



Mary Taylor, CPA
Auditor of State

**HARDIN COUNTY REGIONAL PLANNING COMMISSION
HARDIN COUNTY**

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Mary Taylor, CPA

Auditor of State

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

To the Board of Commissioners:

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

June 23, 2008

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Hardin County 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 Hardin County Regional Planning Commission, Hardin County, (the Commission), as of and for the years ended December 31, 2007 and 2006. 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.

GAAP requires 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 governments 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, 2007 and 2006 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Commission as of December 31, 2007 and 2006, 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 reserve for encumbrances of the Hardin County Regional Planning Commission, Hardin County, as of December 31, 2007 and 2006, 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 June 23, 2008, 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.

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

Mary Taylor, CPA
Auditor of State

June 23, 2008

**HARDIN COUNTY REGIONAL PLANNING COMMISSION
HARDIN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGE IN FUND CASH BALANCE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2007**

Cash Receipts:

Fees Charged to Subdivisions	\$59,665
Grant Administration Fees	5,000
Other Receipts	20
Total Cash Receipts	<u>64,685</u>

Cash Disbursements:

Salaries	55,000
Supplies	528
Equipment	1,265
Contracts - Services	1,484
Health Insurance	3,888
Travel	722
Public Employee's Retirement	8,394
Worker's Compensation	1,064
Other	2,803
Total Cash Disbursements	<u>75,148</u>

Total Receipts (Under) Disbursements (10,463)

Fund Cash Balance, January 1 40,904

Fund Cash Balance, December 31 \$30,441

Reserve for Encumbrances, December 31 \$371

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

**HARDIN COUNTY REGIONAL PLANNING COMMISSION
HARDIN COUNTY**

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

Cash Receipts:

Fees Charged to Subdivisions	\$68,489
Grant Administration Fees	22,924
Other Receipts	25
Total Cash Receipts	<u>91,438</u>

Cash Disbursements:

Salaries	52,000
Supplies	402
Contracts - Services	1,991
Health Insurance	3,877
Travel	555
Public Employee's Retirement	7,857
Worker's Compensation	1,166
Other	2,394
Total Cash Disbursements	<u>70,242</u>

Total Receipts Over Disbursements 21,196

Fund Cash Balance, January 1 19,708

Fund Cash Balance, December 31 \$40,904

Reserve for Encumbrances, December 31 \$334

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

**HARDIN COUNTY REGIONAL PLANNING COMMISSION
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006**

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 Hardin County Regional Planning Commission (the Commission”) as a body corporate and politic. A 45 member Board governs the Commission. The Board consists of representatives from participating political subdivisions, the county commissioners, and appointed citizens. Each township is entitled to appoint one representative, each village is entitled to two representatives, each city is entitled to three representatives, and each county is entitled to three representatives. The remaining members are 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. Accounting Basis

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.

**HARDIN COUNTY REGIONAL PLANNING COMMISSION
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Cash and Investments

As the Ohio Revised Code permits, the Hardin 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 uses fund accounting to segregate cash and investments that are restricted as to use. The Commission classifies its fund into the following type:

1. General Fund

The General Fund reports 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. 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 2007 and 2006 budgetary activity appears in Note 2.

F. Accumulated Leave

The Commission's 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.

**HARDIN COUNTY REGIONAL PLANNING COMMISSION
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

2. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2007 and 2006 follows:

2007 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$92,500	\$64,685	(\$27,815)
	\$92,500	\$64,685	(\$27,815)

2007 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$88,734	\$75,519	\$13,215
	\$88,734	\$75,519	\$13,215

2006 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$92,500	\$91,438	(\$1,062)
	\$92,500	\$91,438	(\$1,062)

2006 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$83,224	\$70,576	\$12,648
	\$83,224	\$70,576	\$12,648

3. RETIREMENT SYSTEMS

The Commission's one employee belongs 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 2007 and 2006, OPERS members contributed 9.5 percent and 9.0 percent of their gross salaries. The Commission contributed an amount equal to 13.85 percent and 13.7 percent of participants' gross salaries. The Commission has paid all contributions required through December 31, 2007.

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 one employee is covered by a health insurance plan.

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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*

Hardin County 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 Hardin County Regional Planning Commission, Hardin County, (the Commission), as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated June 23, 2008, wherein we noted the Commission followed accounting practices the Auditor of State prescribes 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 the 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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of the audit committee, management, and Board of Commissioners. 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

June 23, 2008



Mary Taylor, CPA
Auditor of State

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
JULY 15, 2008**