



**REGIONAL PLANNING COMMISSION  
FAIRFIELD COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2007-2006**



**Mary Taylor, CPA**  
Auditor of State



**REGIONAL PLANNING COMMISSION  
FAIRFIELD COUNTY**

**TABLE OF CONTENTS**

TITLE	PAGE
Independent Accountants' Report.....	1
Management's Discussion and Analysis.....	3
<b>BASIC FINANCIAL STATEMENTS</b>	
Government-wide Financial Statements - December 31, 2007:	
Statement of Net Assets – Modified Cash Basis - December 31, 2007 .....	9
Statement of Activities – Modified Cash Basis – For the Year Ended December 31, 2007 .....	10
Fund Financial Statements - December 31, 2007:	
Statement of Modified Cash Assets and Fund Balance - General Fund - December 31, 2007 .....	11
Statement of Cash Receipts, Disbursements and Change in Modified Cash Basis Fund Balance - General Fund – For the Year Ended December 31, 2007 .....	12
Statement of Fiduciary Assets and Liabilities Agency Fund – December 31, 2007 .....	13
Government-wide Financial Statements - December 31, 2006:	
Statement of Net Assets – Modified Cash Basis - December 31, 2006 .....	14
Statement of Activities – Modified Cash Basis – For the Year Ended December 31, 2006 .....	15
Fund Financial Statements - December 31, 2006:	
Statement of Modified Cash Assets and Fund Balance - General Fund - December 31, 2006 .....	16
Statement of Cash Receipts, Disbursements and Change in Modified Cash Basis Fund Balance – General Fund – For the Year Ended December 31, 2006 .....	17
Statement of Fiduciary Assets and Liabilities Agency Fund – December 31, 2006 .....	18
Notes to the Basic Financial Statements .....	19
Supplementary Information: Schedule of Receipts - Disbursements and Changes in Fund Balance - Budget and Actual – Budget Basis – General Fund – For the Year Ended December 31, 2007 .....	25
Supplementary Information: Schedule of Receipts Disbursements and Changes in Fund Balance - Budget and Actual – Budget Basis – General Fund – For the Year Ended December 31, 2006 .....	26
Independent Accountants' Report on Internal Control Over Financial Reporting And On Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	27

**THIS PAGE INTENTIONALLY LEFT BLANK**



# Mary Taylor, CPA

Auditor of State

## 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, 2007 and 2006, 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 modified 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 modified 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, 2007 and 2006, and the respective changes in modified cash financial position in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 1, 2008, 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.

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.

We conducted our audit to opine on the financial statements that collectively comprise the Commission's basic financial statements. The Schedule of Receipts, Disbursements and Changes in Fund Balance Budget and Actual – Budget Basis – General Fund for the years ended December 31, 2007 and 2006 provide additional information and are not a required part of the basic financial statements. We subjected the Schedule of Receipts, Disbursements and Changes in Fund Balance Budget and Actual – Budget Basis – General Fund for the years ended December 31, 2007 and 2006 to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

**Mary Taylor, CPA**  
Auditor of State

August 1, 2008

**REGIONAL PLANNING COMMISSION  
FAIRFIELD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2007 AND DECEMBER 31, 2006  
UNAUDITED**

---

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, 2007, and 2006, 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 2007 were as follows:

Net assets of governmental activities decreased \$10,758 or 9.3 percent as compared to 2006. The primary reason for the decrease in cash balances was due to increase in expenditures not offset by the increase in county development.

The Commission's general receipts are primarily contributions received from each member and based on the last federal census. These receipts represent approximately 44.8 percent of the total cash received for governmental activities during the year.

Key highlights for 2006 were as follows:

Net assets of governmental activities decreased \$58,482 or 33.5 percent. The decrease was due to a decline in county development.

The Commission's general receipts are primarily contributions received from each member and based on the last federal census. These receipts represent approximately 54.9 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 modified cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the modified 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 YEAR ENDED DECEMBER 31, 2007 AND 2006  
UNAUDITED  
(Continued)**

---

As a result of using the modified 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 modified 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 2007 and 2006, 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 Fund is presented as major. The Commission has no non-major funds. Because the Commission reports on a modified 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 and liabilities held by the Commission in a trustee capacity or as an agent for individuals, private organizations, and 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 19 of this report.



**REGIONAL PLANNING COMMISSION  
FAIRFIELD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006  
UNAUDITED  
(Continued)**

---

**The Commission as a Whole**

Table 1 provides a summary of the Commission's net assets for 2007 compared to 2006 and 2005 on a cash basis:

(Table 1)  
**Net Assets**

	Governmental Activities		
	2007	2006	2005
<b>Assets</b>			
Cash	\$ 105,458	\$ 116,216	\$ 174,698
Total Assets	105,458	116,216	174,698
<b>Net Assets</b>			
Unrestricted	105,458	116,216	174,698
Total Net Assets	\$ 105,458	\$ 116,216	\$ 174,698

As mentioned previously, net assets of governmental activities decreased \$10,758 or 9.3 percent during 2007. The primary reason for the decrease in cash balances was due to an increase in personal services and fringe benefit expenditures was not offset by the increase in 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 \$58,482 or 33.5 percent during 2006. The primary reason for the decrease in cash balances were was due to a decline in development within the county.

Table 2 reflects the changes in net assets in 2007, 2006 and 2005.

**REGIONAL PLANNING COMMISSION  
FAIRFIELD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006  
UNAUDITED  
(Continued)**

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

	Governmental Activities		
	2007	2006	2005
Receipts:			
Program Receipts:			
Charges for Services and Sales	\$184,270	\$121,919	\$224,210
Total Program Receipts	<u>184,270</u>	<u>121,919</u>	<u>224,210</u>
General Receipts:			
Member Contributions-Intergovernmental Revenue	149,593	148,767	144,523
Miscellaneous	0	0	333
Total General Receipts	<u>149,593</u>	<u>148,767</u>	<u>144,856</u>
Total Receipts	<u><u>333,863</u></u>	<u><u>270,686</u></u>	<u><u>369,066</u></u>
Disbursements:			
General Government:			
Personal Services	234,536	225,516	211,252
Fringe Benefits	85,571	73,247	81,349
Materials and Supplies	1,530	1,982	1,696
Contractual Services	17,042	27,947	43,458
Total General Government	<u>338,679</u>	<u>328,692</u>	<u>337,755</u>
Capital Outlay	5,942	476	281
Total Disbursements	<u>344,621</u>	<u>329,168</u>	<u>338,036</u>
Change in Net Assets	(10,758)	(58,482)	31,030
Net Assets Beginning of Year	<u>116,216</u>	<u>174,698</u>	<u>143,668</u>
Net Assets End of Year	<u><u>\$105,458</u></u>	<u><u>\$116,216</u></u>	<u><u>\$174,698</u></u>

In 2007, program receipts represent 55.2 percent of total receipts and are primarily comprised of charges for service and fees.

General receipts represent 44.8 percent of the Commission's total receipts.

In 2006, program receipts represent 45.1 percent of total receipts and are primarily comprised of charges for service and fees.

General receipts represent 54.9 percent of the Commission's total receipts.

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.

Disbursements for General Government represent the costs of running the Commission. For 2007 and 2006, General Government disbursements represented 98 percent and 99 percent, respectively, 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 YEAR ENDED DECEMBER 31, 2007 AND 2006  
UNAUDITED  
(Continued)**

**Governmental Activities**

The first column on the Statement of Activities for 2007 on page 8 and for 2006 on page 15, lists the major disbursement categories of the Commission. The next column identifies the amount of these disbursements. In 2007, the major program disbursements for governmental activities were General Government, which accounted for 98.3 percent of all disbursements. In 2006, the major program disbursements for governmental activities were also General Government, which accounted for 99.9 percent of all disbursements. The next column 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	Total Cost Of Services	Net Cost of Services
	2007	2007	2006	2006	2005	2005
General Government:						
Personal Services	\$234,536	\$109,129	\$225,516	\$141,988	\$211,252	\$71,134
Fringe Benefits	85,571	39,816	73,247	46,117	81,349	27,392
Materials and Supplies	1,530	711	1,982	1,248	1,696	571
Contractual Services	17,042	7,930	27,947	17,596	43,458	14,634
Capital Outlay	5,942	2,765	476	300	281	95
<b>Total Expenses</b>	<b>\$344,621</b>	<b>\$160,351</b>	<b>\$329,168</b>	<b>\$207,249</b>	<b>\$338,036</b>	<b>\$113,826</b>

In 2007, 53 percent of disbursements were supported by program receipts. The dependence upon the member contribution is apparent as over 47 percent of governmental activities are supported through these general receipts.

In 2006, 37 percent of disbursements were supported by program receipts. The remaining 63 percent of governmental activities were supported by member contributions and fund balance.

**The Commission's Fund**

The Commission has only one governmental fund – the General fund.

In 2007, total the General Fund had receipts of \$333,863 and disbursements of \$344,621. The fund balance of the General Fund decreased \$10,758 as result of the increase in charges for services and permits and fees receipts which was not enough to offset the increase in personal services, fringe benefit expenditures and a decrease in contractual services expenditures.

In 2006, total the General Fund had receipts of \$270,686 and disbursements of \$329,168. The fund balance of the General Fund decreased \$58,482 as the result of a decrease in permits and fees, increase in member contributions, increase in personal services, decrease in fringe benefits, and decrease in contractual services expenditures

REGIONAL PLANNING COMMISSION  
FAIRFIELD COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006  
UNAUDITED  
(Continued)

---

**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, 2007, the Commission had no outstanding debt.

**Contacting the Commission'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 - Modified Cash Basis*  
*December 31, 2007*

---

---

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash	<u>\$ 105,458</u>
<i>Total Assets</i>	<u><u>105,458</u></u>
<b>Net Assets</b>	
Unrestricted	<u>105,458</u>
<i>Total Net Assets</i>	<u><u>\$ 105,458</u></u>

See accompanying notes to the basic financial statements

**REGIONAL PLANNING COMMISSION  
FAIRFIELD COUNTY**

**Statement of Activities - Modified Cash Basis  
For the Year Ended December 31, 2007**

	Program Cash Receipts		Net (Disbursements) Receipts and Change in Net Assets
	Cash Disbursements	Charges for Services	Governmental Activities
<b>Governmental Activities</b>			
General Government			
Personal Services	\$ 234,536	\$ 125,407	\$ (109,129)
Fringe Benefits	85,571	45,755	(39,816)
Materials and Supplies	1,530	819	(711)
Contractual Services	17,042	9,112	(7,930)
Capital Outlay	5,942	3,177	(2,765)
<i>Total Governmental Activities</i>	<u>\$ 344,621</u>	<u>\$ 184,270</u>	<u>\$ (160,351)</u>
		<b>General Receipts</b>	
		Member Contributions - Intergovernmental	149,593
		<i>Total General Receipts</i>	149,593
		Change in Net Assets	(10,758)
		<i>Net Assets Beginning of Year</i>	116,216
		<i>Net Assets End of Year</i>	<u>\$ 105,458</u>

See accompanying notes to the basic financial statements

REGIONAL PLANNING COMMISSION  
FAIRFIELD COUNTY

*Statement of Modified Cash Basis Assets and Fund Balance*  
*General Fund*  
*December 31, 2007*

---

---

	<u>General</u>
<b>Assets</b>	
Cash	\$ 105,458
<i>Total Assets</i>	<u>105,458</u>
<b>Fund Balance</b>	
Reserved:	
Reserved for Encumbrances	10,692
Unreserved:	
Undesignated, Reported in:	
General Fund	94,766
<i>Total Fund Balance</i>	<u>\$ 105,458</u>

See accompanying notes to the basic financial statements

**REGIONAL PLANNING COMMISSION  
FAIRFIELD COUNTY**

***Statement of Cash Receipts, Disbursements and Change in Modified  
Cash Basis Fund Balance - General Fund  
For the Year Ended December 31, 2007***

	General
<b>Receipts</b>	
Charges for Services	\$ 33,155
Permits and Fees	151,115
Member Contributions - Intergovernmental	149,593
<i>Total Receipts</i>	333,863
<b>Disbursements</b>	
Current:	
General Government	
Personal Services	234,536
Fringe Benefits	85,571
Materials and Supplies	1,530
Contractual Services	17,042
Total General Government	338,679
Capital Outlay	5,942
<i>Total Disbursements</i>	344,621
<i>Net Change in Fund Balance</i>	(10,758)
<i>Fund Balance Beginning of Year</i>	116,216
<i>Fund Balance End of Year</i>	\$ 105,458

See accompanying notes to the basic financial statements



REGIONAL PLANNING COMMISSION  
FAIRFIELD COUNTY

*Statement of Fiduciary Assets and Liabilities - Agency Fund*  
*December 31, 2007*

---

---

<b>Assets</b>	
Cash	\$ 225,773
Total assets	<u>225,773</u>
<b>Liabilities</b>	
Due to others	225,773
Total liabilities	<u>\$ 225,773</u>

See accompanying notes to the basic financial statements

REGIONAL PLANNING COMMISSION  
FAIRFIELD COUNTY

*Statement of Net Assets - Modified Cash Basis*  
*December 31, 2006*

---

---

	Governmental Activities
<b>Assets</b>	
Cash	<u>\$ 116,216</u>
<i>Total Assets</i>	<u>116,216</u>
<b>Net Assets</b>	
Unrestricted	<u>116,216</u>
<i>Total Net Assets</i>	<u>\$ 116,216</u>

See accompanying notes to the basic financial statements

**REGIONAL PLANNING COMMISSION  
FAIRFIELD COUNTY**

**Statement of Activities - Modified Cash Basis  
For the Year Ended December 31, 2006**

	Cash Disbursements	Program Cash Receipts Charges for Services	Net (Disbursements) Receipts and Change in Net Assets Governmental Activities
<b>Governmental Activities</b>			
General Government			
Personal Services	\$ 225,516	\$ 83,528	\$ (141,988)
Fringe Benefits	73,247	27,130	(46,117)
Materials and Supplies	1,982	734	(1,248)
Contractual Services	27,947	10,351	(17,596)
Capital Outlay	476	176	(300)
<i>Total Governmental Activities</i>	<u>\$ 329,168</u>	<u>\$ 121,919</u>	<u>\$ (207,249)</u>
		<b>General Receipts</b>	
		Member Contributions - Intergovernmental	148,767
		<i>Total General Receipts</i>	148,767
		Change in Net Assets	(58,482)
		<i>Net Assets Beginning of Year</i>	174,698
		<i>Net Assets End of Year</i>	<u>\$ 116,216</u>

See accompanying notes to the basic financial statements

REGIONAL PLANNING COMMISSION  
FAIRFIELD COUNTY

*Statement of Modified Cash Basis Assets and Fund Balance*  
*General Fund*  
*December 31, 2006*

---

---

	<u>General</u>
<b>Assets</b>	
Cash	\$ 116,216
<i>Total Assets</i>	<u>116,216</u>
<b>Fund Balance</b>	
Reserved:	
Reserved for Encumbrances	3,200
Unreserved:	
Undesignated, Reported in:	
General Fund	113,016
<i>Total Fund Balance</i>	<u>\$ 116,216</u>

See accompanying notes to the basic financial statements

**REGIONAL PLANNING COMMISSION  
FAIRFIELD COUNTY**

***Statement of Cash Receipts, Disbursements and Change in Modified  
Cash Basis Fund Balance - General Fund  
For the Year Ended December 31, 2006***

---

---

	General
<b>Receipts</b>	
Charges for Services	\$ 22,655
Permits and Fees	99,264
Member Contributions - Intergovernmental	148,767
	<hr/>
<i>Total Receipts</i>	270,686
	<hr/>
<b>Disbursements</b>	
Current:	
General Government	
Personal Services	225,516
Fringe Benefits	73,247
Materials and Supplies	1,982
Contractual Services	27,947
Total General Government	328,692
	<hr/>
Capital Outlay	476
	<hr/>
<i>Total Disbursements</i>	329,168
	<hr/>
<i>Net Change in Fund Balance</i>	(58,482)
	<hr/>
<i>Fund Balance Beginning of Year</i>	174,698
	<hr/>
<i>Fund Balance End of Year</i>	\$ 116,216
	<hr/> <hr/>

See accompanying notes to the basic financial statements

**REGIONAL PLANNING COMMISSION  
FAIRFIELD COUNTY**

***Statement of Fiduciary Assets and Liabilities - Agency Fund  
December 31, 2006***

---

---

<b>Assets</b>	
Cash	\$ 185,667
Total assets	<u>185,667</u>
<b>Liabilities</b>	
Due to others	185,667
Total liabilities	<u>\$ 185,667</u>

See accompanying notes to the basic financial statements

**REGIONAL PLANNING COMMISSION  
FAIRFIELD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007 AND DECEMBER 31, 2006**

---

**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 7 to the basic financial statements provide 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 modified cash basis of accounting. This modified 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 modified 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.

**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.

**REGIONAL PLANNING COMMISSION  
FAIRFIELD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007 AND DECEMBER 31, 2006  
(Continued)**

---

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

**Government-Wide Financial Statements** (Continued)

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, 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.

**C. Basis of Accounting**

The Commission's financial statements are prepared using the modified 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.



**REGIONAL PLANNING COMMISSION  
FAIRFIELD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006  
(Continued)**

---

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

**C. Basis of Accounting** (Continued)

As a result of the use of this modified 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.

The budgetary information for the General Fund has been presented as supplementary information to the basic financial statements.

**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.

**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.

**REGIONAL PLANNING COMMISSION  
FAIRFIELD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006  
(Continued)**

---

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

**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 5 and 6, 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 - 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 4 – 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 in excess liability, and no annual aggregate.

**REGIONAL PLANNING COMMISSION  
FAIRFIELD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006  
(Continued)**

---

**Note 5 - 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. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and benefits and annual cost-of living adjustments to members of the Traditional Pension 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, Attention Finance Director, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

For the years ended December 31, 2007 and 2006, the members of all three plans, were required to contribute 9.5 and 9.0 percent respectively of their annual covered salaries. The Commission's contribution rate for pension benefits for 2007 and 2006 was 13.85 and 13.70 percent respectively. 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, 2007, 2006, and 2005 were \$32,520, \$30,943, and \$28,484 respectively; 99 percent has been contributed for 2007, and 100 percent has been contributed for 2006 and 2005.

**Note 6 - 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 Pension or Combined Plans. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by OPERS meets the definition of an Other Post-employment Benefit (OPEB) as described in *GASB Statement No. 12*. A portion of each employer's contribution to OPERS is set aside for the funding of post-employment health care. The Ohio Revised Code provides statutory authority for employer contributions. The 2007 local government employer contribution rate was 13.85 percent of covered payroll; 5.00 percent from January 1 through June 30, and 6.00% from July 1 through December 31 of covered payroll was the portion that was used to fund health care.

OPEB is advance-funded on an actuarially determined basis. The individual entry age actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2006, 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). In addition, annual pay increases over and above the 4.00% base increase, were assumed to range from 1.00% to 6.00%. Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 0.50% to 5.00% for the next 8 years. In subsequent years, (9 and beyond) health care costs were assumed to increase at 4.00% (the projected wage inflation rate).

**REGIONAL PLANNING COMMISSION  
FAIRFIELD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006  
(Continued)**

---

**Note 6 - Postemployment Benefits** (Continued)

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Under this approach, assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12 percent corridor.

The Traditional Pension and Combined Plans had 374,979 active contributing participants as of December 31, 2007. The number of active contributing participants for both plans used in the December 31, 2006, actuarial valuation was 362,130. Actual Commission contributions for 2007 which were used to fund postemployment benefits were \$45,824. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2006, (the latest information available) were \$12.0 billion. Based on the actuarial cost method used, the Actuarial Valuation as of December 31, 2006, reported the actuarially accrued liability and the unfunded actuarially accrued liability for OPEB at \$30.7 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 and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

**Note 7 - 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.

**REGIONAL PLANNING COMMISSION  
FAIRFIELD COUNTY**

***Schedule of Receipts, Disbursements and Change  
In Fund Balance - Budget and Actual -Budget Basis  
General Fund  
For the Year Ended December 31, 2007***

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Receipts</b>				
Charges for Services	\$ 32,000	\$ 32,000	\$ 33,155	\$ 1,155
Permits and Fees	195,000	195,000	151,115	(43,885)
Member Contributions-Intergovernmental	146,250	146,250	149,593	3,343
<i>Total receipts</i>	<u>373,250</u>	<u>373,250</u>	<u>333,863</u>	<u>(39,387)</u>
<b>Disbursements</b>				
Current:				
General Government				
Personal Services	234,540	234,540	234,536	4
Fringe Benefits	83,400	91,500	85,571	5,929
Materials and Supplies	2,900	2,900	2,598	302
Contractual Services	84,550	76,450	26,666	49,784
Total General Government	<u>405,390</u>	<u>405,390</u>	<u>349,371</u>	<u>56,019</u>
Capital Outlay	<u>7,000</u>	<u>7,000</u>	<u>5,942</u>	<u>1,058</u>
<i>Total Disbursements</i>	<u>412,390</u>	<u>412,390</u>	<u>355,313</u>	<u>57,077</u>
<i>Net Change in Fund Balance</i>	(39,140)	(39,140)	(21,450)	17,690
<i>Fund Balance Beginning of Year</i>	113,016	113,016	113,016	-
Prior Year Encumbrances Appropriated	<u>3,200</u>	<u>3,200</u>	<u>3,200</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 77,076</u>	<u>\$ 77,076</u>	<u>\$ 94,766</u>	<u>\$ 17,690</u>

See accompanying notes to the basic financial statements

**REGIONAL PLANNING COMMISSION  
FAIRFIELD COUNTY**

***Schedule of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual -Budget Basis  
General Fund  
For the Year Ended December 31, 2006***

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Charges for Services	\$ 24,000	\$ 24,000	\$ 22,655	\$ (1,345)
Permits and Fees	193,000	193,000	99,264	(93,736)
Member Contributions-Intergovernmental	144,000	144,000	148,767	4,767
Miscellaneous	70,000	70,000	0	(70,000)
<i>Total receipts</i>	<u>431,000</u>	<u>431,000</u>	<u>270,686</u>	<u>(160,314)</u>
<b>Disbursements</b>				
Current:				
General Government				
Personal Services	226,960	226,960	225,516	1,444
Fringe Benefits	85,990	85,990	73,247	12,743
Materials and Supplies	2,900	2,900	2,182	718
Contractual Services	110,638	110,638	29,347	81,291
Total General Government	<u>426,488</u>	<u>426,488</u>	<u>330,292</u>	<u>96,196</u>
Capital Outlay	<u>5,400</u>	<u>5,400</u>	<u>2,076</u>	<u>3,324</u>
<i>Total Disbursements</i>	<u>431,888</u>	<u>431,888</u>	<u>332,368</u>	<u>99,520</u>
<i>Net Change in Fund Balance</i>	(888)	(888)	(61,682)	(60,794)
<i>Fund Balance Beginning of Year</i>	146,960	146,960	146,960	0
Prior Year Encumbrances Appropriated	<u>27,738</u>	<u>27,738</u>	<u>27,738</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 173,810</u>	<u>\$ 173,810</u>	<u>\$ 113,016</u>	<u>\$ (60,794)</u>

See accompanying notes to the basic financial statements



# Mary Taylor, CPA

Auditor of State

## 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, Fairfield County, Ohio (the Commission) as of and for the years ended December 31, 2007 and 2006, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated August 1, 2008. 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 as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Commission's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Commission's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Commission's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Commission's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

We noted a certain matter that we reported to the Commission's management in a separate letter dated August 1, 2008.

#### **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*.

We did note a certain noncompliance or other matter that we reported to the Commission's management in a separate letter dated August 1, 2008.

We intend this report solely for the information and use of the management and the Board of Commissioners. We intend it for no one other than these specified parties.



**Mary Taylor, CPA**  
Auditor of State

August 1, 2008





**Mary Taylor, CPA**  
Auditor of State

**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  
SEPTEMBER 30, 2008**