

**LIMA-ALLEN COUNTY REGIONAL PLANNING COMMISSION
ALLEN COUNTY, OHIO**

***BASIC FINANCIAL STATEMENTS
(AUDITED)***

***FOR THE FISCAL YEAR ENDED
JUNE 30, 2013***

MARLENE SCHUMAKER, GRANTS ADMINISTRATOR



Dave Yost • Auditor of State

Commission Members
Lima-Allen County Regional Planning Commission
130 W. North Street
Lima, Ohio 45801

We have reviewed the *Independent Auditor's Report* of the Lima-Allen County Regional Planning Commission, Allen County, prepared by Julian & Grube, Inc., for the audit period July 1, 2012 to June 30, 2013. 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 Lima-Allen County 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

November 13, 2013

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**LIMA-ALLEN COUNTY REGIONAL PLANNING COMMISSION
ALLEN COUNTY, OHIO**

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Julian & Grube, Inc.

Serving Ohio Local Governments

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Independent Auditor's Report

Lima-Allen County Regional Planning Commission
130 W. North Street
Lima, Ohio 45801

To the Commission Members:

Report on the Financial Statements

We have audited the accompanying financial statements of the Lima-Allen County Regional Planning Commission, Allen County, Ohio, as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Lima-Allen County Regional Planning Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We 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 us 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 our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Lima-Allen County Regional Planning Commission'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 Lima-Allen County Regional Planning Commission's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Lima-Allen County Regional Planning Commission, Allen County, Ohio, as of June 30, 2013, and the changes in financial position and in its cash flows for the fiscal year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary Information

Our audit was conducted to opine on the Lima-Allen County Regional Planning Commission's basic financial statements taken as a whole.

The schedule of expenses by element on page 20 and the statement of direct labor, fringe benefits and general overhead on pages 21 -22 present additional analysis and are not a required part of the basic financial statements.

We did not subject the schedule of expense by element and statement of direct labor, fringe benefits and general overhead to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2013, on our consideration of the Lima-Allen County Regional Planning Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our 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 Lima-Allen County Regional Planning Commission's internal control over financial reporting and compliance.



Julian & Grube, Inc.
September 23, 2013

**LIMA-ALLEN COUNTY REGIONAL PLANNING COMMISSION
ALLEN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013**

The management's discussion and analysis of the Lima-Allen County Regional Planning Commission's (the "Commission") financial performance provides an overall review of the Commission's financial activities for the fiscal year ended June 30, 2013. The intent of this discussion and analysis is to look at the Commission's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Commission's financial performance.

Financial Highlights

Key financial highlights for fiscal year ended June 30, 2013 are as follows:

- The Commission's total net position increased by \$33,209 from \$354,357 at June 30, 2012 to \$387,566 at June 30, 2013.
- Total assets increased \$3,224 from June 30, 2012 including an increase of \$19,225 in cash on hand.
- Total liabilities decreased \$32,111 from June 30, 2012 primarily due to the 2013 principal payment on the Commission's mortgage obligation payable.
- Operating revenues increased \$44,909, operating expenses increased \$5,760, non-operating revenues decreased \$38,932 and non-operating expenses decreased \$2,021. The total change in net position for the 2013 fiscal year was an increase of \$33,209 compared to an increase of \$30,971 for fiscal year 2012.

Using this Annual Financial Report

This report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Lima-Allen County Regional Planning Commission as a financial whole, an entire operating entity.

Statement of Net Position

The Statement of Net Position examines how well the Commission has performed financially from inception through June 30, 2013. This statement includes all assets, liabilities and net asset balances using the accrual basis of accounting, which is the accounting method used by most private-sector companies. This form of accounting takes into account all revenues earned and expenses incurred during the 12-month period, regardless as to when the cash is received or expended.

**LIMA-ALLEN COUNTY REGIONAL PLANNING COMMISSION
ALLEN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013**

The following schedule provides a summary of the Commission's Statement of Net Position for the last five fiscal years:

	2013	2012	Net Position 2011	2010	2009
<u>Assets</u>					
Current assets	\$ 231,464	\$ 210,803	\$ 185,278	\$ 201,794	\$ 241,349
Noncurrent assets	<u>259,521</u>	<u>276,958</u>	<u>292,481</u>	<u>302,598</u>	<u>336,635</u>
Total assets	<u>490,985</u>	<u>487,761</u>	<u>477,759</u>	<u>504,392</u>	<u>577,984</u>
<u>Liabilities</u>					
Current liabilities	78,171	90,289	113,718	90,721	82,338
Noncurrent liabilities	<u>20,292</u>	<u>40,285</u>	<u>38,027</u>	<u>60,891</u>	<u>90,544</u>
Total liabilities	<u>98,463</u>	<u>130,574</u>	<u>151,745</u>	<u>151,612</u>	<u>172,882</u>
<u>Deferred inflows</u>	<u>4,956</u>	<u>2,830</u>	<u>2,628</u>	<u>3,283</u>	<u>18,054</u>
<u>Net Position</u>					
Net investment in capital assets	246,379	238,931	231,590	212,054	218,094
Unrestricted	<u>141,187</u>	<u>115,426</u>	<u>91,796</u>	<u>137,443</u>	<u>168,954</u>
Total net position	<u>\$ 387,566</u>	<u>\$ 354,357</u>	<u>\$ 323,386</u>	<u>\$ 349,497</u>	<u>\$ 387,048</u>

