



**Auditor of State
Betty Montgomery**

**REGIONAL PLANNING COMMISSION
HARDIN COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Regional Planning Commission
Hardin County
One Courthouse Square, Suite 130
Kenton, Ohio 43326

To the Board of Commissioners:

We have audited the accompanying financial statements of the Regional Planning Commission, Hardin County (the "Commission"), as of and for the years ended December 31, 2003 and 2002. 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 *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 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 fund cash balances of the Commission as of December 31, 2003 and 2002, and its 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 April 19, 2004 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 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 solely for the information and use of the audit committee, management, Board of Commissioners and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

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Betty Montgomery
Auditor of State

April 19, 2004

**REGIONAL PLANNING COMMISSION
HARDIN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2003**

Cash Receipts:	
Fees Charged to Subdivisions	\$39,619
Other Receipts	<u>19,728</u>
Total Cash Receipts	<u>59,347</u>
Cash Disbursements:	
Salaries	48,000
Supplies	596
Equipment	220
Contracts - Services	660
Health Insurance	3,492
Public Employee's Retirement	7,181
Worker's Compensation	323
Other	<u>1,167</u>
Total Disbursements	<u>61,639</u>
Total Receipts(Under) Disbursements	(2,292)
Other Financing Receipts:	
Other Sources	<u>50</u>
Excess of Cash Receipts and Other Financing Receipts (Under) Cash Disbursements	(2,242)
Fund Cash Balance, January 1	<u>18,446</u>
Fund Cash Balance, December 31	<u><u>\$16,204</u></u>

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

**REGIONAL PLANNING COMMISSION
HARDIN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2002**

Cash Receipts:	
Fees Charged to Subdivisions	\$44,857
Other Receipts	<u>13,082</u>
Total Cash Receipts	<u>57,939</u>
Cash Disbursements:	
Salaries	48,000
Supplies	922
Equipment	2,619
Contracts - Services	582
Health Insurance	3,216
Travel and Expenses	722
Public Employee's Retirement	7,200
Worker's Compensation	251
Other	<u>2,352</u>
Total Disbursements	<u>65,864</u>
Total Receipts (Under) Disbursements	(7,925)
Other Financing Receipts:	
Other Sources	<u>30</u>
Excess of Cash Receipts and Other Financing Receipts (Under) Cash Disbursements	(7,895)
Fund Cash Balance, January 1	<u>26,341</u>
Fund Cash Balance, December 31	<u><u>\$18,446</u></u>

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

**REGIONAL PLANNING COMMISSION
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Regional Planning Commission, Hardin County, (the "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 Commission is directed by a 45 member Board. The Board consists of representatives from participating political subdivisions, the county commissioners, and appointed citizens. The participating subdivisions are:

Ada Village	Alger Village	Blanchard Township
Buck Township	Cessna Township	Dudley Township
Dunkirk Village	Forest Village	Goshen Township
Hale Township	Hardin County	Jackson Township
Kenton City	Liberty Township	Lynn Township
Marion Township	McDonald Township	McGuffey Village
Mt. Victory Village	Patterson Village	Pleasant Township
Ridgeway Village	Roundhead Township	Taylor Creek Township
Washington Township		

The Commission provides the following services:

1. assists the County in administering grants;
2. provides member subdivisions with technical assistance with grants and grant writing;
3. provides member subdivisions with assistance on zoning codes and the updating and revision of these codes;
4. assists with the division of real estate lots;
5. maintains flood insurance maps on file and oversees flood hazard construction regulations; and
6. maintains the County's census data on file.

The Commission's management believes these financial statements present all activities for which the Commission is financially accountable. The Hardin County Auditor acts as fiscal agent for the Commission.

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.

**REGIONAL PLANNING COMMISSION
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Cash and Investments

As required by Ohio Revised Code, the Hardin County Treasurer is the custodian of the Commission's monies. The 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 Commission uses fund accounting to segregate cash and investments that are restricted as to use. The Commission classifies its fund into the following type:

General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

E. Budgetary Process

The Commission budgets its 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. Appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus 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 2003 and 2002 budgetary activity appears in Note 2.

F. Accumulated Leave

The one employee is 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 Commission.

**REGIONAL PLANNING COMMISSION
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

2. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2003 and 2002 follows:

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$85,000	\$59,397	(\$25,603)

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$73,300	\$61,639	(\$11,661)

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$85,000	\$57,969	(\$27,031)

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$73,300	\$65,864	(\$7,436)

3. RETIREMENT SYSTEMS

The 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. For 2003 and 2002, PERS members contributed 8.5% of their gross salaries. The Commission contributed an amount equal to 13.55 % of the participant's gross salary for 2003 and 2002. The Commission has paid all contributions required through December 31, 2003.

4. RISK MANAGEMENT

The Commission is included under Hardin County's insurance policy for coverage of County owned property and equipment utilized by the Commission. The coverage provided is:

- General liability
- Property coverage

The Commission's full-time employee is covered by a health insurance plan.

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**Auditor of State
Betty Montgomery**

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

Regional Planning Commission
Hardin County
One Courthouse Square, Suite 130
Kenton, Ohio 43326

To the Board of Commissioners:

We have audited the financial statements of the Regional Planning Commission, Hardin County, (the "Commission"), as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated April 19, 2004. 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 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 required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the 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. 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 internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Commission in a separate letter dated April 19, 2004.

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

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

April 19, 2004



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

HARDIN COUNTY REGIONAL PLANNING COMMISSION

HARDIN 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
MAY 13, 2004**