East Central Wisconsin
Regional Planning Commission
Menasha, Wisconsin

ANNUAL FINANCIAL REPORT

December 31, 2017

Schenck

East Central Wisconsin Regional Planning Commission
Menasha, Wisconsin

DECEMBER 31, 2017

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Schenck
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Independent auditors' report

To the Board of Commissioners
East Central Wisconsin Regional Planning Commission
Menasha, Wisconsin

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of East Central Wisconsin Regional Planning Commission, Menasha, Wisconsin (the "Commission") as of and for the year ended December 31, 2017, and the related notes to the financial statements, as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Commission's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Commission as of December 31, 2017, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

EMPHASIS OF MATTER

We have not audited the East Central Wisconsin Regional Planning Commission's 2016 financial statements. Those statements were audited by other auditors whose report, dated April 17, 2017, expressed an unmodified opinion. The 2016 balances are presented in the annual financial report for comparison purposes at the request of management. However, we do not express an opinion on the 2016 balances.

OTHER MATTERS

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedules relating to pensions on page 21 be presented to supplement the financial statements. Such information, although not part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Commission's financial statements. The financial information listed in the table of contents as supplementary is presented for purposes of additional analysis and is not a required part of the financial statements. The schedules of expenditures of federal and state awards are presented for purposes of additional analysis, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration, are also not a required part of the financial statements.

The supplementary information and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 19, 2018, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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.

Schenk SC

Certified Public Accountants

Green Bay, Wisconsin
April 19, 2018

FINANCIAL STATEMENTS

East Central Wisconsin Regional Planning Commission
Menasha, Wisconsin

STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2017
WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2016

	2017	2016
ASSETS		
Cash and investments	$ 135,753	$ 104,166
Restricted cash and investments	55,671	36,540
Accounts receivables	630,061	337,575
Prepaid items	8,430	9,610
Capital assets - net	42,771	39,795
Total assets	872,686	527,686
DEFERRED OUTFLOWS OF RESOURCES		
Pension related amounts	516,971	726,852
LIABILITIES		
Accounts payable	319,818	30,764
Accrued and other current liabilities	15,934	17,388
Accrued vacation leave	29,039	33,873
Accrued interest	1,926	2,507
Unearned revenue	55,671	36,540
Long-term obligations:		
Due within one year	19,805	14,641
Due in more than one year	47,794	48,462
Net pension liability	67,680	130,204
Total liabilities	557,667	314,379
DEFERRED INFLOWS OF RESOURCES		
Pension related amounts	222,718	283,442
NET POSITION		
Net investment in capital assets	23,634	39,795
Unrestricted	585,638	616,922
Total net position	$ 609,272	$ 656,717

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

East Central Wisconsin Regional Planning Commission
Menasha, Wisconsin

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2017
WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2016

	2017	2016
OPERATING REVENUES		
Intergovernmental		
Federal grants	$ 1,800,864	$ 1,443,669
State grants	65,633	64,028
Intergovernmental charges for services		
Local districts membership levy	771,698	771,690
Local contracts	155,872	95,375
NR-135 program	122,589	139,104
Public charges for services	1,985	1,615
Other operating revenues	652	100
Total operating revenues	2,919,293	2,515,581
OPERATING EXPENSES		
Salaries and wages	1,244,405	1,234,865
Employee fringes and benefits	566,807	627,099
Direct grant expenses	917,971	506,207
Meetings and staff development	32,147	29,786
Supplies	6,574	7,127
Office space and equipment	139,634	153,454
Reference materials, subscriptions and dues	5,845	5,895
Printing and publishing	8,839	12,899
Postage	909	3,796
Staff expenses	972	1,344
Insurance and professional fees	13,669	13,743
Depreciation	26,956	19,188
Total operating expenses	2,964,728	2,615,403
Operating loss	(45,435)	(99,822)
NONOPERATING REVENUES (EXPENSES)		
Interest income	1,541	567
Interest and fiscal charges	(3,551)	(3,309)
Total nonoperating expenses	(2,010)	(2,742)
Change in net position	(47,445)	(102,564)
Net position - January 1	656,717	759,281
Net position - December 31	$ 609,272	$ 656,717

