the development of the 2016 Commission CAFR.

Sincerely,



Angie Hayes
Chief Financial Officer



Ty Warner AICP
Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
for Financial
Reporting

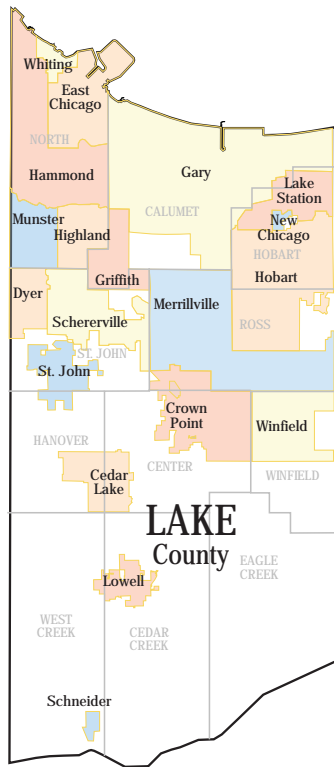
Presented to

Northwestern Indiana Regional
Planning Commission

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO



2016
COMMISSION BOARD
FROM

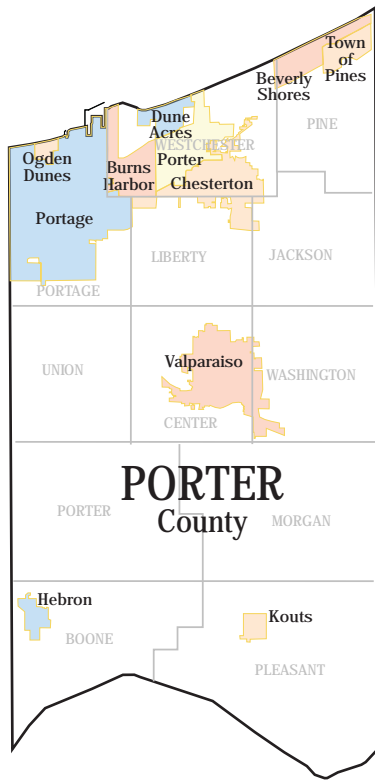
Lake County

APPOINTING AUTHORITY

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

MEMBER

Robert Carnahan
 Jeff Dekker
 Rick Ryfa
 Michael Griffin, Vice Chairperson
 Kyle W. Allen, Sr.
 Christine Cid
 Bill Emerson, Jr.
 Christopher Anderson
 Will Farrellberg
 David Uran
 Anthony Copeland, Executive Board
 Karen Freeman-Wilson
 Thomas M. McDermott, Jr., Executive Board
 Brian Snedecor
 Joseph M. Stahura
 Richard Hardaway
 Dave Shafer
 Lori Reno
 Tom Schmitt
 Jack Jerald
 Michael Forbes
 Dave Anderson



2016
COMMISSION BOARD
FROM

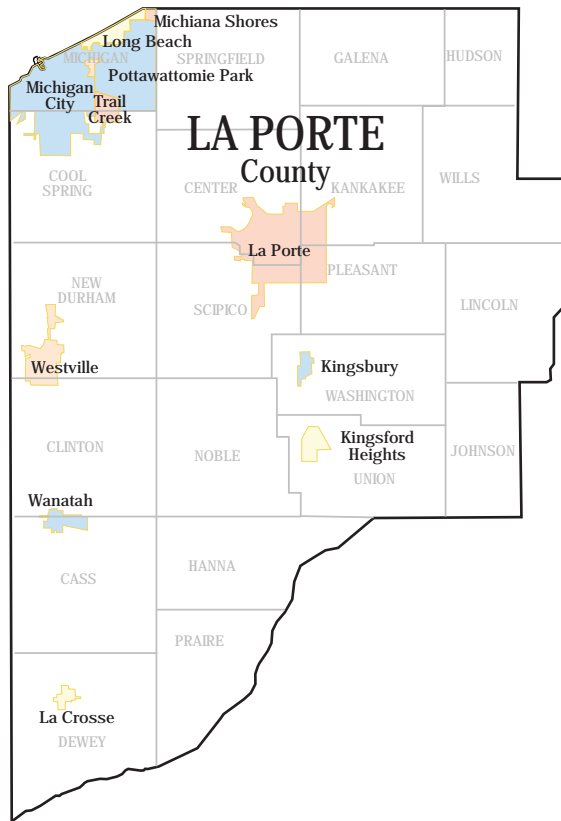
Porter County

APPOINTING AUTHORITY

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

MEMBER

Geof Benson, Secretary
 Eric Hull
 Jim Ton, Chairperson
 Jeannette Bapst
 Fred Siminski
 Nicole Markovich
 James Snyder
 H. Jonathan Costas
 Kathryn Kniola
 Vacant
 Jeff Good
 Sylvia Graham
 Kevin Breitzke, Executive Board
 Greg Stinson, Executive Board
 Edward Morales
 George H. Topoll



2016
COMMISSION BOARD
FROM

LaPorte County

APPOINTING AUTHORITY

MEMBER

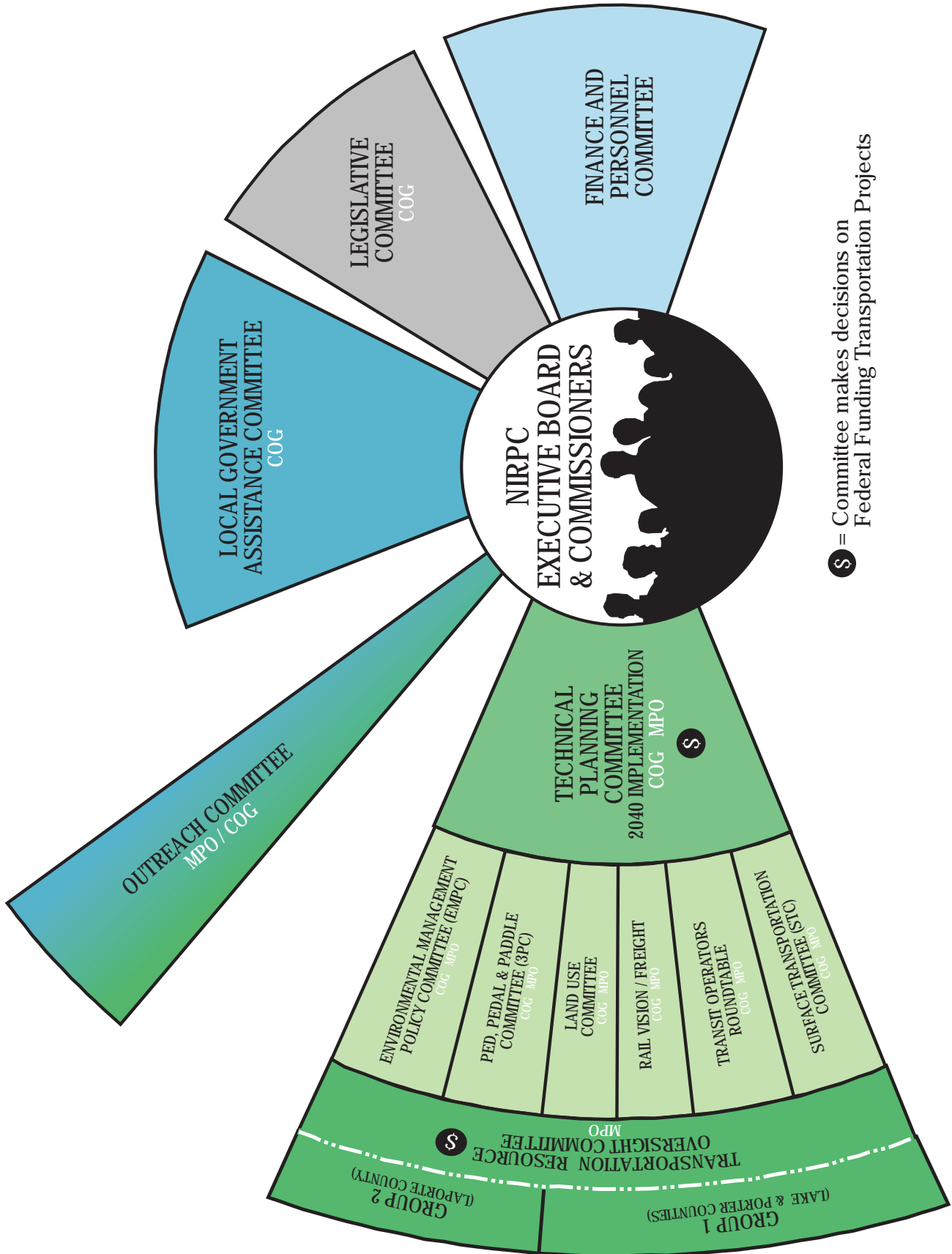
Kingsbury Town Council
Kingsford Heights Clerk-Treasurer
LaCrosse Town Council
LaPorte County Commissioners
LaPorte County Council
LaPorte County Surveyor
Long Beach Town Council
Mayor of La Porte
Mayor of Michigan City
Michiana Shores Town Council
Pottawattomie Park Town Council
Trail Creek Town Council
Wanatah Town Council
Westville Town Council

