MIAMI VALLEY REGIONAL PLANNING COMMISSION MONTGOMERY COUNTY, OHIO

AUDIT REPORT

FOR THE YEAR ENDED JUNE 30, 2010

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

Dave Yost • Auditor of State

Board of Directors
Miami Valley Regional Planning Commission
One South Main Street
Dayton, Ohio 45402

We have reviewed the *Report of Independent Accountants* of the Miami Valley Regional Planning Commission, Montgomery County, prepared by Charles E. Harris & Associates, Inc., for the audit period July 1, 2009 through June 30, 2010. 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 Miami Valley Regional Planning Commission is responsible for compliance with these laws and regulations.

Dave Yost
Auditor of State

February 17, 2011

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MIAMI VALLEY REGIONAL PLANNING COMMISSION
AUDIT REPORT
For the Year Ended June 30, 2010

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REPORT OF INDEPENDENT ACCOUNTANTS

Miami Valley Regional Planning Commission
Montgomery County
One South Main Street
Dayton, Ohio 45402

To the Members of the Board of Directors:

We have audited the accompanying financial statements of the governmental activities and each major fund of the Miami Valley Regional Planning Commission, Montgomery County, Ohio (MVRPC), as of and for the year ended June 30, 2010, which collectively comprise the MVRPC's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Miami Regional Planning 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 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.

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 the Miami Regional Planning Commission, as of June 30, 2010, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2010 on our consideration of the Miami Valley Regional Planning 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. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis on pages 3 through 7 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the MVRPC's basic financial statements. The accompanying schedule of expenditures of federal awards included on page 31 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements of the MVRPC. 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 basic financial statements taken as a whole. The accompanying schedules included on pages 24-29 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Charles E. Harris & Associates, Inc.
December 20, 2010

The discussion and analysis of the Miami Valley Regional Planning Commission's (MVRPC) financial performance provides an overall review of the MVRPC's financial activities for the fiscal year ended June 30, 2010. The intent of this discussion and analysis is to look at the MVRPC's financial performance as a whole; readers should also review the financial statements and the notes to the basic financial statements to enhance their understanding of the MVRPC's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2010 are as follows:

Overall:

- Total net assets increased $218,017, which represents a decrease from fiscal year 2009. Fiscal year 2009 contained the last year of Grantor Agency revenue ($139,463) from a multi-year fringe benefit cost recovery plan for expenses incurred in a prior year.

- Total assets of governmental activities increased by $290,978, primarily due to an increase in grant receivables. Also, capital assets, net of depreciation decreased by $48,101.

- General revenues accounted for $467,276 or 15 percent of total revenue. Program revenues in the form of charges for services and operating grants were $2.68 million, which was 1% more than FY2009.

- MVRPC's $2.93 million in expenses were offset by program revenues of $2.68 million, and member dues of $465,584. Membership dues were $14 thousand lower than FY2009.

Using the Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Miami Valley Regional Planning Commission 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 provide information about the activities of the whole MVRPC, presenting both an aggregated view of the MVRPC's finances and a longer-term view of those statements. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the MVRPC's most significant funds, the General Fund and Special Revenue Fund.

Reporting the MVRPC as a Whole

Statement of Net Assets and the Statement of Activities

The Statement of Net Assets and the Statement of Activities answers the question. "How did we do financially during 2010?" These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the MVRPC's net assets and changes in those assets. This change in net assets is important because it shows MVRPC's change in financial results for the year ended June 30, 2010.

In the Statement of Net Assets and the Statement of Activities, MVRPC reports governmental activities. All of MVRPC's activities are considered Governmental activities. They include, but are not limited to, transportation planning, environmental planning, community planning and support services. The MVRPC does not have any business-type activities.

Table 1 provides a summary of the MVRPC's net assets for 2010 and 2009:

TABLE 1
Statement of Net Assets

	2010	2009	Change
ASSETS			
Current Assets	$ 3,316,398	$ 2,977,319	$ 339,079
Capital Assets Being Depreciated (net)	48,272	96,373	(48,101)
Total Assets	$ 3,364,670	$ 3,073,692	$ 290,978
LIABILITIES			
Current Liabilities	$ 368,608	$ 300,588	$ 68,020
Long Term Liabilities	138,400	133,459	4,941
Total Liabilities	$ 507,008	$ 434,047	$ 72,961
NET ASSETS			
Investment in Capital Assets, net of related debt	$ 46,094	$ 91,062	$ (44,968)
Unrestricted	2,811,568	2,548,583	262,985
Total Net Assets	$ 2,857,662	$ 2,639,645	$ 218,017

The amount by which the MVRPC's assets exceeded its liabilities is called net assets. As of June 30, 2010, the MVRPC's net assets were $2.8 million. Total net assets increased by $218 thousand. MVRPC's long term liabilities decreased by $5 thousand, due to amortization of a capital lease. Current liabilities increased by $68 thousand, primarily due to increased accounts payable from grant activity and a small increase in deferred revenue.

Of the total net asset amount, approximately $46 thousand was invested in net capital assets, net of debt related to those assets. The remaining balance of $2.8 million was unrestricted and available for future use as directed by the MVRPC Board.

Table 2 shows the changes in net assets for fiscal year 2010 compared to 2009.

TABLE 2
Statement of Activities – Change in Net Assets

	2010	2009	Change
Revenues			
Program Revenues:			
Operating Grants	$ 2,680,115	$ 2,653,438	$ 26,677
General Revenues:			
Membership Dues	465,584	479,692	(14,108)
Miscellaneous	1,692	2,015	(323)
Total Revenues	$ 3,147,391	$ 3,135,145	$ 12,246
Program Expenses			
General Government	$ 85,711	$ (19,375)	$ 105,086
Transportation Planning	2,630,836	2,693,434	(62,598)
Environmental Planning	140,741	53,872	86,869
Regional Planning	72,086	53,980	18,106
Total Expenses	$ 2,929,374	$ 2,781,911	$ 147,463
Increase in Net Assets	$ 218,017	$ 353,234	$ (135,217)

Operating grants revenue increased by $27 thousand from 2009. For fiscal year 2009, General government expenses were offset by higher fringe benefit cost allocation to programs as part of the final year of a early retirement cost recovery. Environmental planning increased by $87 thousand due to new Ohio EPA grants for water quality plan updates. Regional planning increased by $18 thousand due to a new worker training grant from the Department of Labor and the National Association of Regional Councils.

