

**CLARK COUNTY – SPRINGFIELD
TRANSPORTATION COORDINATING COMMITTEE**

Audit Report

Year Ended June 30, 2009

Charles E. Harris & Associates, Inc.
Certified Public Accountants and Government Consultants



Mary Taylor, CPA

Auditor of State

Board of Directors
Clark County - Springfield Transportation Coordinating Committee
Springview Government Center
3130 E. Main St.
Springfield, Ohio 45505

We have reviewed the *Report of Independent Accountants* of the Clark County - Springfield Transportation Coordinating Committee, Clark County, prepared by Charles E. Harris & Associates, Inc., for the audit period July 1, 2008 through June 30, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Clark County - Springfield Transportation Coordinating Committee is responsible for compliance with these laws and regulations.

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

Mary Taylor, CPA
Auditor of State

January 25, 2010

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**Clark County – Springfield Transportation Coordinating Committee
Audit Report for the Year Ended June 30, 2009**

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REPORT OF INDEPENDENT ACCOUNTANTS

Clark County – Springfield Transportation Coordinating Committee
Springview Government Center
3130 E. Main St.
Springfield, Ohio 45505

To the Members and Board of Directors:

We have audited the accompanying financial statements of the governmental activities and each major fund of the Clark County – Springfield Transportation Coordinating Committee (CCTCC), as of and for the year ended June 30, 2009, which collectively comprise the CCTCC’s basic financial statements as listed in the table of contents. These financial statements are the responsibility of Clark County – Springfield Transportation Coordinating Committee’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 that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Clark County – Springfield Transportation Coordinating Committee, as of June 30, 2009 and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management’s Discussion and Analysis on pages 3-7 is not a part of the basic financial statements, but is supplementary information the Governmental Accounting Standards Board requires. We applied certain limited procedures, consisting principally of inquiries of management regarding methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 4, 2009 on our consideration of Clark County – Springfield Transportation Coordinating Committee’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. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should read it in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming opinions on the financial statements of the Clark County – Springfield Transportation Coordinating Committee taken as a whole. The accompanying information listed as supplemental schedules in the table of contents is also presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied to the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Charles E. Harris & Associates, Inc.

December 4, 2009

Clark County – Springfield Transportation Coordinating Committee
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
(Unaudited)

The discussion and analysis of Clark County - Springfield Transportation Coordinating Committee's (CCTCC) financial performance provides an overall review of CCTCC's financial activities for the fiscal year ended June 30, 2009. The intent of this discussion and analysis is to look at CCTCC's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of CCTCC's financial performance.

Financial Highlights

Key financial highlights for 2009 are as follows:

Overall:

- For governmental activities, net assets decreased \$35,525 or 17.2 % to \$171,614 from 2008.
- The CCTCC had \$627,158 in expenses related to governmental activities and 94.3% of these expenses were offset by program revenues.
- The governmental activities decreased revenues \$128,907 or 17.9% to \$591,633.

Using this Financial Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Clark County - Springfield Transportation Coordinating Committee as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Assets* and *Statement of Activities* provides information about the activities of the whole CCTCC, presenting both an aggregate view of CCTCC's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term and what remains for future spending.

Clark County – Springfield Transportation Coordinating Committee
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
(Unaudited)

Reporting the CCTCC as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains both funds used by CCTCC to provide its program, the view of the CCTCC as a whole looks at all financial transactions and asks the question, “How did we do financially during 2009” The Statement of Net Assets and the Statement of Activities answers this question. These statements include *all assets* and *liabilities* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This method takes into account all of the current year’s revenues and expenses regardless of when cash is received or paid.

These two statements report CCTCC’s *net assets* and changes in those assets. This change in net assets is important because it tells the reader that, for CCTCC as a whole, the *financial position* of CCTCC has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the continued availability of grants, at the federal, state and local levels.

In the Statement of Net Assets and the Statement of Activities, CCTCC is presented as one activity, governmental.

- Governmental Activities – All of CCTCC’s programs are transportation planning.

Reporting CCTCC’s Funds

Fund Financial Statements

The analysis of the CCTCC’s major funds begins on page 10. Fund financial reports provide detailed information about the CCTCC’s major funds. CCTCC uses two (2) funds to account for a multitude of financial transactions and both funds are considered major funds.