Net position increased by \$33,209 for the current fiscal year. The Commission has also been diligently trying to pay off long-term liabilities. The Commission made \$24,885 in principal payments on the mortgage obligation payable in fiscal year 2013. The remaining liability for this obligation is \$13,142 at June 30, 2013, which is due in fiscal year 2014.

Statement of Revenues, Expenses and Change in Net Position

The Statement of Revenues, Expenses and Change in Net Position reports operating and nonoperating activities for the fiscal year ended June 30, 2013.

**LIMA-ALLEN COUNTY REGIONAL PLANNING COMMISSION
ALLEN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013**

The following schedule provides a summary of the Commission's Statement of Revenues, Expenses and Changes in Net Position for the last five fiscal years:

	Change in Net Position				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Revenues					
Federal	\$ 410,283	\$ 447,050	\$ 475,618	\$ 489,441	\$ 454,028
State	65,146	67,311	32,664	12,437	21,668
Fees	118,299	116,808	120,608	120,071	120,736
Local	<u>163,912</u>	<u>120,494</u>	<u>106,289</u>	<u>42,330</u>	<u>64,182</u>
Total revenues	<u>757,640</u>	<u>751,663</u>	<u>735,179</u>	<u>664,279</u>	<u>660,614</u>
Expenses					
Direct labor	278,405	288,054	286,060	244,767	267,660
Other direct	65,671	70,827	76,069	92,556	78,192
Indirect	<u>380,355</u>	<u>361,811</u>	<u>399,161</u>	<u>364,507</u>	<u>375,301</u>
Total expenses	<u>724,431</u>	<u>720,692</u>	<u>761,290</u>	<u>701,830</u>	<u>721,153</u>
Change in net position	<u>33,209</u>	<u>30,971</u>	<u>(26,111)</u>	<u>(37,551)</u>	<u>(60,539)</u>
Net position at beginning of year	<u>354,357</u>	<u>323,386</u>	<u>349,497</u>	<u>387,048</u>	<u>447,587</u>
Net position at end of year	<u>\$ 387,566</u>	<u>\$ 354,357</u>	<u>\$ 323,386</u>	<u>\$ 349,497</u>	<u>\$ 387,048</u>

The Commission had a decrease of \$38,932 in federal/state funds for fiscal year 2013. Local revenue which is made up of local fees for subdivisions, lots splits, etc. had an increase of \$43,418 in fiscal year 2013. In total, revenues increased by \$5,977 from fiscal year 2012. Expenses for fiscal year 2013 increased by \$3,739 from fiscal year 2012. Direct labor costs decreased by \$9,649 in fiscal year 2013 from prior year as the Commission did not have additional interns during 2013. Indirect expenses increased \$18,544 from fiscal year 2012.

Capital Assets

At the year-end, the Commission had \$259,521 (net of accumulated depreciation) invested in land, buildings, building improvements, office equipment, furniture, computer software and vehicles. The following table shows capital asset balances, net of accumulated depreciation, at June 30, 2013 compared to June 30, 2012:

**Capital Assets at June 30
(Net of Depreciation)**

	<u>2013</u>	<u>2012</u>
Land	\$ 35,500	\$ 35,500
Buildings and improvements	212,649	223,852
Office equipment and furniture	7,625	12,436
Computer software	<u>3,747</u>	<u>5,170</u>
Totals	<u>\$ 259,521</u>	<u>\$ 276,958</u>

See Note 4 to the basic financial statements for further detail on the Commission's capital assets.

**LIMA-ALLEN COUNTY REGIONAL PLANNING COMMISSION
ALLEN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013**

Long-Term Obligations

The Commission had the following long-term obligations outstanding at June 30, 2013 and 2012:

Long-Term Obligations at June 30

	<u>2013</u>	<u>2012</u>
Mortgage obligation payable	\$ 13,142	\$ 38,027
Compensated absences payable	<u>44,843</u>	<u>57,921</u>
Total	<u>\$ 57,985</u>	<u>\$ 95,948</u>

At June 30, 2013, \$13,142 and \$24,551 of the Commission's long-term obligations for the mortgage obligation payable and compensated absences payable, respectively, are due within one year and therefore considered a current liability. The remainder of these obligations is reported as noncurrent.

See Note 5 to the basic financial statements for further detail on the Commission's long-term obligations.

