# AGENDA

## Committee on Development and Planning
### AGENDA FOR APRIL 10, 2024 AT 3:30 PM

Lansing City Hall, City Council Conference Room
124 W. Michigan Avenue, 10th Floor
To provide input or ask questions on any item that is listed on the agenda,
members of the public may contact the City Council at city.council@lansingmi.gov or (517) 483-4177 prior to the meeting.
To view the meeting live: https://www.lansingmi.gov/1212/Council-Committee-Meetings

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Council Member Hussain, Chairperson
Council Member Brown, Vice Chairperson
Council Member Garza, Member

1. **Call to Order**
2. **Roll Call**
3. **Minutes**
   - A. March 5, 2024
4. **Public Comment on Agenda Items (Up to 3 Minutes)**
5. **Discussion/Action:**
   - B. RESOLUTION - Appointment; Keri Tomac as a Business Representative member of the Downtown Lansing Inc. Board for a term to expire June 30, 2026
   - C. RESOLUTION - Appointment; Samantha Harkins as a City of Lansing member of the Potter Park Zoo Board for a term to expire December 31, 2026
   - D. ORDINANCE - Adding Chapter 887, Property Tax Exemption and Payment in Lieu of Taxes (PILOT) for Workforce Housing Projects
   - E. RESOLUTION - Administrative Review Fee for Payments in Lieu of Taxes (PILOT) for Workforce Housing Applications
   - F. PLACE ON FILE - Tri-County Regional Planning Commission Financial Statements for Fiscal Year ending on September 30, 2023
6. **Other**
7. **Adjourn**

Persons with disabilities who need an accommodation to fully participate in these meetings should contact the City Council Office at 517-483-4177 (TTY 711) 24 hour notice may be needed for certain accommodations. An attempt will be made to grant all reasonable accommodation requests.

**MINUTES**
**Committee on Development and Planning**
**Tuesday, March 5, 2024 @ 3:30 p.m.**
**City Council Conference Room**

## CALL TO ORDER
Council Member Hussain called the meeting to order at 3:31 p.m.

## PRESENT
Council Member Hussain, Chair
Council Member Brown, Vice-Chair
Council Member Garza, Member

## OTHERS PRESENT
Renee Richmond, Council Administrative Assistant
Lisa Hagen-Lawrence, OCA
Greg Venker, OCA
Nikki Thompson Frazier
Kristina Schmidgall
Stephanie Palagyi
Kris Klein, Lansing EDC
Dominic Cochran
Rawley Van Fossen, Director EDP
Nick Montry, Deputy Director EDP
Eric Helzer
Jeff Deehaw
Norma Bauer

## MINUTES
MOTION BY COUNCIL MEMBER BROWN TO APPROVE THE MINUTES FROM JANUARY 24, 2024. MOTION CARRIED 3-0.

## Public Comment
No comment at this time.

## DISCUSSION/ACTION
RESOLTUION – Appointment; Nikki Thompson Frazier; Business Representative; Downtown Lansing Inc. Board
Ms. Frazier gave a brief overview of her background, she loves being a business owner in downtown Lansing, has served on several board across five states, and looking forward to helping

DRAFT

and supporting the downtown area to become stronger. Councilmember Garza asked if once a member would she be willing to attend constituent meetings and sharing information, she agreed.

MOTION BY COUNCIL MEMBER BROWN TO APPROVE THE RESOLUTION FOR THE APPOINTMENT OF NIKKI THOMPSON FRAZIER AS A BUSINESS REPRESENTATIVE FOR THE DOWNTOWN LANSING INC. BOARD TERM TO EXPIRE JUNE 30, 2027. MOTION CARRIED 3-0.

Ms. Richmond asked if Ms. Frazier could confirm by March 6th if she can attend the City Council meeting for the swearing in, she confirmed.

RESOLTUION – Appointment; Kristina Schmidgall; Member of the South Martin Luther King Jr. Boulevard Corridor Improvement Authority Board; Term to Expire July 31, 2027

Ms. Schmidgall introduced herself, stating her background as Executive Director of the Lansing Area AIDS Network, she also went through the Citizens Academy, and had attended two of the CIA meetings as part of the public and wanted to help and serve. Councilmember Garza asked if once a member would she be willing to attend constituent meetings and sharing information, she agreed.

MOTION BY COUNCIL MEMBER BROWN TO APPROVE THE RESOLUTION FOR THE APPOINTMENT OF KRISTINA SCHMIDGALL AS A MEMBER FOR THE SOUTH MARTIN LUTHER KING JR. BOULEVARD CORRIDOR IMPROVEMENT AUTHORITY TERM TO EXPIRE JULY 31, 2027. MOTION CARRIED 3-0.

Ms. Schmidgall stated to Ms. Richmond she would look at her scheduled and let her know about attending the Council meeting on March 6th.

RESOLTUION – Appointment; Stephanie Palagyi; At-Large Member Arts and Culture Commission; Term to Expire June 30, 2025

Ms. Palagyi reviewed her background she is originally from Montana and moved to Michigan in 2004 for school. She has worked at the MSU Museum since 2009 and is interested in promoting arts and culture. Ms. Palagyi stated she met and spoke with Mayor Schor and expressed interest in the Commission. Councilmember Garza asked the same question with the previous appointments, if once a member would she be willing to attend constituent meetings and sharing information, she agreed.

MOTION BY COUNCIL MEMBER BROWN TO APPROVE THE RESOLUTION FOR THE APPOINTMENT OF STEPHANIE PALAGYI AS AN AT-LARGE MEMBER FOR THE ARTS AND CULTURE COMMISSION TERM TO EXPIRE JUNE 30, 2025. MOTION CARRIED 3-0.

RESOLUTION – Brownfield Plan #77 Amendment No. 1; 500 Block Redevelopment Project for 501 S. Capitol Ave., 110 W. Hillsdale St., and 520 S. Washington Ave.

Mr. Klein provided additional information on how the plan operates, he briefly went through a bar graph for the Committee that breaks down estimates and projections for the next 30 years, and how the later years show the split and the support for the Ovation. He continued that conversations with the development/construction of the Ovation Center, with the Brownfield they won't be burden with the cost and net service. Adding, he sees this version as highest chance in long term plan for success, without a Brownfield there could potentially be a facility with a reduced scope with less amenities, but his opinion the best success. Mr. Cochran noted he feels the RC money for funding is a once in a lifetime/generation thing, and the fact it attracted so much other

investment, he is concerned if not approved it will be less attractive to the investment. With everything happening downtown he feels it would be a true beacon and center piece for city.

Councilmember Garza asked if it was their plan to always ask for a Brownfield or realized afterward. Mr. Cochran stated no, the market study was pre-covid and demonstrated a demand for this kind of facility. They did engage and do a post-covid analysis and was told a demand has increased. Since then inflation and construction/material costs are high and feels it is a smart way to react to increase costs.

Councilmember Hussain asked if they have talked to Grewal and how are they doing. Mr. Cochran responded that now that they are open, he loves to tell people to go there. They are working closely with them and they are complimentary not competitive. Mr. Cochran stated Grewal is doing well and excited to partner with them. Councilmember Hussain stated there was a question to potentially put back out on bid, did that not happen. Mr. Cochran answered no, it didn't because the potential was to possibly move forward as a sole-source, but they took advice from council and decided to take those out.

Ms. Bauer commented she is uncomfortable with this in her opinion it seems like a pipe dream with all the Brownfields and new housing. She finished that rent is too high to afford.

MOTION BY COUNCIL MEMBER BROWN TO APPROVE THE RESOLUTION FOR THE BROWNFIELD PLAN #77 AMENDMENT NO. 1; 500 BLOCK REDEVELOPMENT PROJECT FOR 501 S. CAPITOL AVE., 110 W. HILLSDALE ST., AND 520 S. WASHINGTON AVE. MOTION CARRIED 3-0.

RESOLUTION – Introduction and Setting a Public Hearing; Ordinance Addition of Chapter 887, Sections 887.01-887.07 Property Tax Exemption and Payment in Lieu of Taxes (PILOT) for Workforce Housing Projects

Mr. Van Fossen explained what Council is used to is under MSHDA, and in 2022 the state legislature made changes to the law to allow communities to opt into what they call the workforce PILOT. He continued stating two main differences, first traditional pilots require some sort of federally aided mortgage or low income tax credit, and secondly the difference is that part of population incomes and where they're targeted, generally you are seeing 80-60% AMI if not lower. Workforce Pilots under the current draft would allow to receive a tax abatement and serve up to 120% of the area. What the State outlines is for Lansing to take advantage and have this in their toolkit and is something that Council has to approve the opt in. Mr. Van Fossen highlighted a couple changes of the traditional pilot process, the main difference is no byright 10%, this would require all requests to go through Council. The other difference is they are adding an application fee. He noted, this is not outlined in the draft ordinance in front of them, that this would be a separate resolution.

Councilmember Hussain asked if they had people come to the city and ask, Mr. Van Fossen responded yes one, he expects this to be conservatively used, but hard to guess since it is so new. Councilmember Garza asked basically this comes into compliance with the state correct, Mr. Van Fossen confirmed.

MOTION BY COUNCIL MEMBER BROWN TO APPROVE THE RESOLUTION TO INTRODUCE AND SET THE PUBLIC HEARING FOR ORDINANCE ADDITION OF CHAPTER 887, SECTIONS 887.01-887.07 PROPERTY TAX EXEMPTION AND PAYMENT IN LIEU OF TAXES (PILOT) FOR WORKFORCE HOUSING PROJECTS. MOTION CARRIED 3-0.

**Other**
No other topics of discussion.

Adjourned at 4:02p.m.
Submitted by Renee Richmond
Recording Secretary, Lansing City Council
Approved by the Committee on

# Application for Appointment to Board or Commission

Thank you for your interest in serving on a Lansing Board, Commission, or Committee.

Certain boards, commissions, or committees require appointees to be a registered elector in the City of Lansing (Charter Section 2-102) and be a resident of Lansing for one year prior to taking office (Charter Section 2-102).

Appointees to every board, commission, or committee must not be in default to the City at the time of taking office (Charter Section 2-103.2) and not have been convicted, within 20 years of taking office, of a violation of the election laws of the City of Lansing, State of Michigan, or the United States; a violation of public trust; or any felony (Charter Section 2-103.1).

Lansing City Charter, Section 5-104, Ineligibility For Boards, restricts certain City employee activities on some boards: "No person holding another City office or activity employed by the City shall be eligible to be a voting member on any board."

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|---|---|
| **Date** | 02/28/2024 |
| **First Name** | Keri |
| **Last Name** | Tomac |
| **Other name(s) by which you have been known, including maiden names** | Brown |
| **Date of Birth** | |
| **Home Address** | 2823 W. Michigan Ave. |
| **City** | Lansing |
| **State** | MI |
| **Zip Code** | 48917 |
| **Email** | keribrowndesigns@gmail.com |
| **Gender** | |

If you don't know which ward you live in, visit the Lansing Neighborhoods Ward Map and type in your address to find out!

| | |
|---|---|
| **Ward** | Regional |
| **Precinct** | 3 |
| **Best Phone Number to Contact You** | |
| **In what year did you move to Lansing?** | 2001 |
| **Additional Information Regarding Experience and Credentials** | I have been working as a communications & marketing professional in downtown Lansing for 15 years. I have lived in a few different neighborhoods over those 15 years, all in or within miles of downtown Lansing. I have been a Certified Tourism Ambassador through Choose Lansing for 5+ years. I have served as a volunteer for the Old Town Commercial Association. And most recently, I have served on the Downtown Lansing, Inc Promotions Committee for over 5 years, serving as the chair in 2021-22. |
| **Occupational Background** | I have been working in downtown Lansing for 15 years in various marketing, communications and event management roles. I began working downtown in 2009, on the communications team at Michigan Association of Public School Academies (MAPSA). In 2016, I took a new job as the Sales & Marketing Manager at Lansing Brewing Company, where I worked with countless downtown businesses who hosted their events at LBC. In 2020, I switched roles once more, and began working at Meijer, as the Marketing Manager of Capital City Market. |
| **Educational Background** | Lansing Community College, Associate of Arts - Graphic Design 2003<br>Michigan State University, Bachelor of Arts - Advertising 2008 |
| **First Choice for Board to Serve on** | Downtown Lansing, Inc. |
| **Please comment briefly on why you wish to serve on a particular board or commission. Please be specific as to your goals and ideas about how you wish to contribute to the work of the board or commission.** | I would like to serve on the Board of Directors for Downtown Lansing, Inc. because I believe in this community, and I believe in the work that DLI does. Their mission to build a stronger future for Lansing is one that aligns with the vision I have for the community in which I live. I love that DLI works diligently to bring ideas and solutions to the residents and businesses of our community, and involves them in the process of doing so. I believe that my experience in marketing, communications, and events can be an asset to the board as DLI continues to be a leader in building an exciting and vibrant downtown district. |

This certification is not required but may impact potential consideration of the appointment being sought. I authorize the use of the information provided above to conduct a background search, including but not limited to criminal history, residency, and indebtedness to the City of Lansing. If selected to serve, I further authorize additional background checks during the term of my service to ensure the required criteria continue to be met. I also acknowledge that I have the affirmative duty to inform the City if I become aware of any change or condition in my status that fails to meet the required criteria.

