



**Auditor of State
Betty Montgomery**

**PORTAGE COUNTY REGIONAL PLANNING COMMISSION
PORTAGE COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Portage County Regional Planning Commission
Portage County
124 North Prospect Street
Ravenna, Ohio 44266

To the Regional Planning Commission:

We have audited the accompanying financial statements of the Portage County Regional Planning Commission, Portage County, (the Commission) as of and for the years ended December 31, 2003, and 2002. 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 generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances and reserves for encumbrances of the Commission as of December 31, 2003 and 2002, and its cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2004 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.

This report is intended solely for the information and use of the audit committee, management, the Board of Commissioners and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by 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

March 31, 2004

**PORTAGE COUNTY REGIONAL PLANNING COMMISSION
PORTAGE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2003**

	General Fund
Cash Receipts:	
Membership Dues	\$120,229
Grants	68,998
Contractual Services	110,060
Rental Income	25,632
Subdivisions Fees	37,210
Real Estate Fees	50,000
Other Receipts	8,025
	420,154
Cash Disbursements:	
Salaries	214,685
Fringe and Health Benefits	38,823
Supplies	7,011
Contracts - Repair	3,741
Contracts - Services	41,551
Travel	700
Public Employee's Retirement	29,090
Worker's Compensation	3,002
Telephone and Utilities	9,977
Copier, Photocopying and Printing	9,020
Debt Payment (Loan thru County)	49,428
Other	3,751
	410,779
Total Receipts Over/(Under) Disbursements	9,375
Fund Cash Balances, January 1	9,453
Fund Cash Balances, December 31	\$18,828
Reserve for Encumbrances, December 31	\$794

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

**PORTAGE COUNTY REGIONAL PLANNING COMMISSION
PORTAGE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2002**

	General Fund
Cash Receipts:	
Membership Dues	\$122,090
Grants	81,359
Contractual Services	69,840
Rental Income	14,918
Subdivisions Fees	39,960
Other Receipts	5,724
	<u>333,891</u>
Total Cash Receipts	<u>333,891</u>
Cash Disbursements:	
Salaries	214,415
Fringe and Health Benefits	37,407
Supplies	5,343
Contracts - Repair	2,956
Contracts - Services	21,775
Travel	835
Public Employee's Retirement	29,053
Worker's Compensation	6,261
Telephone and Utilities	6,552
Copier, Photocopying and Printing	3,346
Other	3,583
	<u>331,526</u>
Total Disbursements	<u>331,526</u>
Total Receipts Over/(Under) Disbursements	<u>2,365</u>
Fund Cash Balances, January 1	<u>7,088</u>
Fund Cash Balances, December 31	<u>\$9,453</u>
Reserve for Encumbrances, December 31	<u>\$280</u>

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

**PORTAGE COUNTY REGIONAL PLANNING COMMISSION
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Portage County Regional Planning Commission, Portage County, (the Commission) became a Countywide Public Planning Organization on February 13, 1984 and evolved from the Portage Planning commission. It 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 and operates under Section 713.21, Ohio Revised Code for Regional Planning Commissions. The Commission is comprised of 30 voting members and 5 ex-officio members who are charged with the responsibilities of comprehensive planning and implementation programs for Portage County and its communities. The Commission employs professional staff to provide them with assistance and advice in carrying out their responsibilities and also consults with other professionals such as the County Engineer, County Sanitary Engineer, Health Department and the Soil and Water Conservation District staff.

The Commission also serves in an advisory capacity to community decision makers who rely on the data, analysis and planning recommendation which are provided. This helps them make the best decisions possible on issues which can forever alter the character and quality of life within the community.

The Planning Commission also serves as a forum for discussion and sharing of ideas and information among communities about individual community issues, countywide issues that affect many communities and regional issues which cross over political boundaries into other Counties. When it is critical that the needs and concerns of Portage County be heard at the Regional, State or Federal level, the Commission's unified position and voice carries considerable weight in other actions.

The Commission is a Jointly Governed Organization of Portage County, with the Portage County Auditor being the fiscal agent. The Commission is not part of the Portage County Reporting entity and is excluded from Portage County's financial statements. The Commission is not fiscally dependent on the county. The county is not financially accountable for the Commission beyond the duties stated above.