Current Financial Issues

The Commission is extremely dependent upon intergovernmental revenues (Federal and State grants) provided by the Federal and State government through the State of Ohio; approximately 62.75 percent of the Commission's total revenue in fiscal year 2013 was received from Federal and State sources, down from 68.43 percent in fiscal year 2012. The Commission's financial position has been maintained by careful control of expenses in past years. The Commission is vulnerable to changes in Federal and State grant program incomes, and increases in fixed costs which are becoming much harder to control.

Contacting the Commission's Financial Management

This financial summary is designed to provide our funding sources and member governments as well as the local citizenry with an overview of the Commission's finances and to document the Commission's accountability for the monies it receives. Questions about this report or for additional financial information contact the Grants Administrator at the Lima-Allen County Regional Planning Commission, 130 West Main St., Lima, Ohio 45801 or call 419-228-1836, or by e-mail to mschumaker@lacrpc.com.

BASIC FINANCIAL STATEMENTS

**LIMA-ALLEN COUNTY REGIONAL PLANNING COMMISSION
ALLEN COUNTY, OHIO**

STATEMENT OF NET POSITION
JUNE 30, 2013

Assets:	
Current assets:	
Cash	\$ 93,001
Receivables:	
Intergovernmental receivables:	
Ohio department of transportation	54,184
Ohio department of public safety.	7,314
Surface transportation program.	26,012
Office of transit.	3,913
Local assessment.	7,754
Other.	20,351
Prepayments	18,935
Total current assets	<u>231,464</u>
Noncurrent assets:	
Capital assets:	
Land	35,500
Depreciable capital assets, net.	224,021
Total noncurrent assets	<u>259,521</u>
Total assets	<u>490,985</u>
Liabilities:	
Current liabilities:	
Accounts payable	7,495
Accrued wages and benefits.	32,983
Compensated absences payable - current	24,551
Mortgage obligation payable - current	13,142
Total current liabilities.	<u>78,171</u>
Noncurrent liabilities:	
Compensated absences payable.	20,292
Total liabilities	<u>98,463</u>
Deferred inflows of resources:	
Local revenue not available.	4,956
Net position:	
Net investment in capital assets	246,379
Unrestricted	141,187
Total net position	<u>\$ 387,566</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**LIMA-ALLEN COUNTY REGIONAL PLANNING COMMISSION
ALLEN COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND
CHANGE IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Operating revenues:	
Fees charged to subdivisions	\$ 118,299
Local revenues	<u>163,912</u>
Total operating revenues	<u>282,211</u>
 Operating expenses:	
Salaries and wages	350,268
Employee benefits	196,859
Occupancy and other.	157,578
Depreciation	<u>17,437</u>
Total operating expenses	<u>722,142</u>
Operating loss.	<u>(439,931)</u>
 Non-operating revenues (expenses):	
Intergovernmental	475,429
Interest	<u>(2,289)</u>
Total nonoperating revenues (expenses)	<u>473,140</u>
Change in net position	33,209
Net position at beginning of year	<u>354,357</u>
Net position at end of year.	<u><u>\$ 387,566</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**LIMA-ALLEN COUNTY REGIONAL PLANNING COMMISSION
ALLEN COUNTY, OHIO**

STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Cash flows from operating activities:	
Cash received from subdivisions.	\$ 120,425
Cash received from local sources	146,452
Cash payments to employees for services	(559,416)
Cash payments to suppliers for services	(156,735)
	(449,274)
 Cash flows from noncapital financing activities:	
Cash received from intergovernmental sources	495,673
	495,673
 Cash flows from capital and related financing activities:	
Principal payments on mortgage obligation	(24,885)
Interest paid on mortgage obligation.	(2,289)
	(27,174)
Net increase in cash.	19,225
 Cash and cash equivalents at beginning of year	 73,776
Cash and cash equivalents at end of year	\$ 93,001
 Reconciliation of operating loss to net cash used in operating activities:	
Operating loss.	\$ (439,931)
Adjustments:	
Depreciation	17,437
Changes in assets and liabilities:	
(Increase) in accounts receivable.	(17,460)
(Increase) in prepayments	(4,220)
Increase in accounts payable.	5,063
Increase in accrued wages and benefits	789
(Decrease) in compensated absences payable	(13,078)
Increase in deferred inflows	2,126
	(449,274)
Net cash used in operating activities	\$ (449,274)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**LIMA-ALLEN COUNTY REGIONAL PLANNING COMMISSION
ALLEN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 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
Village of Cairo	Sugar Creek Township	Village of Harrod

In accordance with the Governmental Accounting Standards Board (GASB) Statement No. 14, "The Reporting Entity", as amended by GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34", the Commission is not considered part of the Allen County financial reporting entity. There are no agencies or organizations for which the Commission is considered the primary government. Accordingly, the Commission is the sole organization of the reporting entity. 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 record of the Commission and, accordingly, these financial statements do not present the financial position or results of the operations of Allen County.