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| **Agreement to Background Check Authorization** | • I agree |
| **Please type your name in this box to signify that you can serve on a board or commission and the information in this application is accurate to the best of your knowledge.** | Keri Tomac |

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| **Date & Time** | 02/28/2024 4:30 PM (EST) |
| **Receive an email copy of this form.** | Yes |

## Richmond, Renee

**From:** Lajcaj, Robert <Robert.Lajcaj@CapitalCityMarket.com>
**Sent:** Tuesday, March 5, 2024 1:22 PM
**To:** Hetke, Veronica
**Cc:** Keri Brown
**Subject:** [EXTERNAL] Keri Tomac for DLI board letter

Good afternoon Veronica,

My name is Robert Lajcaj, the Store Director at Capital City Market. I wanted to take a moment to reach out and give authorization from Capital City Market as well as Meijer for Keri to potential serve on the board for Downtown Lansing Inc. We would be extremely happy to have Keri as a Business representee for the board. I can personally not think of someone that would be a better fit to serve on the board of DLI than Keri. Her dedication to the city of Lansing and want to uplift the downtown area is inspiring to all. Please let me know if there is anything further I can give to okay this seat on the board.

Thank you,
Robert

Robert Lajcaj | Store Director
Capital City Market | 600 E Michigan Ave, suite 100
Lansing, MI 48912
Robert.Lajcaj@CapitalCityMarket.com
O: (517)333-3000
C: (734)218-4775

BY THE COMMITTEE ON DEVELOPMENT AND PLANNING
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

WHEREAS, the Mayor has recommended the appointment of Keri Tomac as a Business Representative member of the Downtown Lansing Inc. Board for a term to expire June 30, 2026; and

WHEREAS, the Mayor's office has confirmed with this resolution, that they have vetted the applicant based on the original application and believes that the applicant meets the qualifications as required by the City Charter; and

WHEREAS, the Committee on Development and Planning met on April 10, 2024, and took affirmative action.

NOW, THEREFORE, BE IT RESOLVED that the Lansing City Council, hereby, confirms the appointment of Keri Tomac as a Business Representative member of the Downtown Lansing Inc. Board for a term to expire June 30, 2026.

# Application for Appointment to Board or Commission

Thank you for your interest in serving on a Lansing Board, Commission, or Committee.

Certain boards, commissions, or committees require appointees to be a registered elector in the City of Lansing (Charter Section 2-102) and be a resident of Lansing for one year prior to taking office (Charter Section 2-102).

Appointees to every board, commission, or committee must not be in default to the City at the time of taking office (Charter Section 2-103.2) and not have been convicted, within 20 years of taking office, of a violation of the election laws of the City of Lansing, State of Michigan, or the United States; a violation of public trust; or any felony (Charter Section 2-103.1).

Lansing City Charter, Section 5-104, Ineligibility For Boards, restricts certain City employee activities on some boards: "No person holding another City office or activity employed by the City shall be eligible to be a voting member on any board."

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| **Date** | 09/05/2023 |
| **First Name** | Samantha |
| **Last Name** | Harkins |
| **Date of Birth** | [redacted] |
| **Home Address** | 301 N SYCAMORE ST |
| **City** | LANSING |
| **State** | MI |
| **Zip Code** | 48933-1035 |
| **Email** | samantha@hundredplace.com |
| **Gender** | female |

If you don't know which ward you live in, visit the Lansing Neighborhoods Ward Map and type in your address to find out!

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| **Ward** | Ward 4 |
| **Precinct** | 36 |

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| **Best Phone Number to Contact You** | 5172859886 |
| **In what year did you move to Lansing?** | 2007 |
| **Additional Information Regarding Experience and Credentials** | I served on the Elected Officers Compensation Commission and the Capital Region Airport Authority Board on behalf of the City. In my free time I was also Chief of Staff and Deputy Mayor under Mayor Schor from 2018-2021. |
| **Occupational Background** | I am currently the CEO and founder of Hundred Place Consulting where I work with communities, nonprofits, and other organizations to advance strategic goals, help with strategic relationship management and other projects as identified. Examples of my clients (both past and present) include the Lincoln Institute for Land Policy, Munetrix, the City of Flint, Ernst & Young, CEDAM, and the Michigan Municipal Services Authority. I served as Chief of Staff and Deputy Mayor to Mayor Schor from 2018-2021. Prior to that I was VP of Government Relations at Munetrix. Prior to Munetrix I spent 8½ years at the Michigan Municpal League as a staff lobbyist, lead lobbyist and president of their foundation. I moved to Michigan in 2006 where I initially worked on local government policy at the Michigan House. Prior to living in Michigan I was Executive Assistant to the Mayor of Norfolk, VA. |
| **Educational Background** | JD from West Virginia University<br>BA in Political Science from West Virginia University (minor in English) |
| **Previous Appointments** | Elected Officers Compensation Commission from 12/14-12/17 and the Capital Region Airport Authority Board from 2/16-12/17 |
| **Current Appointments** | none |
| **Please attach a resume if available.** | *File(s) attached:*<br>sjh resume.pdf |
| **First Choice for Board to Serve on** | Potter Park Zoo |
| **Please comment briefly on why you wish to serve on a particular board or commission. Please be specific as to your goals and ideas about how you wish to contribute to the work of the board or commission.** | The Zoo reached out to me to ask me to fill a vacancy. I am a huge supporter of the Zoo. We've been members and avid donors for years. We have a young son who loves PPZ (he went to camp there this summer) and we're frequent visitors. I'd love the opportunity to work with their excellent team to help advance their goals and priorities. |

This certification is not required but may impact potential consideration of the appointment being sought. I authorize the use of the information provided above to conduct a background search, including but not limited to criminal history, residency, and indebtedness to the City of Lansing. If selected to serve, I further authorize additional background checks during the term of my service to ensure the required criteria continue to be met. I also acknowledge that I have the affirmative duty to inform the City if I become aware of any change or condition in my status that fails to meet the required criteria.

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| **Agreement to Background Check Authorization** | • I agree |

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| **Please type your name in this box to signify that you can serve on a board or commission and the information in this application is accurate to the best of your knowledge.** | Samantha Harkins |
| **Date & Time** | 09/05/2023 12:00 PM (EDT) |
| **Receive an email copy of this form.** | Yes |

**Samantha J. Harkins**
301 N. Sycamore St.
Lansing, MI 48933
(517) 285-9886
sjones.harkins@gmail.com

***Education***

- **Juris Doctor**, *West Virginia University College of Law,* Morgantown, WV, 2003.
  - Visiting student, Baylor University School of Law, Waco, TX 2002-2003
- **Bachelor of Arts in Political Science**, *Cum Laude, West Virginia University* (WVU), Morgantown, WV, 2000. Minor in **English.**
- **Study Abroad**, University of Bamberg, Germany, Summer of 1998

***Work Experience***

- **CEO and Founder**, Hundred Place Consulting, LLC, 2020-present
  - I work with clients on strategic planning and communications, advocacy strategy, facilitation, and relationship management.
  - Projects I've managed include municipal finance reform/strategy (with a national client), advocacy strategy for a statewide association and city in Michigan, and relationship management for a corporation and local developer.
  - I bridge gaps between policy development and implantation.
  - I am an interpreter between those who create policy and those who make decisions to help drive the best policy outcomes.

- **Deputy Mayor/Chief of Staff**, City of Lansing, Michigan, 2018- 2020
  - Worked with the Mayor to announce more than $1 billion in economic development investment in the last two years.
  - Lead COVID-19 economic recovery effort in consultation with the Lansing Regional Chamber of Commerce and other external partners.
  - Spearheaded a citywide branding campaign announced in February 2019 as well as launching the Mayor's Vision 2030 (www.lansingforward.com)
  - Worked on myriad issues including economic and community development, strategic planning, neighborhoods and citizen engagement, human resources, budgeting, public service and more.
  - Advised the Mayor on municipal strategy across all public sector issues.
  - Worked closely with many community partners including non-profits, other municipal leaders, local organizations, etc. to implement the Mayor's goals and vision.
  - Ran an organization of 900 full-time employees (plus seasonals) and a general fund budget of $225 million.
  - Directly supervised 13 department heads as well as 8 Mayoral staff.

- **Vice President of Government Relations**, Munetrix, 2016-2017
  - Munetrix is a public sector software that helps municipalities and schools focus on budgeting, capital improvement planning and metrics.
  - Was able to change state legislation to increase payment time for penalized school districts keeping at least one school district from bankruptcy.
  - I oversaw municipal accounts and increased those accounts by 20 percent.
  - Was able to secure $250,000 in state funding to reimburse local governments and schools who want to contract with a data analytics provider.

- **President,** Michigan Municipal League Foundation, 2015-2016
  - Oversaw Foundation operations including identifying, cultivating, and soliciting fundraising programs to help broaden and sustain League goals and objectives.
  - Identified, analyzed, pursued and administered grants and other creative funding sources to support broad policy initiatives and related programming.
  - Designed, implemented and managed a comprehensive proactive development plan focused on expanding and enhancing foundation relationships.
  - Served as President of the Foundation's Board of Directors and acted as a liaison between the Foundation and the League.
  - Prepared and administered departmental budgets, tracked operational performance, prepared reports and made recommendations to the Foundation Board of Directors and the League's Board of Trustees.
  - Raised over $230,000 in 18 months.

- **Director of State Affairs**, *Michigan Municipal League*, 2012-2015.
  - Lead the League's policy advocacy team in the Michigan legislature.
  - Managed State Affairs staff including making policy decisions for the team, staff development, leading staff meetings, and approving expense reports.
  - Conducted policy advocacy before the Michigan legislature on behalf of Michigan's communities focusing on the issues of municipal finance, taxation, retirement, labor, public safety, health care and judicial issues.
  - Worked with other League directors on policy initiatives and League priorities including the League's Center for 21st Century Communities.

- **Legislative Associate**, *Michigan Municipal League*, 2008-2012.
  - Conducted policy advocacy before the Michigan legislature on behalf of Michigan's communities focusing on the issues of energy & technology, labor, public safety, retirement, health care, elections, and judicial issues.
  - Built relationships with local elected and appointed officials as well as work closely with League affiliates including the Michigan Association of Municipal Attorneys, the Michigan Local Government Managers Association, and the Michigan Association of Municipal Clerks.

- **Director, Government Relations**, *Detroit Regional Chamber of Commerce*, 2007-2008
  - Conducted policy advocacy primarily before the Michigan legislature with some exposure to federal issues. Focus on issues related to minimum wage, workers compensation, unemployment, the environment, energy, telecommunications and other regulatory issues.
  - Developed dynamic relationships with legislators and staff, other chambers of commerce, business trade associations, and other advocacy partners.

***Activities***

- Board member, Educational Child Care Center (EC3), 2022-present
- Board member, Engaging Local Government Leaders (ELGL), 2019-2021
- Completed Driving Government Performance Course at the Harvard Kennedy School, 2019
- Bloomberg Harvard City Leadership Initiative, 2018-2019
- Appointed to Capital Region International Airport Authority Board, 2016
- Appointed to City of Lansing's Elected Officers Compensation Commission, 2015
- Named one of Top 10 People to Watch in Politics in 2014 by *Crain's Detroit Business,* January 2014
- Named the #2 Single Interest Lobbyist by Inside Michigan Politics in January 2011

***References Available Upon Request***

BY THE COMMITTEE ON DEVELOPMENT & PLANNING
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

WHEREAS, the Mayor has recommended the appointment of Samantha Harkins as a City of Lansing member of the Potter Park Zoo Board for a term to expire December 31, 2026; and

WHEREAS, the Mayor's office has confirmed with this resolution, that they have vetted the applicant based on the original application and believes that the applicant meets the qualifications as required by the City Charter; and

WHEREAS, the Committee on Development and Planning met on April 10, 2024, and took affirmative action.

NOW, THEREFORE, BE IT RESOLVED that the Lansing City Council, hereby, confirms the appointment of Samantha Harkins as a City of Lansing member of the Potter Park Zoo Board for a term to expire December 31, 2026.

