



**Auditor of State
Betty Montgomery**

**LIMA/ALLEN COUNTY REGIONAL PLANNING COMMISSION
ALLEN COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Lima/Allen County Regional Planning Commission
Allen County
130 West North Street
Lima, Ohio 45801

Members of the Board:

We have audited the accompanying general-purpose financial statements of the Lima/Allen County Regional Planning Commission, Allen County, (the Commission) as of and for the year ended June 30, 2003, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these general-purpose 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Commission, as of June 30, 2003, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 7, 2004 on our consideration of the Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The schedules listed in the table of contents are presented for additional analysis and are not a required part of the general-purpose financial statements. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of State and Local Governments, and Non-Profit Organizations*, and is not a required part of the general-purpose financial statements. We subjected this information to the auditing procedures applied in the audit of the general-purpose financial statements. In our opinion, it is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

January 7, 2004

**LIMA/ALLEN COUNTY REGIONAL PLANNING COMMISSION
ALLEN COUNTY**

**BALANCE SHEET
JUNE 30, 2003**

Current Assets:

Cash		\$70,105
Accounts Receivable:		
Ohio Department of Transportation (ODOT)	42,770	
Federal Highway Administration - Rideshare	1,416	
Ohio Department of Public Safety	14,039	
Surface Transportation Program	20,471	
Ohio Department of Natural Resources	16,980	
Local Assessments	8,315	
Other	19,572	
		123,563
Prepaid Expenses		6,873
 Total Current Assets		 200,541

Fixed Assets:

Office Equipment	55,663	
Software	4,093	
Capitalized Lease Assets:		
Office Equipment	36,145	
Vehicles	23,645	
Building	279,167	
		398,713
Total Fixed Assets (Net of Accumulated Depreciation/Amortization)		398,713
 Total Assets		 599,254

Current Liabilities:

Capitalized Lease Obligations (Current)	9,922	
Mortgage Payable (Current)	11,615	
Accounts Payable	9,365	
Accrued Wages	18,703	
Accrued Vacation	21,549	
Accrued Sick Leave	2,092	
Accrued Retirement Benefits	5,271	
Accrued Workers Compensation	1,716	
Accrued Medicare	271	
Deferred Local Revenues	28,697	
		109,201
Total Current Liabilities		109,201
 Capitalized Lease Obligations	27,203	
Land Contract - Building Purchase	176,734	
		203,937
Long Term Obligations		203,937
 Total Liabilities		 313,138

Fund Equity and Other Credits

Contributed Capital (Net of Depreciation)	1,871	
Fund Equity - Undesignated	284,245	
		286,116
Total Fund Equity and Other Credits		286,116
 Total Liabilities, Fund Equity and Other Credits		 \$599,254

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

**LIMA/ALLEN COUNTY REGIONAL PLANNING COMMISSION
ALLEN COUNTY**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN FUND EQUITY
FOR THE YEAR ENDED JUNE 30, 2003**

Revenues:	
Fees Charged to Subdivisions	\$ 146,210
Federal Grants:	
Ohio Department of Transportation	217,316
Surface Transportation Program	69,379
Federal Highway Administration - Rideshare	5,639
Ohio Department of Public Safety	46,496
State Grants:	
Ohio Department of Natural Resources	198,741
Take Pride Ohio	11,000
Local Revenues	<u>93,479</u>
Total Revenues	788,260
Expenses:	
Direct Labor	260,571
Other Direct Expenses	126,786
Indirect Expenses	<u>340,057</u>
Total Expenses	<u>727,414</u>
Operating Income/(Loss)	60,846
Depreciation on Fixed Assets Acquired by Contributed Capital	3,738
Fund Equity, Beginning of Year	<u>219,661</u>
Fund Equity, End of Year	284,245
Contributed Capital at Beginning of the Year	5,609
Contributed Capital	
Depreciation on Contributed Capital	<u>(3,738)</u>
Contributed Capital at End of Year	<u>1,871</u>
Total Fund Equity, June 30, 2003	<u><u>\$ 286,116</u></u>

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

**LIMA/ALLEN COUNTY REGIONAL PLANNING COMMISSION
ALLEN COUNTY**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2003**

