



PERRY

& Associates CPAs

PASSION *Beyond the Numbers*

**PORTAGE COUNTY REGIONAL PLANNING COMMISSION
PORTAGE COUNTY
REGULAR AUDIT
FOR THE YEARS ENDED DECEMBER 31, 2023 - 2022**

OHIO AUDITOR OF STATE
KEITH FABER



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

Board of Trustees
Portage County Regional Planning Commission
449 South Meridian Street
Ravenna, Ohio 44266

We have reviewed the *Independent Auditor's Report* of the Portage County Regional Planning Commission, Portage County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2022 through December 31, 2023. 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 Portage County Regional Planning Commission is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

June 28, 2024

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**PORTAGE COUNTY REGIONAL PLANNING COMMISSION
PORTAGE COUNTY**

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INDEPENDENT AUDITOR'S REPORT

Portage County Regional Planning Commission
Portage County
449 South Meridian Street
Ravenna, OH 44266

To the Board of Trustees:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the **Portage County Regional Planning Commission, Portage County, Ohio** (the Commission) which comprises the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2023 and 2022, 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 our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements 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, 2023 and 2022, or the changes in financial position thereof for the years then ended.

Basis for Opinions

We conducted our 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. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Commission, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 2 of the financial statements, the financial statements are prepared by the 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 statements 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 statements 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 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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 statements.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

We are 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 we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 24, 2024, 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. 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 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 Commission's internal control over financial reporting and compliance.



Perry & Associates
Certified Public Accountants, A.C.
Marietta, Ohio

May 24, 2024

Portage County Regional Planning Commission
Portage County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
Governmental Fund Type
For the Year Ended December 31, 2023

	General
Cash Receipts	
Membership Dues	\$ 264,055
Contract Services	103,691
PCC Contract Services	75,701
Rental Income	30,900
Other Receipts	29,531
	503,878
<i>Total Cash Receipts</i>	<i>503,878</i>
Cash Disbursements	
Salaries	309,415
Fringe Benefits	133,503
Food Supplies	275
Travel / Training	3,991
Dues / Periodicals	631
Utilities	4,589
Telephone / Advertising	1,275
Contract Service	1,624
Postage	500
Maintenance / Repairs	2,987
Equipment Rental	3,698
Professional Services	12,085
Audit Services	21
Supplies, Copy Services	3,477
Equipment Purchase / Software	994
Building Improvements	5,355
Debt Service:	
Principal Retirement	15,000
	499,420
<i>Total Cash Disbursements</i>	<i>499,420</i>
<i>Net Change in Fund Cash Balances</i>	<i>4,458</i>
<i>Fund Cash Balances, January 1</i>	<i>47,295</i>
<i>Fund Cash Balances, December 31</i>	<i>\$ 51,753</i>

See accompanying notes to the basic financial statements

**PORTAGE COUNTY REGIONAL PLANNING COMMISSION
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 1 - Reporting Entity

The Portage County Regional Planning Commission, (the Commission), Portage 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 29-member Board governs the Commission. The Board consists of representatives from participating political subdivisions, the county commissioners, and appointed citizens. The Commission formulates and reviews plans affecting long and short term social, economic, and governmental development within the region. The participating subdivisions are:

Atwater Township	Brimfield Township	Franklin Township
Freedom Township	Garrettsville Village	Hiram Township
Hiram Village	Mantua Township	Mantua Village
Nelson Township	Palmyra Township	Paris Township
PARTA	Portage County Park District	Portage County Commissioners
Randolph Township	Ravenna City	Ravenna Township
Rootstown Township	Shalersville Township	Windham Township
Suffield Township	Sugar Bush Knolls Village	Windham Village

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.

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.

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(C). 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).

**PORTAGE COUNTY REGIONAL PLANNING COMMISSION
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 2 – Summary of Significant Accounting Policies (Continued)

Basis of Accounting (Continued)

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(C) permit.

Deposits and Investments

As the Ohio Revised Code permits, the Portage 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.

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. All newly purchased equipment is assigned an inventory number and recorded on to the inventory log.

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. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Commission and the nonspendable portion of the corpus in permanent funds.

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.

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*.—For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

**PORTAGE COUNTY REGIONAL PLANNING COMMISSION
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 7.

Note 3 – Risk Management

Workers' Compensation

Workers' Compensation coverage is provided by the State of Ohio. The Commission pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Risk Pool Membership

The Commission is a member of the County Risk Sharing Authority (CORSA) which is a property and liability self-insurance pool that was established by the County Commissioners Association of Ohio in 1987. The program is governed by a nine-member Board of Trustees, all of whom must be commissioners from member counties. The County Risk Sharing Authority, Inc. (CORSA) is a public entity risk sharing pool among sixty-two counties in Ohio. CORSA was formed as an Ohio nonprofit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverages provided by CORSA. These coverages include comprehensive general liability, automobile liability, certain property insurance, public official's liability and police professional insurance.

CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the member counties' obligations to make coverage payments to CORSA. The participating counties have no responsibility for the payment of the certificates. The Commission does not have an equity interest in CORSA.

Note 4 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

The Commission 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 health care and survivor and disability benefits.

**PORTAGE COUNTY REGIONAL PLANNING COMMISSION
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 4 – Defined Benefit Pension Plans (Continued)

Ohio Public Employees Retirement System (Continued)

The Ohio Revised Code also prescribes contribution rates. For 2023, OPERS members contributed 10%, respectively, of their gross salaries and the Commission contributed an amount equaling 14%, respectively, of participants' gross salaries. The Commission has paid all contributions required through December 31, 2023.

Note 5 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

Note 6 – Contingent Liabilities

Amounts grantor agencies pay to the Commission are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 7 – Fund Balances

Included in fund balance are encumbrances which 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. There were no encumbrances at year end. In the general fund, outstanding encumbrances are considered assigned.

Note 8 - Debt

The Portage County Regional Planning Commission requested the Board of the Portage County Commissioners incur debt on their behalf to purchase and rehabilitate property at 122-128 North Prospect St., Ravenna, OH 44266. The purpose was to provide rehabbed office space for the Commission (124 N. Prospect St.) with the other units providing rental income.

The debt was financed through the U.S. Dept. of Agriculture, Rural Development in two different Loans. Loan 1 was for the amount of \$326,000, for a term of 25 years at 4.75%. Loan 2 was for \$133,000, for a term of 25 years at 4.75%. Payments were due December 1 of each year for both loans.

The Portage County Regional Planning Commission had an informal understanding with the Board of County Commissioners that they will reimburse the general fund for the debt service payment each year and make repairs and improvements to this facility. When the debt is paid off, the understanding is that the property will be transferred to the Portage County Regional Planning Commission.

**PORTAGE COUNTY REGIONAL PLANNING COMMISSION
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 8 – Debt (Continued)

The Portage County Regional Planning Commission moved their offices to the Portage County Administration Building located at 449 S. Meridian Street, 6th Floor, Ravenna, Ohio on 9/22/18. Debt Service payments beginning December of 2019 and all future payments were suspended by Commissioners until the sale of the Multi-Purpose building has been completed.

Debt outstanding as of December 31, 2023 was as follows

	<u>Principal</u>	<u>Interest Rate</u>
Portage County Commissioners	\$ 179,191	0.00%

In 2023, The Portage County Commissioners paid off the USDA debt service at a cost of \$241,444.74. The Regional Planning Commission was under contract to create a Portage County Comprehensive Plan for an agreed amount of \$100,000. The Portage County Commissioners paid \$50,000 to Regional Planning then off-set the debt service with an additional \$47,253.31 of staff time to bring the balance owed to \$194,191.43. On 12/22/23 a \$15,000 payment was made to the Portage County Commissioners bringing the debt service owed to \$179,191.43 on 12/31/23.

Note 9 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June, 2021 while the national state of emergency ended in April 2023. During 2023, the Commission received no COVID-19 funding.

Portage County Regional Planning Commission
Portage County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
Governmental Fund Type
For the Year Ended December 31, 2022

	General
Cash Receipts	
Membership Dues	\$ 247,597
Contract Services	22,611
PCC Contract Services	85,603
Rental Income	22,850
Other Receipts	33,702
	412,363
 Cash Disbursements	
Salaries	254,339
Fringe Benefits	106,734
Travel / Training	1,864
Dues / Periodicals	715
Utilities	5,356
Telephone / Advertising	1,345
Bonding Insurance	354
Postage	800
Maintenance / Repairs	1,985
Equipment Rental	3,057
Professional Services	11,200
Audit Services	3,541
Supplies, Copy Services	3,596
Equipment Purchase / Software	638
Building Improvements	7,546
	403,070
 <i>Total Cash Disbursements</i>	 403,070
 <i>Net Change in Fund Cash Balances</i>	 9,293
 <i>Fund Cash Balances, January 1</i>	 38,002
 <i>Fund Cash Balances, December 31</i>	 \$ 47,295

See accompanying notes to the basic financial statements

**PORTAGE COUNTY REGIONAL PLANNING COMMISSION
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 1 - Reporting Entity

The Portage County Regional Planning Commission, (the Commission), Portage 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 29-member Board governs the Commission. The Board consists of representatives from participating political subdivisions, the county commissioners, and appointed citizens. The Commission formulates and reviews plans affecting long and short term social, economic, and governmental development within the region. The participating subdivisions are:

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Hiram Village	Mantua Township	Mantua Village
Nelson Township	Palmyra Township	Paris Township
PARTA	Portage County Park District	Portage County Commissioners
Randolph Township	Ravenna City	Ravenna Township
Rootstown Township	Shalersville Township	Windham Township
Suffield Township	Sugar Bush Knolls Village	Windham Village

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

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Basis of Accounting

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**PORTAGE COUNTY REGIONAL PLANNING COMMISSION
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 2 – Summary of Significant Accounting Policies (Continued)

Basis of Accounting (Continued)

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(C) permit.

