

Regional Planning Commission
Hamilton County
Financial Statements for the Years
Ended December 31, 2002 and 2001



**Auditor of State
Betty Montgomery**

Regional Planning Commission

We have reviewed the Independent Auditor's Report of the Regional Planning Commission, Hamilton County, prepared by PricewaterhouseCoopers LLP for the audit period January 1, 2001 through December 31, 2002. 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 Regional Planning Commission is responsible for compliance with these laws and regulations.

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

July 1, 2003

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Hamilton County
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Report of Independent Auditors

Members of the Regional Planning Commission
Hamilton County Administration Building
138 East Court Street, Room 807
Cincinnati, Ohio 45202

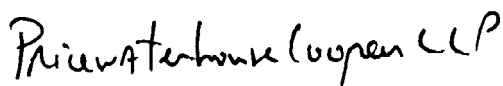
We have audited the accompanying Statements of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances – General Fund of the Regional Planning Commission, Hamilton County, Ohio, as of and for the years ended December 31, 2002 and 2001. These financial statements are the responsibility of the Regional 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 standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Regional Planning Commission prepares its financial statements on the cash basis of accounting, 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 general fund cash balances and reserves for encumbrances of the Regional Planning Commission, Hamilton County, Ohio, as of December 31, 2002 and 2001, and the general fund 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 a report dated June 13, 2003, on our consideration of the Regional 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.



June 13, 2003

**Regional Planning Commission
Hamilton County
Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash
Balances – General Fund
for the year ended December 31, 2002**

Cash receipts:	
Transfer from Hamilton County's General Fund	\$ 1,186,420
Federal Funds	152,084
Contractual Services	20,006
Charges for Services	12,275
Municipality Fees	76,953
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Total cash receipts	1,447,738
Cash disbursements:	
Salaries and Benefits	891,029
Workers Compensation	3,321
Supplies and Postage	22,533
Advertising and Publishing	30,707
Equipment	20,639
Repairs and Maintenance	19,434
Contracts: Services	292,013
Contracts: Computer Center	27,344
Travel and Expenses	8,216
Public Employees Retirement	109,256
Mandatory Medicare - Employer	8,812
Subscriptions and Training	12,611
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Total cash disbursements	1,445,915
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Total receipts over disbursements	1,823
Fund cash balance at January 1, 2002	403,536
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Fund cash balance at December 31, 2002	\$ 405,359
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Reserve for encumbrances at December 31, 2002	\$ 274,282
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The accompanying notes are an integral part of these financial statements.

**Regional Planning Commission
Hamilton County
Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash
Balances – General Fund
for the year ended December 31, 2001**

Cash receipts:	
Transfer from Hamilton County's General Fund	\$ 1,593,765
Federal Funds	178,000
Contractual Services	5,078
Charges for Services	43,760
Municipality Fees	60,010
Local Grants	<u>10,000</u>
Total cash receipts	<u>1,890,613</u>
Cash disbursements:	
Salaries and Benefits	870,840
Supplies and Postage	20,315
Advertising and Publishing	22,173
Equipment	30,285
Repairs and Maintenance	29,906
Contracts: Services	720,042
Contracts: Computer Center	577
Travel and Expenses	9,419
Public Employees Retirement	107,764
Mandatory Medicare - Employer	8,721
Subscriptions and Training	<u>13,454</u>
Total cash disbursements	<u>1,833,496</u>
Total receipts over disbursements	57,117
Fund cash balance at January 1, 2001	<u>346,419</u>
Fund cash balance at December 31, 2001	<u>\$ 403,536</u>
Reserve for encumbrances at December 31, 2001	<u>\$ 283,454</u>

The accompanying notes are an integral part of these financial statements.

**Regional Planning Commission
Hamilton County
Notes to the Financial Statements**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The Regional Planning Commission (the "Commission") was created pursuant to Sections 713.21 and 713.23 of the Ohio Revised Code. Its purpose is to exercise such powers and to perform duties as shall be consistent with the laws of Ohio. The financial records, excluding over-the-counter receipts, are maintained by the Hamilton County Auditor's Office.

The Commission operates under the direction of a seven member commission. Members of the Commission serve five-year terms and become members through appointment or election. Five members are appointed by the Board of County Commissioners from nominations, of which four nominations are from township trustees and the other from a municipality. One representative is elected by the Municipal Planning Commission and another is elected by the Cincinnati Planning Commission.

Services provided by the Commission include coordinating plans and improvements, and studying and making recommendations regarding needs, priorities and policies for community growth and conservation throughout Hamilton County.

The Commission's management believes these financial statements present all activities for which the Commission is financially accountable. These financial statements contain certain amounts that were allocated by Hamilton County.

B. Basis of Accounting

These financial statements were prepared on the cash basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when a payment is made rather than when a liability is incurred.

C. Fund Accounting

The Commission uses fund accounting to segregate cash that is restricted as to use. The Commission has one fund, the General Fund, which is the general operating fund of the Commission used to account for all financial resources.

**Regional Planning Commission
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Notes to the Financial Statements**

D. Federal Funds

The cash receipts included in Federal Funds in these financial statements represent amounts received from the Hamilton County Department of Community Development. These amounts are reported as federal expenditures by Community Development.

E. Budgetary Process

The Commission is not subject to Ohio budgetary law as it is not a taxing subdivision. However, for management purposes, the Commission prepares annual appropriations, and the County Budget Commission determines the estimated resources. The Commission reserves (encumbers) appropriations when commitments are made. Encumbrances outstanding at year-end are carried over and need not be reappropriated.