**CITY OF LANSING WORKFORCE PILOT ORDINANCE** **DRAFT # 6**
**DATE: 2/5/2024**

ORDINANCE NO. _____

**An ordinance of the City of Lansing, Michigan, to add Chapter 887 of the Lansing Codified Ordinances, Sections 887.01-887.07, to authorize a payment in lieu of taxes program in conformity with the State of Michigan property tax exemption alternative, authorized under 1966 PA 346, as amended; specifically MCL 125.1415a, which permits a city to elect to consider a payment in lieu of taxes for a housing project developed or rehabilitated for workforce housing after the passage of an enabling ordinance.**

THE CITY OF LANSING ORDAINS:

Section 1. That Chapter **887**, Section **887.01**, of the Codified Ordinances of the City of Lansing, Michigan, be and is hereby enacted to read as follows:

**887.01 - Property Tax Exemption and Payment in Lieu of Taxes for Workforce Housing Projects**

**Pursuant to Michigan 1966 PA 346, as amended; specifically MCL 125.1415a (the Act), the City of Lansing hereby adopts and authorizes the City's participation in the property tax exemption program under the Act for a housing project developed or rehabilitated for workforce housing in Lansing, provided that all of the conditions of this Chapter and the Act are met.**

**887.02 - Definitions**

**(A) "Additional Amount" means an amount equal to the difference between the following:**

**(1) the millage rate levied for operating purposes by the County multiplied by the current Taxable Value of a workforce housing project for which a PILOT Resolution has been adopted, and**

**(2) the amount of the annual service charge paid in lieu of ad valorem property taxes by the housing project under subsection (4)(C) that is distributed to the County pursuant to MCL 125.1415a(5).**

**(B) "Annual Shelter Rent" means the total payments collected during an agreed annual period paid by or on behalf of the occupants of a housing project representing rent or occupancy charges, exclusive of charges for gas, electricity, heat, or other utilities furnished to the occupants and paid for by the housing project.**

**(C) "Authority" means the Michigan State Housing Development Authority, also abbreviated as MSHDA.**

**(D) "County" means the County in which the project is located.**

**(E) "Housing project" means either: a residential real property developed or to be developed pursuant to or receiving benefits provided under the Act or this Ordinance; or a specific work or improvement either for rental or for subsequent sale to an individual purchaser undertaken by a nonprofit housing corporation, consumer housing cooperative, limited dividend housing corporation, pursuant to or receiving benefits under the Act or this Ordinance to provide dwelling accommodations, including the acquisition, construction, or rehabilitation of lands, buildings, and improvements.**

**(F) "PILOT" means a payment of annual service charge for public services in lieu of taxes under the terms of the Act or this ordinance.**

**(G) "PILOT Resolution" means a project-specific resolution adopted by the City Council that approves a housing project for exemption under this Ordinance.**

**(H) "Restrictive Covenant" means a recorded agreement between the Sponsor and the City of Lansing running with the land that restricts the use of the housing project to workforce housing, as defined in this Ordinance, for a period not to exceed 15 years, or such greater or lesser period of time as may be authorized by state law and as may be required by the PILOT Resolution.**

**(I) "Sponsor" means any individual or entity applying for a workforce housing exemption under this Ordinance, and includes any individual or entity who subsequently owns the housing project.**

**(J) "Taxable Value" means taxable value as calculated under section 27a of the General Property Tax Act, 1893 PA 206 as amended, being MCL 211.27a.**

**(K) "Workforce housing" means residential rental units or other housing structures or units that are reasonably affordable to, and occupied by, a household whose total household income is not greater than 120% of the area median income for any given year as most recently published by the United States Department of Housing and Urban Development.**

**887.03 – Authorization and Establishment of Workforce Housing Exemption**

**(A) The class of housing projects to which the tax exemption shall apply and for which a service charge may be paid in lieu of all ad valorem property taxes are housing projects being developed or rehabilitated for workforce housing.**

**(B) Workforce housing and the property on which such housing is or will be located shall be exempt from all ad valorem property taxes beginning the year following December 31 of the year in which construction or rehabilitation commences, provided that all of the following have occurred:**

**(1) Commencement of construction began within one year of the date of the Authority's notification of exemption or such longer period of time as may be provided by the PILOT Resolution;**

**(2) The Restrictive Covenant instrument required by the Act and this Ordinance has been accepted, approved, and recorded by the City in the same year as commencement of construction; and**

**(3) The City has received a certified notification of exemption from the Authority.**

**If any of these have not occurred, an otherwise approved PILOT Resolution for exemption shall automatically be null and void.**

**(C) Subject to subsections (B), (D), and (E), the City of Lansing will accept a PILOT payment from the owner of a housing project for which the City has received a certified notification of exemption from the Authority in accordance with the following:**

**(1) For a new construction project, an amount that is the greater of the tax on the property on which the project is located for the tax year preceding the date on which the construction is commenced or 10% of the Annual Shelter Rent obtained from the project.**

**(2) For a rehabilitation project, an amount that is the lesser of the tax on the property on which the project is located for the tax year proceeding the date on which rehabilitation is commenced or 10% of the Annual Shelter Rent obtained from the project.**

**(3) The PILOT shall not exceed the amount in ad valorem taxes that the Sponsor would have otherwise paid if the workforce housing project were not tax exempt.**

**(D) In compliance with the Act and as determined by the City, the PILOT for that part of a workforce housing project that is tax exempt under this Ordinance but not used for workforce housing shall be equal to the full amount of the taxes that would be paid on that portion of the project as if the project were not tax exempt. The owner of the project shall allocate the benefits of any tax exemption granted pursuant to this Ordinance exclusively to workforce housing and to the maintenance and preservation of the workforce housing portion of the project as a safe, decent, and sanitary workforce housing.**

**(E) In compliance with the Act, the annual service charge under subsection (C) for a workforce housing project for which a PILOT Resolution has been adopted must be increased by the Additional Amount if both of the following requirements are met:**

**(1) Not later than 45 days after the county treasurer's receipt of the certified notification of exemption, the County Board of Commissioners passes a resolution, by majority vote, that provides that the Additional Amount must be paid.**

**(2) The approval of the resolution described in subparagraph (1) is in accordance with an ordinance or resolution adopted by the County Board of Commissioners establishing the factors to be considered when assessing whether the Additional Amount must be paid.**

**887.04 – Workforce Housing Exemption Application, Review, and Approval Process**

**(A) The Sponsor of a workforce housing project must own the property that is the subject of the application or must be the purchaser under a purchase or option agreement or otherwise demonstrate that is has control over the property. The property that is the subject of the application must be zoned for the intended use at the time of application.**

**(B) Prior to applying for a workforce housing exemption, the Sponsor shall submit a written proposed workforce housing project plan to the Mayor. The plan shall include at a minimum: the legal description and survey of the proposed exempt property, proof of ownership interest or control, a site plan, a description of the Sponsor's organizational structure and development experience, a narrative describing the scope of the workforce housing project, including location, number and type of units, typical floor plans and exterior elevations, the targeted median income and proposed rent limits, a schedule with projected milestones, a development income and expense pro forma (including the estimated Annual Shelter Rents), a ten-year cash flow projection, and additional or supplemental information as the City administration may request or require.**

**(C) The Sponsor shall submit its request for a workforce housing exemption using the form provided by City Assessor and include the information identified in subsection (B). The fully completed form, and any supplements thereto, shall be filed with the City Clerk along with the administrative review fee for workforce housing PILOTs, as established by City Council resolution.**

**(D) If a complete application is received, and the Administration determines in its sole discretion to proceed, a Resolution will be advanced to the City Council for consideration. If approved by a City Council PILOT Resolution, the final completed application shall form a binding commitment and agreement by the Sponsor to perform the workforce housing project presented in the application.**

**(E) When reviewing an application for a workforce housing exemption, the City Council's independent decision to approve or deny the request shall be guided by the following factors:**

**(1) Whether the workforce housing project will increase the number of available workforce housing units in the City.**

**(2) Whether the workforce housing project will reduce the functional obsolescence of an existing building or housing unit(s).**

**(3) Whether the workforce housing project is likely to encourage expansion of the population of the City.**

**(4) Whether the location of the workforce housing project is consistent with the goals and objectives of the City of Lansing Master Plan.**

**(5) Whether the development or rehabilitation of the workforce housing project requires zoning variances or results in the continuation of a nonconforming use.**

**(6) Whether the workforce housing project will include a level of amenities desired by or appropriate for the community.**

**(7) Whether the workforce housing project will add attractive, viable housing units to the community.**

**(8) Whether the workforce housing project incorporates green technologies or energy-efficient components.**

**(9) Such additional consideration as the City Council deems appropriate or important to the workforce housing project purpose.**

**(F) Approval of an exemption for a workforce housing project requires passage of a PILOT Resolution by a majority vote of the City Council that includes the findings with respect to the standards of subsection (E) above.**

**887.05 – Authority Affidavit and Assessor Notification**

**(A) Following adoption of the PILOT Resolution, the Sponsor must submit an affidavit to the Authority in the form required by the Authority for certification by the Authority that the project is eligible for the workforce housing exemption.**

**(B) Upon receipt of notification from the Authority that the project is eligible for a workforce housing exemption, the Sponsor or the Authority must file the certified**

**notification of exemption with the City Assessor before November 1 of the year preceding the tax year in which the exemption is to be effective.**

**(C) Not later than 5 business days after receipt of the certified notification of exemption, the assessor shall provide a copy of the certified notification of exemption to the County treasurer.**

**887.06 – Payment of Service Charge in Lieu of Taxes**

**(A) No later than May 31, or such other date provided for in the PILOT Resolution, the Sponsor shall submit to the City Treasurer, the Sponsor's budget for Annual Shelter Rent for the current calendar year and a copy of the Sponsor's audited financial statements for the preceding calendar year, prepared in accordance with generally accepted auditing standards or, if the Sponsor is not subject to an audit requirement, the Sponsor's compiled financial statements for the preceding calendar year prepared in accordance with generally accepted accounting principles and certified by the Sponsor. Within 45 days of receipt of the foregoing documents, the treasurer shall issue an invoice showing the PILOT payment due for the current year, which payment shall be due no later than August 15. Failure by the City to timely issue an invoice does not relieve the Sponsor's obligation to pay any PILOT.**

**(B) Except as otherwise provided in this Section and Section 887.03, any PILOT payment under this Ordinance shall be distributed to the governmental units levying the general property tax in the same proportion as prevailed with the general property tax in the previous calendar year. The distribution to those governmental units shall be made as**

**if the number of mills levied for local school district operating purposes were equal to the number of mills levied for the purposes in 1993 minus the number of mills levied under the state education tax act, 1993 PA 331, as amended, being MCL 211.901 to 211.906, for the year for which the distribution is calculated. The amount of the PILOT to be distributed to a local school district for operating purposes under this subsection must not be distributed to the local school district but instead must be paid to the state treasury and credited to the state school aid fund established by Section 11 of Article IX of the State Constitution of 1963.**

**(C) Any PILOT payment or portion of PILOT payment remaining unpaid as of the due date shall bear interest at 1% per month and require payment of a 3% penalty fee. The collection of past due PILOT payments shall otherwise be in accordance with the provisions of Chapter 211 of the General Property Tax Act, Act 206 of 1893, as amended, MCL 211.44 et seq.**

**887.07 – Duration and Recorded Restrictive Covenant**

**(A) A workforce housing project approved for an exemption by a PILOT Resolution shall be encumbered by a valid and binding Restrictive Covenant recorded in the office of the register of deeds for the County, and in compliance with Section 887.03.**

**(B) The Restrictive Covenant shall acknowledge all of the following: (i) that the economic feasibility of the workforce housing project depends on the approval and continuing effect of the exemption and PILOT as approved by the PILOT resolution; (ii) the City's agreement to accept payment of a PILOT in consideration of the Sponsor's**

**binding offer to construct or rehabilitate workforce housing as detailed in its accepted application in accordance with Section 887.04; and (iii) the amount of the annual service charge to be paid for each operating year.**

**(3) The Restrictive Covenant shall provide for all of the following: (i) the reporting and monitoring of the Sponsor's compliance with the Restrictive Covenant, this Ordinance and the PILOT Resolution; (ii) that the Restrictive Covenant is enforceable by the City and any Tenants to be benefitted at law or in equity; (iii) any additional remedies available to the City for non-compliance, including termination of the exemption and repayment of all prior years' tax savings under the workforce housing exemption after notice and hearing; and (iv) that the Restrictive Covenant cannot be modified or terminated except in a written instrument executed by the Sponsor or then current owner and the City.**

Section 2. All ordinances, resolutions or rules, parts of ordinances, resolutions or rules inconsistent with the provisions are repealed.

Section 3. Should any section, clause or phrase of this ordinance be declared to be invalid, the same shall not affect the validity of the ordinance as a whole, or any part thereof other than the part so declared to be invalid.

Section 4. This ordinance shall take effect on the 30th day after enactment, unless given immediate effect by City Council, and shall expire December 31, 2032.

Approved as to form:

1
2 _____
City Attorney
3
4 Dated: _____

Agenda Item 5. E.
Resolution – Administrative Review Fee for Payments in Lieu of Taxes (PILOT) for Workforce Housing Applications

Materials not available at time of publication
Continue to watch the website for updates

# Tri-County Regional Planning Commission

Year Ended September 30, 2023

Financial Statements

Rehmann

# TRI-COUNTY REGIONAL PLANNING COMMISSION

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**INDEPENDENT AUDITORS' REPORT**

February 16, 2024

Board of Commissioners
Tri-County Regional Planning Commission
Lansing, Michigan

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the financial statements of the governmental activities and the general fund of ***Tri-County Regional Planning Commission*** (the "Commission"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the Commission as of September 30, 2023, and the respective changes in financial position thereof and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Independent Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

HLB WE ARE AN INDEPENDENT MEMBER OF THE GLOBAL ADVISORY AND ACCOUNTING NETWORK

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Independent Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards,* we:

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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***

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards,* we have also issued, under separate cover, our report dated February 16, 2024, 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 solely 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 the effectiveness of the Commission's 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.

Rehmann Robson LLC

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# MANAGEMENT'S DISCUSSION AND ANALYSIS

# TRI-COUNTY REGIONAL PLANNING COMMISSION

## Management's Discussion and Analysis

As management of the Tri-County Regional Planning Commission (the "Commission"), we offer readers of the Commission's financial statements this narrative overview and analysis of the financial activities of the Commission for the fiscal year ended September 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that is furnished in the financial statements and notes to the financial statements.

**Financial Highlights**

- The assets of the Commission exceeded its liabilities at the close of the most recent fiscal year by $626,907 (net position). Of this amount, $622,787 was unrestricted and may be used for operating cash-flow, match for federal funding that was not spent this year, future program shortfalls, and capital asset purchases.
- The Commission's total net position increased by $49,673 from operations during fiscal 2023.
- The General Fund received $1,699,229 in revenues. The General fund had $1,647,211 in expenditures. The General Fund fund balance increased by $52,018.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was $657,575 or 40% of total General Fund expenditures.

