

STARK COUNTY
REGIONAL PLANNING COMMISSION
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Executive Committee
Stark County Regional Planning Commission
201 Third Street, NE
Suite 201
Canton, Ohio 44702

We have reviewed the Independent Auditor's Report of the Stark County Regional Planning Commission, prepared by Gary B. Fink & Associates, Inc., for the audit period January 1, 2001 through December 31, 2001. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Stark County Regional Planning Commission is responsible for compliance with these laws and regulations.

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

August 12, 2002

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**STARK COUNTY REGIONAL PLANNING COMMISSION
FOR THE YEAR ENDED DECEMBER 31, 2001**

TABLE OF CONTENTS

Independent Auditor's Report	1
Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balance - Governmental Fund Type	4
Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balance - Fiduciary Fund Type	5
Notes to the Financial Statements	6
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	10

INDEPENDENT AUDITOR'S REPORT

Executive Committee
Stark County Regional Planning Commission
201 3rd Street, NE, Suite 201
Canton, Ohio 44702-1231

We have audited the accompanying financial statements of the Stark County Regional Planning Commission (the Commission), as of and for the year ended December 31, 2001, as listed in the table of contents. 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 *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 Commission 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 accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances and reserved for encumbrances of the Stark County Regional Planning Commission, as of December 31, 2001, and its cash receipts and disbursements for the year 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 12, 2002 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 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.

INDEPENDENT AUDITOR'S REPORT (continued)

Our report is intended solely for the information and use of management, the Executive Committee and other officials authorized to receive this report under Section 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, appearing to read "G. B. Fink", written in a cursive style.

GARY B. FINK & ASSOCIATES, INC.
Certified Public Accountants

July 12, 2002

FINANCIAL STATEMENTS

**Stark County Regional Planning Commission
Statement of Cash Receipts, Cash Disbursements and Changes
in Fund Cash Balance - Governmental Fund Type
For the Year Ended December 31, 2001**

	<u>General Fund</u>
Cash Receipts:	
Taxes	\$3,829
Charges for Services	63,303
Licenses and Permits	15,516
Intergovernmental	1,442,549
Other	<u>46,393</u>
Total Cash Receipts	<u>1,571,590</u>
Cash Disbursements:	
Personal Services:	
Salaries and Wages	905,106
Employee Benefits	289,631
Supplies and Materials	31,888
Purchased Services	201,940
Capital Outlay	20,033
Other Allocations	<u>3,514</u>
Total Cash Disbursements	<u>1,452,112</u>
Total Cash Receipts Over Cash Disbursements	<u>119,478</u>
Fund Cash Balance, January 1, 2001	<u>165,584</u>
Fund Cash Balance, December 31, 2001	<u><u>\$285,062</u></u>
Reserved for Encumbrances, December 31, 2001	<u><u>\$27,778</u></u>

The notes to the financial statements are an integral part of this statement.

**Stark County Regional Planning Commission
Statement of Cash Receipts, Cash Disbursements and Changes
in Fund Cash Balance - Fiduciary Fund Type
For the Year Ended December 31, 2001**

	<u>Agency Fund</u>
Cash Receipts:	
Intergovernmental	<u>\$200,000</u>
Total Cash Receipts	<u>200,000</u>
Cash Disbursements:	
Purchased Services	220,000
Capital Outlay	<u>44,000</u>
Total Cash Disbursements	<u>264,000</u>
Total Cash Receipts (Under) Cash Disbursements	<u>(64,000)</u>
Fund Cash Balance, January 1, 2001	<u>284,000</u>
Fund Cash Balance, December 31, 2001	<u><u>\$220,000</u></u>
Reserved for Encumbrances, December 31, 2001	<u><u>\$220,000</u></u>

The notes to the financial statements are an integral part of this statement.

STARK COUNTY REGIONAL PLANNING COMMISSION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. Description of the Entity

The Stark County Regional Planning Commission (the Commission) was established in January, 1957 under provisions of the Regional Planning Law, Section 713.21 of the Ohio Revised Code. The Commission is financed primarily by membership dues from participating county subdivisions and funds received through various federal and state grant programs. The principal aim of the Commission is to provide comprehensive planning, both long and short range, dealing with the economical and physical environment of Stark County.

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 have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. The cash basis of accounting is prescribed or permitted by the Auditor of State.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Fund Accounting

The Commission uses fund accounting to segregate cash and investments that are restricted as to use. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity which stands separate from the activities reported in other funds.

Governmental Fund Type - The general fund is the general operating fund of the Commission. It is used to account for all financial resources except those required by law or contract to be accounted for in another fund.

Fiduciary Fund Type - The agency fund is custodial in nature. This fund is used to account for assets that the Commission holds for others in an agency capacity.

D. Budgetary Process

An appropriation measure is adopted by the Commission before December 31 for the period January 1 to December 31 of the following year. The appropriation measure, together with an itemized estimate of sources of revenue available to the Commission for the next year, is submitted to the County Budget Commission.