Deposits and Investments

As the Ohio Revised Code permits, the Portage 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.

Capital Assets

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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:

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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.

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*.—For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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.

**PORTAGE COUNTY REGIONAL PLANNING COMMISSION
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 7.

Note 3 – Risk Management

Workers' Compensation

Workers' Compensation coverage is provided by the State of Ohio. The Commission pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Risk Pool Membership

The Commission is a member of the County Risk Sharing Authority (CORSA) which is a property and liability self-insurance pool that was established by the County Commissioners Association of Ohio in 1987. The program is governed by a nine-member Board of Trustees, all of whom must be commissioners from member counties. The County Risk Sharing Authority, Inc. (CORSA) is a public entity risk sharing pool among sixty-two counties in Ohio. CORSA was formed as an Ohio nonprofit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverages provided by CORSA. These coverages include comprehensive general liability, automobile liability, certain property insurance, public official's liability and police professional insurance.

CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the member counties' obligations to make coverage payments to CORSA. The participating counties have no responsibility for the payment of the certificates. The Commission does not have an equity interest in CORSA.

Note 4 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

The Commission 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 health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2022, OPERS members contributed 10%, respectively, of their gross salaries and the Commission contributed an amount equaling 14%, respectively, of participants' gross salaries. The Commission has paid all contributions required through December 31, 2022.

**PORTAGE COUNTY REGIONAL PLANNING COMMISSION
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 5 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2022, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2022, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

Note 6 – Contingent Liabilities

Amounts grantor agencies pay to the Commission are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 7 – Fund Balances

Included in fund balance are encumbrances which 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 outstanding encumbrance balance in the General fund was \$5,000. In the general fund, outstanding encumbrances are considered assigned.

Note 8 - Debt

The Portage County Regional Planning Commission requested the Board of the Portage County Commissioners incur debt on their behalf to purchase and rehabilitate property at 122-128 North Prospect St., Ravenna, OH 44266. The purpose was to provide rehabbed office space for the Commission (124 N. Prospect St.) with the other units providing rental income.

The debt was financed through the U.S. Dept. of Agriculture, Rural Development in two different Loans. Loan 1 was for the amount of \$326,000, for a term of 25 years at 4.75%. Loan 2 was for \$133,000, for a term of 25 years at 4.75%. Payments were due December 1 of each year for both loans.

The Portage County Regional Planning Commission had an informal understanding with the Board of County Commissioners that they will reimburse the general fund for the debt service payment each year and make repairs and improvements to this facility. When the debt is paid off, the understanding is that the property will be transferred to the Portage County Regional Planning Commission.

The Portage County Regional Planning Commission moved their offices to the Portage County Administration Building located at 449 S. Meridian Street, 6th Floor, Ravenna, Ohio on 9/22/18. Debt Service payments beginning December of 2019 and all future payments were suspended by Commissioners until the sale of the Multi-Purpose building has been completed.

**PORTAGE COUNTY REGIONAL PLANNING COMMISSION
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 8 – Debt (Continued)

Debt outstanding as of December 31, 2022 was as follows

	<u>Principal</u>	<u>Interest Rate</u>
General Obligation Note 1	\$ 155,102	4.75%
General Obligation Note 2	86,342	4.75%
Total	<u>\$ 241,444</u>	

Note 9 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency ended in April 2022. During 2022, the Commission received no COVID-19 funding.

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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**

Portage County Regional Planning Commission
Portage County
449 South Meridian Street
Ravenna, OH 44266

To the Board of Trustees:

We 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 (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental fund type as of and for the years ended December 31, 2023 and 2022 and the related notes to the financial statements of the Portage County Regional Planning Commission, Portage County, (the Commission) and have issued our report thereon dated May 24, 2024, wherein we noted the Commission 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 our audit of the financial statements, we 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 purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we 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.

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 deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we 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 statements are free from material misstatement, we 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 our audit and accordingly, we do not express such an opinion. The results of our 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 our 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.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

May 24, 2024

OHIO AUDITOR OF STATE KEITH FABER



PORTAGE COUNTY REGIONAL PLANNING COMMISSION

PORTAGE 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 7/11/2024

65 East State 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