

**Marion Regional Planning Commission  
Marion County**

Financial Condition

As of

December 31, 2020

Together with Auditor's Report





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Planning Commission  
Marion Regional Planning Commission  
222 West Center Street  
Marion, Ohio 43302

We have reviewed the *Independent Auditor's Report* of the Marion Regional Planning Commission, Marion County, prepared by Kevin L. Penn, Inc, for the audit period January 1, 2020 through December 31, 2021. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber  
Auditor of State  
Columbus, Ohio

**June 08, 2022**

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# MARION REGIONAL PLANNING COMMISSION

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### **Independent Auditor's Report**

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

#### ***Report on the Financial Statements***

I have audited the accompanying financial statement of the cash balance, receipts and disbursements by fund type, and related notes of the Marion Regional Planning Commission, Marion County, Ohio (the Commission), as of and for the year ended December 31, 2020.

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

Management is responsible for preparing and fairly presenting the 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***

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

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

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

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

As described in Note 2 of the financial statement, the Commission prepared the 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 (GAAP), to satisfy these requirements.

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

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

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

In my opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Commission as of December 31, 2020, and the respective changes in financial position or cash flows thereof for the year then ended.

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

In my opinion, the financial statement referred to above present fairly, in all material respects, the cash balance, receipts and disbursements by fund type, and related notes of the Marion Regional Planning Commission, Marion County, Ohio as of December 31, 2020, for the year then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

### ***Emphasis of Matter***

As discussed in Note 12 to the financial statement, during 2020, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Marion Regional Planning Commission. I did not modify my opinion regarding this matter.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, I have also issued my report dated April 28, 2022, on my consideration of the Commission's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of my internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

Kevin L. Penn, Inc.

Cleveland, Ohio  
April 28, 2022



Marion Regional Planning Commission  
Marion County  
Statement of Cash Receipts, Disbursements and Changes in Fund Cash Balance  
Governmental Fund Type  
For the Year Ended December 31, 2020

Cash Receipts:

Fees Charged to Subdivisions	\$137,552
Contractual Services	27,383
Transfer Tax	31,000
Transfer Tax - CANDO	41,800
Economic Development - City of Marion	31,000
Health Department - Grant	5,000
Intergovernmental	1,714
Other Receipts	<u>23,794</u>
Total Cash Receipts	299,243

Cash Disbursements:

Salaries	195,648
Supplies	1,110
Equipment	1,485
Contracts - Services	67,119
Travel	1,479
Health Department - Grant	1,237
Other	<u>3,211</u>
Total Cash Disbursements	<u>271,289</u>
Net Change in Fund Cash Balance	27,954

Fund Cash Balance - January 1	<u>55,861</u>
Fund Cash Balance - December 31	<u><u>\$83,815</u></u>

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

**MARION REGIONAL PLANNING COMMISSION  
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2020**

**Note 1 – Reporting Entity**

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

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

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

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

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

***Fund Accounting***

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

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

MARION REGIONAL PLANNING COMMISSION  
MARION COUNTY  
NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2020  
(Continued)

**Note 2 – Summary of Significant Accounting Policies (continued)**

***Basis of Accounting***

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

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

***Capital Assets***

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

***Accumulated Leave***

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

***Fund Balance***

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

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

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

**MARION REGIONAL PLANNING COMMISSION  
MARION COUNTY  
NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2020  
(Continued)**

**Note 2 – Summary of Significant Accounting Policies (continued)**

***Fund Balance (continued)***

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

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

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

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

**Note 3 – Deposits and Investments**

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

**Note 4 – Risk Management**

***Commercial Insurance***

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

**MARION REGIONAL PLANNING COMMISSION  
MARION COUNTY  
NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2020  
(Continued)**

**Note 5 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 14 percent of their gross salaries and the Commission contributed an amount equaling 10 percent of participants' gross salaries. The Commission has paid all contributions required through December 31, 2020.

<i>Retirement Rates</i>	<i>Year</i>	<i>Member Rate</i>	<i>Employer Rate</i>
<i>OPERS – Local</i>	<i>2020</i>	<i>10%</i>	<i>14%</i>

**Note 6 – Postemployment Benefits**

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and the combined plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0 percent during calendar year 2020.