Cash Flows from Operating Activities

Operating Income \$60,846

**Adjustments to Reconcile Operating Income
Net Cash Provided by Operating Activities:**

Depreciation and Amortization 64,385
Interest Expense 21,064

Changes in Assets and Liabilities:

Accounts Receivable (33,857)
Prepaid Items 3,889
Accounts Payable 7,755
Accrued Wages 927
Accrued PERS 718
Accrued Worker's Compensation (4,160)
Accrued Medicare 13
Accrued Vacation 4,897
Accrued Sick Leave 319
Deferred Local Revenues (82,212)

Total Adjustments (16,262)

Net Cash Provided by Operating Activities 44,584

Cash Flows from Capital and Related Financing Activities:

Purchase of Software, Furniture and Equipment (7,997)
Payments on Capitalized Lease Obligations (8,920)
Payments on Mortgage Obligations (10,674)
Interest Expense (21,064)
Net Cash Used for Capital and Related Financing Activities (48,655)

Net Decrease in Cash (4,071)

Cash at Beginning of Year 74,176

Cash at End of Year \$70,105

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

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**LIMA/ALLEN COUNTY REGIONAL PLANNING COMMISSION
ALLEN COUNTY**

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

1. DESCRIPTION OF THE ENTITY

The Lima/Allen County Regional Planning Commission, Allen County, (the Commission) was organized in 1964 under Section 713.21 of the Ohio Revised Code. The Commission is governed by a thirty-three member Board. The Board consists of representatives from participating political subdivisions, the county commissioners, and appointed citizens. The Commission serves the County by performing studies and making maps, preparing recommendations and reports relating to the physical, environmental, social, economic, and governmental characteristics, functions and services of the County. The participating subdivisions are:

Allen County	City of Lima	City of Delphos
Village of Beaverdam	Village of Bluffton	Amanda Township
Village of Elida	Village of Spencerville	Bath Township
American Township	Auglaize Township	Monroe Township
Jackson Township	Marion Township	Shawnee Township
Perry Township	Richland Township	Spencer Township
	Sugar Creek Township	

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed in the preparation of these financial statements are summarized below. These policies conform to generally accepted accounting principles for local governmental units as prescribed in the statements issued by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources. The Commission also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its proprietary activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the Commission's accounting policies are described below.

A. Accounting System

The Commission maintains its own set of accounting records. The Allen County Auditor acts as the fiscal agent. These financial statements were prepared from the accounts and financial records of the Commission and, accordingly, these financial statements do not present the financial position or results of the operations of Allen County.

B. Revenue and Expense Recognition

The Commission prepares its financial statements on the accrual basis of accounting, consequently, revenues and related assets are recognized when earned rather than when received, and expenses are recognized when incurred rather than when the obligation is paid.

C. Cash and Investments

As required by Ohio Revised Code, the Allen County Auditor acts as the fiscal agent for the Commission and the cash is held and invested by the Allen County Treasurer, who is the custodian for Commission monies. The Commission's assets are held in the County's cash and investment pool. At year-end, the reconciled carrying amount on the County Auditor's records for the Commission's cash balance was \$70,105.

**LIMA/ALLEN COUNTY REGIONAL PLANNING COMMISSION
ALLEN COUNTY**

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Accounts Receivable

Local assessment receivables consist of amounts due from subdivisions based on a per capita assessment. Other accounts receivable consist of billings from the Commission for personal telephone expense, copy cost reimbursements and lot split fees.

E. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2003, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditures/expense in the year in which services are consumed.

F. Building and Improvements, Office Equipment, Vehicles and Computer Software

The Commission has opted to capitalize their externally acquired computer software. Buildings and improvements, office equipment, vehicles and computer software are stated at cost. Depreciation of the office equipment, computer software, and vehicles is computed on the straight-line method over the useful lives (five years) of the assets. Depreciation of the building and improvements is computed on the straight-line method over the useful lives (31.5 years) of the assets.

G. Compensated Absences

Governmental Accounting and Financial Reporting Standards specifies that a liability should be accrued for leave benefits of the employer's obligation relating to employees rights to receive compensation for future absences is attributable to employee's' services already rendered; the obligation relates to rights that vest or accumulate; payment of the compensation is probable; and the amount can be reasonably estimated.

The Commission records a liability for accumulated unused vacation time when earned for employees. The Commission records a liability for accumulated unused sick leave for eligible employees using the vesting method.

