

**ASHLAND COUNTY REGIONAL PLANNING COMMISSION**

**INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEARS ENDED**

**DECEMBER 31, 2005 AND DECEMBER 31, 2004**





**Auditor of State  
Betty Montgomery**

Board of Commissioners  
Ashland County Regional Planning Commission  
110 Cottage Street  
Ashland, Ohio 44805

We have reviewed the *Independent Auditor's Report* of the Ashland County Regional Planning Commission, Ashland County, prepared by Varney, Fink & Associates, Inc., for the audit period January 1, 2004 through December 31, 2005. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditor's Report* on your financial statements. While the Auditor of State 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. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditor's Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Ashland County Regional Planning Commission is responsible for compliance with these laws and regulations.

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

BETTY MONTGOMERY  
Auditor of State

December 20, 2006

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**ASHLAND COUNTY REGIONAL PLANNING COMMISSION  
FINANCIAL STATEMENTS  
FOR THE YEARS ENDED  
DECEMBER 31, 2005 AND DECEMBER 31, 2004**

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**INDEPENDENT AUDITOR'S REPORT**

Board of Commissioners  
Ashland County Regional Planning Commission  
110 Cottage Street  
Ashland, Ohio 44805

We have audited the accompanying financial statement of the Ashland County Regional Planning Commission (the Commission), Ashland, Ohio, as of and for the years ended December 31, 2005 and 2004. These financial statements are the responsibility of the Commission management. Our responsibility is to express an opinion on this financial statement 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 assurance whether the financial statement is 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 the 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 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. Instead of the combined funds the accompanying financial statements present for 2005 and 2004, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 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.

## **INDEPENDENT AUDITOR'S REPORT** (continued)

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.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Ashland County Regional Planning Commission, Ashland County, as of December 31, 2005 and 2004 and its combined 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 November 8, 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 do 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 compliances, 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.

VARNEY, FINK & ASSOCIATES, INC.  
Certified Public Accountants

November 8, 2006

**Ashland County Regional Planning Commission**  
**Ashland County**  
**Statement of Cash Receipts, Cash Disbursements, and**  
**Changes in Fund Cash Balances**  
**General Fund**  
**For the Years Ended December 31, 2005 and December 31, 2004**

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	<u>2005</u>	<u>2004</u>
Cash Receipts:		
Fees Charged to Subdivisions	\$10,247	\$10,247
Intergovernmental	50,873	50,873
Administrative Fees	28,831	41,332
Other	<u>1,274</u>	<u>1,064</u>
Total Cash Receipts	<u>91,225</u>	<u>103,516</u>
Cash Disbursements:		
Salaries	62,711	61,458
Supplies	1,192	1,305
Travel	133	258
Public Employee's Retirement	8,497	8,328
Worker's Compensation	582	839
Health Insurance	20,280	19,800
Other	<u>1,704</u>	<u>3,934</u>
Total Cash Disbursements	<u>95,099</u>	<u>95,922</u>
Total Cash Receipts Over/(Under) Cash Disbursements	(3,874)	7,594
Fund Cash Balances, January 1	<u>8,220</u>	<u>626</u>
Fund Cash Balances, December 31	<u><u>\$4,346</u></u>	<u><u>\$8,220</u></u>

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



ASHLAND COUNTY REGIONAL PLANNING COMMISSION  
ASHLAND COUNTY

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

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. **DESCRIPTION OF THE REPORTING ENTITY**

The Ashland County Regional Planning Commission, Ashland 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 was organized under section 713.21 of the Ohio Revised Code. The Commission is directed by a 45 member Board of Commissioners. 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:

Clear Creek Township	Montgomery Township	Village of Jeromesville
Green Township	Orange Township	Village of Loudonville
Hanover Township	Perry Township	Village of Mifflin
Jackson Township	Ruggles Township	Village of Perrysville
Lake Township	Sullivan Township	Village of Polk
Mifflin Township	Troy Township	Village of Savannah
Milton Township	Village of Bailey Lakes City of Ashland	
Mohican Township	Village of Hayesville	

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 Ashland 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.

ASHLAND COUNTY REGIONAL PLANNING COMMISSION  
ASHLAND COUNTY

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

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 has the following type:

General Fund

The General Fund is the general operating fund. It is used to account for all financial resources.

E. **BUDGETARY PROCESS**

The Commission budgets the General Fund annually.

1. Appropriations

The Board annually approves appropriations and subsequent amendments. Expenditures may not exceed appropriations at the fund, function 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.

A summary of 2005 and 2004 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.

G. **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.

ASHLAND COUNTY REGIONAL PLANNING COMMISSION  
ASHLAND COUNTY

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

2. **BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2005 and December 31, 2004 was as follows:

2005 Budget vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$98,000	\$91,225	(\$6,775)

2005 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$97,649	\$95,099	\$2,550

2004 Budget vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$104,000	\$103,516	(\$484)

2004 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$97, 899	\$95,922	\$1,977

3. **RETIREMENT SYSTEM**

The Commission's employees belong to the Public Employees Retirement System of Ohio (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 2005 and 2004, OPERS members contributed 8.5% of their gross salaries. The Commission contributed an amount equal to

ASHLAND COUNTY REGIONAL PLANNING COMMISSION  
ASHLAND COUNTY

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

3. **RETIREMENT SYSTEM** (continued)

13.55% of participants' gross salaries. The Commission has paid all contributions required through December 31, 2005.

4. **RISK MANAGEMENT**

Commercial Insurance

The Commission is included in Ashland County's Insurance policies with the County Risk Sharing Authority, Inc. for the following risks:

- § Comprehensive property and general liability;
- § Vehicles; and
- § Errors and omissions.

Health Insurance

The Commission is also included in Ashland County's self-insurance plan for employee health benefits. The Ashland County Self-Insurance Fund pays covered claims to service providers, and recovers these costs from charges to other funds based on actuarially determined cost per employee.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Commissioners  
Ashland County Regional Planning Commission  
110 Cottage Street  
Ashland, Ohio 44805

We have audited the financial statements of Ashland County Regional Planning Commission (the Commission), as of and for the years ended December 31, 2005 and 2004, and have issued our report thereon dated November 8, 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

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 opinions on the financial statements and not to provide an opinion 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 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 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.

Compliance and Other Matters

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 grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*** (continued)

This report is intended solely for the information and use of management and the Board of Commissioners, and is not intended to be and should not be used by anyone other than these specified parties.

VARNEY, FINK & ASSOCIATES, INC.  
Certified Public Accountants

November 8, 2006



**Auditor of State  
Betty Montgomery**

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**REGIONAL PLANNING COMMISSION**

**ASHLAND 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  
JANUARY 2, 2007**