

**Mid-Missouri Regional Planning Commission**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FISCAL YEAR ENDING JUNE 30, 2014**

The following is the Management Discussion and Analysis for the Mid-Missouri Regional Planning Commission (Mid-MO RPC) for the fiscal year ending June 30, 2014. The responsibility for the accuracy of data and the fairness of this presentation (including disclosures) rests with management. To the best of our knowledge and belief, the data herein is accurate in all material aspects. All disclosures necessary to enable the reader to gain an accurate understanding of the Mid-MO RPC's financial activities have been included.

The responsibility for establishing an accounting and internal control structure is the responsibility of the Executive Director and Office Manager. The Office Manager is also the agency's fiscal officer. The objective of the control structure design is to protect the physical, data, informational, intellectual, and human resource assets of the agency are protected from loss, theft, and misuse, and to ensure the adequate accounting information maintained and reported in accordance with general accepted accounting principles (GAAP). The internal control measure structure is designed to provide reasonable assurance that this objective is met.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial statements herein include activities of the Mid-MO RPC using accepted *Governmental Auditing Standards*, issued by the Comptroller General of the United States. These standards require the audit to be performed at a level to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Mid-MO RPC's basic financial statements consist of government-wide financial statements, statement of activities, fund financial statements, and notes to financial statements.

**The Government-wide financial statements** are designed to provide readers with a broad overview of our finances in a manner similar to a private sector business. These include the statement of net assets and the statement of activities. The statement of assets presents all information on all assets and liabilities, with the difference between the two reported as net assets. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position is improving or deteriorating. Total net assets for the agency for the period ending June 30, 2014 is \$171,304.

**The statement of activities** presents information showing how Mid-MO RPC's net assets changed during the most recent fiscal year. For FY2014 net assets decreased (\$48,372). All changes in net assets are reported as soon as the underlying event causing the change to occur, regardless of the timing of related cash flows. Revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods ( for example- earned but unused vacation time). This decrease of \$48,372 is attributed to a lag of the projected revenues that were delayed, and received after June 30, 2014. Specifically, revenues for the administration of community development block grant projects were delayed due to the projects being behind in project construction of the projected completion

dates. Grants receivable at June 30, 2014 totaled \$32,352 including RHSOC-Administration-\$20,464 and State and Local grants of \$11,888.

**The fund financial statements** is a grouping of related accounts) that is used to maintain control over resources that have been (segregated) for identified activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements.

**Government Funds** Government funds are used to account for many of the same functions as the Government Funds Statement of Activities, but focus on near term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year.

**Notes to the financial statements** provide additional information that is essential to understand the data provided in the government-wide and fund financial statements.

### **FINANCIAL HIGHLIGHTS**

- At the close of the 2014 fiscal year, the total of assets exceeded liabilities by \$171,304.
- At the close of the 2014 fiscal year, the total liability for the organization is \$18,994. This amount includes accounts payable, payroll tax liabilities, and accrued payroll (sick/vacation) balances. Accrued payroll (compensated absences) total \$12,252 at June 30, 2014.
- The Commission is a member of the Missouri Local Government Employees Retirement System (LAGERS). For the fiscal year ending June 30, 2014, the Commission contributed 6.7% of eligible employee wages. As of June 30, 2014, the plan was fully funded. Pension expense during the year was \$9,614.

### **Economic Factors and Next Year's Budget**

The FY2015 Budget for the organization is based on funding sources that are identified and under contract, or in the process of having agreements executed. Many of the Commission grants and contracts are contingent upon renewal of federal programs. As the Federal Government continues to downsize many of its programs, the effect is an overall decrease in available funds to assist the local governments in the Mid-MO RPC region. To date, the effect has been minimal, but it continues to present a challenge for the Administrative staff in the overall fiscal management of the organization.

### **Requests for Information**

This financial report is designed to provide a general overview of the Mid-Missouri Regional Planning Commission's finances for all of those with interest in its financial position. Questions concerning any of the information provided in the report or requests for additional information should be addressed to the Executive Director, 206 E. Broadway, PO Box 140, Ashland, MO 65010.

