



Mary Taylor, CPA
Auditor of State

WARREN COUNTY REGIONAL PLANNING COMMISSION
WARREN COUNTY

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Mary Taylor, CPA

Auditor of State

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

To the Board of Directors:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

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Mary Taylor, CPA
Auditor of State

October 11, 2007

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Directors:

We have audited the accompanying financial statements of the Warren County Regional Planning Commission, Warren County, Ohio (the Commission), as of and for the years ended December 31, 2006 and 2005. These financial statements are the responsibility of the 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 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.

As described more fully in Note 1, the Commission has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the fund the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Commission's larger (i.e. major) funds separately. While the Commission does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Commissions to reformat their statements. The Commission has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2006 and 2005 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Warren County Regional Planning Commission, Warren County, Ohio as of December 31, 2006 and 2005, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances and reserves for encumbrances of the Warren County Regional Planning Commission, Warren County, Ohio as of December 31, 2006 and 2005, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Commission has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2007, 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.



Mary Taylor, CPA
Auditor of State

October 11, 2007

**WARREN COUNTY REGIONAL PLANNING COMMISSION
WARREN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGE IN FUND CASH BALANCE
GENERAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005**

	2006	2005
Cash Receipts:		
Fees Charged to Subdivisions	\$225,005	\$401,341
Contractual Services	79,052	149,380
Total Cash Receipts	304,057	550,721
Cash Disbursements:		
Salaries	211,403	397,027
Supplies	3,398	5,341
Equipment	437	4,520
Contracts - Repair	2,193	2,167
Contracts - Services	37,467	62,629
Travel	1,373	829
Public Employee's Retirement	28,953	42,609
Other	49,567	91,628
Total Disbursements	334,791	606,750
Total Receipts (Under) Disbursements	(30,734)	(56,029)
Fund Cash Balance, January 1	156,329	212,358
Fund Cash Balance, December 31	\$125,595	\$156,329
Reserve for Encumbrances, December 31	\$18,250	\$0

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, 2006 AND 2005**

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 Warren County Regional Planning Commission, Warren County, Ohio (the Commission), as a body corporate and politic. A forty (40) 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:

Clearcreek Township	Deerfield Township	Franklin Township
Hamilton Township	Harlan Township	Massie Township
Turtlecreek Township	Union Township	Wayne Township
Village of Carlisle	Village of Corwin	Village of Harveysburg
Village of Morrow	Village of South Lebanon	Village of Waynesville
City of Franklin	City of Lebanon	Various County Departments
City of Springboro	City of Mason	

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

B. Basis of Accounting

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

As the Ohio Revised Code requires, the Warren County Treasurer is the custodian of the Commission's monies. The County holds the Commission's assets in its cash and investment pool, valued at the County Treasurer's reported carrying amount.

D. Fund Accounting

The Commission has no cash and investments that are restricted as to use. Therefore, the Commission accounts for all transactions in the General Fund.

**WARREN COUNTY REGIONAL PLANNING COMMISSION
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

The Commission budgets each fund annually.

1. Appropriations

The Board annually approves appropriations 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.

3. Encumbrances

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 2006 and 2005 budgetary activity appears in Note 2.

F. 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.

G. 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.

2. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2006 and 2005 follows:

2006 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$275,005	\$304,057	\$29,052
Total	\$275,005	\$304,057	\$29,052

**WARREN COUNTY REGIONAL PLANNING COMMISSION
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005
(Continued)**

2. BUDGETARY ACTIVITY (Continued)

2006 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$430,730	\$353,041	\$77,689
Total	\$430,730	\$353,041	\$77,689

2005 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$488,138	\$550,721	\$62,583
Total	\$488,138	\$550,721	\$62,583

2005 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$697,884	\$606,750	\$91,134
Total	\$697,884	\$606,750	\$91,134

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 retirement benefits, including postretirement healthcare, and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2006 and 2005, OPERS members contributed 9.0 and 8.5 percent respectively, of their gross salaries. The Commission contributed an amount equal to 13.70 and 13.55 percent respectively, of participants' gross salaries. The Commission has paid all contributions required through December 31, 2006.

4. RISK MANAGEMENT

Commercial Insurance

The Commission has obtained commercial insurance for the following risks:

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

Self Insurance

The Commission is also self insured for employee health insurance through the insurance plans of Warren County.

**WARREN COUNTY REGIONAL PLANNING COMMISSION
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005
(Continued)**

5. CONTINGENT LIABILITIES

The Commission is a defendant in lawsuits. Although management cannot presently determine the outcome of these suits, counsel believes the resolution of these matters will not materially adversely affect the Commission's financial condition.



Mary Taylor, CPA

Auditor of State

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

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

To the Board of Directors:

We have audited the financial statements of the Warren County Regional Planning Commission, Warren County, Ohio (the Commission), as of and for the years ended December 31, 2006 and 2005, and have issued our report thereon dated October 11, 2007, wherein we noted the Commission prepared its financial statements using accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. 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 opinion on the financial statements, but not to opine 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 control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Commission's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Commission's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Commission's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be 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.

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, 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 an instance of noncompliance or other matter that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2006-001.

We also noted certain noncompliance or an other matter that we reported to the Commission's management in a separate letter dated October 11, 2007.

The Commission's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the Commission's response and, accordingly, we express no opinion on it.

We intend this report solely for the information and use of the management, and the Board of Directors. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

October 11, 2007

WARREN COUNTY REGIONAL PLANNING COMMISSION
WARREN COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2006 AND 2005

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

FINDING NUMBER 2006-001

Material Noncompliance

Ohio Rev. Code, Section 9.38, provides that public money must be deposited with the treasurer of the public office or to a designated depository on the business day following the day of receipt. Public money collected for other public offices must be deposited by the first business day of the week following the date of collection.

If the amount of daily receipts does not exceed \$1,000 and the receipts can be safeguarded, public offices may adopt a policy permitting their officials who receive this money to hold it past the next business day, but the deposit must be made no later than three business days after receiving it. If the public office is governed by a legislative authority, only the legislative authority may adopt the policy. The policy must include provisions and procedures to safeguard the money during the intervening period. If the amount exceeds \$1,000 or a lesser amount cannot be safeguarded, the public official must then deposit the money on the next business day. The Commission adopted such a policy in 2003.

In 2006, four of nineteen (21%) member contribution receipts and one of twenty (5%) filing fee receipts tested were not deposited timely. In 2005, eight of nineteen (42%) member contribution receipts and two of twenty (10%) filing fee receipts tested were not deposited timely. Not depositing funds timely could allow for the misappropriation of Commission funds. We recommend the Commission follow the Board's policy regarding the depositing of funds.

Officials' Response:

The Regional Planning Commission (RPC) acknowledges that we have been slow in depositing funds in the past. The RPC staff adopted a policy for depositing funds within a day's time (3 at the most) and will continue to work diligently at adhering to this policy.

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WARREN COUNTY REGIONAL PLANNING COMMISSION
WARREN COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2006 AND 2005

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2004-001	Forty-five percent of filing fees were not deposited timely	No	Not Corrected, reissued as finding 2006-001



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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
DECEMBER 4, 2007**