



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**MAUMEE VALLEY PLANNING ORGANIZATION
DEFIANCE COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Maumee Valley Planning Organization
Defiance County
197-2B-2 Island Park Avenue
Defiance, Ohio 43512

To the Executive Council:

We have audited the accompanying financial statements of Maumee Valley Planning Organization (the Organization) as of and for the years ended December 31, 2001 and 2000. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, the Organization prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Organization as of December 31, 2001 and 2000, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2002 on our consideration of the Organization's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

This report is intended solely for the information and use of the audit committee, management, the Executive Council and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

March 19, 2002

**MAUMEE VALLEY PLANNING ORGANIZATION
DEFIANCE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Grants		\$66,753	\$66,753
Contractual Services	\$626,503		626,503
Other Receipts	3,598	10,631	14,229
	<u>630,101</u>	<u>77,384</u>	<u>707,485</u>
Total Cash Receipts			
Cash Disbursements:			
Salaries	362,326	51,002	413,328
Supplies	19,757	946	20,703
Equipment	37,742		37,742
Contracts - Services	28,068	16,931	44,999
Rentals	8,372		8,372
Travel	16,975	4,383	21,358
Public Employee's Retirement	43,003	6,166	49,169
Worker's Compensation	5,387	861	6,248
Advertisement and Printing	4,779		4,779
Project Fund Disbursements		42,571	42,571
Insurance	41,209	794	42,003
Other	27,593	4,587	32,180
	<u>595,211</u>	<u>128,241</u>	<u>723,452</u>
Total Cash Disbursements			
Total Cash Receipts Over/(Under) Cash Disbursements	<u>34,890</u>	<u>(50,857)</u>	<u>(15,967)</u>
Other Financing Receipts/(Disbursements):			
Transfers-In		10,000	10,000
Transfers-Out		(10,000)	(10,000)
Total Other Financing Receipts/(Disbursements)			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	34,890	(50,857)	(15,967)
Fund Cash Balances, January 1	<u>80,457</u>	<u>91,501</u>	<u>171,958</u>
Fund Cash Balances, December 31	<u>\$115,347</u>	<u>\$40,644</u>	<u>\$155,991</u>

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

**MAUMEE VALLEY PLANNING ORGANIZATION
DEFIANCE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Grants		\$83,032	\$83,032
Contractual Services	\$581,398		581,398
Other Receipts	446	35,002	35,448
	<u>581,844</u>	<u>118,034</u>	<u>699,878</u>
Total Cash Receipts			
Cash Disbursements:			
Salaries	329,402	51,217	380,619
Supplies	15,955	2,302	18,257
Equipment	4,058	7,135	11,193
Contracts - Services	38,537	16,917	55,454
Rentals	8,372		8,372
Travel	27,187	4,911	32,098
Public Employee's Retirement	37,629	6,126	43,755
Worker's Compensation	1,110	207	1,317
Advertisement and Printing	3,537	224	3,761
Project Fund Disbursements		12,753	12,753
Insurance	34,072	2,486	36,558
Other	25,538	3,346	28,884
	<u>525,397</u>	<u>107,624</u>	<u>633,021</u>
Total Cash Disbursements			
Total Cash Receipts Over Cash Disbursements	<u>56,447</u>	<u>10,410</u>	<u>66,857</u>
Other Financing Receipts/(Disbursements):			
Transfers-In		23,000	23,000
Transfers-Out		(23,000)	(23,000)
Total Other Financing Receipts/(Disbursements)			
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	56,447	10,410	66,857
Fund Cash Balances, January 1	<u>24,010</u>	<u>81,091</u>	<u>105,101</u>
Fund Cash Balances, December 31	<u>\$80,457</u>	<u>\$91,501</u>	<u>\$171,958</u>

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

**MAUMEE VALLEY PLANNING ORGANIZATION
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Maumee Valley Planning Organization, Defiance County, (the Organization) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The Defiance, Fulton, Henry, Paulding, and Williams County Commissioners acted in accordance with the above mentioned laws establishing the Organization on April 24, 1975. The Organization operates under the direction of a fifteen member Executive Council. The Board consists of representatives from participating political subdivisions and the county commissioners. The Auditor of Defiance County is the fiscal officer for the Organization, and accordingly, is responsible for fiscal control of the resources of the Organization. Services provided by the Organization are planning, zoning, subdivision advisement, other technical services, and administering grants for participating members.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

