



**Auditor of State  
Betty Montgomery**



**REGIONAL PLANNING COMMISSION  
KNOX COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Accountants' Report.....	1
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balance – General Fund – For the Years Ended December 31, 2003 and December 31, 2002 .....	3
Notes to the Financial Statements .....	5
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	9

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Regional Planning Commission  
Knox County  
117 East High Street, Suite 221  
Mount Vernon, Ohio 43050

To the Members of the Commission:

We have audited the accompanying financial statements of the Regional Planning Commission, Knox County, Ohio, (the Commission) as of and for the years ended December 31, 2003, and 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 balance of the Commission as of December 31, 2003, and December 31, 2002, and its cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2004, 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.

Regional Planning Commission  
Knox County  
Independent Accountants' Report  
Page 2

This report is intended solely for the information and use of management, the Members of the Commission, 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.

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**Betty Montgomery**  
Auditor of State

March 15, 2004

**REGIONAL PLANNING COMMISSION  
KNOX COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCE  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND DECEMBER 31, 2002**

	<u>2003</u>	<u>2002</u>
<b>Cash Receipts:</b>		
Fees Charged to Subdivisions	\$23,800	\$9,707
Grant from Knox County	54,500	0
Permit Fees	860	0
	<hr/>	<hr/>
Total Cash Receipts	79,160	9,707
	<hr/>	<hr/>
<b>Cash Disbursements:</b>		
Salaries and Fringe Benefits	48,865	0
Contracts - Services	3,831	7,193
Travel and Training	95	0
Supplies	785	0
Other	19,404	196
	<hr/>	<hr/>
Total Disbursements	72,980	7,389
	<hr/>	<hr/>
Total Receipts Over Disbursements	6,180	2,318
Fund Cash Balance, January 1	34,407	32,089
	<hr/>	<hr/>
<b>Fund Cash Balance, December 31</b>	<b>\$40,587</b>	<b>\$34,407</b>
	<hr/> <hr/>	<hr/> <hr/>

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

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**REGIONAL PLANNING COMMISSION  
KNOX COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Regional Planning Commission, Knox 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 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:

Berlin Township	Jackson Township	Pleasant Township
Brown Township	Jefferson Township	Union Township
Butler Township	Middlebury Township	Wayne Township
Clay Township	Milford Township	Centerburg Village
Clinton Township	Miller Township	Danville Village
College Township	Monroe Township	Gambier Village
Harrison Township	Morgan Township	Martinsburg Village
Hilliard Township	Morris Township	Mount Vernon City
Howard Township	Pike Township	

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 Knox 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.

**D. Fund Accounting**

The Commission uses fund accounting to segregate cash and investments that are restricted as to use. The Commission's only fund is the General Fund, which is used to account for all financial resources.

**REGIONAL PLANNING COMMISSION  
KNOX COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

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

**E. Budgetary Process**

The Commission budgets its General Fund annually.

**1. Budget**

The Board annually approves a budget of the Commission's activity.

**2. Estimated Resources**

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

A summary of 2003 and 2002 budgetary activity appears in Note 2.

**F. 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.

**2. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2003 and December 31, 2002 follows:

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$64,000	\$79,160	\$15,160

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$77,243	\$72,980	\$4,263

**REGIONAL PLANNING COMMISSION  
KNOX COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**2. BUDGETARY ACTIVITY (Continued)**

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$13,620	\$9,707	(\$3,913)

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$35,000	\$7,389	\$27,611

**3. RETIREMENT SYSTEM**

The Commission's employee belongs to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including 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 2003, the PERS member contributed 8.5% of his gross salaries. The Commission contributed an amount equal to 13.55% of the participant's gross salaries. The Commission has paid all contributions required through December 31, 2003.

**4. RISK MANAGEMENT**

Knox County provides insurance coverage for the Commission through the County's participation in the County Risk Sharing Authority Inc. This coverage includes comprehensive general liability, automobile liability, certain property coverage and public official's error and omissions liability insurance.

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## **Auditor of State Betty Montgomery**

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

Regional Planning Commission  
Knox County  
117 East High Street, Suite 221  
Mount Vernon, Ohio 43050

To the Members of the Commission:

We have audited the financial statements of the Regional Planning Commission (the Commission) as of and for the years ended December 31, 2003, and December 31, 2002 and have issued our report thereon dated March 15, 2004. 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 March 15, 2004.

#### **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.

This report is intended solely for the information and use of management and the Members of the Commission, 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

March 15, 2004



**Auditor of State  
Betty Montgomery**

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**REGIONAL PLANNING COMMISSION**

**KNOX 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  
MAY 4, 2004**