Governmental Funds: All of CCTCC’s activities are reported in governmental funds, which focus on how money flows into and out of those funds and balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual*, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of CCTCC’s general governmental operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance planning activities. The relationship (or difference) between governmental *activities*

Clark County – Springfield Transportation Coordinating Committee
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
(Unaudited)

(reported in the Statement of Net Assets and the Statement of Activities) and governmental *funds* is reconciled in the financial statements.

The CCTCC as a Whole

Governmental Activities

Table 1 shows net assets for fiscal years 2009 and 2008.

Table 1

	6/30/2009	6/30/2008
	Governmental Activities	Governmental Activities
Assets		
Current and Other Assets	\$ 252,165	\$ 280,824
Capital Assets	<u>127,142</u>	<u>119,186</u>
Total Assets	<u>379,307</u>	<u>400,010</u>
Liabilities		
Long-Term Liabilities	32,416	35,534
Other Liabilities	<u>175,277</u>	<u>157,337</u>
Total Liabilities	<u>207,693</u>	<u>192,871</u>
Net Assets		
Invested in Capital Assets Net of Debt	127,142	119,186
Restricted Net Assets	35,274	93,743
Unrestricted Net Assets	<u>9,198</u>	<u>(5,790)</u>
Total Net Assets	<u>\$ 171,614</u>	<u>\$ 207,139</u>

What are CCTCC's Revenue Sources? CCTCC receives 100% of its revenue from operating grants. Sources of these grants are federal, state and local. CCTCC has one function, transportation planning, all revenue is used to support its mission.

Clark County – Springfield Transportation Coordinating Committee
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
(Unaudited)

Table 2 shows revenues and expenses for fiscal years 2009 and 2008.

Table 2

	<u>2009</u>	<u>2008</u>
Expenses:		
Transportation:		
Personnel	\$391,488	\$490,885
Other Program Expense	214,373	266,909
Depreciation	<u>21,297</u>	<u>12,001</u>
Total program expense	<u>627,158</u>	<u>769,795</u>
Program Revenues:		
Federal Grants	355,464	415,829
State Grants	104,029	151,385
Local Grants	<u>132,140</u>	<u>153,326</u>
Operating Grants	<u>591,633</u>	<u>720,540</u>
Change in net assets	(35,525)	(49,255)
Net assets – July 1	207,139	256,394
Net assets June 30	<u>\$171,614</u>	<u>\$207,139</u>

CCTCC's Funds

Information about CCTCC's major funds starts on page 10. These funds are accounted for using the modified accrual basis of accounting. The general fund had revenues of \$132,140 and expenses of \$120,334 resulting in an increase in the fund balance of \$11,806. The special revenue fund had revenues of \$459,493 and expenses of \$517,898 resulting in a decrease in fund balance of \$58,405.

General Fund Budgeting Highlights

Although the CCTCC is not required to comply with budgetary regulations in the Ohio Revised Code, they prepare one internally for quality control purposes. The CCTCC's budget is prepared according to Ohio law and is based on accounting for certain transactions on a GAAP basis of accounting. Budgets are prepared for both funds. During the course of fiscal year 2009 the CCTCC amended its budgets several times.

Clark County – Springfield Transportation Coordinating Committee
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
(Unaudited)

Capital Assets and Debt Administration

At the end of fiscal year 2009, the CCTCC had \$127,142 (net) invested in equipment and furniture.

Debt

At June 30, 2009, CCTCC had long-term debt of \$32,416. All long-term debt is for compensated absences (vacation and sick leave).

Current Financial Related Activities

CCTCC receives its funding from the Federal Highway Administration, the Federal Transit Administration, the Ohio Department of Transportation, the Ohio Public Works Commission, the Ohio National Road Association, Clark County, the City of Springfield and the West Central Port Authority. Grants for fiscal years 2010 and 2011 appear certain.

Contacting the CCTCC's Financial Management

This financial report is designed to provide our citizens, taxpayers and grantors with a general overview of CCTCC's finances and to show CCTCC's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Thea Walsh, Transportation Director at Clark County - Springfield Transportation Coordinating Committee, Springview Government Center, 3130 E. Main Street, Springfield, Ohio 45505.