H. Deferred Revenue

The Commission reports deferred revenues on its balance sheet. Deferred revenues arise when unearned revenue has been received by the Commission. Membership assessment remaining drawdown amounts paid in advance by calendar year are deferred revenue for the six month period beyond the financial statement date.

I. Local Revenue

Local revenues consist of contract services, lot splits and sundry revenues.

**LIMA/ALLEN COUNTY REGIONAL PLANNING COMMISSION
ALLEN COUNTY**

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(Continued)**

3. PROPERTY, PLANT AND EQUIPMENT

Building and Improvements, office equipment, software, and vehicle valuation consists of:

	<u>Building and Improvements</u>	<u>Office Equipment</u>	<u>Software</u>	<u>Vehicles</u>
Cost	\$323,062	\$161,989	\$53,037	\$34,156
Less:				
Accumulated Depreciation	(43,895)	(106,326)	(48,944)	(10,511)
Book Value	<u>\$279,167</u>	<u>\$55,663</u>	<u>\$4,093</u>	<u>\$23,645</u>

Current depreciation expense was \$50,807 for the building and equipment, \$6,747 on the software, and \$6,831 on the vehicles as determined based on the straight line depreciation method.

4. CAPITAL LEASES

The Commission has lease/purchase agreements for two copiers as follows:

	<u>Copiers</u>
Cost	\$51,635
Less: Accumulated Depreciation	(15,491)
Book Value	<u>\$36,145</u>

Lease payments, including interest, for capital leases as of June 30, 2003, are as follows:

Year ending June 30	<u>Copiers</u>
2004	\$12,115
2005	12,115
2006	12,115
2007	6,057
Total	42,402
Less Interest	(5,277)
Present Value of Lease	37,125
Less Current Portion	(9,922)
Long-Term Capital Lease	<u>\$27,203</u>

5. LONG-TERM OBLIGATIONS

The Commission's long-term obligations at June 30, 2003 are as follows:

Land Contract	\$199,022
Interest Rate	8.5 %

The debt is for the purchase of a building and the building improvements.

**LIMA/ALLEN COUNTY REGIONAL PLANNING COMMISSION
ALLEN COUNTY**

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(Continued)**

5. LONG-TERM OBLIGATIONS (Continued)

Debt payments, including interest, as of June 30, 2003, are as follows:

Year ending June 30	Building
2004	\$ 27,174
2005	27,174
2006	27,174
2007	27,174
2008-2013	176,632
Total	285,328
Less Interest	(96,979)
Total Debt	188,349
Less Current Portion	(11,615)
Long-Term Debt	\$176,734

6. RETIREMENT SYSTEM

The Commission's employees participate in the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Ohio Rev. Code Chapter 145. PERS issues a publicly available financial report and required supplemental information. The report may be obtained by making a written request to 277 East Town Street, Columbus, Ohio 43215-4462 or by calling 1-800-222-7377.

Contribution rates are prescribed by the Ohio Revised Code. For fiscal year 2002, PERS members contributed 8.5 percent of their gross salaries. The Commission contributed an amount equal to 13.55 percent of participants' gross salaries of which 9.25 percent was to fund pension obligations. The unpaid portion at June 30, 2003, is recorded as a liability in the financial statements.

7. POSTEMPLOYMENT BENEFITS

The Ohio Public Employees Retirement System of Ohio (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12, *"Disclosure of Information on Postemployment Benefits Other Than Pension Benefits by State and Local Governmental Employers."*

A portion of each employer's contribution to OPERS is set aside for the funding of postretirement health care based on authority granted by State statute. The employer contribution rate for fiscal year 2003 was 13.55 percent of covered payroll for employees; 4.3 percent was the portion that was used to fund health care. Benefits are advance funded on an actuarially determined basis.

**LIMA/ALLEN COUNTY REGIONAL PLANNING COMMISSION
ALLEN COUNTY**

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(Continued)**

8. ACCRUED VACATION AND SICK LEAVE

Employees of the Commission earn vacation in accordance with the policies adopted by the Commission, and detailed in the Personnel Handbook. Upon termination of employment the employee can collect payment for the entire amount of unused vacation.

