



**CRAWFORD REGIONAL PLANNING COMMISSION  
CRAWFORD COUNTY**

**REGULAR AUDIT**

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



**Auditor of State  
Betty Montgomery**



**CRAWFORD REGIONAL PLANNING COMMISSION  
CRAWFORD COUNTY**

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Crawford Regional Planning Commission  
Crawford County  
112 East Mansfield Street  
Bucyrus, Ohio 44820

To the Board of Commissioners:

We have audited the accompanying financial statements of the governmental activities and the major fund of the Crawford Regional Planning Commission, Crawford 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 opinion.

As discussed in Note 1, 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 basis financial position of the governmental activities and the major fund of the Crawford Regional Planning Commission, Crawford County, Ohio, as of December 31, 2005, and December 31, 2004, and the respective changes in cash basis financial position and the budgetary comparison for the General fund for the years then ended in conformity with the accounting basis Note 1 describes.

For the year ended December 31, 2004, the Commission implemented the cash basis of accounting.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2006, on our consideration of the Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

June 5, 2006

**CRAWFORD REGIONAL PLANNING COMMISSION  
CRAWFORD COUNTY**

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

The discussion and analysis of the Regional Planning Commission's (the Commission) financial performance provides a review of the Commission's financial activities for the years ended December 31, 2005 and 2004, within the limitations of the Commission's cash basis of accounting. The intent of this discussion and analysis is to provide readers with a general explanation of the Commission's financial performance. Readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the Commission's financial performance.

**Financial Highlights**

Key financial highlights are as follows:

- The Commission created a Pre-Disaster Mitigation Plan for the Crawford County Emergency Management Agency. As a result, the Commission was able to receive additional revenues of \$23,419 for completion of the Plan.

**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.

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Commission as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities and conditions on a cash basis of accounting.

The Statement of Net Assets - Cash Basis and Statement of Activities - Cash Basis provide information about the activities of the whole Commission, presenting both an aggregate view of the Commission's finances and a longer-term view of those finances. 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. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

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 Commission's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

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.

**CRAWFORD REGIONAL PLANNING COMMISSION  
CRAWFORD COUNTY**

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

Unaudited  
(Continued)

***Reporting the Regional Planning 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 the cash basis of accounting. The Statement of Net Assets - Cash Basis presents the cash balance of the governmental activities of the Commission at year end. The Statement of Activities - Cash Basis compares disbursements with program receipts for each governmental 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 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. Keeping in mind the limitations of the cash basis of accounting, these changes can be one way to measure the Commission's financial health. Over time, increases or decreases in the Commission's cash position are one indicator of whether the Commission's financial health are improving or deteriorating. When evaluating the Commission's financial condition, other nonfinancial factors should also be considered, such as the Commission's census as the base for subdivision charges and the reliance on non-local financial resources for operations and the need for continued growth.

The Statement of Net Assets - Cash Basis reports all of the Commission's activities, which are governmental. Subdivision charges and a county grant finance most of these activities.

***Reporting the Regional Planning Commission's Most Significant Fund***

*Fund Financial Statements*

Fund financial statements provide detailed information about the Commission's fund.

The Commission's activities are reported in a governmental fund. The governmental fund financial statements provide a detailed short-term view of the Commission's governmental operations and the planning 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 governmental fund is the General Fund.

**The Regional Planning Commission as a Whole**

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

**Table 1  
Net Assets - Cash Basis**

	<b>Governmental Activities</b>	
	<b>2005</b>	<b>2004</b>
<b>Assets</b>		
Cash and Cash Equivalents	\$34,859	\$8,632
<b>Net Assets</b>		
Unrestricted	34,859	8,632
<b>Total Net Assets</b>	\$34,859	\$8,632

**CRAWFORD REGIONAL PLANNING COMMISSION  
CRAWFORD COUNTY**

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

Unaudited  
(Continued)

The increase in net assets from 2004 to 2005 was primarily due to the Commission receiving a one-time payment for writing the Crawford County Pre-Disaster Mitigation Plan. The Commission also received reimbursement from governmental entities for planning assistance.

