RICHLAND COUNTY REGIONAL PLANNING COMMISSION
Regular Audit
For the Year Ended June 30, 2010

Perry & Associates
Certified Public Accountants, A.C

Mary Taylor, CPA
Auditor of State

Executive Committee
Richland County Regional Planning Commission
35 North Park Street, Suite 230
Mansfield, Ohio 44902

We have reviewed the *Independent Accountants' Report* of Richland County Regional Planning Commission, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period July 1, 2009 through June 30, 2010. 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. Richland County Regional Planning Commission is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

December 10, 2010

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Richland County Regional Planning Commission

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Perry & Associates
Certified Public Accountants, A.C.

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INDEPENDENT ACCOUNTANTS' REPORT

November 1, 2010

Executive Committee
Richland County Regional Planning Commission
35 North Park Street, Suite 230
Mansfield, Ohio 44902

To the Executive Committee:

We have audited the accompanying financial statements of the business-type activities of the **Richland County Regional Planning Commission, Richland County, Ohio** (the Commission), as of and for the year ended June 30, 2010, which collectively comprise the Commission's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express opinions 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Commission, as of June 30, 2010, and the respective changes in financial position and cash flows thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2010, 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.

The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

Respectfully Submitted,

Perry & Associates CPA's A.C.

Perry and Associates
Certified Public Accountants, A.C.

Management Discussion & Analysis (MD &A) Fiscal Year 2010

The discussion and analysis of the Richland County Regional Planning Commission's (the "Commission") financial performance provides an overall review of the Commission's financial activities for the year ended June 30, 2010. The intent of this discussion and analysis is to look at the Commission's financial performance as a whole. Readers should also review the Notes to the Financial Statements and the basic financial statements to enhance their understanding of the Commission's financial performance.

Financial Highlights

Key financial highlights for 2010 are as follows:

- The Commission's total net assets remained stable with Fiscal Year 2009, increasing by $174.

- The Commission's assets increased $8,086, which represents a 3.5% increase from Fiscal Year 2009. The increased is due in part to the fact that the transportation planning allocation increased from the Fiscal Year 2009 funding level of $383,636 to $433,071, an increase totaling $49,435. The increase is also associated with the continuing total budget increase associated with the addition of the Transportation Coordination program in January 2009.

- Total liabilities increased by $7,912 which is 6.9% over the amount of liabilities stated in the Fiscal Year 2009 MD & A. The components of this increase in liabilities are associated with modest increases in the costs of goods and services for the operation. Long term liabilities have increased to anticipate the costs of sick leave payouts for future retirees.

- Operating revenues increased by $73,101, which represents a 9.35% increase due to an increase in Transportation Planning funds allocated to the RCRPC as the MPO and for the continued growth of Transportation Coordination program added in January 2009.

- Total operating expenses increased by $39,135 or 4.8%, due the additional costs associated with the Transportation Coordination program.

Using this Annual Financial Report

This annual report consists of three parts, the Management's Discussion and Analysis, the Financial Statements and the Notes to the Basic Financial Statements. The Financial Statements include a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Net Assets and a Statement of Cash Flows.

Statement of Net Assets

The Statement of Net Assets looks at how well the Commission has performed financially from inception through June 30, 2010. This Statement includes all of the assets, liabilities and net asset balances using the accrual basis of accounting, which is the accounting method used by most private-sector companies. This basis of accounting takes into account all revenues earned and expenses incurred during the year, regardless as to when the cash is received or expended.

The following schedule provides a summary of the Commission's Statement of Net Assets for fiscal years ended June 30, 2010 and June 30, 2009:

Assets	FY 2010	FY 2009
Current Assets	$196,730	$190,345
Non-Current Assets	39,525	37,824
Total Assets	$236,255	$228,169
Liabilities		
Current Liabilities	$74,265	$68,761
Non Current Liabilities	48,519	46,111
Total Liabilities	122,784	114,872
Net Assets		
Invested in Capital Assets, Net	39,525	37,824
Unrestricted	71,016	72,543
Restricted For- Special Vision Project	2,930	2,930
Total Net Assets	$113,471	$113,297

Net assets remained stable with a slight $174 increase; Unrestricted Net Assets decreased $1,527 while invested in Capital Assets decreased by $1,701. An additional asset category was added in FY 2009, that of "Restricted for Special Vision Project." This category holds Vision project funds that were dispersed during FY 2009. The amount of $2,930 is being held by the Commission for a future specified Vision project use.

