



**LUC REGIONAL PLANNING COMMISSION
LOGAN COUNTY
REGULAR AUDIT
FOR THE YEARS ENDED DECEMBER 31 2005 AND 2004**



**Auditor of State
Betty Montgomery**

**LUC REGIONAL PLANNING COMMISSION
LOGAN COUNTY**

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**Auditor of State
Betty Montgomery**

LUC Regional Planning Commission
Logan County
P.O. Box 219
East Liberty, Ohio 43319

To the Board of Commissioners:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS 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. Our Report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

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

Betty Montgomery
Auditor of State

September 25, 2006

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

LUC Regional Planning Commission
Logan County
P.O. Box 219
East Liberty, Ohio 43319

To the Board of Commissioners:

We have audited the accompanying financial statements of the LUC Regional Planning Commission, Logan County, (the Commission), as of and for the years ended December 31, 2005 and 2004. 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 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.

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, 2005 and 2004. While the Commission does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Commission has elected not to reformat its statements. Since this Commission does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2005 and 2004 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Commission as of December 31, 2005 and 2004, or its changes in financial position for the years then ended.

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Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances of the Commission, as of December 31, 2005 and 2004, 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, 2005 and 2004. The Commission has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2006, on our consideration of the Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. 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.



Betty Montgomery
Auditor of State

September 25, 2006

**LUC REGIONAL PLANNING COMMISSION
LOGAN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2005**

Cash Receipts:

Fees Charged to Subdivisions	\$119,777
Contractual Services	27,845
Investment Income	800
Plats (Preliminary and Final)	4,643
US 33 Corridor Membership	3,450
Other Receipts	<u>2,442</u>
 Total Cash Receipts	 <u>158,957</u>

Cash Disbursements:

Salaries	91,735
Supplies	3,516
Equipment	1,471
Travel	3,565
Public Employee's Retirement	12,359
Worker's Compensation	1,366
Hospital/Life Insurance	12,774
Building	7,918
Utilities	3,533
Union County Reimbursement for Filing Plat	3,219
Professional Development	1,497
Medicare	1,290
Other	<u>4,422</u>
 Total Cash Disbursements	 <u>148,665</u>

Total Cash Receipts Over Cash Disbursements 10,292

Fund Cash Balance, January 1 16,400

Fund Cash Balance, December 31 **\$26,692**

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

**LUC REGIONAL PLANNING COMMISSION
LOGAN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2004**

Cash Receipts:

Fees Charged to Subdivisions	\$112,811
Contractual Services	12,300
Investment Income	767
Plats (Preliminary and Final)	5,385
WWTP Review (Quincy)	3,261
Other Receipts	<u>1,948</u>
 Total Cash Receipts	 <u>136,472</u>

Cash Disbursements:

Salaries	100,511
Supplies	3,579
Equipment	2,170
Travel	2,315
Public Employee's Retirement	13,183
Worker's Compensation	1,237
Hospital/Life Insurance	15,470
Building	5,391
Utilities	3,456
Union County Reimbursement for Filing Plat	1,700
Professional Development	1,703
Medicare	1,416
Other	<u>4,866</u>
 Total Cash Disbursements	 <u>156,997</u>

Total Cash Receipts (Under) Cash Disbursements	(20,525)
 Fund Cash Balance, January 1	 <u>36,925</u>
 Fund Cash Balance, December 31	 <u><u>\$16,400</u></u>

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

**LUC REGIONAL PLANNING COMMISSION
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges for the Logan (LUC) Regional Planning Commission, Logan County, (the Commission), as a body corporate and politic. A 21 member executive committee governs the Commission. 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 as well as land use planning for Logan, Union, and Champaign Counties and their subsequent jurisdictions. In addition, the Commission is the subdivision platting authority for Logan, Union, and Champaign Counties. Hence, the Commission reviews and approves (or disapproves) preliminary and final subdivision plats. The Commission is also required by the Ohio Revised Code to review and make recommendations on zoning amendments in the unincorporated areas of the Counties.

On January 1, 2000, Logan County became the fiscal agent for the commission. The participating subdivisions are:

Logan County	Union County	Champaign County
City of Bellefontaine	City of Dublin	City of Urbana
Village of Huntsville	Village of Richwood	Village of North Lewisburg
Village of DeGraff	Allen Township	Village of St. Paris
Village of Belle Center	Millcreek Township	Village of Christiansburg
Village of Valley Hi	Washington Township	Village of Woodstock
Village of Lakeview	York Township	Village of Mechanicsburg
Village of Russell's Point	Leesburg Township	Union Township
Village of Quincy	Liberty Township	Rush Township
Village of West Liberty	Union Township	Urbana Township
McArthur Township	Darby Township	Goshen Township
Liberty Township	Taylor Township	Jackson Township
Jefferson Township	Dover Township	Harrison Township
Lake Township	Jerome Township	Adams Township
Pleasant Township	Claibourne Township	Johnson Township
Perry Township		Concord Township
Stokes Township		Salem Township
Union Township		Wayne Township
Washington Township		Madraver Township
Bokescreek Township		
Miami Township		
Harrison Township		
Richland Township		
Zane Township		

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

**LUC REGIONAL PLANNING COMMISSION
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Accounting

These financial statements follow the basis of accounting the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. This basis recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 the Auditor of State prescribes or permits.

C. Cash and Investments

As the Ohio Revised Code requires, the Logan County Treasurer is the custodian of the Commission's monies. The County holds the Commission's assets in its cash and investment pool, valued at the County Treasurer's reported carrying amount.

The carrying amount of cash at December 31 was as follows:

	<u>2005</u>	<u>2004</u>
Demand Deposits	<u>\$26,692</u>	<u>\$16,400</u>

D. Fund Accounting

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

General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

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 level of control. Appropriations lapse at year end.

2. Estimated Resources

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

**LUC REGIONAL PLANNING COMMISSION
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 2005 and 2004 budgetary activity appears in Note 2.

F. Property, Plant, and Equipment

The Commission records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

2. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2005 and 2004 follows:

2005 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$164,127	\$158,957	(\$5,170)

2005 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$170,847	\$148,665	\$22,182

2004 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$133,237	\$136,472	\$3,235

2004 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$167,007	\$156,997	\$10,010

**LUC REGIONAL PLANNING COMMISSION
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004
(Continued)**

3. RETIREMENT SYSTEMS

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

The Ohio Revised Code also prescribes contribution rates. For 2005 and 2004, OPERS members contributed 9.00 and 8.5 percent of their gross salaries, respectively. The Commission contributed an amount equal to 13.55 percent of participants' gross salaries. The Commission has paid all contributions required through December 31, 2005.

4. RISK MANAGEMENT

The Commission has obtained commercial insurance for the following risks:

- Property and liability, and
- Director's Liability

The Commission's full-time employees are covered under a health insurance plan obtained through Logan County.



Auditor of State Betty Montgomery

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

LUC Regional Planning Commission
Logan County
P.O. Box 219
East Liberty, Ohio 43319

To the Board of Commissioners:

We have audited the financial statements of the LUC Regional Planning Commission, Logan County, (the Commission), as of and for the years ended December 31, 2005 and 2004, and have issued our report thereon dated September 25, 2006, wherein we noted the Commission followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in 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 to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses.

Compliance and Other Matters

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

LUC Regional Planning Commission
Logan County
Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

We intend this report solely for the information and use of the management, and the Board of Commissioners. It is not intended for 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

September 25, 2006



**Auditor of State
Betty Montgomery**

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LUC REGIONAL PLANNING COMMISSION

LOGAN 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
OCTOBER 17, 2006**