

RICHLAND COUNTY REGIONAL PLANNING COMMISSION
Regular Audit
For the Year Ended June 30, 2011

Perry & Associates
Certified Public Accountants, A.C



Dave Yost • Auditor of State

Executive Committee
Richland County Regional Planning Commission
35 North Park Street, Suite 230
Mansfield, Ohio 44902

We have reviewed the *Independent Accountants' Report* of the Richland County Regional Planning Commission, Richland County, prepared by Perry & Associates, Certified Public Accountants, A. C., for the audit period July 1, 2010 through June 30, 2011. 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 Richland County Regional Planning Commission is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

February 7, 2012

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Richland County Regional Planning Commission

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INDEPENDENT ACCOUNTANTS' REPORT

December 22, 2011

Richland County Regional Planning Commission
35 North Park Street, Suite 230
Mansfield, Ohio 44902

To the Executive Committee:

We have audited the accompanying financial statements of the business-type activities of the **Richland County Regional Planning Commission**, Richland County, Ohio (the Commission), as of and for the year ended June 30, 2011, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Commission, as of June 30, 2011, and the respective changes in financial position and cash flows thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2011, 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.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Perry & Associates CPAs A.C.".

Perry and Associates
Certified Public Accountants, A.C.

**Richland County Regional Planning Commission
Management's Discussion and Analysis
June 30, 2011 (Unaudited)**

Management's Discussion & Analysis (MD &A) Fiscal Year 2011

The discussion and analysis of the Richland County Regional Planning Commission's (the "Commission") financial performance provides an overall review of the Commission's financial activities for the year ended June 30, 2011. The intent of this discussion and analysis is to look at the Commission's financial performance as a whole. Readers should also review the notes to the financial statements and the basic financial statements to enhance their understanding of the Commission's financial performance.

Financial Highlights

Key financial highlights for 2011 are as follows:

- The Commission's total net assets remained stable with Fiscal Year 2010, increasing by \$20,439.
- The Commission's assets increased \$28,043, which represents a 11.9% increase from Fiscal Year 2010. The increase is associated with the continuing total budget increase associated with the addition of the Transportation Coordination program in January 2010.
- Total liabilities increased by \$7,604 which is 6.2% over the amount of liabilities stated in the Fiscal Year 2010 MD & A. The components of this increase in liabilities are associated with modest increases in the costs of goods and services for the operation. Long term liabilities have decreased to due to retirements.
- Operating revenues increased by \$137,418, which represents a 16.1% increase due to an increase in Transportation Planning funds allocated to the RCRPC as the MPO and for the continued growth of Transportation Coordination program added in January 2010.
- Total operating expenses increased by \$117,453 or 13.7%, due the additional costs associated with the Transportation Coordination program.

Using this Annual Financial Report

This annual report consists of three parts, the Management's Discussion and Analysis, the Basic Financial Statements and the Notes to the Basic Financial Statements. The Financial Statements include a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Net Assets and a Statement of Cash Flows.

**Richland County Regional Planning Commission
Management's Discussion and Analysis
June 30, 2011 (Unaudited)**

Statement of Net Assets

The Statement of Net Assets looks at how well the Commission has performed financially from inception through June 30, 2011. This Statement includes all of the assets, liabilities and net asset balances using the accrual basis of accounting, which is the accounting method used by most private-sector companies. This basis of accounting takes into account all revenues earned and expenses incurred during the year, regardless as to when the cash is received or expended.

The following schedule provides a summary of the Commission's Statement of Net Assets for fiscal years ended June 30, 2011 and June 30, 2010:

Assets	FY 2011	FY 2010
Current Assets	\$232,019	\$196,730
Non-Current Assets	32,279	39,525
 Total Assets	 \$264,298	 \$236,255
 Liabilities		
Current Liabilities	\$91,112	\$74,265
Non Current Liabilities	39,276	48,519
 Total Liabilities	 130,388	 122,784
 Net Assets		
Invested in Capital Assets, Net	32,279	39,525
Unrestricted	98,701	71,016
Restricted For- Special Vision Project	2,930	2,930
 Total Net Assets	 \$133,910	 \$113,471

Net assets remained stable with a \$20,439 increase; Unrestricted Net Assets increased \$27,685 while invested in Capital Assets decreased by \$7,246. An additional asset category was added in FY 2010, that of "Restricted for Special Vision Project." This category holds Vision project funds that were dispersed during FY 2009. The amount of \$2,930 is being held by the Commission for a future specified Vision project use.