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

<b>Program Cash Receipts</b>	<b>2005</b>	<b>2004</b>
Charges for Services	\$48,679	22,658
Operating Grant	25,000	19,750
<b>Total Program Cash Receipts</b>	<u>73,679</u>	<u>42,408</u>
<b>General Receipts</b>		
Miscellaneous	1,514	0
<b>Total General Receipts</b>	<u>1,514</u>	<u>0</u>
<b>Total Receipts</b>	<u>75,193</u>	<u>42,408</u>
<b>Disbursements</b>		
Planning	48,966	45,180
<b>Total Disbursements</b>	<u>48,966</u>	<u>45,180</u>
<b>Change in Net Assets</b>	26,227	(2,772)
<b>Net Assets Beginning of Year</b>	<u>8,632</u>	<u>11,404</u>
<b>Net Assets End of Year</b>	<u>\$34,859</u>	<u>\$8,632</u>

Program receipts accounted for 98 percent and 100 percent of the Commission's total receipts in 2005 and 2004, respectively. These receipts consist primarily of fees, charges to member subdivisions and a local operating grant provided by Crawford County. The remainder of the Commission's total receipts was from general receipts, consisting of miscellaneous revenues collected for general planning purposes.

**Governmental Activities**

Table 3 indicates the total cost of services and the net cost of services. The Statement of Activities - Cash Basis reflects the cost of program services and the charges for services and operating grants and contributions offsetting those services. The total cost of services represents expenses related to planning issues and special projects, creating a Pre-Disaster Mitigation Plan, and administration of a Community Development Block Grant (CDBG) program. The net cost of services identifies the cost of those services supported by subdivision charges, a grant provided by Crawford County, and a one-time payment for the creation of a Pre-Disaster Mitigation Plan for the Crawford County Emergency Management Agency. The Commission is anticipating reimbursement in 2006 for administering the CDBG program.

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Planning	\$48,966	\$45,180	\$24,713	(\$2,772)
<b>Total Distribution</b>	<u>\$48,966</u>	<u>\$45,180</u>	<u>\$24,713</u>	<u>(\$2,772)</u>

**CRAWFORD REGIONAL PLANNING COMMISSION  
CRAWFORD COUNTY**

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

Unaudited  
(Continued)

For 2005, program receipts, comprised of charges for services and an operating grant, were sufficient to cover the cost of providing services. The negative net cost of services for 2004 resulted from an increase in expenses for contract services and personal services.

**The Regional Planning Commission's Funds**

In 2005, the governmental funds had total receipts of \$75,193 and disbursements of \$48,966. The governmental funds had an increase in the cash balance of \$26,227.

As mentioned previously, the cash balance increase was largely due to additional funding received for writing the Pre-Disaster Mitigation Plan for the Crawford County Emergency Management Agency.

In 2004, the cash balance decrease of \$2,772 resulted from expenses related to conducting an audit on the Commission, and there were also twenty-seven pays for the year rather than twenty-six.

***General Fund Budgeting Highlights***

The Commission's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During the course of 2005, the Commission amended its appropriations, and the budgetary statement reflects both the original and final appropriated amounts. The Commission amended appropriations to allow for the purchase of new computer equipment and software. The Commission did not amend appropriations in 2004.

**Contacting the Regional Planning Commission's Financial Management**

This financial report is designed to provide a general overview of the Commission's finances for all those with an interest in the Commission's finances and to reflect the Commission's accountability for the money it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Crawford Regional Planning Commission, 112 East Mansfield Street, Suite 207, Bucyrus, Ohio 44820.

**CRAWFORD REGIONAL PLANNING COMMISSION  
CRAWFORD COUNTY**

*STATEMENT OF NET ASSETS - CASH BASIS  
DECEMBER 31, 2005*

	<u>Primary Government Governmental Activity</u>
<b>Assets</b>	
Cash and Cash Equivalents	<u>\$34,859</u>
<i>Total Assets</i>	<u><u>\$34,859</u></u>
<b>Net Assets</b>	
Unrestricted	<u>\$34,859</u>
<i>Total Net Assets</i>	<u><u>\$34,859</u></u>

See accompanying notes to the basic financial statements

**CRAWFORD REGIONAL PLANNING COMMISSION  
CRAWFORD COUNTY**

*STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2005*

		<u>Program Receipts</u>	<u>Net (Disbursements) Receipts and Changes in Net Assets</u>
	<u>Cash Disbursements</u>	<u>Charges for Services</u>	<u>Operating Grant</u>
			<u>Governmental Activity</u>
<b>Governmental Activity</b>			
Planning	<u>\$48,966</u>	<u>48,679</u>	<u>25,000</u>
			<u>24,713</u>
			<u>1,514</u>
			<u>26,227</u>
			<u>8,632</u>
			<u>\$34,859</u>

See accompanying notes to the basic financial statements

**CRAWFORD REGIONAL PLANNING COMMISSION  
CRAWFORD COUNTY**

*STATEMENT OF CASH BASIS ASSETS AND FUND BALANCE  
GOVERNMENTAL FUND  
DECEMBER 31, 2005*

	<u>General</u>
<b>Assets</b>	
Cash and Cash Equivalents	<u><u>\$34,859</u></u>
<b>Fund Balances</b>	
Unreserved:	
Undesignated, Reported in:	
General Fund	<u><u>\$34,859</u></u>