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

East Central Wisconsin Regional Planning Commission
Menasha, Wisconsin

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017
WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from grants and charges	$ 1,584,644	$ 1,959,891
Cash received from other government payments	1,061,295	1,018,810
Cash paid for employee wages and benefits	(1,729,350)	(1,784,770)
Cash paid to suppliers	(837,844)	(1,197,280)
Net cash provided (used) by operating activities	78,745	(3,349)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Principal payments on note payable-Winnebago Co.	(14,641)	(13,934)
Interest paid on debt	(3,155)	(3,862)
Net cash used by noncapital financing activities	(17,796)	(17,796)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(29,932)	(30,015)
Principal payments on lease payable	(4,314)	-
Interest paid on debt	(977)	-
Proceeds from capital leases	23,451	-
Net cash used by capital and related financing activities	(11,772)	(30,015)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	1,541	567
Change in cash and cash equivalents	50,718	(50,593)
Cash and cash equivalents - January 1	140,706	191,299
Cash and cash equivalents - December 31	$ 191,424	$ 140,706
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating loss	$ (45,435)	$ (99,822)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities		
Depreciation	26,956	19,188
Change in liability (asset) and deferred outflows and inflows of resources		
Pension	86,633	73,024
Changes in operating assets and liabilities:		
Accounts receivables	(292,486)	456,774
Prepaid items	1,180	6,009
Accounts payable	289,054	(465,568)
Accrued and other current liabilities	(1,454)	(2,374)
Accrued vacation leave	(4,834)	3,074
Unearned revenue	19,131	6,346
Net cash provided (used) by operating activities	$ 78,745	$ (3,349)
Reconciliation of cash and cash equivalents to the statement of net position		
Cash and cash equivalents in current assets	$ 135,753	$ 104,166
Cash and cash equivalents in restricted assets	55,671	36,540
Total cash and cash equivalents	$ 191,424	$ 140,706
Noncash capital and related financing activities		
None		

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the East Central Wisconsin Regional Planning Commission, Menasha, Wisconsin (the "Commission"), have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the Commission are described below:

A. REPORTING ENTITY

The Commission is a public agency formed under Section 66.0309 of the Wisconsin Statutes. The Commission provides planning and other services to Wisconsin County governments and local communities within the counties of Calumet, Fond du Lac, Green Lake, Marquette, Menominee, Outagamie, Shawano, Waupaca, Waushara, and Winnebago. In accordance with GAAP, the financial statements are required to include the Commission and any separate component units that have a significant operational or financial relationship with the Commission. The Commission has not identified any component units that are required to be included in the financial statements in accordance with standards established in GASB Statement No. 61.

B. ENTERPRISE FUNDS

The accounts of the Commission are accounted for in an enterprise fund as required by GAAP. Enterprise funds are used to account for government operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability and other purposes.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Enterprise funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, liabilities, and deferred inflows and outflows of resources associated with the operation are included on the Statement of Net Position. Enterprise fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total position.

The accrual basis of accounting is utilized by enterprise funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Unpaid enterprise fund service receivables are recorded at year-end. All capital assets are capitalized at historical cost and depreciated over their useful lives.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Commission are operating grants received from federal, state, and local governments and dues from member counties. Operating expenses for the Commission include the payroll costs of operating the Commission, occupancy costs, administrative expenses, costs associated with providing program services to its members, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. INDIRECT COST ALLOCATIONS

Employee fringe benefits, including employee's time off with pay, and indirect costs are allocated to specific Commission programs based on a cost allocation plan. The cost allocation plan distributes the aforementioned expenses to specific programs based on direct salary charges and predetermined charge out rates. Preliminary rates used in 2017 based on 2016 expenses were as follows:

Employee fringe benefits and time off with pay	88.04%
All other indirect costs	52.84%

Actual indirect rates for 2017 based on 2017 expenses totaled 80.76% for employee fringe benefits and time off with pay and 50.56% for all other indirect costs.

E. BUDGET

In accordance with Wisconsin Statute 66.0309 the annual budget of a regional planning commission is adopted on or before October 1 of the preceding year. The amount of the budget charged to any local governmental unit shall be in the proportion of the equalized value for tax purposes of the land, buildings and other improvements thereon of such local governmental unit, within the region, to the total such equalized value within the region. The amount charged to a local governmental unit shall not exceed .003% of such equalized value unless the governing body of the unit expressively approves the amount in excess of such percentage. For the 2017 budget, the Commission assessed all local governmental units within the region a charge of .00173% of equalized value.

F. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION

1. **Cash and Investments**

   Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. For purposes of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less from date of acquisition are considered to be cash equivalents.

