



**WARREN COUNTY REGIONAL PLANNING COMMISSION
WARREN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

WARREN COUNTY REGIONAL PLANNING COMMISSION
WARREN COUNTY

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INDEPENDENT ACCOUNTANTS' REPORT

Warren County Regional Planning Commission
Warren County
406 Justice Drive
Lebanon, OH 45036

To the Board of Directors:

We have audited the accompanying financial statements of the Warren County Regional Planning Commission, Warren County, Ohio (the Planning Commission), as of and for the years ended December 31, 2000 and 1999. These financial statements are the responsibility of the Planning 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 described in Note 1, the Planning 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 combined fund cash balances and reserves for encumbrances of the Planning Commission, as of December 31, 2000 and 1999, and its combined 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 August 22, 2001 on our consideration of the Planning 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 for the information and use of the audit committee, management, the Board of Directors and other officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

August 22, 2001

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**WARREN COUNTY REGIONAL PLANNING COMMISSION
WARREN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
GENERAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999**

	<u>2000</u>	<u>1999</u>
Cash Receipts:		
Fees Charged to Subdivisions	\$333,459	\$328,781
Contractual Services	<u>172,690</u>	<u>175,039</u>
 Total Cash Receipts	 <u>506,149</u>	 <u>503,820</u>
Cash Disbursements:		
Salaries	319,776	313,293
Supplies	3,883	6,295
Equipment		11,728
Contracts - Repair	337	378
Contracts - Services	21,408	67,532
Travel	2,694	3,934
Public Employee's Retirement	35,407	42,418
Worker's Compensation		4,773
Other	<u>55,706</u>	<u>46,665</u>
 Total Cash Disbursements	 <u>439,211</u>	 <u>497,016</u>
Total Receipts Over/(Under) Disbursements	<u>66,938</u>	<u>6,804</u>
Other Financing Receipts/(Disbursements):		
Other Sources		<u>1,705</u>
 Total Other Financing Receipts/(Disbursements)	 <u>0</u>	 <u>1,705</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	66,938	8,509
Fund Cash Balances, January 1	<u>268,766</u>	<u>260,257</u>
 Fund Cash Balances, December 31	 <u>335,704</u>	 <u>268,766</u>
Reserve for Encumbrances, December 31	<u>\$16,500</u>	<u>\$16,500</u>

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

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**WARREN COUNTY REGIONAL PLANNING COMMISSION
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Warren County Regional Planning Commission, Warren County, Ohio (the Planning Commission), 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. The Planning Commission is directed by a forty-seven member Board. The Board consists of representatives from participating political subdivisions, the County Commissioners, and appointed citizens. The Planning Commission formulates and reviews plans affecting long and short term social, economic, and governmental development within the region. The participating subdivisions are: the townships of Clearcreek, Deerfield, Franklin, Hamilton, Harlan, Massie, Turtlecreek, Union and Wayne; the villages of Carlisle, Corwin, Harveysburg, Morrow, South Lebanon, and Waynesville; the cities of Franklin, Lebanon, Mason, and Springboro; and, representatives from various County departments.

The Planning Commission's management believes these financial statements present all activities for which the Planning 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 Planning Commission's cash is held and invested by the Warren County Treasurer, who is the custodian for Planning Commission monies. The Planning 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 Planning Commission uses fund accounting to segregate cash and investments that are restricted as to use. The Planning Commission accounts for its transactions in the General Fund. The General Fund is the general operating fund. It is used to account for all financial resources.

E. Budgetary Process

The Planning Commission budgets the General Fund annually.

**WARREN COUNTY REGIONAL PLANNING COMMISSION
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. Appropriations

The Board annually approves appropriation measures 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. The County Budget Commission must also approve estimated resources.

3. Encumbrances

As part of formal budgetary control, contracts are encumbered and recorded as the equivalent of expenditures (budget basis) in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. The Planning Commission reserves (encumbers) appropriations when commitments are made. Encumbrances outstanding at year-end are carried over, and need not be reappropriated.

A summary of 2000 and 1999 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. Unpaid Vacation and Sick Leave

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

2. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2000 and 1999 follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$408,959	\$506,149	\$97,190

**WARREN COUNTY REGIONAL PLANNING COMMISSION
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

2. BUDGETARY ACTIVITY (Continued)

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	<u>\$550,221</u>	<u>\$455,711</u>	<u>\$94,510</u>

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	<u>\$403,825</u>	<u>\$505,525</u>	<u>\$101,700</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	<u>\$562,630</u>	<u>\$513,516</u>	<u>\$49,114</u>

3. RETIREMENT SYSTEMS

The Planning 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. PERS members contributed 8.5% of their gross salaries. The Planning Commission contributed an amount equal to 10.84% of participants' gross salaries in 2000 and an amount equal to 13.55% in 1999. The Planning Commission has paid all contributions required through December 31, 2000.

4. RISK MANAGEMENT

The Planning Commission has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

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

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

Warren County Regional Planning Commission
Warren County
406 Justice Drive
Lebanon, OH 45036

To the Board of Directors:

We have audited the financial statements of the Warren County Regional Planning Commission, Warren County, Ohio (the Planning Commission), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated August 22, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Planning 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*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Planning Commission in a separate letter dated August 22, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Planning 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. However, we noted a matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Planning Commission's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings as item 2000-60483-001.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness.

Warren County Regional Planning Commission
Warren County
Report on Compliance and on Internal Control Required by
Government Auditing Standards
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We also noted another matter involving the internal control over financial reporting that does not require inclusion in this report that we have reported to the management of the Planning Commission in a separate letter dated August 22, 2001.

This report is intended for the information and use of management and the Board, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

August 22, 2001

**WARREN COUNTY REGIONAL PLANNING COMMISSION
WARREN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2000 AND 1999**

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

FINDING NUMBER 2000-60483-001

Reportable Condition - Health Insurance

The Planning Commission participated in the health insurance plan of Warren County. During the County's audit, we noted that it has delegated employee's health insurance claims processing, which is a significant accounting function, to a third party administrator. The County has not established procedures to reasonably determine that health insurance claims have been completely and accurately processed in accordance with the health insurance contract.

We recommend that the County (the Planning Commission's fiscal agent), implement procedures to reasonably assure the completeness, and accuracy (including eligibility and allowability) of health insurance claims processed by their third party administrator. Statement on Auditing Standards No. 70 (SAS 70) prescribes testing and reporting standards for audits of claims processing controls which should satisfy this requirement. As described in that Statement, we suggest that the County obtain a "Report on Policies and Procedures Placed in Operation and Test of Operating Effectiveness" from the third-party administrator. Such a report, if unqualified, would provide evidence to the County and the Planning Commission's management that health insurance claims were being processed in conformance with the contract.



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WARREN COUNTY REGIONAL PLANNING COMMISSION

WARREN 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
OCTOBER 4, 2001**