Statement of Revenues, Expenses and Changes in Net Assets

The Statement of Revenues, Expenses and Changes in Net Assets reports operating and non-operating activities for the fiscal year ended June 30, 2010. The following schedule provides a summary of the Commission's Statement of Revenues, Expenses and Changes in Net Assets for fiscal years ended June 30, 2010 and June 30, 2009:

Operating Revenues	**FY 2010**	**FY 2009**
Federal	$347,323	$305,757
State	43,415	38,220
Local Governments	246,529	316,207
Coordination Revenue	217,436	117,933
Other	113	3,598
Total Operating Revenue	854,816	781,715
Operating Expenses		
Salaries & Wages	480,147	496,291
Employee Benefits	141,435	136,661
Staff Expenses	6,821	11,206
Materials and Supplies	17,827	24,220
Contractual Services	9,790	13,144
Occupancy and Other	33,913	33,555
Coordination Service	156,992	89,474
Depreciation	7,717	10,956
Total Operating Expense	854,642	815,507
Operating Income/(Loss)	174	(33,792)
Non-Operating Revenue		
Vision Project	0	2,930
Total Non-Operating Revenue	0	2,930
Change in Net Assets	174	(30,862)
Net Assets at Beginning of Year	113,297	144,159
Net Assets at End of Year	$113,471	$113,297

Revenues increased by $73,101. There was a $41,566 increase in Federal funding in FY 2010, and an increase in State funding of $5,195. The new Coordination Program added $99,503 to overall revenue. Operating expenses increased by $39,135 due mainly to the Coordination Program. The actual increase in the coordination program was $67,518, while the remaining expenses categories had a total decrease of ($28,383.) The decrease in these other expenses reflects the Commission's spending cutbacks during difficult financial times.

Capital Assets

As of June 30, 2010, the Commission had capital assets of $39,525 invested in furniture and equipment. This figure is a $1,701 increase compared to the amount presented for FY 2009.

Current Financial Issues

The largest portion of the Commission's budget is associated with its transportation planning program. The Federal Transportation legislation must be renewed every six (6) years; however it is seemingly never renewed on schedule. It often goes forward on a continuing resolution, creating some uncertainty about the level of funding to be expected.

Financial management of the Transportation Planning Program has also been subject to greater oversight from the Federal Highway Administration (FHwA) and the Ohio Department of Transportation (ODOT.) New policies have been implemented that change aspects of the organization's presentation of financial information as well as the approach to dealing with the Cost Allocation Plan.

Funds are allocated to the Commission from various local sources, including county, municipal, township sources and the county engineer. A portion of the local funding is used to provide the required 10% local match for the transportation planning program. The balance supports local projects and planning initiatives, and costs that are ineligible for inclusion in the approved Cost Allocation Plan (CAP.) The Richland County economy is experiencing the national recession, and is additionally stressed by the downturn in the automobile industry and the closing of a General Motors facility in the City of Ontario. The economic circumstances have caused some local governments to reduce their local allocation to the Commission. Such reductions extending over several years may eventually hinder the Commission's ability to carry out a comprehensive planning program.

Special Financial Management Notes for Fiscal Year 2010

1) The Commission utilizes a Cost Allocation Plan (CAP) in order to allocate its fringe benefit costs and its indirect cost appropriately to all programs. The CAP is prepared under the oversight of the Ohio Department of Transportation, which serves as the cognizant agency. The Commission uses the "provisional method." For Fiscal Year 2010 the Commission operated under an approved rate, recovering on the basis of direct time. With the provisional method, at the end of the Fiscal Year the actual fringe benefit cost and indirect costs are finalized, and a final rate is determined, and the costs are adjusted for over recovery or under recovery.