The accompanying financial statements have been designed to facilitate an understanding of the financial position and results of operations of the Commission. The activity of the Commission is determined by an overall work program which is approved by the Commission's Board and the Ohio Department of Transportation. All revenue and related costs are accounted for on a project basis. The financial information contained in these statements is the responsibility of the Commission.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Commission have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental organizations. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Commission's accounting policies are described below.

A. Basis of Presentation

Enterprise accounting is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that 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 where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

**LIMA-ALLEN COUNTY REGIONAL PLANNING COMMISSION
ALLEN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

B. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by its measurement focus. Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflow of resources, liabilities, and deferred inflow of resources are included on the Statements of Net Position. Operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

Basis of accounting refers to when revenues and expenses are recognized in the financial records and reported in the financial statements. The Commission's financial statements are prepared using the accrual basis of accounting. Revenue resulting from exchange transactions, in which the party gives and receives essentially equal value, is recorded when the exchange takes place. Revenues resulting from nonexchange transactions, in which the Commission receives value without directly giving equal value in return, such as grants and entitlements, are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the Commission must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Commission on a reimbursement basis. Expenses are recognized at the time they are incurred.

A deferred inflow of resources is an acquisition of net assets by the Commission that is applicable to a future reporting period. A deferred outflow of resources is a consumption of net assets by the Commission that is applicable to a future reporting period.

C. Cash and Investments

As required by Section 713.21, Ohio Revised Code, the Commission must deposit all receipts in the Allen County Treasury. The County Treasurer maintains a cash and investment pool used for all County and Commission funds. The Commission has no other cash deposits or investments and does not receive interest income on its cash balances held in the County Treasury.

Pursuant to Section 135.181, Ohio Revised Code, the County's deposits are covered by collateral held by third party trustees in collateral pools securing all public funds on deposit with specific depository institutions. In accordance with GASB Statement No. 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements", all deposits are classified as to risk.

The following risk categories most typically used are:

1. Insured or collateralized with securities held by the entity or by its agent in the entity's name.
2. Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.
3. Uncollateralized, including any bank balance that is collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the entity's name.

The Commission's deposits with Allen County are classified in Category 3. Allen County's deposits of the Commission's funds are held by third party trustees pursuant to Section 135.181, Ohio Revised Code in collateral pools securing all public monies on deposit with specific depository institutions. At year-end, the carrying amount of the Commission's deposits was \$93,001.

**LIMA-ALLEN COUNTY REGIONAL PLANNING COMMISSION
ALLEN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The Ohio Revised Code does not provide the Commission the power to make or hold investments other than the deposits in the Allen County Treasury explained above. The Commission's deposits maintained by the Allen County Treasurer are either insured by the Federal Deposit Insurance Corporation or were considered collateralized by securities held by the pledging institutions' trust departments in Allen County's name and all State statutory requirements for the deposit of money had been followed.

As of June 30, 2013, the Allen County Treasury had the following investments types: Federal Home Loan Mortgage Corporation (FHLMC) Notes, Federal Home Loan Bank (FHLB) Bonds, Federal Farm Credit Bank (FFCB) Bonds, Federal National Mortgage Association Notes (FNMA), Fannie Mae, STAR Ohio and a U.S. Treasury Security Money Market Fund.

The FHLMC Notes, FHLB Bonds, FFCB Bonds, FNMA Notes, Fannie Mae and the U.S. Treasury Security Money Market Fund carry a rating of Aaa by Moodys. STAR Ohio carries a rating of AAA by Standard and Poor's. Ohio law requires that STAR Ohio maintain the highest rating by at least one nationally recognized standard service rating. Ohio law requires the market value of securities subject to repurchase agreement by 2%.

D. Indirect Costs

To facilitate the equitable distribution of common purpose costs benefiting more than one direct cost objective, the Commission has negotiated an agency-wide indirect cost allocation plan with its cognizant federal agency, the Federal Highway Administration (FHWA) through the Ohio Department of Transportation (ODOT).

The Commission has adopted the Provisional Rate Method of calculating the fringe benefit and indirect cost rate. The rates are calculated based on the most recently audited fiscal year with adjustments for projected changes. Once approved by ODOT, the provisional rates are billed for the fiscal year. At the end of the fiscal year, the actual rates are calculated and the difference between the estimated and actual costs for the period covered by the rate is identified to the specific contracts. Any variance is either billed as an additional cost or refunded to the granting agency. No carry forward provision is permitted to adjust future rates for the variance.

The fringe benefit rate is based upon a percentage of direct wages to include sick time, holiday pay, vacation pay, personal days and the employer portion of retirement, workers compensation insurance, hospitalization and unemployment insurance. For the calculation of the fringe benefit rate the base is total labor, both direct and indirect.

The indirect cost rate is based upon a percentage of direct wages to include indirect wages and their allocated fringe benefit costs as well as other indirect costs incurred for equipment, supplies, utilities, and office space. For the calculation of the indirect cost rate, the base is total direct labor (excluding direct labor fringe benefits).