Statement of Revenues, Expenses and Changes in Net Assets

The Statement of Revenues, Expenses and Changes in Net Assets reports operating and non-operating activities for the fiscal year ended June 30, 2011. The following schedule provides a summary of the Commission's Statement of Revenues, Expenses and Changes in Net Assets for fiscal years ended June 30, 2011 and June 30, 2010:

**Richland County Regional Planning Commission
Management's Discussion and Analysis
June 30, 2011 (Unaudited)**

Operating Revenues	FY 2011	FY 2010
Federal	\$291,584	\$347,323
State	36,459	43,415
Local Governments	292,066	246,529
Coordination Revenue	371,973	217,436
Other	152	113
Total Operating Revenue	<u>992,234</u>	<u>854,816</u>
Operating Expenses		
Salaries & Wages	468,618	480,147
Employee Benefits	126,822	141,435
Staff Expenses	8,869	6,821
Materials and Supplies	23,276	17,827
Contractual Services	7,621	9,790
Occupancy and Other	31,682	33,913
Coordination Service	297,661	156,992
Depreciation	7,246	7,717
Total Operating Expense	<u>971,795</u>	<u>854,642</u>
Change in Net Assets		
Net Assets at Beginning of Year	<u>113,471</u>	<u>113,297</u>
Net Assets at End of Year	<u>\$133,910</u>	<u>\$113,471</u>

Revenues increased by \$137,418. There was a \$55,739 decrease in Federal funding in FY 2011, and a decrease in State funding of \$6,956. The new Coordination Program added \$154,537 to overall revenue. Operating expenses increased by \$117,153 due mainly to the Coordination Program. The actual increase in the coordination program was \$140,669, while the remaining expenses categories had a total decrease of (\$23,516.) The decrease in these other expenses reflects the Commission's spending cutbacks during difficult financial times.

Capital Assets

As of June 30, 2011, the Commission had capital assets of \$32,279 invested in furniture and equipment. This figure is a \$7,246 decrease compared to the amount presented for FY 2010.

Current Financial Issues

The largest portion of the Commission's budget is associated with its transportation planning program. The Federal Transportation legislation must be renewed every six (6) years; however it is seemingly never renewed on schedule. It often goes forward on a continuing resolution, creating some uncertainty about the level of funding to be expected.

Financial management of the Transportation Planning Program has also been subject to greater oversight from the Federal Highway Administration (FHWA) and the Ohio Department of Transportation (ODOT.) New policies have been implemented that change aspects of the organization's presentation of financial information as well as the approach to dealing with the Cost Allocation Plan.

Funds are allocated to the Commission from various local sources, including county, municipal, township sources and the county engineer. A portion of the local funding is used to provide the required 10% local match for the transportation planning program. The balance supports local projects and planning initiatives, and costs that are ineligible for inclusion in the approved Cost Allocation Plan (CAP.) The Richland County economy is experiencing

**Richland County Regional Planning Commission
Management's Discussion and Analysis
June 30, 2011 (Unaudited)**

the national recession, and is additionally stressed by the downturn in the automobile industry and the closing of a General Motors facility in the City of Ontario. The economic circumstances have caused some local governments to reduce their local allocation to the Commission. Such reductions extending over several years may eventually hinder the Commission's ability to carry out a comprehensive planning program.

Special Financial Management Notes for Fiscal Year 2011

- 1) The Commission utilizes a Cost Allocation Plan (CAP) in order to allocate its fringe benefit costs and its indirect cost appropriately to all programs. The CAP is prepared under the oversight of the Ohio Department of Transportation, which serves as the cognizant agency. The Commission uses the "provisional method." For Fiscal Year 2011 the Commission operated under an approved rate, recovering on the basis of direct time. With the provisional method, at the end of the Fiscal Year the actual fringe benefit cost and indirect costs are finalized, and a final rate is determined, and the costs are adjusted for over recovery or under recovery.

