



**Auditor of State  
Betty Montgomery**



**CLINTON COUNTY REGIONAL PLANNING COMMISSION  
CLINTON COUNTY**

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**Auditor of State  
Betty Montgomery**

Clinton County Regional Planning Commission  
Clinton County  
69 N. South Street, Suite 100  
Wilmington, Ohio 45177

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 a February 2, 2005 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 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.

A handwritten signature in cursive script that reads "Betty Montgomery".

**Betty Montgomery**  
Auditor of State

December 12, 2006

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## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT

Clinton County Regional Planning Commission  
Clinton County  
69 N. South Street, Suite 100  
Wilmington, Ohio 45177

To the Board of Commissioners:

We have audited the accompanying financial statements of the Clinton County Regional Planning Commission, Clinton County, Ohio (the Commission), as of and for the years ended December 31, 2005 and 2004. 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.

Revisions to GAAP would require the Commission to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2005 and 2004. Instead of the combined funds the accompanying financial statements present for 2005 and 2004, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2005 and 2004. 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 the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Commission has elected not to reformat its statements. Since this Commission does not use GAAP to measure financial statement amounts, 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 year ended December 31, 2005 and 2004 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, 2005 and 2004, or its changes in financial position for the year then ended.

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Also, 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 Clinton County Regional Planning Commission, Clinton County, as of December 31, 2005 and 2004, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Commission to include Management's Discussion and Analysis for the years ended December 31, 2005 and 2004. 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 December 12, 2006, 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.



**Betty Montgomery**  
Auditor of State

December 12, 2006



**CLINTON REGIONAL PLANNING COMMISSION  
CLINTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2005 and 2004**

	<u>2005</u>	<u>2004</u>
<b>Cash Receipts:</b>		
Fees Charged to Subdivisions	\$74,146	\$83,756
Other Receipts	<u>23,632</u>	<u>18,134</u>
Total Cash Receipts	<u>97,778</u>	<u>101,890</u>
<b>Cash Disbursements:</b>		
Salaries	57,554	59,683
Supplies	1,630	1,635
Contracts - Repair	100	0
Contracts - Services	8,161	8,401
Rentals	5,425	5,425
Travel	360	345
Public Employee's Retirement	7,798	7,733
Worker's Compensation	565	954
Other	<u>17,272</u>	<u>19,921</u>
Total Disbursements	<u>98,865</u>	<u>104,097</u>
Total Receipts (Under) Disbursements	<u>(1,087)</u>	<u>(2,207)</u>
Fund Cash Balances, January 1	<u>17,721</u>	<u>19,928</u>
<b>Fund Cash Balances, December 31</b>	<b><u><u>\$16,634</u></u></b>	<b><u><u>\$17,721</u></u></b>
Reserve for Encumbrances, December 31	<u>\$2,264</u>	<u>\$350</u>

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

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**CLINTON COUNTY REGIONAL PLANNING COMMISSION  
CLINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004**

**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 Clinton County Regional Planning Commission, Clinton County, Ohio (the Commission), as a body corporate and politic. A privately appointed 13 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:

Clinton County	Village of Midland	Village of Clarksville
City of Wilmington	Village of Blanchester	Village of Sabina
Village of Martinsville	Village of Port William	Village of New Vienna
Union Township		

The Commission collects funds from other governmental entities as member fees and from collections from the public for the sale of various brochures by the Commission.

The Executive Director serves at the pleasure of the Board of Commissioners of the Regional Planning Commission. The Executive Director's compensation is fixed by the Commission and is paid out of the General Fund. The Board of Commissioners serve without compensation.

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 Clinton 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.

**CLINTON COUNTY REGIONAL PLANNING COMMISSION  
CLINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting**

Because the Commission has no cash and investments that are restricted as to use; it accounts for all transactions and balances in the General Fund.

**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 2005 and 2004 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, 2005 and 2004 follows:

2005 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$95,514	\$97,778	\$2,264

**CLINTON COUNTY REGIONAL PLANNING COMMISSION  
CLINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004  
(Continued)**

**2. BUDGETARY ACTIVITY (Continued)**

2005 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$108,361	\$101,129	\$7,232

2004 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$101,722	\$101,890	\$168

2004 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$119,863	\$104,447	\$15,416

**3. RETIREMENT SYSTEMS**

The Commission's 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 2005 and 2004, OPERS members contributed 8.5 percent of their gross salaries. The Commission contributed an amount equal to 13.55 percent of participants' gross salaries. The Commission has paid all contributions required through December 31, 2005.