Cost Allocation Plan	Estimated FY 2010	Actual FY 2010
Fringe Benefit Rate	49.51%	49.01%
Indirect Cost Rate	67.97%	69.30%
Total Overhead Cost Rate	117.48%	118.31%

2) In accordance with government accounting standards, the RCRPC adopted a policy to anticipate the financial impact of retiring employees who will be eligible for some financial compensation for unused sick leave. A new account was established during FY 2008 identified as "6300 · Sick Payable on Retirement" and amounts are entered towards potential retirements between FY 2011 and FY 2017. The proper methodology for estimating this liability was finalized with the FY 2009 Audit. A total of $926 was booked in FY 2010. The sick payable on retirement cannot be a part of a cost allocation plan until the year that the retirement distribution actually takes place.

3) The Commission incorporated "Program Assets" into its financial system several years prior to this fiscal year based on the recommendations of an extensive audit of its financial management and compliance procedures with Federal and State regulations and guidelines. This audit was conducted by the Ohio Department of Transportation of the Commission in its role as the Metropolitan Planning Organization (MPO.) Program assets are those pieces of capital equipment that are purchased entirely from specific program funds because usage is devoted to that project. A typical example is traffic counting equipment being purchased using transportation planning funds.

Current Financial Issues (Continued)

4) The Vision Project operated through the Commission for a number of years as a special non-operating fund. The Vision would facilitate projects or programs, the Commission would pay the costs, with reimbursement coming from vision funds held by the Richland County Foundation. During Fiscal Year 2009 the Vision Project discontinued its active phase, and the remaining funds were allocated to appropriate projects. A portion of the funds were allocated toward the future costs of reprinting an emergency preparedness booklet. The amount set aside for this work, at some indefinite point in the future is $2,929.78. That amount was received and an Account 9500 "Vision Future Reserve" was established to hold that amount.

5) For the end of FY 2010 and the beginning of FY 2011 the Commission is reporting actual payroll for the year. Previously, the payroll financial information included the pay periods ending in the Fiscal Year. At the transition from FY 2010 to FY 2011 the payroll costs are taken to June 30th. This one-time cost includes time back to June 25, 2009, that is also included in FY 2010. The last pay period accounted for in FY 2009 ended June 24, 2009.

Contacting the Commission's Financial Management

This financial report is designed to provide a general overview of the Commission's finances and to show the Commission's accountability for the monies it receives. If you have any questions about this report or need additional information, please contact the Executive Director, Richland County Regional Planning Commission, 35 North Park Street, Suite 230, Mansfield, OH 44902, 419-774-5684.

Richland County Regional Planning Commission
Statement of Net Assets
As of June 30, 2010

Assets		
Cash in Richland County Treasury	$	67,123
Federal Receivable		76,060
State Receivable		9,507
Local Government Receivable		10,754
Coordination Receivable		33,286
Capital Assets (Net of Accumulated Depreciation)		39,525
Total Assets		236,255
Liabilities		
Accounts Payable		38,015
Intergovernmental Payable		7,054
Accrued Wages and Benefits		29,196
Compensated Absences		48,519
Total Liabilities		122,784
Net Assets		
Invested in Capital Assets		39,525
Restricted for Special Vision Project		2,930
Unrestricted		71,016
Total Net Assets	$	113,471

See accompanying notes to the basic financial statements.

Richland County Regional Planning Commission
Statement of Revenues, Expenses and Changes in Net Assets
For the Fiscal Year Ended June 30, 2010

Operating Revenues	
Federal	$ 347,323
State	43,415
Local Governments	246,529
Coordination	217,436
Other	113
Total Operating Revenues	854,816
Operating Expenses	
Salaries & Wages	480,147
Employee Benefits	141,435
Staff Expenses	6,821
Equipment	7,800
Supplies	10,027
Contractual Services	9,790
Occupancy and Other	33,913
Coordination Service	156,992
Depreciation	7,717
Total Operating Expenses	854,642
Change in Net Assets	174
Net Assets at Beginning of Year	113,297
Net Assets at End of Year	$ 113,471

See accompanying notes to the basic financial statements.