Mark Ritter
Patty Arnett
Justin Kiel
Dave Decker, Executive Board
Cary Kirkham
Anthony Hendricks
Nick Meyer
Blair Milo, Executive Board
Ron Meer
Jean Poulard
Roger Miller
John Bayler
Diane Noll, Treasurer
Thomas Fath

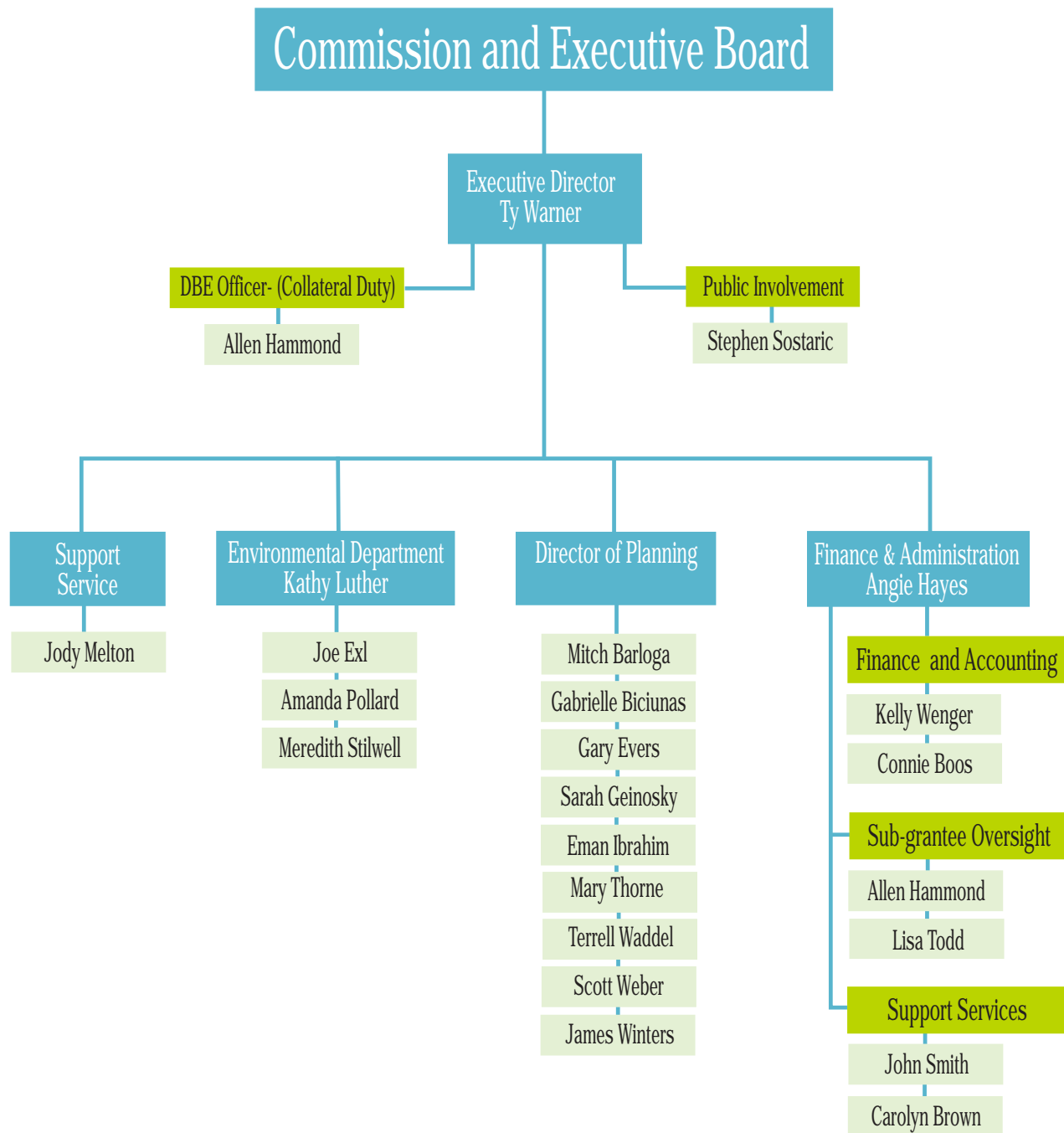
Governor of Indiana Appointee

Ed Soliday, Executive Board

Commission Organizational Chart



COMMISSION STAFF ORGANIZATIONAL CHART



Financial

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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, 2016, 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Commission'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 also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Commission, as of December 31, 2016, 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 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, the Introductory and Statistical Sections, and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not required parts of the basic financial statements.


The Budgetary Comparison Schedule - Transit Capital and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate 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 and the Schedule of Expenditures of Federal Awards are 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 it.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2017, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.


Paul D. Joyce, CPA
State Examiner

May 30, 2017

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MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

The Commission offers readers this narrative overview and analysis of the financial activities for the fiscal year ended December 31, 2016. Readers are encouraged to consider this information in conjunction with additional information furnished in the basic financial statements and notes to the financial statements to enhance 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 \$4,271,844 (net position). Of this amount, \$461,106 (unrestricted net position) may be used to meet the Commission's ongoing obligations to citizens and creditors.
- 100% of the Commission's general fund balance, \$1,419,953, 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.

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 exceed liabilities by \$4,271,844 at the year ending December 31, 2016.

The Commission's Net Position

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

Northwestern Indiana Regional Planning Commission		
Statement of Net Position		
	2016	2015
Current and Other Assets	\$ 2,852,335	\$ 2,706,384
Capital Assets	<u>3,308,757</u>	<u>3,167,949</u>
Total Assets	\$ 6,161,092	\$ 5,874,333
Deferred Outflows of Resources	\$ 495,096	\$ 440,529
Long-term Liabilities	1,355,733	1,170,951
Other Liabilities	<u>939,439</u>	<u>827,184</u>
Total Liabilities	\$ 2,295,172	\$ 1,998,135
Deferred Inflows of Resources	\$ 89,172	\$ 105,659
Net Position:		
Investment in Capital Assets	3,308,757	3,167,949
Restricted	501,980	495,847
Unrestricted	<u>461,106</u>	<u>547,272</u>
Total Net Position	<u>\$ 4,271,844</u>	<u>\$ 4,211,068</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	2016	2015
Program Revenues:		
Operating Grants and Contributions	\$ 5,602,038	\$ 5,280,329
Capital Grants and Contributions	1,256,803	1,154,881
General Revenues:		
County Contributions not restricted to specific purposes	540,271	540,271
Unassigned Interest Income	11,935	5,790
Total Revenues	<u>\$ 7,411,047</u>	<u>\$ 6,981,271</u>
EXPENSES		
Planning and Development	3,188,387	3,131,609
Transit Operating	3,011,314	2,739,753
Transit Capital	1,150,265	1,231,002
Total Expenses	<u>\$ 7,349,966</u>	<u>\$ 7,102,364</u>
Changes in net position	61,081	(121,093)
Net Position - Beginning, Restated	<u>4,210,763</u>	<u>4,332,161</u>
Net Position - Ending	<u>\$ 4,271,844</u>	<u>\$ 4,211,068</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 77% 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 capital assets 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 compensated absences and net pension obligation.