E. Receivables

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 lot split fees, subdivision review fees, and federal and state grants.

**LIMA-ALLEN COUNTY REGIONAL PLANNING COMMISSION
ALLEN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

F. Prepayments

Recording a current asset for the prepaid amount and reflecting the expenditures/expenses in the year in which services are consumed record payments made to vendors for services that will benefit periods beyond June 30, 2013, as prepayments using the consumption method.

G. Capital Assets

All capital assets are capitalized at cost and updated for additions and deletions during the year. All capital assets are depreciated except for land. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. The Commission has opted to capitalize their externally acquired computer software and any capital purchases greater than \$2,000. Depreciation of the office equipment, furniture, computer software, and vehicles are 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 to 32.5 years) of the assets.

H. Compensated Absences

Governmental Accounting and Financial Reporting Standards specifies that leave benefits of the employer's obligation relating to employee's rights to receive compensation for future absences is attributable to employee's services already rendered; the obligation relates to rights that 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 using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the Commission has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the Commission's policy. Upon retirement, a full-time employee is entitled to receive payment for 1/3 of their accumulated but unused sick leave to a maximum of 240 hours. Part-time employees will receive 1/3 of the average time worked in 30 days.

I. Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. The net position component "net investment in capital assets," consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position.

**LIMA-ALLEN COUNTY REGIONAL PLANNING COMMISSION
ALLEN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

J. Operating and Non-Operating Revenues (Expenses)

Operating revenues are those revenues that are generated directly from the primary activities. For the Commission, these revenues are primarily membership fees from participating subdivisions along with local revenue defined in Note 2.K. Non-operating revenues consist of federal and state grants. Operating expenses are costs incurred to provide the good or service that is the primary activity of the Commission. Non-operating expenses consist of interest expense on the Commission's mortgage obligation payable.

K. Local Revenue

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

L. Estimates

The preparation of the basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

For fiscal year 2013, the Commission has implemented GASB Statement No. 60, "Accounting and Financial Reporting for Service Concession Arrangements", GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34", GASB Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA pronouncements", GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position", GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities", and GASB Statement No. 66, "Technical Corrections-2012".

GASB Statement No. 60 addresses issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. An SCA is an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a "facility") in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. The implementation of GASB Statement No. 60 did not have an effect on the financial statements of the Commission.

GASB Statement No. 61 modifies certain requirements for inclusion of component units in the financial reporting entity. The Statement amends the criteria for reporting component units as if they were part of the primary government in certain circumstances. Finally, the Statement also clarifies the reporting of equity interests in legally separate organizations. The implementation of GASB Statement No. 61 did not have an effect on the financial statements of the Commission.

GASB Statement No. 62 codifies accounting and financial reporting guidance contained in pre-November 30, 1989 FASB and AICPA pronouncements in an effort to codify all sources of GAAP for State and local governments so that they derive from a single source. The implementation of GASB Statement No. 62 did not have an effect on the financial statements of the Commission.

**LIMA-ALLEN COUNTY REGIONAL PLANNING COMMISSION
ALLEN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 63 provides financial and reporting guidance for *deferred outflows of resources* and *deferred inflows of resources* which are financial statement elements that are distinct from assets and liabilities. GASB Statement No. 63 standardizes the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's *net position*. The implementation of GASB Statement No. 63 has changed the presentation of the Commission's financial statements to incorporate the concepts of net position, deferred outflows of resources and deferred inflows of resources.

GASB Statement No. 65 establishes accounting and financial reporting standards that reclassify, as *deferred outflows of resources* or *deferred inflows of resources*, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. GASB Statement No. 65 also provides other financial reporting guidance related to the impact of the financial statement elements *deferred outflows of resources* and *deferred inflows of resources*, such as changes in the determination of the major fund calculations and limiting the use of the term *deferred* in financial statement presentations.

GASB Statement No. 66 enhances the usefulness of financial reports by resolving conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting. The implementation of GASB Statement No. 66 did not have an effect on the financial statements of the Commission.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2013, was as follows:

	<u>Balance</u> <u>06/30/12</u>	<u>Additions/</u> <u>Transfers</u>	<u>Deductions</u>	<u>Balance</u> <u>06/30/13</u>
Cost:				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 35,500	\$ -	\$ -	\$ 35,500
Total capital assets, not being depreciated	<u>35,500</u>	<u>-</u>	<u>-</u>	<u>35,500</u>
<i>Capital assets, being depreciated:</i>				
Buildings and improvements	360,079	-	-	360,079
Office equipment and furniture	183,162	-	(14,360)	168,802
Computer software	27,547	-	(6,274)	21,273
Vehicles	51,866	-	-	51,866
Total capital assets, being depreciated:	<u>622,654</u>	<u>-</u>	<u>(20,634)</u>	<u>602,020</u>
<i>Less: accumulated depreciation</i>				
Buildings and improvements	(136,228)	(11,202)	-	(147,430)
Office equipment and furniture	(170,726)	(4,811)	14,360	(161,177)
Computer software	(22,376)	(1,424)	6,274	(17,526)
Vehicles	(51,866)	-	-	(51,866)
Total accumulated depreciation	<u>(381,196)</u>	<u>(17,437)</u>	<u>20,634</u>	<u>(377,999)</u>
Governmental activities capital assets, net	<u>\$ 276,958</u>	<u>\$ (17,437)</u>	<u>\$ -</u>	<u>\$ 259,521</u>