CLARK COUNTY - SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE

Statement of Net Assets

June 30, 2009

Assets

Cash	\$	154,141
Grants Receivable		90,178
Prepaid Expenses		7,846
Property, Plant and Equipment, net of Accumulation Depreciation		127,142
Total Assets		<u><u>379,307</u></u>

Liabilities

Accounts Payable		35,704
Accrued Personnel Costs		13,227
Deferred Revenue		126,346
Long - Term Debt:		
Due in more than one year		32,416
Total Liabilities		<u><u>207,693</u></u>

Net Assets

Invested in Capital Assets		127,142
Restricted for other purposes		35,274
Unrestricted		9,198
Total Net Assets	\$	<u><u>171,614</u></u>

See notes to the basic financial statements

CLARK COUNTY - SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE

Statement of Activities

For the Year Ended June 30, 2009

Expenses:

Transportation:

Personnel	\$	391,488
Other Program Expenses		214,373
Depreciation		21,297
Total Program Expenses		<u>627,158</u>

Program Revenues:

Federal Grants		355,464
State Grants		104,029
Local Grants		132,140
Total Program Revenues		<u>591,633</u>

Change in Net Assets (35,525)

Net Assets - July 1, 2008 207,139

Net Assets - June 30, 2009 \$ 171,614

See notes to the basic financial statements

CLARK COUNTY SPRINGFIELD - TRANSPORTATION COORDINATING COMMITTEE

Combined Balance Sheet -

All Governmental Funds

June 30, 2009

	Governmental Fund Types		Total
	General Fund	Transportation Trust Fund	
Assets			
Cash	\$ 84,295	\$ 69,846	\$ 154,141
Grants Receivable	20,000	70,178	90,178
Prepaid Expenses	7,846	-	7,846
Total Assets	112,141	140,024	252,165
Liabilities			
Accounts Payable	15,216	20,488	35,704
Accrued Personnel Costs	3,875	9,352	13,227
Deferred Revenue	51,500	74,846	126,346
Total Liabilities	70,591	104,686	175,277
Fund Balance			
Fund Balance:			
Reserved for Prepaid Expenses	7,846	-	7,846
Unreserved:			
Reported in General Fund	33,704	-	33,704
Reported in Special Revenue Fund	-	35,338	35,338
Total Fund Balance	41,550	35,338	76,888
Total Liabilities and Fund Balance	\$ 112,141	\$ 140,024	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital Assets used in governmental activities are not financial resources and therefore not reported in the funds	127,142
Long-term debt (Compensated Absences) are not due and payable in the current period and therefore are not reported in the funds	(32,416)
Net Assets of governmental activities	<u>\$ 171,614</u>

See notes to the basic financial statements

CLARK COUNTY SPRINGFIELD - TRANSPORTATION COORDINATING COMMITTEE
Statement of Revenues, Expenditures and Changes in Fund Balance -
All Governmental Fund Types
For the Year Ended June 30, 2009

	Governmental Fund Types		Total
	General Fund	Area Transportation Trust Fund	
Grant Revenues:			
Federal Funds	\$ -	\$ 355,464	\$ 355,464
State Funds	-	104,029	104,029
Local Funds	132,140	-	132,140
 Total revenues	 <u>132,140</u>	 <u>459,493</u>	 <u>591,633</u>
Expenditures:			
Personnel	70,116	238,376	308,492
Other	15,161	160,333	175,494
Indirect costs	35,057	119,189	154,246
 Total expenditures	 <u>120,334</u>	 <u>517,898</u>	 <u>638,232</u>
 Change in fund balances	 11,806	 (58,405)	 (46,599)
 Fund balance, July 1, 2008	 29,744	 93,743	
 Fund balance June 30, 2009	 <u>\$ 41,550</u>	 <u>\$ 35,338</u>	

The change in fund balances differ from the change in net assets because:

Loss on the disposal of capital asset do not require the use of current financial resources therefore it is not reported in the fund statements	(64)
Decreases in compensated absences (long-term debt) are not recognized as expenses in the entity-wide statements, but are decreases in long-term debt	3,118
Capital assets are expensed when purchased in the fund statements, however in the entity-wide statements they are capitalized.	29,317
Depreciation expense does not require the use of current financial resources therefore it is not in the funds statements	(21,297)
Change in net assets	<u>\$ (35,525)</u>

See notes to the basic financial statements

Clark County – Springfield Transportation Coordinating Committee

Notes to the Basic Financial Statements

For the Year Ended June 30, 2009

Note 1 – Description of the Clark County – Springfield Transportation Coordinating Committee

The Clark County – Springfield Transportation Coordinating Committee (CCTCC) was organized in 1964 by a resolution of the Clark County Board of Commissioners to initiate and guide activities necessary for a comprehensive transportation plan in the Clark County – Springfield Ohio metropolitan region. Effectively, the Transportation Coordinating Committee appointed a committee coordinator and staffed the Clark County – Springfield Transportation Coordinating Study. The Committee is the main policy making body which establishes all non-technical policies, reviews staff proposals and approves budgets and work programs.