**Note 7 – Budgetary Activity**

Budgeted vs. Actual Receipts

	Budgeted	Actual	Positive (Negative)
Fund Type:	Receipts	Receipts	Variance
General	\$ 301,738	\$ 299,244	\$ (2,494)

Budgeted vs Actual Budgetary Basis Expenditures

	Appropriation	Budgetary	
Fund Type:	Authority	Expenditures	Variance
General	\$ 311,852	\$ 276,119	\$ 35,733

**Note 8 – Contingent Liabilities**

Management believes there are no pending claims or lawsuits.

**Note 9 – Related Party Transactions**

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

**MARION REGIONAL PLANNING COMMISSION  
MARION COUNTY  
NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2020  
(Continued)**

**Note 10 – Fund Balances**

Included in fund balance are amounts the Commission cannot spend. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end the balances of the encumbrance amounts were as follows:

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Permanent</u>	<u>Total</u>
Nonspendable:						
Outstanding Encumbrances	4,830					4,830
Total	<u>\$4,830</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$4,830</u>

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed, and assigned amounts in the special revenue, debt service, capital projects, and permanent funds would including the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

**Note 11 – Subsequent Events**

There were no material revenues or expenditures incurred subsequent to April 28, 2022.

**Note 12 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Marion Regional Planning Commission. The Marion Regional Planning Commission's employee benefit plan in which the Marion Regional Planning Commission participates have incurred a significant decline in fair value, consistent with the general decline in financial markets. In addition, the impact on the Marion Regional Planning Commission's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.



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

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

I have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statement of the governmental activities, of the Marion Regional Planning Commission, Marion County, (the Commission) as of and for the year ended December 31, 2020, and the related notes to the financial statement, which collectively comprise the Commission's basic financial statement and have issued my report thereon dated April 28, 2022, wherein I noted the Commission followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

*Internal Control Over Financial Reporting*

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

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, I did not identify any deficiencies in internal control that I 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, I tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of my audit and accordingly, I do not express an opinion. The results of my tests disclosed no instances of noncompliance or other matters I must report under *Government Auditing Standards*.

### ***Purpose of this Report***

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

Kevin L. Penn, Inc.

Cleveland, Ohio

April 28, 2022



**Marion Regional Planning Commission  
Marion County**

Financial Condition

As of

December 31, 2021

Together with Auditor's Report

MARION REGIONAL PLANNING COMMISSION

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### **Independent Auditor's Report**

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

#### ***Report on the Audit of the Financial Statements***

##### ***Unmodified and Adverse Opinions***

I have audited the financial statement of the Marion Regional Planning Commission, Marion County, Ohio (the Commission), which comprises the cash balance, receipts and disbursements for each governmental type as of and for the year ended December 31, 2021, and the related notes to the financial statement.

##### ***Unmodified Opinion on Regulatory Basis of Accounting***

In my opinion, the accompanying financial statement referred to above present fairly, in all material respects, the cash balance, receipts and disbursements for each governmental fund as of and for the year ended December 31, 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

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

In my opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of my report, the accompanying financial statement do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Marion Regional Planning Commission, as of December 31, 2021, or the changes in financial position or cash thereof for the year then ended.

##### ***Basis for Opinions***

I conducted my audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am required to be independent of the Marion Regional Planning Commission, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

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

As described in Note 2 of the financial statement, the financial statement are prepared by Marion Regional Planning Commission on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Marion Regional Planning Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

My objectives are to obtain reasonable assurance about whether the financial statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, I

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Marion Regional Planning Commission's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.

- conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Marion Regional Planning Commission's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that I identified during the audit.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, I have also issued my report dated April 28, 2022, on my consideration of the Marion Regional Planning Commission's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Marion Regional Planning Commission's 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 Marion Regional Planning Commission's internal control over financial reporting and compliance.

Kevin L. Penn, Inc.

Cleveland, Ohio  
April 28, 2022

Marion Regional Planning Commission  
Marion County  
Statement of Cash Receipts, Disbursements and Changes in Fund Cash Balance  
Governmental Fund Type  
For the Year Ended December 31, 2021

Cash Receipts:

Fees Charged to Subdivisions	\$137,552
Contractual Services	26,095
Transfer Tax	31,000
Transfer Tax – CANDO	41,800
Economic Development - City of Marion	31,000
Other Receipts	64,470
Total Cash Receipts	<u>331,917</u>

Cash Disbursements:

Salaries	219,508
Supplies	1,712
Equipment	1,840
Contracts - Services	66,739
Travel	1,355
Other	429
Total Cash Disbursements	<u>291,583</u>
Net Change in Fund Cash Balance	<u>40,334</u>

Fund Cash Balance - January 1	<u>83,815</u>
Fund Cash Balance - December 31	<u><u>\$124,149</u></u>

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

**MARION REGIONAL PLANNING COMMISSION  
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2021**

**Note 1 – Reporting Entity**

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

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

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

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

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

***Fund Accounting***

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

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

MARION REGIONAL PLANNING COMMISSION  
MARION COUNTY  
NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2021  
(Continued)

**Note 2 – Summary of Significant Accounting Policies (continued)**

***Basis of Accounting***

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

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

***Capital Assets***

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

***Accumulated Leave***

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

***Fund Balance***

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

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

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



**MARION REGIONAL PLANNING COMMISSION  
MARION COUNTY  
NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2021  
(Continued)**

**Note 2 – Summary of Significant Accounting Policies (continued)**

***Fund Balance (continued)***

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

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

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

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

**Note 3 – Deposits and Investments**

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

**Note 4 – Risk Management**

***Commercial Insurance***

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

**MARION REGIONAL PLANNING COMMISSION  
MARION COUNTY  
NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2021  
(Continued)**

**Note 5 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 14 percent of their gross salaries and the Commission contributed an amount equaling 10 percent of participants' gross salaries. The Commission has paid all contributions required through December 31, 2021.

<i>Retirement Rates</i>	<i>Year</i>	<i>Member Rate</i>	<i>Employer Rate</i>
<i>OPERS – Local</i>	<i>2020</i>	<i>10%</i>	<i>14%</i>

**Note 6 – Postemployment Benefits**

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and the combined plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 4.0 percent during calendar year 2021.

**Note 7 – Budgetary Activity**

Budgeted vs. Actual Receipts

	Budgeted	Actual	Positive (Negative)
<u>Fund Type:</u>	<u>Receipts</u>	<u>Receipts</u>	<u>Variance</u>
General	\$ 314,352	\$ 331,917	\$ 17,565

Budgeted vs Actual Budgetary Basis Expenditures

	Appropriation	Budgetary	
<u>Fund Type:</u>	<u>Authority</u>	<u>Expenditures</u>	<u>Variance</u>
General	\$ 323,747	\$ 296,769	\$ 26,978

**Note 8 – Contingent Liabilities**

Management believes there are no pending claims or lawsuits.

**Note 9 – Related Party Transactions**

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

**MARION REGIONAL PLANNING COMMISSION  
MARION COUNTY  
NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2021  
(Continued)**

**Note 10 – Fund Balances**

Included in fund balance are amounts the Commission cannot spend. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end the balances of the encumbrance amounts were as follows:

Fund Balances	General	Special Revenue	Debt Service	Capital Projects	Permanent	Total
Nonspendable:						
Outstanding Encumbrances	5,186					5,186
Total	<u>\$5,186</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$5,186</u>

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed, and assigned amounts in the special revenue, debt service, capital projects, and permanent funds would including the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

**Note 11 – Subsequent Events**

There were no material revenues or expenditures incurred subsequent to April 28, 2022.

**Note 12 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Marion Regional Planning Commission. The Marion Regional Planning Commission's employee benefit plan in which the Marion Regional Planning Commission participates have incurred a significant decline in fair value, consistent with the general decline in financial markets. In addition, the impact on the Marion Regional Planning Commission's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.



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

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

I have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of the cash balance, receipts, and disbursements for each governmental fund type as of and for the year ended December 31, 2021 and the related notes to the financial statements of the Marion Regional Planning Commission, Marion County, (the Commission) and have issued my report thereon dated April 28, 2022, wherein I noted the Government followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

***Report on Internal Control Over Financial Reporting***

In planning and performing my audit of the financial statement, I considered the Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing my opinion(s) on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, I do not express an opinion on the effectiveness of the Commission's internal control.

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

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

### ***Report on Compliance and Other Matters***

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

### ***Purpose of This Report***

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

Kevin L. Penn, Inc.

Cleveland, Ohio

April 28, 2022

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# OHIO AUDITOR OF STATE KEITH FABER



## MARION COUNTY REGIONAL PLANNING COMMISSION

### MARION COUNTY

#### AUDITOR OF STATE OF OHIO CERTIFICATION

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



**Certified for Release 6/21/2022**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)