STARK COUNTY REGIONAL PLANNING COMMISSION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

The County Budget Commission reviews the appropriation measure and may reduce any item in the appropriation measure, but may not increase any item or the aggregate amount of all items in the appropriation measure.

The appropriation measure, as amended by the County Budget Commission, controls expenditures by the Commission for the period January 1 to December 31 of the following year. The Board may, by resolution, transfer funds from one item to another in the appropriation measure, reduce or increase any item, create new items and make additional appropriations, subject to the availability of funds and the approval of the County Budget Commission.

E. Property, Plant and Equipment

Fixed assets acquired or constructed for general governmental service are recorded as cash disbursements. Depreciation is not recorded for these fixed assets.

F. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Commission.

2. **BUDGETARY ACTIVITY**

Budgetary activity for the year ended December 31, 2001 follows:

	<u>Budgeted vs. Actual Receipts</u>		
	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	Variance Favorable (Unfavorable)
General Fund	\$1,595,250	\$1,571,590	(\$23,660)
Agency Fund	256,000	200,000	(56,000)

	<u>Budgeted vs. Actual Budgetary Basis Expenditures</u>		
	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	Variance Favorable (Unfavorable)
General Fund	\$1,675,340	\$1,479,890	\$195,450
Agency Fund	540,000	484,000	56,000

STARK COUNTY REGIONAL PLANNING COMMISSION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2001

3. **POOLED CASH AND INVESTMENTS WITH FISCAL AGENT**

The Commission's cash and investments are held by the Stark County Treasurer who maintains a cash and investment pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of the Commission's cash and investments at December 31, 2001 was \$285,062 in the general fund. The carrying amount of the Commission's cash and investments at December 31, 2001 was \$220,000 in the agency fund.

Deposits:

Deposits are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by securities held by Stark County or (3) collateralized by securities pledged by a qualified third party trustee in the name of the County.

4. **RETIREMENT SYSTEM**

The Commission contributes to the Public Employees Retirement System (PERS) of Ohio, a cost-sharing, multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. Benefits are established and amended by state statute per Chapter 145 of the Ohio Revised Code. PERS issues a publicly available, stand-alone financial report which includes financial statements and required supplementary information for PERS. This report may be obtained by writing to: 277 East Town Street, Columbus, Ohio 43215-4642 or by calling 614-466-2085 or 1-800-222-7377.

PERS provides postretirement health care coverage to age and service retirees with 10 or more years of qualifying Ohio service credit. Health coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in Government Accounting Standards Board Statement No. 12 "Disclosure of Information on Postemployment Benefits Other Than Pension Benefits by State and Local Governmental Employers". A portion of each employer's contribution to PERS is set aside for the funding of postretirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The 2001 employer contribution rate was 13.55% of covered payroll; 4.30% was the portion that was used to fund health care for the year 2001. The employee contribution rate was 8.5% for 2001.

The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement health care through their contributions to PERS.

STARK COUNTY REGIONAL PLANNING COMMISSION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2001

4. **RETIREMENT SYSTEM** (continued)

The assumptions and calculations below were based on the Retirement System's latest actuarial review performed as of December 31, 2000. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets. The investment assumption rate for 2000 was 7.75%. An annual increase of 4.75% compounded annually is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.75% base increase, were assumed to range from 0.54% to 5.1%. Health care costs were assumed to increase 4.75% annually.

OPEB's are advance-funded on an actuarially determined basis. The number of active contributing participants was 411,076 statewide. \$11,735.9 million represents the actuarial value of the Retirement System's net assets available for OPEB at December 31, 2000 (the latest information available). The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$14,364.6 million and \$2,628.7 million, respectively. The Commission's required contributions to PERS for the year ended December 31, 2001 was \$145,041, which consisted of \$107,272 as the employer's share and an additional \$37,769 as payroll pickup for the portion of the employees share. The Commission has paid all contributions required through December 31, 2001.

5. **RISK MANAGEMENT**

The Commission is exposed to various risks of loss related to torts; theft; damage to or destruction of assets; errors and omissions; employee injuries; and natural disasters. By maintaining comprehensive insurance coverage with private carriers, the Commission has addressed these various types of risk. Settled claims have not exceeded this coverage in any of the three past years. There has not been a significant reduction of coverage from the prior year.

6. **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. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

The Commission is not currently a party to any legal proceedings which would have a material impact on the financial statements.

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

Executive Committee
Stark County Regional Planning Commission
201 3rd Street, NE, Suite 201
Canton, Ohio 44702-1231

We have audited the financial statements of the Stark County Regional Planning Commission (the Commission), as of and for the year ended December 31, 2001, and have issued our report thereon dated July 12, 2002. 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 Commission'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*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing 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 operations that we consider to be material weaknesses.

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

This report is intended solely for the information and use of management and the Executive Committee, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read 'G. B. Fink', written in a cursive style.

GARY B. FINK & ASSOCIATES, INC.
Certified Public Accountants

July 12, 2002



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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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
AUGUST 27, 2002**