



**STARK COUNTY REGIONAL PLANNING COMMISSION
STARK COUNTY
REGULAR AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2005**



**Auditor of State
Betty Montgomery**

STARK COUNTY REGIONAL PLANNING COMMISSION
STARK COUNTY

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**Auditor of State
Betty Montgomery**

Stark County Regional Planning Commission
Stark County
201 3rd Street N.E., Suite 201
Canton, Ohio 44702-1211

To the Regional Planning Commission:

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 a February 2, 2005 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 opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in cursive script that reads "Betty Montgomery".

Betty Montgomery
Auditor of State

August 11, 2006

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Stark County Regional Planning Commission
Stark County
201 3rd Street N.E., Suite 201
Canton, Ohio 44702-1211

To the Regional Planning Commission:

We have audited the accompanying financial statements of the Stark County Regional Planning Commission, Stark County, Ohio, (the Commission) as of and for the year ended December 31, 2005. These financial statements are the responsibility of the Commission'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 Commission 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.

Revisions to GAAP would require the Commission to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2005. Instead of the combined funds the accompanying financial statements present for 2005, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2005. While the Commission does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Commission has elected not to reformat its statements. Since this Commission does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the year ended December 31, 2005 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Commission as of December 31, 2005, or its changes in financial position for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Stark County Regional Planning Commission, Stark County, as of December 31, 2005, and its combined cash receipts and disbursements for the year then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Commission to include Management's Discussion and Analysis for the year ended December 31, 2005. The Commission 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 August 11, 2006, 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. 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.



Betty Montgomery
Auditor of State

August 11, 2006

**STARK COUNTY REGIONAL PLANNING COMMISSION
STARK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Taxes	\$3,404		\$3,404
Charges for Services	51,375		51,375
Licenses and Permits	22,302		22,302
Intergovernmental	2,280,794		2,280,794
Other Receipts	227,796		227,796
	<hr/>		<hr/>
Total Cash Receipts	2,585,671		2,585,671
	<hr/>		<hr/>
Cash Disbursements:			
Personal Services - Salaries	1,158,599		1,158,599
Personal Services - Employee Benefits	440,328		440,328
Supplies and Materials	111,760		111,760
Purchased Services	488,715		488,715
Capital Outlay	56,004		56,004
Other Allocations	37,604		37,604
	<hr/>		<hr/>
Total Cash Disbursements	2,293,010		2,293,010
	<hr/>		<hr/>
Total Cash Receipts Over Cash Disbursements	292,661		292,661
	<hr/>		<hr/>
Fund Cash Balances, January 1	370,337	\$3,356	373,693
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>\$662,998</u>	<u>\$3,356</u>	<u>\$666,354</u>
	<hr/>	<hr/>	<hr/>
Reserve for Encumbrances, December 31	\$102,767	\$0	\$102,767
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The notes to the financial statements are an integral part of this statement.

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**STARK COUNTY REGIONAL PLANNING COMMISSION
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005**

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 Stark County Regional Planning Commission, Stark County, (the Commission) as a body corporate and politic. A sixty-one 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:

Alliance	Canton	Canal Fulton
Louisville	Massillon	North Canton
Stark County	Canton Township	Jackson Township
Lake Township	Lexington Township	Marlboro Township
Nimishillen Township	Osnaburg Township	Plain Township
Sandy Township	Washington Township	Beach City
Brewster	East Canton	East Sparta
Hartville	Hills and Dales	Limaville
Magnolia	Meyers Lake	Minerva
Navarre	Waynesburg	Wilmot

The Commission's management believes these financial statements present all activities for which the Commission is financially accountable.

B. Basis of Accounting

These financial statements follow the basis of accounting the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. This basis 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.

**STARK COUNTY REGIONAL PLANNING COMMISSION
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Cash and Investments

As the Ohio Revised Code requires, the Stark County Treasurer is the custodian of the Commission's monies. The County holds the Commission's assets in its cash and investment pool, valued at the County Treasurer's reported carrying amount. The Commission's carrying amount of cash on deposit with the County at December 31, 2005 was \$666,354. The Stark County Treasurer is responsible for maintaining adequate depository collateral for all funds in the Stark County's pooled and deposit accounts and ensuring that all monies are invested in accordance with the Ohio Revised Code.