2. **Accounts Receivable**

   Accounts receivable are recorded at gross amounts with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the financial statements.

3. **Prepaid Items**

   Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items and are accounted for on the consumption method.

4. **Capital Assets**

   Capital assets, which include property and equipment are reported in the financial statements. Capital assets are defined by the Commission as assets with an initial, individual cost of $500 or higher and an estimated useful life in excess of a year. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

Capital assets of the Commission are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Vehicle	4
Computer equipment	2 - 4
Other equipment	4 - 10

5. **Unearned Revenue**
The Commission reports unearned revenues on its statement of net position. Unearned revenues arise when resources are received by the Commission before it has a legal claim to them as when grant or local project funds are received prior to the incurrence of qualifying expenses. In subsequent periods, when the Commission has a legal claim to the resources, the liability for unearned revenue is removed from the statement of net position and the revenue is recognized.

6. **Compensated Absences**
The Commission adopted various policies in regard to the accumulation of sick leave and vacation time. Sick leave is not accrued and is expensed as costs are paid. Vacation time earned in one accounting period and carried over to the next period is recorded as a liability in the Commission's financial statements.

7. **Deferred Outflows/Inflows of Resources**
Deferred outflows of resources are a consumption of net position by the Commission that is applicable to a future reporting period. Deferred inflows of resources are an acquisition of net position by the Commission that is applicable to a future reporting period. The recognition of those outflows and inflows as expenses or expenditures and revenues are deferred until the future periods to which the outflows and inflows are applicable.

8. **Long-term Obligations**
In the financial statements, long-term debt and other long-term obligations are reported as liabilities in statement of net position.

9. **Pensions**
For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

10. **Net Position**
Equity is classified as net position and displayed in three components:

- **Net investment in capital assets.** Amount of capital assets, net of accumulated depreciation, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.

- **Restricted net position.** Amount of net position that is subject to restrictions that are imposed by 1) external groups, such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- **Unrestricted net position.** Net position that is neither classified as restricted nor as net investment in capital assets.

G. 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 could differ from those estimates.

H. RECLASSIFICATIONS

Certain amounts in the prior year financial statements have been reclassified to conform with the presentation in the current year financial statements with no change in previously reported net position or changes in net position.

NOTE 2: DETAILED NOTES

A. CASH AND INVESTMENTS

The Commission maintains various cash and investment accounts which are displayed on the financial statements as "Cash and investments".

Invested cash consists of deposits and investments that are restricted by Wisconsin Statutes to the following:

Time deposits; repurchase agreements; securities issued by federal, state and local governmental entities; statutorily authorized commercial paper and corporate securities; and the Wisconsin local government investment pool.

The carrying amount of the Commission's cash and investments on December 31, 2017 and 2016 is summarized below:

	2017	2016
Petty cash and cash on hand	$ 100	$ 100
Deposits with financial institutions	122,650	123,183
Investments		
Wisconsin local government investment pool	68,674	17,423
	$ 191,424	$ 140,706

Reconciliation to the financial statements:

Cash and investments	$ 135,753	$ 104,166
Restricted cash and investments	55,671	36,540
	$ 191,424	$ 140,706

Fair Value Measurements
The Commission 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 observable inputs; Level 3 inputs are significant unobservable inputs. The Commission currently has no investments that are subject to fair value measurement.

Deposits and investments of the Commission are subject to various risks. Presented below is a discussion of the Commission's deposits and investments and the related risks.

Custodial Credit Risk
Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, the Commission will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the Commission will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. The Commission does not have an additional custodial credit policy.

Deposits with financial institutions within the State of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of $250,000 for the combined amount of all time and savings deposits and $250,000 for interest-bearing and noninterest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the State of Wisconsin are insured by the FDIC in the amount of $250,000 for the combined amount of all deposit accounts per official custodian per depository institution. Also, the State of Wisconsin has a State Guarantee Fund which provides a maximum of $400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available. This coverage has been considered in determining custodial credit risk.

As of December 31, 2017, none of the Commission's deposits with financial institutions were in excess of federal and state depository insurance limits.

Credit Risk
Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investments in securities to the top two ratings assigned by nationally recognized statistical rating organizations. The Commission's formal investment policy limits credit risk by diversifying the investment portfolio so that losses from any one type of security or from any one individual issuer will be minimized. The Commission's investment in the Wisconsin local government investment pool is not rated.