**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 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 of the Commission's assets and liabilities, with the difference being 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 government'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.

**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 or objectives. The Commission, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Commission maintains one governmental fund.

**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 an Commission's near-term financing requirements.

## Management's Discussion and Analysis

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 (modified accrual) statements with similar information presented for 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 change in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Commission adopts an annual appropriated budget for the General Fund. A budgetary comparison statement has been provided to demonstrate compliance with this budget.

**Notes to the Financial Statements.** The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

**Supplementary Information.** In addition to the basic financial statements and accompanying notes, this report also presents the management's discussion and analysis, which is considered required supplementary information, and other supplementary information.

**Government-wide 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 exceeded liabilities by $626,907 at the end of the September 30, 2023 fiscal year.

| | Summary of Net Position | |
|---|---|---|
| | 2023 | 2022 |
| **Assets** | | |
| Current and other assets | $ 1,197,510 | $ 1,204,536 |
| Capital assets, net | 234,397 | 301,728 |
| **Total assets** | 1,431,907 | 1,506,264 |
| **Liabilities** | | |
| Other liabilities | 530,325 | 589,369 |
| Long-term liabilities - leases | 274,675 | 339,661 |
| **Total Liabilities** | 805,000 | 929,030 |
| **Net position** | | |
| Net Investment in capital assets | 4,120 | 4,752 |
| Unrestricted | 622,787 | 572,482 |
| **Total net position** | $ 626,907 | $ 577,234 |

## Management's Discussion and Analysis

The net position is separated into two major components; net investment in capital assets (e.g., equipment less related debt, if any), which amounted to $4,120 and the unrestricted net position of $622,787.

The Commission's net position increased by $49,673 during the current fiscal year.

| | Statement of Activities | |
|---|---|---|
| | 2023 | 2022 |
| **Revenues** | | |
| Program revenues: | | |
| Operating grants and contributions | $ 1,681,850 | $ 1,814,029 |
| General revenues: | | |
| Investment earnings (loss) | 17,379 | (28,249) |
| **Total revenues** | 1,699,229 | 1,785,780 |
| **Expenses** | 1,649,556 | 1,846,811 |
| **Change in net position** | 49,673 | (61,031) |
| Net position: | | |
| Beginning of year | 577,234 | 638,265 |
| **End of year** | $ 626,907 | $ 577,234 |

Total revenue decreased by $86,551 during the year due to Transportation and EDA programs that finished in 2022.

Total expense decreased by $197,255 during the year due to Transportation and EDA programs that finished in 2022.

**Summary of Fund Financial Statements**

**Governmental Fund.** As noted earlier, the focus of the governmental fund (modified accrual) financial statements is to provide information on the 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 fund reported an ending fund balance of $667,185, an increase of $52,018 from the prior year. $9,610 of the fund balance is considered nonspendable related to the prepaids.

At the end of the current fiscal year, unassigned fund balance for the General Fund was $657,575 or 40% of total General Fund expenditures.

The increase in the fund balance of $52,018 is mainly due to federal expenditures that where not used and require local match and a prior period adjustment. The funds will be used in future years to match increase federal funds.

## Management's Discussion and Analysis

**Budgetary Highlights**

The Commission adopts an annual budget for the General Fund. A budgetary comparison statement has been provided as supplementary information to demonstrate compliance with this budget.

Revenues increased $100,000 and expenditures increased by $67,708 between the original budget and the final budget. The Commission budget was amended during the year to reflect no change in fund balance. State revenue was increased from original to amended budget by $100,000 due to new grant from Michigan State Housing Development Authority(MSHDA). Pass-through expenditures increased from the original budget by $30,000 due to the new MSHDA grant. Facility expenditures increased $20,300 from the original to amended budget due to MSHDA grant. Special project expenditures increased from the original to amended budget by $15,008 due to new MSHDA grant. Revenues and expenditures were lower than anticipated by $781,056 and $833,074, respectively. Significant variances between budget and actual amounts for the year are described below:

- Federal revenue was under budget by $543,052 due to the Economic Development Administration (EDA) Planning Grant spent $30,000 less due to staff vacancy. The EDA Cares Grant spent $90,000 less do to staff vacancy and decrease in Pass Thru expenditures. The Transportation grant FHWA spent $100,000 less due to staff vacancy. The Transportation grants STP FY 2021 and STP 2022 spent $22,500 and $55,000 less due to consultant work being delayed. The new grant from Capital Area Transportation Authority was under spent by $152,000 because of delays in getting the contract signed.
- State revenue was under budget by $282,246 due to new MSHDA grant spending $75,000 because of delays in contracting and some expenses being paid by project partners. The $210,000 in RPI funding is being delayed to future years.
- Salaries and wages were under budget by $132,271 due to staff vacancies in the Transportation and Economic Development programs.
- Fringe benefits were under budget by $99,768 due to staff vacancies and over estimating the increase in health care expenses.
- Consultant fees and contractual services were under budget by $300,980 due to the following reasons. The EDA Cares grant spent $90,000 less in consultant due to change in program priorities. The Transportation program STP fiscal year 2021 spent $106,000 and STP fiscal year 2022 spent $56, 000 less then budget due to delays contracting consulting.
- Pass-through expenditures were under budget by $175,618 due to RPI projects being deferred to future years.

**Capital Asset and Debt Administration**

**Capital Assets.** The following is a summary of capital assets and the associated accumulated depreciation/amortization:

| | 2023 | 2022 |
|---|---|---|
| Furniture and equipment | $ 196,220 | $ 196,220 |
| Leased building | 307,764 | 307,764 |
| Less accumulated depreciation/amortization | (269,587) | (241,059) |
| Net capital assets | $ 234,397 | $ 262,925 |

## Management's Discussion and Analysis

The capital assets of the Commission consist exclusively of office furniture, equipment and a leased building. The Commission has implemented a capitalization policy consistent with MDOT and federal funding that require all items, other than buildings, building improvements and land improvements, purchased having a useful life in excess of one year and an individual cost of more than $5,000 be capitalized and depreciated/amortized. The capitalization threshold for buildings and building improvements is $50,000 and $25,000 for land improvements. Note 4 to the financial statements provides additional information regarding capital assets.

**Long-term Debt.** At the end of the current fiscal year, the Commission had no long-term debt.

**Economic Factors and Next Year's Budget**

The following factors were considered in preparing the Commission's budget for the 2023-2024 fiscal year:

New Federal funding that will need to be matched. Commission will use new State funding that is available to match the Federal funds.

**Requests for Information**

This financial report is designed to provide a general overview of the Commission's finances and to demonstrate the Commission's accountability for the revenues it receives. Anyone having questions regarding this report or desiring additional information may contact the Commission's office at 3135 Pine Tree Rd. Ste 2C, Lansing, MI 48911, (517) 393-0342.

# BASIC FINANCIAL STATEMENTS

# TRI-COUNTY REGIONAL PLANNING COMMISSION

## Statement of Net Position

Governmental Activities
September 30, 2023

| | | |
|---|---|---|
| **Assets** | | |
| Cash and cash equivalents | $ | 614,028 |
| Investments | | 287,652 |
| Due from other governmental units | | 286,220 |
| Prepaids | | 9,610 |
| Capital assets being depreciated/amortized, net | | 234,397 |
| **Total assets** | | 1,431,907 |
| **Liabilities** | | |
| Accounts payable and accrued liabilities | | 132,479 |
| Unearned revenue | | 397,846 |
| Compensated absences: | | |
| Due within one year | | 44,398 |
| Lease liability: | | |
| Due within one year | | 38,486 |
| Due in more than one year | | 191,791 |
| **Total liabilities** | | 805,000 |
| **Net position** | | |
| Net Investment in capital assets | | 4,120 |
| Unrestricted | | 622,787 |
| **Total net position** | $ | 626,907 |

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

# TRI-COUNTY REGIONAL PLANNING COMMISSION

## Statement of Activities

Governmental Activities
For the Year Ended September 30, 2023

| Functions/Programs | Expenses | Program Revenue: Operating Grants and Contributions | Net (Expense) Revenue and Changes in Net Position |
|---|---|---|---|
| Community and economic development planning programs | $ 1,649,556 | $ 1,681,850 | $ 32,294 |
| General revenues | | | |
| Investment earnings | | | 17,379 |
| **Change in net position** | | | 49,673 |
| Net position, beginning of year | | | 577,234 |
| **Net position, end of year** | | | $ 626,907 |

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

# TRI-COUNTY REGIONAL PLANNING COMMISSION

## Balance Sheet

Governmental Fund
September 30, 2023

| | | |
|---|---|---|
| **Assets** | | |
| Cash and cash equivalents | $ | 614,028 |
| Investments | | 287,652 |
| Due from other governmental units | | 286,220 |
| Prepaids | | 9,610 |
| **Total assets** | $ | 1,197,510 |
| **Liabilities** | | |
| Accounts payable | $ | 67,394 |
| Accrued wages | | 65,085 |
| Unearned revenue | | 397,846 |
| **Total liabilities** | | 530,325 |
| **Fund balance** | | |
| Nonspendable - prepaids | | 9,610 |
| Unassigned | | 657,575 |
| **Total fund balance** | | 667,185 |
| **Total liabilities and fund balance** | $ | 1,197,510 |

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

# TRI-COUNTY REGIONAL PLANNING COMMISSION

## Reconciliation

Fund Balance for Governmental Fund
to Net Position of Governmental Activities
September 30, 2023

| | | |
|---|---|---|
| **Fund balance - governmental fund** | $ | 667,185 |
| Amounts reported for the 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 fund statements. | | |
| Capital assets being depreciated/amortized, net | | 234,397 |
| Certain liabilities, such as compensated absences, are not due and payable in the current period, and therefore are not reported in the funds. | | |
| Lease liability | | (230,277) |
| Compensated absences | | (44,398) |
| **Net position of governmental activities** | $ | 626,907 |

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

# TRI-COUNTY REGIONAL PLANNING COMMISSION

## Statement of Revenues, Expenditures, and Change in Fund Balance

Governmental Fund
For the Year Ended September 30, 2023

| | | |
|---|---|---|
| **Revenues** | | |
| Intergovernmental: | | |
| Federal | $ | 969,699 |
| State | | 117,803 |
| Local | | 224,581 |
| Member allocations | | 363,335 |
| Investment earnings | | 17,379 |
| Other | | 6,432 |
| **Total revenues** | | 1,699,229 |
| **Expenditures** | | |
| Current: | | |
| Community and economic development planning programs | | 1,647,211 |
| **Net change in fund balance** | | 52,018 |
| Fund balance, beginning of year | | 615,167 |
| **Fund balance, end of year** | $ | 667,185 |

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

# TRI-COUNTY REGIONAL PLANNING COMMISSION

## Reconciliation

Net Change in Fund Balance of Governmental Fund
to Change in Net Position of Governmental Activities
For the Year Ended September 30, 2023

| | | |
|---|---|---|
| **Net change in fund balance - governmental fund** | $ | 52,018 |
| Amounts reported for the governmental activities in the statement of activities are different because: | | |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. | | |
| Depreciation/amortization | | (28,528) |
| Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. | | |
| Principal payments on lease liability | | 27,896 |
| Change in the accrual for compensated absences | | (1,713) |
| **Change in net position of governmental activities** | $ | 49,673 |

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

## TRI-COUNTY REGIONAL PLANNING COMMISSION

### Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - General Fund
For the Year Ended September 30, 2023

| | Original Budget | Final Budget | Actual | Actual Over (Under) Final Budget |
|---|---|---|---|---|
| **Revenues** | | | | |
| Intergovernmental: | | | | |
| Federal | $ 1,512,751 | $ 1,512,751 | $ 969,699 | $ (543,052) |
| State | 300,049 | 400,049 | 117,803 | (282,246) |
| Local | 204,150 | 204,150 | 224,581 | 20,431 |
| Member allocations | 363,335 | 363,335 | 363,335 | - |
| Interest earnings | - | - | 17,379 | 17,379 |
| Other | - | - | 6,432 | 6,432 |
| **Total revenues** | 2,380,285 | 2,480,285 | 1,699,229 | (781,056) |
| **Expenditures** | | | | |
| Community and economic development: | | | | |
| Salaries and wages | 991,875 | 991,875 | 859,604 | (132,271) |
| Fringe benefits | 420,796 | 420,796 | 321,028 | (99,768) |
| Fringe benefits - pension forfeitures | 5,710 | 5,710 | 5,710 | - |
| Discretionary fund | 5,000 | 5,000 | 4,296 | (704) |
| Telephone | 9,250 | 9,250 | 9,089 | (161) |
| Postage | 1,000 | 1,000 | 486 | (514) |
| Printing and copying | 9,650 | 9,650 | 4,686 | (4,964) |
| Office supplies | 15,000 | 15,000 | 5,317 | (9,683) |
| Travel - in region | 16,700 | 12,700 | 8,029 | (4,671) |
| Travel - out region | 11,223 | 19,223 | 17,618 | (1,605) |
| Training | 4,000 | 2,000 | 150 | (1,850) |
| Commission meeting expenses | 5,000 | 5,000 | 2,516 | (2,484) |
| Rent | 80,000 | 80,000 | 77,013 | (2,987) |
| Facilities | 2,050 | 22,350 | 2,312 | (20,038) |
| Computer services | 50,000 | 50,000 | 35,575 | (14,425) |
| Computer software | 34,000 | 34,000 | 33,955 | (45) |
| Insurance | 7,200 | 7,800 | 7,792 | (8) |
| Bank service charges | 1,500 | 1,500 | 1,343 | (157) |
| Subscriptions/publications | 1,050 | 1,050 | 287 | (763) |
| Advertising | 4,100 | 4,100 | 203 | (3,897) |
| Membership dues | 11,000 | 11,000 | 9,502 | (1,498) |
| Special projects | 54,000 | 69,008 | 17,728 | (51,280) |
| Consultant fee/contractual services | 465,139 | 465,139 | 164,159 | (300,980) |
| Equipment | 17,500 | 17,500 | 14,797 | (2,703) |
| Audit | 13,000 | 12,800 | 12,800 | - |
| Pass-through | 176,834 | 206,834 | 31,216 | (175,618) |
| **Total expenditures** | 2,412,577 | 2,480,285 | 1,647,211 | (833,074) |
| **Net change in fund balance** | (32,292) | - | 52,018 | 52,018 |
| Fund balance, beginning of year | 615,167 | 615,167 | 615,167 | - |
| **Fund balance, end of year** | $ 582,875 | $ 615,167 | $ 667,185 | $ 52,018 |

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

# NOTES TO FINANCIAL STATEMENTS

## Notes to Financial Statements

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Tri-County Regional Planning Commission (the "Commission") is a governmental unit established July 18, 1956, under the authority of Act 281 of Michigan Public Acts of 1945. The Commission is a voluntary organization joining Clinton, Eaton, and Ingham Counties and the City of Lansing to foster a cooperative effort in identifying and resolving various community planning issues in the Tri-County area. Primary financing is provided through various agreements with state and federal agencies and local appropriations.

