

CITY-COUNTY PLANNING COMMISSION
BOWLING GREEN, KENTUCKY
AUDIT REPORT
JUNE 30, 2009

CITY-COUNTY PLANNING COMMISSION
OFFICIALS AND COMMISSIONERS
AS OF JUNE 30, 2009

Velma Runner	Chairman-Warren County
Linda Dickerson	Vice Chairman-Woodburn
Mary Belle Ballance	Commissioner-Oakland
Cliff Nahm	Commissioner-Bowling Green
Josh Atkerson	Commissioner-Bowling Green
Tim Huston	Commissioner-Warren County
Bennie Jones	Commissioner-Warren County
Faye Phelps	Commissioner-Plum Springs
Albert Rich	Commissioner-Smiths Grove
Larkin Ritter	Commissioner-Warren County
Chuck Coppinger	Commissioner- Bowling Green
William Hotaling	Comissioner-Bowling Green

EXECUTIVE DIRECTOR

STEVE HUNTER

TABLE OF CONTENTS

Independent Auditor's Report	1
Statement of Revenues Collected and Expenses Paid Arising From Cash Transactions	2
Notes to the Statement of Revenues Collected and Expenses Paid	3-6
Supplemental Information: Schedule of Cash Receipts and Cash Disbursements- Budget to Actual Comparison	7-8

INDEPENDENT AUDITOR'S REPORT

City-County Planning Commission
Bowling Green, KY 42101

We have audited the accompanying statement of revenues collected and expenses paid arising from cash transactions of the City-County Planning Commission for the fiscal year ended June 30, 2009. This financial statement is the responsibility of the Commission's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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.

City-County Planning Commission has not presented Management's Discussion and Analysis, that accounting principles generally accepted in the United States has determined is necessary, although not required to be a part of, the basic financial statements.

As described in Note 1, this financial statement was prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenue collected and expenses paid arising from cash transactions of the City-County Planning Commission for the fiscal year ended June 30, 2009, on the basis of accounting described in Note 1.

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of City-County Planning Commission. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Gilbert & Gilbert CPA's

October 5, 2009

CITY-COUNTY PLANNING COMMISSION OF WARREN COUNTY
STATEMENT OF REVENUES COLLECTED AND EXPENSES PAID
ARISING FROM CASH TRANSACTIONS
Year ended June 30, 2009

CASH RECEIPTS

City of Bowling Green, Kentucky	\$ 507,300
Warren County Fiscal Court	498,000
Four Cities Contributions	4,800
Grants & Project Income	102,000
Fees	128,201
Sales & Other Income	6,495
Maintenance Income	11,800
Interest Income	5,662
Miscellaneous Income	14,765
Surety Bond Deposits	<u>230,464</u>
 TOTAL RECEIPTS	 \$ 1,509,487

CASH DISBURSEMENTS

Salaries	776,161
Payroll Taxes	71,371
Retirement	99,380
Employee Benefits	112,838
Legal and Contractual Services	223,232
Commission's Expense	24,850
Advertising	17,806
Postage and Shipping	6,364
Books and Periodicals	1,547
Utilities	27,114
Equipment Maintenance	6,833
Office Supplies	11,179
Office Maintenance	16,891
Recordings Fees	10,034
Meetings & Conferences	3,100
Dues & Membership	860
Travel	4,524
Insurance	30,402
Miscellaneous	5,399
Equipment Acquisitions & Capital Improvements	7,611
Surety Bond Redemptions	<u>191,425</u>
 TOTAL DISBURSEMENTS	 \$ <u>1,648,921</u>
 INCREASE (DECREASE) IN CASH	 (139,434)
 BEG. CASH AT JULY 1, 2008	 <u>718,255</u>
 END. CASH AT JUNE 30, 2009	 \$ <u>578,821</u>

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

CITY-COUNTY PLANNING COMMISSION
NOTES TO STATEMENT OF REVENUES COLLECTED AND EXPENSES PAID

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basis of accounting and the more significant accounting policies of the City-County Planning Commission are summarized as follows:

(A) The Reporting Entity

The City-County Planning Commission is a joint planning unit of the cities of Bowling Green, Oakland, Plum Springs, Smiths Grove, Woodburn, Kentucky and Warren County, Kentucky. The planning unit was formed in 1954 to assist and promote the orderly development of their cities and county. The Commission is organized under Kentucky Revised Statutes Chapter 100.