Interest Rate Risk
Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Commission's formal investment policy limits investment maturities to shorter-term securities, money market mutual funds, or similar investment pools and limits the average maturity of its portfolio as a means of managing its exposure to fair value losses arising from increasing interest rates. The investments held by the Wisconsin local government investment pool mature in 12 months or less.

Investments
The Commission has investments in the Wisconsin local government investment pool of $68,674 at December 31, 2017. The Wisconsin local government investment pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2017 and 2016, the fair value of the Commission's share of the LGIP's assets was substantially equal to the carrying value.

B. RESTRICTED ASSETS
Restricted assets on December 31, 2017 and 2016 was $55,671 and $36,540, respectively, and consisted of cash and investments. The amount of $47,671 was held for the NR-135 Mining Reclamation program and upon termination of the program would be returned to the four member counties (Outagamie, Shawano, Waupaca and Winnebago) based on active acreage. Restricted assets also include $8,000 received in advance from grantors. Upon termination of the grant without fulfilling the project requirements, the unspent funds would be returned to the grantors. All grant requirements are expected to be fulfilled in 2018. The liability associated with these assets in included with unearned revenues on the statement of net position.

C. GRANTS AND PROJECTS ACCOUNTS RECEIVABLE
The Commission performs planning and other services for its members and certain other entities under agreements to provide these services. In addition, it performs certain services under terms of State and Federal grants.

The Commission bills those receiving services and/or applies grant funds (recognizes revenues from grant proceeds) based on services performed. Unrecognized grant funds and prepaid local project services are treated as unearned revenues if expenditures for the respective grant or project have not been incurred.

The amount due from various grants and local projects on December 31, 2017 and 2016 was $629,906 and $332,562, respectively.

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, depreciable:				
Vehicle	$ 14,839	$ -	$ -	$ 14,839
Computer equipment	76,901	29,932	5,335	101,498
Other equipment	72,502	-	-	72,502
Subtotals	164,242	29,932	5,335	188,839
Less accumulated depreciation for:				
Vehicle	14,839	-	-	14,839
Computer equipment	56,991	19,116	5,335	70,772
Other equipment	52,617	7,840	-	60,457
Subtotals	124,447	26,956	5,335	146,068
Total capital assets, depreciable, net	39,795	2,976	-	42,771
Capital assets, net	$ 39,795	$ 2,976	$ -	42,771
Less: Capital related debt				19,137
Net investment in capital assets				$ 23,634

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

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, depreciable:				
Vehicle	$ 14,839	$ -	$ -	$ 14,839
Computer equipment	73,428	16,993	13,520	76,901
Other equipment	59,480	13,022	-	72,502
Subtotals	147,747	30,015	13,520	164,242
Less accumulated depreciation for:				
Vehicle	14,839	-	-	14,839
Computer equipment	58,462	12,049	13,520	56,991
Other equipment	45,478	7,139	-	52,617
Subtotals	118,779	19,188	13,520	124,447
Net investment in capital assets	$ 28,968	$ 10,827	$ -	$ 39,795

E. LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations of the Commission for the year ended December 31, 2017:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Note payable-Winnebago County	$ 63,103	$ -	$ 14,641	$ 48,462	$ 15,373
Capital leases	-	23,451	4,314	19,137	4,432
Total long-term obligations	$ 63,103	$ 23,451	$ 18,955	$ 67,599	$ 19,805

Total interest paid during the year on long-term debt totaled $4,132.

The following is a summary of changes in long-term obligations of the Commission for the year ended December 31, 2016:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Note payable-Winnebago County	$ 77,037	$ -	$ 13,934	$ 63,103	$ 14,641

The Commission holds a $125,000 promissory note payable to Winnebago County which was issued on December 15, 2010 and bears interest at 5.0% per year. The note matures March 15, 2020 and requires annual principal and interest payments of $17,796.

Debt service requirements on the note payable are as follows:

Year Ended December 31,	Principal	Interest	Total
2018	$ 15,373	$ 2,423	$ 17,796
2019	16,142	1,654	17,796
2020	16,947	849	17,796
	$ 48,462	$ 4,926	$ 53,388

Capital Lease

Under a lease that was signed in January, 2017, the Commission is obligated to account for a capital lease that was used to finance the acquisition of a printer. The cost of the capital asset under the capital lease is $23,451 and the related accumulated depreciation is $4,690 as of December 31, 2017. The following is a schedule of the minimum lease payments under the lease agreement and the present value of the minimum lease payments at December 31, 2017:

Year Ending	Payments
2018	$ 5,289
2019	5,289
2020	5,289
2021	5,289
Subtotal	21,156
Less: Amount representing interest	2,019
Present value of future minimum lease payments	$ 19,137

F. PENSION PLAN

1. Plan Description

The WRS is a cost-sharing, multiple-employer, defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at http://etf.wi.gov/publications/cafr.htm.