Employees earn sick leave at the rate of .0575 hours for every hour worked. Upon termination, employees do not receive payment for their unused sick leave. However, pursuant to Section 124.39, of the Ohio Revised Code and in accordance with the policies per the Personnel Handbook, upon retirement an employee may receive payment for one-third of their unused sick leave. Based upon the Governmental Accounting Standards Board, Statement #16, the accrued sick leave at June 30, 2003, was estimated because payment of this compensation was probable.

9. RISK MANAGEMENT

The Commission has obtained commercial insurance through the Webb Insurance Company for comprehensive property, data processing equipment, general liability and errors and omissions coverage.

The Commission also provides health insurance through Medical Mutual of Ohio and offers dental coverage to full-time employees through the Guardian Insurance Company.

10. ELEMENT NUMBERS

The Element of Project numbers used throughout this report for identification purposes are:

101	RPC	Local Expenses
205	ODPS	Ohio Department of Public Safety
301	ODNR	Recycling Program
302	ODNR	Keep Ohio Beautiful Program
601	ODOT/STP	Short Range Planning
601.6		Neighborhood Planning
601.7		School Zone Planning
602	ODOT/FHWA	Transportation Improvement Program
605	ODOT/FHWA	Continuing Planning – Surveillance
		Continuing Planning – Review and
610	ODOT/FHWA	Appraisal
610.3		Regional Transportation Planning
		Surface Transportation Program
667	ODOT/STP	(Rideshare)
674	ODOT/FTA	Mass Transportation
675	ODOT/RTA	Mass Transportation Grant
697	ODOT/FHWA	Biennial Report – Transportation

**LIMA/ALLEN COUNTY REGIONAL PLANNING COMMISSION
ALLEN COUNTY**

**SCHEDULE OF DIRECT EXPENSES
FOR THE YEAR ENDED JUNE 30, 2003**

Direct Labor:	
Salaries	\$ 260,571
Other Direct Expenses:	
Office Supplies	51,844
Telephone	261
Repairs	1,277
Dues and Subscriptions	5,940
Rent	2,600
Travel and Meetings	2,299
Services	52,461
Miscellaneous	10,104
	<hr/>
Total Other Direct Expenses	126,786
	<hr/>
Total Direct Expenses	<u><u>\$ 387,357</u></u>

**LIMA/ALLEN COUNTY REGIONAL PLANNING COMMISSION
ALLEN COUNTY**

**SCHEDULE OF INDIRECT EXPENSE ALLOCATION RATE
FOR THE YEAR ENDED JUNE 30, 2003**

Indirect Wages and Fringe Benefits:

Salaries and Wages:	
Administrative	\$13,491
Secretarial	32,211
Accounting	26,734
PERS	52,395
Miscellaneous Leave Pay	4,350
Medicare	4,442
Group Insurance	33,242
Sick Pay	11,813
Vacation Pay	10,714
Holiday Pay	14,027
Flexible Benefits Plan	<u>17,924</u>
Total Salaries and Benefits	221,343

Other Indirect Expenses:

Audit	5,983
Office Supplies	889
Telephone	4,538
Electric	10,947
Services	3,133
Travel and Meetings	129
Miscellaneous	5,151
Depreciation and Amortization	64,385
Repairs	1,325
Loss on Assets	911
Interest Expense	21,064
Software	<u>259</u>
Total Other Indirect Expenses	<u>118,714</u>