Richland County Regional Planning Commission
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2010

Cash Flows from Operating Activities	
Cash Received from Federal Sources	$ 343,274
Cash Received from State Sources	42,875
Cash Received from Local Sources	271,547
Cash Received from Coordination	202,983
Cash Payments to Suppliers for Goods and Services	(223,385)
Cash Payments to Employees for Services	(615,628)
Other Operating Revenues	113
Net Cash Provided by Operating Activities	21,779
Cash Flows from Capital and Related Financing Activities	
Payments for Capital Acquisitions	(9,418)
Net Cash (Used) by Related Financing Activities	(9,418)
Net Increase in Cash	12,361
Cash at Beginning of Year	54,762
Cash at End of Year	$ 67,123
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income	$ 174
Adjustments to Reconcile Operating Gain to Net Cash Provided by Operating Activities	
Depreciation	7,717
(Increase) Decrease in Assets	
Accounts Receivable	5,976
Increase (Decrease) in Liabilities	
Accounts Payable	1,958
Intergovernmental Payable	601
Accrued Wages and Benefits	2,945
Compensated Absences	2,408
Total Adjustments	21,605
Net Cash Provided by Operating Activities	$ 21,779

See accompanying notes to the basic financial statements.

NOTE 1 -DESCRIPTION OF THE ENTITY

The Richland County Regional Planning Commission (the Commission) was organized in 1959 under Section 713.21 of the Ohio Revised Code to promote land use and transportation planning. The Commission provides services for the benefit of the local governments and operates under the control of the Planning Commission, which is the legislative authority, comprised of representatives from political subdivisions and private businesses in Richland County.

In accordance with the Governmental Accounting Standards Board (GASB) Statement No. 14, "The Reporting Entity", the Commission is not considered part of the Richland County financial reporting entity. There are no agencies or organizations for which the Commission is considered the primary government. Accordingly, the Commission is the sole organization of the reporting entity.

The Commission maintains its own set of accounting records. These financial statements were prepared from the accounts and financial records of the Commission and, accordingly, these financial statements do not present the financial position or results of operations of Richland County.

The accompanying financial statements have been designed to facilitate an understanding of the financial position and results of operations of the Commission. The activity of the Commission is determined by an overall work program which is approved by the Commission's Board and the Ohio Department of Transportation. All revenue and related costs are accounted for on a project basis. The financial information contained in these statements is the responsibility of the Commission.

NOTE 2– SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Commission have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental organizations. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Commission also applies Financial Accounting Standards Board (FASB) statements and interpretations issued prior to November 30, 1989, provided they do not conflict with or contradict GASB pronouncements. The Commission has elected not to follow FASB statements and interpretations issued after November 30, 1989. The more significant of the Commission's accounting policies are described below.

A. Basis of Presentation

Enterprise accounting is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

B. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by its measurement focus. Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities are included on the Statement of Net Asset. Operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

NOTE 2– SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus and Basis of Accounting (Continued)

Basis of accounting refers to when revenues and expenses are recognized in the financial records and reported in the financial statements. The Commission's financial statements are prepared using the accrual basis of accounting. Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded when the exchange takes place. Revenues resulting from non-exchange transactions, in which the Commission receives value without directly giving equal value in return, such as grants and entitlements, are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the Commission must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Commission on a reimbursement basis. Expenses are recognized at the time they are incurred.

C. Cash Deposits

As required by Section 713.21, Ohio Revised Code, the Commission must deposit all receipts in the Richland County Treasury. The County Treasurer maintains a cash and investment pool used for all County and Commission funds. The Commission has no other cash deposits or investments and does not receive interest income on its cash balances held in the County Treasury.

