

**Marion Regional Planning Commission
Marion County**

Financial Condition

As of

December 31, 2017 and 2016

Together with Auditor's Report



Dave Yost • Auditor of State

Planning Commission
Marion Regional Planning Commission
222 W. Center Street
Marion, OH 43302-3646

We have reviewed the *Independent Auditor's Report* of the Marion Regional Planning Commission, Marion County, prepared by Kevin L. Penn, Inc., for the audit period January 1, 2016 through December 31, 2017. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Marion Regional Planning Commission is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

July 9, 2018

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MARION REGIONAL PLANNING COMMISSION

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Independent Auditor's Report

Marion Regional Planning Commission
Marion County
222 W. Center Street
Marion, Ohio

Report on the Financial Statements

I have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Marion Regional Planning Commission, Marion County, Ohio (the Commission), as of and for the years ended December 31, 2017 and 2016.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to opine on these financial statements based on my audit. I audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require me to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on my judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, I consider internal control relevant to the Government's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Commission's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as my evaluation of the overall financial statement presentation.

I believe the audit evidence I obtained is sufficient and appropriate to support my audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the Commission prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, I presume they are material.

Though the Commission does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require me to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. My opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In my opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Commission as of December 31, 2017 and 2016, and the respective changes in financial position or cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In my opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of the Marion Regional Planning Commission, Marion County as of December 31, 2017 and 2016, for the year then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued our report dated April 13, 2018, on my consideration of the Commission's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of my internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

Kevin L. Penn, Inc.

April 13, 2018

Marion Regional Planning Commission
Marion County
Statement of Cash Receipts, Disbursements
and Changes in Fund Cash Balances
For the Year Ended December 31, 2016 and 2017

	2017	2016
Cash Receipts:		
Fees Charged to Subdivisions	\$ 138,372	\$ 137,251
Contractual Services	49,058	63,934
Transfer Tax	31,000	31,000
Transfer Tax – CANDO	41,800	41,800
Economic Development - City of Marion	31,000	31,000
Other Receipts	794	233
Total Cash Receipts	<u>292,024</u>	<u>305,218</u>
Cash Disbursements:		
Salaries	165,140	177,794
Supplies	2,033	1,569
Equipment	184	270
Insurance	21,244	27,674
Contracts – Services	4,133	4,277
Rentals	18,870	18,870
Travel	1,439	1,626
Public Employee's Retirement	22,583	46,226
Worker's Compensation	964	954
Social Security/Medicare	1,711	1,794
Transfer Tax – CANDO	41,800	41,800
Other	280	3,180
Total Cash Disbursements	<u>280,381</u>	<u>326,034</u>
Net Change in Fund Cash Balance	<u>11,643</u>	<u>(20,816)</u>
Fund Cash Balance - January 1	<u>15,928</u>	<u>36,744</u>
Fund Cash Balances - December 31		
Assigned	13,660	1,598
Unassigned	13,911	14,330
Fund Cash Balance - December 31	<u>\$ 27,571</u>	<u>\$ 15,928</u>

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

**MARION REGIONAL PLANNING COMMISSION
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2017 AND 2016**

Note 1 – Reporting Entity

The Marion Regional Planning Commission (the Commission), Marion County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A thirty-five member Board governs the Commission. The Board consists of representatives from Marion County, Marion City, Commissions and Townships within Marion County, and an attorney member. The Commission formulates and reviews plans affecting long and short term social, economic, and governmental development within the region. The participating subdivisions are:

Grand Prairie Township	Village of Caledonia	Village of LaRue
Village of Morral	Village of New Bloomington	Village of Prospect
Village Waldo	Big Island Township	Claridon Township
Green Camp Township	Marion Township	Montgomery Township
Pleasant Township	Prospect Township	Richland Township
Waldo Township	Grand Township	

The Commission’s management believes these financial statements present all activities for which the Commission is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Commission’s financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types organized on a fund type basis.

Fund Accounting

The Commission uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Commission are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Commission for any purpose provided it is expended or transferred according to the general laws of Ohio.