**LIMA-ALLEN COUNTY REGIONAL PLANNING COMMISSION
ALLEN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 5 - LONG-TERM OBLIGATIONS

The Commission's long-term obligations at June 30, 2013 are as follows:

	Balance Outstanding <u>06/30/12</u>	<u>Additions</u>	<u>Reductions</u>	Balance Outstanding <u>06/30/13</u>	Amounts Due in <u>One Year</u>
Mortgage obligation payable	\$ 38,027	\$ -	\$ (24,885)	\$ 13,142	\$ 13,142
Compensated absences payable	<u>57,921</u>	<u>28,743</u>	<u>(41,821)</u>	<u>44,843</u>	<u>24,551</u>
Total	<u>\$ 95,948</u>	<u>\$ 28,743</u>	<u>\$ (66,706)</u>	<u>\$ 57,985</u>	<u>\$ 37,693</u>

Mortgage obligation payable

The mortgage obligation was incurred for the purchase of a building and building improvements. The future debt service requirements for the mortgage obligation outstanding at June 30, 2013 are as follows:

<u>Fiscal Year</u>	<u>Land Contract</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 13,142	\$ 196	\$ 13,338

Compensated absences payable

Compensated absences represent future obligations for sick leave (to the extent it is estimated to be paid as severance), vacation leave and personal time. Of the total liability for compensated absences, \$24,551 is expected to be paid within the next fiscal year.

NOTE 6 - RETIREMENT SYSTEM

A. Ohio Public Employees Retirement System

Plan Description - The Commission participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the Combined Plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the Traditional Pension Plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the Member-Directed Plan. Members in the local division may participate in all three plans.

**LIMA-ALLEN COUNTY REGIONAL PLANNING COMMISSION
ALLEN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 6 - RETIREMENT SYSTEM - (Continued)

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, Attention: Finance Director, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

B. Funding Policy

The Ohio Revised Code provides statutory authority for member and employer contributions. For fiscal year 2013, member and contribution rates were consistent across all three plans. While members in the State and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Plan. The fiscal year 2013 member contribution rates were 10.00% for members in local classifications. The Commission's contribution rate for fiscal year 2013 was 14.00%.

The Commission's contribution rate for pension benefits for members in the Traditional Plan for fiscal year 2013 was 10.00% for the period July 1, 2012 through December 31, 2012, and 13.00% for the period January 1, 2013 through June 30, 2013. The Commission's contribution rate for pension benefits for members in the Combined Plan for fiscal year 2013 was 7.95% for the period July 1, 2012 through December 31, 2012, and 13.00% for the period January 1, 2013 through June 30, 2013. The Commission's required contributions for pension obligations for the fiscal years 2013, 2012 and 2011 were \$45,759, \$39,210, and \$49,691, respectively; 100% has been contributed for fiscal years 2013, 2012 and 2011.

NOTE 7 - POSTRETIREMENT BENEFIT PLANS

A. Ohio Public Employees Retirement System

Plan Description - OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

To qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have ten years or more of qualifying Ohio service credit. The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, Attention: Finance Director, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

**LIMA-ALLEN COUNTY REGIONAL PLANNING COMMISSION
ALLEN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 7 - POSTRETIREMENT BENEFIT PLANS - (Continued)

B. Funding Policy

The post-employment healthcare plan was established under, and is administrated in accordance with, Internal Revenue Code Section 401(h). State statute requires that public employers fund post-employment healthcare through contributions to OPERS. A portion of each employer's contribution to the Traditional or Combined Plans is set aside for the funding of post-employment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In fiscal year 2013, local government employers contributed 14.00% of covered payroll. Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The portion of employer contributions allocated to fund post-employment healthcare in the Traditional Plan for fiscal year 2013 was 4.00% for the period July 1, 2012 through December 31, 2012, and 1.00% for the period January 1, 2013 through June 30, 2013. The portion of employer contributions allocated to fund post-employment healthcare for members in the Combined Plan for fiscal year 2013 was 6.05% for the period July 1, 2012 through December 31, 2012, and 1.00% for the period January 1, 2013 through June 30, 2013.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment healthcare plan.

The Commission's contributions allocated to fund post-employment health care benefits for the fiscal years ended June 30, 2013, 2012, and 2011 were \$9,948, \$15,684, and \$19,521, respectively; 100% has been contributed for fiscal years 2013, 2012 and 2011.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under State Bill 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

NOTE 8 - 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. There was no significant reduction in insurance coverage from prior year and claims have not exceeded insurance coverage over the past three years.

