

Coshocton County Regional Planning Commission

Coshocton County, Ohio

Regular Audit

January 1, 2004 through December 31, 2005

Years Audited Under GAGAS: 2005 and 2004

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## Auditor of State Betty Montgomery

Board Members  
Coshocton County Regional Planning Commission  
23194 CR 621  
Coshocton, Ohio 43812

We have reviewed the *Independent Auditor's Report* of the Coshocton County Regional Planning Commission, Coshocton County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period January 1, 2004 through December 31, 2005. 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditor's Report* on your financial statements. While the Auditor of State 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. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditor's Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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 Coshocton County Regional Planning Commission is responsible for compliance with these laws and regulations.

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

BETTY MONTGOMERY  
Auditor of State

September 11, 2006

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**Coshocton County Regional Planning Commission**  
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*For the Years Ended December 31, 2005 and 2004*

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## Independent Auditor's Report

### Board Members

Coshocton County Regional Planning Commission

Coshocton, Ohio 43812

We have audited the accompanying financial statements of the Coshocton County Regional Planning Commission (the Commission), as of December 31, 2005 and 2004. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on the 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 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 described more fully in Note 1, the Commission has prepared these financial statements using the cash basis of accounting. This basis differs 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 years ended December 31, 2004 and 2005. Instead of the combined funds the accompanying financial statements present for 2004 and 2005, the revisions require presenting entity wide statements and also to present its larger (i.e., major) funds separately for 2004 and 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 years ended December 31, 2005 and 2004, 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 and 2004, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances of the Commission, as of the December 31, 2005 and 2004, and its cash receipts, cash disbursements, and reserved for encumbrances for the years 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 years ended December 31, 2005 and 2004. 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 July 31, 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. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



Balestra, Harr & Scherer, CPAs, Inc.  
July 31, 2006

**Coshocton County Regional Planning Commission**  
*Statements of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances*  
*For the Years Ended December 31, 2005 and 2004*

	2005	2004
Cash Receipts		
Intergovernmental Receipts	\$0	\$15,000
Charges for Services	13,137	0
Subdivision Fees	818	1,129
Miscellaneous Receipts	16	13
Total Cash Receipts	13,971	16,142
 Cash Disbursements		
Payroll and Fringes	1,393	1,588
Supplies	377	777
Contract Services	3,433	998
Miscellaneous	503	4,880
Total Cash Disbursements	5,706	8,243
 Total Cash Receipts Over Total Cash Disbursements	8,265	7,899
 Fund Cash Balance - January 1	13,060	5,161
 Fund Cash Balance - December 31	\$21,325	\$13,060
 Reserved for Encumbrances	\$15,907	\$4,804

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



**Coshocton County Regional Planning Commission**

*Notes to the Financial Statements*

*For the Years Ended December 31, 2005 and 2004*

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**1 Summary of Significant Accounting Policies**

**A Description of the Entity**

The Regional Planning Commission of Coshocton County (the Commission) makes studies, maps, plans, and other reports of the region (Coshocton County) showing the Commission's recommendations for systems of transportation, highways, parks, and recreational facilities, water supplies, sewage disposal, garbage disposal, civil centers, and other public improvements which affect the development of the region. The Commission consists of the following members:

1. The three members of the board of County Commissioners of Coshocton County and the County Engineer.
2. One member each from the City of Coshocton and Villages of Warsaw and West Lafayette. One member from the Townships of Adams, Millcreek, Lafayette, New Castle, and Tiverton.
3. Four citizen members appointed at large by the County Commissioners.
4. The County Extension Agent and an Association of Trustees and Clerks member.

The Commission's day to day operations are run by the County Engineer's office and one part-time employee to carry out the duties of the Commission, such as performing reviews.

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 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. Budgetary presentations report 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 Coshocton County Treasurer is the fiscal agent of the Commission. The Commission's assets are held in the County's cash and investment pool, and are valued at the County Treasurer's reported carrying amount.

**D Budgetary Process**

The Ohio Revised Code requires that each fund be budgeted annually.

**Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Commission must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

**Coshocton County Regional Planning Commission**  
*Notes to the Financial Statements*  
For the Years Ended December 31, 2005 and 2004

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**1 Summary of Significant Accounting Policies (Continued)**

D Budgetary Process (Continued)

Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must also approve estimated resources.

Encumbrances

The Ohio Revised Code requires the Commission to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2005 and 2004 budgetary activity appears in Note 3.

E Property, Plant, and Equipment

Acquisitions of property, plant, and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

F Unpaid Vacation and Sick Leave

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

**2 Equity in Pooled Cash and Investments**

The Commission is a part of a pool of funds used by all departments of Coshocton County. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash at December 31 was as follows:

	<u>2005</u>	<u>2004</u>
Demand Deposits	\$21,325	\$13,060

**3 Budgetary Activity**

Budgetary activity for the years ended December 31, 2005 and 2004 was as follows:

<u>2005 Budgeted vs. Actual Receipts</u>		
<u>Budgeted</u>	<u>Actual</u>	
Receipts	Receipts	Variance
\$11,000	\$13,971	\$2,971

<u>2005 Budgeted vs. Actual Budgetary</u>		
<u>Basis Expenditures</u>		
<u>Appropriation</u>	<u>Budgetary</u>	
Authority	Expenditures	Variance
\$24,060	\$21,613	\$2,447

**Coshocton County Regional Planning Commission**

*Notes to the Financial Statements*

*For the Years Ended December 31, 2005 and 2004*

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**3 Budgetary Activity (Continued)**

<u>2004 Budgeted vs. Actual Receipts</u>		
<u>Budgeted</u>	<u>Actual</u>	
<u>Receipts</u>	<u>Receipts</u>	<u>Variance</u>
\$20,200	\$16,142	(\$4,058)

<u>2004 Budgeted vs. Actual Budgetary</u>		
<u>Basis Expenditures</u>		
<u>Appropriation</u>	<u>Budgetary</u>	
<u>Authority</u>	<u>Expenditures</u>	<u>Variance</u>
\$20,710	\$13,047	\$7,663

**4 Retirement Systems**

The Commission's employee belongs to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including post-retirement 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. PERS members contributed 8.5% of their gross salaries. Coshocton County contributed an amount equal to 13.55% of participants' gross salaries. All required contributions have been paid through December 31, 2005.

**5 Risk Management**

The Commission is insured through the County, which is a member of CORSA, a risk sharing pool. The Pool assumes the risk of loss up to the limits of the Commissioner's policy. The Pool may assess supplemental premiums. The following risks are covered by the Pool:

1. General liability
2. Public officials' liability
3. Vehicle

The County also provides health insurance and dental and life insurance to full-time employees through self insurance.

The Commission has not incurred significant reductions in insurance coverage from the prior year by category or risk. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

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## **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***

### Board Members

Coshocton County Regional Planning Commission  
Coshocton, Ohio 43812

We have audited the financial statements of the Coshocton County Regional Planning Commission (the Commission), as of and for the years ended December 31, 2005 and 2004, and have issued our report thereon dated July 31, 2006, wherein we noted the Commission prepares its financial statements using the cash basis of accounting, which is a comprehensive basis of accounting other 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

### **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 an opinion 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 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 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.

### **Compliance and Other Matters**

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 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, 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*.

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



Balestra, Harr & Scherer, CPAs, Inc.  
July 31, 2006



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Betty Montgomery**

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**COSHOCTON COUNTY REGIONAL PLANNING COMMISSION**

**COSHOCTON 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 21, 2006**