

**STARK COUNTY
REGIONAL PLANNING COMMISSION**

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Executive Committee
Stark County Regional Planning Commission
201 3rd Street, NE, Suite 201
Canton, Ohio 44702-1231

We have reviewed the Independent Auditor's Report of the Stark County Regional Planning Commission, Stark County, prepared by Gary B. Fink & Associates, Inc., for the audit period January 1, 2000 to December 31, 2000. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

JIM PETRO
Auditor of State

August 8, 2001

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**STARK REGIONAL PLANNING COMMISSION
FOR THE YEAR ENDED DECEMBER 31, 2000**

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INDEPENDENT AUDITOR'S REPORT

Executive Committee
Stark County Regional Planning Commission
201 3rd Street, NE, Suite 201
Canton, Ohio 44702-1231

We have audited the accompanying financial statements of the Stark County Regional Planning Commission (the Commission), as of and for the year ended December 31, 2000, as listed in the table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Commission prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting 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 fund cash balances and reserved for encumbrances of the Stark County Regional Planning Commission, as of December 31, 2000, and cash receipts and disbursements for the year then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 19, 2001 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

INDEPENDENT AUDITOR'S REPORT (continued)

The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Our report is intended solely for the information and use of management, the Executive Committee and other officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.



GARY B. FINK & ASSOCIATES, INC.
Certified Public Accountants

July 19, 2001

FINANCIAL STATEMENTS

**Stark County Regional Planning Commission
Statement of Cash Receipts, Cash Disbursements and Changes
in Fund Cash Balance - Governmental Fund Type
For the Year Ended December 31, 2000**

	<u>General Fund</u>
Cash Receipts:	
Taxes	\$4,322
Charges for Services	9,915
Licenses and Permits	18,974
Intergovernmental	1,391,693
Other	6,052
Non-Operating	<u>15,324</u>
Total Cash Receipts	<u>1,446,280</u>
Cash Disbursements:	
Personal Services:	
Salaries and Wages	810,880
Employee Benefits	266,819
Supplies and Materials	35,010
Purchased Services	266,979
Capital Outlay	1,683
Other Allocations	<u>3,824</u>
Total Cash Disbursements	<u>1,385,195</u>
Total Cash Receipts Over Cash Disbursements	<u>61,085</u>
Fund Cash Balance, January 1, 2000	<u>104,499</u>
Fund Cash Balance, December 31, 2000	<u>\$165,584</u>
Reserved for Encumbrances, December 31, 2000	<u>\$90,246</u>

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

**Stark County Regional Planning Commission
Statement of Cash Receipts, Cash Disbursements and Changes
in Fund Cash Balance - Fiduciary Fund Type
For the Year Ended December 31, 2000**

	<u>Agency Fund</u>
Cash Receipts:	
Intergovernmental	<u>\$583,400</u>
Total Cash Receipts	<u>583,400</u>
Cash Disbursements:	
Purchased Services	<u>299,400</u>
Total Cash Disbursements	<u>299,400</u>
Total Cash Receipts Over Cash Disbursements	<u>284,000</u>
Fund Cash Balance, January 1, 2000	<u>0</u>
Fund Cash Balance, December 31, 2000	<u><u>\$284,000</u></u>

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

STARK COUNTY REGIONAL PLANNING COMMISSION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. Description of the Entity

The Stark County Regional Planning Commission (the Commission) was established in January, 1957 under provisions of the Regional Planning Law, Section 713.21 of the Ohio Revised Code. The Commission is financed primarily by membership dues from participating county subdivisions and funds received through various federal and state grant programs. The principal aim of the Commission is to provide comprehensive planning, both long and short range, dealing with the economical and physical environment of Stark County.

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

B. Basis of Accounting

These financial statements have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. The cash basis of accounting is prescribed or permitted by the Auditor of State.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Fund Accounting

The Commission uses fund accounting to segregate cash and investments that are restricted as to use.

Governmental Fund Type - The general fund is the general operating fund of the Commission. It is used to account for all financial resources except those required by law or contract to be accounted for in another fund.

Fiduciary Fund Type - The agency fund is custodial in nature. This fund is used to account for assets that the Commission holds for others in an agency capacity.

D. Budgetary Process

The Commission is not a taxing subdivision and is not required by the Ohio Revised Code to follow budgetary procedures.

STARK COUNTY REGIONAL PLANNING COMMISSION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

E. Property, Plant and Equipment

Fixed assets acquired or constructed for general governmental service are recorded as cash disbursements. Depreciation is not recorded for these fixed assets.

F. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Commission.

2. **POOLED CASH AND INVESTMENTS WITH FISCAL AGENT**

The Commission's cash and investments are held by the Stark County Treasurer who maintains a cash and investment pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of the Commission's cash and investments at December 31, 2000 was \$165,584 in the general fund. The carrying amount of the Commission's cash and investments at December 31, 2000 was \$284,000 in the agency fund.

Deposits:

Deposits are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by securities held by Stark County or (3) collateralized by securities pledged by a qualified third party trustee in the name of the County.

3. **RETIREMENT SYSTEMS**

The Commission contributes to the Public Employees Retirement System (PERS) of Ohio, a cost-sharing, multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. Benefits are established and amended by state statute per Chapter 145 of the Ohio Revised Code. PERS issues a publicly available, stand-alone financial report which includes financial statements and required supplementary information for PERS. This report may be obtained by writing to: 277 East Town Street, Columbus, Ohio 43215-4642 or by calling 614-466-2085 or 1-800-222-7377.