MVRPC is extremely dependent upon intergovernmental revenues (federal grants) provided by the federal government through the State of Ohio; approximately 85 percent of the MVRPC's total revenue was received from intergovernmental sources during fiscal year 2010. MVRPC has been able to maintain a stable financial position through careful management of expenses. However, MVRPC is vulnerable to changes in federal and state grant programs.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services.

Reporting the MVRPC's Most Significant Funds

The MVRPC's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the 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 within one year. The governmental fund statements provide a detailed short-term view of the MVRPC's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance MVRPC programs. The relationship (or differences) between activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Fund financial reports provide detailed information about the General Fund. The MVRPC uses two funds to account for a multitude of financial transactions. Both of these funds are considered significant.

The Governmental fund (short term) General Fund had total revenue of $0.6 million and other financing sources of $1.3 million. Expenditures totaled $1.7 million. Unreserved fund balance increased by $271 thousand in 2010 to $2.9 million.

The Grant Fund provides the detail of all federal grants received by MVRPC. The Grant Fund had total revenues of $2.5 million. This was intergovernmental revenues from federal grants, primarily from the U. S. Department of Transportation. The use of these funds had local net matching requirements of $178 thousand. This was provided by the General Fund as operating transfers-in.

General Fund Budgeting Highlights

The MVRPC's budget is prepared on the modified accrual method. The most significant budgeted funds are the General Fund and the Special Revenue Fund.

During the course of fiscal year 2010, the MVRPC amended its budget. The primary budget variance was unspent contract expenses and resulting revenue that will carryover to the next year.

Capital Assets

At the end of fiscal year 2010, the MVRPC had $46 thousand net invested in furniture, equipment, and leasehold improvements in governmental activities.

Table 3 shows fiscal year 2010 capital assets balances compared to 2009:

TABLE 3
Capital Assets at June 30

	2010	2009
Furniture	$ 69,153	$ 69,153
Equipment	286,600	281,262
Leasehold Improvements	68,556	68,556
Less: Accumulated Depreciation	(376,037)	(322,598)
Less: Lease Liability	(2,178)	(5,311)
Investment in Capital Assets, net of debt	$ $ 46,094	$ 91,062

Overall net capital assets decreased approximately $45 thousand from fiscal year 2009.

For the Future

The Miami Valley Regional Planning Commission continues to rely primarily on federal grants to finance it's planning activities. The majority of these federal grants are provided by the U.S. Department of Transportation through the State of Ohio.

On August 10, 2005 the President signed the Transportation Reauthorization Act entitled "Save, Accountable, Flexible and Efficient Transportation Equity Act: A Legacy for Users" (SAFETEA-LU). This Act which ran through September 30, 2009, has been extended while new legislation is developed by Congress. New national transportation funding legislation is now continuing in Congress.

The Act is the vehicle by which federal funds are provided to Metropolitan Planning Organizations (MPO). MVRPC is the MPO for this region.

Contacting the MVRPC's Financial Management

This financial report is designed to provide our members, citizens and taxpayers, with a general overview of the MVRPC's finances and to show the MVRPC's accountability for the money it receives. If you have questions about this report or need additional financial information contact the Director of Finance and Administration's Office at Miami Valley Regional Planning Commission, One South Main St. Suite 260, Dayton, Ohio 45402 or call (937) 223-6323.

Miami Valley Regional Planning Commission

Statement of Net Assets
As of June 30, 2010

ASSETS	
Cash	$ 2,690,493
Accounts Receivable	47,692
Grants Receivable	563,740
Prepaid Expenses	14,473
Capital Assets Being Depreciated (net)	48,272
Total Assets	$ 3,364,670

LIABILITIES	
Accounts Payable	$ 114,434
Accrued Personnel Costs	91,145
Deferred Revenues	163,029
Long Term Liabilities:	
Due within one year	23,144
Due in more than one year	115,256
Total Liabilities	507,008

NET ASSETS	
Investment in Capital Assets, net of related debt	46,094
Unrestricted	2,811,568
Total Net Assets	2,857,662

See Accompanying Notes to the Basic Financial Statements

Miami Valley Regional Planning Commission

Statement of Activities
For the Year Ended June 30, 2010

Governmental Activities	Expenses	Program Revenues: Operating Grants	Net (Expenses) Revenues and Change in Net Assets
General Government	$ 85,711	26,435	$ (59,276)
Transportation Planning	2,630,836	2,453,726	(177,110)
Environmental Planning	140,741	140,739	(2)
Regional Planning	72,086	59,215	(12,871)
Total Governmental Activities	$ 2,929,374	$ 2,680,115	(249,259)
General Revenues:			
Membership Dues			465,584
Miscellaneous			1,692
Total General Revenues			467,276
Changes in Net Assets			218,017
Net Assets, July 1			2,639,645
Net Assets, June 30			$ 2,857,662

See Accompanying Notes to the Basic Financial Statements

Miami Valley Regional Planning Commission

Governmental Funds Balance Sheet
As of June 30, 2010

	General Fund	Special Revenue Fund	Total Governmental Funds
ASSETS and OTHER DEBITS			
Cash	$ 2,678,115	$ 12,378	$ 2,690,493
Accounts Receivable	47,692	-	47,692
Grants Receivable	-	563,740	563,740
Due From Special Revenue Fund	563,740	-	563,740
Prepaid Expenses	14,473	-	14,473
Total Assets and Other Debits	$ 3,304,020	$ 576,118	$ 3,880,138
LIABILITIES			
Accounts Payable	$ 114,434	$ -	$ 114,434
Accrued Wages & Benefits	91,145	-	91,145
Due to General Fund	-	563,740	563,740
Unearned Revenues	150,651	12,378	163,029
Total Liabilities	356,230	576,118	932,348
FUND BALANCE			
Unreserved - Designated For:			
Future Year's Operation - Members Dues	232,792	-	232,792
Unreserved/Undesignated	2,714,998	-	2,714,998
Total Fund Balance	2,947,790	-	2,947,790
Total Liabilities and Fund Balances	$ 3,304,020	$ 576,118	$ 3,880,138

See Accompanying Notes to the Basic Financial Statements

Miami Valley Regional Planning Commission

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES

June 30, 2010

Total Governmental Fund Balances	$ 2,947,790
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital Assets used in governmental activities (net)	48,272
The following liabilities are not due and payable in the current period and therefore are not reported in the Governmental funds:	
Compensated absences	(136,222)
Capital lease	(2,178)
Net Assets of Governmental Activities	$ 2,857,662