A portion of the Organization's cash is held and invested by the Defiance County Treasurer. These Organization's assets are held in the County's cash and investment pool, and are valued at the County Treasurer's reported carrying amount. Other funds are deposited in demand accounts and a Government Mutual Fund. Mutual funds are recorded at share values reported by the mutual fund.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

D. Fund Accounting

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

**MAUMEE VALLEY PLANNING ORGANIZATION
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts) that are restricted to expenditure for specific purposes. The Organization had the following significant Special Revenue Fund:

Northwest Ohio Small Business Development Center Fund - This fund receives federal money, administrative money, and donations to provide technical assistance to small business within northwest Ohio.

E. Budgetary Process

The Organization budgets each fund annually.

1. Appropriations

The Executive Council annually approves appropriations and subsequent amendments. Appropriations lapse at year end.

2. Estimated Resources

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

A summary of 2001 and 2000 budgetary activity appears in Note 2.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as capital outlay disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the basis of accounting the Organization uses.

2. EQUITY IN CASH AND INVESTMENTS

The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

**MAUMEE VALLEY PLANNING ORGANIZATION
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

	<u>2001</u>	<u>2000</u>
Amounts on Deposit with County Treasurer	\$119,679	\$101,382
Demand deposits	36,312	37,809
Total deposits	155,991	139,191
 Government Mutual Fund		 32,767
Total deposits and investments	\$155,991	\$171,958

Deposits

Amounts on deposit with the Defiance County Treasurer are held in the County's cash and investment pool, and are valued at the County Treasurer's reported carrying amount.

Demand deposits are insured by the Federal Depository Insurance Corporation.

Investments

Investments in the Government Mutual Fund are not evidenced by securities that exist in physical or book-entry form.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2001 and 2000 follows:

2001 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$630,101	\$630,101	
Special Revenue	101,577	87,384	(\$14,193)
Total	\$731,678	\$717,485	(\$14,193)

2001 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$644,500	\$595,211	\$49,289
Special Revenue	130,600	138,241	(7,641)
Total	\$775,100	\$733,452	\$41,648

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$642,500	\$581,844	(\$60,656)
Special Revenue	101,000	141,034	40,034
Total	\$743,500	\$722,878	(\$20,622)

**MAUMEE VALLEY PLANNING ORGANIZATION
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$521,900	\$525,397	(\$3,497)
Special Revenue	103,500	130,624	(27,124)
Total	\$625,400	\$656,021	(\$30,621)

4. RETIREMENT SYSTEMS

The Organization's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2001 and 2000, PERS members contributed 8.5% of their gross salaries. The Organization contributed an amount equal to 13.55 % of participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced employer contributions to 8.13% effective July 1, 2000 through December 31, 2000. The Organization has paid all contributions required through December 31, 2001.

5. RISK MANAGEMENT

Commercial Insurance

The Organization has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

The Organization also provides health insurance coverage to full-time employees through a private carrier.



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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Maumee Valley Planning Organization
Defiance County
197-2B-2 Island Park Avenue
Defiance, Ohio 43512

To the Executive Council:

We have audited the financial statements of Maumee Valley Planning Organization (the Organization) as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated March 19, 2002. We conducted our audits 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.

Compliance

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Organization in a separate letter dated March 19, 2002.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered the Organization's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Organization in a separate letter dated March 19, 2002.

Maumee Valley Planning Organization
Defiance County
Report of Independent Accountants on Compliance and on Internal Control
Required by *Government Auditing Standards*
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This report is intended solely for the information and use of the audit committee, management and the Executive Council, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

March 19, 2002



STATE OF OHIO
OFFICE OF THE AUDITOR

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MAUMEE VALLEY PLANNING ORGANIZATION

DEFIANCE 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
APRIL 18, 2002**