

ASHLAND COUNTY REGIONAL PLANNING COMMISSION

INDEPENDENT AUDITOR'S REPORT

FOR THE YEARS ENDED

DECEMBER 31, 2007 AND DECEMBER 31, 2006

Varney, Fink & Associates, Inc.
Certified Public Accountants



Mary Taylor, CPA

Auditor of State

Board of Commissioners
Ashland County Regional Planning Commission
110 Cottage Street
Ashland, Ohio 44805

We have reviewed the *Independent Auditor's Report* of the Ashland County Regional Planning Commission, Ashland County, prepared by Varney, Fink & Associates, Inc., for the audit period January 1, 2006 through December 31, 2007. 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 Ashland County Regional Planning Commission is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

January 16, 2009

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**ASHLAND COUNTY REGIONAL PLANNING COMMISSION
FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2007 AND DECEMBER 31, 2006**

TABLE OF CONTENTS

<i>INDEPENDENT AUDITOR'S REPORT</i>	1
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances General Fund For the Years Ended December 31, 2007 and 2006.....	3
Notes to the Financial Statements	4
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</i> <i>Auditing Standards</i>	8

INDEPENDENT AUDITOR'S REPORT

Ashland County Regional Planning Commission
110 Cottage Street
Ashland, Ohio 44805

To the Board of Commissioners:

We have audited the accompanying financial statement of the Ashland County Regional Planning Commission (the Commission), Ashland, Ohio, as of and for the years ended December 31, 2007 and 2006. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on this financial statement 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 assurance whether the financial statement is 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 the 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 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 years ended December 31, 2007 and 2006. 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.

INDEPENDENT AUDITOR'S REPORT (continued)

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, 2007 and 2006 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, 2007 and 2006, 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 and reserves for encumbrances of the Ashland County Regional Planning Commission, Ashland County, as of December 31, 2007 and 2006 and its cash receipts and disbursements 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, 2007 and 2006. 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.

As discussed in Note 5 to financial statements, the Regional Planning Commission Board of Commissioners voted to dissolve the Regional Planning Commission as of December 31, 2007 and restructured as a County Planning Commission as of April 9, 2008.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2008 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 do 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 compliances, 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.

Varney, Fink & Associates

VARNEY, FINK & ASSOCIATES, INC.
Certified Public Accountants

December 10, 2008

Ashland County Regional Planning Commission
Ashland County
Statement of Cash Receipts, Cash Disbursements, and
Changes in Fund Cash Balances
General Fund
For the Years Ended December 31, 2007 and December 31, 2006

	<u>2007</u>	<u>2006</u>
Cash Receipts:		
Fees Charged to Subdivisions	\$5,997	\$10,247
Intergovernmental	52,873	51,873
Administrative Fees	64,807	40,138
Other	<u>737</u>	<u>1,189</u>
Total Cash Receipts	<u>124,414</u>	<u>103,447</u>
Cash Disbursements:		
Salaries	79,064	64,244
Supplies	1,208	1,234
Travel	107	329
Public Employee's Retirement	8,105	8,801
Worker's Compensation	880	750
Health Insurance	15,292	20,772
Other	<u>2,130</u>	<u>4,261</u>
Total Cash Disbursements	<u>106,786</u>	<u>100,391</u>
Total Cash Receipts Over Cash Disbursements	17,628	3,056
Fund Cash Balances, January 1	<u>7,402</u>	<u>4,346</u>
Fund Cash Balances, December 31	<u><u>\$25,030</u></u>	<u><u>\$7,402</u></u>
Reserve for Encumbrances	<u><u>\$0</u></u>	<u><u>\$756</u></u>

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

ASHLAND COUNTY REGIONAL PLANNING COMMISSION
ASHLAND COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND DECEMBER 31, 2006

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. **DESCRIPTION OF THE REPORTING ENTITY**

The Ashland County Regional Planning Commission, Ashland County, (the Commission) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Commission was organized under section 713.21 of the Ohio Revised Code. The Commission is directed by a 45 member Board of Commissioners. 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:

Clear Creek Township	Montgomery Township	Village of Jeromesville
Green Township	Orange Township	Village of Loudonville
Hanover Township	Perry Township	Village of Mifflin
Jackson Township	Ruggles Township	Village of Perrysville
Lake Township	Sullivan Township	Village of Polk
Mifflin Township	Troy Township	Village of Savannah
Milton Township	Village of Bailey Lakes	City of Ashland
Mohican Township	Village of Hayesville	

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 prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

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

C. **CASH AND INVESTMENTS**

As required by Ohio Revised Code, the Ashland County Treasurer is the custodian of the Commission's monies. 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.