Note 2 – Summary of Significant Accounting Policies

The financial statements of CCTCC have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. CCTCC's significant accounting policies are described below.

A. Reporting Entity

For financial reporting purposes CCTCC's financial statements include all funds and component units for which the CCTCC is financially accountable based upon criteria set forth in GASB Statement 14. Generally, component units are legally separate organizations for which the elected officials of the primary government (i.e. the CCTCC) are financially accountable. CCTCC would consider an organization to be a component unit if:

1. CCTCC appoints a voting majority of the organization's governing body AND (a) is able to impose its will on that organization OR (b) there is a potential for the organization to provide specific burdens on the CCTCC; OR
2. The organization is fiscally dependent upon the CCTCC; OR
3. The nature of the relationship between the CCTCC and the organization is such that the exclusion from the financial reporting entity would render the financial statements of the CCTCC misleading.

For the fiscal year 2009, CCTCC does not have any component units.

B. Fund Accounting

CCTCC uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain CCTCC functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances,

Clark County – Springfield Transportation Coordinating Committee

Notes to the Basic Financial Statements

For the Year Ended June 30, 2009

Note 2 – Summary of Significant Accounting Policies (continued)

B. Fund Accounting (continued)

and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

For financial statement presentation purposes, the various funds of CCTCC are grouped into the following generic fund types under the broad fund category governmental.

Governmental Fund Types - Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are CCTCC major governmental funds:

General Fund - The general fund is the operating fund of CCTCC and is used to account for all financial resources except those required to be accounted for in another fund. The general fund balance is available to CCTCC for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Fund - The special revenue fund is used to account for grants and other contract revenues that are legally restricted to expenditures for specified purposes.

CCTCC has no other funds.

C. Basis of Presentation

Government-wide Financial Statements - The statement of net assets and the statement of activities display information about CCTCC as a whole. These statements include the financial activities of the primary government.

The government-wide statements are prepared using the economic resources measurement focus. This approach differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations as to better identify the relation between the government-wide statements and the statements to governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of CCTCC's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods and services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues, which identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of CCTCC.

Clark County – Springfield Transportation Coordinating Committee

Notes to the Basic Financial Statements

For the Year Ended June 30, 2009

Note 2 – Summary of Significant Accounting Policies (continued)

Fund Financial Statements - Fund financial statements report detailed information about the CCTCC. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is represented in a separate column.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financial uses) of current financial resources.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For CCTCC, available means expected to be received within sixty days of year-end.

Non-exchange transactions, in which CCTCC receives value without directly giving equal value in return, only include grants. Revenue from grants is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which CCTCC must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to CCTCC on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the

Clark County – Springfield Transportation Coordinating Committee

Notes to the Basic Financial Statements

For the Year Ended June 30, 2009

Note 2 – Summary of Significant Accounting Policies (continued)

accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

E. Cash and Cash Equivalents

As required by Ohio Revised Code, the Clark County Auditor acts as the fiscal agent for CCTCC and the cash is held and invested by the Clark County Treasurer. CCTCC's assets are held in the County's cash and investment pool. At year-end, the reconciled carrying amount on the County Auditor's records for CCTCC's cash balance was \$ 154,141.

F. Inventory

On government-wide financial statements, inventories are represented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On fund financial statements, inventories of governmental funds are stated at cost. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items are recorded as expenditures in the governmental fund types when purchased.