The financial statements of the Commission have been prepared in conformity with generally accepted accounting principles (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. The more significant of the Commission's accounting policies are described below.

**Reporting Entity**

All funds (primary government) under direct control of the Commission are included in this report. These funds are those which meet the criteria established by the Governmental Accounting Standards Board (GASB). The Commission is considered a special purpose governmental unit operating governmental activities and account for those activities in a single governmental fund.

**Basis of Presentation**

*Government-wide Financial Statements*

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenue, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Commission had no business-type activities during the year ended September 30, 2023.

The statement of activities presents the direct functional expenses of the Commission and the program revenues that support them. Direct expenses are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues are associated with specific functions and include charges to recipients of goods or services and grants and contributions that are restricted to meeting the operational or capital requirements of that function. Revenues that are not required to be presented as program revenues are general revenues. This includes all interest and other general revenues and shows how governmental functions are either self- financing or supported by the general revenues of the Commission.

*Fund Financial Statements*

The fund financial statements present the Commission's only fund. The General Fund is the Commission's operating fund. It is used to account for all financial resources of the Commission. General Fund activities are financed by revenue from governmental grants, member allocations, and other sources.

## Notes to Financial Statements

**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. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as they are both measurable and available. Revenue is considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

When both restricted and unrestricted resources are available for use, it is the Commission's practice to use restricted resources first, then unrestricted resources as they are needed.

**Assets, Liabilities and Equity**

***Cash and Investments***

Cash consists of the Commission's checking and savings accounts.

In accordance with Michigan Compiled Laws, the Commission is authorized to invest in the following investment vehicles:

a. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.

b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank which is a member of the Federal Deposit Insurance Corporation (FDIC) or a savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation (FSLIC) or a credit union which is insured by the National Credit Union Administration, but only if the bank, savings and loan association, or credit union is eligible to be a depository of surplus funds belonging to the State under Section 5 or 6 of Act No. 105 of the Public Acts of 1855, as amended, being Section 21.145 and 21.146 of the Michigan Compiled Laws.

c. Commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase.

d. The United States government or Federal agency obligations repurchase agreements.

e. Bankers' acceptances of United States banks.

## Notes to Financial Statements

f. Mutual funds registered under the Investment Company Act of 1940 with the Commission to purchase only investment vehicles, which are legal for direct investment by local units of government in Michigan.

***Receivables and Unearned Revenue***

Amounts due from other governments include amounts due from grantors for specific programs and capital projects. Program grants and capital grants for capital assets are recorded as receivables and revenues at the time reimbursable project costs are incurred. Revenues received in advance of project costs being incurred are shown as unearned revenue.

***Prepaids***

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

***Capital Assets***

Capital assets are recorded (net of accumulated depreciation/amortization, if applicable) and are those assets with an initial individual cost of $50,000 for buildings and building improvements, $25,000 for land improvements, and $5,000 for all other assets and an estimated useful life of more than one year. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated acquisition value on the date received.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Depreciation and amortization are computed using the straight-line method over a useful live of 3 to 10 years.

***Indirect Cost Allocations***

Indirect costs are allocated to all projects equally. Allocated indirect costs in excess of amounts that can be funded by a contract or grant are absorbed by the Commission through indirect credits. The indirect cost rate percentage is applied only against allowable direct costs in each project.

***Compensated Absences***

Accumulated unpaid vacation benefit obligations are accrued when incurred; as such obligations are expected to be paid within the ensuing year.

For governmental funds, the cost of accumulated vacation along with the related payroll taxes expected to be paid with current expendable resources is recorded as a fund liability.

Vacation leave is earned in varying amounts depending on the number of years of service of an employee and is made available on the anniversary date of the employee.

## Notes to Financial Statements

Upon termination, an employee receives payment for the balance of unused vacation leave, which is credited to an employee each month.

***Leases***

*Lessee.* The Commission is a lessee for a noncancellable lease of a building. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The Commission recognizes lease liabilities with an initial, individual value of $5,000 or more.

At the commencement of a lease, the Commission initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a effective interest rate method over its useful life.

Key estimates and judgments related to leases include how the Commission determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The Commission uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Commission generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price (if applicable) that the Commission is reasonably certain to exercise.

The Commission monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

***Fund Balance Classification***

Governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Restricted fund balance is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Commission's Board (the government’s highest level of decision-making authority). A formal resolution of the Board is required to establish, modify, or rescind a fund balance commitment. The Commission reports assigned fund balance for amounts that are constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed. The Board has not approved a policy indicating who is authorized to make fund balance assignments, as a result, this authority is retained with the Board. Unassigned fund balance is the residual classification for the General Fund.

## Notes to Financial Statements

***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

### 2. BUDGETARY INFORMATION

A comparison to budget is presented for the General Fund as required by generally accepted accounting principles. The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles ("GAAP"). General Fund expenditures are budgeted at the activity level.

Adoption and amendments of budgets used by the Commission are governed by Public Act 621. Any amendment of the original budget must meet the requirements of Public Act 621.

For the year ended September 30, 2023, the Commission had no expenditures that were in excess of the amounts appropriated.

### 3. CASH AND INVESTMENTS

The following summarizes the categorization of cash and investments as of September 30, 2023:

| | | |
|---|---|---|
| **Statement of net position** | | |
| Cash and cash equivalents | | $ 614,028 |
| Investments | | 287,652 |
| **Total** | | $ 901,680 |
| **Deposits and investments** | | |
| Bank deposits: | | |
| Checking and savings accounts | | $ 613,878 |
| Investments: | | |
| Money market funds | $ 3,824 | |
| Mutual fund | 33,054 | |
| Exchange-traded funds | 144,852 | |
| Michigan CLASS pool | 105,922 | |
| Total investments | | 287,652 |
| Cash on hand | | 150 |
| **Total** | | $ 901,680 |

## Notes to Financial Statements

*Interest Rate Risk.* State law limits the allowable investments and the maturities of some of the allowable investments as identified in Note 1 the summary of significant accounting policies. The Commission's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. None of the investments listed above have specific maturity dates.

*Credit Risk.* State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investments. Commercial paper must be rated within the two highest classifications established by not less than two standard rating services. The Commission's investment policy does not have specific limits in excess of state law on investment credit risk.

*Concentration of Credit Risk.* State law limits allowable investments but does not limit concentration of credit risk as identified in Note 1 the summary of significant accounting policies. The Commission's investment policy does not have specific limits in excess of state law on concentration of credit. All investments held at year-end are reported above.

*Custodial Credit Risk - Deposits.* Custodial credit risk is the risk that, in the event of a bank failure, the Commission's deposits might not be returned. As of September 30, 2023, $263,621 of the Commission's bank balance of $596,569 was exposed to custodial credit risk because it was uninsured and uncollateralized.

*Custodial Credit Risk - Investments.* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Commission will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require and the Commission does not have a policy for investment custodial credit risk. On the investments listed above, there is no custodial credit risk, as these investments are uncategorized as to credit risk.

*Fair Value Measurement.* The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

## Notes to Financial Statements

The Authority has the following recurring fair value measurements as of September 30, 2023:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Mutual fund | $ 33,054 | $ - | $ - | $ 33,054 |
| Exchange-traded funds | - | 144,852 | - | 144,852 |
| Total investments by fair value level | $ 33,054 | $ 144,852 | $ - | 177,906 |
| Money market funds (amortized cost) | | | | 3,824 |
| Michigan CLASS pool (NAV) | | | | 105,922 |
| **Total investments** | | | | $ 287,652 |

Mutual funds and exchange-traded funds traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mutual funds and exchange-traded funds are valued by fund managers based on the fair value of the underlying securities.

The Commission holds shares in the Michigan CLASS government investment pool whereby the fair value of the investment is measured on a recurring basis using net asset value per share (or its equivalent) of the investment pool as a practical expedient.

At year end, the net asset value of the Authority's investment in the Michigan CLASS government investment pool was $105,922. The investment pool had no unfunded commitments, specific redemption frequency or redemption notice period required. The Michigan CLASS government investment pool invests in U.S. treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated 'A-1' or better) collateralized bank deposits, repurchase agreements (collateralized at 102% by Treasuries and agencies), and approved money-market funds. The program seeks to provide safety, liquidity, convenience, and competitive rates of return, and is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities and other public agencies.

## Notes to Financial Statements

### 4. CAPITAL ASSETS

Capital asset activity for the Commission for the year ended September 30, 2023, was as follows:

| | Beginning Balance | Additions | Disposals | Transfers | Ending Balance |
|---|---|---|---|---|---|
| Capital assets, being depreciated/amortized: | | | | | |
| Furniture and equipment | $ 196,220 | $ - | $ - | $ - | $ 196,220 |
| Leased Building (Note 9) | 307,764 | - | - | - | 307,764 |
| | 503,984 | - | - | - | 503,984 |
| Less accumulated depreciation/ amortization for: | | | | | |
| Furniture and equipment | (191,468) | (632) | - | - | (192,100) |
| Leased Building (Note 9) | (49,591) | (27,896) | - | - | (77,487) |
| | (241,059) | (28,528) | - | - | (269,587) |
| **Capital assets, net** | $ 262,925 | $ (28,528) | $ - | $ - | $ 234,397 |

### 5. COMPENSATED ABSENCES

The following is a summary of changes in compensated absences (including current portion) of the Commission for the year ended September 30, 2023:

| | Beginning Balance | Additions | Deletions | Ending Balance | Due Within One Year |
|---|---|---|---|---|---|
| Compensated absences | $ 42,685 | $ 126,920 | $ (125,207) | $ 44,398 | $ 44,398 |

## Notes to Financial Statements

### 6. RETIREMENT PLAN

The Commission provides pension benefits for all non-temporary employees through a defined contribution plan, which was established by the Board of Commissioners and may be amended from time to time by the Board. This plan is administered by the Michigan Municipal Employees Retirement System. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The Commission's contributions are vested at a graded rate based on year of service.

| Years of Service | Vesting Percentage |
|---|---|
| 1 | 0% |
| 2 | 20% |
| 3 | 40% |
| 4 | 60% |
| 5 | 80% |
| 6 | 100% |

The employer is required to contribute 9% of all covered payroll, which was $72,791 in the current year. The employer met the required contribution to the plan for the year. Covered payroll was $811,915.92, and total payroll was $828,406 during the fiscal year.

### 7. CONTINGENT LIABILITIES

Under the terms of various federal and state grants, periodic compliance audits are required, and certain costs may be questioned, allowed, or disallowed, which could result in funds being returned and/or received from grantor agencies.

### 8. ECONOMIC DEPENDENCY

The Commission receives substantially all of its support from federal, state, and local governments. A significant reduction in the level of this support, if this were to occur, could have an effect on the Commission's activities.

### 9. LEASES LIABILITY

Lessee - The Commission is involved in an agreement as a lessee that qualifies as a long-term lease agreement. Below is a summary of the nature of this agreement. This agreement qualifies as an intangible, right-to-use asset and not a financed purchase, as the Commission will not own the asset at the end of the contract term and the noncancelable term of the agreement surpasses one year.

## Notes to Financial Statements

| Asset Type | Remaining Term of Agreement |
|---|---|
| Building | 6 years |

The right-to-use asset and the related activity are included in Note 4, Capital Assets.

