



Dave Yost • Auditor of State



MARION REGIONAL PLANNING COMMISSION  
MARION COUNTY

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Marion Regional Planning Commission  
Marion County  
222 West Center Street  
Marion, Ohio 43302-3646

To the Board of Commissioners:

### ***Report on the Financial Statement***

We have audited the accompanying financial statement and related notes of the Marion Regional Planning Commission, Marion County, Ohio (the Commission) as of and for the years ended December 31, 2013 and 2012.

### ***Management's Responsibility for the Financial Statement***

Management is responsible for preparing and fairly presenting this financial statement 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 the financial statement free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on this financial statement 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 statement is 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 Commission's preparation and fair presentation of the financial statement 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, 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.

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

As described in Note 1 to the financial statement, the Commission prepared this financial statement 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, to satisfy these requirements.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our 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 statement referred to above does 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, 2013 and 2012, or changes in financial position thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statement referred to above present fairly, in all material respects, the cash balance of the Marion Regional Planning Commission, Marion County, Ohio as of December 31, 2013 and 2012, and its cash receipts and disbursements for the years 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*, we have also issued our report dated July 11, 2014, 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 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 Commission's internal control over financial reporting and compliance.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

July 11, 2014

**MARION REGIONAL PLANNING COMMISSION  
MARION COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCE (CASH BASIS)  
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<b>Cash Receipts</b>		
Fees Charged to Subdivisions	\$ 109,237	\$ 109,507
Contractual Services	95,248	123,523
Transfer Tax	15,210	15,210
Transfer Tax - CANDO	52,250	55,000
Economic Development - City of Marion	15,300	15,300
Other Receipts	970	294
	<u>288,215</u>	<u>318,834</u>
<i>Total Cash Receipts</i>		
<b>Cash Disbursements</b>		
Salaries	169,327	163,124
Supplies	2,102	1,814
Equipment	2,497	228
Insurance	27,927	26,031
Contracts - Services	6,575	5,632
Rentals	17,297	18,870
Travel	2,325	1,165
Public Employee's Retirement	24,556	22,924
Worker's Compensation	966	1,127
Social Security / Medicare	1,638	1,576
Transfer Tax - CANDO	52,250	55,000
Other	-	551
	<u>307,460</u>	<u>298,042</u>
<i>Total Cash Disbursements</i>		
<i>Net Change in Fund Cash Balance</i>	(19,245)	20,792
<i>Fund Cash Balance, January 1</i>	<u>75,079</u>	<u>54,287</u>
<b>Fund Cash Balances, December 31</b>		
Assigned	1,013	39,431
Unassigned	54,821	35,648
	<u>55,834</u>	<u>75,079</u>
<i>Fund Cash Balance, December 31</i>	<u>\$ 55,834</u>	<u>\$ 75,079</u>

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

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**MARION REGIONAL PLANNING COMMISSION  
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2013 AND 2012**

**1. Summary of Significant Accounting Policies**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges for the Marion Regional Planning Commission, Marion County, Ohio, (the Commission) as a body corporate and politic. A thirty-five member Board governs the Commission. The Board consists of representatives from Marion County, Marion City, Villages 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 Commission's management believes this financial statement present all activities for which the Commission is financially accountable.

**B. Accounting Basis**

This financial statement follows the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Commission 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).

This statement includes adequate disclosure of material matters, as the Auditor of State prescribes or permits.

**C. 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.

**D. Fund Accounting**

The Commission uses fund accounting to segregate cash and investments that are restricted as to use. The Commission classifies its funds into the following types:

**1. General Fund**

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

**E. 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:

**1. Nonspendable**

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

**MARION REGIONAL PLANNING COMMISSION  
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2013 AND 2012  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

**E. Fund Balance (Continued)**

**2. 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.

**3. Committed**

The Board can *commit* amounts via formal action (resolution). The Commission must adhere to these commitments unless the Board amend 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.

**4. 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 Commission Board or a Commission official delegated that authority by resolution, or by State Statute.

**5. 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.

**F. Property, Plant, and Equipment**

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

**G. Accumulated Leave**

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

**MARION REGIONAL PLANNING COMMISSION  
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2013 AND 2012  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

**H. Budgetary Process**

The Commission is not required to follow Budgetary Compliance in accordance with the Ohio Revised Code. However, they choose to budget annually.

**1. Appropriations**

The Board annually approves appropriations and subsequent amendments. Unencumbered appropriations lapse at year end

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1.

**3. Encumbrances**

The Commission reserves (encumbers) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2013 and 2012 budgetary activity appears in Note 2.

**2. Budgetary Activity**

Budgetary activity for the years ending December 31, 2013 and December 31, 2012 follows:

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$267,607	\$288,215	\$20,608
Total	\$267,607	\$288,215	\$20,608

2013 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$312,307	\$308,473	\$3,834
Total	\$312,307	\$308,473	\$3,834

2012 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$305,747	\$318,834	\$13,087
Total	\$305,747	\$318,834	\$13,087

**MARION REGIONAL PLANNING COMMISSION  
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2013 AND 2012  
(Continued)**

**2. Budgetary Activity (Continued)**

2012 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$305,788	\$298,083	\$7,706
Total	\$305,788	\$298,083	\$7,706

**3. Retirement Systems**

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. For 2013 and 2012, OPERS members contributed 10%, for both years, of their gross salaries and the Commission contributed an amount equaling 14% for both years, of participants' gross salaries. The Commission has paid all contributions required through December 31, 2013.

**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.



# Dave Yost • Auditor of State

## 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 West Center Street  
Marion, Ohio 43302

To the Board of Commissioners:

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 statement of the Marion Regional Planning Commission, Marion County, Ohio (the Commission) as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statement, and have issued our report thereon dated July 11, 2014, wherein we 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 our financial statement audit, we 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 on the financial statement, but not to the extent necessary to opine on the effectiveness of the 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 Commission's financial statement. 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.

***Compliance and Other Matters***

As part of reasonably assuring whether the Commission's financial statement is 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 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 communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State  
Columbus, Ohio

July 11, 2014



# 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  
AUGUST 5, 2014**