See accompanying notes to the basic financial statements

**CRAWFORD REGIONAL PLANNING COMMISSION  
CRAWFORD COUNTY**

*STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGE IN CASH BASIS  
FUND BALANCE - GOVERNMENTAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2005*

	<u>General</u>
<b>Receipts</b>	
Charges for Services	\$31,194
Subdivision Charges	17,485
County Grant	25,000
Miscellaneous	<u>1,514</u>
<i>Total Receipts</i>	<u>75,193</u>
<b>Disbursements</b>	
Current:	
Planning	<u>48,966</u>
<i>Net Change in Fund Balance</i>	26,227
<i>Fund Balance Beginning of Year</i>	<u>8,632</u>
<i>Fund Balance End of Year</i>	<u><u>\$34,859</u></u>

See accompanying notes to the basic financial statements

**CRAWFORD REGIONAL PLANNING COMMISSION  
CRAWFORD COUNTY**

*STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGE  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Charges for Services	\$0	\$0	\$31,194	\$31,194
Subdivision Charges	17,515	17,515	17,485	(30)
County Grant	25,000	25,000	25,000	0
Miscellaneous	5,485	5,485	1,514	(3,971)
<i>Total Receipts</i>	<u>48,000</u>	<u>48,000</u>	<u>75,193</u>	<u>27,193</u>
<b>Disbursements</b>				
Current:				
Planning				
Personal Services	43,040	43,110	42,893	217
Materials and Supplies	505	605	491	114
Contractual Services	1,243	1,200	0	1,200
Capital Outlay	505	4,005	3,951	54
Other	2,580	4,110	1,631	2,479
<i>Total Disbursements</i>	<u>47,873</u>	<u>53,030</u>	<u>48,966</u>	<u>4,064</u>
<i>Net Change in Fund Balance</i>	127	(5,030)	26,227	31,257
<i>Fund Balance Beginning of Year</i>	<u>8,632</u>	<u>8,632</u>	<u>8,632</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$8,759</u></u>	<u><u>\$3,602</u></u>	<u><u>\$34,859</u></u>	<u><u>\$31,257</u></u>

See accompanying notes to the basic financial statements

**CRAWFORD REGIONAL PLANNING COMMISSION  
CRAWFORD COUNTY**

*STATEMENT OF NET ASSETS - CASH BASIS  
DECEMBER 31, 2004*

	<u>Primary Government Governmental Activity</u>
<b>Assets</b>	
Cash and Cash Equivalents	<u>\$8,632</u>
<i>Total Assets</i>	<u><u>\$8,632</u></u>
<b>Net Assets</b>	
Unrestricted	<u>\$8,632</u>
<i>Total Net Assets</i>	<u><u>\$8,632</u></u>

See accompanying notes to the basic financial statements

**CRAWFORD REGIONAL PLANNING COMMISSION  
CRAWFORD COUNTY**

*STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2004*

	<u>Program Receipts</u>			<u>Net (Disbursements) Receipts and Changes in Net Assets</u>
	<u>Cash Disbursements</u>	<u>Charges for Services</u>	<u>Operating Grant</u>	<u>Governmental Activity</u>
<b>Governmental Activity</b>				
Planning	<u>\$45,180</u>	<u>22,658</u>	<u>19,750</u>	<u>(2,772)</u>
		Change in Net Assets		(2,772)
		<i>Net Assets Beginning of Year</i>		<u>11,404</u>
		<i>Net Assets End of Year</i>		<u><u>\$8,632</u></u>

See accompanying notes to the basic financial statements

**CRAWFORD REGIONAL PLANNING COMMISSION  
CRAWFORD COUNTY**

*STATEMENT OF CASH BASIS ASSETS AND FUND BALANCE  
GOVERNMENTAL FUND  
DECEMBER 31, 2004*

	<u>General</u>
<b>Assets</b>	
Cash and Cash Equivalents	<u><u>\$8,632</u></u>
<b>Fund Balances</b>	
Unreserved:	
Undesignated, Reported in:	
General Fund	<u><u>\$8,632</u></u>

See accompanying notes to the basic financial statements

**CRAWFORD REGIONAL PLANNING COMMISSION  
CRAWFORD COUNTY**

*STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGE IN CASH BASIS  
FUND BALANCE - GOVERNMENTAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2004*

