



**MAUMEE VALLEY PLANNING ORGANIZATION
DEFIANCE COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2007



Mary Taylor, CPA
Auditor of State

**MAUMEE VALLEY PLANNING ORGANIZATION
DEFIANCE COUNTY**

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Mary Taylor, CPA

Auditor of State

Maumee Valley Planning Organization
Defiance County
1300 East Second Street, Suite 200
Defiance, Ohio 43512-2485

To the Executive Council:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

April 1, 2008

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Maumee Valley Planning Organization
Defiance County
1300 East Second Street, Suite 200
Defiance, Ohio 43512-2485

To the Executive Council:

We have audited the accompanying financial statements of Maumee Valley Planning Organization, Defiance County, (the Organization) as of and for the years ended December 31, 2007 and 2006. 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 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Organization has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Organization's larger (i.e. major) funds separately. While the Organization does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Organization has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2007 and 2006, do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Organization as of December 31, 2007 and 2006, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Maumee Valley Planning Organization, Defiance County, as of December 31, 2007 and 2006, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Organization has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 1, 2008, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Mary Taylor, CPA
Auditor of State

April 1, 2008

**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, 2007**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Grants		\$88,766	\$88,766
Contractual Services	\$717,183		717,183
Other Receipts	2,115	2,358	4,473
Total Cash Receipts	<u>719,298</u>	<u>91,124</u>	<u>810,422</u>
Cash Disbursements:			
Current Disbursements:			
Economic Development			
Salaries	409,823	32,977	442,800
Supplies	14,214	184	14,398
Equipment	2,442		2,442
Advertising and Printing	5,158		5,158
Contracts - Services	25,424	16,182	41,606
Rentals	29,947		29,947
Travel	14,501	3,370	17,871
Public Employee's Retirement	54,345	5,704	60,049
Worker's Compensation	6,058	583	6,641
Insurance	84,585	6,669	91,254
Medicare	5,744	562	6,306
Payments in Lieu of Insurance	3,000		3,000
Project Fund Disbursements		43,453	43,453
Other	79,893	175	80,068
Total Cash Disbursements	<u>735,134</u>	<u>109,859</u>	<u>844,993</u>
Total Cash Disbursements Over Cash Receipts	<u>(15,836)</u>	<u>(18,735)</u>	<u>(34,571)</u>
Fund Cash Balances, January 1	<u>123,762</u>	<u>39,852</u>	<u>163,614</u>
Fund Cash Balances, December 31	<u>\$107,926</u>	<u>\$21,117</u>	<u>\$129,043</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, 2006**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Grants		\$73,853	\$73,853
Contractual Services	\$648,772		648,772
Other Receipts	1,047	7,349	8,396
Total Cash Receipts	<u>649,819</u>	<u>81,202</u>	<u>731,021</u>
Cash Disbursements:			
Current Disbursements:			
Economic Development			
Salaries	405,754	40,272	446,026
Supplies	15,019	978	15,997
Equipment	740		740
Advertising and Printing	6,226		6,226
Contracts - Services	35,025	17,166	52,191
Rentals	25,514		25,514
Travel	16,476	3,490	19,966
Public Employee's Retirement	55,588	5,517	61,105
Worker's Compensation	5,986	586	6,572
Insurance	87,330	5,642	92,972
Medicare	5,700	547	6,247
Project Fund Disbursements		24,688	24,688
Other	113,090	414	113,504
Total Cash Disbursements	<u>772,448</u>	<u>99,300</u>	<u>871,748</u>
Total Cash Disbursements Over Cash Receipts	<u>(122,629)</u>	<u>(18,098)</u>	<u>(140,727)</u>
Fund Cash Balances, January 1	<u>246,391</u>	<u>57,950</u>	<u>304,341</u>
Fund Cash Balances, December 31	<u>\$123,762</u>	<u>\$39,852</u>	<u>\$163,614</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, 2007 AND 2006**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges for the Maumee Valley Planning Organization, Defiance County, (the Organization) as a body corporate and politic. A fifteen member Board governs the Organization. The Board consists of representatives from participating political subdivisions and the County Commissioners of Defiance, Fulton, Henry, Paulding, and Williams Counties, originally established on April 24, 1975. The Auditor of Fulton County is the fiscal agent 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. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Organization recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Cash and Investments