The Commission's net position increased by \$61,081 during the current fiscal year due to increases in capital assets and interest income.

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 \$1,921,934, an increase of \$34,532 in comparison with the prior year. 74% of this total amount, \$1,419,953, constitutes unassigned fund balance which is available for

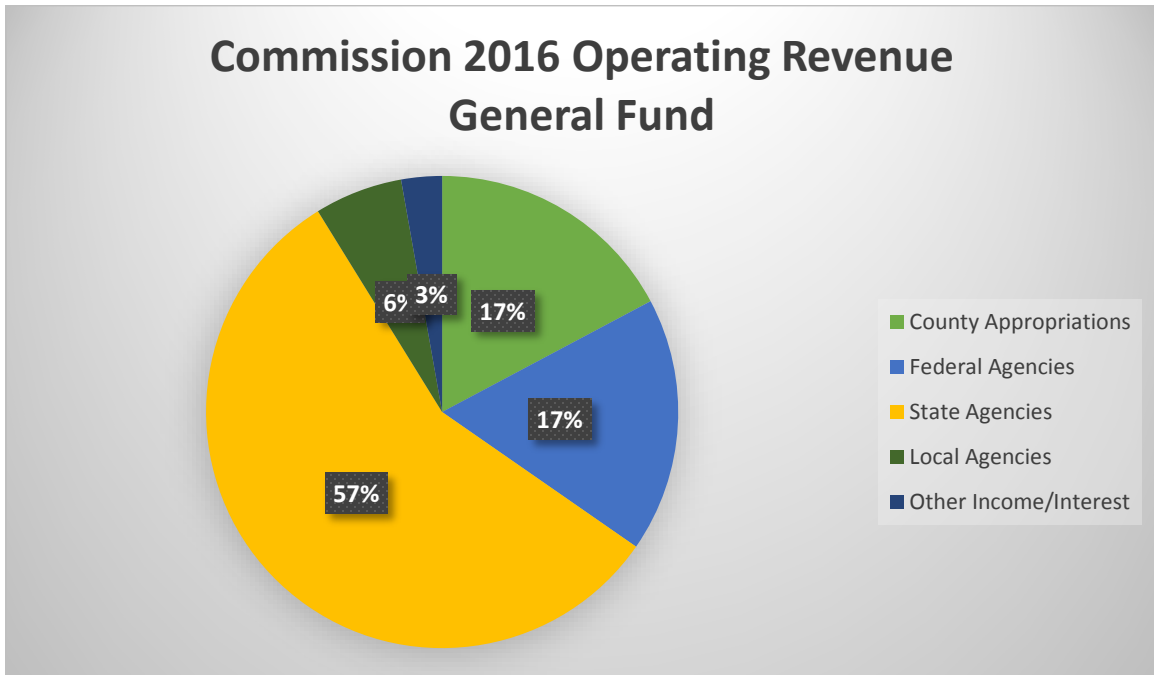
spending at the government's discretion. The remainder of the fund balance, \$501,981 is not available for spending because it has been restricted for economic development.

The general fund is the chief operating fund of the Commission. At the end of the current fiscal year, the unassigned fund balance amount of \$1,419,953 is in the Commission's general fund. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures.

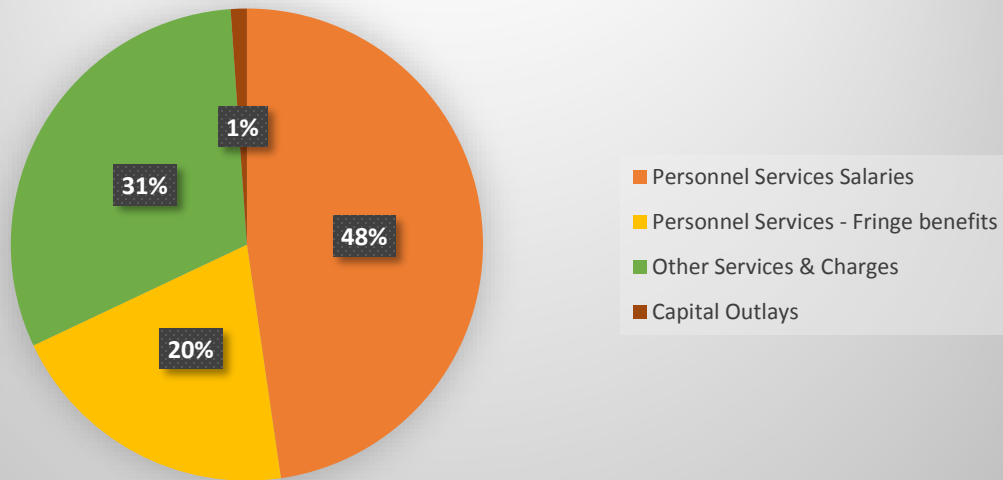
The fund balance of the Commission's general fund increased by \$28,400 during the current fiscal year. Key factors in this increase are as follows:

The indirect costs were within budget based on the allocation rate of 85% in the 2016 Cost Allocation Plan. Additionally, more direct salaries were charged to grants than to indirect salaries which increased the amount reimbursed for indirect costs.

The charts below note the sources of the Commission's general fund operating revenues and operating expenses.



Commission 2016 Operating Expenses General Fund



The LaPorte revolving loan fund accounts for the revolving loan program activities. The fund balance increased for 2016 due to closing cost and loan interest revenues. One loan was paid off by the borrower, Millstone Mills, Inc. A new loan for Wilson's Barbershop and Shave Parlor was closed in 2016 and was paid from sequestered funds with permission from the U.S. Department of Commerce, Economic Development Administration. For 2016, there was no requirement to sequester any additional funds. The fund had no delinquent loan write-offs in 2016.

The transit operating fund is used to account for the reimbursement of operation expenses for subrecipients 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 2015 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 2015 balance.

Budgetary Highlights

General Fund

The Commission's general fund is budgeted annually for general operating expenses. During the year, there were no significant variations between both the original general fund budget and the final amended budget and the actual results.

Capital Assets

The Commission's investment in capital assets for its governmental activities as of December 31, 2016, amounts to \$3,308,757 (net of accumulated depreciation). This investment in capital assets includes intangibles, 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 \$140,808. A detailed note of these capital assets can be found in the Notes to the Financial Statements (Note III D).

There were no major capital asset events during the current fiscal year.

Capital Assets		
	2016	2015
Intangible Assets	\$ 10,828	\$ 10,828
Total Intangible Assets	<u>10,828</u>	<u>10,828</u>
Capital Assets Net of Depreciation		
Vehicle	3,189,755	2,996,127
Transit machinery	97,759	160,994
Office and computer equipment	<u>10,415</u>	<u>-</u>
Total Capital Assets		
Net of Depreciation	<u>\$ 3,297,929</u>	<u>\$ 3,157,121</u>
Total Capital Assets	<u>\$ 3,308,757</u>	<u>\$ 3,167,949</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 general fund budget for the 2017 fiscal year.

- There was an overall reduction in salaries and personnel services fringe benefit expenditures. In 2016, the Commission experienced the retirement of three long-term employees.
- The 2017 budgeted cost for health insurance was kept at the same level as 2016. The insurance plan was restructured to accommodate the budget. The Commission pays 85% and employees pay 15% of actual health insurance costs.
- The 2017 General Fund budget decreased 1.1% from 2016.

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 nirpc@nirpc.org.