Lease liability activity for the year ended September 30, 2023, was as follows:

| | Beginning Balance | Additions | Deductions | Ending Balance | Due Within One Year |
|---|---|---|---|---|---|
| Lease liability | $ 258,173 | $ - | $ (27,896) | $ 230,277 | $ 38,486 |

The net present value of future minimum payments as of September 30, 2023 were as follows:

| Year Ended September 30, | Principal | Interest |
|---|---|---|
| 2024 | $ 38,486 | $ 6,914 |
| 2025 | 40,688 | 5,636 |
| 2026 | 42,504 | 4,281 |
| 2027 | 43,906 | 2,879 |
| 2028 | 45,355 | 1,431 |
| 2029 | 19,338 | 157 |
| Total | $ 230,277 | $ 21,298 |

### 10. RISK MANAGEMENT

The Commission participates in the Michigan Township Participating Plan (the "Plan"), with other municipalities for property, liability, auto, crime, public official wrongful acts, boiler and machinery, inland marina, and EDP losses. The Plan is organized under Public Act 138 of 1982, as amended. The Plan, while it operates under the Michigan Legislation of Public Act 138, does not operate as a risk pool due to the transfer of risk to U.S. Specialty Insurance Company (“USSIC”) backing the Michigan Township Participating Plan under a master policy. Due to the Master Policy purchase, there is no pooling of risk between members, but is instead considered commercial insurance. Settled claims relating to this insurance have not exceeded the amount of insurance coverage in any of the past three years.

The Commission carries commercial insurance for the risk of loss due to workers’ compensation claims. Settled claims relating to commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

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# OTHER SUPPLEMENTARY INFORMATION

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## TRI-COUNTY REGIONAL PLANNING COMMISSION

### Schedule of Commission Revenues and Expenditures (Unaudited)

For the Year Ended September 30, 2023

| | | Special Projects | | | | |
|---|---|---|---|---|---|---|
| | Operating | Indirect | Direct | Total | Eliminations | Total |
| **Revenues** | | | | | | |
| Federal sources | $ - | $ - | $ 969,699 | $ 969,699 | $ - | $ 969,699 |
| State sources | - | - | 117,803 | 117,803 | - | 117,803 |
| Local sources | 22,960 | - | 201,621 | 201,621 | - | 224,581 |
| Member allocations | 363,335 | - | - | - | - | 363,335 |
| Investment income | 17,379 | - | - | - | - | 17,379 |
| Other | 6,964 | - | 100 | 100 | (632) | 6,432 |
| Local match | - | - | 226,602 | 226,602 | (226,602) | - |
| **Total revenues** | 410,638 | - | 1,515,825 | 1,515,825 | (227,234) | 1,699,229 |
| **Expenditures** | | | | | | |
| Direct costs: | | | | | | |
| Salaries and wages | 55,318 | 144,280 | 660,006 | 804,286 | - | 859,604 |
| Fringe benefits | 21,017 | 54,797 | 245,214 | 300,011 | - | 321,028 |
| Fringe benefits - pension forfeitures | 5,710 | - | - | - | - | 5,710 |
| Discretionary fund | 4,296 | - | - | - | - | 4,296 |
| Telephone | - | 8,729 | 360 | 9,089 | - | 9,089 |
| Postage | - | 429 | 57 | 486 | - | 486 |
| Printing and copying | 723 | 1,759 | 2,204 | 3,963 | - | 4,686 |
| Office supplies | 122 | 4,962 | 233 | 5,195 | - | 5,317 |
| Travel - in region | 1,142 | 2,710 | 4,177 | 6,887 | - | 8,029 |
| Travel - out region | 75 | 155 | 17,388 | 17,543 | - | 17,618 |
| Training | - | - | 150 | 150 | - | 150 |
| Commission meeting expenses | 2,516 | - | - | - | - | 2,516 |
| Rent | - | 77,013 | - | 77,013 | - | 77,013 |
| Facilities | | - | 2,312 | 2,312 | - | 2,312 |
| Computer services | - | 34,554 | 1,021 | 35,575 | - | 35,575 |
| Computer software | - | 18,185 | 15,770 | 33,955 | - | 33,955 |
| Insurance | - | 7,792 | - | 7,792 | - | 7,792 |
| Bank service charges | 1,343 | - | - | - | - | 1,343 |
| Subscriptions/publications | - | 287 | - | 287 | - | 287 |
| Advertising | 13 | 25 | 165 | 190 | - | 203 |
| Depreciation | - | 632 | - | 632 | (632) | - |
| Membership dues | 300 | 5,042 | 4,160 | 9,202 | - | 9,502 |
| Special projects | - | - | 17,728 | 17,728 | - | 17,728 |
| Consultant fee/contractual services | - | - | 164,159 | 164,159 | - | 164,159 |
| Equipment purchase | 9,604 | - | 5,193 | 5,193 | - | 14,797 |
| Audit | - | 12,800 | - | 12,800 | - | 12,800 |
| Pass-through | - | - | 31,216 | 31,216 | - | 31,216 |
| Transfer for match | 226,602 | - | - | - | (226,602) | - |
| Indirect costs | 29,839 | (374,151) | 344,312 | (29,839) | - | - |
| **Total expenditures** | 358,620 | - | 1,515,825 | 1,515,825 | (227,234) | 1,647,211 |
| **Revenues over expenditures** | $ 52,018 | $ - | $ - | $ - | $ - | $ 52,018 |

## TRI-COUNTY REGIONAL PLANNING COMMISSION

### Combining Schedule of Project Revenues and Expenditures (Unaudited)

For the Year Ended September 30, 2023

| | Greater Lansing Regional Committee (GRLC) 2022 (30300) | Greater Lansing Regional Committee (GRLC) 2023 (30310) | Groundwater Management Board (GMB) 2023 (30400) | Mid-Michigan Water Authority 2023 (30800) |
|---|---|---|---|---|
| **Revenues** | | | | |
| Federal sources | $ - | $ - | $ - | $ - |
| State sources | - | - | - | - |
| Local sources | 31,885 | 74,647 | 94,522 | 567 |
| Other | 100 | - | - | - |
| Local match | - | - | - | - |
| **Total revenues** | 31,985 | 74,647 | 94,522 | 567 |
| **Expenditures** | | | | |
| Direct costs: | | | | |
| Salaries and wages | 15,878 | 33,444 | 47,520 | 302 |
| Fringe benefits | 6,031 | 12,702 | 18,048 | 114 |
| Telephone | - | - | - | - |
| Postage | - | 57 | - | - |
| Printing and copying | 50 | 450 | 677 | 1 |
| Office supplies | - | - | - | - |
| Travel - in region | 402 | 483 | 163 | - |
| Travel - out region | - | 1,145 | 1,139 | - |
| Training | - | - | - | - |
| Facilities | - | - | - | - |
| Computer services | - | - | - | - |
| Computer software | - | - | 500 | - |
| Advertising | - | - | - | - |
| Membership dues | - | 95 | 355 | - |
| Special projects | 1,547 | 8,797 | 1,413 | - |
| Consultant fee/contractual services | - | - | - | - |
| Equipment purchase | - | - | - | - |
| Pass-through | - | - | - | - |
| Indirect costs | 8,077 | 17,474 | 24,707 | 150 |
| **Total expenditures** | 31,985 | 74,647 | 94,522 | 567 |
| **Revenues over expenditures** | $ - | $ - | $ - | $ - |

| Regional Prosperity Grant 2018 (31340) | Regional Prosperity Grant 2019 (31350) | EDA Cares Grant (31600) | EDA Planning Grant 2025 (31500) | FHWA PL Funds (32101) |
|---|---|---|---|---|
| $ - | $ - | $ 11,547 | $ 41,512 | $ 748,293 |
| 4,624 | 2,687 | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | 41,512 | 165,932 |
| 4,624 | 2,687 | 11,547 | 83,024 | 914,225 |
| 2,462 | 1,431 | 6,152 | 44,678 | 457,107 |
| 935 | 544 | 2,337 | 16,028 | 169,094 |
| - | - | - | - | 360 |
| - | - | - | - | - |
| - | - | - | 90 | 936 |
| - | - | - | - | 106 |
| - | - | (5) | 196 | 2,472 |
| - | - | - | - | 15,104 |
| - | - | - | - | 150 |
| - | - | - | - | 2,312 |
| - | - | - | - | 1,021 |
| - | - | - | - | 15,270 |
| - | - | - | - | 165 |
| - | - | - | - | 3,710 |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | 5,193 |
| - | - | - | - | - |
| 1,227 | 712 | 3,063 | 22,032 | 241,225 |
| 4,624 | 2,687 | 11,547 | 83,024 | 914,225 |
| $ - | $ - | $ - | $ - | $ - |

continued…

## TRI-COUNTY REGIONAL PLANNING COMMISSION

### Combining Schedule of Project Revenues and Expenditures (Unaudited)

For the Year Ended September 30, 2023

| | MDOT Grant: Asset Management 2023 (32300) | Regional Transportation Contract (32400) | Surface Transportation Program Grant 2021 (32900) | Surface Transportation Program Grant 2022 (33100) |
|---|---|---|---|---|
| **Revenues** | | | | |
| Federal sources | $ - | $ - | $ 50,626 | $ 26,005 |
| State sources | 39,950 | 40,100 | - | - |
| Local sources | - | - | - | - |
| Other | - | - | - | - |
| Local match | - | - | 12,657 | 6,501 |
| **Total revenues** | 39,950 | 40,100 | 63,283 | 32,506 |
| **Expenditures** | | | | |
| Direct costs: | | | | |
| Salaries and wages | 9,633 | 21,350 | - | - |
| Fringe benefits | 3,658 | 8,109 | - | - |
| Telephone | - | - | - | - |
| Postage | - | - | - | - |
| Printing and copying | - | - | - | - |
| Office supplies | - | - | - | - |
| Travel - in region | 472 | - | - | - |
| Travel - out region | - | - | - | - |
| Training | - | - | - | - |
| Facilities | - | - | - | - |
| Computer services | - | - | - | - |
| Computer software | - | - | - | - |
| Advertising | - | - | - | - |
| Membership dues | - | - | - | - |
| Special projects | - | - | - | - |
| Consultant fee/contractual services | - | - | 63,283 | 32,506 |
| Equipment purchase | - | - | - | - |
| Pass-through | 21,216 | - | - | - |
| Indirect costs | 4,971 | 10,641 | - | - |
| **Total expenditures** | 39,950 | 40,100 | 63,283 | 32,506 |
| **Revenues over expenditures** | $ - | $ - | $ - | $ - |

| Michigan Avenue Corridor Study (33200) | Statewide Planning and Research (34000) | Capital Area Transportation Authority (CATA) Clean Commute (34500) | Michigan State Housing Development Authority Grant (35000) | Total |
|---|---|---|---|---|
| $ 68,236 | $ 17,916 | $ 5,564 | $ - | $ 969,699 |
| - | 3,972 | - | 26,470 | 117,803 |
| - | - | - | - | 201,621 |
| - | - | - | - | 100 |
| - | - | - | - | 226,602 |
| 68,236 | 21,888 | 5,564 | 26,470 | 1,515,825 |
| - | 11,654 | 2,963 | 5,432 | 660,006 |
| - | 4,426 | 1,125 | 2,063 | 245,214 |
| - | - | - | - | 360 |
| - | - | - | - | 57 |
| - | - | - | - | 2,204 |
| - | - | - | 127 | 233 |
| (97) | - | - | 91 | 4,177 |
| - | - | - | - | 17,388 |
| - | - | - | - | 150 |
| - | - | - | - | 2,312 |
| - | - | - | - | 1,021 |
| - | - | - | - | 15,770 |
| - | - | - | - | 165 |
| - | - | - | - | 4,160 |
| - | - | - | 5,971 | 17,728 |
| 68,370 | - | - | - | 164,159 |
| - | - | - | - | 5,193 |
| - | - | - | 10,000 | 31,216 |
| (37) | 5,808 | 1,476 | 2,786 | 344,312 |
| 68,236 | 21,888 | 5,564 | 26,470 | 1,515,825 |
| $ - | $ - | $ - | $ - | $ - |

concluded

## TRI-COUNTY REGIONAL PLANNING COMMISSION

### Schedule of Project Revenues and Expenditures (Unaudited)

Greater Lansing Regional Committee (GLRC) 2022
Project Period January 1, 2022 to December 31, 2022

Various Municipalities - Cash (30300)

| | January 1, 2022 through September 30, 2022 | October 1, 2022 through December 31, 2022 | January 1, 2022 through December 31, 2022 |
|---|---|---|---|
| **Revenues** | | | |
| Local: | | | |
| Cash received | $ 100,600 | $ - | $ 100,600 |
| Unearned revenue - prior year | (31,885) | 31,885 | - |
| Other | - | 100 | 100 |
| **Total revenues** | $ 68,715 | $ 31,985 | $ 100,700 |
| **Expenditures** | | | |
| Direct: | | | |
| Salaries | $ 31,887 | $ 15,878 | $ 47,765 |
| Fringe benefits | 13,535 | 6,031 | 19,566 |
| Printing and copying | 146 | 50 | 196 |
| Travel - in region | 836 | 402 | 1,238 |
| Computer Services | 117 | - | 117 |
| Advertising | 242 | - | 242 |
| Special projects | 3,879 | 1,547 | 5,426 |
| Indirect costs | 18,073 | 8,077 | 26,150 |
| **Total expenditures** | $ 68,715 | $ 31,985 | $ 100,700 |

## TRI-COUNTY REGIONAL PLANNING COMMISSION

### Schedule of Project Revenues and Expenditures (Unaudited)

Greater Lansing Regional Committee (GLRC) 2023
Project Period January 1, 2023 to September 30, 2023

