



**MAUMEE VALLEY PLANNING ORGANIZATION  
DEFIANCE COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2009**



**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.

*Mary Taylor*

**Mary Taylor, CPA**  
Auditor of State

October 5, 2010

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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, 2009 and 2008. 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.

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Maumee Valley Planning Organization  
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Independent Accountants' Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required by *Government Auditing Standards*  
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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, 2009 and 2008 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, 2009 and 2008, 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, 2009 and 2008, 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 October 5, 2010, 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

October 5, 2010



**MAUMEE VALLEY PLANNING ORGANIZATION  
DEFIANCE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Grants		\$115,146	\$115,146
Contractual Services	\$610,430		610,430
Other Receipts	1,139	3,929	5,068
<b>Total Cash Receipts</b>	<b>611,569</b>	<b>119,075</b>	<b>730,644</b>
<b>Cash Disbursements:</b>			
Current Disbursements:			
Economic Development			
Salaries	377,440	42,016	419,456
Supplies	10,691	535	11,226
Equipment	4,691		4,691
Advertising and Printing	5,655		5,655
Contracts - Services	32,054	1,388	33,442
Rentals	35,937		35,937
Travel	11,177	4,715	15,892
Public Employee's Retirement	52,812	5,882	58,694
Worker's Compensation	7,569	789	8,358
Insurance	51,278	4,361	55,639
Medicare	5,296	563	5,859
Payments in Lieu of Insurance	1,500		1,500
Project Fund Disbursement		32,050	32,050
Wellness Incentive	750		750
Other	45,946	4,398	50,344
<b>Total Cash Disbursements</b>	<b>642,796</b>	<b>96,697</b>	<b>739,493</b>
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	<b>(31,227)</b>	<b>22,378</b>	<b>(8,849)</b>
Fund Cash Balances, January 1	154,974	12,317	167,291
<b>Fund Cash Balances, December 31</b>	<b>\$123,747</b>	<b>\$34,695</b>	<b>\$158,442</b>

*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  
GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Grants		\$93,674	\$93,674
Contractual Services	\$708,253		708,253
Gifts, Devises and Bequests		2,000	2,000
Other Receipts	1,265	5,154	6,419
<b>Total Cash Receipts</b>	<b>709,518</b>	<b>100,828</b>	<b>810,346</b>
<b>Cash Disbursements:</b>			
Current Disbursements:			
Economic Development			
Salaries	366,898	41,184	408,082
Supplies	10,698	466	11,164
Equipment	2,761		2,761
Advertising and Printing	4,930		4,930
Contracts - Services	35,419	12,827	48,246
Rentals	32,942		32,942
Travel	13,292	3,300	16,592
Public Employee's Retirement	65,548	5,766	71,314
Worker's Compensation	6,912	695	7,607
Insurance	74,547	6,034	80,581
Medicare	5,101	559	5,660
Payments in Lieu of Insurance	2,250		2,250
Project Fund Disbursement		37,625	37,625
Other	41,172	1,172	42,344
<b>Total Cash Disbursements</b>	<b>662,470</b>	<b>109,628</b>	<b>772,098</b>
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	<b>47,048</b>	<b>(8,800)</b>	<b>38,248</b>
 Fund Cash Balances, January 1	 107,926	 21,117	 129,043
<b>Fund Cash Balances, December 31</b>	<b>\$154,974</b>	<b>\$12,317</b>	<b>\$167,291</b>

*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, 2009 AND 2008**

**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 within the following counties: Defiance, Fulton, Henry, Paulding and Williams Counties. 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. The Organization formulates and reviews plans affecting long and short term social, economic, and governmental development within the region. The participating subdivisions are: Defiance, Fulton, Henry, Paulding, and Williams Counties; the townships in each of those counties; and the City of Bryan, City of Defiance, City of Wauseon, City of Napoleon, and Village of Paulding.

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. Deposits and Investments**

As the Ohio Revised Code permits, the Fulton County Treasurer holds the Organization's deposits as the Organization's custodian. The County holds the Organization's assets in its investment pool, valued at the 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.

**MAUMEE VALLEY PLANNING ORGANIZATION  
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

**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:

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 Organizations (OPWC) grant monies for the administration of the Public Works Program.

**E. 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.

**F. 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 Deposits**

The Organization maintains a deposit pool used by two funds. The activity and balances in those two funds are maintained in a separate checking account; the remaining balance is held by the Fulton County Treasurer. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits at December 31 was as follows:

	2009	2008
Amounts on deposit with County Treasurer	\$142,558	\$155,135
Demand Deposits	15,884	12,156
Total deposits	\$158,442	\$167,291

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, 2009 AND 2008  
(Continued)**

**3. 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 2009 and 2008, OPERS members contributed 10% of their gross salaries and the Organization contributed an amount equaling 14% of gross salaries. The Organization has paid all contributions required through December 31, 2009.

**4. Risk Management**

**Commercial Insurance**

The Organization has obtained commercial insurance for the following risks:

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

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# 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, 2009 and 2008, and have issued our report thereon dated October 5, 2010. wherein we noted the Organization prepared its financial statements using accounting practices the Auditor of State prescribes or permits 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 the purpose of expressing our opinion on the financial statements, but not for the purpose of opining 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 *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 more than a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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.

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### **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 did note certain matters not requiring inclusion in this report that we reported to the Organization's management in a separate letter dated October 5, 2010.

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

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

**Mary Taylor, CPA**  
Auditor of State

October 5, 2010





**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  
NOVEMBER 4, 2010**