As the Ohio Revised Code permits, the Fulton County Treasurer is the custodian of a portion of the Organization's monies. The Organization's assets are held in the County's cash and investment pool, valued at the County Treasurer's reported carrying amount. Other funds are deposited in demand deposits.

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:

1. General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The Organization had the following significant Special Revenue Funds:

**MAUMEE VALLEY PLANNING ORGANIZATION
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

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

Issue II Fund – This fund receives Ohio Public Works Commissions (OPWC) grant monies for the administration of the Public Works Program.

E. Budgetary Process

The Organization budgets each fund annually.

1. Appropriations

The Executive Council annually approves appropriations and subsequent amendments. Budgetary expenditures may not exceed appropriations at the fund-function 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.

A summary of 2007 and 2006 budgetary activity appears in Note 3.

F. Property, Plant, and Equipment

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

G. 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.

2. EQUITY IN POOLED CASH

The Organization maintains a cash pool used by all but two funds. The activity and balances in those two funds are maintained in separate checking accounts. The carrying amount of cash at December 31 was as follows:

	<u>2007</u>	<u>2006</u>
Amounts on deposit with County Treasurer	\$108,880	\$125,701
Demand deposits	<u>20,163</u>	<u>37,913</u>
Total deposits	<u><u>\$129,043</u></u>	<u><u>\$163,614</u></u>

Amounts on deposit with the Fulton County Treasurer are held in the County's cash and investment pool, valued at the County Treasurer's reported carrying amount. Demand deposits are insured by the Federal Depository Insurance Corporation.

**MAUMEE VALLEY PLANNING ORGANIZATION
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2007 and 2006 follows:

2007 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$740,300	\$719,298	(\$21,002)
Special Revenue	137,000	91,124	(45,876)
Total	\$877,300	\$810,422	(\$66,878)

2007 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$841,110	\$735,134	(\$105,976)
Special Revenue	146,100	109,859	(36,241)
Total	\$987,210	\$844,993	(\$142,217)

2006 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$732,800	\$649,819	(\$82,981)
Special Revenue	135,000	81,202	(53,798)
Total	\$867,800	\$731,021	(\$136,779)

2006 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$822,459	\$772,448	(\$50,011)
Special Revenue	139,079	99,300	(39,779)
Total	\$961,538	\$871,748	(\$89,790)

4. RETIREMENT SYSTEM

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

The Ohio Revised Code also prescribes contribution rates. For 2007 and 2006, OPERS members contributed 9.5% and 9.0%, respectively, of their gross salaries and the Organization contributed an amount equaling 13.85% and 13.70%, respectively, of participants' gross salaries. The Organization has paid all contributions required through December 31, 2007.

**MAUMEE VALLEY PLANNING ORGANIZATION
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

5. RISK MANAGEMENT

Commercial Insurance

The Organization has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Directors and officers liability.



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Maumee Valley Planning Organization
Defiance County
1300 East Second Street, Suite 200
Defiance, Ohio 43512-2485

To the Executive Council:

We have audited the financial statements of Maumee Valley Planning Organization, Defiance County, (the Organization) as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated April 1, 2008, wherein we noted the Organization followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Organization's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Organization's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Organization's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Organization's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

As part of reasonably assuring whether the Organization'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, providing an opinion 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*.

We intend this report solely for the information and use of the audit committee, management, and Organization Board Members. We intend it for no one other than these specified parties.



Mary Taylor, CPA
Auditor of State

April 1, 2008



Mary Taylor, CPA
Auditor of State

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 17, 2008**