G. Capital Assets

General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The capitalization threshold for capital assets is \$ 500. Donated fixed assets are recorded at their fair market values as of the dates received. Improvements are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All reported capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives
Furniture	10 Years
Equipment	5 Years
Fixtures	5 Years
Vehicles	5 Years
Software	3 Years

Clark County – Springfield Transportation Coordinating Committee

Notes to the Basic Financial Statements

For the Year Ended June 30, 2009

Note 2 – Summary of Significant Accounting Policies (continued)

H. Compensated Absences

GASB Statement No. 16 specifies that compensated absences should be accrued as they are earned by employees if both of the following conditions are met:

1. The employee's rights to receive compensation are attributable to services already rendered.
2. It is probable that the employer will compensate the employee for the benefits through paid time off or cash payment.

CCTCC's policies regarding compensated absences are determined by state laws, board policy, and/or negotiated agreements. In summary the policies are as follows:

Accumulated vested vacation pay is recorded as a liability on the balance sheet at the employee's current rate of pay. A full-time employee accumulates four point six hours of sick pay per two week pay period. Twenty-five percent of the sick pay, up to a maximum of 30 days, will be paid upon retirement after 10 years of service.

The total liability for vacation and severance payments has been calculated using pay rates in effect at the balance sheet date, and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments.

The entire compensated absence liability is reported on the government-wide financial statements using the *vesting method*.

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using available expendable resources. These amounts are recorded in the account "accrued personnel" in the fund from which the employees who have accumulated unpaid leave are paid. The non-current portion of the liability is not reported.

I. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgments, compensated absences and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. In general, liabilities that mature or come due for payment during the fiscal year are considered to have been made with current available financial resources.

Note 2 – Summary of Significant Accounting Policies (continued)

J. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by CCTCC or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets are restricted for grant purposes.

CCTCC applies restricted resources when an expense is incurred for the purposes for which both restricted and unrestricted net assets are available.

K. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control CCTCC's management and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2009.

L. Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

M. Indirect Costs

Fringe benefits, payroll related and general and administrative indirect costs are invoiced at provisional rates. During the audit period the provisional rate was 106 %. A schedule of indirect cost rates is included in this report.

N. Budget Basis

CCTCC prepares its budgets on the same basis of accounting as its funds statements.

Note 3 – Operating Lease

The CCTCC leases office space from Clark County through the Board of County Commissioners, under an operating lease expiring September 30, 2012, for the sum of \$ 26,750 per year plus an annual increase. Lease expense for fiscal year 2009 was \$ 27,793.

Clark County – Springfield Transportation Coordinating Committee

Notes to the Basic Financial Statements

For the Year Ended June 30, 2009

Note 3 – Operating Lease – (continued)

Minimum future rental payments under the lease for fiscal years ending June 30 are follows:

2010	\$28,627
2011	29,486

Note 4 – Capital Assets

Capital asset activity for the year-end June 30, 2009 was as follows:

	Balance 7/1/2008	Addition	Deletion	Balance 6/30/2009
Governmental Activities				
<i>Capital Asset, being depreciated:</i>				
Furniture and Equipment	\$ 214,775	\$ 29,317	\$ (25,793)	\$ 218,299
Total Capital Assets, being depreciated:	214,775	29,317	(25,793)	218,299
Less Accumulated Depreciation:				
Furniture and Equipment	(95,589)	(21,297)	25,729	(91,157)
Total Accumulated Depreciation	(95,589)	(21,297)	25,729	(91,157)
Governmental Activities Capital Assets, Net	\$ 119,186	\$ 8,020	\$ (64)	\$ 127,142

Depreciation expense was: \$ 21,297

Note 5 - Receivables

Receivables on June 30, 2009 consisted of grants receivable. All receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds.

Note 6 – Long-term Obligations

The changes in CCTCC’s long-term obligations during fiscal year 2009 were as follows:

	Principal Outstanding 7/1/08	Additions	Deductions	Principal Outstanding 6/30/09	Due in One Year
Governmental Activities					
Compensated Absences	\$35,534	\$1,536	\$ 4,654	\$32,416	\$-0-
Total Activities	\$35,534	\$ 1,536	\$4,654	\$32,416	\$-0-

Clark County – Springfield Transportation Coordinating Committee
Notes to the Basic Financial Statements
For the Year Ended June 30, 2009

Note 7 – Pension Plan

(a) Plan Description

CCTCC contributes to the Ohio Public Employees Retirement System of Ohio (OPERS), a cost sharing, multiple-employer public employee retirement system. OPERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries through three separate pension plans: The Traditional Pension Plan – a cost-sharing, multiple-employer defined benefit pension plan; The Member-Directed Plan – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under this plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings; and the Combined Plan – a cost-sharing multiple-employer defined benefit pension plan. Under this plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan. Chapter 145 of the Ohio Revised Code assigns the authority to establish and amend benefit provisions to the PERS board of trustees (Board). OPERS issues a stand-alone financial report that includes the financial statements. That report may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-466-2085 or 1-800-222-PERS (7377).