See Accompanying Notes to the Basic Financial Statements

Miami Valley Regional Planning Commission

Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances

For the Year Ended June 30, 2010

	General Fund	Special Revenue Fund	Total Governmental Funds
Revenues:			
Grantor Agency	$ 143,042	$ 2,379,596	$ 2,522,638
Other	12,618	146,552	159,170
Membership Dues	465,584	-	465,584
Total Revenues	621,244	2,526,148	3,147,392
Expenditures:			
Personnel	1,253,855	1,295,710	2,549,565
Contractual	84,795	231,522	316,317
Other	281,381	428,611	709,992
Indirect Costs	48,842	748,596	797,438
Capital Outlays	5,337	-	5,337
Total Expenditures	1,674,210	2,704,439	4,378,649
Excess of Expenditures Over Revenues	(1,052,966)	(178,291)	(1,231,257)
Other Financing Sources (Uses):			
Transfers-In	-	178,291	178,291
Transfers-Out	(178,291)	-	(178,291)
Cost Allocation Plan Recoveries	1,502,316	-	1,502,316
Total Other Financing Sources	1,324,025	178,291	1,502,316
Change in Fund Balances	271,059	-	271,059
Fund Balance, July 1	2,676,731	-	2,676,731
Fund Balance, June 30	$ 2,947,790	$ -	$ 2,947,790

See Accompanying Notes to the Basic Financial Statements

Miami Valley Regional Planning Commission

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities

For the Year Ended June 30, 2010

Net Change in fund balances - total governmental funds	$	271,059
Amounts reported for governmental activities in the statement of activities are different because:		
Government funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation and disposal exceed capital outlays expense in the current period.		(48,101)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated Absenses		(8,074)
Capital lease payable		3,133
Changes in net assets of total governmental activities	$	218,017

See Accompanying Notes to the Basic Financial Statements

NOTE 1 ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization

The Miami Valley Regional Planning Commission (MVRPC) was created in 1964 by authority granted under the Ohio Revised Code. MVRPC is a regional planning agency composed of representatives from political subdivisions, other governmental agencies, and non-governmental entities in Montgomery, Greene, Miami, Darke, Preble, and Warren Counties in Ohio. MVRPC monitors and performs planning activities affecting present and future transportation, environmental, social, economic, physical and governmental characteristics of the region.

By an agreement between MVRPC and the State of Ohio, the Transportation Coordinating Committee (TCC) of the Montgomery-Greene County Transportation and Development Planning Program was merged with MVRPC on July 1, 1982. By this same agreement, MVRPC was designated by the State as a Metropolitan Planning Organization, with responsibility for implementing a coordinated, continuing, comprehensive transportation planning process for Montgomery and Greene Counties. This agreement was modified on September 23, 1992 to include Miami County and on July 1, 2003 to include the cities of Franklin and Carlisle in Warren County.

On June 27, 1984, MVRPC adopted a strategic plan that prescribed the future direction the Commission would pursue, functionally and organizationally. On October 24, 1984, amendments to the Constitution and Bylaws were approved that allowed many of the strategic plan's recommendations to be implemented. The primary changes included a new mission statement, expansion of the Commission to include up to 25% non-governmental members, and the creation of a Board of Directors.

From September 2002 through February, 2004, MVRPC conducted a multi-phase Visioning and Strategic Planning Process with the goal of creating a more streamlined, efficient and responsive organization. On September 24, 2003, the new MVRPC Strategic Plan was adopted. Work then began on developing a structure more conducive to implementing the goals of the Strategic Plan. This effort resulted in the creation and adoption of a substantially revised Constitution and Bylaws on February 25, 2004, with implementation to begin on March 24, 2004. Key changes include:

Board of Directors

- The Commission and the Transportation Committee are merged into a newly created Board of Directors. County Engineers within the MPO Boundary now are Board members.
- All policy responsibility is vested with the merged body.
- The current weighted voting structure of the Transportation Committee is retained.
- Weighted voting can only be used by the Board of Directors.
- It cannot occur at the initial meeting when the request is made unless ¾ of the members present approve.
- Otherwise, it will occur at the next scheduled meeting.
- Only MPO members located within the MPO Boundary (Greene, Miami, Montgomery counties and part of northern Warren county) can vote on transportation issues.
- ODOT representatives and urban transit operators may be members of the Board and vote on transportation issues.
- Each county's assessment is calculated based on 25% of the total county population; all other governmental members continue to pay a per capita assessment.
- Bylaws can be amended by a majority vote and the process for amending bylaws can be changed by a 2/3 majority vote. (Neither can be subject to weighted voting.)

Executive Committee

- The previous Board of Directors is now called the Executive Committee.
- The Executive Committee is responsible for handling "routine and emergency" matters.
- Counties (the Commissioners) appoint 5 members, one from each member county.
- Cities and villages appoint 7 members, one of which is the largest city; one member is chosen from each of the MPO counties; and no more than 4 members may be chosen from any one county. These members are chosen annually by caucus of member cities and villages.
- Townships appoint 3 members from counties located within the MPO boundary. No more than one member from the same county may be chosen. These members are selected annually by caucus of member townships
- Non-governmental members appoint 3 members, also chosen annually by caucus.

NOTE 2 <u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</u>

The financial statements of MVRPC have been prepared in conformity with generally accepted accountingprinciples (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. MVRPC also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its government-wide provided they do not conflict with or contradict GASB pronouncements. The more significant of MVRPC accounting policies are described below.

<u>Basis of Presentation</u>
MVRPC basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

<u>Government-Wide Financial Statements</u>
The statement of net assets and the statement of activities display information about MVRPC as a whole. These statements include the financial activities of the primary government. The statement of net assets presents the financial condition of the governmental activities of MVRPC at year-end. The government-wide statement of activities presents a comparison between direct expenses and program revenues for each program or function of MVRPC governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of MVRPC, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of MVRPC.

<u>Fund Financial Statements</u>
During the year, MVRPC segregated transactions related to certain organizational functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of MVRPC at this more detailed level. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

<u>Fund Accounting</u>
MVRPC uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain organizational functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of MVRPC are grouped into the governmental category.

<u>Governmental Funds</u>
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 General Fund and the Special Revenue Grant Fund are the only major funds of MVRPC:

<u>General Fund</u> – The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The general fund contains some small non-federal grants and other funding sources that are available to MVRPC for any purpose provided it is expended or transferred according to the general laws of Ohio.