Basic Financial Statements

Government-Wide Financial Statements

**NORTHWESTERN INDIANA REGIONAL PLANNING COMMISSION
STATEMENT OF NET POSITION
DECEMBER 31, 2016**

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and cash equivalents	\$ 746,305
Accounts receivable	853,724
RESTRICTED ASSETS:	
Cash and cash equivalents	879,114
Accounts receivable	59,733
Loan receivable	313,459
CAPITAL ASSETS AND INTANGIBLE ASSETS	
Intangible Non-Depreciable	10,828
Machinery and Equipment, Net of Depreciation	3,297,929
TOTAL ASSETS	6,161,092
DEFERRED OUTFLOWS OF RESOURCES	
Deferred pension	495,096
TOTAL DEFERRED OUTFLOWS OF RESOURCES	495,096
LIABILITIES	
ACCOUNTS PAYABLE	
Payable from restricted assets	70,601
Payable from nonrestricted assets	180,076
UNEARNED REVENUES	679,724
NONCURRENT LIABILITIES	
Amounts due within one year:	
Compensated absences	9,038
Amounts due beyond one year:	
Compensated absences	81,338
Net pension liability	1,274,395
TOTAL LIABILITIES	2,295,172
DEFERRED INFLOWS OF RESOURCES	
Deferred pension	89,172
TOTAL DEFERRED INFLOWS OF RESOURCES	89,172
NET POSITION	
INVESTMENT IN CAPITAL ASSETS	3,308,757
RESTRICTED:	
Economic Development	501,981
UNRESTRICTED	461,106
TOTAL NET POSITION	\$ 4,271,844

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, 2016**

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	\$ 3,188,387	\$ 2,590,724	\$ -	\$ (597,663)
Transit Operating	3,011,314	3,011,314	-	-
Transit Capital	1,150,265	-	1,256,803	106,538
Total Governmental Activities	\$ 7,349,966	\$ 5,602,038	\$ 1,256,803	(491,125)
		General Revenues		
				540,271
				11,935
		Total Revenues		552,206
				61,081
				4,211,068
				(305)
				4,210,763
				\$ 4,271,844

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, 2016**

	General	LaPorte RLF	Transit Operating	Transit Capital	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 746,305	\$ -	\$ -	\$ -	\$ 746,305
Accounts receivable	853,724	-	-	-	853,724
RESTRICTED ASSETS:					
Cash and cash equivalents	210,346	188,522	-	480,246	879,114
Accounts receivable	-	-	-	59,733	59,733
Loan receivable	-	313,459	-	-	313,459
TOTAL ASSETS	\$ 1,810,375	\$ 501,981	\$ -	\$ 539,979	\$ 2,852,335
LIABILITIES					
ACCOUNTS PAYABLE					
Payable from restricted assets	\$ 6,235	\$ -	\$ -	\$ 64,366	\$ 70,601
Payable from nonrestricted assets	89,951	-	-	-	89,951
PAYROLL AND WITHHOLDINGS PAYABLE	90,125	-	-	-	90,125
UNEARNED REVENUES	204,111	-	-	475,613	679,724
TOTAL LIABILITIES	390,422	-	-	539,979	930,401
FUND BALANCES					
Restricted for:					
Economic Development	-	501,981	-	-	501,981
Unassigned	1,419,953	-	-	-	1,419,953
TOTAL FUND BALANCES	1,419,953	501,981	-	-	1,921,934
 TOTAL LIABILITIES & FUND BALANCES	\$ 1,810,375	\$ 501,981	\$ -	\$ 539,979	

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.

Machinery and Equipment, Net of Depreciation	3,297,929
Intangible Non-Depreciable	10,828
Total Capital Assets	3,308,757

Compensated absences, a form of liability, are not due and payable in the current period and therefore are not reported in the funds. (90,376)

Deferred outflows and inflows related to pension obligations are included in the governmental activities in the statement of net position. 405,924

Net pension obligation, a form of liability, are not due and payable in the current period and therefore are not reported in the funds. (1,274,395)

Net position of governmental activities **\$ 4,271,844**

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, 2016**

	General	LaPorte RLF	Transit Operating	Transit Capital	Total Governmental Funds
REVENUES					
INTERGOVERNMENTAL - COUNTY APPROPRIATIONS	\$ 540,271	\$ -	\$ -	\$ -	\$ 540,271
INTERGOVERNMENTAL - FEDERAL AGENCIES	546,907	-	2,487,921	1,053,313	4,088,141
INTERGOVERNMENTAL - STATE AGENCIES	1,773,021	-	523,393	-	2,296,414
INTERGOVERNMENTAL - LOCAL AGENCIES	189,138	-	-	111,900	301,038
NON-GOVERNMENTAL	85,268	-	-	91,590	176,858
INTEREST INCOME	2,193	9,742	-	-	11,935
TOTAL REVENUES	3,136,798	9,742	3,011,314	1,256,803	7,414,657
EXPENDITURES					
CURRENT - PLANNING & DEVELOPMENT					
PERSONNEL SERVICES - SALARIES	1,482,669	-	-	-	1,482,669
PERSONNEL SERVICES - FRINGE BENEFITS	630,384	-	-	-	630,384
OTHER SERVICES AND CHARGES	961,075	3,610	3,011,314	-	3,975,999
CAPITAL OUTLAYS	34,270	-	-	1,256,803	1,291,073
TOTAL EXPENDITURES	3,108,398	3,610	3,011,314	1,256,803	7,380,125
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	28,400	6,132	-	-	34,532
FUND BALANCE - BEGINNING	1,391,553	495,849	-	-	1,887,402
FUND BALANCE - ENDING	\$ 1,419,953	\$ 501,981	\$ -	\$ -	\$ 1,921,934

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)	34,532
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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 depreciation exceeded capital outlays in the current period.

Expenditures for capital assets	1,209,192	
Less current year depreciation expense	(1,049,825)	
Less reduction in accumulated depreciation related to disposal of assets	(18,559)	140,808

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 increased in the current period. (5,307)

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 liability increased in the current period.

	2015	2016	
Increase in deferred pension liability	\$ 1,094,389	\$ (1,274,395)	(180,006)
Net deferred outflows of resources for deferred pension	(440,529)	(495,096)	54,567
Deferred inflows of resources for deferred pension	105,659	(89,172)	16,487
			<u>(108,952)</u>

Change in net position of governmental activities (Statement of Activities):	<u>\$ 61,081</u>
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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, 2016

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 activities of the Commission. 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 on 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. 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.

Statement No. 51 of the Governmental Accounting Standards Board (GASB), Accounting and Financial Reporting for Intangible Assets requires that intangible assets be classified as capital assets. For example, licensed financial accounting software that the government modifies to add special reporting capabilities would be considered internally generated software and is therefore an intangible asset. An intangible asset should be depreciated over the estimated useful life unless the intangible asset has an indefinite useful life. The Commission now owns an intangible asset.

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. Computer and similar equipment that does not meet the threshold and useful life test, is not depreciated but maintained as an inventory item.

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

3. 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 9-20 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.

4. 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 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 \$1,252,306 of restricted assets, of which \$0 is restricted by enabling legislation.

In the Commission's financial statements, restricted assets of \$1,252,306 do not agree with the reported restricted net position of \$501,981. The difference is due to liabilities payable from restricted assets and unearned revenues totaling \$750,325.

5. Allocated Costs

Under provisions of the U.S. Office of Management and Budget (OMB) Circular 2 CFR Part 200, 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 two categories of costs which are allocated. The first is fringe benefits which includes the employer's cost of providing paid time off such as vacation, sick, personal, holiday, other leave (jury duty, military and funeral) and various types of insurance, retirement benefits, and social security taxes. The second is indirect costs, which includes those costs related to general management, finance and accounting, office operation and maintenance, and support services.

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. Allocated 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 2016, the Commission's allocation rates were as follows:

Fringe Benefits	93% of total direct salaries and wages
Other Indirect Costs	85% of total direct personnel

6. 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, 2016. 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 \$1,625,419.

As of December 31, 2016, 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.

B. INVESTMENTS

Authorization for investment activity is stated in Indiana Code 5-13. As of December 31, 2016, the Commission had no investments.