(b) Funding Policy

Plan members are required to contribute a percentage of their annual covered salary (10% in 2009 and 2008), and CCTCC is required to contribute an actuarially determined rate. The employer contribution rate for 2009 and 2008 was 14% of annual covered payroll. The contribution requirements of plan members and CCTCC are established and may be amended by the Board. CCTCC's contributions to OPERS for the years ended June 30, 2009, 2008, and 2007 were \$47,838, \$51,652 and \$46,643, respectively, equal to the required contributions for each year. Required employer contributions are equal to 100% of the dollar amount billed to each employer.

Note 8 – Postemployment Benefit

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage.

The health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPB) as described in *GASB Statement No. 12 “Disclosure of Information on Postemployment Benefits Other Than Pension Benefits by State and Local Government Employees”*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of

Clark County – Springfield Transportation Coordinating Committee

Notes to the Basic Financial Statements

For the Year Ended June 30, 2009

postretirement health care based on authority granted by State statute. The 2009 local government employer contribution rate was 14 percent of covered payroll; 7 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2007, include a rate of return on investments of 6.5 percent, an annual increase in active employee total payroll of 4 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between 0.50 percent and 6.3 percent based on additional annual pay increases. Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from .5 to 4 percent annually for the next seven years and 4 percent annually after eight years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans was 374,002. Actual employer contributions, including the employee portion, for 2009 which were used to fund postemployment benefits were \$23,919.

The actual contribution and the actuarially required contribution amounts are the same. The actuarial value of OPERS's net assets available for payment of benefits at December 31, 2007, (the latest information available) was \$12.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.8 billion and \$17 billion, respectively.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004 will be effective January 1, 2007. In addition to the HCPP, OPERS has taken additional action to improve solvency of the Health Care Fund in 2005 by creating a separate investment pool for health care assets. As an additional component of the HCPP, member and employer contribution rates increased as of January 1, 2008, which will allow additional funds to be allocated to the health care plan.

Note 9 – Risk Management

CCTCC is exposed to various risks of loss related to torts, theft of or damage to, and destruction of assets, errors or omissions, injuries to employees and natural disasters. Clark County provides insurance coverage for CCTCC through County policies. Clark County maintains comprehensive insurance coverage with the County Risk Sharing Authority (CORSA) for liability, property and crime insurance that covers CCTCC. CORSA was formed as an Ohio non-profit corporation for the purpose of establishing a group primary and excess insurance/self insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by CORSA.

Settled claims have not exceeded this coverage in any of the past three years, and there has been no significant reduction in coverage from the prior fiscal year.

Clark County – Springfield Transportation Coordinating Committee

Notes to the Basic Financial Statements

For the Year Ended June 30, 2009

Note 10 – Contingencies

Under the terms of federal grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount or expenditures which may be disallowed by the grantor cannot be determined at this time, although CCTCC expects such amounts, if any, to be immaterial.

Note 11 – Cost Allocation Plan

A cost allocation plan is prepared annually by CCTCC. The plan, which includes fringe benefit and indirect costs, is used for the purpose of determining provisional allocation rates and is prepared in accordance with provisions of the Office of Management and Budget Circular (OMB) A-87 and the U.S. Department of Health and Human Services' Circular ASMB C-10. The plan is submitted to the Federal Highway Administration through the Ohio Department of Transportation, for approval and authorization of negotiated provisional rates, which are used for billing purposes during the fiscal year. These provisional rates are subject to audit at the end of each fiscal year. If the actual rates are less than the provisional rates, CCTCC must credit and / or repay any over-billed amounts within 3 months of the end of the fiscal year. Conversely, CCTCC may recover any under-billed amounts also within 3 months after the end of the fiscal year.

Adjustments as a result of a change in the rates are recognized for financial reporting purposes at the end of the fiscal year for which they apply.

Following are summaries of the accounting treatment and rate experience for fringe benefit and indirect cost for 2009.