The Commission also provides a high deductible health insurance through Anthem Blue Cross and dental, vision, and life insurance through Reliance. The Commission also offers a Health Savings Plan to full time employees.

**LIMA-ALLEN COUNTY REGIONAL PLANNING COMMISSION
ALLEN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 9 - CONTINGENCIES

Federal and State contracts are subject to review and audit by the grantor agencies or their designees. Such audits could lead to requests for reimbursement to the grantor agency for expenses disallowed under terms of the grant. There are no such claims pending and no known situations which would lead to such a claim. In addition, based upon experience and audit results, management believes that such disallowances, if any, would be immaterial.

In the normal course of its business activities, the Commission may become subject to claims and litigation relating to contracts, employment or other matters. In the opinion of management, the resolution of any such claims pending would not likely have a material impact on the Commission's financial position.

SUPPLEMENTARY INFORMATION

**LIMA-ALLEN COUNTY REGIONAL PLANNING COMMISSION
ALLEN COUNTY, OHIO**

**SCHEDULE OF EXPENSES BY ELEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

<u>Project Number</u>	<u>Direct Labor</u>	<u>Other Direct</u>	<u>Indirect Cost</u>	<u>Total</u>
Local				
101	\$ 47,352	\$ 14,474	\$ 72,014	\$ 133,840
ODOT				
601	38,963	5,591	51,996	96,549
602	18,150	1,061	24,221	43,432
605	45,374	5,644	60,552	111,570
610	35,314	1,177	47,127	83,618
674	5,582	262	7,449	13,293
697	2,703	725	3,608	7,036
Total ODOT	<u>146,086</u>	<u>14,461</u>	<u>194,952</u>	<u>355,498</u>
STP				
6057	4,264	93	5,691	10,048
6058	22,310	26,401	29,772	78,483
6103	6,536	92	8,723	15,351
6104	22,759	342	30,372	53,474
Total STP	<u>55,870</u>	<u>26,928</u>	<u>74,558</u>	<u>157,355</u>
FTA				
675	8,706	8,118	11,619	28,443
ODPS				
205	<u>20,390</u>	<u>1,692</u>	<u>27,211</u>	<u>49,293</u>
Grand Total	<u>\$ 278,405</u>	<u>\$ 65,671</u>	<u>\$ 380,353</u>	<u>\$ 724,430</u>

Notes to the Schedule of Expenses by Element

The Element of Project numbers used on the Schedule of Expenses by Element for identification purposes are:

<u>Element</u>	<u>Funding Sources</u>	<u>Project</u>
101	RPC	Local Expenses
205	ODPS	Community Traffic
415	CDBG	Community
505/510	Local	Local Expenses
601	ODOT/FHWA	Short Range Planning
602	ODOT/FHWA	Transportation Improvement Program
605	ODOT/FHWA	Surveillance
610	ODOT/FHWA	Long Range Planning
674	ODOT/FHWA	Specialized Transportation Program
697	ODOT/FHWA	Annual Report
675	ODOT/FTA	Mass Transportation
605.7	ODOT/STP	Long Range Transportation Planning
605.8	ODOT/STP	Sustainability
610.3	ODOT/STP	Long Range Transportation Planning
610.4	ODOT/STP	Long Range Transportation Planning

LIMA-ALLEN COUNTY REGIONAL PLANNING COMMISSION
STATEMENT OF DIRECT LABOR, FRINGE BENEFITS, AND GENERAL OVERHEAD
(July 1, 2012 - June 30, 2013)