C. OPERATING LEASES

The Commission leases office facilities, postage equipment, and copier equipment under non-cancelable operating leases. Total costs for such leases were \$238,867 for the year ended December 31, 2016. The future minimum lease payments for these leases are as follows:

<u>December 31,</u>	<u>Office</u>	<u>Copiers</u>	<u>Phones</u>	<u>Total</u>
2017	209,215	20,655	2,085	231,955
2018	214,446	20,655	-	235,101
2019	219,807	12,049	-	231,856
	<u>\$643,468</u>	<u>\$ 53,359</u>	<u>\$2,085</u>	<u>\$ 698,912</u>

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2016 was as follows:

	Beginning			Ending
Governmental activities:	Balance	Increases	Decreases	Balance
Capital assets not being depreciated:				
Intangibles	\$ 10,828	\$ -	\$ -	\$ 10,828
Total capital assets not being depreciated	10,828	-	-	10,828
Capital assets being depreciated:				
Machinery and Equipment	9,110,842	1,209,192	1,214,945	9,105,089
Less accumulated depreciation for:				
Machinery and Equipment	5,953,721	1,049,825	1,196,386	5,807,160
Net capital assets being depreciated	3,157,121	159,367	18,559	3,297,929
Total governmental activity				
Capital assets, net	\$ 3,167,949	\$ 140,808	\$ -	\$ 3,308,757

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

Governmental activities:	
Planning and Development Activities	\$ 1,376
Transit Capital	1,048,449
Total depreciation expense	<u>\$1,049,825</u>

E. LONG-TERM LIABILITIES

Changes in long-term liabilities for the Commission for the year ended December 31, 2016 were as follows:

Changes in Long-Term Liabilities	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year	Amounts Due Thereafter
Government activities:						
Compensated absences	\$ 85,069	\$ 25,477	\$ (20,170)	\$ 90,376	\$ 9,038	\$ 81,338
Net pension liability	\$ 1,094,389	\$ 180,006	\$ -	\$ 1,274,395	\$ -	\$ 1,274,395

The General Fund typically has been used to liquidate any long-term liabilities.

F. PRIOR PERIOD ADJUSTMENT

For the fiscal year ended December 31, 2015, certain changes have been made to the financial statement to more appropriately reflect financial activity. The prior period adjustment reflects the

correction from an overstatement of both the expenses and payable accounts for the general fund in the amount of \$305. The prior period adjustment is reflected in the Statement of Activities.

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. COST-SHARING MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN - PUBLIC EMPLOYEES' RETIREMENT FUND

Plan Description

The Public Employees' Retirement Fund (PERF) provides pensions for all full-time Commission employees. The plan is a cost-sharing multiple-employer defined benefit plan administered by the Indiana Public Retirement System (INPRS). The pension system issues a publicly available financial report that can be obtained at www.inprs.in.gov

Benefits Provided

The plan provides retirement, disability and survivor benefits. The Indiana Code, Title 5, Articles 10.2 and 10.3, as amended only by the Indiana General Assembly, identifies the benefit provisions and establishes the authority under which employees and employers are obligated to contribute to the plan.

Retirement benefits for employees are calculated as years of credible service times the average highest 20 quarters of salary times 1.1% plus the employee's Annuity Savings Account. Normal retirement age is 60 with early retirement at 50-59 with 15 years of service. Vesting period is 10 years. An employee who leaves service may withdraw his or her Annuity Savings Account contributions, plus any accumulated interest.

Benefit terms provide for annual cost of living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. The annual adjustments are granted by the Indiana General Assembly on an ad hoc basis.

Contributions

Per Indiana Code Title 5, Articles 10.2 and 10.3, contributions requirements of active employees and the participating employers are established and may be amended by the INPRS Board based on recommendations by the INPRS actuary. Employees are required to contribute three percent of their annual covered salary. The employer is required to contribute at an actuarially determined rate; the current rate for the calendar year 2016 is 11.20% percent of annual covered payroll. The annuity savings account consists of employee contributions, set by state statute at

three percent of compensation, plus the interest credited to the employee's account. The employer may elect to make the contributions on behalf of the employee. In 2015, the Commission elected to pay the entire required employee contribution. The actuarial amount, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the PERF plan from the Commission were \$187,894 for the calendar year ended December 31, 2016.

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2016, the Commission reported a liability of \$1,274,395 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Commission's proportion of the net pension liability was based on a projection of the Commission's long-term share of contributions to the pension plan relative to the projected contributions of all participating units, actuarially determined. At June 30, 2016, the Commission's proportion was .0002808 percent, which was an increase of .0000121 from its proportion measured as of June 30, 2015. For the year ended December 31, 2016, the Commission recognized pension expense of \$190,000. At December 31, 2016, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 28,551	\$ 2,352
Net difference between projected and actual investment earnings on pension plan investments	280,298	71,705
Change of assumptions	56,227	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	38,513	15,115
Commission contributions subsequent to the measurement date	91,507	-
Totals	<u>\$ 495,096</u>	<u>\$ 89,172</u>

\$91,507 reported as deferred outflows of resources related to pensions resulting from Commission contribution subsequent to the measurement date will be recognized as deferred outflows in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Year Ended December 31,
2017	\$ 119,603
2018	77,993
2019	82,904
2020	33,917
2021	-
Thereafter	-
Total	<u>\$ 314,417</u>

Actuarial Assumptions

The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	2.50% to 4.25% including inflation
Investment rate of return	6.75% net of pension plan investment expense, including inflation
Mortality rates	RP-2014 Total Data Set Mortality tables projected on a fully generational basis using the future mortality improvement scale inherent in the mortality projection included in the Social Security Administration's 2014 Trustee Report

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the four years ended June 30, 2015. The Study was performed in April 2015. As a result of the study inflation decreased from 3.00% to 2.25%, future salary rates decreased from a table range of 3.25% to 4.50% to a table ranging from 2.50% to 4.25%. The mortality rates changed from the 2013 IRS Static Mortality projected five years with Scale AA to the process referenced above. Each of these assumption changes were made to more closely reflect actual experience.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return as of June 30, 2016 for each major asset class are summarized in the following table.

	<u>Global Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
	Public Equity	22.0%	5.7%
	Private Equity	10.0%	6.2%
	Fixed income - Ex inflation - linked	24.0%	2.7%
	Fixed income - Inflation - Linked	7.0%	0.7%
	Commodities	8.0%	2.0%
	Real Estate	7.0%	2.7%
	Absolute Return	10.0%	4.0%
	Risk Parity	12.0%	5.0%

Discount Rate

The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from units will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Commission's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Commission's proportional share of the net pension liability calculated using the discount rate of 6.75 percent, as well as what the Commission's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1- percentage-point lower (5.75 percent) or 1-percentage point higher (7.75 percent) than the current rate:

	<u>5.75%</u>	<u>6.75%</u>	<u>7.75%</u>
	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
	\$ 1,830,333	\$ 1,274,395	\$ 812,327

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued INPRS Comprehensive Annual Financial Report (CAFR) and Actuarial Valuations. These reports can be found at:

<http://www.in.gov/inprs/files/2016INPRSCAFRBook.pdf>

<http://www.in.gov/inprs/files/2016PERFActuarialReport.pdf>

The plan's fiduciary net position has been determined on the same basis used by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

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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, 2016**