D. Fund Accounting

The Commission uses fund accounting to segregate cash and investments that are restricted as to use. The Commission classifies its funds into the following types:

1. General Fund

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

2. Special Revenue Fund

This fund accounts for proceeds from specific sources (other than from trusts) that are restricted to expenditure for specific purposes. The Commission had the following significant Special Revenue Fund:

Geographic Information System Fund – This fund receives monies from Stark County Auditor, Stark County Sanitary Engineer and Stark County Area Transportation Study which is used for preparation work, digital photography and flying aerials.

E. Budgetary Process

The Commission budgets each fund annually.

1. Appropriations

The Board annually approves appropriations and subsequent amendments. Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control. Unencumbered appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1.

**STARK COUNTY REGIONAL PLANNING COMMISSION
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

3. Encumbrances

The Commission reserves (encumbers) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2005 budgetary activity appears in Note 2.

F. Property, Plant, and Equipment

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

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

2. BUDGETARY ACTIVITY

Budgetary activity for the year ended December 31, 2005 follows:

2005 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,762,732	\$2,585,671	(\$177,061)
Special Revenue	3,356	0	(3,356)
Total	\$2,766,088	\$2,585,671	(\$180,417)

2005 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,514,025	\$2,395,777	\$118,248
Special Revenue	0	0	0
Total	\$2,514,025	\$2,395,777	\$118,248

3. RETIREMENT SYSTEM

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

**STARK COUNTY REGIONAL PLANNING COMMISSION
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005
(Continued)**

3. RETIREMENT SYSTEM (Continued)

The Ohio Revised Code also prescribes contribution rates. For 2005, OPERS members were required to contribute 8.5 percent of their gross salaries. The Commission is also required to contribute 13.55 percent of participants' gross salaries. The Commission has elected to pay 4.25% or one-half of the required employee contribution. As a result, the Commission contributes 17.8% of participant's gross salaries. The Commission has paid all contributions required through December 31, 2005.

4. RISK MANAGEMENT

Commercial Insurance

The Commission has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles
- Inland Marine; and
- Commercial crime

Health Insurance

The Commission is also insured for employee health insurance through Stark County. The County has elected to provide benefits through a self-insured program. The maintenance of these benefits is accounted for in the County's self-insurance internal service fund. An excess coverage insurance (stop loss) policy covers annual claims in excess of \$150,000 per individual and \$11,896,633 for the County as a whole. Incurred but not reported claims of \$447,375 have been accrued as a liability on the County's December 31, 2005 financial statements.

5. CONTINGENT LIABILITIES

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Management cannot presently determine amounts which may be disallowed. However, based on prior experience, management believes any refunds would be immaterial.



**Auditor of State
Betty Montgomery**

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

Stark County Regional Planning Commission
Stark County
201 3rd Street N.E., Suite 201
Canton, Ohio 44702-1211

To the Regional Planning Commission:

We have audited the financial statements of the Stark County Regional Planning Commission, Stark County, Ohio, (the Commission) as of and for the year ended December 31, 2005, and have issued our report thereon dated August 11, 2006, wherein we noted the Commission followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Commission's internal control over financial reporting to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses.

In a separate letter to the Commission's management dated August 11, 2006, we reported an other matter involving internal control over financial reporting we did not deem a reportable condition.

Compliance and Other Matters

As part of reasonably assuring whether the Commission'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*.

In a separate letter to the Commission's management dated August 11, 2006, we reported an other matter related to noncompliance we deemed immaterial.

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Stark County Regional Planning Commission
Stark County
Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

We intend this report solely for the information and use of the audit committee, management, and the Commission. It is not intended for 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

August 11, 2006



**Auditor of State
Betty Montgomery**

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Columbus, Ohio 43216-1140

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800-282-0370

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STARK COUNTY REGIONAL PLANNING COMMISSION

STARK 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
SEPTEMBER 26, 2006**