Cost Allocation Plan	Estimated FY 2011	Actual FY 2011
Fringe Benefit Rate	47.94%	47.95%
Indirect Cost Rate	90.35%	89.82%
Total Overhead Cost Rate	138.29%	137.77%

- 2) In accordance with government accounting standards, the RCRPC adopted a policy to anticipate the financial impact of retiring employees who will be eligible for some financial compensation for unused sick leave. A new account was established during FY 2008 identified as "6300 · Sick Payable on Retirement" and amounts are entered towards potential retirements between FY 2011 and FY 2017. The proper methodology for estimating this liability was finalized with the FY 2009 Audit. A total of \$351 was booked in FY 2011. The sick payable on retirement cannot be a part of a cost allocation plan until the year that the retirement distribution actually takes place.
- 3) The Commission incorporated "Program Assets" into its financial system several years prior to this fiscal year based on the recommendations of an extensive audit of its financial management and compliance procedures with Federal and State regulations and guidelines. This audit was conducted by the Ohio Department of Transportation of the Commission in its role as the Metropolitan Planning Organization (MPO.) Program assets are those pieces of capital equipment that are purchased entirely from specific program funds because usage is devoted to that project. A typical example is traffic counting equipment being purchased using transportation planning funds.
- 4) The Vision Project operated through the Commission for a number of years as a special non-operating fund. The Vision would facilitate projects or programs, the Commission would pay the costs, with reimbursement coming from vision funds held by the Richland County Foundation. During Fiscal Year 2009 the Vision Project discontinued its active phase, and the remaining funds were allocated to appropriate projects. A portion of the funds were allocated toward the future costs of reprinting an emergency preparedness booklet. The amount set aside for this work, at some indefinite point in the future is \$2,930. That amount was received and an Account 9500 "Vision Future Reserve" was established to hold that amount.

Contacting the Commission's Financial Management

This financial report is designed to provide a general overview of the Commission's finances and to show the Commission's accountability for the monies it receives. If you have any questions about this report or need additional information, please contact the Executive Director, Richland County Regional Planning Commission, 35 North Park Street, Suite 230, Mansfield, OH 44902, 419-774-5684.

Richland County Regional Planning Commission
Statement of Net Assets
As of June 30, 2011

Assets	
Cash on Hand	\$ 258
Federal Receivable	88,417
State Receivable	12,356
Local Government Receivable	45,887
Coordination Receivable	85,101
Capital Assets (Net of Accumulated Depreciation)	32,279
Total Assets	<u>\$ 264,298</u>
 Liabilities	
Accounts Payable	\$ 33,716
Due to Richland County	19,413
Intergovernmental Payable	9,575
Accrued Wages and Benefits	28,408
Compensated Absences	39,276
Total Liabilities	<u>130,388</u>
 Net Assets	
Invested in Capital Assets	32,279
Restricted for Special Vision Project	2,930
Unrestricted	98,701
Total Net Assets	<u>133,910</u>
 Total Liabilities and Net Assets	 <u>\$ 264,298</u>

See accompanying notes to the basic financial statements.

Richland County Regional Planning Commission
Statement of Revenues, Expenses and Changes in Net Assets
For the Fiscal Year Ended June 30, 2011

Operating Revenues	
Federal	\$ 291,584
State	36,459
Local Governments	292,066
Coordination	371,973
Other	152
Total Operating Revenues	<u>992,234</u>
Operating Expenses	
Salaries & Wages	468,618
Employee Benefits	126,822
Staff Expenses	8,869
Equipment	11,796
Supplies	11,480
Contractual Services	7,621
Occupancy and Other	31,682
Coordination Service	297,661
Depreciation	7,246
Total Operating Expenses	<u>971,795</u>
Change in Net Assets	20,439
Net Assets at Beginning of Year	<u>113,471</u>
Net Assets at End of Year	<u><u>\$ 133,910</u></u>

See accompanying notes to the basic financial statements.

Richland County Regional Planning Commission
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2011

Cash Flows from Operating Activities	
Cash Received from Federal Sources	\$ 279,227
Cash Received from State Sources	33,610
Cash Received from Local Sources	256,933
Cash Received from Coordination	320,158
Cash Payments to Suppliers for Goods and Services	(353,995)
Cash Payments to Employees for Services	(602,950)
Other Operating Revenues	152
Net Cash Provided by Operating Activities	<u>(66,865)</u>
 Net Decrease in Cash	 (66,865)
 Cash at Beginning of Year	 <u>67,123</u>
 Cash at End of Year	 <u>\$ 258</u>
 Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income	\$ 20,439
 Adjustments to Reconcile Operating Gain to Net Cash Provided by Operating Activities	
Depreciation	7,246
(Increase) Decrease in Assets	
Accounts Receivable	(102,154)
Increase (Decrease) in Liabilities	
Accounts Payable	15,114
Intergovernmental Payable	2,521
Accrued Wages and Benefits	(788)
Compensated Absences	<u>(9,243)</u>
 Total Adjustments	 <u>(87,304)</u>
 Net Cash Provided by Operating Activities	 <u>\$ (66,865)</u>

See accompanying notes to the basic financial statements.

**RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 1 - DESCRIPTION OF THE ENTITY

The Richland County Regional Planning Commission (the Commission) was organized in 1959 under Section 713.21 of the Ohio Revised Code to promote land use and transportation planning. The Commission provides services for the benefit of the local governments and operates under the control of the Planning Commission, which is the legislative authority, comprised of representatives from political subdivisions and private businesses in Richland County.

In accordance with the Governmental Accounting Standards Board (GASB) Statement No. 14, "The Reporting Entity", the Commission is not considered part of the Richland County financial reporting entity. There are no agencies or organizations for which the Commission is considered the primary government. Accordingly, the Commission is the sole organization of the reporting entity.

The Commission maintains its own set of accounting records. These financial statements were prepared from the accounts and financial records of the Commission and, accordingly, these financial statements do not present the financial position or results of operations of Richland County.

The accompanying financial statements have been designed to facilitate an understanding of the financial position and results of operations of the Commission. The activity of the Commission is determined by an overall work program which is approved by the Commission's Board and the Ohio Department of Transportation. All revenue and related costs are accounted for on a project basis. The financial information contained in these statements is the responsibility of the Commission.

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Commission have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental organizations. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Commission also applies Financial Accounting Standards Board (FASB) statements and interpretations issued prior to November 30, 1989, provided they do not conflict with or contradict GASB pronouncements. The Commission has elected not to follow FASB statements and interpretations issued after November 30, 1989. The more significant of the Commission's accounting policies are described below.

A. Basis of Presentation

Enterprise accounting is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

B. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by its measurement focus. Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities are included on the Statement of Net Asset. Operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 2– SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus and Basis of Accounting (Continued)

Basis of accounting refers to when revenues and expenses are recognized in the financial records and reported in the financial statements. The Commission's financial statements are prepared using the accrual basis of accounting. Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded when the exchange takes place. Revenues resulting from non-exchange transactions, in which the Commission receives value without directly giving equal value in return, such as grants and entitlements, are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the Commission must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Commission on a reimbursement basis. Expenses are recognized at the time they are incurred.

C. Cash Deposits

As required by Section 713.21, Ohio Revised Code, the Commission must deposit all receipts in the Richland County Treasury. The County Treasurer maintains a cash and investment pool used for all County and Commission funds. The Commission has no other cash deposits or investments and does not receive interest income on its cash balances held in the County Treasury.

Protection of the County's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment by Surety Company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

D. Investments

The Ohio Revised Code does not provide the Commission the power to make or hold investments other than the deposits in the Richland County Treasury explained above.

E. Capital Assets and Depreciation

Furniture and equipment items are stated at cost and are depreciated on the straight line method over their estimated useful lives that range from three to twenty years. Donated furniture and equipment is recorded at fair market value on the date donated. Upon sale or disposition of furniture and equipment, the cost and related depreciation are removed from the accounts and any gain or loss is recognized.

F. Indirect Costs and Fringe Benefits

Indirect costs are computed in accordance with OMB Circular A-87 under a cost allocation plan approved by the Ohio Department of Transportation. The Commission utilizes the Provisional Method to calculate over/ (underpayments) by the Ohio Department of Transportation. Under this method, an estimated or temporary overhead rate is calculated for the fiscal year. This rate is used for funding, interim reimbursement, and reporting indirect costs on Federal awards for the period. At the end of the fiscal year, an actual indirect cost rate is calculated. The entity then invoices or reimburses each funding agency for any under or over recovery. Under this method, there is no carry forward provision.

RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 2– SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Budgetary Accounting

The accounting principles employed by the Commission in its budgetary accounting and reporting are the same as those used to present financial statements in accordance with generally accepted accounting principles. Outlined below are the annual procedures the Commission follows to establish the expense data reported in the financial statements:

In December or January, the Commission receives a preliminary indication of the funding mark from the Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA), through the Ohio Department of Transportation (ODOT).

In January and February the Commission begins drafting the Overall Work Program (OWP) for the coming fiscal year (July 1 through June 30). The funding resources from FHWA, FTA and ODOT are assigned to appropriate work elements. Remaining anticipated local funds are allocated to local service work elements. The OWP also incorporates activities and funding that support the various services provided by the Commission.

By April, the Commission receives feedback on the draft OWP, and is aware of the appropriation from the two largest local governments (the City of Mansfield and Richland County). The final OWP is prepared, including work elements to be completed, the costs associated with each of these elements, the staff resources and time allocation necessary to complete the work program, and the other direct and indirect costs associated with the work program, and the operation of the Planning Commission. Final approval on the OWP is made by the Commission at its May meeting, and generally ODOT/ FHWA /FTA approval comes near the start of the fiscal year.

The OWP is the instrument in which the Indirect Cost Allocation Plan is presented allocating indirect costs to all programs on the basis of a percentage of direct time.

In June of each year, the Executive Committee reviews a budget drawn from the OWP. This budget lists anticipated expenses by type as well as by program.

Budget categories for expense are salaries (including vacation, holidays and sick time), payroll additives, expenses, equipment, supplies, contractual and occupancy.

The Executive Committee meets monthly and reviews a financial report which presents monthly expenses by type and program, as well as for the fiscal year to date. It also tracks the actual indirect costs and provides a comparison to the OWP approved rate.

Throughout the year, the Executive Committee has the opportunity to amend the approved budget if it appears that the original estimates were incorrect. Generally, if an amendment is required, the Commission will try to make it near the end of the fiscal year.

H. Cash Equivalents

For the purposes of the Statement of Cash Flows, the Commission considers all cash held by the Richland County Treasury to be cash equivalents since they are available to the Commission upon demand.

**RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 2– SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees’ rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. The Commission records a liability for all accumulated unused vacation time when earned or all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vested method. The Commission records a liability for those employees with twenty years of service at the Commission or at age 55 for those who will have ten years of service by the age of 60 up to a maximum of thirty days.

J. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from these estimates.

NOTE 3 – CAPITAL ASSETS

A summary of the Commission’s Capital Assets at June 30, 2011 is as follows:

	Balance <u>June 30, 2010</u>	Additions	Deletions	Balance <u>June 30, 2011</u>
Furniture and Equipment	\$174,835	\$ -	\$ -	\$174,835
Accumulated Depreciation	(135,310)	(7,246)	-	(142,556)
Book Value	<u>\$39,525</u>	<u>(\$7,246)</u>	<u>\$ -</u>	<u>\$32,279</u>

NOTE 4 – PENSION PLAN

Ohio Public Employees Retirement System

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 5 years at 20% 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 the retirement system 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.

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 stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 4 – PENSION PLAN (Continued)

For the year ended September 30, 2011, the members of all three plans, were required to contribute 10 percent of their annual covered salaries. The employer contribution rate for Association employers was 14 percent of covered payroll. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

The Commission's required contributions for pension obligations to the traditional and combined plans for the years ended September 30, 2011, 2010, and 2009 were \$65,771, \$67,221, and \$68,094 respectively. The full amount has been contributed.

NOTE 5– POSTEMPLOYMENT BENEFITS

Plan Description

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

Funding Policy

The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. The Association contributed at a rate of 14.00% of covered payroll for the current year. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for state and local employer units. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. For 2011, the employer contribution allocated to the health care plan was 7.0% of covered payroll.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The portion of employer contributions that were used, or will be used to fund post-employment benefits for 2011 approximated \$32,886.

**RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 5– POSTEMPLOYMENT BENEFITS (Continued)

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

NOTE 6– LONG TERM LIABILITIES

Long-Term liabilities at June 30, 2011 were as follows:

	Balance June 30, 2010	Additions	Deletions	Balance June 30, 2011
Compensated Absences	\$48,519	\$27,386	(\$36,629)	\$39,276

NOTE 7– RISK MANAGEMENT

The Commission is exposed to various risks of loss related to torts, theft or damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters.

Through Richland County, the Commission maintained coverage with the County Risk Sharing Authority (CORSA), as follows:

General Liability:	Limit: \$1,000,000 per Occurrence – No Annual Aggregate
Auto Liability:	Limit: \$1,000,000 per Occurrence – No Annual Aggregate Auto Medical Payments \$5,000 Each Person, \$50,000 Each Accident
Public Officials Liability:	\$1,000,000 per Occurrence - \$1,000,000 Annual Aggregate
Crime Coverage:	Employee Dishonesty \$1,000,000 Money and Securities \$1,000,000 Depositor’s Forgery \$1,000,000 Money Orders and Counterfeit Paper \$1,000,000 Building– Contents Replacement Cost
Equipment:	Valuable Papers \$1,000,000 Extra Expense \$1,000,000 Electronic Data Processing Replacement Cost Contractors Equipment Replacement Cost Misc. Inland Marine Replacement Cost Motor truck Cargo \$100,000 Flood & Earthquake Replacement Cost Auto Physical Damage Actual Cash Value Automatic Acquisition \$5,000,000
Excess Liability:	Richland County \$5,000,000
Errors & Omissions Liability:	\$1,000,000 per Occurrence -Annual Aggregate

Settled claims have not exceeded commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

**RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 8- RISK SHARING POOL

Through Richland County, the Commission participates in the County Risk Sharing Authority, Inc. (CORSA), a risk sharing pool made up of sixty-two member counties. CORSA was formed as an Ohio nonprofit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by CORSA. This coverage includes comprehensive general liability, automobile liability, certain property insurance and public officials' errors and omissions liability insurance.

Each member county has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the Corporation are managed by an elected board of not more than nine trustees. Only county commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any one time. Each member county's control over the budgeting and financial of CORSA is limited to its voting authority and any representation it may have on the board of trustees. CORSA has issued certificate of participation in order to provide adequate cash reserves. The certificates are secured by the member counties' obligations to make coverage payments to CORSA. The participating counties have no responsibility for the payment of certificates. The Commission does not have any equity interest in CORSA since the Commission is included as a part of Richland County.

NOTE 9- CONTINGENCIES

Federal and State contracts are subject to review and audit by the grantor agencies or their designees. Such audits could lead to requests for reimbursement to the grantor agency for expenses disallowed under terms of the grant. There are no such claims pending and no known situations which would lead to such a claim. In addition, based upon prior experience and audit results, management believes that such disallowances, if any, would be immaterial.

In the normal course of its business activities, the Commission may become subject to claims and litigation relating to contracts, employment or other matters. In the opinion of management, the resolution of any such claims pending would not likely have a material impact on the Commission's financial position.

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**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

December 22, 2011

Richland County Regional Planning Commission
35 North Park Street, Suite 230
Mansfield, Ohio 44902

To the Executive Committee:

We have audited the financial statements of the business-type activities of the **Richland County Regional Planning Commission**, Richland County, Ohio (the Commission) as of and for the year ended June 30, 2011, which collectively comprise the Commission's basic financial statements as listed in the table of contents and have issued our report thereon dated December 22, 2011. 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 opinions on the financial statements, but not for the purpose of opining 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 a more than reasonable possibility that a material misstatement of the Commission's financial statements 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.

Richland County Regional Planning Commission
Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*

Compliance and Other Matters

As part of reasonably assuring whether the Commission's basic financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of management, the Executive Committee, and other within the Commission. We intend it for no one other than these specified parties.

Respectfully Submitted,

A handwritten signature in black ink that reads "Perry & Associates CPAs A.C." in a cursive script.

Perry and Associates
Certified Public Accountants, A.C.



Dave Yost • Auditor of State

RICHLAND COUNTY REGIONAL PLANNING COMMISSION

RICHLAND 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
FEBRUARY 21, 2012**