Fringe Benefits – Fringe benefit costs are recorded in the general fund and allocated to the special revenue funds in accordance with the approved cost allocation plan, based upon a provisional rate approved by an oversight grantor agency. The 2009 fringe benefit costs were allocated at a provisional rate 35.77 % of the productive direct labor dollars. The actual fringe benefit cost rate was 35.16%.

Indirect Costs – Administrative costs are recorded in the general fund as indirect costs and allocated to the special revenue funds in accordance with approved cost allocation plan, based upon a provisional rate approved by an oversight agency. The 2009 indirect costs were allocated at a provisional rate of 70.61 % of direct labor dollars. The actual indirect cost rate was 67.58%.

As a result of the CCTCC switching from the Fixed Rate method to the Provisional Rate method in Fiscal Year 2008, there are previous years' carry forwards that must be recognized in Fiscal Year 2009. For Fringe Benefits, the carry forwards are (\$70,112) for FY04-06 and (\$8,848) for FY07. For Indirect Costs, the carry forwards are \$ 37,494 for FY04-06 and (\$ 15,516) for FY07. These are one time charges and will not need to be carried forward in the future.

Clark County - Springfield Transportation Coordinating Committee
Supporting Schedule of Revenue and Expenses
Year Ended June 30, 2009

	1	2	3	4	5	6	7	8	Total
	CPG/ODOT Grant	FTA 5307 Grant	OPWC	CMAQ	Westco	Ohio Historic Preservation Office	Clean Ohio	Local and Unallocated	
Grant Revenue:									
Federal Funds	\$ 257,170	\$ 46,395	\$ -	\$ 51,899	\$ -	\$ -	\$ -	\$ -	\$ 355,464
State Funds	32,146	5,800	32,715	-	-	24,687	8,681	-	104,029
Local Funds	32,147	5,799	-	-	69,467	6,172	-	18,555	132,140
	<u>321,463</u>	<u>57,994</u>	<u>32,715</u>	<u>51,899</u>	<u>69,467</u>	<u>30,859</u>	<u>8,681</u>	<u>18,555</u>	<u>591,633</u>
Expenses, direct costs:									
Salaries	131,390	28,344	15,987	2,758	33,471	12,158	4,134	-	228,242
Travel	1,948	154	100	144	890	1,188	299	-	4,723
Training	735	375	-	-	-	150	-	-	1,260
Office Supplies	-	-	-	-	53	452	-	-	505
Postage and supplies	142	-	203	-	365	1,082	1	-	1,793
Contract Services	12,659	-	-	-	-	-	-	-	12,659
Outside printing	3,621	-	-	-	-	3,263	-	-	6,884
Project Equipment	30,370	-	-	-	30	-	-	-	30,400
Advertising	2,243	-	-	20,307	-	-	-	-	22,550
Software	3,362	-	-	21,000	270	-	-	-	24,632
Other	3	-	-	4,856	-	75	-	-	4,934
	<u>186,473</u>	<u>28,873</u>	<u>16,290</u>	<u>49,065</u>	<u>35,079</u>	<u>18,368</u>	<u>4,434</u>	<u>-</u>	<u>338,582</u>
Indirect fringe benefits (35.16%)	46,197	9,966	5,621	970	11,768	4,275	1,454	-	80,250
Indirect costs (67.58%)	88,793	19,155	10,804	1,864	22,620	8,216	2,794	-	154,246
Eligible expenses charged to grant	<u>321,463</u>	<u>57,994</u>	<u>32,715</u>	<u>51,899</u>	<u>69,467</u>	<u>30,859</u>	<u>8,681</u>	<u>-</u>	<u>573,078</u>
Excess (deficiency) revenue over expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,555	\$ 18,555

- 1) Consolidated Planning Grant - FHWA PL & FTA 5303 Funds
c/o ODOT PID # 83473 & Encumbrance # 717995
- 2) Federal Transit Authority - Section 5307 - Grants # OH-90-X642
- 3) Ohio Public Works Commission - c/o SCIP & LTIP programs - Control # CK00L / CKT00
- 4) Congestion Mitigation & Air Quality - c/o ODOT PID # 81442 & # 84254
- 5) West Central Ohio Port Authority - per annual agreement & resolution
- 6) National Scenic Byway Grant - c/o OH National Road Association - ODOT PID # 83876
- 7) Clean Ohio Program - c/o OPWC signed agreement 08/01/07
- 8) Local matching fund contributions & miscellaneous
c/o Clark County Engineer, City Springfield, Westco & City New Carlisle

