



HANCOCK REGIONAL PLANNING COMMISSION
HANCOCK COUNTY

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INDEPENDENT AUDITOR'S REPORT

Hancock Regional Planning Commission
Hancock County
318 Dorney Plaza, Room 304
Findlay, Ohio 45840

To the Board:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of Hancock Regional Planning Commission, Hancock County, Ohio (the Commission), which comprises the cash balances, receipts and disbursements as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

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* section of our report, the accompanying financial statements 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, 2021 and 2020, or the changes in financial position thereof for the years then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Commission, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 2 of the financial statements, the financial statements are prepared by the Commission on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Emphasis of Matter

As discussed in Note 8 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2022, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's 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.



Keith Faber
Auditor of State
Columbus, Ohio

November 15, 2022

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**Hancock Regional Planning Commission
Hancock County**

Statement of Receipts, Disbursements
and Change in Fund Balance (Regulatory Cash Basis)
General Fund

For the Year Ended December 31, 2021

	<u>General</u>
Cash Receipts	
Charges for Services	\$83,955
Fees Charged to Subdivisions	279,652
Miscellaneous	<u>1,460</u>
<i>Total Cash Receipts</i>	<u>365,067</u>
Cash Disbursements	
Current:	
Economic Development:	
Salaries	296,238
PERS	40,598
Workers' Compensation	1,540
Fringes	39,097
Supplies	2,233
Purchased and Contracted Services	<u>18,422</u>
<i>Total Cash Disbursements</i>	<u>398,128</u>
<i>Net Change in Fund Cash Balance</i>	(33,061)
<i>Fund Cash Balance, January 1</i>	<u>201,641</u>
<i>Fund Cash Balance, December 31</i>	<u><u>\$168,580</u></u>

See accompanying notes to the basic financial statements

Hancock Regional Planning Commission
Hancock County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 1 – Reporting Entity

The Hancock Regional Planning Commission (the Commission), Hancock County, 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-two member Board governs the Commission. 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:

Hancock County	Village of McComb	Delaware Township
City of Findlay	Village of Van Buren	Madison Township
City of Fostoria	Village of Mt. Blanchard	Portage Township
Village of Arcadia	Village of Rawson	Marion Township
Village of Arlington	Amanda Township	Washington Township
Village of Benton Ridge	Biglick Township	
Village of Bluffton	Cass Township	

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 statement consists of a statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for the general fund.

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 fund of the Commission is presented below:

General Fund The general fund accounts for and reports all financial resources. 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.

Basis of Accounting

These financial statements follow 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). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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).

Hancock Regional Planning Commission
Hancock County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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

Deposits

As the Ohio Revised Code permits, the Hancock County Treasurer holds the Commission's deposits as the Commission's custodian for political subdivision membership revenue and payroll and employee fringe expenditures. In addition, the Commission maintains a checking account for general expenditures. A savings account is also maintained to alleviate the burden for the payout of employee leave balances upon retirement.

Capital Assets

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

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.

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*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications.

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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 7.

**Hancock Regional Planning Commission
Hancock County**
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 3 – Deposits

The Commission maintains a deposit pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The Commission also has a segregated account, which includes amounts with their fiscal agent that are not part of this pool. The carrying amount of deposits at December 31 was as follows:

	2021
Demand deposits	\$163,545
Hancock County Auditor	5,035
Total Deposits	\$168,580

Deposits

Deposits are collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. The Hancock County Auditor is responsible for maintaining adequate depository collateral for all funds in the Auditor’s pooled and deposit accounts. All risks associated with the above related deposits are the responsibility of the Hancock County Auditor.

Note 4 – Risk Management

Commercial Insurance

The Commission has obtained commercial insurance for the following risks:

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

Note 5 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

The Commission 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 health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Commission contributed an amount equaling 14 percent of participants’ gross salaries. The Commission has paid all contributions required through December 31, 2021.

Note 6 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes multiple health care plans including medical coverage, prescription drug coverage, and deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the traditional pension plan and combined plan was 0 percent during calendar year 2021. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2021.

Hancock Regional Planning Commission
Hancock County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 7 – Fund Balances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end, the General Fund had no outstanding encumbrances.

In the general fund, outstanding encumbrances are considered assigned.

Note 8 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Commission. The impact on the Commission's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

**Hancock Regional Planning Commission
Hancock County**

Statement of Receipts, Disbursements
and Change in Fund Balance (Regulatory Cash Basis)
General Fund

For the Year Ended December 31, 2020

	<u>General</u>
Cash Receipts	
Charges for Services	\$166,080
Fees Charged to Subdivisions	258,193
Unapplied Cash Payment Income	11,939
Miscellaneous	<u>7,551</u>
<i>Total Cash Receipts</i>	<u>443,763</u>
Cash Disbursements	
Current:	
Economic Development:	
Salaries	251,880
PERS	35,218
Workers' Compensation	1,748
Fringes	21,297
Unemployment Compensation	780
Supplies	1,777
Purchased and Contracted Services	20,174
Other	<u>30,000</u>
<i>Total Cash Disbursements</i>	<u>362,874</u>
<i>Net Change in Fund Cash Balance</i>	80,889
<i>Fund Cash Balance, January 1</i>	<u>120,752</u>
<i>Fund Cash Balance, December 31</i>	<u><u>\$201,641</u></u>

See accompanying notes to the basic financial statements

**Hancock Regional Planning Commission
Hancock County**

Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 1 – Reporting Entity

The Hancock Regional Planning Commission (the Commission), Hancock County, 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-two member Board governs the Commission. 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:

Hancock County	Village of McComb	Delaware Township
City of Findlay	Village of Van Buren	Madison Township
City of Fostoria	Village of Mt. Blanchard	Portage Township
Village of Arcadia	Village of Rawson	Marion Township
Village of Arlington	Amanda Township	Washington Township
Village of Benton Ridge	Biglick Township	
Village of Bluffton	Cass Township	

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 statement consists of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for the general fund.