**4. RISK MANAGEMENT**

**Commercial Insurance**

Clinton County carries insurance through private carriers who assume the risk of loss up to the limits of the County's policies on behalf of the Commission. The risks are:

- Property
- Liability
- Wrongful Acts
- Officials Surety Bonds

The Commission also provides health insurance and dental coverage to its' full time employee through the health insurance plan of Clinton County.

**CLINTON COUNTY REGIONAL PLANNING COMMISSION  
CLINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004  
(Continued)**

**5. SUBSEQUENT EVENTS: Commission Funding and Executive Director Retirement**

The Clinton County Commissioners did not pay to the Commission in 2004 the total amount of the dues established by the Planning Commission Board in accordance with Ohio Rev. Code Section 713.12. The dues established by the Regional Planning Commission Board were \$10,000 less than the dues paid by Clinton County. The Commission is of the opinion that based on Attorney General Opinion 94-068; the County Commissioners must pay the full amount. As of December 12, 2006, this matter is not resolved.

The Clinton County Commissioners delayed payment of \$20,271 in 2005 dues to the Commission until January 5, 2006. The Planning Commission accounts for transactions on the cash basis of accounting, however this amount represented the 2005 dues it was not recorded as revenue until 2006.

The Executive Director of the Commission retired November 30, 2006. As of December 12, 2006, the Commission's Board is in the process of interviewing candidates for a new executive director.



## **Auditor of State Betty Montgomery**

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

Clinton County Regional Planning Commission  
Clinton County  
69 N. South Street, Suite 100  
Wilmington, Ohio 45177

To the Board of Commissioners:

We have audited the financial statements of the Clinton County Regional Planning Commission, Clinton County, Ohio (the Commission), as of and for the year ended December 31, 2005 and 2004, and have issued our report thereon dated December 12, 2006, 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 to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. A reportable condition is described in the accompanying schedule of findings as item 2005-001. In a separate letter to the Commission's management dated December 12, 2006, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

#### **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*. In a separate letter to the Commission's management dated December 12, 2006, we reported a matter related to noncompliance we deemed immaterial.

Clinton County Regional Planning Commission  
Clinton County  
Independent Accountants' Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required by *Government Auditing Standards*  
Page 2

We intend this report solely for the information and use of the management and the Board of Commission. It is not intended for 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

December 12, 2006



**CLINTON COUNTY REGIONAL PLANNING COMMISSION  
CLINTON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2005 AND 2004**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2005-001**

**Reportable Condition - Fees**

The Commission collects fees for three types of revenue: Minor Subdivisions, Major Subdivision, and Projects. The Commission should implement controls to ensure that amounts collected are based on accurate calculations and are based on current fee schedules. Specific weaknesses were noted:

- The Commission could not locate certain applications to present for audit;
- Certain applications were incomplete;
- New rates were not enforced as of the effective date of the new fee schedule;
- Errors were noted in the calculation of fees;
- There is a disclaimer on the application that states that the application will not be accepted if all information requested is not provided; however minor subdivision applications were not completed, but were accepted;
- Some application fees were not correctly calculated; and
- There was no evidence that the Commission reviewed applications to determine if they were accurately completed.

To provide necessary accountability of subdivision fees, we recommend the applicant submit a completed application to the Commission along with payment. The person taking the application should review the application to determine that it is properly and accurately completed. The application should include the file number, the date the application was received and the amount of fee collected. An application number should be assigned from a sequentially numbered list. In addition, a pre-numbered duplicate receipt should be issued at the time of payment. The duplicate receipt should include the date, the application file number, payee, and the check number. These duplicate receipts should be reconciled to the approved applications maintained by the Commission. The receipt number and check number should also be recorded on the application. All applications should be filed based on the file number so that completeness can be assured.

**Officials' Response**

We did not receive a response from the Officials.





**Auditor of State  
Betty Montgomery**

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**REGIONAL PLANNING COMMISSION**

**CLINTON 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 26, 2006**