For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are 1) final average earnings, 2) years of creditable service, and 3) a formula factor.

Final average earnings is the average of the participant's three highest years' earnings. Creditable service is the creditable current and prior service expressed in years or decimal equivalents of partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on employment category.

Employees may retire at age 55 (50 for protective occupation employees) and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefits.

The WRS also provides death and disability benefits for employees.

2. Post-Retirement Adjustments

The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

Year	Core Fund Adjustment	Variable Fund Adjustment
2007	3%	10%
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)

3. **Contributions**

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remained of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting periods ending December 31, 2016 and December 31, 2015, the WRS recognized $80,637 and $80,089, respectively, in contributions from the Commission.

Contribution rates for the 2016 reporting period are:

Employee Category	Employee	Employer
General (including teachers)	6.6%	6.6%
Protective with Social Security	6.6%	9.4%
Protective without Social Security	6.6%	13.2%

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

At December 31, 2017 and 2016, the Commission reported a liability of $67,680 and $130,204, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015 rolled forward to December 31, 2016. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Commission's proportion of the net pension liability was based on the Commission's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2016, the Commission's proportion was 0.00821119 %, which was an increase of 0.00019854% from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017 and 2016, the Commission recognized pension expense of $170,148 and $153,661, respectively.

At December 31, 2017 and 2016, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2017	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 25,806	$ 212,847
Net differences between projected and actual earnings on pension plan investments	336,888	-
Changes in assumptions	70,762	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	9,871
Employer contributions subsequent to the measurement date	83,515	-
Total	$ 516,971	$ 222,718

	2016	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 22,027	$ 274,012
Net differences between projected and actual earnings on pension plan investments	533,092	-
Changes in assumptions	91,096	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	9,430
Employer contributions subsequent to the measurement date	80,637	-
Total	$ 726,852	$ 283,442

The $83,515 and $80,637 reported as deferred outflows at December 31, 2017 and 2016 related to pension resulting from the Commission's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018 and 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension at December 31, 2017 will be recognized in pension expense as follows:

Year ended December 31,	Expense
2017	$ 86,483
2018	86,483
2019	58,811
2020	(21,121)
2021	82
Total	$ 210,738

5. Actuarial Assumptions

The total pension liability in the December 31, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date:	December 31, 2015
Measurement date of net pension liability (asset):	December 31, 2016
Actuarial cost method:	Entry Age
Asset valuation method:	Fair Value
Long-term expected rate of return:	7.2%
Discount rate:	7.2%
Salary increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
Mortality	Wisconsin 2012 Mortality Table
Post-retirement adjustments*	2.1%

* *No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 2.1% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2015 using experience from 2012 - 2014. The total pension liability for December 31, 2016 is based upon a roll-forward of the liability calculated from the December 31, 2015 actuarial valuation.

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

	Current Asset Allocation %	Destination Target Asset Allocation %	Long-term Expected Nominal Rate of Return %	Long-term Expected Real Rate of Return %
Core Fund Asset Class				
Global equities	50%	45%	8.3%	5.4%
Fixed income	24.5%	37%	4.2%	1.4%
Inflation sensitive assets	15.5%	20%	4.3%	1.5%
Real estate	8%	7%	6.5%	3.6%
Private equity/debt	8%	7%	9.4%	6.5%
Multi-asset	4%	4%	6.6%	3.7%
Total Core Fund	110%	120%	7.4%	4.5%
Variable Fund Asset Class				
U.S. equities	70%	70%	7.6%	4.7%
International equities	30%	30%	8.5%	5.6%
Total Variable Fund	100%	100%	7.9%	5%

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%

Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

Single Discount Rate. A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long-term bond rate of 3.78%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan members contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Commission's proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the Commission's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.2 percent, as well as what the Commission's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
Commission's proportionate share of the net pension liability (asset)	$ 890,371	$ 67,680	$ (565,830)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at http://etf.wi.gov/publications/cafr.htm.

6. Payables to the Pension Plan

At December 31, 2017 and 2016, the Commission reported a payable of $14,103 and 13,562, respectively, for the outstanding amount of contributions to the pension plan for the years then ended.