Protection of the County's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment by Surety Company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

D. Investments

The Ohio Revised Code does not provide the Commission the power to make or hold investments other than the deposits in the Richland County Treasury explained above.

E. Capital Assets and Depreciation

Furniture and equipment items are stated at cost and are depreciated on the straight line method over their estimated useful lives that range from three to twenty years. Donated furniture and equipment is recorded at fair market value on the date donated. Upon sale or disposition of furniture and equipment, the cost and related depreciation are removed from the accounts and any gain or loss is recognized.

F. Indirect Costs and Fringe Benefits

Indirect costs are computed in accordance with OMB Circular A-87 under a cost allocation plan approved by the Ohio Department of Transportation. The Commission utilizes the Provisional Method to calculate over/(underpayments) by the Ohio Department of Transportation. Under this method, an estimated or temporary overhead rate is calculated for the fiscal year. This rate is used for funding, interim reimbursement, and reporting indirect costs on Federal awards for the period. At the end of the fiscal year, an actual indirect cost rate is calculated. The entity then invoices or reimburses each funding agency for any under or over recovery. Under this method, there is no carry forward provision.

NOTE 2– SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Budgetary Accounting

The accounting principles employed by the Commission in its budgetary accounting and reporting are the same as those used to present financial statements in accordance with generally accepted accounting principles. Outlined below are the annual procedures the Commission follows to establish the expense data reported in the financial statements:

In December or January, the Commission receives a preliminary indication of the funding mark from the Federal Highway Administration (FHwA) and the Federal Transit Administration (FTA), through the Ohio Department of Transportation (ODOT).

In January and February the Commission begins drafting the Overall Work Program (OWP) for the coming fiscal year (July 1 through June 30). The funding resources from FHwA, FTA and ODOT are assigned to appropriate work elements. Remaining anticipated local funds are allocated to local service work elements. The OWP also incorporates activities and funding that support the various services provided by the Commission.

By April, the Commission receives feedback on the draft OWP, and is aware of the appropriation from the two largest local governments (the City of Mansfield and Richland County). The final OWP is prepared, including work elements to be completed, the costs associated with each of these elements, the staff resources and time allocation necessary to complete the work program, and the other direct and indirect costs associated with the work program, and the operation of the Planning Commission. Final approval on the OWP is made by the Commission at its May meeting, and generally ODOT/ FHwA /FTA approval comes near the start of the fiscal year.

The OWP is the instrument in which the Indirect Cost Allocation Plan is presented allocating indirect costs to all programs on the basis of a percentage of direct time.

In June of each year, the Executive Committee reviews a budget drawn from the OWP. This budget lists anticipated expenses by type as well as by program.

Budget categories for expense are salaries (including vacation, holidays and sick time), payroll additives, expenses, equipment, supplies, contractual and occupancy.

The Executive Committee meets monthly and reviews a financial report which presents monthly expenses by type and program, as well as for the fiscal year to date. It also tracks the actual indirect costs and provides a comparison to the OWP approved rate.

Throughout the year, the Executive Committee has the opportunity to amend the approved budget if it appears that the original estimates were incorrect. Generally, if an amendment is required, the Commission will try to make it near the end of the fiscal year.

H. Cash Equivalents

For the purposes of the Statement of Cash Flows, the Commission considers all cash held by the Richland County Treasury to be cash equivalents since they are available to the Commission upon demand.

NOTE 2– SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. The Commission records a liability for all accumulated unused vacation time when earned or all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vested method. The Commission records a liability for those employees with twenty years of service at the Commission or at age 55 for those who will have ten years of service by the age of 60 up to a maximum of thirty days.

J. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from these estimates.

NOTE 3– CHANGE IN ACCOUNTING PRINCIPLES

For fiscal year 2010, the Commission implemented Governmental Accounting Standards Board (GASB) Statement No. 51, "Accounting and Reporting for Intangible Assets" and GASB Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments", GASB Statement No. 57, "OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans", and GASB Statement No. 58 "Accounting and Financial Reporting for Chapter 9 Bankruptcies".