A summary of 2002 and 2001 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements. As a department of Hamilton County, office space is provided to the Commission within a building owned by Hamilton County.

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 cash basis of accounting used by the Commission.

2. Related Party Transactions – Cash

Fiscal control of the Commission is maintained by the County Auditor's Office and the County Treasurer's Office. The Commission does not maintain a depository account of investments. The County Treasurer's Office is responsible for deposits, investments and maintaining sufficient collateral for all funds of the Commission. All orders for expenditures of the Commission are drawn upon warrants of the County Auditor's Office.

**Regional Planning Commission
Hamilton County
Notes to the Financial Statements**

3. Budgetary Activity

Budgetary activity for 2002 and 2001 was as follows:

	2002 Budgeted vs. Actual Receipts		
	Budgeted Receipts	Actual Receipts	Variance Favorable (Unfavorable)
General Fund	\$ 1,466,281	\$ 1,447,738	\$ (18,534)

	2002 Budgeted vs. Actual Budgetary Basis Expenditures		
	Appropriation Authority	Budgetary Expenditures	Variance Favorable (Unfavorable)
General Fund	\$ 1,761,173	\$ 1,720,197	\$ 40,976

	2001 Budgeted vs. Actual Receipts		
	Budgeted Receipts	Actual Receipts	Variance Favorable (Unfavorable)
General Fund	\$ 1,481,974	\$ 1,890,613	\$ 408,639

	2001 Budgeted vs. Actual Budgetary Basis Expenditures		
	Appropriation Authority	Budgetary Expenditures	Variance Favorable (Unfavorable)
General Fund	\$ 2,163,131	\$ 2,116,950	\$ 46,181

**Regional Planning Commission
Hamilton County
Notes to the Financial Statements**

4. Benefit Plans

Commission employees are employees of the County and, therefore, are covered by the following benefit plans:

A. Deferred Compensation Plan

Employees of the County may elect to participate in a deferred compensation plan administered by one of the following: (1) The Ohio Public Employees Deferred Compensation Plan; (2) The Aetna Life Insurance Company, Inc.; or (3) The County Commissioners Association of Ohio. Under these plans, employees can defer up to 25% of their annual salary, not to exceed \$8,500 per year, until a future time, usually after retirement. The deferred amounts, as well as any income related to the deferral, are not subject to federal or state income tax until actually received by the employee. Assets of the aforementioned plans were placed in a trust for the exclusive benefit of the participants and beneficiaries during 1999.

B. Employee Retirement Systems and Plans

All County employees are covered by one of three pension systems. These are the Public Employees Retirement System (PERS) and the State Teachers Retirement System (STRS), which are State pension systems, and the City of Cincinnati Retirement System (CRS), a municipal pension plan. All Commission employees are covered by PERS. County employees hired after April 1, 1986, are also covered under the Federal Social Security Act for the Medicare portion only.

PERS is a cost sharing, multiple employer, defined benefit, public employee retirement system. It provides retirement, disability, and death benefits to plan members and beneficiaries. PERS also provides health care benefits to vested retirees. Benefits provided under PERS are established by the Ohio Revised Code.

PERS issues separate, publicly available financial reports that include financial statements and required supplementary information. These reports may be obtained by contacting Public Employees Retirement System of Ohio, 277 East Town Street, Columbus, Ohio 43215, telephone number 800-222-7377.

The Ohio Revised Code provides PERS statutory authority for employee and employer institutions. The required, actuarially determined contribution rates for the County and for employees are 13.55% and 8.50%, respectively.

Regional Planning Commission
Hamilton County
Notes to the Financial Statements

C. Other Postemployment Benefits (OPEB)

In addition to the pension benefits described above, PERS provides postretirement health care coverage, commonly referred to as OPEB (other postemployment benefits). The Ohio Revised Code provides the authority for public employers to fund postretirement health care through their contributions under PERS.

PERS provides post-retirement health care coverage to age and service retirees with ten or more years of qualifying State service credit and to primary survivor recipients of such retirees. Health care coverage for disability recipients and primary survivor recipients is available. The 2002 employer contribution rate for non-law enforcement County employees was 13.55%, of which 5.0% was used to fund health care.

OPEB are financed through employer contributions and investment earnings thereon. The contributions allocated to retiree health care and Medicare, along with investment income on allocated assets and periodic adjustments in health care provisions, are expected to be sufficient to sustain the program indefinitely.

Report of Independent Auditors on Compliance and
on the Internal Control Over Financial Reporting Based
on an Audit of Financial Statements Performed in
Accordance With *Government Auditing Standards*

Members of the Regional Planning Commission
Hamilton County Administration Building
138 East Court Street, Room 807
Cincinnati, Ohio 45202

We have audited the financial statements of the Regional Planning Commission, Hamilton County, Ohio, as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated June 13, 2003. 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 Regional 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*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Regional Planning Commission's internal control over financial reporting to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the design of internal control over financial reporting or its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Regional Planning Commission's management, the Board of Commissioners, and the Auditor of State of Ohio and is not intended to be and should not be used by anyone other than those specified parties.

PricewaterhouseCoopers LLP

June 13, 2003



**Auditor of State
Betty Montgomery**

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HAMILTON REGIONAL PLANING COMMISSION

HAMILTON 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
JULY 29, 2003**