**MID-MISSOURI REGIONAL  
PLANNING COMMISSION**

**BASIC FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT**

**JUNE 30, 2014**

## TABLE OF CONTENTS

	Page
MANAGEMENT DISCUSSION & ANALYSIS	1-3
INDEPENDENT AUDITOR'S REPORT	4-6
FINANCIAL STATEMENTS	
Statement of Net Position	7
Statement of Activities	8
Balance Sheet – Governmental Funds	9
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	10
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	11
Notes to the Basic Financial Statements	12-18
REQUIRED SUPPLEMENTARY INFORMATION	19
Statements of Changes in Revenues, Expenditures, and Changes in Fund Balances, Budget and Actual	20
Notes to Required Supplementary Information	21
Report on Internal Control over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	22-23



**KenneyHales, CPA, PC**  
**INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Mid-Missouri Regional Planning Commission  
Ashland, Missouri

**Report on the Financial Statements**

I have audited the accompanying financial statements of the governmental activities and each major fund of the Mid-Missouri Regional Planning Commission, Ashland, Missouri, (the Commission) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

**Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Commission's preparation and fair presentation of the financial statements 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.

## **INDEPENDENT AUDITOR'S REPORT – CONTINUED**

Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

In my opinion the financial statements referred to above do present fairly, in all material aspects, the respective financial position of the governmental activities and each major fund of the Mid-Missouri Regional Planning Commission, Ashland, Missouri as of June 30, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that Management Discussion & Analysis and budgetary comparison information on pages 17 and 18 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operation, economic or historical context. The Commission has omitted the Management Discussion & Analysis as of and for the period ended June 30, 2014. Therefore, I am unable to perform audit procedures and therefore express no opinion on it. This does not affect the opinion on the basic financial statements. I have applied certain limited procedures to the budgetary comparison information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management responses to our inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion nor provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Mid-Missouri Regional Planning Commission, Ashland, Missouri's basic financial statements. The schedule of expenditures of federal awards as required by the Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* is presented for the purpose of additional analysis and is not a required part of the basic financial information.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including

## INDEPENDENT AUDITORS' REPORT – CONTINUED

comparing the reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, I have also issued my report dated January 31, 2015, on my consideration of the Commission's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

Kenney D. Hales, CPA, PC  
Liberty, Missouri  
January 31, 2015

**MID-MISSOURI REGIONAL PLANNING COMMISSION  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2014**

	Governmental Activities
<b>ASSETS</b>	
Cash and cash equivalents	\$ 151,444
Grants receivable	32,352
Prepaid rent	885
Current assets, net	5,617
Total assets	\$ 190,298
<b>LIABILITIES</b>	
Accounts payable	2,758
Payroll tax liabilities	3,984
Accrued payroll	12,252
Total current liabilities	18,994
<b>NET POSITION</b>	
Investment in capital assets	5,617
Unrestricted	165,687
Total net position	\$ 171,304

The accompanying notes are an integral part of these financial statements

**MID-MISSOURI REGIONAL PLANNING COMMISSION**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2014**

<b>Functions/Programs</b>	<u><b>Expenditures</b></u>	<u><b>Program Revenues</b></u>		<u><b>Net Revenues and Change in Net Assets Governmental Activities</b></u>
<b>Primary government</b>		<u><b>Dues Revenue</b></u>	<u><b>Grants &amp; Contributions</b></u>	
Governmental activities:				
Planning and development services	\$ 397,940	\$ 52,058	\$ 324,990	\$ (20,892)
General government and administration	<u>78,541</u>	<u>13,014</u>	<u>38,047</u>	<u>(27,480)</u>
Total primary government	<u>\$ 476,481</u>	<u>\$ 65,072</u>	<u>\$ 363,037</u>	<u>(48,372)</u>
General revenues:				
Miscellaneous				701
Interest income				<u>1,150</u>
Total general revenues				<u>1,851</u>
Change in net position				<u>(46,521)</u>
<b>Net position - beginning</b>				<u>217,825</u>
<b>Net position - ending</b>				<u><u>\$ 171,304</u></u>

The accompanying notes are an integral part of these financial statements

**MID-MISSOURI REGIONAL PLANNING COMMISSION  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2014**

	<u>Total Governmental Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 151,444
Grants receivable	32,352
Prepaid rent	<u>885</u>
Total assets	<u><u>184,681</u></u>
 <b>LIABILITIES AND FUND BALANCES</b>	
Liabilities:	
Accounts payable	2,758
Payroll tax liabilities	3,984
Accrued payroll	<u>12,252</u>
Total liabilities	<u>18,994</u>
Fund balance, general fund	<u><u>\$ 165,687</u></u>
 Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. (See Note 4)	<u>5,617</u>
Net assets of governmental activities	<u><u>\$ 171,304</u></u>