 Total Indirect Expenses \$340,057

Direct Labor \$ 260,571

Indirect Expense Allocation Rate 1.3050

**LIMA/ALLEN COUNTY REGIONAL PLANNING COMMISSION
ALLEN COUNTY**

**SCHEDULE OF EXPENSES BY ELEMENT
FOR THE YEAR ENDED JUNE 30, 2003**

Project Number	Direct Labor	Other Direct	Indirect Costs	Total
Local				
101	\$65,470	\$16,040	\$85,440	\$166,950
ODOT				
601	40,880	7,693	53,348	101,921
602	8,647	2,796	11,284	22,727
605	22,395	11,935	29,225	63,555
610 FHWA	14,229	5,682	18,569	38,480
674	5,573	1,512	7,273	14,358
697	2,287	922	2,984	6,193
Total ODOT	94,011	30,540	122,683	247,234
STP				
601.6	6,163	1,471	8,043	15,677
610.3	4,985	309	6,505	11,799
601.7	17,997	1,981	23,486	43,464
667	14	7,493	18	7,525
Total STP	29,159	11,254	38,052	78,465
FTA				
675 MPO	13,956	2,307	18,225	34,488
ODPS				
205 FY 2002	8,719	1,213	11,378	21,310
205 FY 2003	24,140	6,646	31,502	62,288
Total ODPS	32,859	7,859	42,880	83,598
ODNR				
301 FY 2002	10,924	14,432	14,256	39,612
301 FY 2003	11,111	38,364	14,500	63,975
302 FY 2003	3,081	5,990	4,021	13,092
Total ODNR	25,116	58,786	32,777	116,679
Grand Total	<u>\$260,571</u>	<u>\$126,786</u>	<u>\$340,057</u>	<u>\$727,414</u>

LIMA/ALLEN COUNTY REGIONAL PLANNING COMMISSION
ALLEN COUNTY

SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDING JUNE 30, 2003

Federal Grantor/ Pass Through Grantor Program Title	Federal CFDA Number	Project	Program Award Amount	Cash Receipts	Accrued Revenue 6/30/2003	Total Revenues Recognized	Expenses
U.S. DEPARTMENT OF TRANSPORTATION							
<i>Passed Through Ohio Department of Transportation:</i>							
Highway Planning and Construction (Federal Aid Highway Program)	20.205	9222	\$263,743	\$174,546	\$42,770	\$217,316	\$217,316
Federal Transit Administration Surface Transportation Program	20.205	9222	171,372	48,908	20,471	69,379	69,379
Federal Highway Administration Rideshare	20.205	9221	10,000	4,223	1,416	5,639	5,639
Total Highway Planning and Construction Grants				227,677	64,657	292,334	292,334
<i>Passed Through Ohio Department of Public Safety -FY 2002:</i>							
Ohio's Section 402 Highway Safety Program	20.600		46,000	21,399	14,039	35,438	35,438
<i>Passed Through Ohio Department of Public Safety -FY 2001:</i>							
Ohio's Section 402 Highway Safety Program	20.600	1077	11,058	11,058		11,058	11,058
Total State and Local Highway Safety Program Grant				32,457	14,039	46,496	46,496
Total Federal Assistance				\$260,134	\$78,696	\$338,830	\$338,830

The Schedule of Federal Awards Expenditures is presented on the accrual basis of accounting.

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**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Lima/Allen County Regional Planning Commission
Allen County
130 West North Street
Lima, Ohio 45801

Members of the Board:

We have audited the financial statements of Lima/Allen County Regional Planning Commission, Allen County, (the Commission), as of and for the year ended June 30, 2003, and have issued our report thereon dated January 7, 2004. 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.

Compliance

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Commission's, internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Commission in a separate letter dated, January 7, 2004.

Lima- Allen County Regional Planning Commission
Allen County
Independent Accountants' Report on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

This report is intended for the information and use of the Administrative Affairs Committee, management, board, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

January 7, 2004



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO MAJOR FEDERAL PROGRAMS AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Lima/Allen County Regional Planning Commission
Allen County
130 West North Street
Lima, Ohio 45801

Members of the Board:

Compliance

We have audited the compliance of the Lima/Allen County Regional Planning Commission, Allen County, (the Commission) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2003. The Commission's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Commission's management. Our responsibility is to express an opinion on the Commission's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. 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. Our audit does not provide a legal determination on the Commission's compliance with those requirements.

In our opinion, the Commission complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2003.

Internal Control Over Compliance

The management of the Commission is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Commission's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

One First National Plaza / 130 W. Second St. / Suite 2040 / Dayton, OH 45402
Telephone: (937) 285-6677 (800) 443-9274 Fax: (937) 285-6688
www.auditor.state.oh.us

**Internal Control Over Compliance
(Continued)**

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the Administrative Affairs Committee, management, board, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



Betty Montgomery
Auditor of State

January 7, 2004

**LIMA/ALLEN COUNTY REGIONAL PLANNING COMMISSION
ALLEN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 §.505
JUNE 30, 2003**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	Highway Construction and Maintenance CFDA #20.205
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None



**Auditor of State
Betty Montgomery**

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LIMA/ALLEN REGIONAL PLANNING COMMISSION

ALLEN 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
FEBRUARY 10, 2004**