Various Municipalities - Cash (30310)

| | January 1, 2023 through September 30, 2023 |
|---|---|
| **Revenues** | |
| Local: | |
| Cash received | $ 74,647 |
| **Expenditures** | |
| Direct: | |
| Salaries | $ 33,444 |
| Fringe benefits | 12,702 |
| Postage | 57 |
| Printing and copying | 450 |
| Travel - in region | 483 |
| Travel - out region | 1,145 |
| Membership dues | 95 |
| Special projects | 8,797 |
| Indirect costs | 17,474 |
| **Total expenditures** | $ 74,647 |

## TRI-COUNTY REGIONAL PLANNING COMMISSION

### Schedule of Project Revenues and Expenditures (Unaudited)

Groundwater Management Board (GMB) 2023
Project Period October 1, 2022 to September 30, 2023

Various Municipalities - Cash (30400)

| | | |
|---|---|---|
| **Revenues** | | |
| Local: | | |
| Cash received | $ | 96,300 |
| Unearned revenue - prior year | | 166,034 |
| Unearned revenue - current year | | (167,812) |
| **Total revenues** | $ | 94,522 |
| **Expenditures** | | |
| Direct: | | |
| Salaries | $ | 47,520 |
| Fringe benefits | | 18,048 |
| Printing and copying | | 677 |
| Travel - in region | | 163 |
| Travel - out region | | 1,139 |
| Computer software | | 500 |
| Membership dues | | 355 |
| Special projects | | 1,413 |
| Indirect costs | | 24,707 |
| **Total expenditures** | $ | 94,522 |

## TRI-COUNTY REGIONAL PLANNING COMMISSION

### Schedule of Project Revenues and Expenditures (Unaudited)

Mid-Michigan Water Authority 2022
Project period January 1, 2022 through December 31, 2022

Various Municipalities - Cash (30700)

| | January 1, 2022 through September 30, 2022 | October 1, 2022 through December 31, 2022 | January 1, 2022 through December 31, 2022 |
|---|---|---|---|
| **Revenues** | | | |
| Local: | | | |
| Accounts receivable | $ 1,810 | $ - | $ 1,810 |
| **Expenditures** | | | |
| Direct: | | | |
| Salaries | $ 910 | $ - | $ 910 |
| Fringe benefits | 386 | - | 386 |
| Travel - in region | 9 | - | 9 |
| Indirect costs | 505 | - | 505 |
| **Total expenditures** | $ 1,810 | $ - | $ 1,810 |

## TRI-COUNTY REGIONAL PLANNING COMMISSION

### Schedule of Project Revenues and Expenditures (Unaudited)

Mid-Michigan Water Authority 2023
Project period January 1, 2023 through September 30, 2023

| Various Municipalities - Cash (30800) | January 1, 2023 through September 30, 2023 |
|---|---|
| **Revenues** | |
| Local: | |
| Accounts receivable | $ 567 |
| **Expenditures** | |
| Direct: | |
| Salaries | $ 302 |
| Fringe benefits | 114 |
| Printing and Copying | 1 |
| Indirect costs | 150 |
| **Total expenditures** | $ 567 |

## TRI-COUNTY REGIONAL PLANNING COMMISSION

### Schedule of Project Revenues and Expenditures (Unaudited)

Regional Prosperity Grant 2018
Project Period March 1, 2018 to September 30, 2025

| | March 1, 2018 through September 30, 2022 | October 1, 2022 through September 30, 2023 | March 1, 2018 through September 30, 2023 |
|---|---|---|---|
| **Revenues** | | | |
| State of Michigan: | | | |
| Cash received | $ 180,897 | $ - | $ 180,897 |
| Unearned revenue - current year | (95,873) | 4,624 | (91,249) |
| **Total revenues** | $ 85,024 | $ 4,624 | $ 89,648 |
| **Expenditures** | | | |
| Direct: | | | |
| Salaries | $ - | $ 2,462 | $ 2,462 |
| Fringe benefits | - | 935 | 935 |
| Pass-through | 85,024 | - | 85,024 |
| Indirect costs | - | 1,227 | 1,227 |
| **Total expenditures** | $ 85,024 | $ 4,624 | $ 89,648 |

## TRI-COUNTY REGIONAL PLANNING COMMISSION

### Schedule of Project Revenues and Expenditures (Unaudited)

Regional Prosperity Grant 2019
Project Period March 1, 2019 to September 30, 2025

| | March 1, 2019 through September 30, 2022 | October 1, 2022 through September 30, 2023 | March 1, 2019 through September 30, 2023 |
|---|---|---|---|
| **Revenues** | | | |
| State of Michigan: | | | |
| Cash received | $ 306,810 | $ - | $ 306,810 |
| Unearned revenue - current year | (146,073) | 2,687 | (143,386) |
| **Total revenues** | $ 160,737 | $ 2,687 | $ 163,424 |
| **Expenditures** | | | |
| Direct: | | | |
| Salaries | $ 960 | $ 1,431 | $ 2,391 |
| Fringe benefits | 368 | 544 | 912 |
| Travel - in region | 22 | - | 22 |
| Pass-through | 158,857 | - | 158,857 |
| Indirect costs | 530 | 712 | 1,242 |
| **Total expenditures** | $ 160,737 | $ 2,687 | $ 163,424 |

## TRI-COUNTY REGIONAL PLANNING COMMISSION

### Schedule of Project Revenues and Expenditures (Unaudited)

EDA Cares Grant
Project period July 1, 2020 through March 31, 2023

EDA Grant No. 06-83-05565 (31600)
EDA - $400,000 Cash

| | July 1, 2020 through September 30, 2022 | October 1, 2022 through September 30, 2023 | July 1, 2020 through September 30, 2023 |
|---|---|---|---|
| **Revenues** | | | |
| Federal grant: | | | |
| Cash received | $ 249,315 | $ 6,161 | $ 255,476 |
| Unearned revenue - current year | (5,386) | 5,386 | - |
| **Total revenues** | $ 243,929 | $ 11,547 | $ 255,476 |
| **Expenditures** | | | |
| Direct: | | | |
| Salaries | $ 54,362 | $ 6,152 | $ 60,514 |
| Fringe benefits | 21,565 | 2,337 | 23,902 |
| Travel - in region | 180 | (5) | 175 |
| Consultant fee/contractual services | 118,315 | - | 118,315 |
| Pass-through | 19,905 | - | 19,905 |
| Indirect costs | 29,602 | 3,063 | 32,665 |
| **Total expenditures** | $ 243,929 | $ 11,547 | $ 255,476 |

## TRI-COUNTY REGIONAL PLANNING COMMISSION

### Schedule of Project Revenues and Expenditures (Unaudited)

EDA Planning Grant 2025
Project period July 1, 2022 through June 30, 2025

EDA Grant No. ED19CHI3020026 (31500)
EDA - $210,000 Cash
TCRPC - $210,000 Cash

| | July 1, 2022 through September 30, 2022 | October 1, 2022 through September 30, 2023 | July 1, 2022 through September 30, 2023 |
|---|---|---|---|
| **Revenues** | | | |
| Federal grant: | | | |
| Cash received | $ 17,500 | $ 17,215 | $ 34,715 |
| Accounts receivable | - | 11,591 | 11,591 |
| Unearned revenue - current | (12,706) | 12,706 | - |
| Local match | 4,794 | 41,512 | 46,306 |
| **Total revenues** | $ 9,588 | $ 83,024 | $ 92,612 |
| **Expenditures** | | | |
| Direct: | | | |
| Salaries | $ 5,540 | $ 44,678 | $ 50,218 |
| Fringe benefits | 2,177 | 16,028 | 18,205 |
| Printing and copying | - | 90 | 90 |
| Travel - in region | 6 | 196 | 202 |
| Indirect costs | 1,865 | 22,032 | 23,897 |
| **Total expenditures** | $ 9,588 | $ 83,024 | $ 92,612 |

## TRI-COUNTY REGIONAL PLANNING COMMISSION

### Schedule of Project Revenues and Expenditures (Unaudited)

FHWA PL Funds
Project period October 1, 2022 through September 30, 2023

FHWA Contract No. PL 2021-0011/Z6 (32101)
FHWA - $853,817 Cash
TCRPC - $189,332 Cash

| | | |
|---|---|---|
| **Revenues** | | |
| Federal grant: | | |
| Cash received | $ | 575,003 |
| Accounts receivable | | 173,290 |
| Local match | | 165,932 |
| **Total revenues** | $ | 914,225 |
| **Expenditures** | | |
| Direct: | | |
| Salaries | $ | 457,107 |
| Fringe benefits | | 169,094 |
| Telephone | | 360 |
| Printing and copying | | 936 |
| Office supplies | | 106 |
| Travel - in region | | 2,472 |
| Travel - out region | | 15,104 |
| Training | | 150 |
| Rent | | 2,312 |
| Computer services | | 1,021 |
| Computer software | | 15,270 |
| Advertising | | 165 |
| Membership dues | | 3,710 |
| Equipment Purchase | | 5,193 |
| Indirect costs | | 241,225 |
| **Total expenditures** | $ | 914,225 |

## TRI-COUNTY REGIONAL PLANNING COMMISSION

### Schedule of Project Revenues and Expenditures (Unaudited)

MDOT Grant: Asset Management 2023
Project period October 1, 2022 through September 30, 2023

MDOT CONTRACT NO. 2018-0022/Z10 (32300)
MDOT - $40,000 Cash

| | | |
|---|---|---|
| **Revenues** | | |
| State of Michigan: | | |
| Accounts receivable | $ | 39,950 |
| **Expenditures** | | |
| Direct: | | |
| Salaries | $ | 9,633 |
| Fringe benefits | | 3,658 |
| Travel - in region | | 472 |
| Pass-through | | 21,216 |
| Indirect costs | | 4,971 |
| **Total expenditures** | $ | 39,950 |

## TRI-COUNTY REGIONAL PLANNING COMMISSION

### Schedule of Project Revenues and Expenditures (Unaudited)

Regional Transportation Contract
Project period October 1, 2022 through September 30, 2023

MDOT Contract No. 2021-0022/Z4 (32400)
MDOT - $40,100 Cash

| | | |
|---|---|---|
| **Revenues** | | |
| State of Michigan: | | |
| Cash received | $ | 26,059 |
| Accounts receivable | | 14,041 |
| **Total revenues** | $ | 40,100 |
| **Expenditures** | | |
| Direct: | | |
| Salaries | $ | 21,350 |
| Fringe benefits | | 8,109 |
| Indirect costs | | 10,641 |
| **Total expenditures** | $ | 40,100 |

## TRI-COUNTY REGIONAL PLANNING COMMISSION

### Schedule of Project Revenues and Expenditures (Unaudited)

Surface Transportation Program Grant 2021
Project period January 25, 2021 through September 30, 2024

FHWA CONTRACTS 2021-0011/Z2 (32900)
FHWA - $113,419 Cash
TCRPC - $28,355 Cash

| | January 25, 2021 through September 30, 2022 | October 1, 2022 through September 30, 2023 | January 25, 2021 through September 30, 2023 |
|---|---|---|---|
| **Revenues** | | | |
| Federal grant: | | | |
| Cash received | $ 40,194 | $ 26,913 | $ 67,107 |
| Accounts receivable | - | 23,713 | 23,713 |
| Local match | 10,048 | 12,657 | 22,705 |
| **Total revenues** | $ 50,242 | $ 63,283 | $ 113,525 |
| **Expenditures** | | | |
| Direct: | | | |
| Salaries | $ 3,364 | $ - | $ 3,364 |
| Fringe benefits | 1,253 | - | 1,253 |
| Computer software | 386 | - | 386 |
| Advertising | 99 | - | 99 |
| Consultant fee/contractual services | 43,200 | 63,283 | 106,483 |
| Indirect costs | 1,940 | - | 1,940 |
| **Total expenditures** | $ 50,242 | $ 63,283 | $ 113,525 |

## TRI-COUNTY REGIONAL PLANNING COMMISSION

### Schedule of Project Revenues and Expenditures (Unaudited)

Surface Transportation Program Grant 2022
Project period October 1, 2021 through September 30, 2024

FHWA CONTRACTS 2021-0011/Z5 (33100)
FHWA - $100,000 Cash
TCRPC - $25,000 Cash

| | October 1, 2021 through September 30, 2022 | October 1, 2022 through September 30, 2023 | October 1, 2021 through September 30, 2023 |
|---|---|---|---|
| **Revenues** | | | |
| Federal grant: | | | |
| Cash received | $ 12,149 | $ 26,005 | $ 38,154 |
| Local match | 3,037 | 6,501 | 9,538 |
| **Total revenues** | $ 15,186 | $ 32,506 | $ 47,692 |
| **Expenditures** | | | |
| Direct: | | | |
| Consultant fee/contractual services | $ 15,186 | $ 32,506 | 47,692 |

## TRI-COUNTY REGIONAL PLANNING COMMISSION

### Schedule of Project Revenues and Expenditures (Unaudited)

Michigan Avenue Corridor Study
Project period October 1, 2021 through September 30, 2023

FHWA CONTRACTS 2021-0011/Z3/R1 (33200)
FHWA - $281,850 Cash
TCRPC - $18,150 Cash

| | October 1, 2021 through September 30, 2022 | October 1, 2022 through September 30, 2023 | October 1, 2021 through September 30, 2023 |
|---|---|---|---|
| **Revenues** | | | |
| Federal grant: | | | |
| Cash received | $ 213,614 | $ 68,236 | $ 281,850 |
| Local match | 18,150 | - | 18,150 |
| **Total revenues** | $ 231,764 | $ 68,236 | $ 300,000 |
| **Expenditures** | | | |
| Direct: | | | |
| Travel - in region | $ 97 | $ (97) | $ - |
| Consultant fee/contractual services | 231,630 | 68,370 | 300,000 |
| Indirect costs | 37 | (37) | - |
| **Total expenditures** | $ 231,764 | $ 68,236 | $ 300,000 |