G. OPERATING LEASE

The Commission leases office and storage space under an operating lease agreement that originally was to expire on July 31, 2016. In 2016, an amendment was executed to extend the term of the lease and modify the annual rent. The lease now expires on July 31, 2021 and requires monthly payments with scheduled annual increases. Rent expense for the years ended December 31, 2017 and 2016 was $92,116 and $95,969, respectively.

The future minimum rental payments as of December 31, 2017 are as follows:

Year ended December 31,		Payments
2018	$	93,965
2019		95,854
2020		97,775
2021		57,701
Total	$	345,295

NOTE 3: OTHER INFORMATION

A. RISK MANAGEMENT

The Commission is exposed to various risks of loss related torts; theft of, damage to, or destruction of assets; errors and omission; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

B. CONTINGENCIES

The Commission participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Accordingly, the Commission's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the Commission expects such amounts, if any, to be immaterial.

From time to time, the Commission is party to other various pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and the that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Commission's financial position or results of operations.

C. UPCOMING ACCOUNTING PRONOUNCEMENTS

In June 2017, the GASB issued Statement No. 87, *Leases*. The Statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. This statement is effective for reporting periods beginning after December 15, 2019. The Commission is currently evaluating the impact this standard will have on the financial statements when adopted.

REQUIRED SUPPLEMENTARY INFORMATION

East Central Wisconsin Regional Planning Commission
Menasha, Wisconsin

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
WISCONSIN RETIREMENT SYSTEM
LAST 10 FISCAL YEARS

Fiscal Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered-Employee Payroll (plan year)	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/15	0.00780149%	$ (191,626)	$ 1,105,566	17.33%	102.74%
12/31/16	0.00801265%	130,204	1,177,775	11.06%	98.20%
12/31/17	0.00821119%	67,680	1,221,768	5.54%	99.12%

SCHEDULE OF CONTRIBUTIONS
WISCONSIN RETIREMENT SYSTEM
LAST 10 FISCAL YEARS

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered-Employee Payroll (fiscal year)	Contributions as a Percentage of Covered-Employee Payroll
12/31/15	$ 80,089	$ 80,089	$ -	$ 1,177,775	6.80%
12/31/16	80,637	80,637	-	1,221,768	6.60%
12/31/17	83,515	83,515	-	1,228,151	6.80%

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

There were no changes of benefit terms or assumptions for any participating employer in the WRS.

The amounts reported for each fiscal year were determined as of the calendar year-end that occurred within the prior fiscal year. The Commission is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

East Central Wisconsin Regional Planning Commission
Menasha, Wisconsin

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2017

	Approved Budget	Actual	Variance with Budget - Positive (Negative)
OPERATING REVENUES			
Intergovernmental			
Federal grants	$ 2,534,111	$ 1,800,864	$ (733,247)
State grants	151,618	65,633	(85,985)
Intergovernmental charges for services			
Local districts membership levy	771,698	771,698	-
Local contracts	178,351	155,872	(22,479)
NR-135 program	133,880	122,589	(11,291)
Public charges for services	1,500	1,985	485
Other operating revenues	1,000	652	(348)
Total operating revenues	3,772,158	2,919,293	(852,865)
OPERATING EXPENSES			
Salaries and wages	1,270,059	1,244,405	25,654
Employee fringes and benefits	491,343	566,807	(75,464)
Direct grant expenses	1,660,530	917,971	742,559
Meetings and staff development	35,500	32,147	3,353
Supplies	11,600	6,574	5,026
Office space and equipment	156,016	139,634	16,382
Reference materials, subscriptions and dues	8,350	5,845	2,505
Printing and publishing	12,195	8,839	3,356
Postage	2,800	909	1,891
Staff expenses	9,500	972	8,528
Insurance and professional fees	18,274	13,669	4,605
Depreciation	19,000	26,956	(7,956)
Total operating expenses	3,695,167	2,964,728	730,439
Operating income (loss)	76,991	(45,435)	(122,426)
NONOPERATING REVENUES (EXPENSES)			
Interest income	600	1,541	941
Interest and fiscal charges	(2,700)	(3,551)	(851)
Total nonoperating revenues (expenses)	(2,100)	(2,010)	90
Change in net position	74,891	(47,445)	(122,336)
Net position - January 1	656,717	656,717	-
Net position - December 31	$ 731,608	$ 609,272	$ (122,336)

ADDITIONAL INDEPENDENT AUDITORS' REPORT FOR FINANCIAL STATEMENTS

Schenck
ADVISORY | TAX | ASSURANCE

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*

To the Board of Commissioners
East Central Wisconsin Regional Planning Commission
Menasha, Wisconsin

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 East Central Wisconsin Regional Planning Commission, Menasha, Wisconsin, (the "Commission") as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Commission's financial statements, and have issued our report which included an emphasis of matter paragraph thereon dated April 19, 2018.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

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

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

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Commission's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control and on compliance. Accordingly, this communication is not suitable for any other purpose.