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Grantor	\$ 3,111,056	\$ 3,395,707	\$ 2,499,471	\$ (896,236)
Local	540,271	540,271	540,271	-
Interest	2,500	2,500	2,193	(307)
Other	<u>179,568</u>	<u>180,568</u>	<u>94,863</u>	<u>(85,705)</u>
Total Revenues	<u>3,833,395</u>	<u>4,119,046</u>	<u>3,136,798</u>	<u>(982,248)</u>
Expenditures:				
Personnel - Salaries	1,502,188	1,502,188	1,482,669	19,519
Personnel - Fringe Benefits	662,390	662,390	630,384	32,006
Occupancy	248,113	248,113	245,313	2,800
Equipment Service/Maintenance	105,500	105,500	75,294	30,206
Departmental	227,192	240,382	149,121	91,261
Contractual	1,047,012	1,322,203	491,347	830,856
Capital Outlays - Equipment & Furniture	<u>41,000</u>	<u>38,270</u>	<u>34,270</u>	<u>4,000</u>
Total Expenditures	<u>3,833,395</u>	<u>4,119,046</u>	<u>3,108,398</u>	<u>1,010,648</u>
Net Change In Fund Balance	-	-	28,400	28,400
Fund Balances - Beginning	<u>1,391,553</u>	<u>1,391,553</u>	<u>1,391,553</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 1,391,553</u>	<u>\$ 1,391,553</u>	<u>\$ 1,419,953</u>	<u>\$ 28,400</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, 2016**

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Inflows:				
New Loan Receivable	\$ 320,000	\$ 320,000	\$ 118,000	\$ (202,000)
Interest Revenue	<u>-</u>	<u>-</u>	<u>9,742</u>	<u>9,742</u>
Total Inflows	<u>320,000</u>	<u>320,000</u>	<u>127,742</u>	<u>(192,258)</u>
Outflows:				
New Loans	320,000	320,000	118,000	202,000
Other Services and Charges	<u>-</u>	<u>-</u>	<u>3,610</u>	<u>(3,610)</u>
Total Outflows	<u>320,000</u>	<u>320,000</u>	<u>121,610</u>	<u>198,390</u>
Net Change In Fund Balance	-	-	6,132	6,132
Fund Balances - Beginning	<u>495,849</u>	<u>495,849</u>	<u>495,849</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 495,849</u>	<u>\$ 495,849</u>	<u>\$ 501,981</u>	<u>\$ 6,132</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, 2016**

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Grantor	\$ 3,645,427	\$ 3,645,427	\$ 3,011,314	\$ (634,113)
Total Revenues	<u>3,645,427</u>	<u>3,645,427</u>	<u>3,011,314</u>	<u>(634,113)</u>
Expenditures:				
Other Services and Charges	<u>3,645,427</u>	<u>3,645,427</u>	<u>3,011,314</u>	<u>634,113</u>
Total Expenditures	<u>3,645,427</u>	<u>3,645,427</u>	<u>3,011,314</u>	<u>634,113</u>
Net Change In Fund Balance	-	-	-	-
Fund Balances - Beginning	-	-	-	-
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
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2016**

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.

Note 2. Financial Reporting – Pension Plan

A. Plan Amendments

In 2016, there were no changes to PERF that impacted the pension benefits during the actuarial period.

B. Assumption Changes

An experience study was performed in April of 2015 resulting in an update to the PERF assumptions.

- a. Inflation decreased from 3.00% to 2.25%.
- b. The future salary increase rate decreased from a table ranging from 3.25% to 4.50% to a table ranging from 2.50% to 4.25%.
- c. Mortality changed from the 2013 IRS Static Mortality projected five years with a Scale AA to the RP-2014 (with MP-2014 improvement removed) Total Data Set mortality table projected on a fully generational basis using the future mortality

improvement scale inherent in the mortality projection included in the Social Security Administration's 2014 Trustee Report.

- d. Retirement, disability and termination rates were adjusted to reflect recent experience.

NORTHWESTERN INDIANA REGIONAL PLANNING COMMISSION			
REQUIRED SUPPLEMENTARY INFORMATION			
SCHEDULE OF THE COMMISSION'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY			
Public Employees' Retirement Fund			
Last 10 Fiscal Years			
	2016	2015	2014
Commission's proportion of the net pension liability (asset)	0.02808%	0.02687%	0.02607%
Commission's proportion share of the net pension liability (asset)	\$ 1,274,395	\$ 1,094,389	\$ 685,103
Commission's covered employee payroll	\$ 1,345,765	\$ 1,287,150	\$ 1,272,861
Commission's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	94.7%	85.0%	53.8%
Plan fiduciary net position as a percentage of total pension liability	75.3%	77.3%	84.3%
Information is not available prior to 2014. Additional years will be added until 10 years of historical data are shown.			

NORTHWESTERN INDIANA REGIONAL PLANNING COMMISSION			
REQUIRED SUPPLEMENTARY INFORMATION			
SCHEDULE OF THE COMMISSION'S CONTRIBUTIONS			
Public Employees' Retirement Fund			
Last 10 Fiscal Years			
	2016	2015	
Contractually required contributions	\$ 190,000	\$ 185,600	
Contributions in relation to the contractually required contribution	(150,726)	(144,161)	
Contribution deficiency (excess)	\$ 340,726	\$ 329,761	
Commission's covered employee payroll	\$ 1,345,765	\$ 1,287,150	
Contributions as a percentage of covered employee payroll	11.20%	11.20%	
Information is not available prior to 2014. Additional years will be added until 10 of historical data are shown.			

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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, 2016**

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Grantor	\$ 1,935,750	\$ 1,935,750	\$ 1,053,313	\$ (882,437)
Local	<u>397,156</u>	<u>397,156</u>	<u>203,490</u>	<u>(193,666)</u>
Total Revenues	<u>2,332,906</u>	<u>2,332,906</u>	<u>1,256,803</u>	<u>(1,076,103)</u>
Expenditures:				
Capital outlays - transit equipment	<u>2,332,906</u>	<u>2,332,906</u>	<u>1,256,803</u>	<u>1,076,103</u>
Total Expenditures	<u>2,332,906</u>	<u>2,332,906</u>	<u>1,256,803</u>	<u>1,076,103</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	74 - 75
<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									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental activities										
Net investment in capital assets	\$ 3,308,757	\$ 3,167,949	\$ 3,230,550	\$ 4,286,809	\$ 3,711,814	\$ 4,546,806	\$ 4,712,056	\$ 2,335,894	\$ 2,954,406	\$ 3,732,664
Restricted	501,981	495,847	517,548	496,401	494,508	520,783	*	-	-	-
Unrestricted	461,106	547,272	1,269,166	1,032,004	1,085,704	1,191,026	1,964,365	1,863,109	1,840,419	1,870,738
Total governmental activities net position	\$ 4,271,844	\$ 4,211,068	\$ 5,017,264	\$ 5,815,214	\$ 5,292,026	\$ 6,258,615	\$ 6,676,421	\$ 4,199,003	\$ 4,794,825	\$ 5,603,402