<u>Special Revenue Grant Fund</u> – The Grant Fund is used to account for grant and contract revenue that is legally restricted to expenditures for specified purposes.

MVRPC has no other funds within the Organization.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-(Continued)

Measurement Focus

Government-Wide Financial Statements
The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of MVRPC are included on the Statement of Net Assets.

Fund Financial Statements
All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue and in the presentation of expenses versus expenditures.

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. “Measurable” means the amount of the transaction can be determined, and “available” means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. For MVRPC, available means expected to be received within ninety days of fiscal year end.

Nonexchange transactions, in which MVRPC receives value without directly giving equal value in return, include grants, entitlements, and donations. Revenue from grants, entitlements, and donations 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 MVRPC must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to MVRPC on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: grants, and investment earnings.

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue. On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

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

Revenues
General fund revenues are determined by contractual agreements with member political subdivisions represented by MVRPC. Member jurisdictions of MVRPC pay an annual membership fee based on the latest official census or federal revenue sharing population estimates. The annual assessment was as follows:

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-(Continued)

Member Type

Within the MPO planning area	
- Counties - 25% of Total population	$ 0.46/capita
- Municipalities and Townships	$ 0.46/capita
Outside the MPO planning area	
- Counties – 25% of Total population	$ 0.25/capita
- Municipalities and Townships	$ 0.25/capita
Quasi and Non-governmental bodies	$ 1,000/annual

The total revenue generated from member fees was $465,584.

Grant Fund
Grant revenue is recognized when compliance with the various grant requirements is achieved. Generally this occurs at the time expenditures are made and the grant matching requirements are met. Grant revenues received before the revenue recognition criteria have been met are reported as deferred revenues, a liability account. When the revenue recognition criteria have been met, grant revenues not yet received are reported as grants receivable, if the amounts have been billed to grantor agencies, or as earned not billed, if amounts are unbilled.

Carry-over Grants and Contracts
Several grants continued after June 30, 2010. The amounts available for completing grant objectives for these grant programs are summarized below by funding type. MVRPC's required match for these carry over funds is approximately $86,209.

Type	Amount
Federal Grants	$ 2,901,785
Other Grants and Contracts	102,407

As discussed in note 4, fringe benefit expenditures are recovered by applying a provisional rate to all programs.

Indirect Costs
MVRPC uses an indirect cost rate to recover administrative expenditures. The 2010 indirect costs were billed at a provisional, of 48.47% of direct labor dollars, including fringe benefits. Also, see note 4.

Unreserved/Designated Fund Balance
The amount designated for Future Year's Operation represents 50% of the current membership dues. This amount is designated because membership period is based upon the calendar year and 100% of the dues revenue is recognized during the current fiscal year.

Budgets
Budgets for the general and special revenue fund are prepared annually on a modified accrual method by the staff and approved by the Commission. Budgets are reviewed on an ongoing basis and amendments are proposed as necessary. The amendments are approved by the Executive Committee.

Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3 LEASE COMMITMENTS

MVRPC entered into a noncancellable operating lease agreement for office space effective April 1, 2004 through December 31, 2014 and two office equipment leases. Current Office equipment leases will expire by 2012 but MVRPC expects to renegotiate several of these leases. The future minimum lease commitments as of June 30, 2010 are as follows:

Fiscal Year Ended	Office Space	Equipment
2011	$133,709	$10,825
2012	138,871	6,382
2013	144,034	-
2014	144,034	-
2015	72,017	-

Total rental expense for the year ended June 30, 2010, was $147,534.

NOTE 4 COST ALLOCATION PLAN

A cost allocation plan is prepared annually by MVRPC. The plan, which includes fringe benefit and indirect costs, is used for the purpose of determining allocation rates and is prepared in accordance with the provisions of Office of Management and Budget (OMB) Circular A-87 and the U.S. Department of Health and Human Services' Circular OASC-10. The plan is submitted to the over-site grantor agency, the Federal Highway Administration through the Ohio Department of Transportation, for approval and authorization of negotiated allocation rates, which are used for billing purposes during the fiscal year. The Ohio Department of Transportation has agreed to let MVRPC adjust its provisional rates to the actual experienced rates prior to final billing. These adjusted provisional rates are subject to audit at the end of each fiscal year, when actual rates are determined and submitted to the over-site agency for approval. If the actual rates are less than the adjusted provisional rates, MVRPC must refund any over-billed amounts to the various grantor agencies. Conversely, MVRPC may recover under-billed amounts when unapplied funds remain from the various grantor agencies. Adjustments as a result of a change in the rates are recognized for financial reporting purposes when determined.

Following are summaries of the accounting treatment and rate experience for fringe benefit and indirect cost for 2010.

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 the oversight grantor agency. The 2010 fringe benefit costs were allocated at a provisional rate of 50.0% of productive direct and indirect labor dollars. The actual fringe benefit cost rate was 61.381%. Per the agreement with ODOT, the provisional rate was adjusted to actual and the adjustment is reflected in the financial statements.

Indirect Costs
Administrative costs are recorded in the general fund as indirect costs and allocated to the special revenue funds in accordance with the approved cost allocation plan, based upon a provisional rate approved by the over-site grantor agency. The 2010 indirect costs were allocated at a provisional rate of 48.47% of direct labor dollars, including fringe benefits. The actual indirect cost rate was 57.775%. Per the agreement with ODOT, the provisional rate was adjusted to actual and the adjustment is reflected in the financial statements.

NOTE 5 CONTINGENCIES

The use of direct federal grant funds and state administered federal grant funds is subject to review and audit by the grantor agencies. Such audits could lead to request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based upon prior experience, management believes that MVRPC will not incur significant losses, if any, on possible grant disallowance.

NOTE 6 INTERFUND ACTIVITY

As of June 30, 2010 there was an Interfund Receivable of $563,740 in the General Fund and an Interfund Payable of $563,740 in the Special Revenue Fund, which represents amounts for grants receivable at June 30, 2010 from various Federal and State grants.

During the year ended June 30, 2010 the General Fund transferred $178,291 to the Grant Fund to provide local matching funds associated with federal grant programs.

NOTE 7 CASH AND INVESTMENTS

Pooled Cash
The Commission's cash balances are held in the Montgomery County Treasury. Cash is held in a demand deposit account that is insured or collateralized by Federal Depository Insurance and by collateral held by a qualified third party trustee.