GASB Statement No. 51 establishes accounting and financial reporting requirements for intangible assets to reduce inconsistencies thereby enhancing the comparability of accounting and financial reporting of such assets among state and local governments. The implementation of this Statement did not result in any change to the Commission's financial statements.

GASB Statement No. 53 enhances the usefulness and comparability of derivative instrument information reported by state and local governments. This statement provides a comprehensive framework for the measurement, recognition, and disclosure of derivative instrument transactions. The implementation of this Statement did not result in any change to the Commission's financial statements.

GASB Statement No. 57 addresses issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans (that is, agent employers). The requirements in this Statement will allow more agent employers to use the alternative measurement method to produce actuarially based information for purposes of financial reporting and clarify that OPEB measures reported by agent multiple-employer OPEB plans and their participating employers should be determined at the same minimum frequency and as of a common date to improve the consistency of reporting with regard to funded status and funding progress information. The implementation of this Statement did not result in any change to the Commission's financial statements.

GASB Statement No. 58 provides accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. The requirements in this Statement will provide more consistent recognition, measurement, display, and disclosure guidance for governments that file Chapter 9 bankruptcy. The implementation of this Statement did not result in any change to the Commission's financial statements.

NOTE 4 – CAPITAL ASSETS

A summary of the Commission's Capital Assets at June 30, 2010 is as follows:

	Balance June 30, 2009	Additions	Deletions	Balance June 30, 2010
Furniture and Equipment	$192,272	$9,418	($26,855)	$174,835
Accumulated Depreciation	(154,448)	(7,717)	26,855	(135,310)
Book Value	$37,824	$1,701	$-	$39,525

NOTE 5 – PENSION PLAN

A. Public Employees Retirement System

All employees of the Commission participate in the Ohio Public Employees Retirement System (OPERS), which administers three separate pension plans as described below:

1. The Traditional Pension Plan (TP) – a cost-sharing multiple-employer defined benefit pension plan.

2. The Member-Directed Plan (MD) – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings thereon.

3. The Combined Plan (CO) – a cost-sharing multiple-employer defined benefit pension plan. Under the Combined Plan employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the Traditional Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Plan and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits.

Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. The OPERS issues a publicly available stand-alone financial report. That report may be obtained by writing to the Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 3215-4642 or by calling (614)222-5601 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2010, member and employer contribution rates were consistent across all three plans (TP, MD and CO).

Plan members are required to contribute 10.0% of their annual covered salary to fund pension benefit obligations. The Commission is required to contribute 14.0%. Contributions are authorized by State statute. The contribution rates are determined actuarially. The Commission's contributions for pension obligations to the OPERS for the fiscal years ended June 30, 2010, 2009 and 2008 were $67,221, $68,094 and $71,914, respectively, equal to the required contributions for each year. The full amount has been contributed.

NOTE 6– POSTEMPLOYMENT BENEFITS

A. Plan Description

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the Traditional Pension Plan – a cost-sharing multiple-employer defined benefit pension plan; the Member-Directed Plan – a defined contribution plan; and the Combined Plan – a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare PartB premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 1-614-222-5601 or 1-800-222-7377.

B. Funding Policy

The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement heath care benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2008, (the latest information available) state and local employers contributed at rate of 14% of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14% of the covered payroll for state and local employer units. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. For 2008, the employer contribution allocated to the health care plan was 7% of covered payroll. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of cover dependents and the coverage selected. The Commission's contribution to OPERS which were used to fund post employment benefits for the fiscal year ended June 30, 2010 was $33,610.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 4, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

NOTE 7– LONG TERM LIABILITIES

Long-Term liabilities at June 30, 2010 were as follows:

	Balance June 30, 2009	Additions	Deletions	Balance June 30, 2010
Compensated Absences	$46,111	$33,651	($31,243)	$48,519

NOTE 8– RISK MANAGEMENT

The Commission is exposed to various risks of loss related to torts, theft or damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters.