The accompanying notes are an integral part of these financial statements

**MID-MISSOURI REGIONAL PLANNING COMMISSION  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Total Governmental Funds</u>
<b>Revenues:</b>	
Grants	
Federal	\$ 185,583
State grants and appropriations	141,767
Local grants and appropriations	35,687
Dues	65,072
Miscellaneous	701
Interest	1,150
Total revenues	<u>429,960</u>
<b>Expenditures:</b>	
Grants	150,413
Salaries	224,987
Employee benefits	20,257
Payroll taxes	17,882
Occupancy	10,620
Retirement benefits	9,614
Utilities	7,186
Professional development	5,731
Travel	4,827
Printing	4,200
Conferences/meetings	4,070
Professional fees	4,068
Computer services	3,619
Supplies	2,899
Insurance	1,956
Postage	1,097
Miscellaneous	858
Total expenditures	<u>474,284</u>
Excess of revenue over expenditures	(44,324)
<b>Fund balances - beginning</b>	<u>210,011</u>
<b>Fund balances - ending</b>	<u><u>\$ 165,687</u></u>

The accompanying notes are an integral part of these financial statements

**MID-MISSOURI REGIONAL PLANNING COMMISSION  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2014**

Net change in fund balances - total governmental funds \$ (44,324)

Amounts reported for governmental activities in the  
Statement of Activities are different because:

Governmental funds report capital outlays as expenditures while  
governmental activities report depreciation expense to allocate  
those expenditures over the life of the assets:

Capital asset additions	630
Depreciation expense	<u>(2,827)</u>
 Change in net assets of governmental activities	 <u><u>\$ (46,521)</u></u>

The accompanying notes are an integral part of these financial statements

**MID-MISSOURI REGIONAL PLANNING COMMISSION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**1. Summary of Significant Accounting Policies**

The Mid-Missouri Regional Planning Commission (the Commission) was organized as a political subdivision pursuant to the State and Regional Planning and Community Development Act of 1966 (Chapter 251, RSMo). The Commission provides assistance in the planning and development for six mid-Missouri counties (Boone, Callaway, Cole, Cooper, Howard and Moniteau) and twenty-eight cities within these counties. The Mid-Missouri Regional Planning Commission, Economic Development Council promotes sustainable regional cooperation in community and economic development marketing efforts and attempts to increase the number of new "quality" jobs created in specific targeted growth industries. The targeted industries identified are: life sciences/biotechnology, agribusiness, information technology and financial services.

The Commission was reactivated in 1999 to increase communication, cooperation and coordination between the member governments in the planning and development of policies and activities for the orderly development of the mid-Missouri region. The goals for the Commission are as follows:

1. To promote community and economic development
2. To serve as an advocate for the region
3. To serve as a resource for member governments
4. To provide a forum for local officials to discuss regional issues and concerns
5. To provide a professional staff to assist member governments

The governing board of the Commission is composed of elected officials from the member municipalities and elected officials from the six, participating counties. The Commission complies with generally accepted accounting principles (GAAP) which includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The Commission has adopted GASB Statement No. 34.

For financial statement purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying criteria set forth in GAAP. The basic, but not only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion in the reporting entity is the existence of special financing relationships, regardless of whether the Commission is able to exercise oversight responsibilities. Based upon the application of these criteria, the Board has determined that no other entity meets the criteria and, therefore, no other entity has been included as a component unit in the Commission's financial statements.

**MID-MISSOURI REGIONAL PLANNING COMMISSION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014**

The following is a summary of the Board's more significant accounting policies.

**A. Basic Financial Statements – Government-Wide Statements**

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through intergovernmental revenues, charges for services, grants, and other non-exchange revenues. The Commission reports only governmental activities as it has no business-type activities.

The program revenues of the Commission consist of charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by activities of the Commission. Also, grants and contributions which are restricted to meeting the operational or capital requirements of a particular function are another segment. Membership dues are assessed to municipalities within the six, member counties based on a rate of \$0.30 per citizen.

**B. Basic Financial Statements – Fund Financial Statements**

The financial transactions of the Commission are reported by major fund in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures. The various funds are reported by generic classification within the financial statements. An emphasis is place on major funds within the governmental category.

A fund is considered major if it is the primary operating fund of Commission or meets the following criteria:

Total assets, liabilities, revenues, or expenditures of that individual governmental fund are at least ten percent of the corresponding total of all funds of that category type and;

Total assets, liabilities, revenues or expenditures of the individual governmental fund are at least five percent of the corresponding total for all governmental funds combined.