Fund Accounting

The Commission uses a fund 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 fund of the Commission is presented below:

General Fund The general fund accounts for and reports all financial resources. 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.

Basis of Accounting

These financial statements follow 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). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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).

Hancock Regional Planning Commission
Hancock County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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

Deposits

As the Ohio Revised Code permits, the Hancock County Treasurer holds the Commission's deposits as the Commission's custodian for political subdivision membership revenue and payroll and employee fringe expenditures. In addition, the Commission maintains a checking account for general expenditures. A savings account is also maintained to alleviate the burden for the payout of employee leave balances upon retirement.

Capital Assets

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

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.

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*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications.

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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 7.

Hancock Regional Planning Commission
Hancock County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 3 – Deposits

The Commission maintains a deposit pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The Commission also has a segregated account, which includes amounts with their fiscal agent that are not part of this pool. The carrying amount of deposits at December 31 was as follows:

	2020
Demand deposits	\$165,170
Hancock County Auditor	36,471
Total deposits	<u>\$201,641</u>

Deposits

Deposits are collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. The Hancock County Auditor is responsible for maintaining adequate depository collateral for all funds in the Auditor's pooled and deposit accounts. All risks associated with the above related deposits are the responsibility of the Hancock County Auditor.

Note 4 – Risk Management

Commercial Insurance

The Commission has obtained commercial insurance for the following risks:

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

Note 5 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

The Commission 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 health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Commission contributed an amount equaling 14 percent of participants' gross salaries. The Commission has paid all contributions required through December 31, 2020.

Note 6 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes multiple health care plans including medical coverage, prescription drug coverage, and deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the traditional pension plan and combined plan was 0 percent during calendar year 2020. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2020.

Hancock Regional Planning Commission
Hancock County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 7 – Fund Balances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end, the General Fund had no outstanding encumbrances.

In the general fund, outstanding encumbrances are considered assigned.

Note 8 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Commission. The impact on the Commission's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.



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

Hancock Regional Planning Commission
Hancock County
318 Dorney Plaza, Room 304
Findlay, Ohio 45840

To the Board:

We have audited, 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, the financial statements of the cash balances, receipts, and disbursements as of and for the years ended December 31, 2021 and 2020 and the related notes to the financial statements of Hancock Regional Planning Commission, Hancock County, Ohio (the Commission), and have issued our report thereon dated November 15, 2022, wherein we noted the Commission followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code § 117-2-03(C) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Commission.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Commission's financial statements will not be prevented, or detected and corrected, on a timely basis. *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 deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2021-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 or other matters that are required to be reported under *Government Auditing Standards*.

Commission's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Commission's response to the finding identified in our audit and described in the accompanying schedule of findings. The Commission's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

November 15, 2022

**HANCOCK REGIONAL PLANNING COMMISSION
HANCOCK COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2021 AND 2020**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2021-001

Significant Deficiency – Financial Monitoring

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; 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 as discussed in AU-C Section 210 paragraphs .A14 & .A16.

In 2020, the Commission transferred \$25,000 from their bank account to the funds held by the Hancock County Auditor to cover payroll expenditures. They incorrectly posted this as a Miscellaneous Receipt and Other Expenditure when it should have been treated as a transfer between bank accounts. This resulted in an overstatement of Miscellaneous Receipts and Other Expenditures.

This error was the result of inadequate policies and procedures in reviewing the financial statements. Failure to complete accurate financial statements could lead to the Board making misinformed decisions. The accompanying financial statements have been adjusted to correct this error. We also identified an additional misstatement of \$652 that we have brought to the Commission's attention. The accompanying financial statements have been adjusted to correct this error.

To help ensure the Commission's financial statements and notes to the financial statements are complete and accurate, the Commission should adopt policies and procedures, including a final review of the financial statements and notes to the financial statements by the Office Manager and Board, to identify and correct errors and omissions.

Officials' Response:

Hancock Regional Planning Commission understands its responsibility for the preparation and fair presentation of their financial statements free from material misstatement, whether due to fraud or error.

It was deemed that transfers between existing bank accounts do not get reported on HINKLE, and should be subtracted off of the Year end reports from QuickBooks, so as to not overstate income and expenditures.

With this correction made, Jessica Sells was made aware of the HINKLE reporting processes and QuickBooks year end reports concerning transfers within bank accounts. These processes have been added to our HINKLE instructions to ensure no further erroneous reporting is present.

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OHIO AUDITOR OF STATE KEITH FABER



HANCOCK REGIONAL PLANNING COMMISSION

HANCOCK COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 11/29/2022

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov