



Mary Taylor, CPA
Auditor of State

**REGIONAL PLANNING COMMISSION
KNOX COUNTY**

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Mary Taylor, CPA
Auditor of State

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

To the Members of the Commission:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statement due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your commission to prepare financial statement pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statement in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statement presents are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statement you prepared using the cash basis and financial statement format the AOS permits.

Mary Taylor

Mary Taylor, CPA
Auditor of State

March 24, 2010

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Members of the Commission:

We have audited the accompanying financial statement of the Regional Planning Commission, Knox County, Ohio, (the Commission) as of and for the years ended December 31, 2009 and 2008. This financial statement is the responsibility of the Commission's 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 assure 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 statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Commission has prepared this financial statement 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 statement 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, 2009 and 2008. While the Commission does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statement do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Commissions to reformat their statement. The Commission has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statement referred to above for the years ended December 31, 2009 and 2008 does 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, 2009 and 2008, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statement referred to above presents fairly, in all material respects, the cash balance and reserve for encumbrances of Regional Planning Commission, Knox County, Ohio, as of December 31, 2009 and 2008, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

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 statement.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2010, 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.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

March 24, 2010

**REGIONAL PLANNING COMMISSION
KNOX COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH BALANCE
FOR THE YEARS ENDED DECEMBER 31, 2009 AND DECEMBER 31, 2008**

| | 2009 | 2008 |
|---|----------------------|----------------------|
| Cash Receipts: | | |
| Fees Charged to Subdivisions | \$ 6,275 | \$ 6,125 |
| Grant from Knox County | 55,534 | 60,971 |
| Dues from Local Governments | 12,183 | 13,416 |
| Permit Fees | 420 | 505 |
| Other Receipts | 849 | 318 |
| Total Cash Receipts | 75,261 | 81,335 |
| Cash Disbursements: | | |
| Salaries and Fringe Benefits | 64,191 | 44,935 |
| Public Employee's Retirement | 8,658 | 6,190 |
| Worker's Compensation | 1,729 | 1,419 |
| Contracts - Services | 5,841 | 7,984 |
| Travel | 450 | 555 |
| Equipment | 4,572 | 2,034 |
| Supplies | 854 | 713 |
| Other | 3,400 | 4,123 |
| Total Disbursements | 89,695 | 67,953 |
| Total Receipts Over/(Under) Disbursements | (14,434) | 13,382 |
| Cash Balance, January 1 | 73,276 | 59,894 |
| Cash Balance, December 31 | \$ 58,842 | \$ 73,276 |
| Reserve for Encumbrances, December 31 | \$ - | \$ 2,245 |

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

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**REGIONAL PLANNING COMMISSION
KNOX COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2009 AND 2008**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges for the Regional Planning Commission, Knox County, Ohio, (the Commission) as a body corporate and politic. 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, which are required to pay annual fees, are:

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

The Commission's management believes this financial statement presents all activities for which the Commission is financially accountable.

B. Accounting Basis

This financial statement follows the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Commission recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

This statement includes adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Cash and Investments

As the Ohio Revised Code permits, the Knox County Treasurer holds the Commission's deposits as the Commission's custodian. The County holds the Commission's assets in its investment pool, valued at the Treasurer's reported carrying amount.

**REGIONAL PLANNING COMMISSION
KNOX COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2009 AND 2008
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process

The Commission budgets each fund annually.

1. Budget

The Board annually approves a budget of the Commission's Activity in which the appropriations are passed at the function level. The Commission reserves (encumbers) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

2. Estimated Resources

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

E. Accumulated Leave

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

2. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2009 and 2008 as follows:

| 2009 Budgeted vs. Actual Receipts | | |
|-----------------------------------|--------------------|-----------|
| Budgeted Receipts | Actual Receipts | Variance |
| \$81,000 | \$75,261 | (\$5,739) |

| 2009 Budgeted vs. Actual Budgetary Basis Expenditures | | |
|---|---------------------------|----------|
| Appropriation Authority | Budgetary Expenditures | Variance |
| \$130,426 | \$89,695 | \$40,731 |

| 2008 Budgeted vs. Actual Receipts | | |
|-----------------------------------|--------------------|------------|
| Budgeted Receipts | Actual Receipts | Variance |
| \$99,897 | \$81,335 | (\$18,562) |

**REGIONAL PLANNING COMMISSION
KNOX COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2009 AND 2008
(Continued)**

2. BUDGETARY ACTIVITY (Continued)

| <u>2008 Budgeted vs. Actual Budgetary Basis Expenditures</u> | | |
|--|---------------------|-----------------|
| <u>Appropriation</u> | <u>Budgetary</u> | |
| <u>Authority</u> | <u>Expenditures</u> | <u>Variance</u> |
| <u>\$126,113</u> | <u>\$70,198</u> | <u>\$55,915</u> |

3. RETIREMENT SYSTEM

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

The Ohio Revised Code also prescribes contribution rates. For 2009 and 2008, OPERS members contributed 10% of their gross salaries and the Commission contributed an amount equaling 14% of participants' gross salaries. The Commission has paid all contributions required through December 31, 2009.

4. RISK MANAGEMENT

Knox County provides insurance coverage for the Commission through the County's participation in the County Risk Sharing Authority Inc. The Commission is insured for the following risks:

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

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

To the Members of the Commission:

We have audited the financial statement of the Regional Planning Commission, Knox County, Ohio, (the Commission) as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated March 24, 2010, wherein we noted the Commission prepared its financial statement using accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Commission's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statement, 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 *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Commission's financial statement will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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.

Compliance and Other Matters

As part of reasonably assuring whether the Commission's financial statement is 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 intend this report solely for the information and use of the management and Commission members. We intend it for no one other than these specified parties.

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

Taylor, CPA
Auditor of State

March 24, 2010



Mary Taylor, CPA
Auditor of State

KNOX COUNTY REGIONAL PLANNING COMMISSION

KNOX COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MAY 11, 2010**