## TRI-COUNTY REGIONAL PLANNING COMMISSION

### Schedule of Project Revenues and Expenditures (Unaudited)

Statewide Planning and Research
Project period October 1, 2022 through September 30, 2023

MDOT Contract No. 2021-0022/Z9 (34000)
MDOT - $4,493 Cash
Federal - $17,971 Cash

| | | |
|---|---|---|
| **Revenues** | | |
| Federal grant: | | |
| Cash received | $ | 15,713 |
| Accounts receivable | | 2,203 |
| State of Michigan: | | |
| Cash received | | 3,972 |
| **Total revenues** | $ | 21,888 |
| **Expenditures** | | |
| Direct: | | |
| Salaries | $ | 11,654 |
| Fringe benefits | | 4,426 |
| Indirect costs | | 5,808 |
| **Total expenditures** | $ | 21,888 |

## TRI-COUNTY REGIONAL PLANNING COMMISSION

### Schedule of Project Revenues and Expenditures (Unaudited)

Capital Area Transportation Authority (CATA) Clean Commute
Project period September 1, 2023 through December 31, 2027

| Contract No. 2021-0011/Z6 (34500) | September 1, 2023 through September 30, 2023 |
|---|---|
| **Revenues** | |
| Federal grant: | |
| Accounts receivable | $ 5,564 |
| **Expenditures** | |
| Direct: | |
| Salaries | $ 2,963 |
| Fringe benefits | 1,125 |
| Indirect costs | 1,476 |
| **Total expenditures** | $ 5,564 |

## TRI-COUNTY REGIONAL PLANNING COMMISSION

### Schedule of Project Revenues and Expenditures (Unaudited)

Michigan State Housing Development Authority Grant
Project period June 1, 2023 through March 31, 2024

| | June 1, 2023 through September 30, 2023 |
|---|---|
| **Revenues** | |
| State of Michigan: | |
| Accounts receivable | $ 26,470 |
| **Expenditures** | |
| Direct: | |
| Salaries | $ 5,432 |
| Fringe benefits | 2,063 |
| Office supplies | 127 |
| Travel - in region | 91 |
| Special project | 5,971 |
| Pass-through | 10,000 |
| Indirect costs | 2,786 |
| **Total expenditures** | $ 26,470 |

# TRI-COUNTY REGIONAL PLANNING COMMISSION

## Analysis of Local Match (Unaudited)

For the Year Ended September 30, 2023

| | Commission's Local Match |
|---|---|
| EDA Planning (31500) | $ 41,512 |
| FHWA PL Funds (32101) | 165,932 |
| STP (32900) | 12,657 |
| STP (33100) | 6,501 |
| | $ 226,602 |

# TRI-COUNTY REGIONAL PLANNING COMMISSION

## Analysis of Indirect Cost Rate (Unaudited)

For the Year Ended September 30, 2023

| | Indirect Base | Indirect Costs |
|---|---|---|
| Total expenditures | $ - | $ 1,874,445 |
| Direct expenditures | 1,500,294 | (1,500,294) |
| Less: | | |
| Special projects | (17,728) | - |
| Consultant fee/contractual services | (164,159) | - |
| Depreciation | (632) | - |
| Pass-through | (31,216) | - |
| Transfer for match | (226,602) | - |
| | $ 1,059,957 | $ 374,151 |
| Indirect cost rate (indirect costs as part of indirect base) | 35.30% | |

# TRI-COUNTY REGIONAL PLANNING COMMISSION

## Schedule of Fringe Benefits (Unaudited)

For the Year Ended September 30, 2023

| | | |
|---|---|---|
| Social security and Medicare (FICA) contributions | $ | 62,261 |
| Unemployment taxes | | 5,205 |
| Pension contributions | | 67,081 |
| Health insurance | | 161,962 |
| Dental insurance | | 12,028 |
| Group life insurance | | 7,864 |
| Employee assistance program | | 342 |
| Workers compensation insurance | | 2,040 |
| Fringe benefit miscellaneous | | 2,245 |
| Total fringe benefits | $ | 321,028 |
| Salaries and wages | $ | 859,604 |
| Fringe benefit rate - all employees | | 37.35% |

# Tri-County Regional Planning Commission

Year Ended September 30, 2023

## Single Audit Act Compliance

Rehmann

Subbed @ mtg

# TRI-COUNTY REGIONAL PLANNING COMMISSION

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**INDEPENDENT AUDITORS' REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

February 16, 2024

Board of Commissioners
Tri-County Regional Planning Commission
Lansing, Michigan

We have audited the financial statements of the governmental activities and the general fund of ***Tri-County Regional Planning Commission*** (the "Commission"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements. We issued our report thereon dated February 16, 2024, 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain other 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.

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## TRI-COUNTY REGIONAL PLANNING COMMISSION

### Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2023

| Federal Agency / Cluster / Program Title | Assistance Listing Number | Passed Through | Pass-through / Grantor Number | Federal Expenditures |
|---|---|---|---|---|
| **U.S. Department of Commerce** | | | | |
| Economic Development Support for Planning Organizations: | | | | |
| COVID 19 - CARES Grant | 11.302 | Direct | ED20CHI3070092 | $ 11,547 |
| Support for Planning | 11.302 | Direct | ED22CHI3020036 | 41,512 |
| | | | | 53,059 |
| **U.S. Department of Transportation** | | | | |
| Highway Planning and Construction: | | | | |
| FHWA PL Funds | 20.205 | MDOT | 2021-0011/Z6 | 748,293 |
| Surface Transportation Program Grant 2021 | 20.205 | MDOT | 2021-0011/Z2/R1 | 50,626 |
| Surface Transportation Program Grant 2022 | 20.205 | MDOT | 2021-011/Z5 | 26,005 |
| Michigan Avenue Corridor Study | 20.205 | MDOT | 2021-011/Z3/R1 | 68,236 |
| Statewide Planning and Research | 20.205 | MDOT | 2021-022/Z7 | 17,916 |
| CATA Clean Commute | 20.205 | MDOT | MI-95-X105-02 | 5,564 |
| | | | | 916,640 |
| **Total expenditures of federal awards** | | | | $ 969,699 |

See notes to schedule of expenditures of federal awards.

# TRI-COUNTY REGIONAL PLANNING COMMISSION

## Notes to Schedule of Expenditures of Federal Awards

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the ***Tri-County Regional Planning Commission*** (the "Commission") under programs of the federal government for the year ended September 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Commission, it is not intended to and does not present the financial position, changes in net position or cash flows of the Commission.

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting, which is described in Note 1 to the Commission's financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance or other applicable guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

### 2. DE MINIMIS COST RATE

For purposes of charging indirect costs to federal awards, the Commission has not elected to use the 10 percent de minimis cost rate as permitted by §200.414 of the Uniform Guidance.

### 3. PASS-THROUGH ENTITIES

The Commission receives certain federal grants as subawards from non-federal entities. Pass-through entities, where applicable, have been identified in the Schedule with an abbreviation, defined as follows:

| Pass-through Entity Abbreviation | Pass-through Entity Name |
|---|---|
| MDOT | Michigan Department of Transportation |

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## INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

February 16, 2024

Board of Commissioners
Tri-County Regional Planning Commission
Lansing, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund of the ***Tri-County Regional Planning Commission*** (the "Commission"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated February 16, 2024.

**Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

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

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

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

February 16, 2024

Board of Commissioners
Tri-County Regional Planning Commission
Lansing, Michigan

**Report on Compliance for the Major Federal Program**

***Opinion on the Major Federal Program***

We have audited the compliance of the ***Tri-County Regional Planning Commission*** (the "Commission") with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Commission's major federal program for the year ended September 30, 2023. The Commission's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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 the major federal program for the year ended September 30, 2023.

***Basis for Opinion on the Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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 Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Independent Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Commission's compliance with the compliance requirements referred to above.

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***Management's Responsibilities for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Commission's federal programs.

***Independent Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Commission's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards,* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Commission's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards,* and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Commission's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- obtain an understanding of the Commission's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Commission's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

***Other Matter***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2023-001. Our opinion on the major federal program is not modified with respect to this matter.

*Government Auditing Standards* requires the auditor to perform limited procedures on the Commission's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Commission's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

**Report on Internal Control Over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Independent Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-001 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on the Commission's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Commission's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

***Purpose of this Report***

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.

Rehmann Lohan LLC

# TRI-COUNTY REGIONAL PLANNING COMMISSION

## Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2023

### SECTION I - SUMMARY OF AUDITORS' RESULTS

**Financial Statements**

| | | |
|---|---|---|
| Type of auditors' report issued: | Unmodified | |
| Internal control over financial reporting: | | |
| Material weakness(es) identified? | ____ yes | _X_ no |
| Significant deficiency(ies) identified? | ____ yes | _X_ none reported |
| Noncompliance material to financial statements noted? | ____ yes | _X_ no |

**Federal Awards**

| | | |
|---|---|---|
| Internal control over major programs: | | |
| Material weakness(es) identified? | ____ yes | _X_ no |
| Significant deficiency(ies) identified? | _X_ yes | ____ none reported |
| Type of auditors' report issued on compliance for major programs: | Unmodified | |
| Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)? | ____ yes | _X_ no |

Identification of major programs:

| Assistance Listing Number | Name of Federal Program or Cluster |
|---|---|
| 20.205 | Highway Planning and Construction |

| | | |
|---|---|---|
| Dollar threshold used to distinguish between Type A and Type B programs: | $750,000 | |
| Auditee qualified as low-risk auditee? | _X_ yes | ____ no |

# TRI-COUNTY REGIONAL PLANNING COMMISSION

## Schedule of Findings and Questioned Costs

For the Year Ended September 30, 2023

### SECTION II – FINANCIAL STATEMENT FINDINGS

None noted.

# TRI-COUNTY REGIONAL PLANNING COMMISSION

## Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2023

### SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

**2023-001 – Procurement, Suspension, and Debarment**

**Finding Type.** Immaterial Noncompliance/Significant Deficiency in Internal Control over Compliance (Procurement, Suspension, and Debarment)

**Program.** Highway Planning and Construction; Passed through Michigan Department of Transportation; Assistance Listing Number 20.205; All Award Numbers.

**Criteria.** Recipients of federal awards are required to follow their own internal purchasing policies, as well as complying with purchasing standards set forth in the Uniform Guidance. Part of that guidance requires an entity to check if a vendor is suspended or debarred before entering into a contract.

**Condition.** The Commission was unable to provide documentation to support its consideration of suspension and debarment requirements for two out of the five vendors selected for testing.

**Cause.** Management has indicated that the Commission is conducting proper procurement processes and checking for suspension and debarment during the initial bidding process but does not have the proper internal controls in place to ensure that documentation of the verification is completed on an annual basis and retained in accordance with federal requirements.

**Effect.** The Commission is exposed to an increased risk that future noncompliance could occur and not be prevented or detected by the Commission's internal controls.

**Questioned Costs.** No costs were required to be questioned as a result of this finding inasmuch as our testing did not reveal any unallowed costs, and the vendors in question were not actually suspended or debarred.

**Recommendation.** We recommend that the Commission retain a printout of the vendor search that is completed on sam.gov to determine if a particular vendor has any active exclusions from participating in federal award programs in the vendor files. We further recommend that this is completed for all vendors on an annual basis where the Commission expects to spend more than $25,000 in services to support its compliance with the requirements of the Uniform Guidance.

**View of Responsible Officials.** The Commission will implement the necessary internal controls to ensure the policy for compliance is followed and documented.

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## TRI-COUNTY REGIONAL PLANNING COMMISSION

### Summary Schedule of Prior Audit Findings
For the Year Ended September 30, 2023

None noted.

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TRI-COUNTY
regional planning commission

**CORRECTIVE ACTION PLAN**

Pursuant to federal regulations, Uniform Administrative Requirements Section 200.511, the following are the findings as noted in the Tri-County Regional Planning Commission's Single Audit report for the year ended September 30, 2023, and corrective actions to be completed.

**2023-001 – Procurement, Suspension, and Debarment**

**Auditor Description of Condition and Effect:** The Commission was unable to provide documentation to support its consideration of suspension and debarment requirements for two out of the five vendors selected for testing. Management has indicated that the Commission is conducting proper procurement processes and checking for suspension and debarment during the initial bidding process but does not have the proper internal controls in place to ensure that documentation of the verification is completed on an annual basis and retained in accordance with federal requirements. The Commission is exposed to an increased risk that future noncompliance could occur and not be prevented or detected by the Commission's internal controls.

**Auditor Recommendation:** We recommend that the Commission retain a printout of the vendor search that is completed on sam.gov to determine if a particular vendor has any active exclusions from participating in federal award programs in the vendor files. We further recommend that this is completed for all vendors on an annual basis where the Commission expects to spend more than $25,000 in services to support its compliance with the requirements of the Uniform Guidance.

**Corrective Action:** The Commission will implement the necessary internal controls to ensure the policy for compliance is followed and documented.

**Responsible Persons:** Greg Hoffman, Finance Director, and James Snell, Executive Director.

**Anticipated Completion Date:** Ongoing annually.