ASHLAND COUNTY REGIONAL PLANNING COMMISSION
ASHLAND COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND DECEMBER 31, 2006

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

D. **FUND ACCOUNTING**

The Commission uses fund accounting to segregate cash and investments that are restricted as to use. The Commission has the following type:

General Fund

The General Fund is the general operating fund. It is used to account for all financial resources.

E. **BUDGETARY PROCESS**

The Commission budgets the General Fund annually.

1. Appropriations

The Commission annually approves appropriations and subsequent amendments. Expenditures may not exceed appropriations at the fund or function level of control. Unencumbered appropriations lapse at year end.

2. Estimated Resources

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

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

A summary of 2007 and 2006 budgetary activity appears in Note 2.

F. **PROPERTY, PLANT AND EQUIPMENT**

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

G. **ACCUMULATED LEAVE**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the basis of accounting the Commission uses.

ASHLAND COUNTY REGIONAL PLANNING COMMISSION
ASHLAND COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND DECEMBER 31, 2006

2. **BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2007 and December 31, 2006 was as follows:

2007 Budget vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$100,873	\$124,414	\$23,541

2007 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$112,102	\$106,786	\$5,316

2006 Budget vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$101,749	\$103,447	\$1,698

2006 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$101,186	\$101,147	\$39

3. **RETIREMENT SYSTEM**

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

ASHLAND COUNTY REGIONAL PLANNING COMMISSION
ASHLAND COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND DECEMBER 31, 2006

3. **RETIREMENT SYSTEM** (continued)

Contribution rates are also prescribed by the Ohio Revised Code. For 2007 and 2006, OPERS members contributed 9.5% and 9% of their gross salaries respectively. The Commission contributed an amount equal to 13.85% and 13.7% of participants' gross salaries for 2007 and 2006 respectively. The Commission has paid all contributions required through December 31, 2007.

4. **RISK MANAGEMENT**

Commercial Insurance

The Commission is included in Ashland County's Insurance policies with the County Risk Sharing Authority, Inc. for the following risks:

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

Health Insurance

The Commission is also included in Ashland County's self-insurance plan for employee health benefits. The Ashland County Self-Insurance Fund pays covered claims to service providers, and recovers these costs from charges to other funds based on actuarially determined cost per employee.

5. **DISSOLUTION OF ASHLAND REGIONAL PLANNING COMMISSION**

In July 2007 the Regional Planning Commission Board of Commissioners voted to dissolve the Regional Planning Commission and to restructure as a County Planning commission organized under section 713.22 of the Ohio Revised Code. On April 9, 2008 the County Planning Commission was created which is to be directed by an eleven (11) member commission composed of eight (8) citizen members and the three (3) members of the Ashland County Board of Commissioners. The mission of the Ashland County Planning Commission is to assist local units of government by providing land planning guidance and further to create the administer Ashland County Subdivision Regulations that promote sound, orderly development benefiting the citizens of Ashland County.

**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***

Ashland County Regional Planning Commission
110 Cottage Street
Ashland, Ohio 44805

To the Board of Commissioners:

We have audited the financial statements of the Ashland County Regional Planning Commission, Ashland County (the Commission) as of and for the years ended December 31, 2007 and December 31, 2006, and have issued our report thereon dated December 10, 2008, wherein we noted the Commission followed accounting practices the Auditor of State prescribes rather than the accounting principles generally accepted in the United States of America. The Ashland County Regional Planning Commission was dissolved effective December 31, 2007. 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 as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Commission's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that a misstatement of the Commission's financial statements that is more than inconsequential will not be prevented or detected by the Commission's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Commission's internal control.

**Ashland County Regional Planning Commission
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***
Page 2

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of the section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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 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, we 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*.

We noted certain matters that we reported to management of the Commission in a separate letter dated December 10, 2008.

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

Varney, Fink & Associates

VARNEY, FINK & ASSOCIATES, INC.
Certified Public Accountants

December 10, 2008



Mary Taylor, CPA
Auditor of State

ASHLAND COUNTY REGIONAL PLANNING COMMISSION

ASHLAND 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
JANUARY 29, 2009**