



**Auditor of State
Betty Montgomery**

**SANDUSKY REGIONAL PLANNING COMMISSION
SANDUSKY COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Sandusky Regional Planning Commission
Sandusky County
606 West State Street
Fremont, Ohio 43420-2534

To the Board of Commissioners:

We have audited the accompanying financial statements of Sandusky Regional Planning Commission (the Commission) as of and for the years ended December 31, 2003 and 2002. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 audit 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 audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Commission 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 Commission as of December 31, 2003 and 2002, 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 April 20, 2004, on our consideration of the Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts. 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 audit.

This report is intended solely for the information and use of management, the Board of Commissioners 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.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

April 20, 2004

**SANDUSKY REGIONAL PLANNING COMMISSION
SANDUSKY COUNTY**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts			
Fees Charged to Subdivisions	\$ 52,311	\$ -	\$ 52,311
Contractual Services	6,000	-	6,000
Other Receipts	5,353	-	5,353
Total Cash Receipts	<u>63,664</u>	<u>-</u>	<u>63,664</u>
Cash Disbursements			
Salaries	37,317	-	37,317
Supplies	162	-	162
Travel	850	-	850
Public Employee's Retirement	6,670	-	6,670
Worker's Compensation	1	-	1
Other	3,611	-	3,611
Total Disbursements	<u>48,611</u>	<u>-</u>	<u>48,611</u>
Total Receipts Over Disbursements	<u>15,053</u>	<u>-</u>	<u>15,053</u>
Other Financing Receipts/(Disbursements)			
Transfers-In	-	33,000	33,000
Transfers-Out	<u>(33,000)</u>	<u>-</u>	<u>(33,000)</u>
Total Other Financing Receipts/(Disbursements)	<u>(33,000)</u>	<u>33,000</u>	<u>-</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(17,947)	33,000	15,053
Fund Cash Balances, January 1	<u>34,319</u>	<u>1,000</u>	<u>35,319</u>
Fund Cash Balances, December 31	<u>\$ 16,372</u>	<u>\$ 34,000</u>	<u>\$ 50,372</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

**SANDUSKY REGIONAL PLANNING COMMISSION
SANDUSKY COUNTY**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts			
Fees Charged to Subdivisions	\$ 41,071	\$ -	\$ 41,071
Contractual Services	3,000	-	3,000
Other Receipts	282	-	282
Total Cash Receipts	<u>44,353</u>	<u>-</u>	<u>44,353</u>
Cash Disbursements			
Salaries	36,327	-	36,327
Supplies	123	-	123
Travel	850	-	850
Public Employee's Retirement	6,963	-	6,963
Other	5,949	-	5,949
Total Disbursements	<u>50,212</u>	<u>-</u>	<u>50,212</u>
Total Disbursements Over Receipts	(5,859)	-	(5,859)
Fund Cash Balances, January 1	<u>40,178</u>	<u>1,000</u>	<u>41,178</u>
Fund Cash Balances, December 31	<u><u>\$ 34,319</u></u>	<u><u>\$ 1,000</u></u>	<u><u>\$ 35,319</u></u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

**SANDUSKY REGIONAL PLANNING COMMISSION
SANDUSKY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Sandusky Regional Planning Commission, Sandusky County, (the Commission) 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 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:

Sandusky County	Scott Township	Village of Burgoon
Ballville Township	Townsend Township	Village of Gibsonburg
Green Creek Township	Washington Township	Village of Green Springs
Jackson Township	Woodville Township	Village of Helena
Madison Township	City of Bellevue	Village of Lindsey
Rice Township	City of Clyde	Village of Woodville
Riley Township	City of Fremont	

The Commission's management believes these financial statements present all activities for which the Commission 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 (i.e., when an encumbrance is approved).

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

C. Cash and Investments

As required by the Ohio Revised Code, the Sandusky County Treasurer is the custodian of the Commission's monies. The Commission's assets are held in the County's cash and investment pool, and are valued at the County Treasurer's reported carrying amount.

**SANDUSKY REGIONAL PLANNING COMMISSION
SANDUSKY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)

D. Fund Accounting

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

1. General Fund

The General Fund 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 Commission had the following significant Special Revenue Fund:

Accumulated Sick Leave Benefits Fund - This money is set aside for future severance pay.

E. Budgetary Process

The Commission budgets each fund annually.

1. Appropriations

The Board annually approves appropriations and subsequent amendments. Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control. 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.

**SANDUSKY REGIONAL PLANNING COMMISSION
SANDUSKY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)

3. Encumbrances

The Commission reserves (encumbers) appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2003 and 2002 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 Commission uses.

2. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2003 and 2002 follows:

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 45,000	\$ 63,664	\$ 18,664
Special Revenue	-	33,000	33,000
Total	\$ 45,000	\$ 96,664	\$ 51,664

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 51,213	\$ 81,611	\$ (30,398)
	\$ 51,213	\$ 81,611	\$ (30,398)

**SANDUSKY REGIONAL PLANNING COMMISSION
SANDUSKY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	45,000	44,353	(647)
Special Revenue	28,000	-	(28,000)
Total	\$ 73,000	\$ 44,353	\$ (28,647)

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 50,436	\$ 50,212	\$ 224

Contrary to the Commission's budgetary policy, the General fund's budgetary expenditures exceeded appropriation authority for the year ended December 31, 2003.

3. RETIREMENT SYSTEMS

The Commission's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS 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 2003 and 2002, OPERS members contributed 8.5 percent of their gross salaries. The Commission contributed an amount equal to 13.55 percent of participants' gross salaries. The Commission has paid all contributions required through December 31, 2003.

4. RISK MANAGEMENT

The Commission is covered under the Sandusky County insurance policy.



**Auditor of State
Betty Montgomery**

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

Sandusky Regional Planning Commission
Sandusky County
606 West State Street
Fremont, Ohio 43420-2534

To the Board of Commissioners:

We have audited the financial statements of Sandusky Regional Planning Commission (the Commission) as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated April 20, 2004. We conducted our audit 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 Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, 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 audit 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*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Commission'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. However, we noted certain matters involving the internal control over

financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Commission's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the accompanying schedule of findings as item 2003-001.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not believe the reportable condition described above is a material weakness. 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 Commission in a separate letter dated April 20, 2004.

This report is intended solely for the information and use of management and the Board of Commissioners, and is not intended to be and should not be used by anyone other than these specified parties.



Betty Montgomery
Auditor of State

April 20, 2004

**SANDUSKY REGIONAL PLANNING COMMISSION
SANDUSKY COUNTY**

SCHEDULE OF FINDINGS
DECEMBER 31, 2003 AND 2002

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2003-001

Reportable Condition

Budgetary Requirements

Expenditures should be certified and appropriated before entering into the obligation. During 2003 expenditures exceeded appropriations in the General Fund by \$30,398 as noted below:

<u>Fund Type</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance</u>
2003 General Fund	<u>\$ 51,213</u>	<u>\$ 81,611</u>	<u>\$ (30,398)</u>

In addition, immaterial purchase amounts were not certified before entering into the obligation. To improve controls over disbursements we recommend the Commission certify their purchases before the obligation is incurred and expenditures do not exceed the appropriations.



**Auditor of State
Betty Montgomery**

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SANDUSKY REGIONAL PLANNING COMMISSION

SANDUSKY 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
MAY 20, 2004**