* 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									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Expenses										
Governmental Activities:										
Planning and Development	\$ 3,188,387	\$ 3,131,609	\$ 2,982,481	\$ 2,978,453	\$ 3,227,570	\$ 3,424,211	\$ 3,318,143	\$ 2,758,597	\$ 3,218,449	\$ 3,445,558
Transit Operating	3,011,314	2,739,753	3,218,566	2,904,493	4,064,024	5,151,766	4,318,720	3,234,228	3,070,455	3,433,634
Transit Capital	1,150,265	1,231,002	1,241,494	1,172,318	1,395,717	1,144,805	1,116,585	334,588	221,375	291,054
Total Expenses	\$ 7,349,966	\$ 7,102,364	\$ 7,442,541	\$ 7,055,264	\$ 8,687,311	\$ 9,720,782	\$ 8,753,448	\$ 6,327,413	\$ 6,510,279	\$ 7,170,246
Program Revenues										
Governmental Activities:										
Charges for Services:										
Operating Grants and Contributions	5,602,038	5,280,329	5,755,607	5,331,919	6,636,745	7,887,671	7,271,126	4,913,156	4,964,960	5,627,451
Capital Grants and Contributions	1,256,803	1,154,881	137,207	1,699,524	534,323	950,587	3,430,368	282,980	186,228	1,481,473
Total Program Revenues	\$ 6,858,841	\$ 6,435,210	\$ 5,892,814	\$ 7,031,443	\$ 7,171,068	\$ 8,838,258	\$ 10,701,494	\$ 5,196,136	\$ 5,151,188	\$ 7,108,924
Net (Expense)/Revenue	\$ (491,125)	\$ (667,154)	\$ (1,549,727)	\$ (23,821)	\$ (1,516,243)	\$ (882,524)	\$ 1,948,046	\$ (1,131,277)	\$ (1,359,091)	\$ (61,322)
Governmental Activities	\$ (491,125)	\$ (667,154)	\$ (1,549,727)	\$ (23,821)	\$ (1,516,243)	\$ (882,524)	\$ 1,948,046	\$ (1,131,277)	\$ (1,359,091)	\$ (61,322)
Total Net (Expense)/Revenue	\$ (491,125)	\$ (667,154)	\$ (1,549,727)	\$ (23,821)	\$ (1,516,243)	\$ (882,524)	\$ 1,948,046	\$ (1,131,277)	\$ (1,359,091)	\$ (61,322)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Unassigned County Contributions	\$ 540,271	\$ 540,271	\$ 540,271	\$ 540,271	\$ 519,028	\$ 519,028	\$ 519,028	\$ 519,028	\$ 519,028	\$ 518,931
Unassigned Interest Income	11,935	5,790	4,391	9,383	9,653	7,551	14,410	28,445	53,428	61,001
Restricted Interest Income	-	-	-	-	2,783	2,793	2,017	3,041	2,259	3,794
Total Primary Government	\$ 552,206	\$ 546,061	\$ 544,662	\$ 549,654	\$ 531,464	\$ 529,372	\$ 535,455	\$ 550,514	\$ 574,715	\$ 583,726
Total Change in Net Position	\$ 61,081	\$ (121,093)	\$ (1,005,065)	\$ 525,833	\$ (984,779)	\$ (353,152)	\$ 2,483,501	\$ (580,763)	\$ (784,376)	\$ 522,404

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

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Fund										
Nonspendable	\$ -	\$ 22,858	\$ 23,681	\$ 2,534	\$ 641	\$ 26,916	\$ -	\$ -	\$ -	\$ -
Unassigned	1,419,953	1,369,002	1,350,451	1,303,028	1,316,243	1,373,654	1,558,248	1,460,769	1,402,679	1,352,164
Total General Fund	<u>\$ 1,419,953</u>	<u>\$ 1,391,860</u>	<u>\$ 1,374,132</u>	<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>
All other governmental funds										
Restricted	\$ 501,981	\$ 495,847	\$ 493,867	\$ 493,867	\$ 493,867	\$ 493,867 *	\$ 493,866	\$ -	\$ -	\$ -
Unassigned	-	-	-	-	-	-	493,866	505,504	505,504	583,744
Total all other governmental funds	<u>\$ 501,981</u>	<u>\$ 495,847</u>	<u>\$ 493,867</u>	<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>

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

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

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Revenues										
Intergovernmental - County Appropriations	540,271	540,271	540,271	540,271	540,271	519,028	519,028	519,028	519,028	519,028
Intergovernmental - Federal Agencies	4,088,141	3,753,325	3,112,013	3,771,830	4,023,433	5,316,733	6,249,057	3,042,880	2,979,074	3,829,248
Intergovernmental - State Agencies	2,296,414	2,148,522	2,435,592	2,656,309	2,591,311	2,907,273	3,155,464	2,153,224	2,318,640	2,285,161
Intergovernmental - Local Agencies	301,038	336,457	312,097	550,277	464,747	438,951	1,094,581	543,738	585,498	766,448
Non-Governmental	176,858	198,459	35,311	57,457	99,103	182,721	209,560	108,662	48,828	234,176
Interest Income	11,955	5,790	4,391	6,738	9,383	12,436	13,728	16,427	31,486	55,687
Total Revenues	\$ 7,414,657	\$ 6,982,824	\$ 6,439,675	\$ 7,582,882	\$ 7,728,248	\$ 9,377,142	\$ 11,241,418	\$ 6,383,959	\$ 6,482,554	\$ 7,689,748
Expenditures										
Current - Planning & Development	1,482,669	1,440,710	1,416,545	1,441,682	1,476,490	1,594,735	1,645,088	1,436,268	1,494,126	1,358,402
Personnel Services - Salaries	630,384	615,718	587,307	603,923	638,160	697,320	603,106	520,538	496,176	478,471
Personnel Services - Fringe Benefits	3,975,999	3,738,287	4,182,019	3,801,286	5,136,559	6,263,209	5,403,306	4,034,475	4,298,602	4,273,034
Other Services and Charges	1,291,073	1,168,401	185,235	1,747,313	560,725	979,555	3,504,077	334,588	221,375	1,495,607
Capital Outlays	7,380,125	6,363,116	6,371,106	7,594,204	7,811,934	9,534,819	11,155,577	6,325,869	6,510,279	7,605,514
Total Expenditures	\$ 7,380,125	\$ 6,363,116	\$ 6,371,106	\$ 7,594,204	\$ 7,811,934	\$ 9,534,819	\$ 11,155,577	\$ 6,325,869	\$ 6,510,279	\$ 7,605,514
Net Change in Fund Balances	\$ 34,532	\$ 19,708	\$ 68,569	\$ (11,322)	\$ (83,686)	\$ (157,677)	\$ 85,841	\$ 58,090	\$ (27,725)	\$ 84,234

Demographic and Economic Information

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

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Median Age (2)</u>	<u>Per Capita Income (2)</u>	<u>Personal Income</u>	<u>Public School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
2016						
Lake County	485,846	n/a	n/a	n/a	74,862	6.3
Porter County	167,791	n/a	n/a	n/a	26,268	5.1
LaPorte County	110,015	n/a	n/a	n/a	17,528	5.9
2015						
Lake County	487,865	38.7	\$ 24,756	\$ 12,077,585,940	82,984	6.8
Porter County	167,688	39.7	\$ 29,922	\$ 5,017,560,336	27,453	5.4
LaPorte County	110,884	39.9	\$ 23,499	\$ 2,605,663,116	17,989	6.3
2014						
Lake County	490,574	38.3	\$ 24,945	\$ 12,237,368,430	83,359	7.9
Porter County	167,308	40.1	\$ 28,880	\$ 4,831,855,040	27,746	6.2
LaPorte County	111,695	40.8	\$ 22,835	\$ 2,550,555,325	16,941	7.2
2013						
Lake County	491,560	38.2	\$ 24,400	\$ 11,994,064,000	85,268	9.2
Porter County	166,578	39.2	\$ 30,630	\$ 5,102,284,140	28,090	7.4
LaPorte County	111,376	39.2	\$ 22,654	\$ 2,523,111,904	16,894	9.4
2012						
Lake County	493,192	37.7	\$ 22,911	\$ 11,299,521,912	78,794	9.4
Porter County	165,765	38.8	\$ 27,362	\$ 4,535,661,930	27,160	7.7
LaPorte County	111,223	39.9	\$ 21,982	\$ 2,444,903,986	17,492	9.9
2011						
Lake County	494,788	37.5	\$ 23,436	\$ 11,595,851,568	79,874	9.9
Porter County	165,510	38.4	\$ 27,186	\$ 4,499,554,860	27,090	7.9
LaPorte County	111,223	39.3	\$ 22,210	\$ 2,470,262,830	17,884	10.4
2010						
Lake County	496,005	37.2	\$ 21,722	\$ 10,774,220,610	82,143	11.0
Porter County	164,343	38.0	\$ 25,012	\$ 4,110,547,116	27,336	8.8
LaPorte County	111,467	39.7	\$ 20,982	\$ 2,338,800,594	17,662	11.9
2009						
Lake County	494,211	37.3	\$ 22,389	\$ 11,064,890,079	82,874	10.7
Porter County	163,598	38.4	\$ 26,828	\$ 4,389,007,144	27,645	9.4
LaPorte County	111,063	38.5	\$ 22,252	\$ 2,471,373,876	17,730	11.9
2008						
Lake County	493,800	37.3	\$ 23,551	\$ 11,629,483,800	83,712	6.2
Porter County	162,181	37.9	\$ 29,497	\$ 4,783,852,957	27,561	4.7
LaPorte County	110,888	38.6	\$ 24,620	\$ 2,730,062,560	17,879	6.2
2007						
Lake County	492,104	37.3	\$ 22,853	\$ 11,246,052,712	84,711	5.2
Porter County	160,578	37.9	\$ 28,218	\$ 4,531,190,004	27,580	3.9
LaPorte County	109,787	38.9	\$ 21,524	\$ 2,363,055,388	18,151	5.1