	<u>General</u>
<b>Receipts</b>	
Charges for Services	\$5,100
Subdivision Charges	17,558
County Grant	<u>19,750</u>
<i>Total Receipts</i>	<u>42,408</u>
<b>Disbursements</b>	
Current:	
Planning	<u>45,180</u>
<i>Net Change in Fund Balance</i>	(2,772)
<i>Fund Balance Beginning of Year</i>	<u>11,404</u>
<i>Fund Balance End of Year</i>	<u><u>\$8,632</u></u>

See accompanying notes to the basic financial statements

**CRAWFORD REGIONAL PLANNING COMMISSION  
CRAWFORD COUNTY**

*STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGE  
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	\$0	\$0	\$5,100	\$5,100
Subdivision Charges	17,515	17,515	17,558	43
County Grant	35,000	35,000	19,750	(15,250)
<i>Total Receipts</i>	52,515	52,515	42,408	(10,107)
<b>Disbursements</b>				
Current:				
Planning				
Personal Services	47,565	47,565	43,121	4,444
Materials and Supplies	505	505	385	120
Contractual Services	1,265	1,589	1,546	43
Capital Outlay	505	505	0	505
Other	2,580	2,256	128	2,128
<i>Total Disbursements</i>	52,420	52,420	45,180	7,240
<i>Net Change in Fund Balance</i>	95	95	(2,772)	(2,867)
<i>Fund Balance Beginning of Year</i>	11,404	11,404	11,404	0
<i>Fund Balance End of Year</i>	\$11,499	\$11,499	\$8,632	(\$2,867)

See accompanying notes to the basic financial statements.

**CRAWFORD REGIONAL PLANNING COMMISSION  
CRAWFORD COUNTY**

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

**Note 1 - Reporting Entity**

The Crawford Regional Planning Commission, Crawford County, Ohio, (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 formed for the purpose of providing cooperation in planning for land use, systems of transportation, highways, parks and recreational facilities, water supply, sewage disposal, garbage disposal, civic centers and other public improvements which affect the development of the region. The Commission is directed by a 35 member Board. The Board consists of representatives from participating political subdivisions, the county commissioners, and certain other county officials. The participating subdivisions are:

Auburn Township	Jefferson Township	Vernon Township
Bucyrus Township	Liberty Township	Whetstone Township
Chatfield Township	Lykens Township	Village of New Washington
Cranberry Township	Polk Township	City of Bucyrus
Dallas Township	Sandusky Township	City of Crestline
Holmes Township	Texas Township	City of Galion
Jackson Township	Tod Township	

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

The reporting entity is composed of the primary government.

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

As discussed further in Note 2.C, 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, Financial Accounting Standards Board (FASB) pronouncements and 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. 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 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 primary government. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

**CRAWFORD REGIONAL PLANNING COMMISSION  
CRAWFORD COUNTY**

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

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

A. Basis of Presentation (Continued)

Government-Wide Financial Statements (Continued)

The statement of net assets presents the cash balance of the governmental activity of the Commission at year end. The statement of activities compares disbursements and program receipts for each program or function 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 goods or services offered by the program and grants that are restricted to meeting the operational or capital requirements of a particular program.

Receipts which are not classified as program receipts are presented as general receipts of the Commission, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program 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 a fund in order 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 Focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column.

B. Fund Accounting

The Commission uses a fund 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. The Commission classifies its fund as governmental.

Governmental Fund

The governmental fund finances all governmental functions of the Commission. The following is the Commission's major governmental fund:

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

C. Basis of Accounting

The Commission's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, 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. Any such modifications made by the Commission are described in the appropriate section in this note.

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.

**CRAWFORD REGIONAL PLANNING COMMISSION  
CRAWFORD COUNTY**

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

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

D. Budgetary Process

The Board makes appropriations for its expenditures at the regular meeting held in January of each year. Appropriations may be modified or supplemented from time to time during the year, but shall at no time exceed the total amount received or due from cooperating governments, public agencies or other sources.

E. Cash and Cash Equivalents

As required by Ohio Revised Code, the Crawford County Treasurer is the custodian of the Commission's monies. The Commission's assets are held in Crawford County's cash and investment pool, and are valued at the County Treasurer's reported carrying amount. Deposits and investments disclosures for the County as a whole may be obtained from the Crawford County Auditor's Office, 112 East Mansfield Street, Bucyrus, Ohio 44820.

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.

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. Net assets restricted for other purposes primarily include activities of economic development. The Commission's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

The government-wide statement of net assets reports no restricted net assets.