(B) Basis of Accounting

The accompanying financial statements have been prepared on the basis of cash receipts and disbursements. Under this basis, the only asset recognized is cash and no liabilities are recognized. All cash transactions are recognized as either cash receipts or disbursements, and non-cash transactions are not recognized. Accordingly, the financial statements are not intended to be in conformity with generally accepted accounting principles. The commission has not recognized balances of outstanding dues and accounts payable to vendors, and the related effected on earnings.

(C) Vacation, Sick Leave, and Other Compensated Absences

Commission employees are entitled to certain compensated absences based on their length of employment. With minor exceptions, compensated absences do not vest or accumulate and are recorded as expenditures when they are paid.

(D) Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(E) Grants

The Commission records unrestricted grants in the period designated by the granter. Revenue from restricted grants are recorded when the Commission has paid the expenditures in compliance with the grant restrictions, and received reimbursement for the expenditures.

(F) Equipment Acquisitions and Capital Improvements

The Commission expenses all equipment acquisitions and capital improvements in the period they are purchased.

(G) Bank Depository

All cash is held in checking accounts of the BB&T, Inc. The bank maintains a pledge of U.S. Securities at year ended in the amount of \$674,788 in addition to FDIC coverage to secure the deposits of City-County Planning Commission. The commission is authorized by statute to invest in:

CITY-COUNTY PLANNING COMMISSION
NOTES TO STATEMENT OF REVENUES COLLECTED AND EXPENSES PAID
(CONTINUED)

(1) obligations of the United States and of its agencies and instrumentalities; (2) bonds or certificates of indebtedness of this state and of its agencies and instrumentalities; (3) shares of any savings and loan association insured by and agency of the government of the United States up to the amount so insured; and (4) interest-bearing deposits in national or state banks chartered in Kentucky and insured by an agency of the government of the United States up to the amount so insured, and in larger amounts providing such banks shall pledge as security obligations of the United States government, its agencies, and instrumentalities. The fair market value of all cash and investments is equal to its book value

NOTE 2. CASH & CASH EQUIVALENTS

The Commission considers all cash and other highly liquid investments with interest maturities of three months or less to be cash equivalents. The cash balances below were fully insured and collateralized at June 30, 2009.

Cash consists of the following:

Unrestricted Cash	\$ 231,324
Restricted Cash	<u>347,497</u>
	\$ <u>578,821</u>

The restricted cash consists of unexpended deposits on subdivisions of \$324,652 and Aerial Escrow Account balance of \$22,845. When both restricted and unrestricted resources are available for use, its the Commission's policy to use restricted resources first, and then unrestricted resources as needed.

NOTE 3. FACILITIES

The commission utilizes an office building jointly owned by the City of Bowling Green and the County of Warren, Kentucky on a rent free basis. The commission is paid monthly by both for upkeep and maintenance on the building.

NOTE 4. EMPLOYEE BENEFIT PLAN

Plan Description

Substantially all full-time City-County Planning Commission employees are covered by the County Employee Retirement System (CERS), a cost sharing, multiple employer, public employee retirement system. CERS provides benefits based on an employee's compensation and number of years of service. Benefits are subject to reduction if the employee retires before reaching age 65 or has less than 30 years of service. Vesting begins immediately upon entry into the system and are fully vested after 60 months of service, of which 12 months must be current service. The plan also provides for disability, death and survivor benefits and medical insurance. CERS issues a publicly available financial report that includes historical trend information about progress made in accumulating sufficient assets to pay benefits when due. CERS does not make separate investments of assets and benefit obligations by individual employers. The City-County Planning Commission contributes less than 1% of the contributions made to CERS by all employers.

