



**FAIRFIELD COUNTY REGIONAL PLANNING COMMISSION
FAIRFIELD COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2013-2012



Dave Yost • Auditor of State

**REGIONAL PLANNING COMMISSION
FAIRFIELD COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Fairfield County Regional Planning Commission
Fairfield County
210 East Main Street, Room 302
Lancaster, Ohio 43130

To the Executive Committee:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of the Fairfield County Regional Planning Commission, Fairfield County, Ohio (the Commission) as of and for the years ended December 31, 2013 and 2012.

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 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 opinion.

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

As described in Note 1 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, to satisfy these requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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, 2013 and 2012, or changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of Fairfield County Regional Planning Commission, Fairfield County, Ohio as of December 31, 2013 and 2012, and its combined cash receipts and disbursements for the years 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 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 3, 2014, 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.



Dave Yost
Auditor of State

Columbus, Ohio

September 3, 2014

**REGIONAL PLANNING COMMISSION
FAIRFIELD COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGE IN FUND BALANCE (CASH BASIS)
GOVERNMENTAL FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2013**

	General
Cash Receipts	
Charges for Services	\$32,586
Fines, Licenses and Permits	23,400
County Contributions	130,000
Member Contributions-Intergovernmental	41,427
Other	946
 Total Cash Receipts	 228,359
 Cash Disbursements	
Current:	
Economic Development:	
Personal Services	139,363
Fringe Benefits	67,770
Materials and Supplies	421
Contractual Services	14,633
Capital Outlay	3,489
 Total Cash Disbursements	 225,676
 Excess of Receipts Over Disbursements	 2,683
 Net Change in Fund Cash Balance	 2,683
 Fund Cash Balance, January 1	 145,900
 Fund Cash Balance, December 31	
Committed	14,535
Assigned	12,400
Unassigned	121,648
 Fund Cash Balance, December 31	 \$148,583

REGIONAL PLANNING COMMISSION
FAIRFIELD COUNTY

STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGE IN FUND BALANCE (CASH BASIS)
FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Fiduciary Fund Type</u>
	<u>Agency</u>
Operating Cash Disbursements	
Contractual Services	<u>\$114,980</u>
Total Operating Cash Disbursements	<u>114,980</u>
Operating (Loss)	<u>(114,980)</u>
Non-Operating Receipts (Disbursements)	
Other Financing Sources	87,450
Other Financing Uses	<u>(56,098)</u>
Total Non-Operating Receipts (Disbursements)	<u>31,352</u>
Net Change in Fund Cash Balance	(83,628)
Fund Cash Balance, January 1	<u>164,565</u>
Fund Cash Balance, December 31	<u><u>\$80,937</u></u>

**REGIONAL PLANNING COMMISSION
FAIRFIELD COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGE IN FUND BALANCE (CASH BASIS)
GOVERNMENTAL FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2012**

	General
Cash Receipts	
Charges for Services	\$41,080
Fines, Licenses and Permits	23,427
County Contributions	130,000
Member Contributions-Intergovernmental	33,818
Other	349
Total Cash Receipts	228,674
Cash Disbursements	
Current:	
Economic Development:	
Personal Services	136,435
Fringe Benefits	64,107
Materials and Supplies	734
Contractual Services	8,740
Other	235
Capital Outlay	4,000
Total Cash Disbursements	214,251
Excess of Receipts Over Disbursements	14,423
Net Change in Fund Cash Balance	14,423
Fund Cash Balance, January 1	131,477
Fund Cash Balances, December 31	
Assigned	20,837
Unassigned	125,063
Fund Cash Balance, December 31	\$145,900

REGIONAL PLANNING COMMISSION
FAIRFIELD COUNTY

STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGE IN FUND BALANCE (CASH BASIS)
FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Fiduciary Fund Type</u>
	<u>Agency</u>
Operating Cash Disbursements	
Contractual Services	<u>\$197,602</u>
Total Operating Cash Disbursements	<u>197,602</u>
Operating (Loss)	<u>(197,602)</u>
Non-Operating Receipts (Disbursements)	
Other Financing Sources	41,282
Other Financing Uses	<u>(9,994)</u>
Total Non-Operating Receipts (Disbursements)	<u>31,288</u>
Net Change in Fund Cash Balance	(166,314)
Fund Cash Balance, January 1	<u>330,879</u>
Fund Cash Balance, December 31	<u><u>\$164,565</u></u>

**REGIONAL PLANNING COMMISSION
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges for the Regional Planning Commission, Fairfield County, (the Commission) as a body corporate and politic. A 41 member Board governs the Commission. The Commission consists of the following; Municipal Members, Township Members, Citizen Members, Fairfield County Board of Commissioners and three At Large Members (resident citizens of the region) and Ex-officio Members consisting of: the County Engineer, the District Conservationist of the Soil Conservation District, the District Technician of the Fairfield Soil and Water Conservation District, a representative from the Health Department, the County Sanitary Engineer and other appropriate officials as may be appointed by the Regional Planning Commission. The Commission formulates and reviews plans affecting long and short term social, economic, and governmental development within the region. The participating subdivisions are:

Fairfield County	Pleasant Township	Carroll Village
Amanda Township	Richland Township	Baltimore Village
Berne Township	Rush Creek Township	Pleasantville Village
Bloom Township	Violet Township	Rushville Village
Clear Creek Township	Walnut Township	West Rushville Village
Greenfield Township	Amanda Village	Bremen Village
Hocking Township	Sugar Grove Village	Pickerington City
Lancaster City	Canal Winchester City	Millersport Village
Liberty Township	Lithopolis Village	Thurston Village
Madison Township	Stoutsville Village	

The Commission is operated by an Executive Committee consisting of: President, two Vice Presidents, Secretary, Immediate past President and not less than two other members. The Regional Planning Commission grants the Director authorization to execute transactions up to budgeted expenditures and disbursements, or commitments or purchase orders for expenditure of disbursements. Unbudgeted expenditures require Regional Planning Commission approval. The Fairfield County Auditor is the Fiscal Officer for the Commission.

Jointly Governed and Other Related Organization. A jointly governed organization is a regional government or other multi-governmental arrangement that is governed by representatives from each of the governments that create the organization, but that is not a joint venture because the participants do not retain an ongoing financial interest or responsibility. The Commission participates in the County Risk Sharing Authority (CORSA), a public entity risk pool. Note 4 to the basic financial statements provide additional information for this entity.

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

**REGIONAL PLANNING COMMISSION
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Commission 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 Auditor of State prescribes or permits.

C. Budgetary Process

The Commission, although not required by Ohio Law, adopts a budget annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Commission must annually approve appropriation measures and subsequent amendments. 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. The County Budget Commission approves estimated resources.

3. Encumbrances

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

A summary of 2013 and 2012 budgetary activity appears in Note 2.

D. Deposits and Investments

As the Ohio Revised Code permits, the Fairfield 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.

**REGIONAL PLANNING COMMISSION
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

E. 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 accounts for and reports all financial resources not accounted for and reported in another fund.

2. Fiduciary Fund

Fiduciary funds include agency funds. Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Commission disburses these funds as directed by the individual, organization, or other government. The Commission's agency fund accounts for funds which the Commission is acting in an agency capacity. The Commission had the following significant Fiduciary Fund:

Letter of Credit Fund

This fund is used to account for cash bonds received by developers. Upon completion of a subdivision, the remaining amount on the bonds not spent for construction expenditures are returned to the developer.

F. 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:

1. Nonspendable

The Commission classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. The Commission did not have any nonspendable fund balances.

2. 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. The Commission did not have any restricted fund balances.

**REGIONAL PLANNING COMMISSION
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

F. Fund Balance (Continued)

3. 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.

4. 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 Commission Board or a Commission official delegated that authority by resolution, or by State Statute.

5. 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.

G. Property, Plant, and Equipment

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

H. 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.

**REGIONAL PLANNING COMMISSION
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

2. Budgetary Activity

Budgetary activity for the years ending December 31, 2013 and 2012 follows:

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$230,100	\$228,359	(\$1,741)
Fiduciary	89,485	87,450	(2,035)
Total	\$319,585	\$315,809	(\$3,776)

2013 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$250,135	\$226,641	\$23,494
Fiduciary	254,025	171,078	82,947
Total	\$504,160	\$397,719	\$106,441

2012 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$210,100	\$228,674	\$18,574
Fiduciary	41,282	41,282	0
Total	\$251,382	\$269,956	\$18,574

2012 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$234,954	\$217,588	\$17,366
Fiduciary	357,372	228,451	128,921
Total	\$592,326	\$446,039	\$146,287

3. Retirement Systems

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. For 2013 and 2012, OPERS members contributed 10%, respectively, of their gross salaries and the Commission contributed an amount equal to 14% of participants' gross salaries. The Commission has paid all contributions required through December 31, 2013.

**REGIONAL PLANNING COMMISSION
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

4. Public Entity Risk Pool

The County Risk Sharing Authority, Inc. (CORSA) is a shared risk pool among forty-one counties in Ohio. CORSA was formed as an Ohio non-profit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Members agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by CORSA. The coverage includes comprehensive general liability, automobile liability, certain property insurance, and public officials' errors and omissions liability insurance.

Each member has one vote on all matters requiring a vote, which will be cast by a designated representative. An elected board of not more than nine trustees manages the affairs of the Corporation. 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 time. Each member's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the board of trustees. CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the members' obligations to make coverage payments to CORSA. The participating members have no responsibility for the payment of the certificates. The Commission does not have an equity interest in CORSA.

5. Contingent Liabilities

The Commission could be a possible defendant in a pending claim. In the opinion of the County Prosecutor, no litigation is currently pending on this claim. Although management cannot presently determine the outcome of this claim, management believes that the resolution of this matter will not materially adversely affect the Commission's financial condition.



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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*

Fairfield County Regional Planning Commission
Fairfield County
210 East Main Street, Room 302
Lancaster, Ohio 43130

To the Executive Committee:

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 Fairfield County Regional Planning Commission, Fairfield County, Ohio, (the Commission) as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, and have issued our report thereon dated September 3, 2014, 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.

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 communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

Columbus, Ohio

September 3, 2014



Dave Yost • Auditor of State

FAIRFIELD COUNTY REGIONAL PLANNING COMMISSION

FAIRFIELD 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
SEPTEMBER 25, 2014