J. Fund Balance Reserves

The Commission reserves any portion of fund balance which is not available for appropriation or which is legally segregated for a specific future use. The Statement of Cash Basis Assets and Fund Balance reports no reserve for encumbrances. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods.

**CRAWFORD REGIONAL PLANNING COMMISSION  
CRAWFORD COUNTY**

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

**Note 3 - Change in Basis of Accounting**

In 2003, the Commission reported fund financial statements by fund type using the regulatory basis of accounting as prescribed by the State Auditor's Office. For 2005 and 2004 the Commission has implemented the cash basis of accounting described in Note 2. The fund financial statements now present the major fund in a separate column. This change had no effect on fund balance as previously reported.

**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 Change in Fund Balance - Budget and Actual - Budgetary Basis presented for the general fund is prepared 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). There were no encumbrances outstanding at year end (budgetary basis).

**Note 5 - Subdivision Charges**

The Commission receives revenue from charges to member subdivisions. The charges are based upon per capita data. Subdivision fees are based on a sixteen-cent per capita charge.

**Note 6 - Risk Management**

The Commission is included in Crawford County's commercial insurance policies for the following risks:

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

During 2005, Crawford County contracted with Midland Service Agency, Inc. for its insurance. Comprehensive property insurance has a limit of \$41,288,576. The primary general liability limit is \$3,000,000.

Settled claims have not exceeded commercial coverage in any of the past three years, and there has been no significant reduction in coverage from the prior year.

**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 OPERS 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.

**CRAWFORD REGIONAL PLANNING COMMISSION  
CRAWFORD COUNTY**

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

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

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 publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.

For 2005 and 2004, the Commission's employee, who is a member of the traditional plan, was required to contribute 8.5 percent of annual covered salary to fund pension obligations. The Commission's contribution rate for pension benefits for 2005 and 2004 was 9.55 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Commission's required contribution for pension obligations to the traditional plan for the years ended December 31, 2005, 2004, and 2003 were \$3,124, \$3,055, and \$3,026, respectively; 92 percent has been contributed for 2005 and 100 percent has been contributed for 2004 and 2003.

**Note 8 - Postemployment Benefits**

The Ohio Public Employees Retirement System (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 OPERS is considered an Other Postemployment Benefit (OPB) as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits Other Than Pension Benefits by State and Local Governmental Employers". 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 and 2004 employer contribution rates were 13.55 percent of covered payroll (16.7 percent for law enforcement and public safety); 4.00 percent was the portion 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, 2004, include a rate of return on investments of 8 percent, an annual increase in active employee total payroll of 4 percent compounded annually (assuming no change in the number of active employees), an additional increase in total payroll of between .5 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase 1 to 6 percent annually for the next eight years and 4 percent annually after eight years.

All investments are carried at market value. 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 employer contributions for 2005 which were used to fund postemployment benefits was \$1,308. The actual contributions and the actuarial required contribution amounts are the same. OPERS's net assets available for the payment of benefits at December 31, 2004 (the latest information available), was \$10.8 billion. The actuarial 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 (HCCP) with an effective date January 1, 2007. The HCCP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to skyrocketing health care costs.

**CRAWFORD REGIONAL PLANNING COMMISSION  
CRAWFORD COUNTY**

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

**Note 8 - Postemployment Benefits (Continued)**

Under the HCCP, retirees eligible for health care coverage will receive a graded monthly allocation based on their years of service at retirement. The Plan incorporates a cafeteria approach, offering a broad range of health care options that allow benefit recipients to use their monthly allocation to purchase health care coverage customized to meet their individual needs. If the monthly allocation exceeds the cost of the options selected, the excess is deposited into a Retiree Medical Account that can be used to fund future health care expenses.

**Note 9 - Contingent Liabilities**

Amounts grantor agencies pay to the Commission are subject to audit and adjustment by the grantor. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.



**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***

Crawford Regional Planning Commission  
Crawford County  
112 East Mansfield Street  
Bucyrus, Ohio 44820

To the Board of Commissioners:

We have audited the financial statements of the governmental activities and the major fund of the Crawford Regional Planning Commission, Crawford 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 and have issued our report thereon dated June 5, 2006, wherein we noted the Commission implemented the cash basis of accounting. 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. In a separate letter to the Commission's management dated June 5, 2006, we reported an other matter involving internal control over financial reporting we did not deem a reportable condition.

**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  
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[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

We intend this report solely for the information and use of the Executive Committee, 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

June 5, 2006



**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
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800-282-0370

Facsimile 614-466-4490

**REGIONAL PLANNING COMMISSION**

**CRAWFORD 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 17, 2006**