CITY-COUNTY PLANNING COMMISSION
NOTES TO STATEMENT OF REVENUES COLLECTED AND EXPENSES PAID
(CONTINUED)

NOTE 4. EMPLOYEE BENEFIT PLAN (continued)

Funding Policy

Employees covered under CERS are required to contribute 5.0% of their salary through payroll deductions. The City-County Planning Commission is required to contribute an actuarially determined rate; the current rate is 13.50%. The contribution requirements of plan members and the City-County Planning Commission are established and may be amended by the Board of Trustees of the Kentucky Retirement Systems each biennium.

Annual Pension Cost

The City-County Planning Commission's current year annual pension cost of \$99,300 for CERS was equal to the City-County Planning Commission's required and actual contribution. Participating employers are required to contribute at an actuarial determined rate. Per Kentucky Revised Statute Section 61.565 (3), normal contribution and past service contribution rates shall be determined by the Commission on the basis of an annual valuation last preceding the July 1 of a new biennium. The Commission may amend contribution rates as of the first day of July of the second year of a biennium, if it is determined on the basis of a subsequent actuarial valuation that amended contribution rates are necessary to satisfy requirements determined in accordance with actuarial basis adopted by the Commission.

The obligation for pension benefits under CERS is solely the responsibility of the Commonwealth and not the City-County Planning Commission.

The required contribution was determined as part of the June 30, 2008 actuarial valuation using the entry age normal actual cost method. Total Commission contribution to CERS were \$115,915 for 2008, \$89,329 for 2007, and \$77,997 for 2006, and \$58,094 for 2005, which was equal to the required contribution for each respective fiscal year.

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the CERS's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among CERS and employers. The CERS does not make separate measurements of assets and pension benefit obligation for individual employers.

CITY-COUNTY PLANNING COMMISSION
NOTES TO STATEMENT OF REVENUES COLLECTED AND EXPENSES PAID
(CONTINUED)

Additional information and ten-year historical trend information can be obtained from the separately issued county Employee Retirement System of Kentucky Comprehensive Annual Financial Report.

NOTE 5. GEOGRAPHIC INFORMATION SYSTEM

The Commission has entered a project to prepare and maintain a geographic information system of Warren County. Warren County Fiscal Court and the City of Bowling Green provided funding during the fiscal year for this ongoing project.

NOTE 6. HISTORIC PRESERVATION BOARD

The Commission has agreed to carry on the duties of the Historic Preservation Board for the City of Bowling Green. Revenues and expenses for this project are maintained separate from the normal accounts of the Commission.

NOTE 7. RISK MANAGEMENT

The Planning Commission maintains third-party insurance coverage for health, property and liability, and worker's compensation programs. Significant losses are covered by commercial insurance on these major programs. There has been no significant reductions in coverages and settlement amounts have not exceeded insurance coverage for the current year.

NOTE 8. CONTINGENCIES

The Planning Commission is party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material adverse impact on the affected funds of the Commission.

NOTE 9. ECONOMIC DEPENDENCE

During the year ended June 30, 2009, the Commission received cash support from the City of Bowling Green and the County of Warren in the amount of \$1,005,300. This support is a major portion, 67%, of their operating funds on an annual basis.