The Commission formulates and reviews plans affecting long and short term social, economic, and governmental development within the region. The participating subdivisions are:

Atwater Township	Aurora City	Brimfield Township
Deerfield Township	Edinburg Township	Franklin Township
Freedom Township	Garrettsville Village	Hiram Township
Hiram Village	Kent City	Mantua Township
Mantua Village	Nelson Township	Palmyra Township
Paris Township	Randolph Township	Rootstown Township
Ravenna Township	Shalersville Township	Suffield Township
Park District	PARTA	County Engineer
Soil & Water	Water Resources	Windham Township
Portage County Commissioners		

**PORTAGE COUNTY REGIONAL PLANNING COMMISSION
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

C. Cash and Investments

As required by Ohio Revised Code, the Portage County Treasurer is the custodian of the Commission's monies. The Commission's assets are held in the County's cash and investment pool, and are valued at the County Treasurer's reported carrying amount.

D. Fund Accounting

The Commission uses fund accounting to segregate cash and investments that are restricted as to use. The Commission classifies its funds into the following types:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

E. Budgetary Process

The Commission budgets the General Fund annually.

1. Appropriations

The Board annually approves appropriations and subsequent amendments. Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control. Unencumbered appropriations lapse at year end.

2. Estimated Resources

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

**PORTAGE COUNTY REGIONAL PLANNING COMMISSION
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Encumbrances

The Commission reserves (encumbers) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2003 and 2002 budgetary activity appears in Note 2.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as capital outlay disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the basis of accounting the Commission uses.

2. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2003 and 2002 follows:

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$422,836	\$420,154	(\$2,682)

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$422,007	\$411,573	\$10,434

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$360,848	\$333,891	(\$26,957)

**PORTAGE COUNTY REGIONAL PLANNING COMMISSION
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

2. BUDGETARY ACTIVITY (Continued)

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$360,848	\$331,806	\$29,042

3. DEBT

Debt outstanding at December 31, 2003 was as follows:

	Principal	Interest Rate
General Obligation Notes-Loan 1	\$287,380	4.75%
General Obligation Notes-Loan 2	114,228	4.75%
Total	\$401,608	

On December 18, 1998, the Commission purchased property at 122-128 North Prospect Street, Ravenna, Ohio, 44266. It was acquired through the Portage County Commissioners with two loans from the United States Department of Agriculture. Loan 1, in a total amount of \$326,000 is to be repaid at 4.75% interest over 25 years. Loan 2, in a total amount of \$133,000 is to be repaid at 4.75% interest over 25 years. Payments are due December 1 of each year for both loans. The loans are collateralized by the taxing authority of the Portage County Commissioners.

Amortization of the above debt, including interest, is scheduled as follows:

	General Obligation Notes-Loan 1	General Obligation Notes-Loan 2
Year ending December 31:		
2004	\$22,554	\$9,202
2005	22,554	9,202
2006	22,554	9,202
2007	22,554	9,202
2008	22,554	9,202
2009 – 2013	112,772	46,008
2014 – 2018	112,772	46,008
2019 – 2023	112,772	46,008
2024 – 2026	0	27,605
Total	\$451,086	\$211,639

**PORTAGE COUNTY REGIONAL PLANNING COMMISSION
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

4. RETIREMENT SYSTEMS

The Commission's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2003 and 2002, PERS members contributed 8.5% of their gross salaries. The Commission contributed an amount equal to 13.55 % of participants' gross salaries. The Commission has paid all contributions required through December 31, 2003.

5. RISK MANAGEMENT

Risk Pool Membership

The Commission is a member of the County Risk Sharing Authority (CORSA) which is a property and liability self insurance pool that was established by the County Commissioners Association of Ohio in 1987. The program is governed by a nine member Board of Trustees, all of whom must be commissioners from member counties. The Pool covers the following risks:

- General liability and casualty;
- Public official's liability; and
- Vehicle.

CORSA's assets and liabilities (from their last two audited financial statements – ending April 30th) were as follows:

	<u>2003</u>	<u>2002</u>
Assets	\$ 55,307,503	\$ 51,165,165
Liabilities	\$ 27,313,036	\$ 27,067,647

The Commission also provides health insurance and dental and vision coverage to full-time employees through a private carrier.

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**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Portage County Regional Planning Commission
Portage County
124 North Prospect Street
Ravenna, Ohio 44266

To the Regional Planning Commission:

We have audited the financial statements of Portage County Regional Planning Commission, Portage County, (the Commission) as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated March 31, 2004. 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 operation that we consider to be material weaknesses.

Portage County Regional Planning Commission
Portage County
Independent Accountants' Report on Compliance and on
Internal Control Required by *Government Auditing Standards*
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This report is intended solely for the information and use of the audit committee, management and the Board of Commissioners, and is not intended to be and should not be used by 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

March 31, 2004



**Auditor of State
Betty Montgomery**

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PORTAGE COUNTY REGIONAL PLANNING COMMISSION

PORTAGE 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
JUNE 3, 2004**