NOTE 8 DEFINED BENEFIT PENSION PLANS

All of the Commission's full-time employees participate in a cost sharing, multiple employer defined benefit pension plan.

Ohio Public Employees Retirement System (the "OPERS")

The following information was provided by the OPERS to assist the Commission in complying with GASB Statement No. 27, *"Accounting for Pensions by State and Local Government Employers."*

All employees of the Commission, participate in the Ohio Public Employees Retirement System (OPERS), a cost sharing, multiple employer defined benefit pension plan.

A. Ohio Public Employees Retirement System (OPERS) administers three separate pension plans as described below:

1. The Traditional Pension Plan - a cost sharing, multiple-employer defined benefit pension plan.
2. 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 the Member-Directed Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings.
3. The Combined Plan - a cost sharing, multiple-employer defined benefit pension plan. Under the Combined 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.

B. OPERS provides retirement, disability, survivor and death benefits and annual cost-of living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits.

NOTE 8 <u>DEFINED BENEFIT PENSION PLANS</u>-(Continued)

C. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

D. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

E. The Ohio Revised Code provides statutory authority for member and employer contributions. For 2010, member and employer contribution rates were consistent across all three plans. Members in the state and local divisions may participate in all three plans. The 2009-2010 member contribution rates were 10.0% for members in state and local classifications. The 2009-2010 employer contribution rate for state and local employers was 14.00% of covered payroll.

The Commission's required contributions for the periods ended June 30, 2010, 2009, and 2008 were $208,038, $202,780, and $197,777 respectively. In 2003, the Commission implemented a Fringe Benefit Pickup plan for the entire employee contribution for certain classes of employees. The Commission's contributions in 2010 under this plan were $13,864.

NOTE 9 <u>OTHER POST-EMPLOYMENT BENEFITS</u>

A. Ohio Public Employees Retirement System (OPERS) administers 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; and the Combined Plan—a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS provides retirement, disability, and survivor benefits as well as post-employment health care coverage to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post-employment Benefit (OPEB) as described in GASB Statement 45.

A portion of each employer's contribution to OPERS is set aside for the funding of post-employment health care. The Ohio Revised Code provides statutory authority for employer contributions. In 2009, state and local employers contributed at a rate of 14.00% of covered payroll. The portion of employer contributions allocated to health care was 7.00% from January 1 through March 31, 2009 and 5.5% from April 1 through December 31, 2009.

B. The Ohio Revised Code provides the statutory authority requiring public employers to fund post-employment health care through their contributions to OPERS.

C. Summary of Assumptions:

Actuarial Review — The assumptions and calculations below were based on OPERS' latest actuarial review performed as of December 31, 2008.

Funding Method — The individual entry age actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability.

NOTE 9 OTHER POST-EMPLOYMENT BENEFITS-(Continued)

Assets Valuation Method — All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach, assets are adjusted to reflect 25% of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12% corridor.

Investment Return — The investment assumption rate for 2008 was 6.50%.

Active Employee Total Payroll — An annual increase of 4.00%, compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. In addition, annual pay increases over and above the 4.00% base increase, were assumed to range from 0.50% to 6.30%.

Health Care — Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from .50% to 3% for the next 6 years. In subsequent years, (7 and beyond) health care costs were assumed to increase at 4% (the projected wage inflation rate).

D. OPEB is advance-funded on an actuarially determined basis. The following disclosures are required:

1. The Traditional Pension and Combined Plans had 357,584 active contributing participants as of December 31, 2009. The number of active contributing participants for both plans used in the December 31, 2008, actuarial valuation was 356,388.
2. The rates stated above are the actuarially determined contribution requirements for OPERS. The portion of the Commission's employer contributions that were used to fund post-employment benefits can be approximated by multiplying actual employer contributions for the period July 1 through June 30, 2010, by 0.3929 for local government employers, which is approximately $39,782.
3. The amount of $10.7 billion represents the actuarial funding value of OPERS' net assets available for OPEB at December 31, 2008.
4. Based on the actuarial cost method used, the Actuarial Valuation as of December 31, 2008, reported the actuarially accrued liability and the unfunded actuarially accrued liability for OPEB at $29.6 billion and $18.9 billion, respectively.

E. OPERS Retirement Board Implements its Health Care Preservation Plan.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates for state and local employers increased on January 1 of each year from 2006 to 2008. These rate increases allowed additional funds to be allocated to the health care plan.

F. Funding Policy

The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2009, state and local employers contributed at a rate of 14.00% of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for state and local employer units. Active members do not make contributions to the OPEB Plan.

NOTE 9 **OTHER POST-EMPLOYMENT BENEFITS**

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care was 7.00% from January 1 through March 31, 2009 and 5.5% from April 1 through December 31, 2009. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care coverage by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

NOTE 10 **CAPITAL ASSETS**

	Balances at 6/30/09	Additions	Deletions	Balances at 6/30/10
Capital Assets				
Furniture and Fixtures	$ 69,153	-	-	$ 69,153
Equipment	281,262	$5,337	-	286,600
Leasehold Improvements	68,556	-	-	68,556
Total Capital Assets	418,971	5,337	-	424,309
Accumulated Depreciation				
Furniture and Fixtures	$ 51,590	$9,879	-	$ 61,469
Equipment	223,020	29,848	-	252,868
Leasehold Improvements	47,989	13,711	-	61,700
Total Accumulated Depreciation	322,598	53,438	-	376,037
Total Capital Assets, net	$ 96,373	$(48,101)	-	$ 48,272

Accumulated depreciaton for June 30, 2009 was reclassified due to a typographical error in the prior year report.

NOTE 11 **LONG TERM OBLIGATIONS**

The following is a summary of long-term obligations for the year ended June 30, 2010:

	Outstanding 06/30/2009	Increases	Decreases	Outstanding 06/30/2010	Amount Due Within One Year
Compensated absences	$128,148	$189,645	$181,571	$136,222	$20,966
Capital Lease	5,311	-	3,133	2,178	2,178
Total Long Term Obligations	$133,459	$189,645	$184,704	$138,400	$23,144

Obligations will be paid from the fund from which the employees' salaries are paid.