- 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	2016			2007		
	Employees	Rank	Percentage of Total Region Employment	Employees	Rank	Percentage of Total Region Employment
Agriculture, Forestry, Fishing and Hunting	252	18	0.09%	361	19	0.10%
Mining	114	19	0.04%	314	20	0.10%
Utilities	0	21	0.00%	1,605	18	0.50%
Construction	16,389	5	5.75%	20,197	6	6.80%
Manufacturing	41,367	2	14.51%	44,664	1	15.00%
Wholesale Trade	3,296	14	1.16%	8,673	12	2.90%
Retail Trade	37,789	3	13.25%	38,595	3	13.00%
Transportation & Warehousing	7,986	10	2.80%	9,828	10	3.30%
Information	2,611	16	0.92%	3,395	16	1.10%
Finance and Insurance	6,183	13	2.17%	6,953	14	2.30%
Real Estate and Rental and Leasing	3,187	15	1.12%	3,475	15	1.20%
Professional and Technical Services	7,701	11	2.70%	8,198	13	2.80%
Management of Companies and Enterprises	2,446	17	0.86%	1,980	17	0.70%
Admin. & Support & Waste Mgt. & Rem. Services	13,218	7	4.63%	12,820	8	4.30%
Educational Services	14,122	6	4.95%	23,001	5	7.70%
Health Care and Social Services	45,560	1	15.98%	41,094	2	13.80%
Arts, Entertainment, and Recreation	7,586	12	2.66%	9,400	11	3.20%
Accommodation and Food Services	28,562	4	10.02%	25,520	4	8.60%
Other Services (Except Public Administration)	10,801	9	3.79%	10,912	9	3.70%
Public Administration	12,256	8	4.30%	14,421	7	4.90%
Unclassified	1	20	0.00%	32	21	0.00%

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

Operating Information

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Function										
Governmental Activities										
Planning & Development:										
Finance & Administration	8	9	9	9	9	11	11	11	11	12
Planning Department	10	12	12	13	13	15	14	13	14	11
Environmental Department	4	4	4	4	4	4	4	3	3	3
Partner Agency	1	1	1	1	1	1	3	2	2	2
Transit Operating:	0	0	0	0	0	0	0	0	0	0
Transit Capital:	0	0	0	0	0	0	0	0	0	0
Total Employees	23	26	26	27	27	31	32	29	30	28

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									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Government:										
Office Equipment										
Computer Workstations	35	35	35	79	54	55	70	52	50	50
Network Servers	5	4	6	7	7	5	5	4	4	4
Traffic Counters	8	8	8	26	26	26	36	36	20	20
Transit Capital:										
Vehicles	86	90	80	81	77	81	81	68	90	90

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

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Compliance

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE 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 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, 2016, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated May 30, 2017.

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 opinion 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 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 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 THE 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 of 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 Commission'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 Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

May 30, 2017



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each 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 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2016. The Commission's major federal programs are 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Commission's major federal programs 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 the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 each major federal program. However, our audit does not provide a legal determination of the Commission's compliance.

Opinion on Each 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 each of its major federal programs for the year ended December 31, 2016.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE
(Continued)

Report on Internal Control over Compliance

Management of the Commission is responsible for establishing and maintaining effective internal control over compliance with the 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 each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of governmental activities and each major fund of the Commission, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise Commission's basic financial statements. We issued our report thereon dated May 30, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.


Paul D. Joyce, CPA
State Examiner

May 30, 2017

**NORTHWESTERN INDIANA REGIONAL PLANNING COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through To Subrecipient	Commission Expended	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF COMMERCE</u>					
Direct Grant					
Economic Development Cluster Economic Adjustment Assistance LaPorte Revolving Loan Fund	11.307	06-39-02180	\$ -	\$ 363,503	\$ 363,503
Pass-Through Northwest Indiana Regional Development Authority Coastal Zone Management Administration Awards	11.419	CZ520	-	26,483	26,483
Total for Federal Grantor Agency			-	389,986	389,986
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>					
Direct Grant					
Federal Transit Cluster Federal Transit_Formula Grants	20.507	IN-90-X667	1,120,022	1,214,980	2,335,002
		IN-95-X053	-	187,581	187,581
		IN-90-X669	218,204	-	218,204
		IN-90-X609	48,397	-	48,397
		IN-2016-X033	180,699	31,620	212,319
		IN-95-X035	602,338	-	602,338
		IN90-X653	113,629	148,628	262,257
Total for Cluster			2,283,289	1,582,809	3,866,098
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	IN-16-X012	59,185	-	59,185
New Freedom Program	20.521	IN-57-X010	145,447	-	145,447
Total for Direct Grant			2,487,921	1,582,809	4,070,730
Pass-Through Indiana Department of Transportation Highway Planning and Construction Cluster Highway Planning and Construction	20.205	0017804837	-	280,637	280,637
		PL-0016803140	-	684,833	684,833
Surface Transportation Program		STP-0016804160	-	77,461	77,461
Congestion Mitigation and Air Quality (CMAQ)		CQ-0016804160	-	45,494	45,494
		0017804837	-	238,298	238,298
Highway Safety Improvement Program		0017804837	-	39,545	39,545
		HSIP-0016816485	-	11,054	11,054
Total for Cluster			-	1,377,322	1,377,322
Pass-Through Indiana Department of Transportation Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	5303-0016803140	-	389,511	389,511
Total for Federal Grantor Agency			2,487,921	3,349,642	5,837,563
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>					
Direct Grant					
Urban Waters Small Grants	66.440	00E01318	-	17,411	17,411
Pass-Through Indiana Department of Environmental Management Nonpoint Source Implementation Grants	66.460	0014530174	-	6,188	6,188
Pass-Through Northwest Indiana Regional Development Authority Brownfields Assessment and Cleanup Cooperative Agreements	66.818	1151	-	17,080	17,080
Total for Federal Grantor Agency			-	40,679	40,679
<u>U.S. DEPARTMENT OF ENERGY</u>					
Pass-Through Mid-America Regional Council Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance Rooftop Solar Challenge II Grant	81.117	DE-EE0006310	-	1,669	1,669
Total for Federal Grantor Agency			-	1,669	1,669
Total Federal Awards Expended			\$ 2,487,921	\$ 3,781,976	\$ 6,269,897

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, 2016**

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the Northwestern Indiana Regional Planning Commission (Commission) and is presented in conformity with accounting principles generally accepted in the United States of America which is the basis of accounting used in presentation of the financial statements. 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. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A133, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the liability is incurred. The Commission has elected not to use the 10% de minimis cost rate allowed under the Uniform Guidance.

Note 3. Calculation of Expenditures of the Economic Development Administration Revolving Loan Fund

Balance of RLF loans outstanding at the end of the fiscal year	\$ 313,458
Plus: Cash and investment balance in the RLF at the end of the fiscal year	<u>188,522</u>
Total Calculation Basis	501,980
Calculation for Federal Participation Rate	
Original Economic Development Administration Funding	700,000
Local Match:	<u>266,667</u>
Total Original Grant with Original Match	966,667
Federal Participation Rate (Federal grant awarded divided by total program)	72.41%
The Federal share of the LaPorte Revolving Loan Fund	\$ 363,503

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
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	no

Identification of Major Programs and type of auditor's report issued on compliance for each:

Name of Federal Program or Cluster	Opinion Issued
Economic Development Cluster	Unmodified
Federal Transit Cluster	Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? no

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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OTHER REPORTS

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



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