



**REGIONAL PLANNING COMMISSION  
FAIRFIELD COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2005-2004**



**Auditor of State  
Betty Montgomery**



**REGIONAL PLANNING COMMISSION  
FAIRFIELD COUNTY**

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Regional Planning Commission  
Fairfield County  
210 East Main Street  
Lancaster, Ohio 43130

To the Board of Commissioners:

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Regional Planning Commission, Fairfield County, Ohio (the Commission), as of and for the years ended December 31, 2005 and December 31, 2004 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 opinions.

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Regional Planning Commission, Fairfield County, Ohio, as of December 31, 2005 and December 31, 2004, and the respective changes in cash financial position and the budgetary comparison for the General Fund thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

For the years ended December 31, 2005, and December 31, 2004, the Commission revised its financial presentation comparable to the requirements of Governmental Accounting Standard No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 18, 2006, on our consideration of the Commissioner'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.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board 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.

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

**Betty Montgomery**  
Auditor of State

July 18, 2006

**REGIONAL PLANNING COMMISSION  
FAIRFIELD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND DECEMBER 31, 2004  
Unaudited**

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This discussion and analysis of Regional Planning Commission (the Commission) financial performance provides an overall review of the Commission's financial activities for the years ended December 31, 2005, and December 31, 2004, within the limitations of the Commission's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Commission's financial performance.

**Highlights**

Key highlights for 2005 were as follows:

Net assets of governmental activities increased \$31,030 or 22 percent as compared to 2004. The primary reason for the increase in cash balances was due to a rise in county development.

The Commission's general receipts are primarily contributions received from each member, based on the last federal census, development application review fees, and grant administration fees. These receipts represent approximately 39 percent of the total cash received for governmental activities during the year.

Key highlights for 2004 were as follows:

Net assets of governmental activities decreased \$25,462 or 15 percent. The decrease was due to a decline in county development.

The Commission's general receipts are primarily contributions received from each member, based on the last federal census, development application review fees, and grant administration fees. These receipts represent approximately 41 percent of the total cash received for governmental activities during the year.

**Using the Basic Financial Statements**

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Commission's cash basis of accounting.

**Report Components**

The statement of net assets and the statement of activities provide information about the cash activities of the Commission as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Commission as a way to segregate money whose use is restricted to a particular specified purpose.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

**Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Commission has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

**REGIONAL PLANNING COMMISSION  
FAIRFIELD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND DECEMBER 31, 2004**  
Unaudited  
(Continued)

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As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

**Reporting the Commission as a Whole**

The statement of net assets and the statement of activities reflect how the Commission did financially during 2005 and 2004, within the limitations of cash basis accounting. The statement of net assets presents the cash balances of the governmental activities of the Commission at year end. The statement of activities compares cash disbursements with program receipts for each governmental program activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Commission's general receipts.

These statements report the Commission's cash position and the changes in cash position. Within the limitations of the cash basis of accounting, these changes are one way to measure the Commission's financial health. Over time, increases or decreases in the Commission's cash position is one indicator of whether the Commission's financial health is improving or deteriorating.

The statement of net assets and the statement of activities present governmental activities, which includes all the Commission's services. The Commission has no business-type activities.

**Reporting the Commission's Funds**

Fund financial statements provide detailed information about the Commission's major fund - not the Commission as a whole. The Commission has one governmental fund and one fiduciary fund.

Governmental Fund - The Commission's activities are reported in a governmental fund. The governmental fund financial statements provide a detailed view of the Commission's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Commission's programs. The Commission's significant governmental fund is presented on the financial statements. The Commission's General Funds is presented as major. The Commission has no non-major funds. Because the Commission reports on a cash basis and there is only one governmental fund, the total of the governmental funds matches governmental activities and no reconciliation is required.

Fiduciary Fund – This fund is used to account for assets held by the Commission in a trustee capacity or as an agent for individuals, private organizations, and/or other governments. The Commission's fiduciary fund type is an agency fund. This fund is purely custodial in nature (assets equal liabilities) and thus does not involve measurement of results of operations. The fiduciary fund financial statements can be found on pages 14 and 21 of this report.



**REGIONAL PLANNING COMMISSION  
FAIRFIELD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND DECEMBER 31, 2004**  
Unaudited  
(Continued)

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**The Commission as a Whole**

Table 1 provides a summary of the Commission's net assets for 2005 compared to 2004 and 2003 on a cash basis:

(Table 1)

	<b>Net Assets</b>		
	<u>Governmental Activities</u>		
	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b>Assets</b>			
Cash	\$ 174,698	\$ 143,668	\$ 169,130
Total Assets	<u>174,698</u>	<u>143,668</u>	<u>169,130</u>
<b>Net Assets</b>			
Unrestricted	174,698	143,668	169,130
Total Net Assets	<u>\$ 174,698</u>	<u>\$ 143,668</u>	<u>\$ 169,130</u>

As mentioned previously, net assets of governmental activities increased \$31,030 or 22 percent during 2005. The primary reason for the increase in cash balances was due to an increase of fees collected for lot splits and plats as development began to rise within the county.

Also as mentioned previously, net assets of governmental activities decreased \$25,462 or 15 percent during 2004. The primary reason for the decrease in cash balances were was due to development within the county slowing down.

Table 2 reflects the changes in net assets in 2005 and 2004.

**REGIONAL PLANNING COMMISSION  
FAIRFIELD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND DECEMBER 31, 2004**  
Unaudited  
(Continued)

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(Table 2)  
**Changes in Net Assets**

	Governmental Activities	
	2005	2004
Receipts:		
Program Receipts:		
Charges for Services	\$ 224,210	\$207,549
Total Program Receipts	<u>224,210</u>	<u>207,549</u>
General Receipts:		
County Contributions-Intergovernmental Revenue	144,523	142,357
Miscellaneous	333	575
Total General Receipts	<u>144,856</u>	<u>142,932</u>
Total Receipts	<u>369,066</u>	<u>350,481</u>
Disbursements:		
General Government:		
Personal Services	211,252	216,984
Fringe Benefits	81,349	89,838
Materials and Supplies	1,696	2,596
Contractual Services	43,458	61,113
Total General Government	<u>337,755</u>	<u>370,531</u>
Capital Outlay	<u>281</u>	<u>5,412</u>
Total Disbursements	<u>338,036</u>	<u>375,943</u>
Increase (Decrease) in Net Assets	31,030	(25,462)
Net Assets Beginning of Year	<u>143,668</u>	<u>169,130</u>
Net Assets End of Year	<u>\$174,698</u>	<u>\$143,668</u>

In 2005, program receipts represent 61 percent of total receipts and are comprised of charges for services.

General receipts represent 39 percent of the Commission's total receipts. Miscellaneous receipts are usually minimal and will vary each year.

In 2004, program receipts represent 59 percent of total receipts and are comprised of charges for services.

General receipts represent 41 percent of the Commission's total receipts.

In both years, disbursements for General Government represent the costs of running the Commission. General Government disbursements represented 99 percent of total disbursements and are comprised of employee wages and benefits, materials and supplies, and contractual services.

**REGIONAL PLANNING COMMISSION  
FAIRFIELD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND DECEMBER 31, 2004**  
Unaudited  
(Continued)

**Governmental Activities**

The first column on the Statement of Activities for 2005 on page 10 and for 2004 on page 17, lists the major disbursement categories of the Commission. The next column identifies the amount of these disbursements. In 2005, the major program disbursements for governmental activities were General Government, which accounted for 99 percent of all disbursements. In 2004, the major program disbursements for governmental activities were also General Government, which accounted for 99 percent of all disbursements. The next two columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the services, permits and fees received by the Commission that must be used to provide a specific service. The Net (Disbursements) Receipts column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by member contributions. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

	<b>Governmental Activities</b>			
	Total Cost Of Services	Net Cost of Services	Total Cost Of Services	Net Cost of Services
	2005	2005	2004	2004
General Government:				
Personal Services	\$211,252	\$71,134	\$216,984	\$97,192
Fringe Benefits	81,349	27,392	89,838	40,241
Materials and Supplies	1,696	571	2,596	1,163
Contractual Services	43,458	14,634	61,113	27,374
Capital Outlay	281	95	5,412	2,424
<b>Total Expenses</b>	<b>\$338,036</b>	<b>\$113,826</b>	<b>\$375,943</b>	<b>\$168,394</b>

In 2005, 66 percent of disbursements were supported by program receipts. The dependence upon the member contributions is apparent as over 34 percent of governmental activities are supported through these general receipts.

In 2004, 55 percent of disbursements were supported by program receipts. The remaining 45 percent of governmental activities were supported by member contributions and fund balance.

**The Commission's Funds**

The Commission has only one governmental fund - the General Fund.

In 2005, total governmental funds had receipts of \$369,066 and disbursements of \$338,036. The fund balance of the General Fund increased \$31,030 as result of an increase of fees and charges for services.

In 2004, total governmental funds had receipts of \$350,481 and disbursements of \$375,943. The fund balance of the General Fund decreased \$25,462 as the result of a decrease of fees and charges for services.

**REGIONAL PLANNING COMMISSION  
FAIRFIELD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND DECEMBER 31, 2004**  
Unaudited  
(Continued)

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**General Fund Budgeting Highlights**

Although not required by Ohio Law, the Commission prepares a budget for the general fund which includes receipts estimates, appropriations, and encumbering funds.

The Commission did not amend budgeted receipts during 2005. Appropriations were slightly increased during 2005. Actual receipts of \$369,066 were \$37,934 less than anticipated due to unpredictable miscellaneous income. Actual disbursements of \$365,774 were \$84,716 less than the final budget for disbursements.

The Commission did not amend budgeted receipts during 2004. The Commission decreased appropriations during the year. Actual receipts during 2004 were \$91,219 less than anticipated due to unpredictable miscellaneous resources and a reduction in permit and inspection fees collected due to slowing development in the County. Actual disbursements were \$59,089 less than final appropriations for this same reason.

**Capital Assets and Debt Administration**

**Capital Assets**

The Commission uses the cash basis of accounting and does not report capital assets.

**Debt**

At December 31, 2005, the Commission had no outstanding debt.

**Contacting the Government's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Commission's finances and to reflect the Commission's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to R. Brooks Davis – Director, 210 E Main Street, Lancaster, Ohio 43130.

**REGIONAL PLANNING COMMISSION  
FAIRFIELD COUNTY**

*Statement of Net Assets - Cash Basis  
December 31, 2005*

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	<u>Governmental Activities</u>
<b>Assets</b>	
Cash	<u>\$174,698</u>
<i>Total Assets</i>	<u><u>\$174,698</u></u>
<b>Net Assets</b>	
Unrestricted	<u>174,698</u>
<i>Total Net Assets</i>	<u><u>\$174,698</u></u>

See accompanying notes to the basic financial statements

**REGIONAL PLANNING COMMISSION  
FAIRFIELD COUNTY**

*Statement of Activities - Cash Basis  
For the Year Ended December 31, 2005*

	Cash Disbursements	Program Cash Receipts	Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services	Governmental Activities
<b>Governmental Activities</b>			
General Government			
Personal Services	\$211,252	\$140,118	(\$71,134)
Fringe Benefits	81,349	53,957	(27,392)
Materials and Supplies	1,696	1,125	(571)
Contractual Services	43,458	28,824	(14,634)
Capital Outlay	281	186	(95)
<i>Total Governmental Activities</i>	<u>\$338,036</u>	<u>\$224,210</u>	<u>(113,826)</u>
<b>General Receipts</b>			
Member Contributions - Intergovernmental			144,523
Miscellaneous			333
<i>Total General Receipts</i>			<u>144,856</u>
Change in Net Assets			31,030
<i>Net Assets Beginning of Year</i>			<u>143,668</u>
<i>Net Assets End of Year</i>			<u><u>\$174,698</u></u>

See accompanying notes to the basic financial statements

**REGIONAL PLANNING COMMISSION  
FAIRFIELD COUNTY**

*Statement of Cash Basis Assets and Fund Balance  
General Fund  
December 31, 2005*

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	<u>General</u>
<b>Assets</b>	
Cash	\$174,698
Investments	
<i>Total Assets</i>	<u><u>\$174,698</u></u>
<b>Fund Balance</b>	
Reserved:	
Reserved for Encumbrances	\$27,738
Unreserved:	
Undesignated, Reported in:	
General Fund	146,960
<i>Total Fund Balance</i>	<u><u>\$174,698</u></u>

See accompanying notes to the basic financial statements

**REGIONAL PLANNING COMMISSION  
FAIRFIELD COUNTY**

*Statement of Cash Receipts, Disbursements and Changes in  
Cash Basis Fund Balance - General Fund  
For the Year Ended December 31, 2005*

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<b>Receipts</b>	
Charges for Services	\$22,700
Permits and Fees	201,510
Member Contributions - Intergovernmental	144,523
Miscellaneous	333
	<hr/>
<i>Total Receipts</i>	<i>369,066</i>
	<hr/>
<b>Disbursements</b>	
Current:	
General Government	
Personal Services	211,252
Fringe Benefits	81,349
Materials and Supplies	1,696
Contractual Services	43,458
Total General Government	<hr/> 337,755
Capital Outlay	<hr/> 281
	<hr/>
<i>Total Disbursements</i>	<i>338,036</i>
	<hr/>
<i>Net Change in Fund Balance</i>	<i>31,030</i>
	<hr/>
<i>Fund Balance Beginning of Year</i>	<i>143,668</i>
	<hr/>
<i>Fund Balance End of Year</i>	<i>\$174,698</i>
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See accompanying notes to the basic financial statements



**REGIONAL PLANNING COMMISSION  
FAIRFIELD COUNTY**

*Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual -Budget Basis  
General Fund  
For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Charges for Services	\$30,000	\$30,000	\$22,700	(\$7,300)
Permits and Fees	147,000	147,000	201,510	54,510
Member Contributions-Intergovernmental	160,000	160,000	144,523	(15,477)
Interest				0
Miscellaneous	<u>70,000</u>	<u>70,000</u>	<u>333</u>	<u>(69,667)</u>
<i>Total receipts</i>	<u>407,000</u>	<u>407,000</u>	<u>369,066</u>	<u>(37,934)</u>
<b>Disbursements</b>				
Current:				
General Government				
Personal Services	219,140	219,140	211,252	7,888
Fringe Benefits	82,600	92,040	81,349	10,691
Materials and Supplies	2,800	2,800	1,896	904
Contractual Services	<u>134,610</u>	<u>132,860</u>	<u>70,996</u>	<u>61,864</u>
Total General Government	439,150	446,840	365,493	81,347
Capital Outlay	<u>5,400</u>	<u>3,650</u>	<u>281</u>	<u>3,369</u>
<i>Total Disbursements</i>	<u>444,550</u>	<u>450,490</u>	<u>365,774</u>	<u>84,716</u>
<i>Net Change in Fund Balance</i>	(37,550)	(43,490)	3,292	46,782
<i>Fund Balance Beginning of Year</i>	98,858	98,858	98,858	0
<i>Prior Year Encumbrances Appropriated</i>	<u>44,810</u>	<u>44,810</u>	<u>44,810</u>	
<i>Fund Balance End of Year</i>	<u>\$106,118</u>	<u>\$100,178</u>	<u>\$146,960</u>	<u>\$46,782</u>

See accompanying notes to the basic financial statements

**REGIONAL PLANNING COMMISSION  
FAIRFIELD COUNTY**

*Statement of Fiduciary Assets and Liabilities - Agency Fund  
December 31, 2005*

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<b>Assets</b>	
Cash	\$187,927
Total assets	<u>\$187,927</u>
<b>Liabilities</b>	
Due to others	\$187,927
Total liabilities	<u>\$187,927</u>

See accompanying notes to the basic financial statements

**REGIONAL PLANNING COMMISSION  
FAIRFIELD COUNTY**

*Statement of Net Assets - Cash Basis  
December 31, 2004*

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	<u>Governmental Activities</u>
<b>Assets</b>	
Cash	<u>\$143,668</u>
<i>Total Assets</i>	<u><u>\$143,668</u></u>
<b>Net Assets</b>	
Unrestricted	<u>143,668</u>
<i>Total Net Assets</i>	<u><u>\$143,668</u></u>

See accompanying notes to the basic financial statements

**REGIONAL PLANNING COMMISSION  
FAIRFIELD COUNTY**

*Statement of Activities - Cash Basis  
For the Year Ended December 31, 2004*

	Cash Disbursements	Program Cash Receipts	Net (Disbursements) Receipts and Changes in Net Assets
		Charges for Services	Governmental Activities
<b>Governmental Activities</b>			
General Government			
Personal Services	\$216,984	\$119,792	(\$97,192)
Fringe Benefits	89,838	49,597	(40,241)
Materials and Supplies	2,596	1,433	(1,163)
Contractual Services	61,113	33,739	(27,374)
Capital Outlay	5,412	2,988	(2,424)
<i>Total Governmental Activities</i>	<u>\$375,943</u>	<u>\$207,549</u>	<u>(168,394)</u>
<b>General Receipts</b>			
Member Contributions - Intergovernmental			142,357
Interest			
Miscellaneous			575
<i>Total General Receipts</i>			<u>142,932</u>
Change in Net Assets			(25,462)
<i>Net Assets Beginning of Year</i>			<u>169,130</u>
<i>Net Assets End of Year</i>			<u>\$143,668</u>

See accompanying notes to the basic financial statements

**REGIONAL PLANNING COMMISSION  
FAIRFIELD COUNTY**

*Statement of Cash Basis Assets and Fund Balance  
General Fund  
December 31, 2004*

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<b>Assets</b>	
Cash	\$143,668
<i>Total Assets</i>	<u>\$143,668</u>
<b>Fund Balance</b>	
Reserved:	
Reserved for Encumbrances	\$44,810
Unreserved:	
Undesignated, Reported in:	
General Fund	98,858
<i>Total Fund Balance</i>	<u>\$143,668</u>

See accompanying notes to the basic financial statements

**REGIONAL PLANNING COMMISSION  
FAIRFIELD COUNTY**

*Statement of Cash Receipts, Disbursements and Changes in  
Cash Basis Fund Balance - General Fund  
For the Year Ended December 31, 2004*

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<b>Receipts</b>	
Charges for Services	\$56,200
Permits and Fees	151,349
Member Contributions - Intergovernmental	142,357
Miscellaneous	575
	<hr/>
<i>Total Receipts</i>	<i>350,481</i>
	<hr/>
<b>Disbursements</b>	
Current:	
General Government	
Personal Services	216,984
Fringe Benefits	89,838
Materials and Supplies	2,596
Contractual Services	61,113
Total General Government	<hr/> 370,531
Capital Outlay	<hr/> 5,412
	<hr/>
<i>Total Disbursements</i>	<i>375,943</i>
	<hr/>
<i>Net Change in Fund Balance</i>	<i>(25,462)</i>
	<hr/>
<i>Fund Balance Beginning of Year</i>	<i>169,130</i>
	<hr/>
<i>Fund Balance End of Year</i>	<i>\$143,668</i>
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See accompanying notes to the basic financial statements

**REGIONAL PLANNING COMMISSION  
FAIRFIELD COUNTY**

*Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual -Budget Basis  
General Fund  
For the Year Ended December 31, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Charges for Services	\$37,700	\$37,700	\$56,200	\$18,500
Permits and Fees	190,000	190,000	151,349	(38,651)
Member Contributions-Intergovernmental	144,000	144,000	142,357	(1,643)
Miscellaneous	70,000	70,000	575	(69,425)
<i>Total receipts</i>	<u>441,700</u>	<u>441,700</u>	<u>350,481</u>	<u>(91,219)</u>
<b>Disbursements</b>				
Current:				
General Government				
Personal Services	219,140	219,140	216,984	2,156
Fringe Benefits	99,730	99,730	89,838	9,892
Materials and Supplies	3,035	3,035	2,696	339
Contractual Services	314,156	150,241	105,823	44,418
Total General Government	<u>636,061</u>	<u>472,146</u>	<u>415,341</u>	<u>56,805</u>
Capital Outlay	<u>7,696</u>	<u>7,696</u>	<u>5,412</u>	<u>2,284</u>
<i>Total Disbursements</i>	<u>643,757</u>	<u>479,842</u>	<u>420,753</u>	<u>59,089</u>
<i>Net Change in Fund Balance</i>	(202,057)	(38,142)	(70,272)	(32,130)
<i>Fund Balance Beginning of Year</i>	144,243	144,243	144,243	0
<i>Prior Year Encumbrances Appropriated</i>	<u>24,887</u>	<u>24,887</u>	<u>24,887</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>(\$32,927)</u>	<u>\$130,988</u>	<u>\$98,858</u>	<u>(\$32,130)</u>

See accompanying notes to the basic financial statements

**REGIONAL PLANNING COMMISSION  
FAIRFIELD COUNTY**

*Statement of Fiduciary Assets and Liabilities - Agency Fund  
December 31, 2004*

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<b>Assets</b>	
Cash	\$259,334
Total assets	<u>\$259,334</u>
<b>Liabilities</b>	
Due to others	\$259,334
Total liabilities	<u>\$259,334</u>

See accompanying notes to the basic financial statements



**REGIONAL PLANNING COMMISSION  
FAIRFIELD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**

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**Note 1 - Reporting Entity**

The Regional Planning Commission, Fairfield County, Ohio (the Commission) was created in 1971 in accordance with 303.04 of the Ohio Revised Code. The Commission is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio, particularly Revised Code Section 713.21. The Commission is composed of forty-two voting members consisting of the following: Municipal Members, Township Members, Citizen Members, Fairfield County Board of Commissioners and three At Large Members (resident citizens of the region) and Ex-officio Members consisting of: the County Engineer, the District Conservationist of the Soil Conservation District, the District Technician of the Fairfield Soil and Water Conservation District, a representative from the Health Department, the County Sanitary Engineer and other appropriate officials as may be appointed by the Regional Planning Commission.

The Commission is operated by an Executive Committee consisting of: President, two Vice Presidents, Secretary, Immediate past President and not less than two other members. The Regional Planning Commission grants the Director authorization to execute transactions up to budgeted expenditures and disbursements, or commitments or purchase orders for expenditure of disbursements. Unbudgeted expenditures require Regional Planning Commission approval. The Fairfield County Auditor is the Fiscal Officer for the Commission.

**Jointly Governed and Other Related Organization.** A jointly governed organization is a regional government or other multi-governmental arrangement that is governed by representatives from each of the governments that create the organization, but that is not a joint venture because the participants do not retain an ongoing financial interest or responsibility. The Commission participates in the County Risk Sharing Authority (CORSA), a public entity risk pool. Note 9 to the basic financial statements provides additional information for this entity.

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

**Note 2 - Summary of Significant Accounting Policies**

As discussed further in Note 2C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements, Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The following are the more significant of the Commission's accounting policies.

**A. Basis of Presentation**

The Commission's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**REGIONAL PLANNING COMMISSION  
FAIRFIELD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004  
(Continued)**

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**Note 2 - Summary of Significant Accounting Policies** (Continued)

**Government-Wide Financial Statements**

The statement of net assets and the statement of activities display information about the Commission as a whole. These statements include the financial activities of the Commission. The activities of the Commission are considered governmental.

Governmental activities generally are financed through charges for services, intergovernmental revenues and other non-exchange transactions.

The statement of net assets presents the cash balance of the governmental activities of the Commission at year-end. The statement of activities compares disbursements with program receipts for each of the Commission's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Commission is responsible. Program receipts include charges paid by the recipient of the program's goods or services and fees restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Commission's general receipts.

**Fund Financial Statements**

During the year, the Commission segregates transactions related to certain Commission functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Commission at this more detailed level. The Commission has only one governmental fund, the general fund. The Commission has no proprietary fund and one fiduciary fund.

**B. Fund Accounting**

The Commission uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The funds of the Commission are governmental and fiduciary.

**Governmental Fund**

The Commission classifies funds financed primarily from intergovernmental receipts (e.g. member contributions), charges for services, licenses, permits and fees, and other non-exchange transactions as governmental funds. The Commission's only governmental fund is the General Fund. The General Fund is used to account for all financial resources and is presented as the major fund. The General Fund balance is available to the Commission for any purpose provided it is expended or transferred according to the general laws of Ohio.

**Fiduciary Fund**

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Commission's agency fund accounts for cash bonds received by developers. Upon completion of a subdivision, the bonds are returned to the developer.

**REGIONAL PLANNING COMMISSION  
FAIRFIELD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004  
(Continued)**

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**Note 2 - Summary of Significant Accounting Policies** (Continued)

**C. Basis of Accounting**

The Commission's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Commission's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

**D. Budgetary Process**

The Commission, although not required by Ohio Law, adopts a budget annually. The major documents prepared are the tax budget, the certificate of estimated resources, and appropriations, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Commission may appropriate.

Appropriations are the Commission's authorization to spend resources and sets limits on expenditures plus encumbrances at the level of control selected by the Commission. The legal level of control has been established at the fund/function level.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Commission's Executive Director. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Commission.

Appropriations are subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Commission during the year.

**E. Cash and Investments**

As required by the Ohio Revised Code, the Fairfield County Treasurer holds the Commission's cash as custodian for the Commission. The Commission's assets are held in the County's cash and investment pool, and are valued at the Treasurer's reported carrying amount.

**F. Capital Assets**

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

**REGIONAL PLANNING COMMISSION  
FAIRFIELD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004  
(Continued)**

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**Note 2 - Summary of Significant Accounting Policies** (Continued)

**G. Accumulated Leave**

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

**H. Employer Contributions to Cost-Sharing Pension Plans**

The Commission recognizes the disbursement for their employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits.

**I. Net Assets**

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Commission has no restricted net assets.

The Commission's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

**J. Fund Balance Reserves**

The Commission reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved and undesignated fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances.

**Note 3 - Change in Reporting Presentation**

For the years ended December 31, 2005 and December 31, 2004, the Commission revised its financial statement presentation comparable to the requirements of Governmental Accounting Standard No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

**Note 4 - Budgetary Basis of Accounting**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual - Budgetary Basis for the General Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year-end encumbrances are treated as expenditures (budgetary basis) rather than as a reservation of fund balance (cash basis). The encumbrances outstanding at December 31, 2005 and December 31, 2004 (budgetary basis) amounted to \$27,738 and \$44,810, respectively, for the General Fund.

**REGIONAL PLANNING COMMISSION  
FAIRFIELD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004  
(Continued)**

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**Note 5 - Funding**

The Commission has the responsibility for funding in accordance with one of the following methods:

1. Each cooperating member jurisdiction shall contribute in each calendar year such sum as shall be determined and appropriated by the legislative authority of the respective jurisdiction but in no event less than twenty cents for each person residing in said jurisdiction according to the last federal census.
2. Each county cooperating herein shall contribute in each calendar year such sum as shall be determined and appropriated by legislative authority of the respective county, but in no event less than twenty cents for each person residing in the cooperating portions of said county according to the last federal census.
3. In any combination of the above.

**Note 6 - Risk Management**

The Commission is exposed to various risks of loss related to torts, theft of, damage to or destruction of assets, and natural disasters. By contracting with the County Risk Sharing Authority (CORSA) for liability and property insurance, the Commission has addressed these various types of risk.

The CORSA program has a \$2,500 deductible. General liability insurance is maintained in the amount of \$1,000,000 for each occurrence, \$5,000,000 umbrella, and no annual aggregate.

**Note 7 - Defined Benefit Pension Plans**

The Commission participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings.

The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, 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 and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

**REGIONAL PLANNING COMMISSION  
FAIRFIELD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004  
(Continued)**

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**Note 7 - Defined Benefit Pension Plans (continued)**

For the year ended December 31, 2005, the members of all three plans were required to contribute 8.5 percent of their annual covered salaries. The Commission's contribution rate for pension benefits for 2005 was 9.55 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Commission's required contributions for pension obligations to the traditional plan for the years ended December 31, 2005, 2004, and 2003 were \$28,484, \$29,354, and \$27,867 respectively; 92 percent has been contributed for 2005, and 100 percent has been contributed for 2004 and 2003.

**Note 8 - Postemployment Benefits**

The OPERS provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2005 local government employer contribution rate was 13.55 percent of covered payroll; 4.00 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2003, include a rate of return on investments of 8.00 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase between 1.00 and 6.00 percent annually for the next eight years and 4.00 percent annually after eight years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans was 376,109. Actual Commission contributions for 2005 which were used to fund postemployment benefits were \$46,418. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2004, (the latest information available) were \$10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.5 billion and \$18.7 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs. Member contribution and employer rates increased as of January 1, 2006, which will allow additional funds to be allocated to the Health Care Plan.

**REGIONAL PLANNING COMMISSION  
FAIRFIELD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004  
(Continued)**

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**Note 9 - Public Entity Risk Pool**

The County Risk Sharing Authority, Inc. (CORSA) is a shared risk pool among forty-one counties in Ohio. CORSA was formed as an Ohio non-profit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Members agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by CORSA. The coverage includes comprehensive general liability, automobile liability, certain property insurance, and public officials' errors and omissions liability insurance.

Each member has one vote on all matters requiring a vote, which will be cast by a designated representative. An elected board of not more than nine trustees manages the affairs of the Corporation. 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 time. Each member's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the board of trustees. CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the members' obligations to make coverage payments to CORSA. The participating members have no responsibility for the payment of the certificates. The Commission does not have an equity interest in CORSA.

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**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***

Regional Planning Commission  
Fairfield County  
210 East Main Street  
Lancaster, Ohio 43130

To the Board of Commissioners:

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Regional Planning Commission (the Commission) as of and for the years ended December 31, 2005 and December 31, 2004, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated July 18, 2006. 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 in order 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*.

35 N. Fourth St. / Second Floor / Columbus, OH 43215  
Telephone: (614) 466-3402 (800) 443-9275 Fax: (614) 728-7199  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

Independent Accountants' Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Required By *Government Auditing Standards*  
Regional Planning Commission  
Fairfield County  
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**

July 18, 2006



**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**FAIRFIELD COUNTY REGIONAL PLANNING COMMISSION**

**FAIRFIELD 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  
AUGUST 31, 2006**