



**STARK COUNTY REGIONAL PLANNING COMMISSION  
STARK COUNTY**

**SINGLE AUDIT**

**FOR THE YEAR ENDED DECEMBER 31, 2002**



**Auditor of State  
Betty Montgomery**



**STARK COUNTY REGIONAL PLANNING COMMISSION  
STARK COUNTY**

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Stark County Regional Planning Commission  
Stark County  
201 Third Street, N.E., Suite 201  
Canton, Ohio 44702-1231

To the Commission Members:

We have audited the accompanying financial statements of the Stark County Regional Planning Commission, Stark County, Ohio, (the Commission) as of and for the year ended December 31, 2002. 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 generally accepted accounting principles.

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 Commission as of December 31, 2002, and its cash receipts and disbursements for the year then ended on the basis of accounting described in Note 1.

As more fully discussed in Note 2, the Special Revenue fund balance was restated as of January 1, 2002, to correct the classification of the Geographical Information System Fund.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 4, 2003 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.

We performed our audit to form an opinion on the financial statements of the Commission, taken as a whole. The accompanying Schedule of Receipts and Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of management, the Commission members, federal awarding agencies and pass-through entities, and other officials authorized to receive this report under § 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

August 4, 2003

**STARK COUNTY REGIONAL PLANNING COMMISSION  
STARK COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Taxes	\$3,931		\$3,931
Charges for Services	78,912		78,912
Licenses and Permits	13,171		13,171
Intergovernmental	1,780,012		1,780,012
Other Revenue	29,256		29,256
	<u>1,905,282</u>		<u>1,905,282</u>
Total Cash Receipts	<u>1,905,282</u>		<u>1,905,282</u>
<b>Cash Disbursements:</b>			
Personal Services - Salaries and Wages	1,064,854		1,064,854
Personal Services - Employee Benefits	325,276		325,276
Supplies and Materials	54,299	\$2,352	56,651
Purchased Services	218,002	200,000	418,002
Capital Outlay	18,900		18,900
Other Allocations	19,238		19,238
	<u>1,700,569</u>	<u>202,352</u>	<u>1,902,921</u>
Total Disbursements	<u>1,700,569</u>	<u>202,352</u>	<u>1,902,921</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>204,713</u>	<u>(202,352)</u>	<u>2,361</u>
Excess of Cash Receipts Over/(Under) Cash Disbursements	204,713	(202,352)	2,361
Fund Cash Balance, January 1 (Restated)	<u>285,062</u>	<u>220,000</u>	<u>505,062</u>
<b>Fund Cash Balance, December 31</b>	<b><u>\$489,775</u></b>	<b><u>\$17,648</u></b>	<b><u>\$507,423</u></b>
Reserve for Encumbrances, December 31	<u>\$39,425</u>	<u>\$0</u>	<u>\$39,425</u>

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

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**STARK COUNTY REGIONAL PLANNING COMMISSION  
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Stark County Regional Planning Commission, Stark 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 is directed by a sixty-one member Board. The Board consists of representatives from participating political subdivisions, the county commissioners, and appointed citizens. The Commission formulates and reviews plans affecting long and short term social, economic, and governmental development within the region. The participating subdivisions are:

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

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

**B. Basis of Accounting**

These financial statements follow the basis of accounting 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. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

**C. Cash and Investments with Fiscal Agent**

As required by Ohio Revised Code, the Stark 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. The Commission's carrying amount of cash on deposit with the County at December 31, 2002 was \$507,423. The Stark County Treasurer is responsible for maintaining adequate depository collateral for all funds in the Stark County's pooled and deposit accounts and ensuring that all monies are invested in accordance with Ohio Revised Code.

**STARK COUNTY REGIONAL PLANNING COMMISSION  
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002  
(Continued)**

**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 classifies its funds into the following types:

**1. General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Fund**

This fund is used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Commission has the following Special Revenue Fund:

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

**E. Budgetary Process**

The Commission budgets each fund annually.

**1. Appropriations**

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

**2. Estimated Resources**

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

**3. Encumbrances**

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

A summary of 2002 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.

**STARK COUNTY REGIONAL PLANNING COMMISSION  
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002  
(Continued)**

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

**G. Accumulated Leave**

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

**2. CORRECTION OF ERROR**

Prior to January 1, 2002, the Geographic Information System Fund was improperly classified as an Agency Fund; therefore, the fund has been reclassified as a Special Revenue Fund. As a result of correcting this error, the fund cash balance has been restated as follows:

	Special Revenue Fund	Agency Fund
Previously Reported Fund Cash Balance, December 31, 2001	\$0	\$220,000
Reclassification of Geographic Information System	220,000	(220,000)
Restated Fund Balance, January 1, 2002	\$220,000	\$0

In addition, the effect of this adjustment on Excess of Cash Receipts Over/Under Cash Disbursements for 2001 was as follows:

	Special Revenue Fund	Agency Fund
Previously Reported Excess of Cash Receipts Under Cash Disbursements	\$0	(\$64,000)
Reclassification of Geographic Information System	(64,000)	64,000
Excess Cash Receipts Under Cash Disbursements for 2001	(\$64,000)	\$0

**3. BUDGETARY ACTIVITY**

Budgetary activity for the year ended December 31, 2002 follows:

2002 Budgeted vs. Actual Receipts			
	Budgeted Receipts	Actual Receipts	Variance
General	\$1,800,160	\$1,905,282	\$105,122
Special Revenue	0	0	0
Total	\$1,800,160	\$1,905,282	\$105,122

**STARK COUNTY REGIONAL PLANNING COMMISSION  
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,827,938	\$1,739,994	\$87,944
Special Revenue	220,000	202,352	\$17,648
Total	\$2,047,938	\$1,942,346	\$105,592

**4. RETIREMENT SYSTEM**

The Commission's employees belong to the Ohio Public Employees Retirement System (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.