NOTE 12 **PROPERTY AND INSURANCE**

The Commission is exposed to various risk of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2010, the Commission contracted with The Hartford Insurance Company and National Union Fire Insurance Company for the following insurance coverage:

Business personal property	$ 885,800
Computer equipment	200,000
Comprehensive general liability	4,000,000
Valuable papers	200,000
Business auto coverage	2,000,000
Public officials & employee liability	1,000,000

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

Miami Valley Regional Planning Commission

Governmental Funds Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund

For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Grantor Agency	$ 234,187	$ 173,308	$ 143,042	($ 30,266)
Other	48,200	76,396	12,618	(63,778)
Membership Dues	477,269	465,444	465,584	140
Total Revenues	759,656	715,148	621,244	(93,904)
Expenditures:				
Personnel	1,106,945	1,090,964	1,253,855	(162,891)
Contractual	327,428	275,830	84,795	191,035
Other	415,289	423,217	281,381	141,836
Indirect Costs	45,317	65,849	48,842	17,007
Capital Outlays	55,000	52,781	5,337	47,444
Total Expenditures	1,949,979	1,908,641	1,674,210	234,431
Excess of Expenditures Over Revenues	(1,190,323)	(1,193,493)	(1,052,966)	140,527
Other Financing Sources (Uses):				
Transfers-Out	(232,104)	(189,158)	(178,291)	10,867
Cost Allocation Plan Recoveries	1,422,427	1,382,651	1,502,316	119,665
Total Other Financing Sources	1,190,323	1,193,493	1,324,025	130,532
Change in Fund Balances	-	-	271,059	271,059
Fund Balance, July 1	2,676,731	2,676,731	2,676,731	-
Fund Balance, June 30	$ 2,676,731	$ 2,676,731	$ 2,947,790	$ 271,059

Miami Valley Regional Planning Commission

Governmental Funds Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Grant Fund

For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Grantor Agency	$ 3,248,970	$ 3,282,663	$ 2,379,596	($ 903,067)
Other	163,432	159,471	146,552	(12,919)
Total Revenues	3,412,402	3,442,134	2,526,148	(915,986)
Expenditures:				
Personnel	1,683,429	1,375,842	1,295,710	80,132
Contractual	667,676	955,724	231,522	724,202
Other	477,441	487,980	428,611	59,369
Indirect Costs	815,960	811,746	748,596	63,150
Total Expenditures	3,644,506	3,631,292	2,704,439	926,853
Excess of Expenditures Over Revenues	(232,104)	(189,158)	(178,291)	10,867
Other Financing Sources (Uses):				
Transfers-In	232,104	189,158	178,291	(10,867)
Total Other Financing Sources	232,104	189,158	178,291	(10,867)
Change in Fund Balances	-	-	-	-
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	$ -	$ -	$ -	$ -

Miami Valley Regional Planning Commission

Schedule of General Capital Assets

June 30, 2010

Capital Assets	
Furniture and Fixtures	$ 69,153
Equipment	286,600
Leasehold Improvements	68,556
Total Capital Assets	424,309
Less: Accumulated Depreciation	(376,037)
Total Capital Assets, net	$ 48,272

Investment in Capital Assets	
General Fund	$ 354,533
Special Revenue Funds	67,598
Total Investment in Capital Assets	422,131
Less: Accumulated Depreciation	(376,037)
Total Investment in Capital Assets, net	46,094
Less lease liability	
Total Investments in Capital Assets, net of liability	$ 46,094

Miami Valley Regional Planning Commission

Schedule of Fringe Benefit Cost Pool Charges, Rate Base, Final Rate Computation and Current Year's Recovery Comparison

For the Year Ended June 30, 2010

Fringe Benefit Cost Pool Charges:		
Public Employees Retirement System Contributions	$	208,038
Health Insurance Premiums		198,591
Life Insurance Premiums		1,863
Workers' Compensation Premiums		1,735
Unemployment Insurance		2,650
F.I.C.A. (Medicare) Expenses		19,692
Sick Leave Pay		63,122
Holiday Pay		57,792
Vacation, Personal and Other Leave		116,639
Other - ODOT audit adjustment from prior years		9,844
Employee parking		24,907
Total Fringe Benefit Cost Pool Charges	$	704,873
Fringe Benefit Cost Rate Base:		
Salaries	$	1,148,364
Final Fringe Benefit Cost Rate Computation:		
Total Fringe Benefit Cost Pool Charges	$	704,873
Divided By: Total Fringe Benefit Cost Rate Base		1,148,364
Equals - Final Fringe Benefit Cost Rate		61.381%
Current Year's Cost Recovery Comparison:		
Fringe Benefit Costs Recovered @ provisional rate of 50.0%	$	574,182
Fringe Benefits Over Recovered using Provisional Rate		(130,691)
Fringe Benefit Costs Recovered @ final rate of 61.381%		704,873
Total Fringe Benefit Cost Pool Charges		704,873
Final Over (Under) Recovered Costs	$	-

Miami Valley Regional Planning Commission

Schedule of Indirect Cost Pool Charges, Rate Base, Final Rate Computation and Current Year's Recovery Comparison

For the Year Ended June 30, 2010

Indirect Cost Pool Charges:		
Salaries	$	293,091
Allocated Fringe Benefits (61.381%)		179,902
Contractual Services		191,537
Communication and Supplies		12,618
Rents and Rentals		24,911
Utilities		31,621
Travel		425
Maintenance and Repairs		13,608
Other Costs		954
Allowance for Depreciation		47,160
Other - ODOT audit adjustment from prior years		1,612
Total Indirect Costs	$	797,439
Indirect Cost Rate Base:		
Direct Salaries	$	855,273
Allocated Fringe Benefits 61.381%		524,972
Total Indirect Cost Rate Base	$	1,380,245
Final Indirect Cost Rate Computation:		
Total Indirect Cost Pool Charges	$	797,439
Divided By: Total Indirect Cost Rate Base	$	1,380,245
Equals - Final Indirect Cost Rate		57.775%
Current Year's Cost Recovery Comparison:		
Indirect Cost Recovered @ Provisional Rates 50.0% / 48.47%		
Direct Salaries	$	855,273
Direct FB @ provisional rate 50.0%		427,637
Provision rate base		1,282,910
Recovery using Provision rate base		726,640
Over (Under) recovered @ provisional basis		(70,799)
Indirect Cost Recovered @ Provisional Rates 50.0%/ 48.47%		
Direct Salaries		855,273
Direct FB @ actual rate 61.381%		524,975
Provision rate base		1,380,248
Recovery using actual rate base @ 57.775%		797,439
Over (Under) recovered @ actual basis	$	-

