



Dave Yost • Auditor of State

**ERIE REGIONAL PLANNING COMMISSION
ERIE COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Erie Regional Planning Commission
Erie County
2900 Columbus Avenue
Sandusky, Ohio 44870

To the Board of Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of Erie Regional Planning Commission, Erie County, Ohio (the Commission) as of and for the years ended December 31, 2016 and 2015.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the 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, 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 opinions.

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

As described in Note 2 of the financial statements, the Commission prepared these financial statements 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.

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

Though the Commission does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us 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. Our 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 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 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, 2016 and 2015, or changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of Erie Regional Planning Commission, Erie County, Ohio as of December 31, 2016 and 2015, 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 2.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2017, 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

October 12, 2017

Erie Regional Planning Commission

Erie County, Ohio

*Statement of Receipts, Disbursements, and Changes in
Fund Balances (Regulatory Cash Basis)*

All Governmental Fund Types

For the Year Ended December 31, 2016

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Fees Charged to Subdivisions	\$34,942		\$34,942
Charges for Services	1,025		1,025
County Contributions		\$27,550	27,550
Intergovernmental		286,440	286,440
Miscellaneous	152		152
	<hr/>	<hr/>	<hr/>
<i>Total Cash Receipts</i>	36,119	313,990	350,109
	<hr/>	<hr/>	<hr/>
Cash Disbursements			
Current:			
Economic Development:			
Contracts - Services	34,942		34,942
Project Fund Disbursements		290,554	290,554
	<hr/>	<hr/>	<hr/>
<i>Total Cash Disbursements</i>	34,942	290,554	325,496
	<hr/>	<hr/>	<hr/>
<i>Net Changes in Fund Cash Balances</i>	1,177	23,436	24,613
	<hr/>	<hr/>	<hr/>
<i>Fund Cash Balances, January 1</i>	10,667	(58,800)	(48,133)
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31			
Unassigned (Deficit)	11,844	(35,364)	(23,520)
	<hr/>	<hr/>	<hr/>
<i>Fund Cash Balances, December 31</i>	<u>\$11,844</u>	<u>(\$35,364)</u>	<u>(\$23,520)</u>

See accompanying notes to the financial statements

Erie Regional Planning Commission
Erie County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 1 - Reporting Entity

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

City of Huron	City of Sandusky	City of Vermilion
Village of Bay View	Village of Berlin Heights	Village of Castalia
Village of Kelleys Island	Village of Milan	Berlin Township
Florence Township	Groton Township	Huron Township
Margaretta Township	Milan Township	Oxford Township
Perkins Township	Vermilion Township	

Public Entity Risk Pool

The Commission participates in the County Risk Sharing Authority (CORSA) public entity risk pool through its fiscal agent (See Note 2). Note 3 to the financial statements provides additional information for this entity.

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 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.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted to expenditure for specified purposes. The Commission had the following significant Special Revenue Fund:

Erie Regional Planning Commission
Erie County
Notes to the Financial Statements
For the Year Ended December 31, 2016

MPO Grant Fund The MPO grant fund receives federal transportation funds as well as required matching funds from the State of Ohio in order to provide the information, tools, and public input needed for improving transportation system performance.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Rev. Code Section 117.38 and Ohio Admin. Code Section 117-2-03 (D). 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.

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

Deposits and Investments

As the Ohio Rev. Code permits, the Erie 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.

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.

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.

Erie Regional Planning Commission
Erie County
Notes to the Financial Statements
For the Year Ended December 31, 2016

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 - Risk Management

Risk Pool Membership

Erie County (the County) maintains comprehensive insurance coverage as a member of a pooled insurance agreement with the County Risk Sharing Authority (CORSA). The pool purchases excess insurance to supplement the pooled funds. The Commission's real property is full insured after a \$2,500 deductible per occurrence is paid by the County.

Note 4 – 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 5 – Deficit Fund Balance

The MPO grant fund reported a deficit fund balance at December 31, 2016 in the amount of \$35,364. The deficit fund balance resulted from timing differences associated with the disbursement of funds prior to receipt of reimbursements from grantor agencies. The general fund is liable for any deficits in the MPO grant fund and provides transfers when cash is required.

Erie Regional Planning Commission

Erie County, Ohio

*Statement of Receipts, Disbursements, and Changes in
Fund Balances (Regulatory Cash Basis)*

All Governmental Fund Types

For the Year Ended December 31, 2015

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Fees Charged to Subdivisions	\$34,942		\$34,942
Charges for Services	3,525		3,525
County Contributions		\$27,320	27,320
Intergovernmental		226,005	226,005
Miscellaneous	95		95
	<hr/>	<hr/>	<hr/>
<i>Total Cash Receipts</i>	38,562	253,325	291,887
	<hr/>	<hr/>	<hr/>
Cash Disbursements			
Current:			
Economic Development:			
Contracts - Services	34,942		34,942
Project Fund Disbursements		282,098	282,098
	<hr/>	<hr/>	<hr/>
<i>Total Cash Disbursements</i>	34,942	282,098	317,040
	<hr/>	<hr/>	<hr/>
<i>Net Changes in Fund Cash Balances</i>	3,620	(28,773)	(25,153)
	<hr/>	<hr/>	<hr/>
<i>Fund Cash Balances, January 1</i>	7,047	(30,027)	(22,980)
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31			
Unassigned (Deficit)	10,667	(58,800)	(48,133)
	<hr/>	<hr/>	<hr/>
<i>Fund Cash Balances, December 31</i>	<u>\$10,667</u>	<u>(\$58,800)</u>	<u>(\$48,133)</u>

See accompanying notes to the financial statements

Erie Regional Planning Commission
Erie County
Notes to the Financial Statements
For the Year Ended December 31, 2015

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Erie Regional Planning Commission
Erie County
Notes to the Financial Statements
For the Year Ended December 31, 2015

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Basis of Accounting

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

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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.

Erie Regional Planning Commission
Erie County
Notes to the Financial Statements
For the Year Ended December 31, 2015

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 - Risk Management

Risk Pool Membership

Erie County (the County) maintains comprehensive insurance coverage as a member of a pooled insurance agreement with the County Risk Sharing Authority (CORSA). The pool purchases excess insurance to supplement the pooled funds. The Commission's real property is full insured after a \$2,500 deductible per occurrence is paid by the County.

Note 4 – 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 5 – Deficit Fund Balance

The MPO grant fund reported a deficit fund balance at December 31, 2015 in the amount of \$58,800. The deficit fund balance resulted from timing differences associated with the disbursement of funds prior to receipt of reimbursements from grantor agencies. The general fund is liable for any deficits in the MPO grant fund and provides transfers when cash is required.



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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*

Erie Regional Planning Commission
Erie County
2900 Columbus Avenue
Sandusky, Ohio 44870

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 statements of Erie Regional Planning Commission, Erie County, Ohio (the Commission) as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements and have issued our report thereon dated October 12, 2017 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 opinions on the financial statements, 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 statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of reasonably assuring whether the Commission's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the 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 "Y" and "O".

Dave Yost
Auditor of State

Columbus, Ohio

October 12, 2017



Dave Yost • Auditor of State

ERIE COUNTY REGIONAL PLANNING COMMISSION

ERIE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
NOVEMBER 9, 2017