Contribution rates are also prescribed by the Ohio Revised Code. For 2002, OPERS members contributed 8.5% of their gross salaries. The Commission contributed an amount equal to 13.55% of participants' gross salaries for 2002. The Commission has paid all contributions required through December 31, 2002.

**5. RISK MANAGEMENT**

**Commercial Insurance**

The Commission has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles;
- Inland Marine; and
- Commercial Crime.

**Health Insurance**

The Commission is also insured for employee health insurance through Stark County. The County has elected to provide benefits through a self-insured program. The maintenance of these benefits are accounted for in the County's Self Insurance Internal Service Fund. An excess coverage insurance (stop loss) policy covers annual claims in excess of \$150,000 per individual and \$6,100,394 for the County as a whole. Incurred but not reported annual claims in excess of \$1,024,318 have been accrued as a liability by the County.

**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.

**STARK COUNTY REGIONAL PLANNING COMMISSION  
STARK COUNTY**

**SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2002**

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	PASS THROUGH ENTITY NUMBER	FEDERAL CFDA NUMBER	RECEIPTS	EXPENDITURES
<b><u>U.S. DEPARTMENT OF TRANSPORTATION</u></b>				
<i>(Passed Through Ohio Department of Transportation)</i>				
Highway Planning and Construction Grant	PTS 2076 003 21	20.205	\$197,496	\$197,496
	PTS 2076 003 31		<u>103,487</u>	<u>103,487</u>
TOTAL FEDERAL ASSISTANCE			<b><u>\$300,983</u></b>	<b><u>\$300,983</u></b>

*The accompanying notes to this schedule are an integral part of this schedule.*

**STARK COUNTY REGIONAL PLANNING COMMISSION  
STARK COUNTY**

**NOTES TO THE SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2002**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The Schedule of Receipts and Expenditures of Federal Awards (the Schedule) summarizes activity of the Commission's federal award programs. The Schedule has been prepared on the cash basis of accounting.

**NOTE B - MATCHING REQUIREMENT**

The Highway Planning and Construction Grant, CFDA #20.205, requires that the Commission contribute non-Federal funds (matching funds) to support this Federally-funded program. The expenditures on non-Federal matching funds are not included on the Schedule.



## **Auditor of State Betty Montgomery**

### **INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Stark County Regional Planning Commission  
Stark County  
201 Third Street, N.E., Suite 201  
Canton, Ohio 44702-1231

To the Commission Members:

We have audited the financial statements of Stark County Regional Planning Commission, Stark County, Ohio, (the Commission) as of and for the year ended December 31, 2002, and have issued our report thereon dated August 4, 2003, wherein we noted a certain fund was reclassified to the Special Revenue fund type for 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*.

However, we noted a certain immaterial instance of noncompliance that we have reported to management of the Commission in a separate letter dated August 4, 2003.

#### **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 operation that we consider to be material weaknesses.

However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Commission in a separate letter dated August 4, 2003.

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This report is intended solely for the information and use of management and the Commission members, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

August 4, 2003





## **Auditor of State Betty Montgomery**

### **INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Stark County Regional Planning Commission  
Stark County  
201 Third Street, N.E., Suite 201  
Canton, Ohio 44702-1231

To the Commission Members:

#### **Compliance**

We have audited the compliance of the Stark County Regional Planning Commission, Stark County, Ohio, (the Commission) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2002. The Commission's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Commission's management. Our responsibility is to express an opinion on the Commission's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Commission's compliance with those requirements.

In our opinion, the Commission complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2002.

#### **Internal Control Over Compliance**

The management of the Commission is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Commission's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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Stark County Regional Planning Commission  
Stark County  
Independent Accountants' Report on Compliance with Requirements  
Applicable to Each Major Federal Program and Internal Control Over  
Compliance in Accordance with OMB Circular A-133  
Page 2

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program 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 internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information and use of management, the Commission members, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



**Betty Montgomery**  
Auditor of State

August 4, 2003

**STARK COUNTY REGIONAL PLANNING COMMISSION  
STARK COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2002**

**1. SUMMARY OF AUDITOR'S RESULTS**

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	Highway Planning and Construction/CFDA # 20.205
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None





**Auditor of State  
Betty Montgomery**

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**STARK COUNTY REGIONAL PLANNING COMMISSION**

**STARK COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
SEPTEMBER 23, 2003**