Schenck SC

Certified Public Accountants

Green Bay, Wisconsin
April 19, 2018

Schenck
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Independent auditors' report on compliance for each major federal and state program and on internal control over compliance required by the Uniform Guidance and the *State Single Audit Guidelines*

To the Board of Commissioners
East Central Wisconsin Regional Planning Commission
Menasha, Wisconsin

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM

We have audited the East Central Wisconsin Regional Planning Commission, Menasha, Wisconsin's (the "Commission") compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration that could have a direct and material effect on each of the Commission's major federal and state programs for the year ended December 31, 2017. The Commission's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

MANAGEMENT'S RESPONSIBILITY

Management is responsible for compliance with the requirements of federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on compliance for each of the Commission's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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), and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration. Those standards, Uniform Guidance and the *State Single Audit Guidelines* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

OPINION ON EACH MAJOR FEDERAL AND STATE PROGRAM

In our opinion, the Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2017.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state 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 or state 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 or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.

Schenck SC

Certified Public Accountants

Green Bay, Wisconsin
April 19, 2018

East Central Wisconsin Regional Planning Commission
Menasha, Wisconsin

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017

Grantor Agency/Federal Program Title	CFDA Number	Pass-Through Agency	Pass-Through Entity Identifying Number	Total Expenditures	Subrecipient Payment
U.S. DEPARTMENT OF COMMERCE					
Economic Development Support for Planning Organizations	11.302	Direct program	N/A	$ 70,000	$ -
U.S. DEPARTMENT OF DEFENSE OFFICE OF ECONOMIC ADJUSTMENT					
Economic Adjustment Assistance for State Governments					
Initiative 41	12.617	Wisconsin Economic Development Corporation	ST 1564-16-01	659,805	525,950
U.S. DEPARTMENT OF TRANSPORTATION					
FEDERAL HIGHWAY ADMINISTRATION					
Highway Planning and Construction Cluster					
Metropolitan Transportation Planning-Fox Cities and Oshkosh	20.205	Wisconsin Department of Transportation	0095-65-79	66,972	-
Metropolitan Transportation Planning-Fox Cities and Oshkosh	20.205	Wisconsin Department of Transportation	395-0095-75-79	529,093	-
Metropolitan Transportation Planning-Fond du Lac	20.205	Wisconsin Department of Transportation	395-0095-75-93	104,364	-
Regional Transportation Planning	20.205	Wisconsin Department of Transportation	395-0430-74-46	62,373	-
Regional Safe Routes to School	20.205	Wisconsin Department of Transportation	1009-00-55	6,109	-
Regional Safe Routes to School	20.205	Wisconsin Department of Transportation	1009-00-68	231,310	-
Regional Safe Routes to School	20.205	Wisconsin Department of Transportation	1009-00-74	4,618	-
WIS Hwy 15 Corridor Access Management Study	20.205	Wisconsin Department of Transportation	1146-40-00	16,134	-
Total Highway Planning and Construction Cluster				1,020,973	-
FEDERAL TRANSIT ADMINISTRATION					
Metropolitan and State Transportation Improvement Planning					
Transit Development Plan for GO Transit	20.505	Wisconsin Department of Transportation	N/A	24,855	-
Transit Development Plan for the City of Appleton	20.505	Wisconsin Department of Transportation	N/A	3,231	-
Total Metropolitan and State Transportation Improvement Planning				28,086	-
Total U.S. Department of Transportation				1,049,059	-
ENVIRONMENTAL PROTECTION AGENCY					
Water Quality Management Planning	66.454	Wisconsin Department of Natural Resources	N/A	22,000	-
TOTAL EXPENDITURES OF FEDERAL AWARDS				$ 1,800,864	$ 525,950