SUPPLEMENTAL INFORMATION

CITY-COUNTY PLANNING COMMISSION WARREN COUNTY
 BUDGET TO ACTUAL COMPARISON
 June 30, 2009

	2008-2009 <u>Budget</u>	2008-2009 <u>Actual</u>	Variance <u>With Budget</u>
Beginning Cash Balance 7-1-08	<u>331,122</u>	<u>409,797</u>	<u>78,675</u>
RECEIPTS			
City Contribution	459,050	459,050	0
County Contribution	498,000	498,000	0
4 Cities Contribution	4,800	4,800	0
City Comprehensive Plan Funds	114,000	94,000	(20,000)
City HPB Funds	48,250	48,250	0
Kentucky Heritage Grants	4,000	8,000	4,000
Aerial Escrow Account	20,118	0	(20,118)
Greenways Admin. Fees	500	500	0
Program Fees	120,300	128,201	7,901
Sales	6,000	6,495	495
Maintenance Income	12,000	11,800	(200)
Interest Income	21,000	5,662	(15,338)
Miscellaneous Income	<u>0</u>	<u>14,265</u>	<u>14,265</u>
Total Receipts	<u>1,308,018</u>	<u>1,279,023</u>	<u>(28,995)</u>
Total Receipts Plus Beginning Balance	1,639,140	1,688,820	(49,680)
DISBURSEMENTS			
Personnel			
Salaries	799,071	776,161	22,910
FICA & Medicare	61,117	69,472	(8,355)
Retirement	107,784	99,380	8,404
Health Insurance	116,730	106,095	10,635
Dental Insurance	4,316	3,210	1,106
Vision Insurance	1,400	1,361	39
Life Insurance	2,000	2,073	73
Workers Comp. Liab Ins.	15,200	2,754	12,446
Unemployment	2,000	0	2,000
Education	<u>3,000</u>	<u>100</u>	<u>2,900</u>
Total Benefits & Salaries	1,112,618	1,060,605	52,013
Office			
Advertising	25,000	17,806	7,194
Postage & Shipping	10,000	6,364	3,636
Books, Periodicals	3,000	1,546	1,454

CITY-COUNTY PLANNING COMMISSION WARREN COUNTY
 BUDGET TO ACTUAL COMPARISON-(Concluded)
 Year Ended June 30, 2009

Dues & Maintenance	2,000	860	1,140
Office Maintenance	15,000	16,891	(1,891)
Utilities	27,000	27,114	(114)
Equipment Maintenance	12,000	6,833	5,167
Supplies	15,000	11,179	3,821
Insight	5,000	4,256	744
Recording Fees	12,000	10,034	1,966
HPN Sign Grants	<u>0</u>	<u>0</u>	<u>0</u>
Total Office	126,000	102,883	23,117
Contractual Services			
Audit Fees	6,000	5,000	1,000
Attorney-CCPV	60,000	27,873	32,127
Attorney-Bd. Of Adjs.	7,500	4,200	3,300
Court Reporter	3,000	2,085	915
Consultants	10,000	0	10,000
Building Maintenance	0	0	0
Insurance	27,000	27,648	(648)
Comprehensive Plan Expense	170,000	94,076	75,924
Ivan Downs Construction	0	89,872	(89,872)
HPB-Project Expenses	8,000	46	7,954
Greenways	<u>500</u>	<u>80</u>	<u>420</u>
Total Contractual Services	292,000	250,880	41,120
Travel			
Local Travel	7,000	4,524	2,476
Meetings & Conferences	8,000	3,100	4,900
Historic Preservation	<u>3,000</u>	<u>1,143</u>	<u>1,857</u>
Total Travel	18,000	8,766	9,234
Commission Expenses			
Planning Commission	28,600	20,200	8,400
Bd. Of Adjustments	6,300	4,650	1,650
FICA & Medicare	<u>2,635</u>	<u>1,901</u>	<u>734</u>
Total Commission	37,535	26,751	10,784
Miscellaneous Expense	5,369	0	5,369
Capital Expense	<u>47,618</u>	<u>7,611</u>	<u>40,007</u>
Total Miscellaneous	<u>52,987</u>	<u>7,611</u>	<u>45,376</u>
Total Disbursements	<u>1,639,140</u>	<u>1,457,496</u>	<u>181,644</u>
Ending Cash Balance 6-30-09	<u>0</u>	<u>231,324</u>	<u>231,324</u>

The City-County Planning Commission Warren County prepares its budget on the basis of cash receipts and disbursements.

See independent auditor's report