Miami Valley Regional Planning Commission
Schedule of Costs for Federal Highway Administration, Ohio Department of Transportation, Department of Labor and Ohio EPA by Work Element
Year Ended June 30, 2010

Work Element	Project Description	Personnel	Fringe Benefits	Contractual	Other	Indirect costs	Total
601	Air Qlty/Access Control FY10	9,174.34	5,631.30		12.10	8,553.96	23,371.70
	Fed & St. Legislation Regs	3,689.64	2,264.74		-	3,440.14	9,394.52
	Safety Study FY09	8,485.13	5,208.26		-	7,911.36	21,604.75
	Safety Study FY10	504.48	309.65		-	470.36	1,284.49
	Transit & HS Trans FY10	32,747.34	20,100.64		453.83	30,532.92	83,834.73
	Urban Freight & Rail	122.92	75.45		-	114.61	312.98
	601 Total	54,723.85	33,590.04	-	465.93	51,023.35	139,803.17
602	Assist. In MISEISIJS-IMS Stu	24,952.81	15,316.28		(7,482.71)	23,265.46	56,051.84
	TIP Project Management	83.94	51.52		(12.54)	78.26	201.18
	TIP Project Management FY09	5,688.38	3,491.58		(1,728.13)	5,303.72	12,755.55
	TIP Project Management FY10	23,871.78	14,652.74		10,007.26	22,257.54	70,789.32
	TIP SFY 08-11 & Admendments	53,158.13	32,628.99		178.63	49,563.51	135,529.26
	602 Total	107,755.04	66,141.11	-	962.51	100,468.49	275,327.15
605	GIS Support	147,751.84	90,691.55		1,567.78	137,760.66	377,771.83
	Transportation Databases FY09	14,097.06	8,652.92		(4,477.68)	13,143.80	31,416.10
	Transportation Databases FY10	52,929.95	32,488.93		15,135.46	49,350.76	149,905.10
	605 Total	214,778.85	131,833.40	-	12,225.56	200,255.22	559,093.03
610	Land Use - STP 2009	25,994.58	15,955.73		50,916.48	24,236.79	117,103.58
	Landuse - STP	1,339.52	822.21		(398.60)	1,248.94	3,012.07
	Landuse - STP FY10				13,495.03		13,495.03
	LRP Suppl Research FY10	61,555.92	37,783.64	7,896.74	4,354.27	57,393.43	168,984.00
	LRP Update FY09	28,305.68	17,374.31		(8,981.08)	26,391.61	63,090.52
	LRP Update FY10	74,145.70	45,511.37		10,443.69	69,131.87	199,232.63
	610 Total	191,341.40	117,447.26	7,896.74	69,829.79	178,402.64	564,917.83
625	Public Involv & MR FY10	31,976.36	19,627.41	587.50	16,958.74	29,814.08	98,964.09
	Public Service	7,437.88	4,565.45		1.65	6,934.92	18,939.90
		39,414.24	24,192.86	587.50	16,960.39	36,749.00	117,903.99
665.11	Senior Trans Serv Mot Co 09	5,307.68	3,257.91	9,955.00	(2,194.19)		16,326.40
	Senior Trans Serv Mot Co FY10	5,091.04	3,124.93	21,670.00	120.00		30,005.97
665.12	Senior Trans Serv GDRTA				2,320.45	9,695.55	12,016.00
665.14	Senior Trans Svc - GDAHA FY08			538.00	-		538.00
	625 Total	10,398.72	6,382.84	32,163.00	246.26	9,695.55	58,886.37
667.1	Rideshare	13,826.37	8,486.76	2,950.00	36,725.05	12,891.41	74,879.59
	Rideshare FY10	14,850.04	9,115.10	10,000.00	166,358.49	13,845.86	214,169.49
	Vanpool Admin.	1,393.20	855.16	50,004.03	55.00	1,298.99	53,606.38
	Vanpool Admin. - FY08			430.93	-		430.93
	WPAFB Project Support				1,405.60		1,405.60
667.2	AQ Awareness Prog FY10	9,233.12	5,667.38		66,661.94	8,608.76	90,171.20
	AQ Awareness Prog. - FY08	77.40	47.51		34.02	72.17	231.10
	AQ Awareness Prog. FY09	13,962.22	8,570.15	12,500.00	53,652.43	13,018.08	101,702.88
	Enhanced AQ Forecasting			28,701.51	-		28,701.51
667.3	Alternative Trans. FY10	27,499.44	16,879.43	500.00	2,307.19	25,639.89	72,825.95
	Alternative Transporation	704.08	432.17		(40.51)	656.47	1,752.21
	Alternative Transportation	108.32	66.49		19.17	101.00	294.98
	Comp Regional Bikeway Plan	1,000.92	614.37		(305.19)	933.23	2,243.33
	Driveless Greater Dayton				222.49		222.49
	Reg. Cooperative Effort FY09	13,928.04	8,549.17		(4,333.19)	12,986.21	31,130.23
	Reg. Cooperative Effort FY10	29,340.92	18,009.75	6,485.00	4,836.48	27,356.85	86,029.00
	Regional Coop. Effort - FY08	231.00	141.79		(26.20)	215.38	561.97
	667 Total	126,155.07	77,435.23	111,571.47	327,572.77	117,624.30	760,358.84
674.12	Public Transit Admin - FTA	20,542.92	12,609.45		44.80	19,153.79	52,350.96
695	Transportation Prog Adm FY10	29,182.88	17,912.74		445.27	27,209.49	74,750.38
697	Trans Annual Report	2,921.85	1,793.46	19,995.00	10.00	2,724.27	27,444.58
901	Pathways Out Of Poverty - NARC / DOL	6,098.40	3,743.26	42,299.46	1,387.95	5,686.02	59,215.09
OEPA	Ohio WQ FPA	13,328.04	8,180.88		181.05	12,426.78	34,116.75
	WQ 604 (b) Activities	9,974.08	6,122.19		334.55	9,299.62	25,730.44
	WQ FPA 604 (b) - ARRA			49,172.00	-		49,172.00
	OEPA Total	23,302.12	14,303.07	49,172.00	515.60	21,726.40	109,019.19
	Grand Totals	826,615.34	507,384.72	263,685.17	430,666.83	770,718.52	2,799,070.58

Officers and Executive Committee
as of June 30, 2010

MVRPC Officers:

Name	Organization	Title
Donald Patterson, Jr., Chair	Kettering	Mayor
John Faulkner, First Vice-Chair	Xenia Twp.	Trustee
Michael Beamish, Second Vice-Chair	Troy	Mayor

Executive Committee Members:

Name	Organization	Title
Mark Adams	PNC Bank	Asst. VP - Branch Mgr.
Alan Anderson	Greene County	Commissioner
Richard Church	Miamisburg	Mayor
Joan Dautel	Fairborn	Mayor
Carol Graff	Beavercreek Twp.	Trustee
Arthur Haddad	Troy Chamber of Commerce	Chairman
Terry Haworth	Darke County	Commissioner
Jerome Hirt, Sr.	Bethel Twp.	Trustee
Phyllis Howard	Beavercreek	Council Member
Matt Joseph	Dayton	Commissioner
Debbie Lieberman	Montgomery County	Commissioner
Phil Parker	Dayton Area Chamber of Commerce	President and CEO
Gerald Peters	Perry Twp.	Trustee
Harold Robinson	West Carrollton	Council Member
Jan Vargo	Huber Heights	Council Member
William Vogt	Piqua	City Commissioner
David Wesler	Preble County	Commissioner
B. Ronald Widener	Miami County	Commissioner

Miami Valley Regional Planning Commission
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2010

Pass-Through Grantor/ Program Title	Grant Number or Description	Federal CFDA Number	Expenditures
U. S. Department of Labor			
Pass-through, National Association of Regional Councils			
Worker Training	Pathways out of Poverty Grant-ARRA	17.275	$ 59,215
U. S. Environmental Protection Agency			
Pass-Through, Ohio Environmental Protection Agency			
ARRA-Water Quality Management Planning	604(b) American Recovery & Reinvestment Act	66.454	$ 49,172
Water Quality Management Planning	604(b) Water Quality Planning Facility Planning Area	66.454	25,730
Total Environmental Protection Agency			$ 74,902
U. S. Department of Transportation			
Pass-Through, Ohio Department of Transportation			
Highway Planning and Construction			
	Consolidated Planning FY 2009	20.205	$ 142,730
	Consolidated Planning FY 2010	20.205	1,027,624
	Rideshare / Van Pool FY 2007	20.205	53,622
	Rideshare FY 2008-09	20.205	75,295
	Rideshare FY 2010	20.205	214,169
	Atlernative Trans & Air Qlt Aware FY 2007-08	20.205	828
	Atlernative Trans & Air Qlt Aware FY 2009	20.205	104,479
	Atlernative Trans & Air Qlt Aware FY 2010	20.205	190,521
	Supplemental Planning	20.205	367,353
	Landuse Transp. Plans	20.205	16,507
Total Highway Planning and Construction			$ 2,193,128
Public Transit Human Services Trans. Plan	Job Access and Reverse Commute	20.516	$ 32,316
	New Freedom	20.521	20,035
Total Public Transit Human Services Trans. Plan			$ 52,351
Total Department of Transportation			$ 2,245,479
Total Expenditures of Federal Awards			$ 2,379,596

Note: This Schedule of Expenditures of Federal Awards was prepared using the accrual basis method of accounting.

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Cleveland, OH 44113-1306

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

Office phone - (216) 575-1630
Fax - (216) 436-2411

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

Miami Valley Regional Planning Commission
Montgomery County
One South Main Street
Dayton, Ohio 45402

To the Members of the Board of Directors:

We have audited the financial statements of the governmental activities and each major fund of the Miami Valley Regional Planning Commission, Montgomery County, Ohio (MVRPC) as of and for the year ended June 30, 2010, which collectively comprise the MVRPC's basic financial statements as listed in the table of contents, and have issued our report thereon dated December 20, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 the MVRPC'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 opining on the effectiveness of the MVRPC's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the MVRPC's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the MVRPC's financial statements will not be prevented or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the MVRPC's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grant 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 or other matters 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, the Board of Directors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Charles E. Harris and Associates, Inc.
December 20, 2010

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INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Miami Valley Regional Planning Commission
Montgomery County
One South Main Street
Dayton, Ohio 45402

To the Members of the Board of Directors:

Compliance

We have audited the compliance of the Miami Valley Regional Planning Commission (MVRPC) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to each of its major federal programs for the year ended June 30, 2010. The summary of auditor's results section of the accompanying schedule of findings identifies the MVRPC's major federal programs. The MVRPC's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the MVRPC's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the MVRPC's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the MVRPC's compliance with those requirements.

In our opinion, the Miami Valley Regional Planning Commission MVRPC complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

The MVRPC's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the MVRPC's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of opining on compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the MVRPC's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

We intend this report solely for the information and use of the audit committee, management, the Board of Directors, federal awarding agencies and pass-through entities. It is not intended for anyone other than these specified parties.

CHARLES E. HARRIS & ASSOCIATES, INC.
December 20, 2010

SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 SECTION .505

MIAMI VALLEY REGIONAL PLANNING COMMISSION
MONTGOMERY COUNTY
June 30, 2010

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	*Type of Financial Statement Opinion*	Unqualified
(d)(1)(ii)	*Were there any material weaknesses reported at the financial statement level (GAGAS)?*	No
(d)(1)(ii)	*Were there any significant deficiencies reproted at the financial statement level/(GAGAS)?*	No
(d)(1)(iii)	*Was there any reported material non-compliance at the financial statement level (GAGAS)?*	No
(d)(1)(iv)	*Were there any material weaknesses reported for major federal programs?*	No
(d)(1)(iv)	*Were there any significant deficiencies reported for major federal programs?*	No
(d)(1)(v)	*Type of Major Programs' Compliance Opinion*	Unqualified
(d)(1)(vi)	*Are there any reportable findings under Section .510*	No
(d)(1)(vii)	*Major Programs:*	CFDA #20.205 Highway Planning and Construction
(d)(1)(viii)	*Dollar Threshold: Type A\B Programs*	$300,000
(d)(1)(ix)	*Low Risk Auditee?*	Yes

MIAMI VALLEY REGIONAL PLANNING COMMISSION
MONTGOMERY COUNTY
June 30, 2010

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

SCHEDULE OF PRIOR AUDIT FINDINGS

The prior audit report, for the year ended June 30, 2009, reported no material citations or recommendations.

Dave Yost • Auditor of State

MIAMI VALLEY REGIONAL PLANNING COMMISSION

MONTGOMERY 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
MARCH 3, 2011

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