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

East Central Wisconsin Regional Planning Commission
Menasha, Wisconsin

SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017

Grantor Agency/State Program Title	State I.D. Number	Pass-Through Agency	Pass-Through Entity Identifying Number	Total Expenditures	Subrecipient Payment
DEPARTMENT OF NATURAL RESOURCES					
Local Water Quality Management Planning Aids	370.604	Direct program	Unknown	$ 10,000	$ -
DEPARTMENT OF TRANSPORTATION					
Planning Commission Program					
Metropolitan Transportation Planning-Fox Cities and Oshkosh	395.202	Direct program	395-0095-75-79	32,979	-
Metropolitan Transportation Planning-Fox Cities and Oshkosh	395.202	Direct program	0095-65-79	4,398	-
Metropolitan Transportation Planning-Fond du Lac	395.202	Direct program	395-0095-75-93	6,427	-
Regional Transportation Planning	395.202	Direct program	395-0430-74-46	7,796	-
Total Planning Commission Program				51,600	-
WIS Hwy 15 Corridor Access Management Study	Unknown	Direct program	1146-40-00	4,033	-
Total Department of Transportation				55,633	-
TOTAL STATE PROGRAMS				$ 65,633	$ -

The notes to the schedule of expenditures of state awards are an integral part of this schedule.

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 1: BASIS OF PRESENTATION

The accompanying Schedules of Expenditures of Federal and State Awards for the Commission are 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) and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration.

The Schedules of Expenditures of Federal and State Awards include all federal and state awards of the Commission. Because the schedules present 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.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Revenues and expenditures in the schedules are presented in accordance with the accrual basis of accounting and are generally in agreement with revenues and expenditures reported in the Commission's 2017 financial statements. Accrued revenue at year-end consists of federal and state program expenditures scheduled for reimbursement to the Commission in the succeeding year while unearned revenue represents advances for federal and state programs that exceed recorded Commission expenditures. Because of subsequent program adjustments, these amounts may differ from the prior year's ending balances.

The Commission has not elected to charge a de minimis rate of 10% of modified total costs.

NOTE 3: OVERSIGHT AGENCIES

The federal and state oversight agencies for the Commission are as follows:

Federal - U.S. Department of Commerce
State - Wisconsin Department of Transportation

East Central Wisconsin Regional Planning Commission
Menasha, Wisconsin

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017

SECTION 1 - SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
▶ Material weakness(es) identified?	No
▶ Significant deficiency(ies) identified?	None Reported
Noncompliance material to financial statements noted?	No

FEDERAL AND STATE AWARDS

Internal control over major program:	
▶ Material weakness(es) identified?	No
▶ Significant deficiency(ies) identified?	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 Uniform Guidance?	No
Any audit findings disclosed that are required to be reported in accordance with the *State Single Audit Guidelines*?	No

Identification of major federal programs:

CFDA Number	Name of Federal Program
	Highway Planning and Construction Cluster
20.205	Highway Planning and Construction

Identification of major state programs:

State ID Number	Name of State Program
395.202	Planning Commission Program

Audit threshold used to determine between Type A and Type B programs:

Federal Awards	$750,000
State Awards	$250,000

Auditee qualified as low-risk auditee	Yes

East Central Wisconsin Regional Planning Commission
Menasha, Wisconsin

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017

SECTION II - FINANCIAL STATEMENT FINDINGS

FINANCIAL STATEMENT FINDINGS

There are no findings related to the financial statements required to be reported under governmental auditing standards generally accepted in the United States of America for the year ended December 31, 2017.

SECTION III - FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS

UNIFORM GUIDANCE AND *STATE SINGLE AUDIT GUIDELINES* FINDINGS

None reported.

SECTION IV - OTHER ISSUES

1.	Does the auditor have substantial doubt as to the auditee's ability to continue as a going concern?	No
2.	Does the audit report show audit issues (i.e. material non-compliance, non-material non-compliance, questioned cost, material weakness, significant deficiencies, management letter comment, excess revenue or excess reserve) related to grant/contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines*:	
	Department of Natural Resources	No
	Department of Transportation	No
3.	Was a Management Letter or other document conveying audit comments issued as a result of this audit?	Yes
4.	Name and signature of partner	Paul Denis, CPA Paul G. Denis, CPA
	Date of report	April 19, 2018

East Central Wisconsin Regional Planning Commission
Menasha, Wisconsin

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2017

PRIOR YEAR AUDIT FINDINGS

No findings were reported for the year ended December 31, 2016.

CORRECTIVE ACTION PLAN

No findings were reported for the year ended December 31, 2017.