Through Richland County, the Commission maintained coverage with the County Risk Sharing Authority (CORSA), as follows:

General Liability:	Limit: $1,000,000 per Occurrence – No Annual Aggregate
Auto Liability:	Limit: $1,000,000 per Occurrence – No Annual Aggregate Auto Medical Payments $5,000 Each Person, $50,000 Each Accident
Public Officials Liability:	$1,000,000 per Occurrence -$1,000,000 Annual Aggregate
Crime Coverage:	Employee Dishonesty $1,000,000 Money and Securities $1,000,000 Depositor’s Forgery $1,000,000 Money Orders and Counterfeit Paper $1,000,000 Building– Contents Replacement Cost
Equipment:	Valuable Papers $1,000,000 Extra Expense $1,000,000 Electronic Date Processing Replacement Cost Contractors Equipment Replacement Cost Misc. Inland Marine Replacement Cost Motor truck Cargo $100,000 Flood & Earthquake Replacement Cost Auto Physical Damage Actual Cash Value Automatic Acquisition $5,000,000
Excess Liability:	Richland County $5,000,000
Errors & Omissions Liability:	$1,000,000 per Occurrence -Annual Aggregate

Settled claims have not exceeded commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

NOTE 9– RISK SHARING POOL

Through Richland County, the Commission participates in the County Risk Sharing Authority, Inc. (CORSA), a risk sharing pool made up of sixty-two member counties. CORSA was formed as an Ohio nonprofit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by CORSA. This coverage includes comprehensive general liability, automobile liability, certain property insurance and public officials' errors and omissions liability insurance.

Each member county has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the Corporation are managed by an elected board of not more than nine trustees. Only county commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any one time. Each member county's control over the budgeting and financial of CORSA is limited to its voting authority and any representation it may have on the board of trustees. CORSA has issued certificate of participation in order to provide adequate cash reserves. The certificates are secured by the member counties' obligations to make coverage payments to CORSA. The participating counties have no responsibility for the payment of certificates. The Commission does not have any equity interest in CORSA since the Commission is included as a part of Richland County.

NOTE 10– CONTINGENCIES

Federal and State contracts are subject to review and audit by the grantor agencies or their designees. Such audits could lead to requests for reimbursement to the grantor agency for expenses disallowed under terms of the grant. There are no such claims pending and no known situations which would lead to such a claim. In addition, based upon prior experience and audit results, management believes that such disallowances, if any, would be immaterial.

In the normal course of its business activities, the Commission may become subject to claims and litigation relating to contracts, employment or other matters. In the opinion of management, the resolution of any such claims pending would not likely have a material impact on the Commission's financial position.

Perry & Associates

Certified Public Accountants, A.C.

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

November 1, 2010

Executive Committee
Richland County Regional Planning Commission
35 North Park Street, Suite 230
Mansfield, Ohio 44902

To the Executive Committee:

We have audited the financial statements of the business-type activities of the **Richland County Regional Planning Commission, Richland County, Ohio** (the Commission) as of and for the year ended June 30, 2010, which collectively comprise the Commission's basic financial statements as listed in the table of contents and have issued our report thereon dated November 1, 2010. 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 as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Commission's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a more than reasonable possibility that a material misstatement of the Commission's financial statements will not be prevented, or detected and timely corrected.

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

Compliance and Other Matters

As part of reasonably assuring whether the Commission's basic 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*.

We intend this report solely for the information and use of management and the Executive Committee. It is not intended for anyone other than these specified parties.

Respectfully Submitted,

Perry & Associates CPA's A.C.

Perry and Associates
Certified Public Accountants, A.C.

RICHLAND COUNTY REGIONAL PLANNING COMMISSION

SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2010

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; ***Explain***
2009-01	Sound Financial Reporting	Yes	N/A

Mary Taylor, CPA
Auditor of State

RICHLAND COUNTY REGIONAL PLANNING COMMISSION

RICHLAND 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
DECEMBER 23, 2010

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