STARK COUNTY REGIONAL PLANNING COMMISSION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

3. **RETIREMENT SYSTEMS** (continued)

PERS provides postretirement health care coverage to age and service retirees with 10 or more years of qualifying Ohio service credit and to primary survivor recipients to such retirants. Health coverage for disability recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in Government Accounting Standards Board 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 PERS is set aside for the funding of postretirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The Retirement Board instituted a temporary employer contribution rollback for calendar year 2000. The rate rollback was 20%. The 2000 employer contribution rate was 10.84% of covered payroll; 4.30% was the portion that was used to fund health care for the year 2000. The employee contribution rate was 8.5% for 2000.

The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement health care through their contributions to PERS.

The assumptions and calculations below were based on the Retirement System's latest actuarial review performed as of December 31, 1999. An entry age normal 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. All investments are carried at market value. For actuarial valuation purposes a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets. The investment assumption rate for 1999 was 7.75%. An annual increase of 4.75% compounded annually is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.75% base increase, were assumed to range from 0.54% to 5.1%. Health care costs were assumed to increase 4.75% annually.

OPEB's are advance-funded on an actuarially determined basis. The number of active contributing participants was 401,339. \$10,805.5 million represents the actuarial value of the Retirement System's net assets available for OPEB at December 31, 1999 (the latest information available). The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$12,473.6 million and \$1,668.1 million, respectively. The Commission's required contributions to PERS for the year ended December 31, 2000 was \$131,251, which consisted of \$97,326 as the employer's share and an additional \$33,925 as payroll pickup for the portion of the employees share. The Commission has paid all contributions required through December 31, 2000.

STARK COUNTY REGIONAL PLANNING COMMISSION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

3. **RETIREMENT SYSTEMS** (continued)

The Retirement Board enacted a temporary employer contribution rate rollback for calendar year 2000. The decision to rollback rates was based on the December 31, 1998 actuarial study, which indicated that actuarial assets exceeded actuarial liabilities. The temporary rate rollback was 20%. The Board reallocated employer contributions from 4.20% to 4.30% at the beginning of the year to improve health care financing. The proportion of contributions dedicated to funding OPEB increased during the year for those reasons.

4. **RISK MANAGEMENT**

The Commission is exposed to various risks of loss related to torts; theft; damage to or destruction of assets; errors and omissions; employee injuries; and natural disasters. By maintaining comprehensive insurance coverage with private carriers, the Commission has addressed these various types of risk. Settled claims have not exceeded this coverage in any of the three past years. There has not been a significant reduction of coverage from the prior year.

5. **CONTINGENT LIABILITIES**

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

The Commission is not currently a party to any legal proceedings which would have a material impact on the financial statements.

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

Executive Committee
Stark County Regional Planning Commission
201 3rd Street, NE, Suite 201
Canton, Ohio 44702-1231

We have audited the financial statements of the Stark County Regional Planning Commission (the Commission), as of and for the year ended December 31, 2000, and have issued our report thereon dated July 19, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a 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 in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

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

This report is intended for the information and use of management, the Executive Committee and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read 'G. B. Fink', with a stylized flourish at the end.

GARY B. FINK & ASSOCIATES, INC.
Certified Public Accountants

July 19, 2001

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH *OMB CIRCULAR A-133***

Executive Committee
Stark County Regional Planning Commission
201 3rd Street, NE, Suite 201
Canton, Ohio 44702-1231

Compliance

We have audited the compliance of the Stark County Regional Planning Commission (the Commission) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2000. The Commission's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Commission's management. Our responsibility is to express an opinion on the Commission's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Commission's compliance with those requirements.

In our opinion, the Stark County Regional Planning Commission complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2000.

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH *OMB CIRCULAR A-133* (continued)

Internal Control Over Compliance

The management of the Commission is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Commission's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a 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 noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information and use of management, the Executive Committee and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



GARY B. FINK & ASSOCIATES, INC.
Certified Public Accountants

July 19, 2001

**Stark County Regional Planning Commission
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2000**

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Identifying Entity Number	Federal Expenditures
<u>U.S. Department of Transportation</u>			
<i>Passed Through Ohio Department of Transportation:</i>			
Federal Transit Technical Studies Grants (Consolidated Planning Grant)	20.505	PTS-2076-000-2001	\$198,173
Federal Transit Technical Studies Grants (Consolidated Planning Grant)	20.505	PTS-2076-000-2011	146,476
Federal Transit Technical Studies Grants (Surface Transportation Planning)	20.505	TE21-G990-000-692	32,359
Federal Transit Technical Studies Grants (Section 5313)	20.505	9076-022-991	4,585
Total Expenditures of Federal Awards			\$381,593

The notes to this Schedule are an integral part of this Schedule.

STARK COUNTY REGIONAL PLANNING COMMISSION
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards is a summary of the activity of the Commission's federal award programs. The Schedule has been prepared on the cash basis of accounting. The information in the Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*.

NOTE B – MATCHING REQUIREMENT

The Federal Transit Technical Studies Grants, CFDA #20.505, require that the Commission contribute non-Federal funds (matching funds) to support this Federally-funded program. The expenditures on non-Federal matching funds are not included on the Schedule

STARK COUNTY REGIONAL PLANNING COMMISSION

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 §505**

FOR THE YEAR ENDED DECEMBER 31, 2000

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for the major federal program?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for the major federal program?	No
(d)(1)(v)	Type of Major Program Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under §510?	No

STARK COUNTY REGIONAL PLANNING COMMISSION

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 §505**

DECEMBER 31, 2000

(CONTINUED)

(d)(1)(vii)	Major Program:	Federal Transit Technical Studies Grants, CFDA #20.505
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: >\$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None



STATE OF OHIO
OFFICE OF THE AUDITOR

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STARK COUNTY REGIONAL PLANNING COMMISSION

STARK 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 21, 2001**