	Estimated FY 2013	Actual FY 2013	Difference (Over Bdgt.) Under Bdgt.
Wages paid for time worked:			
Direct Labor	\$ 287,700	\$ 278,405	\$ 9,295
Indirect Labor	72,000	71,863	137
Total Labor - base for fringe allocation	\$ 359,700	\$ 350,268	\$ 9,432
Fringe Benefits			
4170 Flexible Benefits	\$ -	\$ 9,157	\$ (9,157)
4140 Sick Leave	18,358	20,276	(1,918)
4150 Vacation Pay	22,822	21,545	1,277
4160 Holiday Pay	14,488	16,007	(1,519)
01080 Misc Leave pay	1,449	-	1,449
<i>Subtotal Fringe Benefit Wages</i>	57,117	66,985	(9,868)
Other Fringe Benefits			
4220 PERS	50,358	55,707	(5,349)
4230 Workers Comp	7,194	2,432	4,762
4200 Health Insurance	66,000	62,821	3,179
4210 Medicare	5,216	5,830	(614)
<i>Subtotal Other Fringe Benefits</i>	128,768	126,790	1,978
TOTAL FRINGE BENEFITS	\$ 185,885	\$ 193,774	\$ (7,889)
Indirect Costs			
Salaries - Indirect Only	\$ 72,000	\$ 71,863	\$ 137
Fringe Benefits for Indirect Salaries	37,208	39,756	(2,548)
4401 Office supplies	10,500	14,953	(4,453)
4480 Indirect Postage	1,000	1,237	(237)
4475 Indirect Copies	2,350	20,341	(17,991)
4400 Indirect Sundry supplies	5,000	84	4,916
4411 Electirc	14,000	11,201	2,799
4412 Indirect Telephone	4,000	3,307	693
4470 Indirect Vehicle Expense	-	258	(258)
4410/4413 Indirect Cont. Serv.	30,500	25,832	4,668
4460 Indirect Repairs	5,500	4,867	633
4450 Travel and Meetings	500	67	433
4495 Depreciation	15,000	16,013	(1,013)
4491 Interest Expense	2,300	2,289	11
4496 Software Amortization	500	1,424	(924)
4402 Indirect Equipments	5,000	2,405	2,595
29003 Software	2,500	-	2,500
29004 Training	2,500	-	2,500
4485 Indirect Sundry Expenses	5,000	1,615	3,385
TOTAL INDIRECT COSTS	\$ 215,358	\$ 217,511	\$ (2,153)
Direct Labor Costs by Department:			
Local	\$ 35,000	\$ 37,323	\$ (2,323)
ODOT Cosolidated	139,950	146,086	(6,136)
Transportation	70,500	55,870	14,630
FTA	10,000	8,706	1,294
ODPS	20,250	20,390	(140)
CDBG	12,000	10,029	1,971
TOTAL DIRECT LABOR COSTS	\$ 287,700	\$ 278,405	\$ 9,295

LIMA-ALLEN COUNTY REGIONAL PLANNING COMMISSION
STATEMENT OF DIRECT LABOR, FRINGE BENEFITS, AND GENERAL OVERHEAD
(July 1, 2012 - June 30, 2013)

	Estimated FY 2013	Actual FY 2013	Difference (Over Bdgt.) Under Bdgt.
Fringe Benefit Cost Rate Computation			
TOTAL Fringe Benefit Costs /	\$ 185,885	\$ 193,774	
TOTAL Labor Costs (Direct & Indirect)	\$ 359,700	\$ 350,268	
= Fringe Benefit Cost Rate	51.68%	55.32%	
FY 2013			
Fringe Benefit Cost Recovery Comparison (Direct Labor Portion Only)			
(Actual Direct Labor * Actual Fringe Benefit Cost Rate)	\$	154,019	55.32%
(Actual Direct Labor x ESTIMATED Fringe Benefit Cost Rate)	\$	143,873	51.68%
Prior Year Net (Over) / Under Recovery	\$	-	
Prior Year (Over) / Under Recovery Posted to Cost Pool	\$	-	
(Over)/Under Recovery of Fringe Benefits	\$	10,145	A (over)/under
Indirect Cost Rate Computation			
TOTAL Indirect Costs /	\$ 215,358	\$ 217,511	
only DIRECT Labor Costs	\$ 287,700	\$ 278,405	
= Indirect Cost Rate	74.86%	78.13%	
FY 2013			
Indirect Cost Recovery Comparison (All Indirect Costs, Indirect Labor & Indirect Labor Fringe Benefits)			
(Actual Direct Labor * Actual Indirect Cost Rate)	\$	217,511	78.13%
(Actual Direct Labor x ESTIMATED Indirect Cost Rate)	\$	208,400	74.86%
Prior Year Net (Over) / Under Recovery	\$	-	
Prior Year (Over) / Under Recovery Posted to Cost Pool	\$	-	
(Over)/Under Recovery of Indirect Costs	\$	9,110	B (over)/under
FY 2013			
Fringe Benefit Cost (Over)/Under Recovery	\$	10,145	A (over)/under
Indirect Cost (Over)/Under Recovery	\$	9,110	B (over)/under
Net (Over)/Under Recovery	\$	19,256	
Summary			
	Estimated FY 2013	Actual FY 2013	
Fringe Benefit Rate	51.68%	55.32%	
Indirect Cost Rate	74.86%	78.13%	
Total Overhead Cost Rate	126.53%	133.45%	

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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***

Lima-Allen County Regional Planning Commission
130 W. North Street
Lima, Ohio 45801

To the Commission Members:

We 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 Lima-Allen County Regional Planning Commission, Allen County, Ohio, as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, and have issued our report thereon dated September 23, 2013.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Lima-Allen County Regional Planning 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 on the financial statements, but not to the extent necessary to opine on the effectiveness of the Lima-Allen County Regional Planning Commission's internal control. Accordingly, we 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 Lima-Allen County Regional Planning 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.

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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Commission Members
Lima-Allen County Regional Planning Commission

Compliance and Other Matters

As part of reasonably assuring whether the Lima-Allen County Regional Planning Commission's financial statements are free of material misstatement, we 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 our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
September 23, 2013



Dave Yost • Auditor of State

LIMA ALLEN COUNTY 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
NOVEMBER 26, 2013**