Reconciliation to Revenue, Expenditures and Changes in Fund Balance	
Expenses elig for grant	\$ 573,078
Other Expense	36,440
Depreciation expense included w/indirect costs	(603)
Capital assets purchased w/local dollars	29,317
Total Expenditures	<u>\$ 638,232</u>

CLARK COUNTY - SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE

Indirect Costs

Year Ending June 30, 2009

2009

Direct Labor	\$ 228,241
Indirect Labor	61,410
Total Labor	<u>\$ 289,651</u>
Fringe Benefit Wages	
Vacation	\$ 23,474
Holiday	12,669
Sick Leave	16,995
Miscellaneous	4,410
Fringe Benefit Wages	<u>57,548</u>
Other Fringe Benefits	
OPERS	47,838
Hospitalization	63,154
Life insurance	143
Dental insurance	1,421
Medicare	3,700
Workers compensation	6,198
Fringe Benefit Carryforward	(78,960)
Continuing education/other	795
Other Fringe Benefits	<u>44,289</u>
Total Fringe Benefits	<u>\$ 101,837</u>
Fringe Benefit Rate (Total Fringe Benefits / Total Labor)	35.16%
Indirect Costs	
Salaries - Indirect Only	\$ 61,410
Fringe Benefits for Indirect Salaries only	21,591
Personnel costs included in Indirect costs	<u>83,001</u>
Rent	27,793
Postage	740
Telephone	5,167
Supplies	4,985
Travel	176
CORSA insurance	3,855
Small Office Equipment	632
Contract Services	2,432
Indirect Cost Carryforward	21,978
Miscellaneous	2,877
Depreciation **	603
Non personnel costs included in indirect costs	<u>71,238</u>
Total Indirect Costs	<u>\$ 154,239</u>
Indirect Cost Rate (Total Indirect Costs / Direct Labor)	67.58%
Direct Labor Fringe Benefits (Direct Labor x Indirect Fringe Benefit Rate)	80,246
Indirect Cost Rate (Total Indirect Costs / Direct Labor)	67.58%
Indirect Fringe Benefit Rate (Total Fringe Benefits / Total Labor)	<u>35.16%</u>
Total Indirect Rate	<u>102.74%</u>

** Depreciation expense included in indirect cost is only for capital assets purchased with local funds.

CLARK COUNTY – SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE

Board of Directors

June 30, 2009

Toni Keller	Kathy Estep
John Sessler	David Hartley
Marjorie Travis	Brad Lightle
Tom Hines	Kevin O’Neil
Robert Warren	Leo Shanayda
Gene Kelly	Paul Wilson
Kent Sherry	Roger Tackett
John Detrick	Orphus Taylor
Tom Junk	Timothy Smith
Clifford Vernon	Jim Mann
Richard Zsamok	Alan Thompson
Bill George	Geoff Steele
Nancy Brown	Herbert Greer
Kim Jones	David Locke
John Burr	

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Clark County – Springfield Transportation Coordinating Committee
Springview Government Center
3130 E. Main St.
Springfield, Ohio 45505

To the Members and Board of Directors:

We have audited the financial statements of the governmental activities and each major fund of the Clark County – Springfield Transportation Coordinating Committee (CCTCC) as of and for the year ended June 30, 2009, which collectively comprise the Committee's basic financial statements and have issued a report thereon dated December 4, 2009. 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.

Internal Controls Over Financial Reporting

In planning and performing our audit, we considered CCTCC's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CCTCC's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the CCTCC'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 the normal course of 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 CCTCC's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of CCTCC's financial statements that is more than inconsequential will not be prevented or detected by CCTCC's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by CCTCC's internal control.

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 deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the CCTCC's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grants agreements and other matters, 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 that are required to be reported under *Government Auditing Standards*.

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

Charles E. Harris & Associates, Inc.

December 4, 2009

STATUS OF PRIOR AUDIT'S CITATIONS AND RECOMMENDATIONS

The prior audit, for the year ending June 30, 2008 reported no material citations or recommendations.



Mary Taylor, CPA
Auditor of State

SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE

CLARK 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
FEBRUARY 4, 2010**