MARION REGIONAL PLANNING COMMISSION
MARION COUNTY
NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2017 AND 2016
(Continued)

Note 2 – Summary of Significant Accounting Policies (continued)

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Capital Assets

The Commission records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Commission must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable The Commission classifies assets as ***nonspendable*** when legally or contractually required to maintain the amounts intact.

Restricted Fund balance is ***restricted*** when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**MARION REGIONAL PLANNING COMMISSION
MARION COUNTY
NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2017 AND 2016
(Continued)**

Note 2 – Summary of Significant Accounting Policies (continued)

Fund Balance (continued)

Committed The Board can *commit* amounts via formal action (resolution). The Commission must adhere to these commitments unless the Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by the Board or a Commission official delegated that authority by resolution, or by State Statute.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Commission applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Note 3 – Deposits and Investments

As the Ohio Revised Code permits, the Marion County Treasurer holds the Commission's deposits as the Commission's custodian. The County holds the Commission's assets in its investment pool, valued at the Treasurer's reported carrying amount.

Note 4 – Risk Management

Commercial Insurance

- The Commission has obtained commercial insurance for comprehensive property and general liability.
- The Commission also provides health insurance and dental and vision coverage to full-time employees through the County's provider.

**MARION REGIONAL PLANNING COMMISSION
MARION COUNTY
NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2017 AND 2016
(Continued)**

Note 5 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

The Commission’s employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan’s benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 14 percent of their gross salaries and the Commission contributed an amount equaling 10 percent of participants’ gross salaries. The Commission has paid all contributions required through December 31, 2017.

Note 6 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and the combined plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0 percent during calendar year 2016, and 1.0 percent during calendar year 2017.

Note 7 – Budgetary Activity

2017 Budgeted vs. Actual Receipts			Over/(Under)
Fund Type:	Budgeted Receipts	Actual Receipts	Budget Variance
General	\$ 304,552	\$ 292,024	\$ (12,528)

2017 Budgeted vs Actual Budgetary Basis Expenditures			
Fund Type:	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 304,552	\$ 280,381	\$ (24,171)

2016 Budgeted vs. Actual Receipts			
Fund Type:	Budgeted Receipts	Actual Receipts	Variance
General	\$ 329,352	\$ 305,218	\$ (24,134)

2016 Budgeted vs Actual Budgetary Basis Expenditures			
Fund Type:	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 329,352	\$ 326,034	\$ (3,318)

Note 8 – Contingent Liabilities

Management believes there are no pending claims or lawsuits.

**MARION REGIONAL PLANNING COMMISSION
MARION COUNTY
NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2017 AND 2016
(Continued)**

Note 9 – Related Party Transactions

The Regional Planning Commission, leases office space from the County Commissioners in the amount of \$1,572.50 per month.

Note 10 – Subsequent Events

There were no material revenues or expenditures incurred subsequent to April 13, 2018.



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Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by Government Auditing Standards

Marion Regional Planning Commission
Marion County
222 W. Center Street
Marion, Ohio

I have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of the Marion Regional Planning Commission, Marion County, (the Commission) as of and for the year ended December 31, 2017 and 2016, and the related notes to the financial statements and have issued my report thereon dated April 13, 2018 wherein I noted the Commission followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

As part of my financial statement audit, I considered the Commission's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion(s) on the financial statements, but not to the extent necessary to opine on the effectiveness of the Commission's internal control. Accordingly, I have not opined on it.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. *A material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Commission's financial statements. *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.

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

Compliance and Other Matters

As part of reasonably assuring whether the Commission's financial statements are free of material misstatement, I tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of my audit and accordingly, I do not express an opinion. The results of my tests disclosed no instances of noncompliance or other matters I must report under *Government Auditing Standards*.

I noted certain matters that I reported to management of Marion Regional Planning Commission's in a separate letter dated April 13, 2018.

Purpose of this Report

This report only describes the scope of my internal control and compliance testing and my testing results, and does not opine on the effectiveness of the Commission's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Commission's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Kevin L. Penn, Inc.

April 13, 2018



Dave Yost • Auditor of State

MARION REGIONAL PLANNING COMMISSION

MARION COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 19, 2018**