



**Auditor of State
Betty Montgomery**

**MAUMEE VALLEY PLANNING ORGANIZATION
DEFIANCE COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Maumee Valley Planning Organization
Defiance County
197-2B-2 Island Park Avenue
Defiance, Ohio 43512-2568

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, 2003 and 2002. 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 *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 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, 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 July 23, 2004 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 audit.

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.

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

Betty Montgomery
Auditor of State

July 23, 2004

**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, 2003**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Grants		\$ 88,568	\$ 88,568
Contractual Services	\$ 645,236		645,236
Other Receipts	1,061	32,669	33,730
	<u>646,297</u>	<u>121,237</u>	<u>767,534</u>
Cash Disbursements:			
Salaries	364,869	53,997	418,866
Supplies	23,223	229	23,452
Equipment	4,908		4,908
Advertisement and Printing	7,487		7,487
Contracts - Services	26,685	12,039	38,724
Rentals	9,879		9,879
Travel	15,228	1,800	17,028
Public Employee's Retirement	58,169	8,717	66,886
Worker's Compensation	2,313	350	2,663
Project Fund Disbursements		34,755	34,755
Insurance	64,736	829	65,565
Other	33,830	1,171	35,001
	<u>611,327</u>	<u>113,887</u>	<u>725,214</u>
Total Cash Receipts Over Cash Disbursements	34,970	7,350	42,320
Fund Cash Balances, January 1	<u>232,018</u>	<u>39,528</u>	<u>271,546</u>
Fund Cash Balances, December 31	<u>\$ 266,988</u>	<u>\$ 46,878</u>	<u>\$ 313,866</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, 2002**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Grants		\$ 77,595	\$ 77,595
Contractual Services	\$ 728,314		728,314
Other Receipts	685	22,473	23,158
	<u>728,999</u>	<u>100,068</u>	<u>829,067</u>
Cash Disbursements:			
Salaries	372,748	52,626	425,374
Supplies	16,457	906	17,363
Equipment	5,210		5,210
Advertisement and Printing	5,594		5,594
Contracts - Services	27,069	12,887	39,956
Rentals	9,502		9,502
Travel	14,661	2,271	16,932
Public Employee's Retirement	50,196	7,043	57,239
Worker's Compensation	1,313	193	1,506
Project Fund Disbursements		23,233	23,233
Insurance	57,952	815	58,767
Other	51,626	1,210	52,836
	<u>612,328</u>	<u>101,184</u>	<u>713,512</u>
Total Cash Receipts Over/ (Under) Cash Disbursements	116,671	(1,116)	115,555
Fund Cash Balances, January 1	<u>115,347</u>	<u>40,644</u>	<u>155,991</u>
Fund Cash Balances, December 31	<u>\$ 232,018</u>	<u>\$ 39,528</u>	<u>\$ 271,546</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, 2003 AND 2002**

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 Council consists of representatives from participating political subdivisions and the county commissioners. The Auditor of Fulton 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 (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

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, and are valued at the County Treasurer's reported carrying amount. Other funds are deposited in demand accounts.

**MAUMEE VALLEY PLANNING ORGANIZATION
DEFIANCE COUNTY**

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

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 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 2003 and 2002 budgetary activity appears in Note 2.

**MAUMEE VALLEY PLANNING ORGANIZATION
DEFIANCE COUNTY**

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

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 POOLED 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:

	2003	2002
Amounts on Deposit with County Treasurer	\$ 277,268	\$ 232,550
Demand deposits	36,598	38,996
Total deposits	\$ 313,866	\$ 271,546

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

3. 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	\$ 664,300	\$ 646,297	\$ (18,003)
Special Revenue	134,197	121,237	(12,960)
Total	\$ 798,497	\$ 767,534	\$ (30,963)

**MAUMEE VALLEY PLANNING ORGANIZATION
DEFIANCE COUNTY**

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

2003 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 682,000	\$ 611,327	\$ 70,673
Special Revenue	133,268	113,887	19,381
Total	<u>\$ 815,268</u>	<u>\$ 725,214</u>	<u>\$ 90,054</u>

2002 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 653,800	\$ 728,999	\$ 75,199
Special Revenue	134,530	100,068	(34,462)
Total	<u>\$ 788,330</u>	<u>\$ 829,067</u>	<u>\$ 40,737</u>

2002 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 644,000	\$ 612,328	\$ 31,672
Special Revenue	129,185	101,184	28,001
Total	<u>\$ 773,185</u>	<u>\$ 713,512</u>	<u>\$ 59,673</u>

4. RETIREMENT SYSTEMS

The Organization'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 Organization contributed an amount equal to 13.55 percent of participants' gross salaries. The Organization has paid all contributions required through December 31, 2003.

**MAUMEE VALLEY PLANNING ORGANIZATION
DEFIANCE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002

(Continued)

5. RISK MANAGEMENT

Commercial Insurance

The Organization has obtained commercial insurance for the following risks

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

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**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT 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 43512-2568

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, 2003 and 2002, and have issued our report thereon dated July 23, 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 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 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*. However, we noted a certain immaterial instance of noncompliance that we have reported to management of the Organization in a separate letter dated July 23, 2004.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Organization's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing

Maumee Valley Planning Organization
Defiance County
Independent Accountants' Report on Compliance and on Internal
Control Required by *Government Auditing Standards*
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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 another matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Organization in a separate letter dated July 23, 2004

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.



Betty Montgomery
Auditor of State

July 23, 2004



**Auditor of State
Betty Montgomery**

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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
AUGUST 17, 2004**