



OHIO AUDITOR OF STATE  
**KEITH FABER**





**STARK COUNTY REGIONAL PLANNING COMMISSION  
STARK COUNTY**

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## INDEPENDENT AUDITOR'S REPORT

Stark County Regional Planning Commission  
Stark County  
201 Third Street NE, Suite 201  
Canton, Ohio 44702

To the Commission:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Stark County Regional Planning Commission, Stark County, Ohio (the Commission) as of and for the year ended December 31, 2019.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Commission's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Commission's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 2 of the financial statements, the Commission prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Commission does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Commission as of December 31, 2019, and the respective changes in financial position thereof for the year then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of the Stark County Regional Planning Commission, Stark County as of December 31, 2019, for the year then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

***Emphasis of Matter***

As discussed in Note 7 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Commission. We did not modify our opinion regarding this matter.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 18, 2020, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State

Columbus, Ohio

May 18, 2020

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**STARK COUNTY REGIONAL PLANNING COMMISSION  
STARK COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN  
FUND BALANCES (REGULATORY CASH BASIS) - GOVERNMENTAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	General
<b>Cash Receipts</b>	
Taxes	\$3,933
Charges for Services	5,660
Licenses and Permits	21,282
Intergovernmental	2,244,581
Miscellaneous	27,011
	2,302,467
<i>Total Cash Receipts</i>	<i>2,302,467</i>
<b>Cash Disbursements</b>	
Current	
Economic Development:	
Personal Services - Salaries and Wages	1,355,142
Personal Services - Employee Benefits	457,734
Supplies and Materials	23,839
Purchased Services	250,709
Capital Outlay	18,164
Other Allocations	28,987
	2,134,573
<i>Total Cash Disbursements</i>	<i>2,134,573</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>167,894</i>
<b>Other Financing Receipts</b>	
Sale of Capital Assets	1,075
	168,969
<i>Net Change in Fund Cash Balances</i>	<i>168,969</i>
<i>Fund Cash Balances, January 1</i>	<i>1,081,124</i>
<b>Fund Cash Balances, December 31</b>	
Assigned	44,071
Unassigned (Deficit)	1,206,022
	\$1,250,093
<i>Fund Cash Balances, December 31</i>	<i>\$1,250,093</i>

*See accompanying notes to the financial statements*

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**Stark County Regional Planning Commission**

*Stark County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2019*

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**Note 1 – Reporting Entity**

The Stark County Regional Planning Commission (the Commission), Stark County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A 61 member Board governs the Commission. The Board consists of representatives from participating political subdivisions, the County Commissioners, and appointed citizens. The Commission formulates and reviews plans affecting long and short term social, economic, and governmental development within the region. The participating subdivisions are:

City of Alliance	City of Canal Fulton	City of Canton
City of Louisville	City of Massillon	City of North Canton
Bethlehem Township	Canton Township	Jackson Township
Lake Township	Lexington Township	Marlboro Township
Nimishillen Township	Osnaburg Township	Pike Township
Plain Township	Sandy Township	Washington Township
Village of Beach City	Village of Brewster	Village of East Canton
Village of East Sparta	Village of Hartville	Village of Hills and Dales
Village of Magnolia	Village of Meyers Lake	Village of Minerva
Village of Navarre	Village of Waynesburg	Village of Wilmot
Stark County Commissioners	Stark County Park District	

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

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

***Basis of Presentation***

The Commission's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types organized on a fund type basis.

**Stark County Regional Planning Commission**

*Stark County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2019*

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***Fund Accounting***

The Commission uses funds 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 funds of the Commission are presented below:

***General Fund*** The general fund accounts for and reports all financial resources not accounted for and reported 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.

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

***Deposits and Investments***

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

***Capital Assets***

The Commission records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

***Accumulated Leave***

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

***Fund Balance***

Fund balance is divided into five classifications based primarily on the extent to which the Commission must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

***Nonspendable*** The Commission classifies assets as ***nonspendable*** when legally or contractually required to maintain the amounts intact.

***Restricted*** Fund balance is ***restricted*** when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**Stark County Regional Planning Commission**

*Stark County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2019*

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**Fund Balance (continued)**

**Committed** The Board can *commit* amounts via formal action (resolution). The Commission must adhere to these commitments unless the Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**Assigned** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by the Board or a Commission official delegated that authority by resolution, or by State Statute.

**Unassigned** Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Commission applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**Note 3 – Risk Management**

**Commercial Insurance**

The Commission has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles;
- Inland Marine;
- Commercial crime; and
- Public Officials and Employment Practices Liability

**Self-Insurance**

The Commission is also insured for employee health insurance through Stark County. The County has elected to provide benefits through a self-insured program. The maintenance of these benefits is accounted for in the County's self-insurance Internal Services fund. The plan's specific stop-loss retention for 2019 was \$300,000. The aggregate stop-loss was discontinued at the end of 2017.

**Note 4 – Defined Benefit Pension Plans**

**Ohio Public Employees Retirement System**

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10.0 percent of their gross salaries and the Commission contributed an amount equaling 14.0 percent of participants' gross salaries. The Commission has paid all contributions required through December 31, 2019.

**Stark County Regional Planning Commission**

*Stark County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2019*

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**Note 5 – Postemployment Benefits**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes multiple health care plans including medical coverage, prescription drug coverage, and deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the traditional pension plan and combined plan was 0 percent during calendar year 2019. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2019.

**Note 6 – Contingent Liabilities**

Amounts grantor agencies pay to the Commission are subject to audit and adjustment by the grantor, principally the federal government. The grantor 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.

**Note 7 – Subsequent Event**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Commission. In addition, the impact on the Commission's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Stark County Regional Planning Commission  
Stark County  
201 Third Street NE, Suite 201  
Canton, Ohio 44702

To the Commission:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of the Stark County Regional Planning Commission, Stark County, (the Commission) as of and for the year ended December 31, 2019, and the related notes to the financial statements and have issued our report thereon dated May 18, 2020 wherein we noted the Commission followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit and also noted the Commission included a disclosure regarding the potential financial impact of COVID-19 and the ensuing emergency measures.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Commission's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Commission's internal control. Accordingly, we have not opined on it.

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 reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Commission's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

***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, opining 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*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Commission's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Commission's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber  
Auditor of State

Columbus, Ohio

May 18, 2020



# OHIO AUDITOR OF STATE KEITH FABER



**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  
JUNE 9, 2020**