**MID-MISSOURI REGIONAL PLANNING COMMISSION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014**

**Summary of Significant Accounting Policies - continued**

The following funds are used by Commission:

**Governmental Funds:**

The focus of the government funds' measurement is based upon determination of financial position and changes in financial position rather than upon net income. The following is a description of the governmental funds of Commission:

**General Fund** - The General Fund is the main operating fund of Commission. It is used to account for all financial resources except those required to be accounted for in another fund. Only current assets and current liabilities are included in the balance sheet. The operating statement presents sources and uses of available, expendable resources during the period.

**C. Basis of Accounting**

In the Government-wide Statement of Net Assets and Statement of Activities, governmental, activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenditures, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund statements, governmental funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when measurable and available. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. Expenditures, including capital outlays, are recorded when the related fund liability is incurred.

**D. Accounting Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenditures during the reporting period. Actual results may vary from these estimates.

**MID-MISSOURI REGIONAL PLANNING COMMISSION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**Summary of Significant Accounting Policies - continued**

**E. Cost Allocation**

Expenditures incurred in relation to specific grants or contracts are charged directly to grants or contracts. All other expenditures are charged to the general fund and allocated to active grants or contracts on the basis of direct salary charges to total direct salaries, plus allocated fringe benefits. This policy is consistent with principles of the Office of Management and Budget (OMB) Circular A-87.

**F. Current Assets**

Cash and Investments – For the purpose of the Statement of Net Assets, cash and cash equivalents includes all demand, savings accounts, and certificates of deposits of the Commission.

Interfund Receivables and Payables – During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and service- type transactions are classified as “due to and from other funds.” Short-term interfund loans are reported as “interfund receivables and payables.” Interfund receivables and payables between funds with governmental activities are eliminated in the Statement of Net Assets.

Receivables – In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include billings for services and grants.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as billings for services and grants which are usually both measurable and available. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

No allowance for uncollectible amounts has been provided since it is believed that the amount of such an allowance would be immaterial.

**MID-MISSOURI REGIONAL PLANNING COMMISSION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014**

**E. Capital Assets**

**Government-wide**

All property, plant and equipment are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated property, plant and equipment are valued at their estimated fair value on the date donated.

Prior to January 1, 1981, governmental fund assets were not capitalized. These assets have been valued at appraised cost. Items purchased after January 1, 1981 are recorded at cost.

Depreciation of capital assets is recorded as an expenditure in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Software	3 years
Equipment	5 years
Furniture	7 years

**Fund Financial Statements**

In the fund financial statement, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund option acquisition.

**2. Custodial Credit Risk - Deposits**

The Commission complies with various restrictions on deposits and investments which are imposed by state statute. All deposits with financial institutions must be collateralized in an amount at least equal to uninsured deposits. The Commission may invest in bonds of the State of Missouri or any wholly owned corporation of the United States or in other short-term obligations of the United States of America.

Custodial credit risk is the risk that in the event of a bank failure, the Commission deposits may not be returned to it. The Commission follows an unofficial deposit policy of maintaining deposit account balances below \$250,000, the normal Federal Deposit Insurance Corporation coverage, by utilizing several different financial institutions.

**MID-MISSOURI REGIONAL PLANNING COMMISSION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014**

**3. Grants Receivable**

Grants receivable at June 30, 2014 consists of the following:

RHSOC – Administration/Coordination	\$ 20,464
State and local grants	<u>11,888</u>
Total	<u>\$ 32,352</u>

**4. Capital Assets**

Depreciation of \$2,562 was recorded for the fiscal year. Capital assets and the related accumulated depreciation as of June 30, 2014 are as follows:

Office furniture and equipment	\$ 15,202
Less accumulated depreciation	<u>(9,585)</u>
Net capital assets	<u>\$ 5,617</u>

**5. Accounts Payable and Accrued Liabilities**

Accounts payable in the general and major governmental funds are all payable to vendors. Accrued liabilities consist of payroll and payroll tax liabilities and accrued payroll expenditures of \$16,236. All accounts payable and payroll tax liabilities were paid in the subsequent period.

**6. Contingencies**

The Commission receives grant monies which are audited in accordance with *Government Auditing Standards*. These programs are also subject to financial and compliance audits. The amount, if any, of expenditures that may be disallowed by the granting agencies cannot be determined at this time, although the Commission expects this amount, if any, to be immaterial to the financial statements as a whole.

**MID-MISSOURI REGIONAL PLANNING COMMISSION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014**

**7. Compensated Absences**

Annual leave is accrued based on years of service and the number of hours an employee is in the pay status for the month. Full-time employees with less than ten years of employment earn ten hours per month; employees with eleven to fourteen years of service earn twelve hours per month; and employees with fifteen or more years of service earn fourteen hours per month. 240 hours is the maximum amount of annual leave an employee may accumulate.

Sick leave is accrued at a maximum of ten hours per month. The number of hours earned per month is based on the number of hours worked and the pay status. The maximum amount of sick leave time which may be accrued per employee is 240 hours.

Upon termination, the employee will be paid for each hour of annual leave and one hour for every four hours of sick leave. The Commission recorded the value of this earned time as a liability at the end of the fiscal year which totaled \$12,252 at June 30, 2014.

**8. Office Lease**

The Commission leases office space on a month to month basis. The Commission pays for the lease along with utilities, insurance (property, liability and casualty) and maintenance cost of the leased space. The Commission is not responsible for the property taxes.

**9. Retirement Plan**

The Commission joined the Missouri Local Government Employees Retirement Systems (LAGERS). This is a qualified retirement plan. Under the plan, each eligible employee must contribute 4% of their gross salary. The employer contribution rate is adjusted automatically each year in order to reflect the changes in composition of the employees and assumptions of the system. For the fiscal year ended June 30, 2014, the Commission contributed 6.7% of eligible employee wages. As of June 30, 2014, the plan was fully funded and pension expense during the year was \$9,614.

**REQUIRED SUPPLEMENTARY INFORMATION**

**MID-MISSOURI REGIONAL PLANNING COMMISSION  
BUDGETARY COMPARISON  
FOR THE YEAR ENDED JUNE 30, 2014**

	Initial & Final Budget	Actual	Variances Favorable (Unfavorable)
<b>Revenues</b>			
Federal grants	\$ 175,000	\$ 185,583	\$ 10,583
State grants and appropriations	130,000	141,767	11,767
Local grants and appropriations	30,000	35,687	5,687
Dues	65,000	65,072	72
Interest	1,000	1,150	150
<b>Total Revenues</b>	<u>401,000</u>	<u>429,259</u>	<u>28,259</u>
<b>Expenditures</b>			
Grants	150,000	150,413	(413)
Salaries	213,000	224,987	(11,987)
Employee benefits	17,500	20,257	(2,757)
Payroll taxes	17,000	17,882	(882)
Retirement benefits	14,500	9,614	4,886
Rent	10,620	10,620	-
Travel	10,000	4,827	5,173
Professional fees	5,000	4,068	932
Conferences/meetings	3,500	4,070	(570)
Utilities	3,000	7,186	(4,186)
Computer services	7,200	3,619	3,581
Dues and subscriptions	5,000	5,731	(731)
Contracted services	2,000	-	2,000
Maintenance and repairs	3,600	4,200	(600)
Supplies	3,000	2,899	101
Insurance	2,500	1,956	544
Postage	1,000	1,097	(97)
Other	3,000	-	3,000
Advertising	1,700	858	842
<b>Total Expenditures</b>	<u>473,120</u>	<u>474,284</u>	<u>(1,164)</u>
<b>Change in Fund Balances</b>	<u>\$ (72,120)</u>	<u>\$ (45,025)</u>	<u>\$ 27,095</u>

**MID-MISSOURI REGIONAL PLANNING COMMISSION  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2014**

The Commission annually adopts a budget at the beginning of each fiscal year. Budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds with the exception of capital asset expenditures, depreciation and medical emergency funds which are not budgeted. The legal level of budgetary control as defined as the level at which expenditures may not legally exceed appropriations, is the fund level. The Commission made no supplementary appropriations during the fiscal year.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**



**KenneyDHales, CPA, PC**

Board of Directors  
Mid-Missouri Regional Planning Commission  
Ashland, Missouri

I have audited, in accordance with the 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 governmental activities and each major fund, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Mid-Missouri Regional Planning Commission's basic financial statements, and have issued my report thereon dated January 31, 2015.

**Internal Control Over Financial Reporting**

In planning and performing my audit of the financial statements, I considered the Mid-Missouri Regional Planning Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Mid-Missouri Regional Planning Commission's internal control. Accordingly, I do not express an opinion on the effectiveness of the Mid-Missouri Regional Planning 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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.

My consideration of internal control was for the limited purpose described in the first paragraph in this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Mid-Missouri Regional Planning Commission's financial statements are free of material misstatement, I 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, I 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*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing on internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Kenney D. Hales, CPA, PC  
Liberty, Missouri  
January 31, 2015